

The Collectivist Tradition

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Contents

The Limits of Proudhonian Economics	3
Collectivism and Marxism	5
The Collectivist Economic Doctrine	6
A Limited Form of Communism	9
The Collectivist Legacy	10
Bibliography	10

Anarchist economics began with Proudhon but eventually developed into two schools of thought: anarcho-syndicalism with its emphasis on mass production industries in an urban environment, and anarchist-communism with its emphasis on egalitarian distribution and small-scale communities. Both these theories developed out of anarcho-collectivism, a radical economic federalism developed by the libertarian elements of the (First) International Workingmen's Association. Its principal advocates were Michael Bakunin and James Guillaume, but the real credit for the theory of collectivism should go to the workers belonging to the International, who took the various socialist and trade union economic ideas of the time and modified them in light of their own experience.

The Limits of Proudhonian Economics

The collectivists shared a number of ideas with the followers of Proudhon in the International, in particular the concepts of workers self-management of industry and economic federalism. On the other hand they saw a need to go beyond the sort of utopian thinking that led the Proudhonists to believe capitalism might be transformed by the growth of worker cooperatives and mutualist credit. By the time the International was formed in 1864, worker cooperatives had been experimented with for several decades and by now were floundering. In the last years of his life, even Proudhon was forced to admit the cooperative movement was not developing as he had hoped:

Not many years later, in 1857, he severely criticized the existing workers' associations; inspired by naive, utopian illusions, they had paid the price of their lack of experience. They had become narrow and exclusive, had functioned as collective employers, and had been carried away by hierarchical and managerial concepts. All the abuses of capitalist companies "were exaggerated further in these so-called brotherhoods." They had been torn by discord, rivalry, defections, and betrayals. Once their managers had learned the business concerned, they retired to "set up as bourgeois employers on their own account." In other instances, the members had insisted on dividing up the resources. In 1848 several hundred workers' associations had been set up; nine years later only twenty remained. (Guerin, pp. 47-48)

These same observations were made by the members of the International: "The English section reported on cooperatives. Without denying the usefulness of cooperative organizations, it indicated a dangerous tendency noticeable in a majority of such bodies in England, which were beginning to develop into purely commercial and capitalist institutions, thus creating the opportunity for the birth of a new class — the working bourgeoisie." (Maximoff, p. 47)

The small, isolated, under-capitalized worker cooperatives could barely survive in competition with their better established capitalist rivals. The few cooperatives that prospered, often betrayed their working class supporters and began to operate as though their facilities were their own private property, aided and abetted by the laws and existing capitalist businesses. The failings of the cooperatives had raised the thorny issue of how to turn the socialization of the means of production from an ideal into a practical reality. The solution suggested by the collectivists was to expropriate the means of production from the capitalists and for the workers' associations to own these "collectively", no longer recognizing any individual ownership rights to divide up and sell them. The third Congress of the International accordingly passed a resolution that the main

purpose of the cooperatives must go beyond narrow self-interest. Instead their purpose must be support the struggle “to wrench from the hands of the capitalists the means of production and return them to their rightful owners, the workers themselves.” (Guillaume, p. 70)

As we have seen, in *The Principle of Federation* (1863), Proudhon began to sketch the outlines of a sort of economic federalism before he died. This did not, however, prevent his mutualist followers from trying to defend his earlier ideas. At the 1869 Basel Congress of the International, a dispute arose over a resolution calling for the collectivization of the land. The Proudhonists held out for the right of small farmers to own land privately, as long as they did not rent out the land for others to work. Tolain, speaking for the mutualists, suggested the resolution be changed to read, “The Congress declares that, to realize the emancipation of the worker, it must transform the leases of farmland...to contracts of sale: so that ownership, continually in circulation, ceases to be abusive in itself; and consequently [by ensuring the individual worker the right to the product of his labors]...safeguards the liberty of the individual groups.” (Guillaume, p. 197)

Bakunin, speaking for the collectivists, disputed the notion that private property, even in a limited form, was justified as a means for safeguarding individual rights.

