

A Step in the Right Direction

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In the comments to my last post, Stefan remarked:

Your “solidarity” sounds suspicious. In a free-market workers can be fired at any time, or can quit anytime. You derisively refer to the CPE as a “free market reform”, but that’s exactly what it is: A tiny free-market reform in a sea of statism. That you express support, however muted, for these masses of statist student protesters is very telling.

Well, I guess it’s “telling” in the sense that it tells Stefan whatever he was looking to be told. But when you start with a sea of state capitalism, and you let the state capitalist ruling class decide on the basis of their own strategic priorities what tiny areas of free market reform to introduce, guess what you get? A state capitalist system that selectively harnesses more free market elements, the more effectively to serve state capitalist interests (see Chris Tame’s view of Thatcherism, in a post below, as a more efficient form of corporatism):

Where others saw a rolling back of the state, he saw in privatisation only a more rational – and thus a more efficient – type of statist control. “These new markets are never free,” he once said, “and they are always dominated by the ruling class.”

Brad Spangler got a similar objection on the comment thread to his original post. Julius Blumfield wrote:

“but representative of perhaps the worst possible choice of priorities”

What do priorities have to do with it? I don’t understand why libertarians would oppose an increase in liberty. Very odd. Please explain!

In response, Brad referred him to my post. Blumfield didn’t find it convincing:

I don’t see that he answers the objection at all. If the reform is a step in the right direction (which it plainly is) it is perverse for libertarians to oppose it. Would you oppose a liberalisation of drug laws (such as for example the recent partial decriminalisation of cannabis possession in the UK) because it takes place within an overall

statist framework? Surely not. So why is this any different? I can't help but suspect that your opposition is grounded more in some misplaced sense of solidarity with leftists, than on principle.

I agree with him that I didn't do an adequate job of making my objections explicit. I was implicitly assuming the principle Brad states in another comment:

By begging the state to establish your liberty for you piece-meal, it brings liberty into disrepute as the state inevitably does so in such a manner as to benefit state allies.

Now, I'm not opposed to "reformism," in the sense of a gradualist strategy of rolling back and abolishing the state. But the decision of what aspects of statism to dismantle *first* should be guided by an overall strategy of dismantling state capitalism *as a system*. That means we go first after the central structural supports of privilege, that enable the corporate-state ruling class to derive profit by political means, and go last after palliative measures that make such corporatist exploitation humanly tolerable for the non-privileged. As Thomas L. Knapp said, that means dismantling welfare from the top down and cutting taxes from the bottom up. If we allow the state capitalist ruling class and their pet "free market" think tanks to set the priorities of what to go after first, and welcome every incremental reduction as a "step in the right direction," we're allowing the free market to be adopted in a way that only makes statist exploitation more efficient. The best comparison I can think of is the Romans welcoming the withdrawal of the Punic center at Cannae as "a step in the right direction."

As Marshall said in *Gibbon v. Ogden*, the state's decision of what *not* to regulate or tax is just as important as its decision of what to regulate or tax. The two go together in a single strategic framework. The state capitalists adopt whatever combination of statism and markets best promotes their (statist) objectives.

In other words, priorities have *everything* to do with it.

Addendum. As freeman mentioned in the comments, Roderick Long also got into the fray by explaining (in the thread on Brad's petition at Wally Conger's blog) why priorities *do* matter.

Whether something counts as a reduction of restrictions on liberty depends on the context. Remember when Reagan "deregulated" the Savings & Loans — such deregulation could be a good thing under many circumstances, but given that he didn't remove federal deposit insurance, "deregulation" amounted in that context to an increase of aggression against the taxpayers, licensing the S&Ls to take greater risks with taxpayers' money.

So in this case: when government passes laws giving group A unjust privileges over group B, and then passes another law giving B some protection against A, then repealing the second law without repealing the first amounts to increasing A's unjust privilege over B. Of course a free society would have neither the first nor the second law, but repealing them in the wrong order can actually decrease rather than increase liberty.

