

Imagining “Soviet” for the 21th Century in Munich

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Introduction

It is a great honor to be invited to speak in the opening session in Munich. It is also a great challenge, intellectually and morally, to reflect upon the significance of the October revolution at its centenary. How can anyone seriously reimagine the “soviet” for the 21th century after the collapse of the Soviet Union? My starting point is Hannah Arendt’s observation that the original meaning of “soviet” is “council” and there was a connection between the “councils” of 1905 and 1917 revolutions in Russia and the “Rätesystem” of 1918-1919 revolution in Germany. As she put it,

“the year 1905, when the wave of spontaneous strikes in Russia suddenly developed a political leadership of its own, outside all revolutionary parties and groups, and the workers in the factories organized themselves into councils, soviets, for the purpose of representative self-government; the

February Revolution of 1917 in Russia, when ‘despite different political tendencies among the Russian workers, the organization itself, that is the soviet, was not even subject to discussion’; the years 1918 and 1919 in Germany, when, after the defeat of the army, soldiers and workers in open rebellion constituted themselves into Arbeiter-und Soldatenräte, demanding, in Berlin, that this Rätesystem become the foundation stone of the new German constitution, and establishing, together with the Bohemians of the coffee houses, in Munich in the spring of 1919, the short-lived Bavarian Räterepublik”¹

Intrigued by Arendt’s discussion of the Bavarian Räterepublik, I have immersed myself in the forgotten events of the 1918-1919 revolution in Munich. At the risk of oversimplification, I’d like to highlight several aspects of the Bavarian Räterepublik which are most relevant for our current interests in searching for the alternatives to the dominant forms of political economy today.

First, the Munich Revolution gave impetus to pro-republican forces in the Northern Germany. On November 7 ,1918, Kurt Eisner led the demonstration in Munich which almost effortlessly overthrew the Wittelsbach dynasty in the name of the Council of Workers and Soldiers and proclaimed the establishment of the Bavaria Republic. This gave no

excuse for the William II not to abdicate according to American President Wilson's demand, since the Kaiser used to say that his abdication would upset traditional monarchical states of Southern Germany.² Three days latter, on November 10, the Republic was proclaimed for the whole Germany in Berlin.

Second, "Councils" ("soviets") had a wide intellectual support at the time. For example, Max Weber valued "the unassuming realism of the simple people, including many soldiers" and he became a member of the Heidelberg's workers and soldiers "soviet"³ . However, when Edgar Jaffé, Kurt Eisner's Minister of Finance of the Bavaria Republic, invited Weber to join the Munich government, he refused for personal reasons. Both Weber brothers were secret admirers and lovers of Else von Richthofen, the wife of Edgar Jaffé and the first female factory inspector in Germany.⁴

Third, according to Arendt, the Greek city-states, Thomas Jefferson's "elementary republic", the Parisian Communes (in 1789 and 1871) , the Swiss Räte , "soviets" in the 1905 and 1917 Russian Revolutions as well as the Bavarian Räterepublik in 1919 are all " a new public space for freedom which was constituted and organized during the the course of the revolution itself"⁵. The debates on the relationship between "councils" and "parliament" in the Bavarian Räterepublik still has strong implications for

today's search for democratic innovation. I will draw on Terrill Bouricius' new design of democratic system based on the mix of voluntariness, sortition and election. As a head of the City Council of Burlington, Bouricius was a close friend of the US Presidential Candidate Bernie Sanders who was the Mayor of the city at the time and Bouricius' proposal can be argued as a 21th century version of "soviet"⁶.

Fourth, after the assassination of Eisner, the complicated events led to Silvio Gesell's appointment as the Minister of Finance of Bavarian Räterepublik, whose idea of "stamped money" is still key to our understanding of today's global financial crisis, especially the strange phenomena of "negative nominal interest rate" of the European Central Bank from 2014. Keynes once said, "Gesell's chief work is written in cool and scientific terms, although it is run through by a more passionate and charged devotion to social justice than many think fit for a scholar. I believe that the future will learn more from Gesell's than from Marx's spirit".⁷

In the rest of this talk, I will elaborate on the above aspects of the Bavarian Räterepublik, especially in light of Hannah Arendt's theory of "council democracy" and Silvio Gesell's monetary theory. The overall message is that searching for institutional innovations, rather than marginal adjustment through "tax and transfer", should be the spirit of this 100-year

anniversary of the “October Revolution”.

