

# The Economy of Freedom

Vadim Damier

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The collapse of the state-capitalist dictatorships in Eastern Europe and the former Soviet Union proved that any attempts to combine a just social ideal with preservation of the state and commodity-money (market) relations are doomed to failure. Communist anarchism has always predicted that Marxist utopias would come to precisely such an end. It has not been discredited in the least by the experience of social democracy and party-state “communism”, and there is therefore no need to “supplement” it with borrowings from these doctrines, which have suffered complete collapse.

One such borrowing is the idea of “market socialism”. It was born in the heads of social-democratic theorists and taken on board by reformers in the ruling parties, who however did not save the “socialist camp” but hastened economic disaster. Nevertheless, many leftists, including some anarchists, have taken up the idea of combining socialism and the market, viewing it as an alternative to centralized “planning”.

However, attempts by anti-state, anti-authoritarian socialists to combine a just social order with market relations have always failed. They have led either to a sort of “collective capitalism” (as happened, according to the descriptions of Gaston Leval and D. Abad de Santillan, to certain collectivized enterprises during the Spanish revolution: they preserved money and the wages system and continued to conduct business egoistically, on their own responsibility) or to restricted self-management with expanded powers for managers (for the sake of faster and more “efficient” decision-making in the market, as has occurred in the kibbutzim).

Even the “freest” of market relations are completely incompatible with solidarity, ethics, and freedom itself. The French philosopher and ecologist André Gorz demonstrated in his book *Critique of Economic Reason* that under both the centralized bureaucratic and the market system man’s will is fettered and his activity and the entire life of society slip from under his conscious control. Thus, when people are subordinated to the impersonal laws of the market, which do not depend on them and cannot be controlled, the results of individuals’ uncoordinated activity do not correspond to their will and desire. These results are a matter of chance, as in thermodynamics. However, freedom is the possibility of conscious control over one’s own life (self-management).

The social psychologist Erich Fromm (*To Have Or To Be*) gave a brilliant analysis of the so-called “market character”, showing how market relations corrupt and deform the human personality: it turns into an object of commerce, a commodity that strives to sell itself to greater

advantage and develops within itself only those qualities which can be “purchased”. All relations among people are subordinated to the egoistic, utilitarian principles of profitability, all activity becomes prostitution, and mutual aid and solidarity are replaced by a war of “all against all” waged by embittered and mutually envious individuals.

Market relations cannot exist in a truly free society based on solidarity. They will inevitably destroy such a society.

Some people propose retaining the market (“market socialist”) model only for a “transitional” period before anarcho-communism is established, with payment “according to the quantity and quality of work done”. They repeat Marxist arguments about the difference between “socialism” and “communism”, how the former will “grow over” into the latter, and the conditions under which this will take place, such as a higher productivity of labour, abundance and a higher level of consciousness.

These purely productivist arguments might still have been seriously discussed thirty years ago, before the onset of the ecological crisis. Today it is absolutely clear that a just society can be built only on the basis of ecological harmony. If humanity wishes to survive, then there can be no question of increasing – or in some sectors even of maintaining – the level of labour productivity of developed capitalism. And those who connect communism with “abundance” in the traditional sense of the word are at risk of missing the boat altogether: unlimited economic growth within the limited system of Planet Earth is impossible.

It is also hard to agree with the idea that “payment according to the quantity and quality of work done” is the most effective and acceptable way to avoid an unmotivated and passive workforce. People become indifferent toward their own work when they are unable to control its course and results and when they have no sense of its social significance or of the meaning and purpose of the labour process as a whole. This is natural given the alienation and detailed (“Taylorist”) division of labour of contemporary industrial production, and no “material incentives” can make the least difference to the situation. And yet in the agrarian communes of revolutionary Spain and in kibbutzim with a communist system of distribution people understood why and for whom they were working, and their work was no worse or less effective than in capitalist firms.

The idea of payment according to the quantity and quality of work done can be taken seriously only by those who follow the Marxists in supposing that the quantity and quality of work done can be measured. In reality this is impossible. All socially necessary work is of equal value: there is no way, for instance, to determine how much work by an engineer is equivalent to a certain amount of work by a farmer or a bus driver. The productivity of work may be influenced by chance or depend on numerous factors that cannot be taken into account. Finally, any manufactured product contains the work of many thousands of people, even of several generations. And who, indeed, is going to calculate this “quantity and quality of work”? A new state authority?

Attempts to establish a new social hierarchy on the basis of “work done” will undermine equality and solidarity and lead to the rise of an empowered and privileged elite of the most “highly skilled” and “successful” workers. And to defend the power and privileges of the new “Stakhanovites” a state will again be needed.

