

Section B - Why do anarchists oppose the current system?

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Section B - Why do anarchists oppose the current system?

This section of the FAQ presents an analysis of the basic social relationships of modern society and the structures which create them, particularly those aspects of society that anarchists want to change.

Anarchism is, essentially, a revolt against capitalism. As a political theory it was born at the same time as capitalism and in opposition to it. As a social movement it grew in strength and influence as capitalism colonised more and more parts of society. Rather than simply express opposition to the state, as some so-called experts assert, anarchism has always been opposed to other forms of authority and the oppression they create, in particular capitalism and its particular form of private property. It is no coincidence that Proudhon, the first person to declare themselves an anarchist, did so in a book entitled **What is Property?** (and gave the answer "*It is theft!*"). From Proudhon onwards, anarchism has opposed both the state and capitalism (indeed, it is the one thing such diverse thinkers as Benjamin Tucker and Peter Kropotkin both agreed on). Needless to say, since Proudhon anarchism has extended its critique of authority beyond these two social evils. Other forms of social hierarchy, such as sexism, racism and homophobia, have been rejected as limitations of freedom and equality. So this section of the FAQ summarises the key ideas behind anarchism's rejection of the current system we live under.

This, of course, does not mean that anarchistic ideas have not existed within society before the dawn of capitalism. Far from it. Thinkers whose ideas can be classified as anarchist go back thousands of years and are found many diverse cultures and places. Indeed, it would be no exaggeration to say that anarchism was born the moment the state and private property were created. However, as Kropotkin noted, while "*from all times there have been Anarchists and Statists*" in our times "*Anarchy was brought forth by the same critical and revolutionary protest that gave rise to Socialism in general.*" However, unlike other socialists, anarchists have not stopped at the "*negation of Capitalism and of society based on the subjection of labour to capital*" and went further to "*declare themselves against what constitutes the real strength of Capitalism: the State and its principle supports -- centralisation of authority, law, always made by a minority for its own profit, and a form of justice whose chief aim is to protect Authority and Capitalism.*" So anarchism was "*not only against Capitalism, but also against these pillars of Capitalism: Law, Authority, and the State.*" [**Evolution and Environment**, p. 16 and p. 19]

In other words, anarchism as it exists today, as a social movement with a long history of struggle and with a political theory and set of ideas, is the product of the transformation of society which accompanied the creation of the modern (nation-) state and capital and (far more importantly) the reaction, resistance and opposition of those subject to these new social relationships and institutions. As such, the analysis and critique presented in this section of the FAQ will concentrate on modern, capitalist, society.

Anarchists realise that the power of governments and other forms of hierarchy depends upon the

agreement of the governed. Fear is not the whole answer, it is far more *"because they [the oppressed] subscribe to the same values as their governors. Rulers and ruled alike believe in the principle of authority, of hierarchy, of power."* [Colin Ward, **Anarchy in Action**, p. 15] With this in mind, we present in this section of the FAQ our arguments to challenge this "consensus," to present the case why we should become anarchists, why authoritarian social relationships and organisations are not in our interests.

Needless to say, this task is not easy. No ruling class could survive unless the institutions which empower it are generally accepted by those subject to them. This is achieved by various means -- by propaganda, the so-called education system, by tradition, by the media, by the general cultural assumptions of a society. In this way the dominant ideas in society are those of the dominant elite. This means that any social movement needs to combat these ideas before trying to end them:

"People often do not even recognise the existence of systems of oppression and domination. They have to try to struggle to gain their rights within the systems in which they live before they even perceive that there is repression. Take a look at the women's movement. One of the first steps in the development of the women's movement was so-called 'consciousness raising efforts.' Try to get women to perceive that it is not the natural state of the world for them to be dominated and controlled. My grandmother couldn't join the women's movement, since she didn't feel any oppression, in some sense. That's just the way life was, like the sun rises in the morning. Until people can realise that it is not like the sun rising, that it can be changed, that you don't have to follow orders, that you don't have to be beaten, until people can perceive that there is something wrong with that, until that is overcome, you can't go on. And one of the ways to do that is to try to press reforms within the existing systems of repression, and sooner or later you find that you will have to change them." [Noam Chomsky, **Anarchism Interview**]

This means, as Malatesta stressed, that anarchists *"first task therefore must be to persuade people."* This means that we *"must make people aware of the misfortunes they suffer and of their chances to destroy them . . . To those who are cold and hungry we will demonstrate how possible and easy it would be to assure everybody their material needs. To those who are oppressed and despised we shall show how it is possible to live happily in a world of people who are free and equal . . . And when we will have succeeded in arousing the sentiment of rebellion in the minds of men [and women] against the avoidable and unjust evils from which we suffer in society today, and in getting them to understand how they are caused and how it depends on human will to rid ourselves of them"* then we will be able to unite and change them for the better. [**Errico Malatesta: His Life and Ideas**, pp. 185-6]