Council and/or Parliament: Eisner and Arendt

The most important and controversial issue of the Munich Revolution in 1918-1919 was the relationship between the newly emergent “councils” (“soviets”) and the conventional representative institutions, namely, “parties” and “parliaments”. As Arendt observed, parliament was closely associated with the conventional political parties,

“The conflict between the two systems, the parties and the councils, came to the fore in all twentieth-century revolutions. The issue at stake was representation versus action and participation. The councils were organs of action, the revolutionary parties were organs of representation, and although the revolutionary parties halfheartedly recognized the councils as instruments of ‘revolutionary struggle’, they tried even in the midst of revolution to rule them from within; they knew well enough that no party, no matter how revolutionary it was, would be able to survive the transformation of the government into a true Soviet Republic.”⁸ She added, “The name ‘Soviet Union’ for post-revolutionary Russia has been a lie ever since, but this lie has also contained, ever since, the grudging admission of the overwhelming popularity, not of the Bolshevik party, but

of the soviet system which the party reduced to impotence.”⁹

On November 7, 1918, the day revolution broke out, the Council of Workers (RAR) was elected in Munich’s Mathäserbräu with the leadership of Kurt Eisner. Naturally, this was the most active, voluntary group of revolutionaries. However, their representativeness was challenged on November 14 by the city-wide Munich Workers Council (MAR). MAR forced RAR to accept that:

“1)The membership of the RAR would be limited to fifty; 2) the RAR would join with the 550 delegates of the MAR; and 3) from this body a new Central Workers' Council would be elected; of its fifty members, ten could be appointed by the RAR as representatives of those who have magnificently assisted at the peak of the revolution.”¹⁰

If there was a conflict among workers who participated directly to overthrow the Bavaria monarchy on November 7, 1918 and who did not but nevertheless should be represented in the new regime, the conflict between the workers council and the parliament (requiring holding the National Assembly to form) was even stronger.

From today’s perspective of searching for democratic innovation, Eisner’s view on the coexistence of council and parliament is most interesting. As the leader of the Independent Socialist Party in Munich, Eisner argued against the Social Democratic Party’s local leader Erhard Auer who wanted to replace the council with the parliament immediately.

At first, Eisner argued that the council should at least exist for one-year after revolution:

“We cannot eliminate them now, or else we will have Bolshevism. . . . For the time being they are a sensible arrangement. [I am] therefore also an opponent of the immediate convocation of the National Assembly. The people must be allowed to express themselves. For the transition period—that is, at least one year—this organization should remain. Whether the inner transformation will succeed is the question”¹¹ .

However, Eisner moved on to argue for supplementing the parliament by the council as a permanent institution in the new regime:

“We do not want to create a formal electoral democracy in which a slip will be thrown into the ballot box every three to five years and then everything will be left to the leaders and representatives. [That] is actually the opposite of a democracy. The new democracy should be such that the masses themselves directly and continuously assist in the affairs of the commonwealth. . . . The restitution of parliamentarianism in the old style means the elimination of the councils of workers, soldiers, and peasants. This I will attempt to prevent so long as I have the power to do so”¹²

Arendt had more hope for council democracy than Eisner. Writing in

1963, she thought that council democracy “spell the end of general suffrage as we understand it today”¹³. Arendt traced the idea of council (soviet) even back to Thomas Jefferson¹⁴. In a letter written on June 5, 1824, Jefferson wrote,

“the question was how to make everybody feel that he is a participator in the government of affairs, not merely at an election one day in the year, but every day; when there shall not be a man in the State who will not be a member of some one of its councils, great or small, he will let the heart be torn out of his body sooner than his power wrested from him by a Caesar or a Bonaparte”¹⁵

For Arendt, the fact Jefferson wrote this letter toward the end of his life was significant. It meant that Jefferson still had not distinguished clearly private and public happiness when he wrote “life, liberty and pursuit of happiness” into the Declaration of Independence in 1776. Only in his late life, he realized that “elementary republics”, namely, “ward system” (i.e., “subdivision of the counties into wards”), was the public space where the people can actively participate in government of themselves. By linking Jefferson’s “elementary republics” with “councils” (soviets), Arendt was able to develop her vision of the system of council democracy without parliament as follows:

“With respect to the elementary councils that sprang up wherever people lived or worked together, one is tempted to say that **they had**

selected themselves (my emphasize); those who organized themselves were those who cared and those who took the initiative; they were the political élite of the people brought into the open by the revolution. From these ‘elementary republics’, the councilmen then chose their deputies for the next higher council, and these deputies, again, were selected by their peers, they were not subject to any pressure either from above or from below. Their title rested on nothing but the confidence of their equals, and this equality was not natural but political, it was nothing they had been born with; it was the equality of those who had committed themselves to, and now were engaged in, a joint enterprise. Once elected and sent in the next higher council, the deputy found himself again among his peers, for the deputies on any given level in this system were those who had received a special trust”¹⁶.