He elaborated on the theme in an entry at Liberty & Power:

Of course *in a free market* there would be no legal restrictions (except those contractually agreed to) on an employer's right to fire an employee. But from the fact that there would be no X in a free society, it doesn't follow that absolutely any situation will be moved in the direction of freedom simply by removing X. (Compare: from the fact that a healthy person wouldn't have a pacemaker, it doesn't follow that the health of anyone who has a pacemaker would be improved by its removal.)...

[I]n general a removal of restrictions on an entity doesn't count as a move toward liberty if the entity is still a substantial recipient of government privilege or subsidy. For the more that an entity benefits from government intervention, the closer it comes to being an arm of the State – in which case lifting restrictions on it is, to that extent, *lifting restrictions on the State*.

(Also: here, from a couple of years ago, is a Roderick Long post on Rothbard's reaction to the French student uprising in 1968.)

Finally, Dain suggested that there might be another twist to the CPE issue: if it is a new law, and not simply the repeal of existing law, does it simply eliminate existing legal guarantees of job security; or does it create a *positive right* to terminate employees at will, preempting existing *contractual* obligations to the contrary?

Follow-up:

While the provocative discussion was going on in the comments to my previous post, Sheldon Richman has raised some important questions in a series of posts of his own. In an initial post, he cited Roderick Long's view of the CPE favorably, and added:

The French law letting employers fire young workers without cause during their first two years on the job is a freeing of "the market" only on the surface. France is a cartellized and concentrated economy thanks to heavy government intervention on behalf of the country's elite. Whether we call it state capitalism or state socialism is a mere detail. Thus giving the beneficiaries of state privilege a bit more leeway in firing employees hardly constitutes freeing the market. Why is there no talk in France of removing the myriad deep restrictions on free competition? That is what would really give workers bargaining power.

In a follow-up, he wrote:

If I were a young would-be worker in France, knowing what I know now about economics, ethics, and politics, would I be protesting the law that permits employers to fire young workers without cause during their first two years on the job? Absolutely not. (Just as I do not oppose repeal of minimum-wage laws in the U.S.) But I would be pointing out that this legal change doesn't begin to scratch the surface of the deeply entrenched French corporate state, which benefits an elite at the expense of everyone else. In other words, libertarians shouldn't hope that the new French law is repealed, but neither should we think this is a significant liberalization of the French economy.

Seemingly having second thoughts, he distanced himself somewhat from Roderick Long's position on the importance of priorities in scaling back the state:

Thus I differ somewhat from Roderick Long's position here, in which he argues that in the current (corporate-state) context, removal of the firing restriction does not constitute a move toward liberty. This is not obvious to me. The order in which government restrictions are removed may be relevant to the justice of, or libertarian position on, any particular removal, but it is by no means easily determined what that order should be. I don't see the French case as one in which things are grossly out of order. As Mark Brady has pointed out, the restriction on firing has hurt people other than the privileged elite, so its removal will help others than that elite. Long's example of deregulating the S&Ls while the taxpayers were still on the hook for losses through deposit insurance is a much more clear-cut case where order mattered.

Finally, in a third post, Sheldon writes in response to my last post:

Kevin, you write, "But the decision of what aspects of statism to dismantle first should be guided by an overall strategy of dismantling state capitalism as a system." This assumes we will control the agenda for dismantling. But we won't. Rothbard may have supported the French students in 1968, but he also said often that we should take anything we can get when it comes to peeling back state power. Rather than opposing the CPE, the anti-corporativists should use it to emphasize the need to really dismantle the corporate state. If CPE is junked, I don't expect to see attention turned to the overall system; things will just go on as they were. Hard as I try, I don't really see the strategic vision here.

One thing I'd like to drag into this discussion is Chris Sciabarra's dialectical libertarianism. It's dangerous to consider any piecemeal "market reform" purely in terms of whether it's good in principle, in and of itself. Any such policy initiative should be considered in the context of the whole system of which it is a part, and whether it tends to weaken or strengthen that system. We must, as he put it in *Total Freedom*,

grasp the nature of a part by viewing it systemically—that is, as an extension of the system within which it is embedded.

