

# **Proudhon, Property and Possession**

Anarcho

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“Either competition, – that is, monopoly and what follows; or exploitation by the State, – that is, dearness of labour and continuous impoverishment; or else, in short, a solution based upon equality, – in other words, the organisation of labour, which involves the negation of political economy and the end of property.”

– Proudhon, *System of Economic Contradictions*<sup>1</sup>

Pierre-Joseph Proudhon (1809–1865) has been subject to many interpretations, from the seminal (K. Steven Vincent<sup>2</sup>) to the malicious (Karl Marx<sup>3</sup>). This, undoubtedly, has led to many concluding that he was a contradictory thinker but not all interpretations of his ideas have merit.<sup>4</sup> He was fundamentally consistent in his libertarian socialism.<sup>5</sup>

Derek Ryan Strong’s “Proudhon and the Labour Theory of Property”<sup>6</sup> is, in general, a useful account of Proudhon’s ideas in relation to replacing wage-labour by workers’ associations. As this aspect of his ideas is often ignored or denied by commentators, it is a welcome addition to the scholarship. However, his discussion of Proudhon’s views of social ownership is flawed. While quoting many of the key passages, he does not accept them and tries to explain them away by introducing commentary which is not justified to defend an assumption in favour of private property. We need to place these quotes into their rightful context to show that the Frenchman supported socialisation of property and that the communist-anarchists extended his arguments.<sup>7</sup>

## From “Collective Force” to “Social Property”

Proudhon’s critique of property is multi-threaded reflecting the numerous justifications for it. His arguments for the social ownership of land and raw materials are different from those for social ownership of “capital” (instruments of labour). The former is, as Strong indicates (58–9), connected to the fact no one created them while the latter relates to Proudhon’s theory of collective force but they reach the same conclusion.<sup>8</sup>

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<sup>1</sup> *Property is Theft! A Pierre-Joseph Proudhon Anthology* (Iain McKay (Editor), Edinburgh/Oakland/Baltimore: AK Press, 2011), 202. All quotes from Proudhon’s works are from this anthology.

<sup>2</sup> K. Steven Vincent, *Pierre-Joseph Proudhon and the Rise of French Republican Socialism* (Oxford: Oxford University Press, 1984)

<sup>3</sup> While *The Poverty of Philosophy* (Amherst, NY: Prometheus Books, 1995) is best known, Marx repeatedly commented on Proudhon throughout his life. I discuss this in my introduction to *Property is Theft!* (64–79) as well as indicating on how Marx distorts Proudhon’s *System of Economic Contradictions* within *The Poverty of Philosophy* by comparing what Marx claims Proudhon wrote with the actual text.

<sup>4</sup> Most obviously, J. Salwyn Schapiro’s attempt to portray Proudhon as a fascist cannot withstand even a causal familiarity with Proudhon’s ideas nor an investigation of the material he selectively quotes from (“Pierre Joseph Proudhon, Harbinger of Fascism”, *The American Historical Review*, 50: 4, 714–737).

<sup>5</sup> For example, his discussion of association within mutualism in “The Political Capacity of the Working Classes” (744–753) is identical to that made nearly 20 years previously within “System of Economic Contradictions” (213–215).

<sup>6</sup> *Anarchist Studies* 22: 1, 52–65

<sup>7</sup> I address these issues in “Introduction: General Idea of the Revolution in the 21<sup>st</sup> Century” (*Property is Theft!*, 30–1, 37–8, 47–9) and “Laying the Foundations: Proudhon’s Contribution to Anarchist Economics” (*Accumulation of Freedom: Writings on Anarchist Economics* [Anthony J. Nocella, Deric Shannon and John Asimakopoulos (Editors), Oakland/Edinburgh/Baltimore: AK Press, 2012], 64–78)

<sup>8</sup> As Proudhon suggested, they are related: “Here [economist] M. Wolowski pretends to think that the opponents of property refer only to property in land, while they merely take it as a term of comparison” (“Letter to M. Blanqui on Property”, 147)