Here, Arendt’s key phrase is “they had selected themselves”. As if she were giving rebuttal against Erhard Auer on behalf of Kurt Eisner in Munich in 1919, Arendt continued,

“for only those who as voluntary members of an ‘elementary republic’ have demonstrated that they care for more than their private happiness and are concerned about the state of the world would have the right to be heard in the conduct of the business of the republic. However, this exclusion from politics should not be derogatory, since a political élite is by no means identical with a social or cultural or professional élite. The exclusion,

moreover, would not depend upon an outside body; if those who belong are self-chosen, those who do not belong are self-excluded. And such self-exclusion, far from being arbitrary discrimination, would in fact give substance and reality to one of the most important negative liberties we have enjoyed since the end of the ancient world, namely, freedom from politics, which was unknown to Rome or Athens and which is politically perhaps the most relevant part of our Christian heritage”¹⁷

Arendt’s discussion of “self-chosen” of council members and “self-excluded” of other citizens are insightful, though it still does not fully answer the argument for parliament based on representativeness through elections. Even though there are 8000 councils in Bavaria in 1918-1919¹⁸, their self-chosen nature made them worrying about their representativeness. It was revealing that in the end of February 1919, the councils congress in Munich voted by a ballot of 234-70 to defeat the motion that “Bavaria be declared a socialist soviet republic”.¹⁹ On March 8 1919, the council congress reached the agreement with the various political parties in Munich that the councils would not have direct legislative and executive authorities, but would have the right to demand a referendum on any action of the parliament (Landtag).²⁰

It seems to me that this practical solution on the relationship between the councils and the parliament in Munich was innovative and hold the

important lessons for today. The councils and the parliament should be supplement, rather than substitute, to each other. The question is: what the concrete form of the relationship between the two should take in the 21th century?

Terrill Bouricius' Design of "Soviets": Lot, Election and Voluntariness

Though it may be surprising to see Arendt in 1963 more "radical" than Eisner in 1919 in insisting the pure council democracy rather than the mix of council and parliament²¹, there is indeed a long democratic tradition which is skeptical about election. Albert Hirschman, who helped Arendt to escape from the Nazi Germany to US, argued that universal suffrage (for males), originated in April 1948 in France, was a conservative devise: "the vote represented a new right of the people, but it also restricted its participation in politics to this particular and comparatively harmless form"²².

Indeed, as an admirer of the Greek city-state democracy, Arendt could have argued that selection of officials by lot (sortition), rather than election, is a more appropriate way of representation of the people. As nicely summarized by Adam Przeworski, the Athenian democracy was characterized by selection by lot: "6,000 jurors were picked by lot at the

beginning of each year and from those as many as needed were picked by lot on a given day. About 540 magistrates, who had to prepare decisions of the Council and implement them, were picked by lot for a year and could not hold the office more than once (or at most a few times). Members of the Council of 500 were chosen by lot for one year from among those who presented themselves and could hold the office at most twice in their life, but not in consecutive years. Finally, the ceremonial office of the *epistates*, who held the seal of Athens and the keys of the treasuries and represented Athens in relation to other states, could be held for only one night and one day in one's life"²³.

However, selection of officials by lot was gradually replaced by election. As observed by Bernard Manin, the so-called Q.O.T. (*Quod omnes tangit*) principle of the Roman law played an important role:

“In the Middle Ages, the use of election went hand in hand with the invocation of a principle that, according to all evidence, crucially affected the history of Western institutions. This was the principle of Roman origin: *Quod omnes tangit, ab omnibus tractari et approbari debet* ("What touches all should be considered and approved by all")"²⁴

The principle of Q.O.T., reinforced by the natural rights theories, led to the modern view that all legitimate authority must be derived from the consent of the governed. Lot was replaced by election because it was not based on consent:

“Once the source of power and the foundation of political obligation had been located in this way in the consent or will of the governed, lot and election appeared in a completely new light. However lot is interpreted, whatever its other properties, it cannot possibly be perceived as an expression of consent...In a system based on lot, even one in which the people have once agreed to use this method, the persons that happen to be selected are not put in power through the will of those over whom they will exercise their authority; they are not put in power by anyone. Under an elective system, by contrast, the consent of the people is constantly reiterated. Not only do the people agree to the selection method - when they decide to use elections - but they also consent to each particular outcome - when they elect. If the goal is to found power and political obligation on consent, then obviously elections are a much safer method than lot”²⁵.

