

Socialist Definitional Free-for-All

Or, Thomas L. Knapp takes on the usual gang of idiots.

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Part I

The following post consists of a whole lot of block quotes from an extended debate. I have a few brief comments of my own interspersed, but my main arguments are way, way down there toward the end.

According to Tom Knapp, Billy Beck is an adherent of Humpty Dumpty's school of concept formation. The issue of contention, among others, was this exchange in a comments thread at Sunni Maravillosa's blog. Beck:

You went out like a light, just like you did when I pointed out that your notion (which is all it is: it's not an actual concept) of "cooperative socialism" would describe my uncles' plumbing business.

Knapp replied:

I don't believe I've ever in my life used the term "cooperative socialism." I don't know if your uncle's plumbing business is a worker-owned cooperative (i.e. a voluntary socialist enterprise) or not.

Beck again:

I'm here to tell you — among other things — that there is no such thing as "a voluntary socialist enterprise". As I told in you the last e-mail to which you did not respond (you "went out like a light", you are helping to actively *destroy the concept* of "socialism", and you have no idea how dangerous that is.

Continuing in his own blog post, Knapp quotes Beck's distinction (apparently via private email) of a cooperative business enterprise from socialism, on the grounds that

either of those two men can sever his relationship to "the means of production" — which he "collectively owns" with his brother — on his own authority and people in socialism don't get to do that.

Knapp replies:

In some instantiations of socialism they can, in fact, do exactly that. You're also missing an important element there, which is whether they can sever their relationship with the "collective" and take some portion of the "means of production" — or some compensation for a pro rata share of it — with them when they do. The anarcho-syndicalist cooperative I belong to includes that feature as well.

As you might expect, all hell broke loose in the comments. Unfortunately, as you also might expect, the vehemence with which views were expressed bore little relation to their merit. For example, Bithead demonstrated a near-tabula rasa level of ignorance about the varieties of socialist thought in the nineteenth century:

What in the bloody hell do you figure all the barbed wire and armed guards were /are for, if not a use of force to pursue the stated goal of socialism?

Ah. you're saying that's not socialism.

Well, here's where reality rears it's head; Has there ever been anyone who has managed to get to a point of supposed "collective ownership of the means of production" without needing to resort to use of force to establish it?

The reality is, that they're always needed and used because force is part and parcel of socialism even if Marx didn't identify it as such publicly. There is no freedom in socialism. That's the reality; force is the only way to accomplish socialism, force being an intergal part of socialism.

In response, Knapp wrote:

On the contrary, it is indeed socialism — of one variety. There are other varieties. The use of coercion is a characteristic of some forms of socialism. It is not a characteristic of all forms of socialism.

In response to Bithead's challenge to name one instance in which "there [has] ever been anyone who has managed to get to a point of supposed 'collective ownership of the means of production' without needing to resort to use of force to establish it?" Knapp answered

me. I belong to a unanimous consent anarcho-syndicalist cooperative.

At this point, canadiaaaaan repeated Bithead's historical error, albeit less loudly:

With respect, it seems to me that you are attempting to substitute mere "voluntary cooperation" (like partnerships, co-op businesses etc) as a political synonym for socialism, but at some point, no matter what the variant, socialism drops *voluntary* participation for some enforced action on the part of some or all of the persons in the whatever-variant socialist domain.

Unless, of course, you can name a variant that disproves what I just said.

Shortly thereafter, canadiaaaaan concedes:

...freely entered contracts are not coercive, even in an anarcho-syndicalist collective—but then...why not just call it *that* (A/S collectivism) instead of "socialism"? A definition for a word can get so broad that it's pretty much defined out of reality, or: why, under a definition so broad, would not sheer "friendliness and good manners" between friends and acquaintances be subsumed under "socialism"?

But really, is not an "anarcho-syndicalist collective" just another form of contract freely enterable under capitalism?

...but then states another misconception:

I think Mises clearly makes the point that economic calculation in any broadly useful sense requires a free market, and—surrounded by capitalism—the A/S collective could do a better job of pricing their products and figuring out what they needed to sell, create, etc. to continue heir..uh...“business”.

A free market and capitalism are not the same thing. An arrangement where producers exchange their labor-products on a free market, without state-enforced unequal exchange, is not capitalism.

