

# **Anarchist Economics (a Brief Introduction)**

**Presentation to Inkhululekho Anarchist Reading Group**

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Comrades, this presentation covers the themes of global redistribution, economic growth of a new type, and remuneration and what these may mean in an economy based on anarchist principles. I was mandated to examine how these themes related to the two required readings for this week:

- i. Read's Kropotkin: Selections from his Works, and
- ii. Albert's Parecon

## **Introduction**

I found it hard to locate bits from the reading that spoke to the themes. As such, I found it necessary to extrapolate from my understanding of the readings and the principles of justice and equality that underlie the writer's contributions. I base that which is to follow in agreement with Albert's definition of an economy as a system of production and distribution that is based on human interaction for human needs and desires. I will expand on this a bit later.

## **Global Redistribution**

An anarchist economy would be co-ordinated, deliberative and qualitatively and quantitatively indicative. The goal is a global economy planned through "nested federations" (Albert, 2003: 93) of worker and consumer/community councils in whose hands decision-making power would rest.

In accordance with the old communist ideal, distribution will be based on human need. Development of global productive capacity to fulfil this need would need to be widespread, thus fuelling "job creation" and the subsequent spreading of balanced job complexes (work tasks that, crudely, stimulate both the worker's physical and intellectual development as well and that which allocates socially necessary tasks deemed unpleasant, e.g. cleaning toilets). This would have to mean (a) a global redistribution of physically and mentally stimulating and socially necessary labour and (b) eventual redistribution according to need and distribution for needs and desires. Thus, instead of over-production of commodities that we either can't afford or don't need (a production based on the logic of capitalist accumulation) and under-production for the majority (Kropotkin, in Read, 1942: 95-96), we would produce and distribute according to directly democratic, co-ordinated, federative and open discussion. We would produce what we need and want.

Production and distribution proposals would be the result of a process of consultation and revision between workplace and consumer councils at all the appropriate levels of federative organisation (taking into account those that the proposal would affect). These are thus created through discussion, edited, re-discussed, re-edited and so on, till agreement is reached.

The economy thus planned would be one in which the least amount of human effort is required for production and distribution. The incentive is then for continual technological and work process development and refinement to increase leisure time for the pursuit of desires, intellectual stimulation and physical activity. Balanced job complexes with the aid of technological advancement thus, would aim at balanced life complexes.

[Q: How does Kropotkin's notion of local industrial development for local use fit into a global, federative planned economy? (Kropotkin, in Read, 1942: 96–97)]

## **Economic growth of 'a new type'**

Production would seek to utilise all available human skills, both physical and mental, according to each one's ability, through planning and balanced job complexes. The increased efficiency of a deliberative economy (efficiency in terms of meeting people's needs – the basis of our new economy) allows for increased production of what people actually want and need – not what they are told to buy via advertising, peer pressure and capitalist consumerism.

This economy would not be based on the mathematical equations of ivory tower professors, government finance department bureaucrats and financial institution suit-and-tie flunkies, nor on the clueless central planners of a state hierarchy. These systems of political and economic domination have throughout history been built on the exploitation and oppression of the majority of that society's people. These systems have resulted in countless socio-economic crises that have always been borne by the poor and working classes in these necessarily hierarchical systems of market and central planning.

Anarchist economic growth would be based on the expansion of productive and distributive capacity, which harnesses abilities and natural resources in balanced developmental and ecologically sustainable practices. Through balanced job complexes and indicative planning, this growth would have as its functional rationale the enhancement of solidarity. Indicative planning would take into account all the "social opportunity costs" (Albert, 2003: 123) of producing things; how each link, group and individual in 'the ties that bind' our new economy are affected – assessing the full effects of the decisions proposed and made by ourselves and others. All consumption and production must be socially-determined. The nature of the economic agreements required will also be the result of the differing nature of decisions affecting different groups.

We seek, thus to build a true solidarity economy focussing not only on relations of ownership, but also on the nature of decision-making. Decisions are to be made by all able to and affected and thus based on the impact of those decisions on others and our collective resources.

