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# The Father of Anarchy

Proudhon, Mutualism and the Failures of 1848

Roderick McMillan

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fell out of favour compared to syndicalism, and the anarchist-Marxist rift has never healed, Anarcho-syndicalism can be seen as an evolution rather than a replacement of his approach.

*“Revolutionary syndicalism is a product of Proudhonism, and could not have existed without Proudhonism.”*

**Georges Gurvitch**

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need it, ensuring everyone has access to resources. Use-based ownership over absentee ownership.

## Mutual Credit and Banking

Mutual Banks were envisioned to decentralise and democratise credit. Under Mutualism decentralised federations of autonomous communities would create ‘mutual banks’ which would provide interest-free loans to workers and entrepreneurs. This system would help people start businesses and improve their lives without falling into debt traps.

## Proudhon’s Legacy

As one of the first to label himself an ‘Anarchist,’ his ideas were pivotal in shaping the anti-authoritarian strands of mid-nineteenth-century European socialism. He strongly advocated federalism, believing in the decentralisation of society, where localities and regions held greater autonomy, and Mutualism as a worker-led structure that could replace capitalist markets and government.

His consistent critique of state intervention and authority laid the foundations for many principles central to anarchism. Proudhon argued that society could self-organise without needing a central governing body, a threatening idea at the time of growing competitive centralised colonial empires.

He did initially believe that a central organisation was needed post-revolution to set up structures like mutual banking but seemed astonished that at that point the state would keep the central organisation rather than dissolving into autonomous federations.

Much of his thinking was foundational and continued to be influential after his death in 1865. While Mutualism largely

*“Property is theft!”*

**Pierre-Joseph Proudhon**

Pierre-Joseph Proudhon was born on January 15, 1809, in Besançon, France, and is widely recognised as the father of modern anarchism. His upbringing in a family of workers and peasants profoundly influenced his future ideology as he experienced the struggles of the working class.

Despite financial hardships, Proudhon received an education through scholarships, which was uncommon for people of his background at the time. Initially working as a printer, he was exposed to radical ideas, which shaped his later works and his revolutionary contributions as a journalist and printer of news and posters.

## What is Property?

Proudhon’s first significant work, *“What is Property? An Inquiry into the Principle of Right and Government”*, was published in 1840. This avant-garde book gave the world *“Property is theft!”* challenging prevailing notions about Property and capital.

He argued that Property, in essence, was a tool to exploit the working class, a concept that stirred significant debate in socialist circles. By “property”, he means capital and ownership of means of production. It is essential to distinguish between this and “possession” – things people own based on use-based occupancy and personal use.

Proudhon wrote his *“System of Economic Contradictions, or The Philosophy of Poverty”* in 1846. This work critiqued his era’s economic theories, highlighting what he saw as Capitalism’s inherent contradiction between production and consumption by examining the contradiction between labour and value and trying to balance them.

## The Rift with Marx

Karl Marx had read Proudhon's writings and adopted his analysis that economic development always grew a property-less working proletariat class—even inviting him to collaborate. Proudhon was happy to have a transparent and collaborative disagreement, writing to Marx in 1846 about their different approaches to the need for revolution.

*“I have also some observations to make on this phrase of your letter: “at the moment of action”. Perhaps you still retain the opinion that no reform is at present possible without a coup de main, without what was formerly called a revolution and is really nothing but a shock. That opinion, which I understand, which I excuse, and would willingly discuss, having myself shared it for a long time, my most recent studies have made me abandon completely. I believe we have no need of it in order to succeed; and that consequently we should not put forward revolutionary action as a means of social reform, because that pretended means would simply be an appeal to force, to arbitrariness, in brief, a contradiction. I myself put the problem in this way: to bring about the return to society, by an economic combination, of the wealth which was withdrawn from society by another economic combination. In other words, through Political Economy to turn the theory of Property against Property in such a way as to engender what you German socialists call community and what I will limit myself for the moment to calling liberty or equality. But I believe that I know the means of solving this problem with only a short delay; I would therefore prefer to burn Property by a slow fire, rather than give it new strength by making a St Bartholomew's night of the proprietors ...”*

### Letter from Proudhon to Marx, Lyon, 1846

However, *“The Philosophy of Poverty”* prompted Karl Marx to write *“The Poverty of Philosophy”* in 1847 in response.

The book was a deliberately aggressive and personal attack. Published in French, it personally belittled Proudhon

both a social and economic system. Economically it was based around four principles.

- i. Free Markets and Voluntary Exchange
- ii. Worker self-management
- iii. Equitable distribution of ‘property’
- iv. Mutual Credit and Banking.

## Free Markets and Voluntary Exchange:

Proudhon outlined “Free and Fair Markets” where people should be able to exchange goods and services without interference from the state. The fact the exchanges should be based on mutual benefit, with fair and equal terms for all parties involved, without monopolies, is a step beyond exploitative laissez-faire capitalist free markets.

## Worker Self-Management:

Instead of businesses and Property ( in the sense of the means of production) being owned by capitalist shareholders or the state, mutualist workers would collectively own and manage their workplaces, making decisions democratically or by consensus, with profit going back to the workers as owners rather than the value being extracted to external ownerships.

## Equitable Distribution of Property

Proudhon's “Property is theft!” was not against possessions but rather meant that Property—*as in the means of production*—should not be used to exploit others. Instead, the means of production should be owned and used by those who work it or

## Confessions of a Revolutionary

Proudhon's "*Confessions of a Revolutionary*" published in 1849 was both an autobiographical reflection and a deeper exploration of his political beliefs. He had become disillusioned by how quickly the 'revolutionary' government had become centralised and authoritarian.

