

The VOTE Textbook

Student Notes

Chapter 6: Radical Theory

Opening Story: Micah White and Occupy Wall Street

Four Types of Ownership in Democratic Socialism

1. Public
2. Community
3. Nonprofit
4. Cooperative

Cooperative ownership: Cooperatives (co-ops, for short) are jointly owned and democratically run enterprises.

Four Types of Co-ops

1. Worker
Workers own the firm.
2. Consumer
Consumer members own the company.
3. Producer/Marketing
Independent owners come together under one label to market their products.
4. Purchasing/Retail
Independent owners come together under one label to purchase inputs.

Radical Theory Assumptions

- i. Surplus
For any society to survive, those who produce must produce a surplus.

ii. Class Process

Societies differ in the production, appropriation, and distribution of the surplus.

iii. Dynamic Interactions over Surplus

There is a constant struggle to control the surplus.

Radical Theory Model: Capitalism

Radicals represent their holistic view of the economy using a three-dimensional model that looks like a Rubik's Cube.

Radicals use six-core cubes to model capitalism and democratic socialism. Both cubes revolve around six fixed ("core") points that are central to all economic systems.

Six core points of every economic system:

1. Ownership
2. Governance
3. Meeting people's material needs
4. Production
5. Sustainability
6. Communities

Radical Theory Model i: Surplus

Labor Theory of Value

The source of surplus value is the worker's unpaid labor.

Example: Chocolate (bags per day)

Owner (capitalist) hires a factory worker	\$20/hour
Productive worker works 10 hours	\$200
Costs (raw materials, capital, support workers, owner's pay)	\$3,000
Final product	\$10/bag
400 bags per day	\$4,000
Surplus value (source of surplus value is unpaid labor)	\$800

\$200

(Necessary Labor)

\$800

(Surplus Value, controlled by the private owner)

Radical Theory Model ii: The Class Process

Workplace Exploitation

Owners steal surplus from wage laborers.

<u>Production of surplus:</u>	Laborer-Worker-Proletariat	} "Exploitation"
<u>Appropriation of surplus:</u>	Capitalist-Owner-Bourgeoisie	

Exploitation

The process by which the surplus is stolen by the owner from the laborer.

Distribution of Surplus:

- Direct Exploiter:
 - *Owners—bonuses and perks
- Indirect Exploiters:
 - *Managers
 - *Lawyers
 - *Accountants
 - *Politicians
 - *Lobbyists

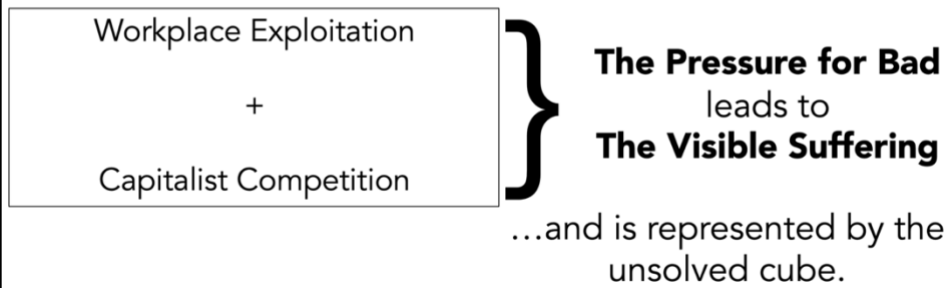
Radical Theory Model iii: Dynamic Interactions over Surplus

Capitalist Competition

Owners must make harmful decisions to survive.

- ✓ Owners compete with other owners to maximize profit.
- ✓ To survive, owners do whatever is necessary to maximize profits.
- ✓ Owners are not necessarily bad people; they are people stuck in a bad system.

Radical Theory Model Summary: Capitalism



The (Unsolvable)
Six-Core Cube of Capitalism

1. Private Ownership
2. Top-Down Governance
3. Individuals at Risk
4. Production for Profit
5. Unsustainable Growth
6. Unhealthy Communities



Why unsolvable?
It is built around six core points that are rotten to the core!