However, the consent theory of legitimate authority does not change the fact that election is a less effective way of representation (understood as the similarity between representatives and represented) than selection by lot. As Manin nicely put it: “Aristotle, Montesquieu, and Rousseau all stated that elections were intrinsically aristocratic. They did not think that the aristocratic effect derived from the circumstances and conditions in which the elective method was employed; they believed it resulted from the very nature of election”²⁶. The nature of election is that candidates are

judged by their distinctions (ability, wealth, beauty, etc.), since the election on the basis of average qualities of the population is a logical impossibility. Hence, the aristocratic nature of the election ensues.

If we want to improve today's democratic practice which is mainly based on election, we need to reintroduce the elements of lot in combination with election. Interestingly, we already see some versions of this combination in operation. For example, The Convention on the Constitution was established in Ireland in 2012 to discuss proposed amendments to the constitution. It had 100 members: 1 chairman, 29 members of the parliament, 4 representatives of Northern Ireland Political parties, and 66 randomly selected citizens of Ireland. "On 22 May 2015 the people of Ireland voted in a national referendum in favor of a change to the constitution that would allow gay marriage. The Yes camp received no less than 62% of the votes. The referendum was held after the Constitutional Convention recommended changing the constitution in this respect by a majority of 79%."²⁷

But the selection by lot (sortition) still face the problem of voluntariness (self-selection). As is well-known from the random selection of jury, some jurors are not really interested in serving, since sometimes a criminal case takes a whole year to decide. Here, the positive lesson of councils (soviets) is relevant: self-selection of public-spirited people (at least about some specific public issues) must have some public space to

participate in self-government continuously, not only in election times. As Arendt well put it about the self-selection of the councils (soviets),

“It would be tempting to spin out further the potentialities of the councils, but it certainly is wiser to say with Jefferson, ‘Begin them only for a single purpose; they will soon show for what others they are the best instruments’—the best instruments, for example, for breaking up the modern mass society, with its dangerous tendency toward the formation of pseudo-political mass movements, or rather, the best, the most natural way for interspersing it at the grass roots with an ‘élite’ that is chosen by no one but constitutes itself. The joys of public happiness and the responsibilities for public business would then become the share of those few from all walks of life who have a taste for public freedom and cannot be ‘happy’ without it. Politically, they are the best, and it is the task of good government and the sign of a well-ordered republic to assure them of their rightful place in the public realm”²⁸.

As we have seen above, the mature thinking of Arendt admits the legitimacy of self-exclusion as negative liberties of modern citizens, she only demands that self-chosen have a public space to participate in government, so that “pseudo-political mass movements” (such as today’s right-wing populists all over the world) can be avoided. So, the task of democratic innovation in the 21st century is to combine election (respecting for the consent of the governed), sortition (selection by lot to

