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Language & the Construction of Economic Power

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The language we use in large part creates our social reality. The character of our social institutions emerges from the things we say about them, and injustices can hide in plain sight if the accretions of euphemism around them are sufficiently compelling. Consider that the defenders of capitalism have largely succeeded in convincing us that this system of hierarchy, centralization, and “much-coveted monopoly powers” represents economic freedom. Writing in 1999, John Kenneth Galbraith discussed what he called the “innocent fraud” perpetrated by the economics profession:

Let's begin with capitalism, a word that has gone largely out of fashion. The approved reference now is to the market system. This shift minimizes—indeed, deletes—the role of wealth in the economic and social system. And it sheds the adverse connotation going back to Marx. Instead of the owners of capital or their attendants in control, we have the admirably impersonal role

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of market forces. It would be hard to think of a change in terminology more in the interest of those to whom money accords power. They have now a functional anonymity.

So successfully has this fraud, this perversion of language, infected the discourse about human freedom that many of the would-be partisans of freedom enthusiastically embrace capitalism. It seems that libertarians will apply the principles of economics to everything but capitalism. Among anarchism's unique contributions to the history of social thought is the tendency of its adherents to point out the *similarities* between capitalism and state socialism. In the modern age, anarchists are among the few principled holdouts against industrial and political gigantism. Anarchists and other decentralists suggest that in the twentieth century struggle between capitalism and socialism, the belligerents were actually very much alike—alike in their “their police, bureaucracy, excessive centralization of decision making, social engineering, processing, schooling, and inevitable militarization.” The important question was about scale. In his decentralist classic *The Breakdown of Nations*, Leopold Kohr writes “that everything works on the small scale, capitalism as well as socialism.” The crises emerge from the size and scale of the social system—from the alienation and inequality arising out of the dominance of huge, hierarchical institutions. These crises will persist if we don't decentralize and distribute social and economic power, quite regardless of whether we brand our authoritarian institutions as capitalism or communism.

As David Orr said 20 years ago, “We need a new kind of politics. The terms ‘left’ and ‘right’ don't describe our situation anymore. ... We need to recognize that politics isn't left versus right—it's present and future.” Similarly, we need not choose between two massive and unsustainable systems in the forms of capitalism and state socialism. Hierarchical, top-down

or oversight of capital or the state. We are no longer in a position to wait for their help and we have no reason to expect it. The process cannot be one thing, and it cannot follow any imposed blueprint: it will express itself as socialism, anarchism, counter-economics, mutualism, cooperativism, and a wide variety of as yet untried and unimagined social and economic experiments. They will address specific, local needs rather than serving the ends of distant ruling classes. We'll need and want new patterns of language to describe these experiments and to deconstruct old paradigms. If we continue to politely abide the fraud Galbraith described, if we continue to mistake “the corporate system,” as he called it, for a free market, we tacitly accept the legitimacy and validity of that system, thereby making it harder to replace.

violently over-exaggerated degree of specialization.” He found this process dehumanizing, producing specialists who know “more and more about less and less,” until finally they know “everything about nothing.” Today, there is almost no recognition of even the possibility that the most pressing issues of our time are simply not the kinds of issues that can be addressed from a great distance, by detached professionals or SMEs employed by government bureaucracies. They are rather issues whose solutions require a fundamental rewiring of the way we think about community life and collective decision-making. The social and economic world that is emerging is made of small-scale alternatives to the twin hegemonies of monopoly capital and the pathologically authoritarian modern state. Our current language and concepts cannot comprehend this world, because it confounds our categories. Its social architecture is both libertarian and socialist. Ownership and control of land and the bequests of nature are distributed and managed cooperatively.

We have all but totally ignored the traditions of thought that could nourish this new world. Citing Pierre-Joseph Proudhon, Robert Owen, and the French utopian socialists, among others, political sociologist Luke Martell observes that socialism’s decentralist current has long “been squashed by reformist statism in the form of social democracy in the West and revolutionary statism in Eastern bloc Marxism-Leninism.” We have all the proof we need that the colossal institutions of high modernity are untenable and unsustainable, regardless of how their authoritarianism is branded.

We need a language capable of “effectively contradicting reality in constructive terms.” The task before us may be thought of as the decolonization of economic relations. What we call that process of decolonization, how we define it ideologically, is hardly as important as the fact that it must take place at the local level, through communities of people organizing themselves in horizontal and direct ways, without the permission

social architecture doesn’t scale; it has produced a pattern of energy, resource, ecological, and social crises, putting the future of the species in peril. Such institutions, whether we find them in “public” or the “private” sector, are opaque and unaccountable by design; they are the means through which the interests of the few are served at the expense of the many. This is not a glitch of some imagined system of free enterprise, but the expected consequence of a historical program of theft and the coercive preclusion of access to natural opportunities and resources. Capitalism is an appropriate name for this system of privilege, as it exalts “the dead material,” concentrating it and making the many subordinate to it.

