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An Anti-Statist Beginner's Guide to (Taxation, Public Budgets, and) Participatory Budgeting

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The most blunt and obvious anti-statist position regarding taxation and consequently public budgets (although the former is not the sole source of the latter) is their reduction or complete abolition, and this is often how it is treated amongst centrist and right-wing libertarians. For example, Murray Rothbard writes that the principled approach should be “to support all reductions in taxes, whether they be by lower rates or widening of exemption and deductions; and to oppose all rate increases or exemption decreases. In short, to seek in every instance to remove the blight of taxation as much as possible.” Thus, conversations between conventional statist and anti-statists functioning under this general approach tend to resemble the meeting of The People's Front of Judea (not to be mistaken with The Judean People's Front) from *Monty Python's Life of Brian* (1979) in which they plot the kidnapping of

Pilate's wife. In this scene, Reg proclaims that the Romans have done nothing but stolen from them, their fathers, and their fathers' fathers (and their fathers' fathers' fathers. And their fathers' fathers' fathers' fathers) and asks, "what have they ever given us in return?" To which the conspirators respond with a litany of things the Romans have provided like aqueducts, sanitation, irrigation, medicine, health, wine, public baths, etc. Eventually Reg is reduced to revising his question to, "but apart from better sanitation and medicine and education and irrigation and public health and roads and a freshwater system and baths and public order, what have the Romans done for us?" Though this comparison lends little credit to the variety of theoretical and historical non-state stratagems for providing what the state currently provides, it does sum up the sort of unnuanced back-and-forth this position instigates.

This is not to say that the eventual abolition of taxation (or more specifically *the necessity for* taxation) is not a good ideal or long-term goal. Alderson Warm-Fork points out, on a Libcom.org forum about the collectivist anarchist view of taxes, that, since taxes are in essence a mechanism of redistribution, if one requires such a mechanism it means that:

- 1) your original distribution was severely flawed, and
- 2) you for some reason couldn't change that original distribution. And to have this second distribution super-imposed on your original one would require some sort of agency standing somewhat above and apart from society – which isn't necessarily a state but sounds worryingly like it.

Thus, one goal for a stateless society is to create the socio-economic circumstances wherein the original distribution is both equitable and efficient enough that individuals are capable of pursuing their personal lifestyles and voluntarily pooling their resources in cooperative enterprises and community ventures—the

and commons-based, cooperative, and open-source production and governance “at three levels: the micro-village and other forms of cohousing/co-production, the city or town as a unit, and regional and global federations of cities.” For Carson, as he says on Mutual Exchange Radio, the goal of the “new municipalism” is “to push local government to operating in a less state-like manner and taking on the character more of a platform” and he traces this to a “larger stream of analysis” that can drawn back to Henri de Saint-Simon whereby the state is slowly done away with and is characteristic of every major socialist and anarchist analysis from Pierre-Joseph Proudhon’s dissolving of the state into society to Karl Marx’s withering away of the state.

For anti-statists, PB would also seem to follow the sort of strategy found in Noam Chomsky’s thinking regarding the welfare state. He writes in his collection *Understanding Power* that “the immediate goal of even committed anarchists should be to defend some state institutions, while helping to pry them open to more meaningful public participation, and ultimately to dismantle them in a much more free society.” PB seems like perhaps the holy grail of this sort of anti-statist thinking as public budgets represent the very core of the welfare state and this sort of participatory structure allows for both control of that and, in Carson’s earlier thinking, represents progress toward the abolition of the state as we currently understand it. Though there are certainly limitations and issues with PB—the subjects of which are not covered in this piece (but can be found in many of the studies linked to)—participatory budgeting appears as a quite consistent policy for anti-statists to forward as a nuanced approach toward taxation and public budgets.

latter in particular perhaps in the form of what 18th and 19th century anarchist Joseph A. Labadie describes as the sort of “taxation” that “is now done by churches, trade unions, insurance societies, and all other voluntary associations” and what Colin Ward refers to as the “pattern of local self-taxation” demonstrated by the model of the Tredegar Medical Aid Society in South Wales. In this scenario there is no need for a state or state-like mechanism for a second distribution (or at least not an involuntary one). It is anti-statist and fellow traveler to anarchism James C. Scott’s disbelief in the creation of this sort of “relative equality”—which is “a necessary condition of mutuality and freedom”—without a state, expressed in his *Two Cheers for Anarchism*, that leads him to ultimately reject, “both theoretically and practically, the abolition of the state.” But consider, for example, Kevin Carson’s piece “Who Owns the Benefit? The Free Market as Full Communism” in which he argues that a free market genuinely purged of all state privileges would ultimately not privatize but socialize “the full benefits of technological progress” and “result in a society resembling not the anarcho-capitalist vision of a world owned by the Koch brothers and Halliburton, so much as Marx’s vision of a communist society of abundance.”