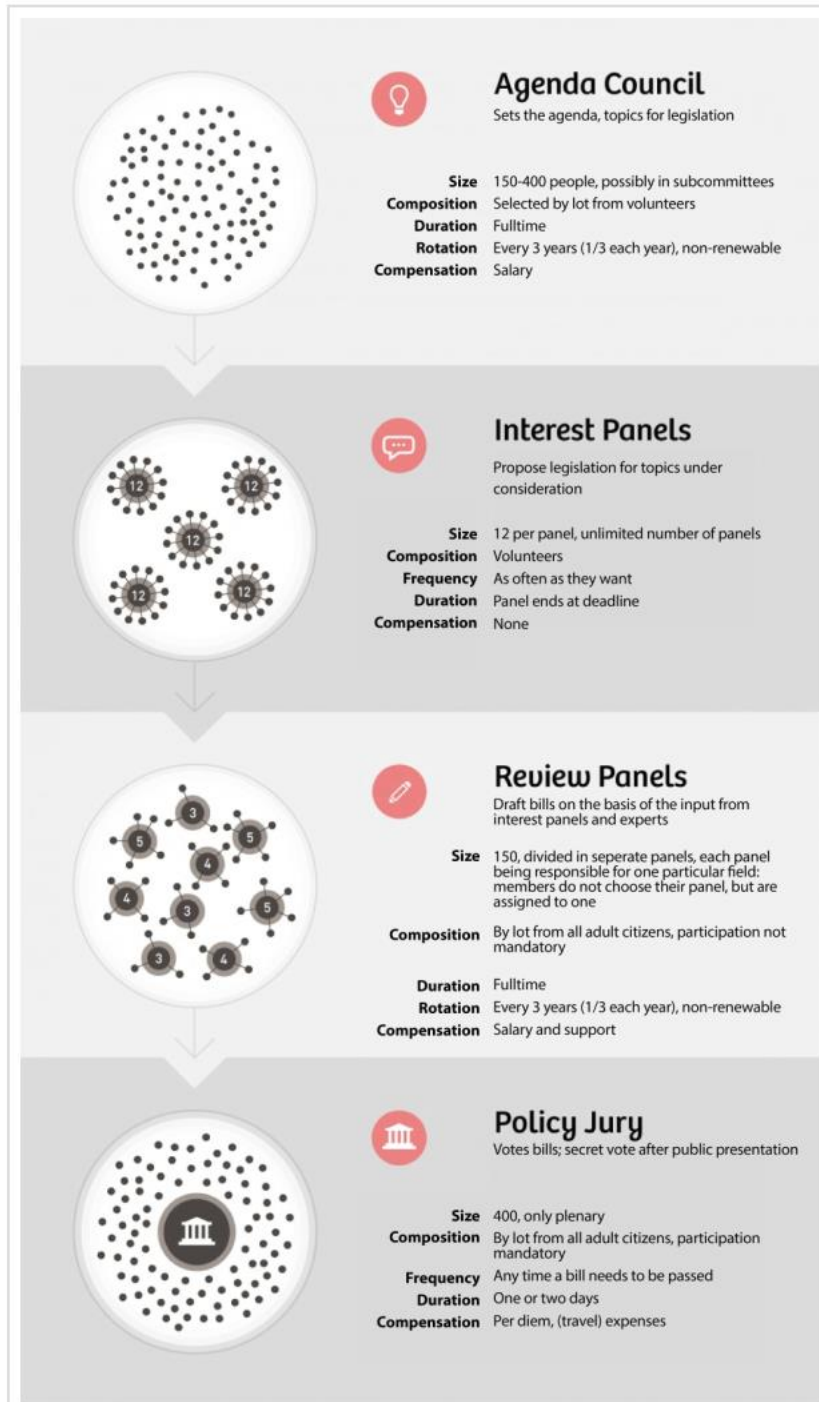
better represent the people) and self-selection (voluntary participation of public spirited people over some public issues continuously). One version of this combination of election, sortition and self-selection is provided by Terrill Bouricius, Bernie Sanders's former colleague at the City Council of Burlington, Vermont. In 2013, Bouricius published his vision of six institutions embodying the combination of sortition, self-selection and election²⁹.

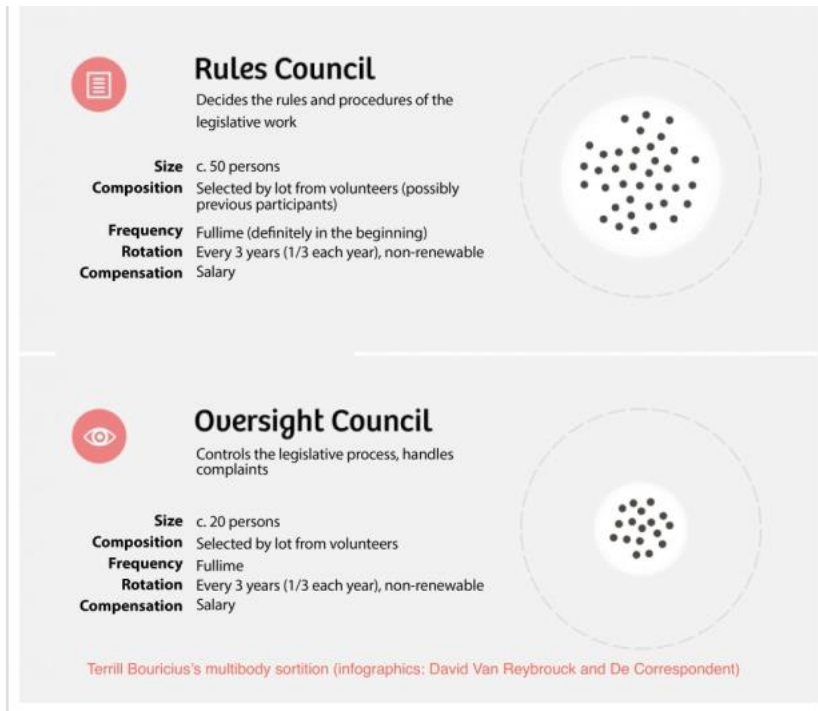
The first institution is the Agenda Council, whose members are chosen by lot from those who have put themselves forward, that is, a mix of self-selection and sortition. The Agenda Council choose topics for legislation and policy consideration but does not develop them further.