...the individual is a product of society, and without society man is nothing. All productive labor is above all social labor; “production is only possible through the combination of the labor of past generations with the present generation, there is not ever labor that can be called individual labor.” He [Bakunin] is thus a supporter of collective property, not only of the soil, but of all social wealth. As for the organization of agricultural production, it is concluded by the solidarization of the communes, as proposed by the majority of the commission, all the more willingly that this solidarization implies the organization of society from the bottom upwards, while the proposition of the minority presupposes a State [to guarantee and enforce the terms of sale]. (Guillaume, p. 197)

To be fair to Proudhon and the mutualists, their waffling on the issue of private property was not so much due to ambivalence about collective ownership, as an example of the extremes they were prepared to go to avoid a revolutionary confrontation. Mutualist credit was intended to produce “a new economic arrangement” which would somehow avoid the “shock” of violent confrontation with the capitalists over their property rights. To the collectivists, who were veterans of bitter labor strikes and insurrections, this was hopelessly idealistic. Capitalism had not originated out of a peaceful, democratic debate as to how to organize production to ensure economic justice and well-being for all, but was the product of centuries of fraud, theft, and State-sponsored violence. Proudhon often ignored that these activities were as much a part of the functioning of the existing economy as was the official market side of capitalism. The State and the capitalists would not disappear with a new set of rules, since they, more often than not, did not play by their own rules.

Although Proudhon had discovered many of the contradictions of capitalist economics, his non-confrontational solutions were just too out of touch with reality. What the anarchists needed was to base their economics less on moral arguments than on a positivist materialism. As Bakunin put it:

...Proudhon remained an incorrigible idealist all his life, swayed at one moment by the Bible and at the next by Roman Law ...His great misfortune was that he never

studied natural science and adopted its methods...As a thinker Marx is on the right path. He has set up the principle that all religious, political and legal developments in history are not the cause but the effect of economic developments. Many others before him had a hand in the unveiling of it and even expressed it in part, but in the last resort credit is due to him for having developed the idea scientifically and having made it the basis of his whole scientific teaching. On the other hand, Proudhon understood the idea of freedom better than Marx. (Jackson, pp. 128–129)

Collectivism and Marxism

The criticism Bakunin made of Proudhon's idealism was perhaps a kinder version of the same criticism Marx had made in *The Poverty of Philosophy*. It is on the basis of such statements, as well as his praise for Marx's *Capital*, that some argue that Bakunin shared the economic views of Marx. In reality Bakunin and his fellow collectivists differed with Marx on economic grounds as well as on political matters. Bakunin did begin a translation of *Capital* into Russian, but never completed it. Had his enthusiasm for the work been as overwhelming as some claim, he would no doubt have finished it and collected the remainder of the sum agreed upon by the Russian publishing house (instead of getting expelled at the Hague Congress of the International for allegedly threatening the publisher in order to get out of the deal). A closer look at what Bakunin thought about *Capital* reveals his real reason for admiring the work:

...nothing, that I know of, contains an analysis so profound, so luminous, so scientific, so decisive and if I can express it thus, so merciless an expose of the formation of bourgeois capital and the systematic and cruel exploitation that capital continues exercising over the work of the proletariat. The only defect of this work...is that it has been written, in part, in a style excessively metaphysical and abstract...which makes it difficult to explain and nearly unapproachable for the majority of workers. (Bakunin, p. 195)

Bakunin, more the revolutionary than the economist, admired *Capital* as a great piece of revolutionary propaganda. Marx, drawing his facts and figures out of British government documents and parliamentary debates, had hoisted the capitalists by their own petards. This does not mean he endorsed it verbatim. Bakunin had earlier translated *The Communist Manifesto* into Russian and made no bones about his disagreements with Marx and Engels over their proposals for a centralized state socialist economy.