In it he elaborated on the necessity of societal change, advocating for a shift away from authoritarian structures; arguing that political power is inherently corrupt and that true liberty can only be achieved through the decentralisation of power and the establishment of a federation of autonomous communities.

His views on the inevitability of central State exploitation and authoritarianism can be argued as prophetic of what produced the totalitarian USSR. That may be a stretch, but certainly he became convinced that any form of central government has the potential and probability of becoming oppressive.

In "*The General Idea of the Revolution in the Nineteenth Century*" published in 1851, Proudhon developed and outlined his mutualist vision of a society where workers had direct control over their lives and means of production.

This advocated for a decentralised, federative society, a concept that became the cornerstone of anarchist philosophy. His belief in the possibility of societal change through peaceful and evolutionary means rather than through revolutionary upheaval again put him at odds with Marx, who criticised his 'Utopian thinking' and belief that change could be non-violent, and could last without a "dictatorship of the proletariat".

## What is Mutualism?

Proudhon's Mutualism is a form of socialism advocating for mutual associations or cooperatives in trade and industry. It is

as a philosopher and economist. Marx criticised Proudhon's understanding of Capitalism's relationship between Labour and Value. Marx accused Proudhon of being overly idealistic and of failing to recognise a materialist basis of social relations, which Marx would make a crucial part of his own analysis.

While Marx labelled Proudhon a "Utopian Socialist," Gurvitch claims it was Proudhon who first invented the term and used it against Marx.

Claiming that his approach to reform was impractical, in another way, looking for incremental improvements and reform can be seen as more practical than the Marxist approach of a violent workers' revolution to replace the system at once. Proudhon's approach has the advantage of being more immediately actionable, offering solutions that workers and communities could implement within the existing system, such as cooperative ownership and mutual credit systems.

Marx attacked Proudhon for treating concepts such as value as absolutes: unchanging regardless of circumstance. Marx's approach was rooted in examining the historical context. However, Proudhon's approach ultimately reflects a moral vision of society that prioritises human dignity and social harmony rather than solely economic determinism.

Marx's framework of the historical inevitability of Communism removes the agency of the individual that we see with Anarchy. Proudhon instead identified that individuals can shape their own destiny through their ethical choices and voluntary associations.

"...for Marx, socialism based on self-management was a form of utopian socialism."

Georges Gurvitch "Proudhon and Marx"

## The French Revolution of 1848

*”(Proudhon) did not take part in the banquets movement but in February he helped build barricades in Paris and used the skills of his trade to print one of the first posters of the revolution. Wary of the revolt, he thought that they “have made a revolution without an idea.”*

### **Iain McKay The 1848 Revolutions: An Anarchist Perspective**

The French Revolution of 1848 led to the abolishment, once more, of the Monarchy in France, the declaration of the second republic, and—although preceded by a small revolt in Sicily—triggered the “Springtime of the peoples.” This was Europe’s largest wave of Revolutions, which led to the abolition of serfdom in Austria-Hungary and the establishment of representative Democracy in the Netherlands. Monarchies were pressured into making liberal reforms and emancipations in fear of them.

These were not, by any imagination, Anarchist revolutions that sought to abolish the state. They sought to flatten the hierarchy with more liberal involvement and emancipation away from monarchy and the landed and priestly classes.

The events of 1848 significantly cemented Proudhon’s thinking on achieving change. Although a member of the ‘provisional government,’ Proudhon was also a vocal critic of its failure to address the economic issues of the working class, especially its refusal to implement significant social reforms.

Proudhon was elected a member of the Constituent Assembly in June 1848. In this role, he advocated for radical economic reforms, including abolishing private Property and establishing a system based on mutual cooperation and credit. He proposed a “Bank of the People” to provide interest-free loans to workers, aiming to empower the working class and reduce economic inequality.

He wanted to use the state to establish certain services but held that state involvement should cease after the establishment.

*“What I have said of currency I would repeat of a whole host of services which have quite wrongly been placed in the hands of government: roads, canals, tobacco licensing, the postal service, telegraphs, railways, and so on. I understand, I admit, I insist that the state must intervene in all such major public utilities; but I cannot see any need to leave them in the hands of the state once they have been initiated. Such a concentration, as far as I can see, amounts to truly excessive power. In 1848 I called for the state to intervene in establishing national banks, credit, savings, and insurance institutions, as it had done in the case of railways. It never entered my head that once the state had completed its task of creation it would stay in the banking, insurance, and transportation business.” —*

### **Proudhon “The Principle of Federation”**

Proudhon had been calling himself an Anarchist since 1840, but he recognised that few others were even considering the abolishment of central authority. However the post-revolution period gave him a platform to spread Mutualist and anarchist ideas, writing in Journals such as “*Le Représentant du Peuple*” articulating his case against both capitalist exploitation and authoritarian socialism.

To his dismay, the second republic quickly degenerated. Louis-Napoleon, the nephew of Napoleon Bonapart, was elected president and fairly promptly established himself as a dictatorial emperor. In 1849, Proudhon fled to Belgium after being sent to prison. He did return to France and spent three years as a political prisoner.

Proudhon became convinced that statist socialism would always lead to oppression and that only Mutualist, decentralised, voluntary associations of workers could avoid this by dismantling state structures, and sought to spread his interpretation, writing from prison.