So we must explain **why** we want to change the system. From this discussion, it will become apparent why anarchists are dissatisfied with the very limited amount of freedom in modern society and why they want to create a truly free society. In the words of Noam Chomsky, the anarchist critique of modern society means:

"to seek out and identify structures of authority, hierarchy, and domination in every

aspect of life, and to challenge them; unless a justification for them can be given, they are illegitimate, and should be dismantled, to increase the scope of human freedom. That includes political power, ownership and management, relations among men and women, parents and children, our control over the fate of future generations (the basic moral imperative behind the environmental movement. . .), and much else. Naturally this means a challenge to the huge institutions of coercion and control: the state, the unaccountable private tyrannies that control most of the domestic and international economy [i.e. capitalist corporations and companies], and so on. But not only these." [Marxism, Anarchism, and Alternative Futures, p. 775]

This task is made easier by the fact that the "dominating class" has **not** "succeeded in reducing all its subjects to passive and unconscious instruments of its interests." This means that where there is oppression and exploitation there is also resistance -- and hope. Even when those oppressed by hierarchical social relations generally accept it, those institutions cannot put out the spark of freedom totally. Indeed, they help produce the spirit of revolt by their very operation as people finally say enough is enough and stand up for their rights. Thus hierarchical societies "contain organic contradictions and [these] are like the germs of death" from which "the possibility of progress" springs. [Malatesta, **Op. Cit.**, pp. 186-7]

Anarchists, therefore, combine their critique of existing society with active participation in the on-going struggles which exist in any hierarchical struggle. As we discuss in [section J](#), we urge people to take **direct action** to fight oppression. Such struggles change those who take part in them, breaking the social conditioning which keeps hierarchical society going and making people aware of other possibilities, aware that other worlds are possible and that we do not have to live like this. Thus struggle is the practical school of anarchism, the means by which the preconditions of an anarchist society are created. Anarchists seek to learn from such struggles while, at the same time, propagating our ideas within them and encouraging them to develop into a general struggle for social liberation and change.

Thus the natural resistance of the oppressed to their oppression encourages this process of justification Chomsky (and anarchism) calls for, this critical evaluation of authority and domination, this undermining of what previously was considered "natural" or "common-sense" **until we started to question it**. As noted above, an essential part of this process is to encourage direct action by the oppressed against their oppressors as well as encouraging the anarchistic tendencies and awareness that exist (to a greater or lesser degree) in any hierarchical society. The task of anarchists is to encourage such struggles and the questioning their produce of society and the way it works. We aim to encourage people to look at the root causes of the social problems they are fighting, to seek to change the underlying social institutions and relationships which produce them. We seek to create an awareness that oppression can not only be fought, but ended, and that the struggle against an unjust system creates the seeds of the society that will replace it. In other words, we seek to encourage hope and a positive vision of a better world.

However, this section of the FAQ is concerned directly with the critical or "negative" aspect of anarchism, the exposing of the evil inherent in all authority, be it from state, property or

whatever and why, consequently, anarchists seek *"the destruction of power, property, hierarchy and exploitation."* [Murray Bookchin, **Post-Scarcity Anarchism**, p. 11] Later sections will indicate how, after analysing the world, anarchists plan to change it constructively, but some of the constructive core of anarchism will be seen even in this section. After this broad critique of the current system, we move onto more specific areas. [Section C](#) explains the anarchist critique of the economics of capitalism. [Section D](#) discusses how the social relationships and institutions described in this section impact on society as a whole. [Section E](#) discusses the causes (and some suggested solutions) to the ecological problems we face.

B.1 Why are anarchists against authority and hierarchy?