Of course, in a free anarcho-communist society there will at first still be individual household enterprises that do not exploit the labour of others – small farmers and people engaged in various crafts. They will not be forcibly expropriated, but will gradually form cooperatives of their own free will. But it would be a very grave error to build relations in the already socialized sector of

the economy on the same basis as in the individual sector. If this is done, the individual sector will inevitably gain control over the economy as a whole. Until complete socialization is achieved, we shall be dealing with two quite different (though interacting) systems of production. In the larger, socialized sector, communist principles of distribution must be established from the very start – free access to those things which are available in abundance and social distribution of everything else in proportion to individual needs (Kropotkin): from each according to individual ability, to each according to individual need (the principle of the kibbutz).

Relations with individual household enterprises may be built on the basis of direct exchange of products, with access of these enterprises to socialized goods and services (transport, etc.) regulated by agreement. Cooperatives should be given preferential treatment in this respect.

From the very start, relations within the socialized (communist) sector will be not market relations but oriented toward the needs of real people. The economy of the free society will be planned in the true meaning of the word. “Planning” under the state-capitalist dictatorship was a sham, inasmuch as it was carried out not from below, “from the consumer”, but from above, by the Centre. In the free society of the future, by contrast, the associated producers and consumers, acting together in a spirit of solidarity, will be able to determine what, where and how to produce and consume and ensure – on the basis of free agreement “from the bottom up” – coordination between needs and production capacities.

The methods of such “planning from below” are suggested by the practical experience of really existing communes and consumer cooperatives. Consumers will aggregate their needs at regular general assemblies of local associations and then coordinate these decisions with production capacities in economic bodies of the communes or at their general meetings with delegates from the associated producers. The communes, united in regional and interregional federations, and the self-managing producers and consumers, aggregating and coordinating needs and capacities with the aid of statistics, acting through delegates at congresses of communes and in economic councils at various levels, will be able to develop larger-scale production facilities that will serve all or a number of communes.

“Planning” of the economy of an anarchist society must not be centralized. By no means everything needs to be coordinated at the regional, continental or planetary level. A different principle is appropriate here. A region must not assume responsibility for matters that a single commune can handle by itself without affecting the interests of others. Likewise, a region can resolve most of its problems for itself. The economy of anarchism will therefore be oriented toward the greatest possible (although, of course, not complete) self-provision. Among other things, this will mitigate ecological, raw-material and transport problems and bring production near to the consumer. Many of the economic and ecological problems of contemporary society arise because what is produced is not what is really needed by specific consumers but what dispersed producers think they might need. That is, no one knows in advance whether people need this or that product; this is determined after the fact by the market or by a bureaucrat.

In a free ecological society everything must be otherwise. In a free society, the economy begins with the consumer. Consumer and residents’ associations, together with the syndicates of the staff of distribution centres in urban districts and rural areas, assess the current and future needs of residents (something like the system of commercial orders) and transmit statistical data to the economic council of the commune, which together with delegates from the syndicates and from consumer associations and relying on statistics determine which of its necessities the commune

can produce by its own efforts, which will require external inputs or participation, and what goods or services the commune can provide to the residents of other communes.

What the commune is able to do for itself by its own efforts is done at the local level and does not require coordination with others. Everything else is coordinated with other communes at the necessary level. Coordination is established with the aid of statistics at economic congresses of delegates from communes and then ratified by the communes themselves. (No one can compel a reluctant commune to participate in one or another joint project, but in that case no one can compel other communes to continue dealing with that commune.)

Thus, what is produced must be precisely what is really needed by specific people or groups of people. Distribution will be carried out through the same distribution centres that collect consumer information, without charge but upon the consumer presenting an individual card indicating that he or she has contributed the working time agreed by members of the commune, or a child's card, or a pensioner's card (for the sick and others unable to work).

As the new social relations develop, it will become possible to break up huge cities, ecologize social and individual life, and redistribute work within society (including between the sexes) so that gradually the rigid specialization of work will recede into the past and work will turn into creative and pleasurable play.

The economic system of the new society can only be an economy of universal self-management, an economy of freedom. Production should be regulated not by professional managers, bureaucrats or directors, but by working people themselves. General economic decisions will be taken by the whole population – at the general assemblies of consumer associations and communes or (through delegates with an imperative mandate) at their congresses, while the direct management of production will be concentrated in the hands of self-managing work collectives and technical councils and syndicates created by them, united in a dual (sectoral and territorial) federation.

These, of course, are only general and fundamental points. There are numerous details that cannot be anticipated, let alone discussed in a short article. Answers will arise out of the practice of a free society. For now it is important to recognize one thing: people who wish to survive under decent conditions will have to renounce dominion over nature and over their fellow humans. But this means a radical change in the methods and processes for taking social and economic decisions, the replacement of external regulation (by a bureaucracy or the spontaneous laws of the market) by self-management and “planning” from below on the basis of federative agreements.

In other words, an anarchist society will be a society without bureaucracy, without money and without the market – or it will not be at all.

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Vadim Damier  
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