While quoting the appropriate passages on social ownership of capital, Strong introduces commentary which is not justified. He is right to note that Proudhon's conclusion that "since all capital is social property, no one has exclusive property in it"<sup>9</sup> was drawn from "discussing the issue of collective appropriation" (collective force) but it is *not* the case that the "particular context" shows "the capital which he refers to is actually financial capital (i.e., money) as opposed to physical capital (i.e., capital goods)." (59) After discussing how the capitalist who hires workers exploits them by not paying for their collective force, Proudhon argues that if the worker is proprietor of the value which he creates" then "it follows" that since all production being necessarily collective, the worker is entitled to a share of the products and profits commensurate with his labour" and so "all accumulated capital being social property, no one can be its exclusive proprietor."<sup>10</sup> Proudhon is clearly discussing the actual process of production to show where and how exploitation occurs and so is referring to "physical capital" and *not* credit.

Strong gives only part of Proudhon's analysis when he states that the "value created within a firm results from the collective force of workers labouring together and, therefore, his conclusion is that no one person should be its exclusive proprietor." (59) Proudhon *extends* this to conclude that, to ensure this outcome, (physical) capital must become "social property" and so it is *not* the case that Proudhon wished it to be "owned collectively by the workers in a particular firm, but not society as a whole". (59)

This is confirmed by Proudhon's summation that "[a]ll human labour being the result of collective force, all property becomes, by the same reason, collective and undivided" and so "every instrument of labour, an accumulated capital" is "a collective property".<sup>11</sup> Strong is wrong to suggest that it only "appears as if" Proudhon "thought that capital goods should be common property" (59) for Proudhon takes the premise that workers own the product of their labour, combines it with an analysis of how exploitation occurs within production and concludes that the means of production ("capital") must, like land and raw materials, be "social property" and "undivided".

The reason is obvious: if ownership is invested in a specific workers association then what happens to new entrants? It is possible for a workers' association to be as exclusive as a capitalist company and hire wage-workers. Only social property ensures this does not happen so that workers leaving one co-operative can become an associate in a new one.<sup>12</sup>

Property "was theft because those who legally appropriated the products of labour in capitalism were not actually responsible for production" (53) but *also* because it allowed the few to appropriate the means of production from its rightful owners (everyone) so reducing the rest to wage-workers (*salariat*) who "have sold their arms and parted with their liberty" to an employer which has "degraded the worker by giving him a master" and ensures "the surplus of labour, essentially collective, passes entirely... to the proprietor."<sup>13</sup>

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<sup>9</sup> Benjamin Tucker translated this passage as "all accumulated capital being social property, no one can be its exclusive proprietor." ("What is Property?", 118)

<sup>10</sup> "What is Property?", 117-8

<sup>11</sup> "What is Property?", 137

<sup>12</sup> See Proudhon's discussion of association in "System of Economic Contradictions" (213-5) and Vincent's excellent discussion (154-160)

<sup>13</sup> "System of Economic Contradictions", 212, 192, 253. Labour renting capital does not end exploitation and so it is not "difficult to say whether or not Proudhon [like Ellerman] would have supported" a situation of "labour-managed firms" in which "labour hires in capital to produce goods" and so "divorces the ownership and usage of those goods while maintaining workers' control of production". (58) Proudhon was clear: "if labour is the sole basis of property, I

If society ensures “the firm is a contractual relationship and not a property right” (57) and if property “denotes the exclusive rights assigned to an individual or specific group of people to access, use, and govern a resource, object, or set of objects in a particular way” (54) then there is *social* and not private property. Only social ownership means that there are no owners of a resource such as a workplace to stop others using them without first agreeing to oppressive or exploitative relationships.