The Visible Suffering of Capitalism

- Hunger and malnourishment
- Harmful products
- Mass poverty
- Homelessness
- Extreme income inequality
- Pollution and climate crisis
- Inaccessible, low-quality health care
- Destructive market domination
- Impoverished elders
- Exploding public and private debt
- Damaging trade relationships
- High prices and no jobs

Radical theorists say that even aliens visiting from outer space would see all the harm that comes from capitalism. They say that it is impossible to understand why the visible suffering exists when clearly our lovely blue-green planet has everything necessary to provide for everyone's basic human needs.

Radical Theory Conclusions: Capitalism

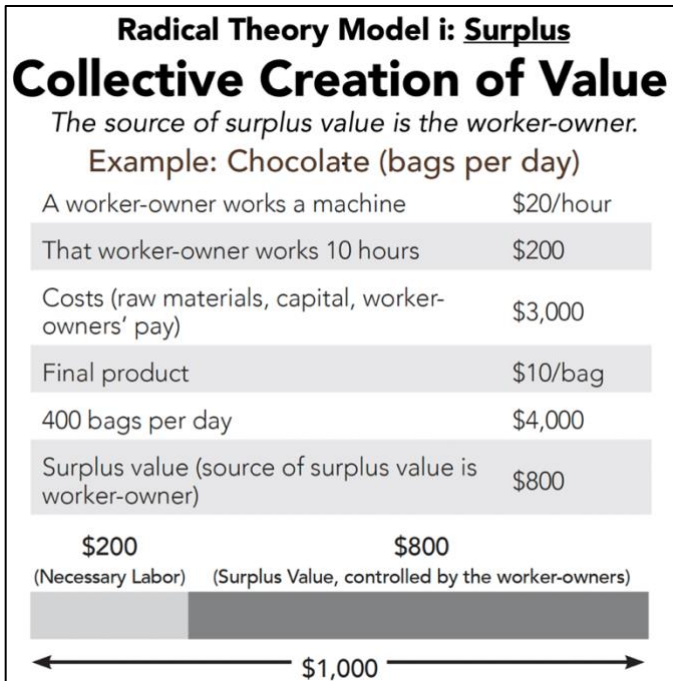
- i. What to Produce?
Firms make what serves their profit interests.
- ii. How to Produce?
Firms maximize output, but at an unacceptable cost to society.
- iii. For Whom to Produce?
Firms' products go to those who directly or indirectly exploit others.

Alienation

In capitalism, workers are...

- alienated from the fruits of their labor.
- alienated from one another.
- alienated from the decisions the firms make about production.
- alienated from their ability to contribute meaning, beauty, and usefulness to the world.

Radical Theory Model: Democratic Socialism



Radical Theory Model ii: The Class Process

Workplace Justice

Workers make, take, and distribute the surplus using a democratic process.

<u>Production of surplus:</u>	Worker-Owners	} Same people (No exploitation)
<u>Appropriation of surplus:</u>	Worker-Owners	

Distribution of surplus:

- Worker-Owners
 - *Wages
 - *Benefits, bonuses, and perks
- Firms
 - *Reinvestment
 - *Lawyers, accountants, consultants
- Community
 - *Provision of basic needs (health care, education, elder care)
 - *Infrastructure (roads, bridges, water, sewage, telecommunications)

Radical Theory Model iii: Dynamic Interactions over Surplus

Coordination Among Competitors

Everyone is interconnected, so well-being depends on everybody's success.

- ✓ Worker-owners live in the communities where they work and aspire to make profit, but profit is not the most important consideration.
- ✓ Worker-owned firms compete in markets while recognizing their mutual interests, which leads them also to coordinate with competitors, to everyone's benefit.
- ✓ Owners are not necessarily good people; they are people stuck in a good system.