Steve T joins the fray with this thoughtful, if inflammatory, comment:

I have to admit, every time I encounter someone who considers “libertarian socialism” to be nothing but an “oxymoron” ... I generally attribute the last two syllables to that person, and move onward. There is NOTHING contradictory between a belief in liberty, and the opinion that some things can be accomplished through consensus and agreement among the members of a community. It happens every day, in neighborhoods all over the place, and much of what we call the “free market” is based on such mutual agreements.

I am even more wary of those who try to reconcile “anarchocapitalist” as a concept, since the interface between NO central authority, and the mishmash of mixed economies and statism that “capitalism” actually consists of, is so impossible that even the thought of such is bewildering.

If a group of individuals wishes to pool resources and ideas, decide on matters via shared consensus, and maintain themselves “collectively” ... there is nothing about that that is incompatible with being “libertarians” — so long as entry and exit to and from said group is not coerced.

I would think serious thinkers about liberty would have figured that out by now ...

Which provoked this burst of idiocy from Bithead:

There is NOTHING contradictory between a belief in liberty, and the opinion that some things can be accomplished through consensus and agreement among the members of a community

Oh, nothing except that everywhere it’s been tried, the only way it’s succeeded has been through some level of coercion... a point which you keep trying to side-step.

It happens every day, in neighborhoods all over the place, and much of what we call the “free market” is based on such mutual agreements.

But these would not exist without capitalism surrounding them, and supporting them.

Egad! So Bithead actually denies that consensus and agreement are impossible between individuals, unless enforced by coercion? Well, for a libertarian he certainly takes a Hobbesian view of voluntary cooperation.

And that assertion about the surrounding capitalist society “supporting” voluntary cooperative arrangements is something he had already repeated, in pretty much the same terms, several times

in the thread. Now unless he defines what he means by “support,” his assertion amounts to so much shit. If the cooperative and those on the outside are voluntarily exchanging the products of their labor, as equals, it’s rather odd to say that one is “supporting” the other. Bithead seems to be saying that free market exchange becomes unequal, or exploitative, because of one of the parties’ self-designation.

Another issue that comes up is whether ownership claims in a cooperative enterprise are severable or marketable under socialism, and whether non-marketable ownership shares can exist without coercion. John T. Kennedy writes:

Would you agree that there this a valid distinction between collective ownership and joint private ownership?

For instance McDonalds is own jointly by many private shareholders who can buy and sell their shares as they please.

But this isn’t socailism. Under socialism the supposed owners of a socialized good cannot buy and sell their supposed individual interest in it.

Do you agree?

Canadiaaaan comments:

I don’t know if or how Tom will respond, but I have some thoughts because you raise a valid question. I think there is a distinction.

That noted, a laissez-faire type like me can hardly raise an objection if some folks want to write some sort of contract for a truly collective-style operation, *_freely_* join under the terms of that collective’s contract, and attempt to survive and prosper using that method for the attainment of their common business goals or goals for their personal lives. They can write the contract with a “forfeit all” clause for those who leave, or perhaps some pro-rated portion of the collective’s assets would be paid out upon someone’s exit, or there are a wide range of other foreseeable arrangements.

I mean, I *_might_* think it won’t work, and/or that persons signing such a contract are foolish or whatever, but that’s not properly any major concern of mine.

As long as no-one in the collective is coerced, and no-one (or the colective itself) doesn’t attempt to coerce others in any way...well, go for it and good luck.

Knapp responds to Kennedy’s question:

“But this isn’t socailism. Under socialism the supposed owners of a socialized good cannot buy and sell their supposed individual interest in it.”

I’m not sure that that’s a valid claim — I’d be interested in it if you care to support it with evidence, though.

Kennedy again:

To Beck you said “*The only essential characteristic of socialism is collective ownership of the means of production...*”

I’m trying to clarify what you mean by collective ownership there, as opposed to joint private ownership.

If you, I and a dozen others owned a factory but were individually free to sell our individual share or interest in the factory that wouldn’t be socialism, would it?

Knapp’s rejoinder:

...the claim of yours (that supposed owners of a socialized good can’t sell it) is irrelevant to whether or not socialism must necessarily incorporate coercion. It is entirely possible to enter into a voluntary contract in which leaving the “collective” constitutes “selling” your pro rata share of the collective to the collective as a consideration for opting out of the contract.

I’m trying to clarify what you mean by collective ownership there, as opposed to joint private ownership.