## The Synthesis of Property and Community

For Proudhon, anarchism (“*liberty*”, “association”, “universal association” or “mutualism”<sup>14</sup>) was the “third form of society” and a “synthesis” of property and “community”.<sup>15</sup> His opposition to both community and capitalism should not blind us to his desire for a “synthesis” between the two. This means taking Proudhon at his word rather than, to quote George Woodcock, suggesting that he “did not even mean literally what he said” in *What is Property?*.<sup>16</sup> Strong follows Woodcock in suggesting Proudhon’s possession is a modified form of property rather than, as Proudhon insisted, its negation.

In *What is Property?* Proudhon argued that everyone becomes “a possessor or usufructuary” which is “a function which excludes proprietorship” and “receives his usufruct from the hands of society, which alone is the permanent possessor.”<sup>17</sup> He clarified this point by stressing that “this value or wealth, *produced by the activity of all*, is by the very fact of its creation *collective* wealth, the use of which, like that of the land, may be divided, but which as property remains *undivided*. And why this undivided ownership? Because the society which creates is itself indivisible”. In short: “property in capital is indivisible, and consequently inalienable”. Proudhon, then, “opposes the exclusive appropriation of the instruments of production” and “this non-appropriation of the instruments of production” would be “a destruction of property. In fact, without the appropriation of instruments, property is nothing.”<sup>18</sup>

In April 1848 he argued that “to organise national workshops contains an authentic idea, one that I endorse, for all my criticisms” and these “workshops are owned by the nation, even though they remain and must always remain free.” The “Exchange Bank is the organisation of

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cease to be proprietor of my field as soon as I receive rent for it from another... It is the same with all capital”. Rent “received by the proprietor” means “to be rewarded for the use of a tool” and so he “literally receives something for nothing.” (“What is Property?”, 119, 123)

<sup>14</sup> “What is Property?”, 109, 136; “Letter to M. Blanqui on Property”, 143, 148; “System of Economic Contradictions”, 179, 255; “Election Manifesto of *Le Peuple*”, 377. Other equivalent terms include “agricultural-industrial federation” (“The Federative Principle”, 709) and “Guaranteeism” (“The Federative Principle”, 718; “The Political Capacity of the Working Classes”, 750)

<sup>15</sup> “What is Property?”, 136. An added confusion is the translation of “community” as “communism” by Benjamin Tucker and others. I did not clarify the issue in *Property is Theft!* by consistently correcting Tucker’s translations by replacing “communism” by the more accurate “community.” If a second edition is produced, this error will be rectified. In addition, “community” would not be considered as communism by the likes of Kropotkin for it retained payment to members related to the amount of work done, skill expressed and money invested.

<sup>16</sup> *Pierre-Joseph Proudhon: A Biography* 3<sup>rd</sup> edition (Montréal: Black Rose, 1987), 45. Woodcock’s account of many of Proudhon’s ideas (such as on possession as property, small-scale production, late acceptance of workers’ associations) seem more driven by his own rejection of revolutionary anarchism (“A Personal Preface to the Third Edition”, xiii-xx) than an objective summary.

<sup>17</sup> “What is Property?”, 100

<sup>18</sup> “Letter to M. Blanqui on Property”, 153, 149

labour's greatest asset" and would allow "the new form of society to be defined and created among the workers."<sup>19</sup> His election manifesto of the same year saw him proclaim that "under universal association, ownership of the land and of the instruments of labour is *social ownership*" to be operated by "democratically organised workers' associations".<sup>20</sup> He empathetically denied in 1849 that he argued that the "*ownership of the instruments of labour must forever stay vested in the individual and remain unorganised*", stating he had "never penned nor uttered any such thing", had "argued the opposite a hundred times over" and he wished for "an order wherein the instruments of labour will cease to be appropriated and instead become shared". He then sketched how "transferring ownership" would be achieved by the organisation of credit that would produce "workers' associations" before forming "the over-arching group, comprising the nation in its entirety".<sup>21</sup>

A few years later, Proudhon talks of a "double contract" between the members of the co-operative and between it and society. While its members have "an undivided share in the property of the company", the company itself was "a creation and a dependence" of society and "holds its books and records at the disposition of Society, which... reserves the power of dissolving the workers company, as the sanction of its right of control." The company was to be run democratically and "may take in new members at any time" so producing an institution which "has no precedent and no model."<sup>22</sup> The change in terminology does not obscure that the company was to be run (used) by its workers – who automatically become members of the association upon entry – under the control (ownership) of society.

