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An anonymous reader of Center for a Stateless Society‘s Tumblr recently asked:

> Two questions: 1) How exactly do the theory and practice proposed by free market anti-capitalists challenge the cultural logic of capitalism? 2) Don’t all market institutions — whether a large corporation or a mom and pop shop — desire a state as part of the reproduction process?

The sheer scale of the cash nexus, compared to alternative models for organizing social life, and its growth at their expense, carries a lot of really bad imperatives with it. But the scale of the cash nexus in corporate capitalism doesn’t result from the existence of market exchange as such. There is every reason to believe that the elimination of entry barriers for self-employment and microproduction, and barriers to comfortable subsistence, would cause a radical shrinkage of the cash nexus. It would also result in transferring the way we meet a major portion of our needs either into small-scale exchange with other small producers in exchange networks that parallel social relations within our communities (like artisans in a pre-capitalist village), or into non-monetized social production within extended family households and multi-family social units.

While economic calculation problems probably make market pricing necessary for coordinating large-scale production of widely-distributed goods or the extraction and distribution of raw materials like minerals, the proliferation of cheap micro-manufacturing tools and the superior productivity of small-scale horticulture would mean that such forms of large-scale production and long-distance distribution will rapidly shrink as a total part of the economy. One of the few absolutely necessary forms of large-scale production is the microprocessor industry. This and a few other things will require large-scale price coordination to allocate them over fairly large geographical regions.

The production of heavy internal combustion engine blocks, jet aircraft engines, molded car body panels that require three-story stamping presses, and the like, are also things that require large-scale facilities serving large markets. But those things are mostly "necessary" in the first place only in response to artificially contrived needs imposed on society by the existing power structure. As the Model T showed, a light internal combustion vehicle could function with an engine within the capability of a community machine shop today — not to mention small-scale manufacture of electric motors. Absent the Military-Industrial Complex's role in making civilian jumbo jets artificially profitable, large-scale air travel and freight would probably be done by lighter-than-air craft. And molded body parts, as opposed to a car design with flat panels produced on a cutting table, are a purely aesthetic product of Detroit.

In an economy without subsidized waste or planned obsolescence, and without the subsidies and props to the car culture, probably 80% of total consumption needs could be produced either likely to choose work-sharing with reduced hours in preference to layoffs, and simply produce on whatever scale there's demand for at any time without any need to be forced "out of business." A local industrial district economy of networked small manufacturing cooperatives, or a project-based economy like the building trades or old-style longshoremen's hiring halls, presumes a solidaristic craft-based support network rather than the individual shop or job site as the primary economic unit. So the dislocations from economic downturns are far less severe.

Not to mention the downturns themselves are unlikely to be severe if they exist at all, where most money is circulated locally in local markets of small producers and production is closely tied to immediate demand. So arguments that markets carry some structural logic in favor of capitalism, or would inevitably lead to capitalism, implicitly assume a lot of characteristics of corporate capitalism as we know it as "normal."

within a large household or multi-household social unit, or for money exchange at the neighborhood or small town level.

Rather than starting with extractive institutions and their logic, I'd start with the assumption of a society of people interacting with each other, who have needs to meet and skills to offer, and the arrangements they work out among themselves to bring those things together. Starting from this micro-level of individual cooperation and exchange, it's easier to see how the removal of monopolies, entry barriers and artificial floors under the cost of subsistence will have a liberating effect on those seeking to control their livelihoods and remove themselves from the wage system. Commenting on the reader's question, C4SS comrade Charles Johnson said:

> Everybody seems to think we're talking about "Mom and Pop" butcher stores or some other SBA client. I'm talking about the guy selling tacos at a roadside stand or fixing cars off the books in a vacant lot or hustling jobs on the day labor market or driving around a gypsy cab they own and operate or squatting a plot on a vacant lot to create the South Central Farm. A food coop or a commercial farm with a CSA is a *big* business in my world, not a small one. (And sure, sometimes big businesses are fine, I like my CSA.) The main target of my concern are the libraries of regulation that aim to choke off the ability to engage in commercial relationships at nano scale, in forms *other* than formalized mom/pop "small businesses."

This puts in a new light arguments of the kind frequent among market-skeptical or -hostile segments of the Left, either that the market carries structural imperatives to self-exploitation and the imposition of work-discipline even within cooperative and other forms of worker-controlled production, or that the existence of winners and losers within a non-capitalist market will result in the winners getting bigger and hiring the losers as wage laborers — thus essentially recreating capitalism and the wage system. A good statement of the problem comes from the P2P Foundation's email list by Marxist p2p theorist Christian Siefkes, who sees commons-based peer production as the core formation of a post-capitalist society:

> Yes, they would trade, and initially their trading wouldn't be capitalistic, since labor is not available for hire. But assuming that trade/exchange is their primary way of organizing production, capitalism would ultimately result, since some of the producers would go bankrupt, they would lose their direct access to the means of production and be forced to sell their labor power. If none of the other producers is rich enough to hire them, they would be unlucky and starve (or be forced to turn to other ways of survival such as robbery/thievery, prostitution — which is what we also saw as a large-scale phenomenon with the emergence of capitalism, and which we still see in so-called developing countries where there is not enough capital to hire all or most of the available labor power). But, if there are other producers, people would hire them, the seed of capitalism with it's capitalist/worker divide is laid.

But in an economy of largely self-employed people or people cooperatively producing for direct self-provisioning within the social economy, there's no reason to have any permanent losers. The capital outlays are so low that it's possible to ride out a slow period indefinitely without any of the need for a constant revenue stream to service overhead like debt. And when the basic machinery for production is widely affordable and can be easily reallocated to new products, there's really no such thing as a "business" to go out of.

The lower the capitalization required for entering the market, and the lower the overhead to be borne in periods of slow business, the more the labor market takes on a networked, project-oriented character — like, e.g., peer production of software. In free software, and in any other industry where the average producer owns a full set of tools and production centers mainly on self-managed projects, the situation is likely to be characterized not so much by the entrance and exit of discrete "firms" as by a constantly shifting balance of projects, merging and forking, and with free agents constantly shifting from one to another — or simply directly meeting their own needs through self-provisioning with an array of cheap general-purpose tools.

And in a society where most people own the roofs over their heads and can meet a major part of their subsistence needs through home production, workers who own the tools of their trade can afford to ride out periods of slow business, and to be somewhat choosy in waiting to contract out to the projects most suited to their preference. It's quite likely that, to the extent some form of wage employment still existed in a free economy, it would take up a much smaller share of the total economy, wage labor would be harder to find, and attracting it would require considerably higher wages; as a result, self-employment and cooperative ownership would be much more prevalent, and wage employment would be much more marginal. To the extent that wage employment continued, it would be the province of a class of itinerant laborers taking jobs of work when they needed a bit of supplementary income or to build up some savings, and then periodically retiring for long periods to a comfortable life living off their own homesteads. This pattern — living off the commons and accepting wage labor only when it was convenient — was precisely what the Enclosures were intended to stamp out.

In small cooperative firms operating within the local cash nexus, with low overhead and cheap tools, and a workforce with low household overhead and low income needs, workers are