Radical Theory Model Summary: Democratic Socialism

Workplace Justice

+

Coordination Among Competitors

}

The Pressure for Good

leads to

The Invisible Synergy

...and is represented by
the solved six-core cube.

The (Solvable) Six-Core Cube of Democratic Socialism

1. Cooperative Ownership
2. Participatory Governance
3. Social Safeguards
4. Production for Use
5. Sustainable Development
6. Healthy Communities



Why solvable?

It is built around six core points that are beneficial to the core!

The Invisible Synergy of Democratic Socialism

- Abundant, healthy food
- Safe and helpful products
- Prosperity
- Housing for all
- Equitable income distribution
- Clean environment
- Universal, first-rate health care
- Fair and positive competition
- Secure and dignified retirement
- A thriving, debt-free society
- Mutually beneficial trade relationships
- Jobs and stable prices



Radical theorists say that aliens visiting from outer space would see all the good that comes from democratic socialism. They say our lovely blue-green planet has everything necessary to provide for everyone's wants and needs,

and with democratic socialism humans have found a way to share in the bounty, to the benefit of all.

VOTE Six-Core Cube Guide Instructions

Here is a tool to help you analyze the news from the radical perspective. Have a blank Six-Core Cube Guide ready and then follow these instructions to fill it in.

VOTE Six-Core Cube Guide

<p>Capitalism</p> <p>A. Name the problem.</p>  <p>B. Identify the relevant core point.</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Six Core Points of Capitalism</p> <ul style="list-style-type: none"> <input type="checkbox"/> Private Ownership <input type="checkbox"/> Top-Down Governance <input type="checkbox"/> Individuals at Risk <input type="checkbox"/> Production for Profit <input type="checkbox"/> Unsustainable Growth <input type="checkbox"/> Unhealthy Communities </div> <p>C. Summarize the meaning of that core point.</p> <p>D. Reveal the visible suffering (outcome).</p>	<p>Democratic Socialism</p> <p>A. Name the problem.</p>  <p>B. Identify the relevant core point.</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Six Core Points of Democratic Socialism</p> <ul style="list-style-type: none"> <input type="checkbox"/> Cooperative Ownership <input type="checkbox"/> Participatory Governance <input type="checkbox"/> Social Safeguards <input type="checkbox"/> Production for Use <input type="checkbox"/> Sustainable Development <input type="checkbox"/> Healthy Communities </div> <p>C. Summarize the meaning of that core point.</p> <p>D. Reveal the invisible synergy (outcome).</p>
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A. Read the article and name a problem that it addresses. Write your answer in line A.

B. Identify the core points that are most relevant to this problem. Although every core point is relevant, choose the one you believe best explains which commitment led to the problem and which leads to the solution.

Six Core Points of Capitalism

- Private Ownership
- Top-Down Governance
- Individuals at Risk
- Production for Profit
- Unsustainable Growth
- Unhealthy Communities

Six Core Points of Democratic Socialism

- Cooperative Ownership
- Participatory Governance
- Social Safeguards
- Production for Use
- Sustainable Development
- Healthy Communities

Continue to next page

C. Summarize the meaning of the relevant core points. Use these words or your own to describe what those core points mean.

CORE POINT	CAPITALISM SUMMARY
Private Ownership	Owners pay workers less than the value of what they produce and keep the profits for themselves.
Top-Down Governance	Decision-making is left in the hands of a few elected officials and bureaucrats, and people don't have a real say.
Individuals at Risk	There is no guarantee that basic material needs will be met, so people live in fear about their well-being.
Production for Profit	Firms make things that bring them the most profit, regardless of whether those products are necessary, useful, or beneficial.
Unsustainable Growth	Society uses up resources without considering how those decisions will affect people in the future.
Unhealthy Communities	Firms disregard the ways their decisions harm communities and the environment here and around the globe.