On his deathbed he stressed that mutualism would not be "community" but rather an association "which must embrace the whole of Society, and nevertheless preserve all the rights of individual and corporate [i.e., self-managed industry] freedom". While both capitalist firms and communist associations show "their narrowness of spirit" and "are composed by a determinate number of people, to the exclusion of all others", the "mutualist association... admits... everyone in the world, and tends towards universality". Thus "the labouring masses are actually, positively and effectively sovereign" because "the economic organism – labour, capital, property and assets – belongs to them entirely".<sup>23</sup>

Proudhon's objection to community was that while the "members of a community... have no private property" the community "is proprietor, and proprietor not only of the goods, but of the persons and wills."<sup>24</sup> Workers did not control their own labour ("persons and wills") nor its product ("goods") – *use* was, in other words, as undivided as *ownership*. The "entire animus of

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<sup>19</sup> "Letter to Louis Blanc", 296–7

<sup>20</sup> Election Manifesto of *Le Peuple*", 377

<sup>21</sup> Letter to Pierre Leroux", 498–500

<sup>22</sup> "General Idea of the Revolution in the Nineteenth Century", 585–6. This socialisation of property included more than capital, with Proudhon indicating community ownership of housing: "all payments made as rental shall be carried over to the account of the purchase of the property... such payment shall purchase for the tenant a proportional undivided share in the house he lives in, and in all buildings erected for rental, and serving as a habitation for citizens ... [housing] thus paid for shall pass under the control of the communal administration... in the name of all the tenants, and shall guarantee them all a domicile, in perpetuity... For repairs, management, and upkeep of buildings, as well as for new constructions, the communes shall deal with... building workers' associations". This also applied to land and once "the property has been entirely paid for, it shall revert immediately to the commune, which shall take the place of the former proprietor". (576, 578)

<sup>23</sup> "The Political Capacity of the Working Classes", 750, 746, 752, 761.

<sup>24</sup> "What is Property?", 131.

[Proudhon's] opposition to what he termed 'community' was to avoid the central ownership of property and the central control of economic and social decision-making".<sup>25</sup>

While his critique of property as theft and despotism is well known, Proudhon also suggested the "most delightful feature of property" was "the free disposition of one's goods"<sup>26</sup> and so desired "property restored to its proper limits, that is to say, free disposition of the fruits of labour, property MINUS USURY!"<sup>27</sup> Proudhon wished to "retain the private possession of the land, dwelling, and tools which a worker needed... a social arrangement which would allow the worker to make the decisions relevant to the conduct and operation of his trade, either alone or with cooperation of his immediate associations."<sup>28</sup>

Anarchists are well aware that "private property in capital goods is possible without exploitation" (58) but only when it involves workers using the tools they own as in artisan and peasant production.<sup>29</sup> Unlike artisan and peasant production, capitalism divorces ownership and use: "when the usufructuary converted his right to personally use the thing into the right to use it by his neighbour's labour – then property changed its nature, and its idea became complex."<sup>30</sup> Would ownership by co-operatives end this complexity? No, for, as indicated above, co-operatives can be as exclusive as capitalist companies. Proudhon recognised the economic transformation produced by the industrial revolution and his arguments for workers' associations and social ownership of capital reflect this.<sup>31</sup>

So in capitalism ownership and use are *divided* while in community they are *undivided*. As indicated in **Table 1: Ownership and Use**, a synthesis that produced liberty meant that ownership had to be undivided while use was divided. Social property ensured workers would become associates not wage-workers when they join a workplace and so receive the full product of their labour. This would allow the benefits desired by both property and community to be achieved without their negative consequences.