But the point is that there are more nuanced positions for anti-statists to take regarding taxation. As Carlos Clemente outlines, “the relationship of market anarchists to the problem of taxation is somewhat more complicated than simply pushing unconditionally for their elimination under any circumstance. Market anarchists don’t buy the argument behind a reduction of taxes à la Dubya and Neocon company.” This is reflected well in Kevin Carson’s use of Chris Matthew Sciabarra’s concept of “dialectical libertarianism” regarding both taxation and regulation. He writes: “it doesn’t make much sense to consider particular proposals for deregulating or cutting taxes, without regard to the role the taxes and regulations play in the overall structure of state capitalism. That’s especially true, considering that most mainstream proposals from ‘free

market reform' are generated by the very class interests that benefit from the corporate state." And furthermore, Carson does not follow the right-libertarian assertion that taxation is *universally* theft as he argues in his article "How Not to Fight the 1%" that all "enormous wealth is achieved through the state — the billionaires' and corporations' state. All that wealth comes from rents on state-enforced artificial property rights, artificial scarcities, monopolies, regulatory cartels and entry barriers (except the part that comes from direct taxpayer subsidies)." And therefore, he objects to taxing billionaires and corporations not on the basis that it is 'theft' because it 'rightly belongs to them,' but on a more utilitarian basis that eliminating state-enforced monopolies is a more effective way to address the very basis by which massive wealth disparities emerge.

But there are certainly anarchists who do see extensive taxation of the rich as a reasonable short term means to address the enormous economic inequalities in capitalism, which raises the matter of interesting 'positive' approaches by anti-statists regarding taxation and public budgets, of which there are many historically. In his famous essay *Civil Disobedience*, Henry David Thoreau writes, "That government is best which governs not at all; and when men are prepared for it, that will be the kind of government which they will have." But in tandem with this anti-statist gradualism he holds a nuanced position regarding taxation, penning his refusal to pay the Massachusetts poll tax because of his opposition to slavery and its expansion through the Mexican-American War while proclaiming his willingness to pay highway taxes which would benefit his neighbors; basically opposing those taxes which only benefit the government and its tyranny. A less neighborly but not wholly dissimilar sentiment can be found on the libertarian right coming from Ayn Rand who, though a staunch critic of *any* redistributive tax policies, saw no contradiction for individuals to receive public scholarships, social security, unemployment benefits, etc. while still opposing statism. She writes in her 1966 essay "The Question

ence on a seemingly intractable problem." So PB can serve as a means to engage and buy-in to green initiatives "(such as more cycle lanes or less food waste). It would mean more take-up, rather than the 'Transition Agenda' being imposed from above." Thus, PB serves as a mechanism to practically address and inspirationally mobilize individuals and communities to pursue more environmentally conscious practices.

PBP has even written of PB as an important mechanism to deal with the current COVID-19 epidemic:

In pandemics, it's common to see governments lean authoritarian, all while trillions of dollars will be distributed in relief efforts. This is the exact moment when we need to strengthen democracy, to ensure the funding is allocated equitably and democratically, and to guarantee local communities — especially our most marginalized and vulnerable populations — have a say in these decisions that will greatly affect them. On a personal level, while we're all isolated and feeling helpless, people need a way to feel connection and a sense of control. Participatory budgeting offers both.

Beyond even the more 'neutral' utilitarian benefits of PB, the appeal for anti-statists is surely obvious—greater government transparency, citizen control over public funds, and avoidance of top-down authoritarian methods in the face of crises. And it has been demonstrated that complete opposition to taxation is not a necessary anti-statist position, so endorsement of PB would be no blasphemy. But on a more formally strategic level, Carson, in his piece "Libertarian Municipalism," speaks of PB as an aspect of "the emerging distributed and commons-based economy" that could serve "as a base for post-capitalist transition." He considers "[t]he participatory budgeting projects . . . an integral part of participatory government" alongside various strategies for community-

4. *The vote*: A larger group of residents votes on which projects to fund.

The important elements of this system are that they allow control by the public over at least some public funds but also that they “grant citizens unfiltered access to government information and elected officials” and foster “new relationships with their neighbors” and “a deepened sense of solidarity and community.”

And PB has been proposed to address a number of unique situations and challenges as well. As mentioned earlier in the movement of the system to the United States, it has appeared in the context of schools. As the Participatory Budgeting Project describes, “[s]chools, school districts, and colleges around the world are using participatory budgeting (PB) to engage students, parents, educators, and staff in deciding how to spend a part of the school budget.” Through these efforts, communities are given greater control over their schools. And as Agustin B. of the Phoenix Union High School District attests, it gives students a greater feeling of engagement in school. Though I am no expert, it seems like basic common psychological sense that when individuals have a say in the institution they are a part of, they feel a greater sense of both freedom and satisfaction—this must surely be true of students who currently feel at times as if they work under a bureaucratic regime; as Emma Goldman describes, schools—“no matter whether public, private, or parochial”—are “for the child what the prison is for the convict and the barracks for the soldier — a place where everything is being used to break the will of the child, and then to pound, knead, and shape it into a being utterly foreign to itself.” PB does not truly meet the ideal of a truly libertarian (in its traditional sense) education, but it surely moves in that direction.