I suspect that such a clarification would, in fact, validate your own speculation, insofar as the disposition of “shares” in the collectively owned good would be the domain of the collective, rather than of the individual — which means that to avoid coercion, terms would have to be created ahead of entrance into the collective.

If you, I and a dozen others owned a factory but were individually free to sell our individual share or interest in the factory that wouldn’t be socialism, would it?

Interesting question — and I don’t have a ready answer for you. Congratulations — you’re doing better than Mr. Beck, if the goal is to force me to clarify my thinking.

Canadiaaaaaan quotes a statement from Knapp...

I agree that voluntary socialism is almost certainly not possible on a large scale.

...and asks in response:

OK, let’s accept that for the moment (I do, and for more than a moment). Doesn’t that necessarily imply that your support for “socialist libertarianism” or “libertarian socialism” is really only a statement that you’d wish to live collectively on a small scale within an overall cultural environment that was not socialist? If that’s the case, then you should be supporting is “laissez-faire...(uh...call it...) capitalism” to defend your right/wish to operate as you see fit. And your defense of socialism as an “ism” is really only support for a small format method of organizing operations within a given other (non-socialist) business climate.

Extended Commentary

Point 1. Bithead, in his historical illiteracy, ignored a major variant of socialism: the market socialism of Thomas Hodgskin, individualist anarchists like Benjamin Tucker, and the twentieth century theorist Franz Oppenheimer (who had enormous influence on Rothbard, by the way).

In his introduction to Marx's *Contribution to the Critique of Political Economy*, Maurice Dobb quoted Marx's assertion that products exchanged at their labor-value under capitalism, and that no unequal exchange or deviation from labor-value was necessary for surplus value to be expropriated from labor. Dobb commented:

The point of this can the better be appreciated if it is remembered that the school of writers to whom the name of the Ricardian Socialists has been given..., who can be said to have held a "primitive" theory of exploitation, explained profit on capital as the product of superior bargaining power, lack of competition and "unequal exchanges between Capital and Labour" (this bearing analogy with Eugen Dühring's "force theory" which was castigated by Engels). This was the kind of explanation that Marx was avoiding rather than seeking. It did *not* make exploitation *consistent* with the law of value and with market competition, but explained it by departures from, or imperfections in, the latter. To it there was an easy answer from the liberal economists and free traders: namely, "join with us in demanding *really* free trade and then there can be no "unequal exchanges" and exploitation".

He was entirely correct. There was an entire school of socialists who were prepared to take exactly that position, arguing that the exploitation of labor was a result of state-enforced unequal exchange, and that the best way to achieve socialism (i.e., the receipt by labor of its full product as a wage) was through what Benjamin Tucker called "consistent Manchesterism."

Here's how Tucker put it in "State Socialism and Anarchism":

The economic principles of Modern Socialism are a logical deduction from the principle laid down by Adam Smith in the early chapters of his "Wealth of Nations," — namely, that labor is the true measure of price. But Adam Smith, after stating this principle most clearly and concisely, immediately abandoned all further consideration of it to devote himself to showing what actually does measure price, and how, therefore, wealth is at present distributed... Socialism, on the contrary, extends its function to the description of society as it should be, and the discovery of the means of making it what it should be. Half a century or more after Smith enunciated the principle above stated, Socialism picked it up where he had dropped it, and in following it to its logical conclusions, made it the basis of a new economic philosophy.

This seems to have been done independently by three different men, of three different nationalities, in three different languages: Josiah Warren, an American; Pierre J. Proudhon, a Frenchman; Karl Marx, a German Jew... That the work of this interesting trio should have been done so nearly simultaneously would seem to indicate that Socialism was in the air, and that the time was ripe and the conditions favorable for the appearance of this new school of thought...

From Smith's principle that labor is the true measure of price — or, as Warren phrased it, that cost is the proper limit of price — these three men made the following deductions: that the natural wage of labor is its product; that this wage, or product, is the only just source of income (leaving out, of course, gift, inheritance, etc.); that all who derive income from any other source abstract it directly or indirectly from the natural and just wage of labor; that this abstracting process generally takes one

of three forms, — interest, rent, and profit; that these three constitute the trinity of usury, and are simply different methods of levying tribute for the use of capital; that, capital being simply stored-up labor which has already received its pay in full, its use ought to be gratuitous, on the principle that labor is the only basis of price; that the lender of capital is entitled to its return intact, and nothing more; that the only reason why the banker, the stockholder, the landlord, the manufacturer, and the merchant are able to exact usury from labor lies in the fact that they are backed by legal privilege, or monopoly; and that the only way to secure labor the enjoyment of its entire product, or natural wage, is to strike down monopoly...

