

Anarchist Economics



Compiled by Jon Bekken



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Post: Postnet Suite 116, Private Bag X42,
Braamfontein, 2017, Johannesburg, South Africa

E-Mail: zababooks@zabalaza.net

Website: www.zabalaza.net/zababooks

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★ Jeff Stein, Review: "The Irrational in Capitalism," ASR 31 (Spring 2001), pp. 26-27.

★ Brian Oliver Sheppard, "Anarcho-Syndicalist Answer to Corporate Globalization," ASR 33 (Winter 2001/02), pp. 11-15.

★ Jeff Stein, Review: "After Capitalism," ASR 37 (Spring 2003), pp. 33-34.

★ Jon Bekken, Review Essay: "Work Without End, or Time to Live?" ASR 38 (Winter 2003/04), pp. 23-29.

Also of Relevance:

★ Frank Adams, "Worker Ownership: Anarchism in Action?" LLR 5 (Summer 1988), pp. 24-26.

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★ Mike Long, Review Essay: "Mondragon and Other Co-ops: For & Against," ASR 29 (Summer 2000), pp. 15-28.

★ G. P. Maximoff, *Program of Anarcho-Syndicalism*. (extract from his *Constructive Anarchism*, published in English in 1952; this section is not included in the only edition of the work now in print.) Sydney: Monty Miller Press, 1985

★ Pierre Proudhon, *What Is Property?* (B. Tucker, translator). New York: Dover.

★ Pierre Proudhon, *General Idea of the Revolution in the Nineteenth Century* (J. Robinson, translator). London: Pluto Press.

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Further Information

Published to Date in our Anarchist Economics Series:

A casual observer of the anarchist movement, restricted to contemporary writings, could be forgiven for concluding that anarchists have no conception of economics. Several years ago a serious debate was carried out in the pages of the British anarchist paper *Freedom* in which it was argued that all wealth comes from agriculture - that the working class is merely a burden that peasants and other agricultural workers are compelled to shoulder. The only possible conclusion from this line of reasoning is that we should dismantle the cities and factories and all return to agrarian pursuits. One suspects that farmers - deprived of tractors, books and other useful items and confronted with millions of starving city dwellers cluttering up perfectly good farmland that could otherwise be growing crops - might take a somewhat different point of view.

On this side of the Atlantic, countless trees have been killed in furtherance of "arguments" for abolishing work, abandoning technology and turning to a barter economy (or, alternately, to local currencies) both as a strategy for escaping (I hesitate to use the word overthrowing) capitalism and as a principle for reorganising economic life in a free society. Such approaches may have a certain appeal for lifestyle-ists whose aim is more to reduce the extent to which capital impinges on their personal existence (a rather futile enterprise) than to abolish its tyranny over society, but they are simply irrelevant to those of us truly committed to building a free society.

Although anarchists are of necessity interested in the workings of capitalist economies, our attention is focussed on the class struggle. An anarchist economics might study the theft of our labour by the bosses, the squandering of social resources by the state, and the channels through which the bosses manipulate markets, finance and production to increase their profits and to pit workers in different parts of the world against each other. And, most importantly, an anarchist economics would address itself to the problems of maintaining economic activity in a revolutionary situation, and to the sort of economic arrangements that might support a free society.

We have been attempting such a study in the columns of our journal for several years. In our Winter 1991 issue (#10), *Libertarian Labour Review* (now *Anarcho-Syndicalist Review*) announced the anarchist economics project which continues to this day. As we said then:

Far too many anarchists nowadays have underestimated the importance of economics in their vision of social change, but this was not always the case. The classical anarchists, who always considered themselves part of the socialist movement, recognized the new eco-