Arthur Silber, in a post on the old (regrettably defunct) *Light of Reason* blog [but reposted here], elaborated:

...there are two basic methods of thinking that we can often see in the way people approach any given issue. One is what we might call a contextual approach: people who use this method look at any particular issue in the overall context in which it arises, or the system in which it is embedded...

The other fundamental approach is to focus on the basic principles involved, but with scant (or no) attention paid to the overall context in which the principles are being analyzed. In this manner, this approach treats principles like Plato's Forms...

....[M]any libertarians espouse this “atomist” view of society. For them, it is as if the society in which one lives is completely irrelevant to an analysis of any problem at all. For them, all one must understand are the fundamental political principles involved. For them, that is the entirety of the discussion...

To sum up, then: we can see two very different methods of approaching any problem. We have a method which focuses on contextual, systemic concerns, and always keeps those issues in mind when analyzing any problem and proposing solutions to it. And we also have a method which focuses almost exclusively on principles, but employs principles in the manner of Plato’s Forms, unconnected and unmoored to a specific context or culture. As I said, my solution is to employ both methods, separately and together, constantly going back and forth — and to endeavor never to forget either.

So I don’t agree with Rothbard that we should simply accept whatever introduction of market elements the state capitalist ruling class offers, based on its own priorities.

As I argued in the comments to the post below, we may not control the agenda in the sense of directing the dismantling process from inside the state. But at any given time, we have a great deal of latitude on what kind of ad hoc coalition to form to pressure the state from outside, and what areas of state involvement we should focus on dismantling. The groups we choose to align ourselves with, and the priorities we focus on in pressuring the state, can make a great deal of difference.

My own preference would be along the lines of a tactical alliance with the Greens and liberals to radically scale back corporate welfare, eliminate all differential tax benefits (with overall cuts to make it revenue neutral), and restore traditional common law remedies against polluters. Another winner would be a broad-based coalition to cut the income tax by increasing the personal exemption, as an alternative both to the GOP’s across the board approach or the Democrats’ preference for targeted, social engineering tax credits. Such campaigns, if handled competently and associated with an effective propaganda campaign, might put overwhelming pressure on the state. And it would be a move toward genuine free market reform based on our own left-libertarian priorities, rather than taking crumbs from off the table of the Catoids and ASI.

In any case, as I understood it, Brad Spangler’s letter was not so much about supporting repeal of CPE, or even whether CPE was good or bad in itself, as about diverting the debate toward dismantling the state in ways that will be most helpful to the producing classes. That means focusing like a laser beam on the central structural supports of state capitalism, rather than letting the likes of Reagan, Thatcher and Pinochet incorporate selective “market reforms” into a leaner and meaner state capitalist system. Sheldon himself suggests as much in his second post:

Libertarians can be of help by pointing out what ought to be the target of protest in France: the myriad privileges that constitute the corporate state.

And Brad seems to bear out this interpretation in his comments to Sheldon’s third post:

The letter is not an attempt to influence state policy. Any reform attempts will have those dissatisfied with its results. The agorist revolutionary option — self-liberation through going counter-economic and the incremental weakening of the state thereby until it eventually collapses — avoids the ethical dilemmas of reformism. I would

say that there is no contradiction with your opinion of the CPE as a reform (an expression of the natural urge to weigh some reforms as better or worse than others) and recognizing frustration among the French populace, the better to point out the revolutionary option to them.

As I said in the comment thread to “A Step in the Right Direction,” the CPE is already, in large part, a moot point. The purpose of Brad Spangler’s letter of support is to direct the French students’ attention back to the man behind the curtain. Educating them on the phony nature of such “free market” stunts as CPE, and the statist agenda of which it is a part, is more about the future than the past. Most importantly, the goal should be to direct their future efforts to engaging the state on ground of their own choosing rather than fighting on ground chosen by the corporate enemy.

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