

Trade and ParEcon¹

Questions & Answers

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How would international trade work in and among parecons? What reason would there be for a national parecon of, say, British Columbia and Alberta (combined), which would be self-sufficient in almost everything, to give oil to primarily agricultural areas like Saskatchewan and Manitoba?

Think of two parecon societies. What is the relevant "index" difference if we were to compare? Well, regarding the economy – there may be many non-economic differences, of course – the first thing to look at would be the balanced job complexes in each society. Is one superior in its qualities to the other? The second thing would be the per-capita consumption bundle? Is one better than the other? In assessing this, of course, one has to include how long people work. There is no moral justification I can think of for one country having better circumstances than another, so I think a parecon attitude in this realm is to have exchange rates, which, over time, facilitate equalization. There are many ways to envision trading between two such countries, even in accord with this norm (which could be pursued more or less quickly, etc.) or between either and a non-parecon country, for that matter.

Two parecon countries could, in essence, treat each other as large units in a single larger economic entity. They could, alternatively, be quite independent and trade items with the valuations being that of either one country, or the other, or set by some agreed standard, or according to the international rate of exchange, for that matter. The rule could be – I like this one – that such trade occurs at valuations of the country whose valuations yield better outcomes for the economy that is less developed. A similar rule could exist for trade with non-parecons. Thus, the parecon trades at the going international exchange rates, or at the prices of the trade partner, or at its own indicative prices, whichever benefits the nonparecon economy.

Would there be structural incentives for these two areas to amalgamate, or would the West see the prairies as just millions more consumers with nothing much to add to the West's standard of living?

This is one problem of parecon, I suppose. If you draw the border around a rich region, then it will have high incomes and wonderful job complexes. A poor region will be the opposite. The commitment to equalize life conditions and opportunities is just that, a commitment, not a structural imperative, even with parecon. There is no system I know of for which this doesn't hold, however. Maybe someone can come up with one. I don't know anything about the areas you mention, and can't even hazard a guess...

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¹ Participatory Economics

² From forum posts by Michael Albert and Robin Hahnel