It was at this point — the necessity of striking down monopoly — that came the parting of their ways. Here the road forked. They found that they must turn either to the right or to the left, — follow either the path of Authority or the path of Liberty. Marx went one way; Warren and Proudhon the other. Thus were born State Socialism and Anarchism...

...Anarchism... may be described as the doctrine that all the affairs of men should be managed by individuals or voluntary associations, and that the State should be abolished.

When Warren and Proudhon, in prosecuting their search for justice to labor, came face to face with the obstacle of class monopolies, they saw that these monopolies rested upon Authority, and concluded that the thing to be done was, not to strengthen this Authority and thus make monopoly universal, but to utterly uproot Authority and give full sway to the opposite principle, Liberty, by making competition, the antithesis of monopoly, universal. They saw in competition the great leveler of prices to the labor cost of production. In this they agreed with the political economists. They query then naturally presented itself why all prices do not fall to labor cost; where there is any room for incomes acquired otherwise than by labor; in a word, why the usurer, the receiver of interest, rent, and profit, exists. The answer was found in the present one-sidedness of competition. It was discovered that capital had so manipulated legislation that unlimited competition is allowed in supplying productive labor, thus keeping wages down to the starvation point, or as near it as practicable; that a great deal of competition is allowed in supplying distributive labor, or the labor of the mercantile classes, thus keeping, not the prices of goods, but the merchants' actual profits on them down to a point somewhat approximating equitable wages for the merchants' work; but that almost no competition at all is allowed in supplying capital, upon the aid of which both productive and distributive labor are dependent for their power of achievement, thus keeping the rate of interest on money and of house-rent and ground-rent at as high a point as the necessities of the people will bear.

On discovering this, Warren and Proudhon charged the political economists with being afraid of their own doctrine. The Manchester men were accused of being inconsistent. They believed in liberty to compete with the laborer in order to reduce his wages, but not in liberty to compete with the capitalist in order to reduce his usury.

Laissez Faire was very good sauce for the goose, labor, but was very poor sauce for the gander, capital.

Besides the historical ignorance of Bithead, though, I want to comment on several assumptions that Knapp shares with his adversaries:

Point 2. Individualist anarchism, the strand of socialism that most closely approximates my own position, doesn't place that much importance on ownership of the means of production (leaving aside the views of Tucker et al on occupancy-based ownership of land, anyway). Although some strands of mutualism tended toward a much more active affinity for cooperative organization of production, and considered explicitly cooperativist arrangements would likely predominate in a stateless society, the American individualist branch of mutualism placed much more emphasis on the conditions of exchange than the organization of production. Benjamin Tucker, for instance, didn't have a problem with wage labor.

[Johann] Most being a Communist, he must, to be consistent, object to the purchase and sale of anything whatever but why he should particularly object to the purchase and sale of labor is more than I can understand. Really, in the last analysis, labor is the only thing that has any title to be bought or sold. Is there any just basis of price except cost? And is there anything that costs except labor or suffering (another name for labor)? Labor should be paid! Horrible, isn't it? Why, I thought that the fact that it is not paid was the whole grievance. "Unpaid labor" has been the chief complaint of all Socialists, and that labor should get its reward has been their chief contention. Suppose I had said to Kropotkine that the real question is whether Communism will permit individuals to exchange their labor or products on their own terms. Would Herr Most have been so shocked? Would he have printed that in black type? Yet in another form I said precisely that.

If the men who oppose wages — that is, the purchase and sale of labor — were capable of analyzing their thought and feelings, they would see that what really excites their anger is not the fact that labor is bought and sold, but the fact that one class of men are dependent for their living upon the sale of their labor, while another class of men are relieved of the necessity of labor by being legally privileged to sell something that is not labor, and that, but for the privilege, would be enjoyed by all gratuitously. And to such a state of things I am as much opposed as any one. But the minute you remove privilege, the class that now enjoy it will be forced to sell their labor, and then, when there will be nothing but labor with which to buy labor, the distinction between wage-payers and wage-receivers will be wiped out, and every man will be a laborer exchanging with fellow-laborers. Not to abolish wages, but to make every man dependent upon wages and secure to every man his whole wages is the aim of Anarchistic Socialism.