I am not a communist because communism concentrates and absorbs all the powers of society into the state, because it necessarily ends in the centralization of property in the hands of the state...I want society and collective property to be organized from the bottom upwards by means of free association and not from the top downwards by means of some form of authority...it is in this sense that I am a collectivist. (quoted in Cahm, p. 36)

Rather than a State or a market determining the allocation of resources and the distribution of products, the workers would decide these things themselves by free agreements among the

associations. These agreements would be monitored by the communes, and industrial federations to make sure that labor was not exploited. Bakunin, however, recognized that any system of free exchange of products still held the danger of monopoly and private accumulation of wealth, particularly by the self-employed farmer or artisan, who tried to pass on land or equipment to his children. Thus he also called for the abolition of inheritance to prevent the rise of a new working class bourgeoisie.

The International debated the subject of inheritance at its Basel Congress in 1869. Marx was opposed to the International taking a position on the subject of inheritance on the grounds that once the private ownership of the means of production had been abolished (and expropriated by the workers' government), there would be nothing left to inherit. Even worse, it implied the International would support something other than the state communism of Marx. As Eccarius, speaking for Marx, put it, "the abolition of the right of inheritance can not be the point of departure for the same social transformation: it would be too absurd to require the abolition of the law of supply and demand while continuing the state of conditions of exchange; it would be a reactionary theory in practice. By treating the laws of inheritance, we suppose necessarily that individual ownership of the means of production would continue to exist." (Guillaume, p. 201)

Eccarius was half right. Bakunin and the other collectivists intended that something other than the state ownership of the means of production and central control would exist, but it would not necessarily be capitalist ownership nor a market economy. The full collectivization of the economy would not be carried out by a single decree, but over a generation. Abolition of wage labor by the collectivization of the capitalist employers would be the first step, but the right of the self-employed, particularly the small farmer, to their means of livelihood would be respected. To recognize this right of possession to the tools needed for one's own labor, however, was not to recognize an ownership right that could be bought and sold or passed on to one's children. This was the meaning behind the collectivist demand for the abolition of inheritance.

If after having proclaimed the social liquidation, we attempted to dispossess by decree millions of small farmers, they would necessarily be thrown onto the side of reaction, and in order for them to submit to the revolution, it would be necessary to employ force against them...It would be well then to leave them possessors in fact of those small parcels of which they are proprietors. But if you don't abolish the right of inheritance what would happen? They would transfer their holdings to their children...If, to the contrary, at the same time that you would make the social liquidation... you abolish the right of inheritance what would remain with the peasants? Nothing but defacto possession, and that possession... no longer sheltered by the protective power of the state, would easily be transformed under the pressure of events and of revolutionary forces. (Bakunin, quoted by Guillaume, p. 203)

The Collectivist Economic Doctrine

Collectivism, unlike Proudhon's Mutualism or Marxism, was not a well developed theory, the product of a single mind. Its principal advocates were socialist revolutionaries and workers caught up in the events of the time: the upheavals of 1848 which occurred throughout Europe, the birth of the labor unions, and the Paris Commune of 1871. As far as they could tell, a social revolution was not an abstract goal looming far off in the distance, but something that had to be prepared for right away. Some sort of workable economic program had to be agreed upon by

the labor movement, which had broad appeal to the various socialist and labor groupings that made up the International, without locking everyone into something they might regret later. This explains why collectivism often was so sketchy in details, and some of its advocates disagreed among themselves over various points.

The closest thing to a “definitive” statement of collectivism is an essay written by James Guillaume in 1874, “Ideas on Social Organization” (see Dolgoff, pp. 356–379). Guillaume begins by emphasizing that there can be no “blueprint” for social revolution, since it must be left up to the workers themselves to decide how best to organize themselves in their own areas. However, having said that, he begins to make various suggestions about the collectivist approach. First the system of wage labor will be abolished by the workers “taking possession” of all capital and tools of production, ie. the collectivization of property. The self-employed and the owners of family businesses are to be left alone to operate as they wish, but with this important exception: “his former hired hands, if he had any, will become his partners and share with him the products which their common labor extracts from the land.” (Dolgoff, p. 359)