Among the most unfortunate consequences of accepting and using terminology without defining it is that those on the left who hope to bring about a more equitable distribution of wealth have adopted, mostly without critical engagement, a lexicon imposed by a capitalist ruling class. For example, much of the left simply accepts the facially ridiculous proposition that the existing system of global capitalism is what happens when the ideas of free markets and private property are left unchecked by social or democratic institutions. Accepting this proposition gives the defenders of capitalism an opening to claim moral superiority: they can argue that capitalism means freedom, and that anti-capitalists are opponents of economic rights and freedoms.

It’s not at all obvious that it should serve the goals of leftists and anti-capitalists to accept the notion that capitalism means total economic freedom. The individualist anarchists accepted most of the principles of free market economics, but they argued that those principles had been honored only in the breach. They saw capitalism as a form of economic slavery in which “increase without work” violates and “invades the fundamental right to property.” They *invoked* principles of property and market economics to undermine rather than defend the system of the capitalists. “Economists,” writes Joshua King Ingalls,

“treat rent, interest, and profit as if solely embraced within the principles of exchange.” Ingalls argued that capitalism could not be explained merely by pointing to economic principles—it was more fundamentally a coercively imposed system of legal and political privilege. Like the other anarchists and proto-anarchists of his time, he denied that the “impoverishment of the many to enrich the few is in accordance with the orderly evolution of society, and in harmony with the natural laws of trade.”

If it is important to point out the differences between capitalism and genuine economic freedom in theory, then it is also important to discuss the historical record. Corporations were decidedly not a spontaneously emerging response of a free people to their problems. They represent an extension of a form of special privilege, the royal charter, which was explicitly a tool of exclusivity and monopoly. Corporations were created “as a tool of state power,” “for the specific purpose of projecting and augmenting” it. In the United States, state legislatures “granted less restrictive and more desirable charters to those who were able to influence or bribe them in some way.” If the state invents the corporation specifically to serve its interests and consolidate power in economic relations, and if the state is functionally a plutocracy, then enlarging the state in either power or scope hardly seems a viable solution to the problems inherent in capitalism. Leopold Kohr was right: the question of scale is the underappreciated one, the fundamental one we’ve ignored. If we don’t solve the size and scale question, we will reproduce the authoritarian systems produced by past revolutions.

Today, we seem to be moving in the wrong direction. Greater degrees of wealth and income equality are associated with increased trust, community, and social cohesion, and thus with people who are more actively engaged in civic life, more tolerant of their neighbors, and more sanguine about their future prospects. But monopoly capitalism has

effected a runaway process, a self-reinforcing system that further redistributes wealth upward and concentrates it in fewer hands. We have seen this in the relationship between increasing economic globalization and inequality. The richest 10 percent of people now own more than three-quarters of the world’s wealth. The seat of the empire, the United States, has witnessed “spectacular increases” in economic inequality, its top 10 percent more than tripling their share of total wealth over the past few decades—even as fully half of the country (more than 150 million people) own just 2 percent. These are the economic predicates of social breakdown, carrying the potential for civilizational collapse. In case it’s not obvious, the notion that the authoritarian state would intervene to meaningfully disrupt the system of global monopoly it created is a hopeless fantasy. The modern state exists to protect the extractive privilege and rent streams of capital.

As Peter Kropotkin wrote in the *Encyclopædia Britannica*, the state, “the instrument for establishing monopolies in favour of the ruling minorities, cannot be made to work for the destruction of these monopolies.” We can’t very well expect to make large, unaccountable monopolies the remedy for monopolies. Even ostensibly well-intentioned reforms have not curtailed the dominance of monopoly capital—indeed, they have often reinforced that dominance. Helena Norberg-Hodge, the founder of the nonprofit Local Futures, notes that new legal and regulatory frameworks, ostensibly enacted to protect consumers, often favored increased centralization or production and larger-scale corporate institutions: “[N]ow, what’s beginning to happen as part of the anti-global movement is people are beginning to expose all the hidden subsidies, all the regulatory measures, which help the big corporations to undermine the small businesses and small producers.”

E.F. Schumacher described contemporary society as designed around “violent technology,” which in turn requires “violently big apparatus, violently complex science, [and a]