The Participatory Budgeting Project has also proposed PB as a means to address the present climate emergency. They point out that “the apparent indifference to climate issues by some residents could stem from a perceived inability to have any genuine influ-

of Scholarships” that the “victims” of these types of policies “have a clear right to any refund of their own money—and they would not advance the cause of freedom if they left their money, unclaimed, for the benefit of the welfare-state administration.” Rand herself received social security later in life. There is also the starkly different case of the famous anarchist Pyotr Kropotkin who, in *The Conquest of Bread*, holds that much of the infrastructure and many of the institutions generally maintained by public budgets—such as “[m]useums, free libraries, free schools, free meals for children; parks and gardens open to all; streets paved and lighted, free to all; water supplied to every house without measure or stint”—are representative of larger trends leading society towards anarcho-communism.

And furthermore, many anti-statists (including Carson) have expressed interest in the economic philosophy of Henry George, which, as George describes in his magnum opus *Progress and Poverty*, principally consists of the notion that all land is held in common while rejecting the idea that any “owner of land need be dispossessed[,] . . . [f]or rent being taken by the state in taxes, land, no matter in whose name it stood or in what parcels it was field, would be really common property, and every member of the community would participate in the advantages of its ownership” with all of this leading to the abolition of “all taxation save that upon land values.” An excellent example of an anti-statist endorsement of this is that of famed author and Christian anarchist Leo Tolstoy who later in life wrote, “People do not argue with the teaching of George; they simply do not know it. And it is impossible to do otherwise with his teaching, for he who becomes acquainted with it cannot but agree.” Some might point to this as demonstrative of a shift away from anarchism by Tolstoy, but in his 1899 novel *Resurrection*, he fictionally explores the notion of local governance—not a hegemonic state—as a means to collect land rent for the community good.

All of this is outlined in order to demonstrate the complex and nuanced approaches to taxation and public budgets that can be taken by anti-statists in order to create a context to discuss “participatory budgeting.” This process is simply where citizens—generally of municipalities—deliberate and democratically decide upon the allocation of public budgets. Its origins can be found in the participatory experiments of the Brazilian Democratic Movement during the era of the military dictatorship, but, as Steve Rushton explains, it was properly developed by the Brazilian Workers’ Party in the 80s as an attempt to springboard from electoral success to more radical forms of participatory democracy. The first successful example emerged in 1989 in the city of Porto Alegre, the capital of the Brazilian state Rio Grande do Sul. Soon, it was adopted by the city of Belo Horizonte in 1992, and from there numerous municipalities followed, with nearly half of Brazil’s largest cities employing the method. As Rushton explains, participatory budgeting in Brazil follows a yearly cycle whereby the city presents the previous yearly budget and citizens review it in neighborhood meetings where they discuss spending decisions and proposals. These assemblies then elect councilors who further debate and refine what the assemblies have proposed and discussed, and finally delegates—elected by residents—vote upon the final decisions.

And the positive impacts of this system speak for themselves, with a World Bank report on the effort particularly in Porto Alegre accounting for an additional 27,000 new people attaining public housing in 1989, sewer and water connection increasing from 75% to 98% of houses from 1988-1997, the number of schools quadrupling since 1986, and the city’s health and education budget going from 13% to 40% from 1985-1996. Now, it must be made clear that it is not the entire budget that is being allocated in these cases and that it is not every single person who is participating. However, its control and inclusion increased in the past with PB allocating 21% of Porto Alegre’s budget in 1999 and half of Belo Horizonte’s local

investment resources that same year. Furthermore, participation, as of the time of the report, is “not just restricted to the middle class or the conventional supporters of the Workers Party. People from low-income groups also take an active part in the process.”

Participatory budgeting spread to Europe in the 2000s, emerging simultaneously in several mostly Western European countries in 2005, until more than 50 European cities—including Sevilla, London, Paris, Rome, and Berlin—as well as small communes like Grottamare and Altidona in Italy, had adopted forms of the process. And it has come to the United States as well, as numerous cities, counties, housing communities, schools and more have implemented it into their structures. Rushton gives the account of the city of Greensboro, North Carolina, which adopted PB in 2015 and consequently has invested in real-time information on public transit, pedestrian crossings, emergency call boxes in parks, and increased bus shelters. And furthermore, “participatory budgeting has pushed greater inclusion for communities previously separated by language, ethnicity and poverty.” PB of a certain variety has also cropped up in New York City where “residents can now access a special map with drop pins, where they can give their specific ideas about how to improve transit, housing and other issues.” And as of 2018, 3,000 municipalities worldwide have implemented some form of PB.

With so many different contexts, PB has unsurprisingly taken on multiple different forms, but Hollie Russon Gilman accounts for four generally universal characteristics of their structures:

1. *Information sessions:* Citizens are given access to information about the cost and effect of different government programs.
2. *Neighborhood assemblies:* Citizens articulate local budgetary needs.
3. *Budget delegates:* Some citizens sign up to directly interact with government officials and draft viable budget proposals.