The internal organization of the worker collectives, working conditions, hours, distribution of responsibilities, and share of income, etc., are to be left in the hands of their members: “Each workshop, each factory, will organize itself into an association of workers who will be free to administer production and organize their work as they think best, provided that the rights of each worker are safeguarded and the principles of equality and justice are observed.” (Dolgoff, p. 363, my emphasis)

However the fact that the collectivists were willing to tolerate those groups which decided to distribute income according to hours worked, does not mean the collectivists believed in the principle, “to each according to their work.” As Guillaume makes clear, this is only justified (where it is practiced) as a temporary expedient, to discourage over-consumption during the transition period when capitalist conditions of scarcity will not yet have been overcome.

In some communities remuneration will be in proportion to hours worked; in others payment will be measured by both the hours of work and the kind of work performed; still other systems will be experimented with to see how they work out. The problem of property having been resolved, and there being no capitalists placing a tax on the labor of the masses, the question of types of distribution and remuneration become secondary. We should to the greatest possible extent institute and be guided by the principle From each according to his ability, to each according to his need. When, thanks to the progress of scientific industry and agriculture, production comes to outstrip consumption, and this will be attained some years after the Revolution, it will no longer be necessary to stingily dole out each worker’s share of goods... (Dolgoff, p. 361)

Although collectivism promotes the greatest autonomy for the worker associations, it should not be confused with a market economy. The goods produced by the collectivized factories and workshops are exchanged not according to highest price that can be wrung from consumers, but according to their actual production costs. The determination of these honest prices is to be by a “Bank of Exchange” in each community (obviously an idea borrowed from Proudhon).

...the [labor] value of the commodities having been established in advance by a contractual agreement between the regional cooperative federations [ie. industrial

unions] and the various communes, who will also furnish statistics to the Banks of Exchange. The Bank of Exchange will remit to the producers negotiable vouchers representing the value of their products; these vouchers will be accepted throughout the territory included in the federation of communes. (Dolgoﬀ, p. 366) The Bank of Exchange ...[will] arrange to procure goods which the commune is obliged to get from outside sources, such as certain foodstuffs, fuels, manufactured products, etc. These outside products will be featured side by side with local goods...and all goods will be uniformly priced. [Since similar goods all have the same average labor value.] (Dolgoﬀ, p. 367)

Although this scheme bears a strong resemblance to Proudhonian “People’s Banking,” it should be noted that the Banks of Exchange, along with a “Communal Statistical Commission,” are intended to have a planning function as well.

...each Bank of Exchange makes sure in advance that these products are in demand [in order to risk] nothing by immediately issuing payment vouchers to the producers. (p. 367) ...By means of statistics gathered from all the communes in a region, it will be possible to scientifically balance production and consumption. In line with these statistics, it will also be possible to add more help in industries where production is insuﬃcient and reduce the number of men where there is a surplus of production. (Dolgoﬀ, p. 370)

As conditions permit, the exchange functions of the communal banks are to be gradually replaced by the distribution of goods “in accordance with the needs of the consumers.” (p. 368) Until that point is reached, the local community has the responsibility for providing certain basic needs for everyone without regard for production done by that particular individual. Among these essential needs to be distributed freely are education, housing, health, personal security and fire protection, disaster relief, and food services. The worker collectives engaged in these essential communal services will not be required to exchange them for their “labor value,” but “will receive from the commune vouchers enabling them to acquire all commodities necessary for the decent maintenance of their members.” (Dolgoﬀ, p. 365)

Therefore each “commune” is to provide a basic standard of living for all its members during the transitional period leading towards economic abundance. Those people desiring a higher income will be given the right of access to the means of production in order to produce goods both for themselves and for exchange. Each worker collective, however, will not have to shift for itself but will receive assistance from the communes, and local and regional industry associations.