- ★ Jeff Stein, "Proudhon's Economic Legacy," LLR 10 (Winter 1991), pp. 8-13.
- ★ Jon Bekken, "Capitalism is Criminal," LLR 10 (Winter 1991), pp. 14-19.
- ★ Jon Bekken, "Kropotkin's Anarchist Critique of Capitalism," LLR 11 (Summer 1991), pp. 19-24.
- ★ Etcetera, "Dispersed Fordism and the New Organisation of Labour," LLR 12 (Winter 1992), pp. 16-18. Translated by Mike Hargis.
- ★ Jon Bekken, "Peter Kropotkin's Anarchist Communism," LLR 12 (Winter 1992), pp. 19-24.
- ★ Jeff Stein, Review: "Looking Forward," LLR 12 (Winter 1992), pp. 25-28.
- ★ Jon Bekken, "North American Free Trade," LLR 13 (Summer 1992), pp. 18-19.
- ★ Jeff Stein, "The Collectivist Tradition," LLR 13 (Summer 1992), pp. 24-29.
- ★ Jeff Stein, Review: "Market Anarchism? Caveat Emptor," LLR 13 (Summer 1992), pp. 33-34.
- ★ Michael Bakunin, "The Capitalist System," *Champaign: Libertarian Labour Review*, 1993, 15 pp. Translated by G. P. Maximoff and Jeff Stein.
- ★ Abraham Guillen, "Principles of Libertarian Economics," in three parts: LLR 14 (Winter 1993), pp. 20-25; LLR 15 (Summer 1993), pp. 24-30; LLR 16 (Winter 1994), pp. 18-23. Translated and with an afterword by Jeff Stein.
- ★ Mike Hargis, "The Myth of the Vanishing Working Class," LLR 16 (Winter 1994), pp. 2-3.
- ★ Jon Bekken, "The American Health Care Crisis: Capitalism," LLR 16 (Winter 1994), pp. 10-14.
- ★ Harald Beyer-Arnesen, "From Production-Links to Human Relations," LLR 17 (Summer 1994), pp. 13-14.
- ★ Jeff Stein, "Marxism: The Negation of Communism," LLR 17 (Summer 1994), pp. 20-26.
- ★ Noam Chomsky, "The 'New' Corporate World Economic Order," LLR 18 (Spring 1995), pp. 6-11.
- ★ Mike Long, "The Mondragon Co-operative Federation: A Model for Our Times?" LLR 19 (Winter 1996), pp. 19-36. With a commentary by Mike Hargis.
- ★ Jon Bekken, "The Limits of 'Self'-Management Under Capitalism," LLR 21 (Winter 1997), pp. 29-33.
- ★ Rene Berthier, "Crisis of Work, or Crisis of Capital?" LLR 23 (Summer 1998), pp. 19-24. Translated by Mike Hargis.
- ★ Jeff Stein, "The Tragedy of the Markets," LLR 23 (Summer 1998), pp. 30-37.
- ★ Jeff Stein, "Scamming the Welfare State," LLR 24 (Winter 1998-99), pp. 14-18.
- ★ Jeff Stein, "Freedom and Industry: The Syndicalism of Christian Cornelissen," ASR 28 (Spring 2000), pp. 13-19.
- ★ Jon Bekken, Review: "Campaigning for a Living Wage," ASR 28 (Spring 2000), p.

Dolgoff, Relevance of Anarchism to Modern Society)

The society we hope to build must necessarily be built on the basis of what presently exists - seizing the existing industries and goods to meet immediate needs, and as the building blocks from which we will construct a free society. To think otherwise is to build castles in the air. As Sam Dolgoff notes, "Anarchy or no anarchy, the people must eat and be provided with the other necessities of life. The cities must be provisioned and vital services cannot be disrupted. Even if poorly served, the people in their own interests would not allow us or anyone else to disrupt these services unless and until they are reorganised in a better way..." So we need to think about how we would manage the transition from what is, to what we want (it seems to me that revolutionary unions offer the best prospects). While it is not possible to spell out in every detail how a free society might operate, it is important to think about its general outlines in advance, so that we might build with a vision of where we are trying to go.



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conomic arrangements created by the social revolution would determine its success or failure. Thus they were forced to create an economic "science," which although sometimes in agreement with capitalist or marxist economics on various points, must diverge from them to the same extent that it differed in its goals. The notion of a political anarchist who was an economic marxist or economic capitalist - a notion one runs across all too often today - would have struck the original anarchist thinkers as an absurd impossibility. It is our hope that this series will help to show why this is so, as well as to help bring anarchist economics up to date with current developments.

So far we expect the series to include discussions of the contributions made by Proudhon, Bakunin and the First International Workers Association, Kropotkin, the Spanish Anarchists and their practical experiences in the Spanish Revolution, as well as those of less-well-known anarchists. We also hope to add to this critiques of Marxist economics and modern capitalist economists such as Keynes and his neo-classical critics. Finally we will look at contributions made by modern economists such as E.F. Schumacher and the appropriate technologists, whose views have converged with those of the anarchist movement in several ways.

Due to the scope of the projected series, we are hoping to get contributions of articles and letters from outside our small collective. We extend an open invitation to all in our movement who are interested in taking part in this series along the lines we have mentioned to get in touch with us...

To date we have published articles on the economic theories advanced by Proudhon, Bakunin and Kropotkin; a translation of a major article by Abraham Guillen; a critique of Marxism; an analysis of the Mondragon co-operatives; and several articles on contemporary economic issues. Our plans for the future include critiques of neo-Marxist and Keynesian economics, and a series of articles building on the anarchist economic tradition to suggest ways in which we might organise production, distribution and consumption in a free society.