What mattered to him was that, without state enforcement of special privileges for capital, and without artificial scarcity rents resulting from such privileges, the natural wage of labor in a free market would be its full product. And without the state's enforcement of artificial scarcity in land and capital, jobs would be competing for workers instead of the other way around. What's more, in such an environment, the drastically increased bargaining power of labor would result

in business firms of all sorts taking on a much more cooperative character, regardless of their nominal ownership. In such circumstances, Tucker said, the employee would be in a position to say:

Here, boss, you are a good business manager, and I am willing to continue to work under your superintendence on a strictly equitable basis; but unless you are willing to content yourself with a share of our joint product proportional to your share of the labor and give me the balance for my share of the labor, I will work for you no longer, but will set up in business for myself on the capital which I can now obtain on my credit.

And as Gary Elkin commented in the Anarchist FAQ on the implications of Tucker's view:

It's important to note that because of Tucker's proposal to increase the bargaining power of workers through access to mutual credit, his individualist anarchism is not only compatible with workers' control but would in fact promote it (as well as logically requiring it). For if access to mutual credit were to increase the bargaining power of workers to the extent that Tucker claimed it would, they would then be able to: (1) demand and get workplace democracy; and (2) pool their credit to buy and own companies collectively. This would eliminate the top-down structure of the firm and the ability of owners to pay themselves unfairly large salaries as well as reducing capitalist profits to zero by ensuring that workers received the full value of their labour. Tucker himself pointed this out when he argued that Proudhon (like himself) "would individualise and associate" workplaces by mutualism, which would "place the means of production within the reach of all."

So for Tucker and the individualists, free market socialism is less about voluntary arrangements for production than about ending the present coercive framework in which exchange is presently regulated.

Point 3. All the parties to the debate tend to throw around the term coercion, in discussing whether coercion is essential to collective ownership of the means of production, without addressing the prior question of what constitutes coercion. Now I would argue that whether the establishment and enforcement of collective ownership is "coercive" depends on what set of property rights rules you start out with. Forcibly invading someone's "rightful" property, by definition, is coercion; but using force to defend one's "rightful" property claims against invasion is not. So the question of whether force is coercive depends on who the "rightful owner" is. When the parties to the dispute adhere to two separate sets of rules for property rights, they will disagree on who is the aggressor and who is the defender.

For example: the Lockean system of ownership, like all others, requires the use of violence as an ultimate sanction to enforce property titles and contracts. An adherent of the Ingalls-Tucker doctrine of ownership based on occupancy and use (like me) would consider the actual occupant of a piece of land to be its rightful owner, and an absentee landlord's claim to rent to be analogous to a state's demand for taxes. Any attempt to collect rent on the self-styled "landlord's" part, it follows, would be a coercive invasion of the rights of the owner-occupant. But the Lockean would regard the occupant, who refused to pay rent, as the invader of the absentee landlord's

property rights. To complicate the issue further, even radical Lockean like Rothbard considered personal occupancy and use to be necessary for initial appropriation; so the state's enforcement of titles based on grants of large tracts of unmodified land would be an act of aggression against the legitimate first homesteaders. Even to a Rothbardian, many if not most present land titles are illegitimate, with justice being on the side of those legally classified as "trespassers" or "squatters."

In Chapter Five of *Mutualist Political Economy*, I included an extended discussion of property rights theory that relied heavily on "Hogeye Bill" Orton's commentary from sundry message boards. According to Orton, no particular theory of property rights can be logically deduced from the axiom of self-ownership. Rather, self-ownership can interact with a variety of property rights templates to produce alternative economic orders in a stateless society. So whether rightful ownership of a piece of land is determined by Lockean, mutualist, Georgist, or syndicalist rules is a matter of local convention. Questions of coercion can only be settled once this prior question is addressed. And since there is no a priori principle from which any particular set of rules can be deduced, we can only judge between them on consequentialist grounds: what other important values do they tend to promote or hinder?

So it's quite conceivable that non-severable, non-marketable shares in a collectively owned enterprise might depend, not on contract among the members, but on the property rights convention of the local community. Saying that such an arrangement is "coercion" is begging the question of whether the Lockean rules for initial acquisition and transfer of property are the only self-evidently true ones.