...social organization is completed, on the one hand by the establishment of regional corporative federations comprising all the groups of workers in the same industry; and on the other by the establishment of a federation of communes...The corporative federations will unite all the workers in the same industry; they will no longer unite to protect their wages and working conditions against the onslaughts of their employers, but primarily to guarantee mutual use of the tools of production which are the property of each of these groups and which will by a reciprocal contract

become the collective property of the whole corporative federation. In this way, the federation of groups will be able to exercise constant control over production, and regulate the rate of production to meet the fluctuating consumer needs of society...The statistics of production, coordinated by the statistical bureaus of every a rational manner of the hours of labor, the cost price of products and their exchange value, and the quantities in which these products should be produced to meet the needs of consumers. (Dolgoft, pp. 376–377)

A Limited Form of Communism

In his essay, “Must We Apply Ourselves with an Examination of the Ideal of a Future System?”, Peter Kropotkin pointed out that the anarcho-collectivism advocated by Bakunin, Guillaume, and the anarchists in the First International, was actually a variety of anarchist communism, but “in an altered and limited form” (Miller, p. 59). The anarcho-collectivists felt that full communism, ie. the free distribution of all goods and services, would have to wait until the economy had been reorganized and the scarcity artificially created by the capitalist market had been overcome. Until then much of production would be according to the principle of “to each workplace according to their product.” This is not the same as the state collectivists who argued for “to each worker according to their work,” and called for elaborate schemes of income hierarchy. The worst that can be said about the anarcho-collectivists, is that they were willing to tolerate income differences at various workplaces for the sake of giving each collective the autonomy to decide for themselves. This was, however, not their ideal. Even for the transition period, the anarcho-collectivist principle was income equality for all working in the same collective.

Do not the manager’s superior training and greater responsibilities entitle him to more pay and privileges than manual workers? Is not administrative work just as necessary to production as is manual labor — if not more so? Of course, production would be badly crippled, if not altogether suspended, without efficient and intelligent management. But from the standpoint of elementary justice and even efficiency, the management of production need not be exclusively monopolized by one or several individuals. And the managers are not at all entitled to more pay... (Bakunin, quoted in Dolgoft, p. 424)

A much more serious problem for collectivism is the inequality which would inevitably arise between workers due to the exchange of products. The collectivists sought to ameliorate this to a certain extent by giving the investment arm of the communes, the Banks of Exchange, a more activist role in economic planning, and by putting an income floor under all workers by providing free housing, food, and public services. However, this creates further possible sources of inequality, since the communal service workers are supposed to work in return for meeting all their needs regardless of their productivity. Thus a possible source of conflict arises between a communist service sector and an exchange-based production sector. If the production goes well, the communal workers may resent the higher incomes gained by the production workers. If production goes poorly, the production workers may resent the income security of the service workers.

For the collectivists these problems were seen as minor, if recognized at all. Guillaume, for instance, assumed that the material abundance developed during the transitional period would bring about a blossoming of morality, which would soon make the exchange economy irrelevant. Unfortunately, this begs the question, since he did not bother to define what “abundance” is and how we are to know when we have achieved it. We can safely predict that in any future economy there is virtually no limit to human desires for material goods, while there will always be limits to what society and the ecology are able to provide without causing a breakdown. “Abundance” means different things to different people. The danger is that by leaving this point of development undefined, those who may be the economic “winners” of the transitional period, may be unwilling to make the next step.

The Collectivist Legacy

The main contribution of the collectivists to anarchist economics was their attempt to anticipate many of the problems which would be encountered during the revolutionary transition from capitalism to stateless communism, and their emphasis on the need for finding a balance between ultimate goals and day-to-day realities. These methods contributed enormously to the early successes of the 1936 revolution in Spain, where the anarchist movement retained a strong collectivist tradition. The specific proposals made by Guillaume and others, while useful as an example of applying anarchist principles to existing conditions, have lost most of their relevance. We do not live in 19th century Europe nor 1930s Spain, but in a high-tech economy threatened by environmental exhaustion. In most industries, technology has developed well beyond the point needed for “abundance” in 19th century terms. This makes the question of defining the minimum level of abundance all the more important for modern anarchists, as well as the more practical problem of how to go beyond a crude exchange economy during the transition.

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