Strong is wrong: Proudhon *did* argue for the social ownership of land and capital, using the word *indivise* ("joint" or "undivided") to describe it. Such "undivided" ownership by all was the framework within which possession (use) was exercised.<sup>32</sup> As Jack Hayward notes, it was "the community which alone *owns* property, although its *use* is accorded to individual and associated producers linked by free contract" and while "the means of production should be publicly owned,

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<sup>25</sup> Vincent, 141

<sup>26</sup> "Letter to M. Blanqui on property", 155

<sup>27</sup> "Election Manifesto of *Le Peuple*", 379

<sup>28</sup> Vincent, 141

<sup>29</sup> An artisan worker would not fear expropriation because he "exploits nobody, and nobody would have the right to interfere with his work" and so "we see no use in taking the tools... to give to another worker." (Peter Kropotkin, "Communism and the Wage System: Expropriation," *Act For Yourselves: Articles from FREEDOM 1886–1907* (London: Freedom Press, 1988), 104–5.

<sup>30</sup> "Letter to M. Blanqui on property", 155

<sup>31</sup> Given that many secondary sources assert – following Marx – that Proudhon wished to return to a pre-industrial economy, it must be stressed that he explicitly rejected such a position: "M. de Sismondi, like all men of patriarchal ideas, would like the division of labour, with machinery and manufactures, to be abandoned, and each family to return to the system of primitive indivision, that is, *to each one by himself, each one for himself*, in the most literal meaning of the words. That would be to retrograde; it is impossible." ("System of Economic Contradictions", 194) Compare Marx's almost identical comments suggesting Proudhon held the opposite viewpoint (*The Poverty of Philosophy*, 73)

<sup>32</sup> There is a parallel here with Proudhon's position on democracy within unitarian and federalist regime, for example his comments on decentralisation in "General Idea of the Revolution in the Nineteenth Century" (595) and elsewhere.

<b>Ownership</b>	<b>Divided</b>	<b>Use (exploitative in italics)</b> <b>Divided</b> Artisan/Peasant <i>Capitalism</i> Mutualism	<b>Undivided</b>  <i>Community</i> <i>State Socialism</i>
	<b>Undivided</b>		

**Table 1: Ownership and Use**

production itself should be organised by workers companies.”<sup>33</sup> Other commentators on Proudhon – Max Stirner<sup>34</sup> Daniel Guérin<sup>35</sup>, Georges Gurvitch<sup>36</sup> and Robert L. Hoffman<sup>37</sup> – concur.

## Mutualism and Libertarian Communism

Proudhon rejected communism as well as community and did not extend the socialisation from the means of production to the goods created by them: workers would sell the product of their labour in markets.<sup>38</sup> Those who did move from the critique of wage-labour to the wage-system like Proudhon’s contemporary Joseph Déjacque and later communist-anarchists based their ideas on Proudhon’s and retained the same commitment to undivided ownership and divided use: the same usufructuary position is common to both.<sup>39</sup>

<sup>33</sup> Jack Hayward, *After the French Revolution: Six Critics of Democracy and Nationalism* (Hemel Hempstead: Harvester Wheatsheaf, 1991), 181, 201

<sup>34</sup> Proudhon “tries to get us to believe that society is the original possessor and the sole proprietor... against it the so-called proprietors have become thieves”. (*The Ego and Its Own* [London: Rebel Press, 1993], 250)

<sup>35</sup> Proudhon “distinguished between possession and ownership” and so workers “should hold their means of production in *alleu* ... but would not be the outright owners. Property would be replaced by federal, cooperative ownership vested not in the State but in the producers as a whole, united in a vast agricultural and industrial federation.” (Daniel Guérin, *Anarchism: From Theory to Practice* [New York/London: Monthly Review Press, 1970], 48)