Point 4. Further complicating the issue is the fact that even under Lockean legal rules, non-severable collective property has existed in many cases, not as the result of explicit agreement or contract, but as a tacit arrangement from time out of mind. As examples, consider the many kinds of commons that were once (if you'll pardon the expression) quite common, and still persist here and there. The same applies to customary rights of way, and the like. I strongly recommend two excellent articles by Carlton Hobbs and Roderick Long on the issue.

And finally... An individualist anarchist would say that the surrounding free market society in which a producers' co-op functions is not "capitalism." The term "capitalism" was originally coined by free market anti-capitalists like myself to describe, not a free market, but a system of class rule in which capitalists control the state and intervene in the market to enforce special privileges for capital. "Capitalism," in this sense, is a system in which capitalists control the state in the same sense that landlords did under feudalism, and chartered monopolists did under mercantilism.

Part II

Meanwhile, Roderick Long draws on a variety of sources to show the ambiguities involved in using terms like "capitalism" and "socialism," and raises the issue of how much the organization of business firms under a free market might differ, if at all, from their present form under actually-existing capitalism.

In regard to the former question, he links to Charles Johnson's free market defense of (among other things) Cesar Chavez and the Imolakee boycott of Taco Bell, and Brad Spangler's post on the semantic quagmire involved in debating "capitalism" without a prior agreement on definitions.

Spangler writes:

I more often label myself a “market anarchist” rather than an “anarcho-capitalist” these days. Capitalism, rightly or wrongly, suggests different things to different people.

To someone from the Libertarian Party / Cato Institute “mainstream” of the modern American libertarian movement, “capitalism” is intrinsically good because they see it as synonymous with voluntarism and a lack of coercion. This is rooted in the profound and very true observations by Austrian economists, such as the great Ludwig von Mises and Murray Rothbard, that the fundamental characteristic of markets is not movement of currency, but voluntary, mutually agreeable cooperation and exchange. To a libertarian, then, even non-profit groups are part of “The Market”. In other words, The Market consists of the entire sphere of all genuinely voluntary, non-coercive activity.

To those influenced by Marxist pseudo-left ideas, this seems like a tortured and alien definition of the market — a disingenuous rhetorical trick by libertarians. In actuality, though, this only reflects how important, how revolutionary those insights from free-market Austrian economics are. It sounds like nothing you’ve ever heard before. Guess what? Everything you’ve ever heard before is what has made such a mess of the world.

The heirs of this profound intellectual legacy, the libertarian movement, have failed to live up to it, though. The libertarian movements “mainstream” is poisoned by a cultural affinity to the Right that blinds them to the matter of nominally “private” interests that are in actuality full partners with the literal apparatus of government — the sum total of which is the true State.

In regard to the latter, he quotes an old post on nominally “private” interests that are in fact part of the system of state power and state-enforced class rule:

Let’s postulate two sorts of robbery scenarios.

In one, a lone robber points a gun at you and takes your cash. All libertarians would recognize this as a micro-example of any kind of government at work, resembling most closely State Socialism.

In the second, depicting State Capitalism, one robber (the literal apparatus of government) keeps you covered with a pistol while the second (representing State-allied corporations) just holds the bag that you have to drop your wristwatch, wallet and car keys in. To say that your interaction with the bagman was a “voluntary transaction” is an absurdity. Such nonsense should be condemned by all libertarians. Both gunman and bagman together are the true State.

In other words, what the ASI calls “privatization” ain’t no sech a thang a-tall. Johnson, along similar lines, writes:

I don’t have any strong opinions on whether or not the Taco Bell boycott is “anti-capitalist” because I haven’t got any strong opinions about what “capitalism” (or, a fortiori, “anti-capitalism”) means. It seems to me that has been used to describe at

least three different things, two of which are mutually exclusive and one of which is independent of those two. These are:

1. The free market: “capitalism” has been used, mostly (but not exclusively) by its defenders to just mean a free market, i.e., an economic order that emerges from voluntary exchanges of property and labor without government intervention (or any other form of systemic coercion).