The second institution is called the Interest Panels, whose members are neither elected nor chosen by lot, they simply volunteer themselves, that is, pure self-selection. "Such a panel may have twelve members who don't know each other and have no common purpose, but they might equally well be a lobby. This is not a problem as they do not have the last word and must take into account the fact that their proposal will be evaluated by others."³⁰ The third institution is the Review Panel which receives legislative and policy proposals from the Interest Panels, then it organize hearings, invite experts and work on developing legislation and policy proposals. "All the Review Panels combined, Bouricius proposes, will

have 150 members, chosen by lot from among citizens who have put themselves forward, and their job will carry great responsibility. Members take their seats for three years, they work full time and are paid appropriately, receiving an amount comparable to that of a parliamentary salary. They are not all replaced at once, but in phases, fifty seats per working year.”³¹ Interestingly, members for The Review Panels are also based on the mix of self-selection (voluntary participation) and lot. The fourth institution is called the Policy Jury. “It has no permanent members. Every time a vote on a piece of legislation is needed, four hundred citizens are chosen by lot to come together for one day or in certain cases for several days, a week at the most. Crucially, lots are drawn from the entire adult population and not just those who have put themselves forward as candidates, so in this sense it is more like jury service for a criminal trial. To ensure the body is as representative as possible, whoever is chosen has to appear unless he or she has a valid excuse, so for this reason participants are well rewarded for their attendance. The Policy Jury hears the various legislative proposals put together by the Review Panel, listens to a formal presentation of arguments for and against, and then votes on them in a secret ballot”.³² This institution is based on the sortition and election to ensure representativeness and consent. Bouricius also proposed the fifth and sixth institutions, namely, Rules Council and Oversight Council. Based on Bouricius’ article and personal communication,

David Van Reybrouck nicely summarized Bouricius' six institutions in the following graph³³:





What is interesting and important about Bouricius's design of these six institutions is that he combines the considerations of consent³⁴ (election in the fourth institution), representativeness (sortition) and voluntariness (self-selection). To the extent that the members of the councils (soviets) in Munich and elsewhere were main instances of self selection for participation of public affairs, it can be said that Bouricius's design of democratic system for the 21th century contains the "rational kernel" of the "soviets". Lenin famously said in his "State and Revolution" in 1917 that the job of managing state is not really so demanding, even an ordinary cook, not to mention an ordinary worker, is equipped to be the manager of the state. Of course, gradually, Lenin himself realized that it is not so simple³⁵, but the spirit that ordinary men and women should have

the rights to govern themselves is still the animating idea of democracy in our times.

Gesell's Stamped Money and Today's Negative Nominal Interest Rate

I already mentioned in the beginning of this talk that Keynes devoted a whole section in his most important “The General Theory of Employment, Interest and Money” in 1936 on Silvio Gesell whom he called “neglected prophet” on the par with Henry George. Keynes specially mentioned that “in April 1919 Gesell joined the short-lived Soviet cabinet of Bavaria as their Minister of Finance”³⁶. Keynes did not reveal that it was Gustav Landauer who introduced Gesell to the Bavaria Soviet Government. Landauer was a leading anarchist thinker and a famous Shakespeare scholar who influenced both Martin Buber and Gershom Scholem strongly.³⁷ After the assassination of Eisner on February 21, 1919, Landauer served as the Heads of several ministries at the same time in the Bavaria Soviet Government until he was killed without trial in early May 1919 by the invading force led by General von Oven.³⁸ Fortunately, Gesell was put on trial and was acquitted. So he could continue his advocacy of reforming the basic structure of the economic system until his death in 1930 in Switzerland.

Gesell considers himself a disciple of Proudhon. According to Gesell,

Proudhon's central insight was that money held competitive advantage over labor and goods. Proudhon tries to raise goods and labor to the level of money, but failed. Since it is impossible to alter the nature of goods, Gesell proposed to alter the nature of money: "we must subject money to the loss to which goods are liable through the necessity of storage. Money is then no longer superior to goods; it makes no difference to anyone whether he possesses, or saves, money or goods. Money and goods are then perfect equivalents, Proudhon's problem is solved and the fetters that have prevented humanity from developing its full powers fall away."³⁹ This leads to his proposal of "stamped money".