Economics is fundamentally the study of how to organise production and consumption to meet human needs most efficiently and satisfactorily. As such, it is inextricably bound up with questions of human values - with our sense of who we are, how we wish to relate to our fellow human beings and to our planet, and how we wish to live our lives. Bourgeois economists have made the mistake of confusing their (fundamentally anti-human) values with economic laws, asserting against all evidence the necessity and efficiency of mechanisms such as markets, wages and (in an earlier day) chattel slavery. Marx similarly seized on bourgeois economists' claims that the price of commodities is determined by the amount of labour socially necessary to their production for his Labour Theory of Value, a quasi-religious doctrine which cannot hold up to the slightest empirical scrutiny. Wage levels, like the

price of all commodities, are set not by their cost of production or the amount of labour they require (though there are of course material constraints; few workers will be paid more than the revenues they make possible or less than it takes to feed them), but by the relative economic, military and social power held by the respective parties. Kropotkin's research demonstrated that shortages, economic crises and general distress are endemic to capitalism, but are wholly unnecessary. The means to meet all of society's needs were already at hand a century ago, but instead of doing so capitalism creates a perverse set of incentives encouraging chronic under-production and deprivation.

Kropotkin argued for restructuring production to decentralise agriculture and industry, arguing that economies of scale and specialisation are largely illusory. At the same time, he rejected the notion that it was possible to reduce labour to the individual - to isolate any one worker's contribution to social production. The simple act of manufacturing a shirt necessitates thousands of workers, from the farmers who grow the cotton (or the chemists who fabricate the nylon), to the makers of the sewing machines (and of the raw materials from which they are manufactured), to the sewing machine operators, to those maintaining the vast economic infrastructure (energy, roads, water, etc.) necessary to production. All production is social. We enrich each other - not only spiritually, but materially as well - as we work, think and play together; and without the efforts of society as a whole no one prospers.

Anarchist economics should begin not from the standpoint of production, but rather from the standpoint of consumption - of human needs. Needs should govern production; the purpose of anarchist economics is not so much to understand the workings of the capitalist economy but rather to study human needs and determine how they might be best satisfied. Every kind of human activity should begin from what is local and immediate, and should link in a co-operative network with no centre and no directing agency (federation). Nor is it enough merely to meet people's material needs - we must also have the means to pursue our artistic, intellectual and aesthetic interests. These are not luxuries, but necessities.

It seems to me that any anarchist economics must begin from certain basic premises:

★ *No Markets*: Everyone above all has the right to live, and so a free society must share the means of existence among all, without exception. All goods and services should be provided free of charge to all. Those available in abundance should be available without limit; those in short supply should be rationed on the basis of need.

★ *No Wages*: The notion that people will not work without compulsion is provably false. Far from shirking work when they do not receive a wage, when people work co-operatively for the good of all they achieve feats of productivity never realisable through coercion. Efforts to arrive at "just wages" are necessarily artificial and arbitrary. Labour vouchers, consumption credits and similar schemes are nothing more than attempts to maintain the reality of the wage system while chang-

ing its name.

★ *What Work, and Why?* Despite dramatic increases in productivity over the last century, we work as many (and often more) hours as ever, while millions of our fellow workers languish without the means to support themselves. Enormous effort is squandered tracking the flow of money, encouraging people to consume, and making products designed to wear out quickly. Meanwhile, vitally important social needs go unmet. Many jobs can be eliminated, but other jobs (for example, cleaning up the environment or building a viable public transport system to replace our current auto-intensive one) will be created. Some effort will have to go to material assistance to our fellow workers in other parts of the globe to develop economies capable of sustaining themselves and the planet (this is a matter not only of human solidarity, but also of our own self-interest). Nonetheless, there is no reason why we cannot dramatically reduce the number of hours we spend at work, while simultaneously making that time less alienating and better meeting human needs.

★ *Self-Management*: Under current conditions, too many workers spend long hours doing boring work under unhealthy conditions; while others have no work at all or do work that serves no socially useful purpose. Over-specialisation, repetitive drudgery and the separation of manual and mental labour must be replaced with self-managed, co-operative labour.

Self-management necessarily implies federalist economic arrangements. Where "libertarian Marxists" such as Michael Albert and Robin Hahnel suggest a centralised economic planning bureaucracy (albeit under some form of democratic oversight) which would inevitably lead to a dictatorship of the "facilitator" class, an anarchist economics would clearly devolve most decisions to the local level and rely on free agreements to handle co-ordination. (Of course, difficult issues of how to balance, for example, ecological concerns with production and consumption needs would remain, and some method would have to be developed for addressing them in a way that simultaneously upholds the rights of those most directly impacted by the decisions and the broader social issues at stake.)

Expropriation, direct action, federalism and self-management are the means for making the social revolution and reconstructing society. Ultimately, only the free distribution of necessities, in all their variety, on the basis not of position or productivity, but of need, is compatible with a free society.

As Kropotkin noted a century ago, production and exchange are so complicated that no government would be capable of organising production unless the workers themselves took charge, "for in all production there arises daily thousands of difficulties that no government can hope to foresee... only the efforts of thousands of intelligences working on problems can co-operate in the development of the new social system and find solutions for the thousands of local problems." (quoted in