<sup>36</sup> Rob Knowles quotes approvingly Georges Gurvitch’s summary that “the attribution of the means of production *all at once to the whole of economic society, to each region, to each group of labourers, and to each individual worker and peasant*. Individuals and groups could demand the redemption of their share [of the means of production], but not the division of federative property, which remains one and indivisible.” The means of production was “co-property in communal hands” and so “effectively socialised” and thereby change “not only its *subjects*, but its *nature*.” (quoted in Rob Knowles, *Political Economy From Below: Economic Thought in Communitarian Anarchism, 1840–1914* [Oxon: Routledge, 2004], 150)

<sup>37</sup> “By labour man creates *products*; by this he has right to the products, but not to the *land* or to any other instrument of production... Everyone had a right to possession of the means of production... Proudhon would abolish property right altogether... possession... would be granted and withdrawn by society...” (*Revolutionary Justice: The Social and Political Ideas of P-J Proudhon* [Urbana: University of Illinois Press, 1972], 58–9)

<sup>38</sup> This explains how “some of the items Proudhon lists, such as a plough, are capital goods” (62) for he is talking of the plough as a “product of labour” and, as such, the workers should be paid for that labour. The paid for good would then be used by the worker who bought it and who would, in turn, be paid for the goods they create using it. This would be possession and not property.

<sup>39</sup> Emma Goldman, “There is No Communism in Russia”, *Red Emma Speaks: An Emma Goldman Reader* (3<sup>rd</sup> Edition, Alix Kates Shulman (ed.), New York: Humanity Books, 1998), 406; Alexander Berkman, *What is Anarchism?* (Edinburgh/London/Oakland: AK Press, 2003), 217



There is a clear link between mutualism and libertarian communism and we discover Kropotkin arguing for distribution according to need by pointing to the contradiction between usufructuary use of commonly held means of production and the private ownership of the products created by them.<sup>40</sup> However, the use of both means and goods would remain “divided” and, as such, libertarian communism avoids the problems of “community.” Indeed, Kropotkin explicitly argues that anarchist-communism would not sacrifice the individual on the “altar” of “the community” by ensuring use rights to all socialised goods.<sup>41</sup>

Strong is incorrect to suggest a fundamental difference in perspective between mutualism and communism. This is not to suggest that Proudhon would have embraced libertarian communism simply that his ideas on possession are at the heart of it.<sup>42</sup>

## Conclusion

For Proudhon, then, it was *not* the case that “[e]nsuring access to capital goods need not imply common ownership of physical capital” (60), he did *not* “mean two different things” when he advocated social ownership and so did *not* argue for workplaces being “owned collectively by the workers in a particular firm, but not society as a whole.” (59) Only social ownership/property meant new entrants to a workplace become associates and not wage-workers. Strong fails to grasp how Proudhon’s theory of “collective force” shows how exploitation happens within production *and* why socialisation of “capital” was necessary.

Yet while land, raw materials and instruments of labour (“capital goods”) must be socially owned to end exploitation their use must be divided to ensure freedom. Social property was the foundation which ensured the collective use of a workplace by its associated workforce. Strong confuses *use* (which is divided) with *ownership* (which is not). If, as he (rightly) argues, Proudhon’s position on land use “is best described as usufruct, or private use of common property, rather than a type of private property” (59) then this also applies to the means of production. The notion of Proudhon advocating “mutualist private property” (63) is incorrect and it would be better to use his term: *possession*.

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<sup>40</sup> Peter Kropotkin, “The Wages System”, *Direct Struggle Against Capital: A Peter Kropotkin Anthology* (Iain McKay (Editor), Edinburgh/Oakland/Baltimore: AK Press, 2014) 617–629

<sup>41</sup> “The Place of Anarchism in Socialistic Evolution”, *Direct Struggle Against Capital*, 125–6

<sup>42</sup> See his rejection of the idea of production according to ability and distribution according to need in “General Idea of the Revolution in the Nineteenth Century” (555–7)

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