Keynes summarized the essence of Gesell's "stamped money" reform proposal as follows:

"He argues that the growth of real capital is held back by the money-rate of interest, and that if this brake were removed the growth of real capital would be, in the modern world, so rapid that a zero money-rate of interest would probably be justified, not indeed forthwith, but within a comparatively short period of time. Thus the prime necessity is to reduce the money-rate of interest, and this, he pointed out, can be effected by causing money to incur carrying-costs just like other stocks of barren goods. This led him to the famous prescription of 'stamped' money, with which his name is chiefly associated and which has received the blessing of Professor Irving Fisher. According to this proposal currency notes

(though it would clearly need to apply as well to some forms at least of bank-money) would only retain their value by being stamped each month, like an insurance card, with stamps purchased at a post office. The cost of the stamps could, of course, be fixed at any appropriate figure. According to my theory it should be roughly equal to the excess of the money-rate of interest (apart from the stamps) over the marginal efficiency of capital corresponding to a rate of new investment compatible with full employment. The actual charge suggested by Gesell was 1 per mil. per week, equivalent to 5.2 per cent per annum.”⁴⁰

Gesell's insight was that money as a medium of exchange should be considered a public service (just as public transportation) and, therefore, that a small user fee should be levied on it. In Gesell's time, stamps were the normal way to levy such a charge. Now, the generalized use of computers in payment would make this procedure much easier to implement.

At the most general philosophical level, Gesell's "stamp scrip" can be viewed as a reform effort to separate the two traditional functions of money -- money as medium of exchange and money as store of value, since "stamp scrip" eliminates money's function as store of value. This separation helps to solve one of major economic problems of recession: when money both serves as the medium of exchange and the store of value,

anybody in recession time will save more and consume less, thereby exacerbating the recession.

It is very interesting that the European Central Bank (ECB) started for the first time a negative nominal interest rate (-0.4%) policy in June 2014. It is essentially a Gesell's type "stamped money", though the ECB did not invoke Gesell explicitly⁴¹. Following the move of the ECB, Switzerland introduced negative nominal interest rate of -0.75% in December 2014; Sweden also introduced a negative rate of -1.25% in February 2015; and Japan introduced a negative nominal rate of -0.1% in February 2016.

The ECB's application of Gesell's stamped money proposal since 2014 shows that the spirit of the Bavaria Räterepublik still has contemporary relevance, not only politically, but also economically.

Conclusion

Since the chief curator mentioned the Panama Papers and the Paradise Papers in the beginning of tonight's event, it leads me to think that if the phrase "specter of communism" -- the title of our Festival on the Revolutionary Century -- has any substance at all today, it should indicate something that goes beyond the conventional liberal left or social

democracy. The premise of the Panama Paper and the Paradise Paper is still that we should tax the rich and transfer to the poor, to which I am against it. However, we should transcend the tax-and-transfer approach and aim at more fundamental institutional innovations. In this light, the 1918-1919 Bavaria Räterepublik's "soviet" and "stamped money" are the "lost treasures", to use the phrase in the the title of the last chapter of Arendt's "On Revolution". My main message this evening is to recover these treasures and further develop them in the new conditions of the 21th century.

Thank you!

¹ Hannah Arendt, "On Revolution", Penguin Books,1990 p.262 (originally published in 1963)

² Allan Mitchell, "Revolution in Bavaria, 1918-19119, The Eisner Regime and the Soviet Republic", Princeton University Press, 1965, p.34.

³ Erich Eyck, "A History of the Weimar Republic", vol.1, Harvard University Press, 1962, p.50

⁴ Joachim Radkau, "Max Weber: A Biography", Polity, 2009, p.507.

⁵ Hannah Arendt, "On Revolution", Penguin Books,1990 p.249 (originally published in 1963)

⁶ "Bernie Sanders Consistent Over Decades in His Call for 'Revolution', New York Times, March 25, 2016

⁷ John Maynard Keynes, "The General Theory of Employment, Interest, and Money", HBJ Books, 1953, p.355(originally publish in 1936)

⁸ Hannah Arendt, "On Revolution", Penguin Books,1990 p.273 (originally published in 1963)

⁹ *ibid*, p.258.