One might pause here to ask questions regarding the time it may take to co-ordinate these decision-making processes and the negative impact it might have on efficient and timely production and distribution. One might, somewhat cynically, answer that this question is raised within the framework of a capitalist economy and is thus irrelevant to an anarchist one. However, perhaps further attention to this question is necessary.

Capitalism has over many centuries restructured time and production, seeking to utilise means of production and labour power in the most time-saving manner so as to produce the maximum amount of commodities for the market. After all, in a capitalist economy, whether centrally-planned, state interventionist, or market-dominated, time is indeed money!

A participatory economy removes the relationship between time and efficiency by basing itself on justice and democracy so as to meet everyone's needs. Meetings are crucial at arriving at democratic and effective decisions for such an economy.

However, these meetings will serve to develop democratic federated structures across communities and workplaces to deal with the very efficiency of the system to deliver for our needs, so as to alleviate time spent at future meetings.

## Renumeration

Albert's Parecon envisages a system that would reward for work done based on personal sacrifice and effort. These would be based on socially-determined averages of work effort which would also take into account personal need. All, however, would be guaranteed basic provisions deemed socially essentially. These may include provisions for health, education, shelter, nourishment, etc. Everyone would be rewarded equally (according to sacrifice and effort), but not all the same. This would be determined by individual freedom and preference.

Would this fit an anarchist social economy though? Immediately, the question is raised as to what Albert sees as reward, or has he left this totally up to human preference? Parecon leaves us uncomfortable and its 'reward' as unclear. Perhaps more importantly, would not this manner of reward-for-effort create uneven renumeration which may very well lead to workplace and eventual social division, something which anarchism seeks to eradicate from all social interaction? Also, who is to determine reward? Surely not a parecon-ist peer review mechanism wide open to individual-based antipathies and biases?

Kropotkin's insight provides a platform for engagement here. He saw it as impossible to measure reward quantitatively due to the collective history of production and invention:

*"Millions has laboured to create this civilisation on which we pride ourselves today. Other millions, scattered through the globe, labour to maintain it. Without them nothing would be left...but ruins. There is not one thought, or invention, which is not common property, born of the past and the present"* (an extract from Kropotkin, 1906, *Conquest of Bread*, in Read, 1942: 91).

All knowledge is built on that which arrived prior to it. All invention is a synthesis of ideas and work gone before it. Therefore, it is important to reiterate the old communist adage from each according to ability, to each according to need. To this I would like to add that from each not only according to ability, but also according to mandates agreed upon and accepted after open discussion, debate and planning. Reward for work would thus be the full provision of what is needed and desired, as long as that which is desired does not infringe on the inalienable right of another to achieve the very same.

## Conclusion

It is, however, important to remember Bakunin's thoughts regarding work and its role in society. It is through work that one can have full access to the rights of freedom and association afforded by the new society (Bakunin, 1866). Thus, you cannot have responsibility and duty to others without rights to freedom and provision, but equally one cannot access these rights without responsibility to contribute for those around you.

To think of work in the anarchist social federation is to see it as re-imagined. Not the stimulating, enjoyable tasks to the few. Not the dreary drudgery of long hours of mind-numbing toil for others in complete subservience and to the sole benefit of the landlord, manager and owner. No longer the oppressive subjugation to the logic of owner accumulation and the maintenance of hierarchical formations of power and control. No longer the wastefulness of global mass unemployment so as to keep profits up and wages down.

**We say no to this continued slavery!**

But an economy based on decisions made by us for us. Work in this economy is to be reconstituted as that which seeks to meet our own needs and desires and those of others in society. But not only this; not only is work that which is socially necessary. An economy based on participation, direct democracy, mandates and planning – an anarchist economy – is one that sees work as developmental of the self and society. It re-imagines work as the attractive and most viable (if not the only viable) means of achieving individual, and thus social development (both physical and mental) and freedom (both physical and mental).

It is to this economy that we say yes!

**References**

Albert, M. (2003). “Parecon: Life After Capitalism”. New York: Verso.

Bakunin, M. (1866). “Revolutionary Catechism”.

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