First, it is necessary to indicate what kind of authority anarchism challenges. While it is customary for some opponents of anarchism to assert that anarchists oppose all kinds of authority, the reality of the situation is more complex. While anarchists have, on occasion, stated their opposition to "all authority" a closer reading quickly shows that anarchists reject only one specific form of authority, what we tend to call hierarchy (see [section H.4](#) for more details). This can be seen when Bakunin stated that *"the principle of **authority**" was the "eminently theological, metaphysical and political idea that the masses, **always** incapable of governing themselves, must submit at all times to the benevolent yoke of a wisdom and a justice, which in one way or another, is imposed from above."* [**Marxism, Freedom and the State**, p. 33]

Other forms of authority are more acceptable to anarchists, it depends whether the authority in question becomes a source of **power** over others or not. That is the key to understanding the anarchist position on authority -- if it is **hierarchical** authority, then anarchists are against it. . The reason is simple:

"[n]o one should be entrusted with power, inasmuch as anyone invested with authority must . . . become an oppressor and exploiter of society." [Bakunin, **The Political Philosophy of Bakunin**, p. 249]

This distinction between forms of authority is important. As Erich Fromm pointed out, *"authority" is "a broad term with two entirely different meanings: it can be either 'rational' or 'irrational' authority. Rational authority is based on competence, and it helps the person who leans on it to grow. Irrational authority is based on power and serves to exploit the person subjected to it."* [**To Have or To Be**, pp. 44-45] The same point was made by Bakunin over 100 years earlier when he indicated the difference between authority and *"natural influence."* For Bakunin, individual freedom *"results from th[e] great number of material, intellectual, and moral influences which every individual around him [or her] and which society . . . continually exercise . . . To abolish this mutual influence would be to die."* Consequently, *"when we reclaim the freedom of the masses, we hardly wish to abolish the effect of any individual's or any group of individual's natural influence upon the masses. What we wish is to abolish artificial, privileged, legal, and official influences."* [**The Basic Bakunin**, p. 140 and p. 141]

It is, in other words, the difference between taking part in a decision and listening to alternative viewpoints and experts ("*natural influence*") before making your mind up and having a decision **made for you** by a separate group of individuals (who may or may not be elected) because that is their role in an organisation or society. In the former, the individual exercises their judgement and freedom (i.e. is based on rational authority). In the latter, they are subjected to the wills of others, to hierarchical authority (i.e. is based on irrational authority). This is because rational authority "*not only permits but requires constant scrutiny and criticism . . . it is always temporary, its acceptance depending on its performance.*" The source of irrational authority, on the other hand, "*is always power over people . . . Power on the one side, fear on the other, are always the buttresses on which irrational authority is built.*" Thus former is based upon "*equality*" while the latter "*is by its very nature based upon inequality.*" [Erich Fromm, **Man for Himself**, pp. 9-10]

This crucial point is expressed in the difference between **having** authority and **being** an authority. Being an authority just means that a given person is generally recognised as competent for a given task, based on his or her individual skills and knowledge. Put differently, it is socially acknowledged expertise. In contrast, having authority is a social relationship based on status and power derived from a hierarchical position, not on individual ability. Obviously this does not mean that competence is not an element for obtaining a hierarchical position; it just means that the real or alleged initial competence is transferred to the title or position of the authority and so becomes independent of individuals, i.e. institutionalised (or what Bakunin termed "*official*").

This difference is important because the way people behave is more a product of the institutions in which we are raised than of any inherent nature. In other words, social relationships **shape** the individuals involved. This means that the various groups individuals create have traits, behaviours and outcomes that cannot be understood by reducing them to the individuals within them. That is, groups consist not only of individuals, but also relationships between individuals and these relationships will affect those subject to them. For example, obviously "*the exercise of power by some disempowers others*" and so through a "*combination of physical intimidation, economic domination and dependency, and psychological limitations, social institutions and practices affect the way everyone sees the world and her or his place in it.*" This, as we discuss in the [next section](#), impacts on those involved in such authoritarian social relationships as "*the exercise of power in any institutionalised form -- whether economic, political or sexual -- brutalises both the wielder of power and the one over whom it is exercised.*" [Martha A. Ackelsberg, **Free Women of Spain**, p. 41]

Authoritarian social relationships means dividing society into (the few) order givers and (the many) order takers, impoverishing the individuals involved (mentally, emotionally and physically) and society as a whole. Human relationships, in all parts of life, are stamped by authority, not liberty. And as freedom can only be created by freedom, authoritarian social relationships (and the obedience they require) do not and cannot educate a person in freedom -- only participation (self-management) in all areas of life can do that. "*In a society based on exploitation and servitude,*" in Kropotkin's words, "*human nature itself is degraded*" and it is only "*as servitude disappears*" shall we "*regain our rights.*" [**Anarchism**, p. 104]

Of course, it will be pointed out that in any collective undertaking there is a need for co-operation and co-ordination and this need to "subordinate" the individual to group activities is a form of authority. Therefore, it is claimed, a democratically managed group is just as "authoritarian" as one based on hierarchical authority. Anarchists are not impressed by such arguments. Yes, we reply, of course in any group undertaking there is a need make and stick by agreements but anarchists argue that to use the word "authority" to describe two fundamentally different ways of making decisions is playing with words. It obscures the fundamental difference between free association and hierarchical imposition and confuses co-operation with command (as we note in [section H.4](#), Marxists are particularly fond of this fallacy). Simply put, there are two different ways of co-ordinating individual activity within groups -- either by authoritarian means or by libertarian means. Proudhon, in relation to workplaces, makes the difference clear:

"either the workman. . . will be simply the employee of the proprietor-capitalist-promoter; or he will participate. . . [and] have a voice in the council, in a word he will become an associate.