¹⁰ Allan Mitchell, "Revolution in Bavaria, 1918-19119, The Eisner Regime and the Soviet Republic", Princeton University Press, 1965,p.153

¹¹ *ibid*, p.162

¹² *ibid*, p.165

¹³ Hannah Arendt, "On Revolution", Penguin Books,1990 p.279 (originally published in 1963)

¹⁴ *ibid*, p.249: "Had Jefferson's plan of 'elementary republics' been carried out, it would have exceeded by far the feeble germs of a new form of government which we are able to detect in the sections of the Parisian Commune and the popular societies during the French Revolution. However, if Jefferson's political imagination surpassed them in insight and in scope, his thoughts were still travelling in the same direction. Both Jefferson's plan and the French sociétés révolutionnaires anticipated with an utmost weird precision those councils, soviets and Räte, which were to make their appearance in every genuine revolution throughout the nineteenth and twentieth centuries. Each time they appeared, they sprang up as the spontaneous organs of the people, not only outside of all revolutionary parties but entirely unexpected by them and their leaders."

¹⁵ *ibid*, p.254

¹⁶ *ibid*, p.278

¹⁷ *ibid*, pp.279-280.

¹⁸ Allan Mitchell, "Revolution in Bavaria, 1918-1919, The Eisner Regime and the Soviet Republic", Princeton University Press, 1965,p.146.

¹⁹ *ibid*, p.286

²⁰ *ibid*, p.288

²¹ Hannah Arendt's second husband was a leader of German Communist Party, she praises Rosa Luxemburg highly. According to a biography, after a class a student came to Arendt's office and told her "I think that Rosa Luxemburg is alive again". Elisabeth Young-Bruehl, "Hannah Arendt: For Love of the World", Yale University Press, 1982.

²² Albert Hirschman, "Shifting Involvements", Princeton University Press, 1982, p.112

²³ Adam Przeworski, "Democracy and the Limit of Self-Government", Cambridge University press, 2010, p.30

²⁴ Bernard Manin, "The Principles of Representative Government", Cambridge University Press, 1997, p.87

²⁵ *ibid*, p.85

²⁶ Bernard Manin, "The Principles of Representative Government", Cambridge University Press, 1997, p.134

²⁷ David Van Reybrouck, "Against Election: The Case For Democracy", The Bodley Head, London, 2016, p.130

²⁸ Hannah Arendt, "On Revolution", Penguin Books,1990 p.279 (originally published in 1963)

²⁹ Terrill Bouricius, "Democracy through Multi-Body Sortition", Journal of Public Deliberation", Vol.9, Issue 1, 2013

³⁰ David Van Reybrouck, "Against Election: The Case For Democracy", The Bodley Head, London, 2016, p.144

³¹ *ibid*, p.145

³² *ibid*, p.146

³³ *ibid*, p.143

³⁴ Of course, consent here does not mean everyone has to agree. Rather, it is a

majority rule understood in the “second best” sense of Adam Przeworski: “To define the ideal of self-government in large societies with heterogeneous preferences, therefore, we need to find a second-best option, which is still a system of collective decision making that best reflects individual preferences and that makes as many of us as free as possible. It is a second best because it is constrained by the fact that, given heterogeneous preferences, some people must live at least some of the time under laws they do not like”. Adam Przeworski, “Democracy and the Limit of Self-Government”, Cambridge University press, 2010, p.32

³⁵ Tragically, Lenin himself ordered the repression of the Kronstadt Soviet Insurrection in 1921. See Oskar Anweiler, “The Soviet: The Russian Workers, Peasants, and Soldiers Councils 1905-1921”, Pantheon Books, 1975 (the original German edition was published in 1958 and was Arendt’s main source of information on the soviets in Russia).

³⁶ John Maynard Keynes, “The General Theory of Employment, Interest, and Money”, HBJ Books, 1953, p.354(originally publish in 1936)

³⁷ Martin Buber’s “Path in Utopia” has a whole chapter on Landauer.

³⁸ Allan Mitchell, “Revolution in Bavaria, 1918-1919, The Eisner Regime and the Soviet Republic”, Princeton University Press, 1965, p.331.

³⁹ Silvio Gesell: *The Natural Economic Order*, p.9

⁴⁰ John Maynard Keynes, “The General Theory of Employment, Interest, and Money”, HBJ Books, 1953, p.357(originally publish in 1936)

⁴¹ But the chief economist of the CITI Group Buiter has been explicitly referring to Gesell for a long time. See Willem H. Buiter and Nikolaos Panigirtzoglou, “Overcoming the Zero Bound on Nominal Interest Rates with Negative Interest on Currency: Gesell’s Solution”, *The Economic Journal*, Vol. 113, No. 490 (Oct., 2003), pp. 723-746