2. The corporate State: “capitalism” has also been used, sometimes by its opponents and sometimes by the beneficiaries of the system, to mean a corporate State—that is, active government support for big businesses through instruments such as subsidies, central banking, tax-funded infrastructure, development grants and loans, special tax exemptions, funding plants, acquiring land through eminent domain, government union-busting, and so on down the line. Since government intervention is always, by nature, either services funded by expropriated tax dollars or regulations enforced from the barrel of a gun, it’s worth noting that being “capitalist” in the sense of a free marketeer requires being “anti-capitalist” in the sense of opposing the corporate State, and vice versa. The fact that state socialists and the anti-communist Right have spent the past century systematically running these two distinct senses of “capitalism” together (in order to make it seem that you had to swallow the corporate State if you believed in the free market—which the Marxists used for a *modus tollens* and the Rightists used for a *modus ponens*) doesn’t make these two any less distinct, or any less antagonistic.

3. Boss-directed labor: third, capitalism has been used (by for example, Marxians and socialists who are careful about their use of language) to refer to a specific form of labor market—that is, one where the dominant form of economic activity is the production of goods in workplaces that are strictly divided by class. Under capitalism in the third sense, most workers are working for a boss, in return for a wage; they are renting out their labor to someone else, in order to survive, and it is the boss and not the workers who holds the title to the business, the shop, and the tools and facilities that make the business run. (Or, as the Marxists would have it, the means of production.) It’s worth noting that “capitalism” in this third sense is a category independent of “capitalism” in either of the first two senses: there are lots of different ways that a free labor market could turn out (it could be organized in traditional employer-employee relationships, or into worker co-ops, or into community workers’ councils, or into a diffuse network of shopkeepers and independent contractors) and someone who is an unflinching free marketeer might plump for any of these, or might be completely indifferent as to which one wins out; whereas an interventionist statist might also favor traditional employer-employee relationships (as in Fascism) or any number of different arrangements (as in various forms of state socialism).

With these distinctions on the table, it’s worth pointing out that many 19th century libertarians—Benjamin Tucker chief among them—who considered themselves both radical free marketeers and radical critics of capitalism; what they meant was that they attacked capitalism in senses (2) and (3)—holding that state intervention on behalf of big business was unjust and at the root of most social evils, including

the exploitation and impoverishment of workers which they identified as being part and parcel of capitalism in the third sense. (They also believed that exploitative and impoverishing practices would collapse in a free market; although many of the practices of landlords, bankers, bosses, etc. were not coercive in themselves, Tucker and his circle argued, they were evils that workers would not put up with if it weren't for a background of systemic coercion and restriction of competition.

Johnson cites a piece by Daniel D'Amico arguing that the Imolakee boycott can be "anti-capitalist" without technically requiring state intervention:

Simply put I believe, there are more ways to be anti-capitalist than just using government. Mainly promoting ideas that capitalism is evil or claiming it resorts to rampant market failure are, in my view, anti-capitalist.

But as Johnson says, BFD! (my words, not his).

[This] might mean that you can undermine capitalism in the sense of the bosses' labor market without going for government intervention. That's certainly true, but it's not yet clear that this is a vice. If you think (as I do) that there are serious economic problems with the sort of bureaucratic, boss-controlled, centralized, top-down corporate commerce that rose to dominance in the 20th century, then undermining that—by pointing out, for example, that it typically involves crippling knowledge problems, fosters a culture of petulant entitlement among the decision-makers, exploits the workers and systematically shuts them out of important channels for autonomous and rewarding labor, and so on—then undermining capitalism in that sense can only be counted as a good thing. If you also think that the cultural and material conditions created by boss-directed labor profits from and tends to promote the growth of corporate statism that expropriates wealth in order to support the bosses, then that gives you even stronger libertarian reasons to support anti-capitalist agitation in this sense. And indeed there are good reasons for Austrians and their fellow-travelers to think these charges against boss-centric are solid—the knowledge problems that Mises, Hayek, and Rothbard pointed out in central planning also apply when that central planning is done by bureaucratic corporations; the potential of free market competition ameliorates the problem but doesn't eliminate it, and if decisions are being made on the margin in a market that is already dominated by centralized interlocking bureau-corps, which are supported not only by their existing market share but also by a network of cultural attitudes towards work and jobs, it looks like it is going to be a long, hard struggle to undermine those structures and make the threat of serious competition into a practicable reality. The sort of long, hard struggle, in fact, that groups like the CIW are, at their best, engaged in.

Indeed, Claire Wolfe—surely nobody's idea of a state socialist—has made essentially the same point in a number of places. E.g.: "Dark Satanic Cubicles: It's time to smash the job culture!" and *How to Kill the Job Culture Before it Kills You: Living a Life of Autonomy in a Wage-Slave Society*.