CORE POINT	DEMOCRATIC SOCIALISM SUMMARY
Cooperative Ownership	People are joint owners of their firms and make decisions through a fair process of one person, one vote.
Participatory Governance	Decisions are made by community councils of diverse stakeholders who represent our collective best interests.
Social Safeguards	Meeting everyone's basic material needs is everyone's guaranteed right and responsibility.
Production for Use	Firms make things that improve people's lives, rather than producing only to make a profit.
Sustainable Development	Society uses resources wisely today and protects them for future generations.
Healthy Communities	Firms intentionally make decisions that benefit communities and the environment here and around the globe.

D. Reveal the visible suffering of capitalism and the invisible synergy of democratic socialism. Choose the relevant outcomes. There is no absolutely correct answer, but give it some thought. You may also write in an outcome that is not on the list.

- The Visible Suffering of Capitalism**
- Hunger and malnourishment
 - Harmful products
 - Mass poverty
 - Homelessness
 - Extreme income inequality
 - Pollution and climate crisis
 - Inaccessible, low-quality health care
 - Destructive market domination
 - Impoverished elders
 - Exploding public and private debt
 - Damaging trade relationships
 - High prices and no jobs
 - Other

- The Invisible Synergy of Democratic Socialism**
- Abundant, healthy food
 - Safe and helpful products
 - Prosperity
 - Housing for all
 - Equitable income distribution
 - Clean environment
 - Universal, first-rate health care
 - Fair and positive competition
 - Secure and dignified retirement
 - A thriving, debt-free society
 - Mutually beneficial trade relationships
 - Jobs and stable prices
 - Other

VOTE Six-Core Cube Guide Example

US taking steps to ban junk food from school

THE NEW YORK TIMES

WASHINGTON—The Obama administration will begin a drive this week to expel Pepsi, french fries and Snickers bars from the nation's schools in hopes of reducing the number of children who get fat during their school years.

In legislation soon to be introduced, candy and sugary beverages would be banned, and many schools would be required to offer more nutritious fare.

To that end, Agriculture Secretary Tom Vilsack will deliver a speech today at the National Press Club in which he will insist, according to excerpts provided to the New York Times, that any vending machines that remain in schools be "filled with nutritious offerings to make the healthy choice the easy choice for our nation's children."

First lady Michelle Obama said last month that she would lead an initiative to reduce childhood obesity, and her involvement "shows the importance all of us place on this issue," Vilsack said.

Courtesy of the Arizona Daily Star

Capitalism

A. Name the problem.
Childhood Obesity



B. Identify the relevant core point.

Six Core Points of Capitalism

- Private Ownership
- Top-Down Governance
- Individuals at Risk
- Production for Profit
- Unsustainable Growth
- Unhealthy Communities

C. Summarize the meaning of that core point.
Firms make things that bring them the most profit, regardless of whether those products are necessary, useful, or beneficial.

D. Reveal the visible suffering (outcome).
Destructive Market Domination

Democratic Socialism

A. Name the problem.
Childhood Obesity



B. Identify the relevant core point.

Six Core Points of Democratic Socialism

- Cooperative Ownership
- Participatory Governance
- Social Safeguards
- Production for Use
- Sustainable Development
- Healthy Communities

C. Summarize the meaning of that core point.
Firms make things that improve people's lives, rather than producing only to make a profit.

D. Reveal the invisible synergy (outcome).
Fair and Positive Competition

Radical Theory Policy: Democratic Socialism

- i. What to Produce?
Firms make what people want and need.
- ii. How to Produce?
Firms anchor communities and produce sustainably.
- iii. For Whom to Produce?
Firms' products go to worker-owners, firms, and the community.

Connection

In democratic socialism, workers are...

- connected to the fruits of their labor.
- connected to one another.
- connected to the decisions their firms make about production.
- connected to their ability to contribute meaning, beauty, and usefulness to the world.

Radical Theory Policy

- Reject capitalism.
- Embrace democratic socialism.
 - The common good