Johnson also celebrates the Imolakee boycott victory in another post as "a major victory for government-free, syndicalist labor organizing," linking in turn to a still earlier May Day post:

May Day is a celebration of the original conception of the labor movement, as expressed by anarchist organizers such as Albert Parsons, Lucy Parsons, Benjamin Tucker, and others: a movement for workers to come into their own, by banding together, supporting one another, and taking direct action in the form of boycotts, work stoppages, general strikes, and the creation of workers' spaces such as local co-operatives and union hiring halls. The spirit was best expressed by Joe Hill's famous exhortation to Dump the bosses off your back—by which he did not mean to go to a government mediator and get them to make the boss sit down with you and work out a slightly more beneficial arrangement. Dump the bosses off your back! meant: organize and create local institutions that let you bypass the bosses. Negotiate with them if it'll do some good; ignore them if it won't. The signal achievements of the labor movement in the late 19th and early 20th century were achievements in this spirit: the campaigns that won the 8 hour day and the weekend off in many workplaces, for example, emerged from a unilateral work stoppage by rank-and-file workers, declared by the Federation of Organized Trades and Labor Unions, and organized especially by the explicitly anarchist International Working People's Association, after legislative efforts by the National Labor Union and the Knights of Labor failed. The stagnant, or even backsliding, state of organized labor over the past half century is the direct result of government colonization and the ascendancy of government-subsidized unions.

...The labor movement, like all too many other honorable movements for social justice in the 20th century, has become a prisoner of politics: a political situation has been created in which the most rational thing for most workers to do is to muddle through with a co-opted and carefully regulated labor movement that helps them in some ways but undermines their long-term prospects. It doesn't make sense to respond to a situation like that with blanket denunciations of organized labor; the best thing to do is to support our fellow workers within the labor movement as it is constrained today, but also to work to change the political situation that constrains it, and to set it free. That means loosening the ties that bind the union bosses to the corporate and government bureaucrats, by working to repeal the Taft-Hartley Act, and abolish the apparatus of the NLRB, and working to build free, vibrant, militant unions once again.

In Roderick Long's original post (our starting point, if you can remember back that far), he also says some things that dovetail nicely with Johnson's comments on the bureaucratic corporation.

Government regulation thus lowers the costs associated with size and hierarchy more than it lowers the associated benefits; it stands to reason, then, that firms in a genuine free-market context could be expected to be smaller and less hierarchical than they tend to be today. This is doubly true once one takes into account the increased competition for workers that a less regulated economy would presumably see (assuming that workers generally prefer less hierarchical work environments).

So how different would firms be under a genuine free market? To answer that question one would have to be able to sort out which aspects of today's economy derive primarily from the market and which primarily from regulation, and that's no easy

task. So I feel confident about the direction of difference, but not the degree. And in any case the degree partly depends on what workers are willing to put up with – which is a variable, not a constant (and one of the functions of a labour movement is precisely to influence that variable).

And in any case, the contention that (as Murray Rothbard said) in a free market labor will receive its marginal product isn't in itself sufficient ground for the conclusion he draws that organized labor is counter-productive. I fully agree that, in the kind of free market envisioned by individualist anarchists like Tucker, labor would receive its full product as a wage (although my conception of what that entails differs considerably from the Austrian idea of marginal product). But, if you'll forgive the allusion to Keynes, "in the long run we're all dead."

Regardless of the long-run market incentives to pay labor its full product and treat people like actual human beings, in the short run the uncertainty and potential disruption of being an at-will employee can be quite a hassle. For the benefit of those who have been living on Planet Cato these many years and never had direct experience working for a boss, I'd like to point out that the average boss can fuck your life up in some really unpleasant ways before the market disadvantages of doing so are finally brought home to him. And, as some radical historians of workplace relations have pointed out, a management policy of harassing selected subgroups of workers and dividing them against each other may produce benefits, in the form of reduced labor solidarity and bargaining power, that outweigh the alleged "irrationality" costs. On the other hand, the benefits of contractually-enforced stability and predictability are just as real to a wage-laborer as they are to the parties to any other kind of contract (see this post by Thomas L. Knapp, for instance). Believe it or not, it's nice to have established procedures for grievances and progressive discipline that prevent you from being fired arbitrarily just because your boss has a bug up his ass.

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