"In the first case the workman is subordinated, exploited: his permanent condition is one of obedience. . . In the second case he resumes his dignity as a man and citizen. . . he forms part of the producing organisation, of which he was before but the slave; as, in the town, he forms part of the sovereign power, of which he was before but the subject . . . we need not hesitate, for we have no choice. . . it is necessary to form an ASSOCIATION among workers . . . because without that, they would remain related as subordinates and superiors, and there would ensue two . . . castes of masters and wage-workers, which is repugnant to a free and democratic society." [General Idea of the Revolution, pp. 215-216]

In other words, associations can be based upon a form of **rational** authority, based upon **natural influence** and so reflect freedom, the ability of individuals to think, act and feel and manage their own time and activity. Otherwise, we include elements of slavery into our relationships with others, elements that poison the whole and shape us in negative ways (see [section B.1.1](#)). Only the reorganisation of society in a libertarian way (and, we may add, the mental transformation such a change requires and would create) will allow the individual to "achieve more or less complete blossoming, whilst continuing to develop" and banish "that spirit of submission that has been artificially thrust upon him [or her]" [Nestor Makhno, **The Struggle Against the State and Other Essays**, p. 62]

So, anarchists "ask nothing better than to see [others]. . . exercise over us a natural and legitimate influence, freely accepted, and never imposed . . . We accept all natural authorities and all influences of fact, but none of right." [Bakunin, **The Political Philosophy of Bakunin**, p. 255] Anarchist support for free association within directly democratic groups is based upon such organisational forms increasing influence and reducing irrational authority in our lives. Members of such organisations can create and present their own ideas and suggestions, critically evaluate the proposals and suggestions from their fellows, accept those that they agree with or become convinced by and have the option of leaving the association if they are unhappy with its

direction. Hence the influence of individuals and their free interaction determine the nature of the decisions reached, and no one has the right to impose their ideas on another. As Bakunin argued, in such organisations *"no function remains fixed and it will not remain permanently and irrevocably attached to one person. Hierarchical order and promotion do not exist. . . In such a system, power, properly speaking, no longer exists. Power is diffused to the collectivity and becomes the true expression of the liberty of everyone."* [**Bakunin on Anarchism**, p. 415]

Therefore, anarchists are opposed to **irrational** (e.g., illegitimate) authority, in other words, hierarchy -- hierarchy being the institutionalisation of authority within a society. Hierarchical social institutions include the state (see [section B.2](#)), private property and the class systems it produces (see [section B.3](#)) and, therefore, capitalism (see [section B.4](#)). Due to their hierarchical nature, anarchists oppose these with passion. *"Every institution, social or civil,"* argued Voltairine de Cleyre, *"that stands between man [or woman] and his [or her] right; every tie that renders one a master, another a serf; every law, every statute, every be-it-enacted that represents tyranny"* anarchists seek to destroy. However, hierarchy exists beyond these institutions. For example, hierarchical social relationships include sexism, racism and homophobia (see [section B.1.4](#)), and anarchists oppose, and fight, them all. Thus, as well as fighting capitalism as being hierarchical (for workers *"slave in a factory,"* albeit *"the slavery ends with the working hours"*) de Cleyre also opposed patriarchal social relationships which produce a *"home that rests on slavery"* because of a *"marriage that represents the sale and transfer of the individuality of one of its parties to the other!"* [**The Voltairine de Cleyre Reader**, p. 72, p. 17 and p. 72]

Needless to say, while we discuss different forms of hierarchy in different sections this does not imply that anarchists think they, and their negative effects, are somehow independent or can be easily compartmentalised. For example, the modern state and capitalism are intimately interrelated and cannot be considered as independent of each other. Similarly, social hierarchies like sexism and racism are used by other hierarchies to maintain themselves (for example, bosses will use racism to divide and so rule their workers). From this it follows that abolishing one or some of these hierarchies, while desirable, would not be sufficient. Abolishing capitalism while maintaining the state would not lead to a free society (and vice versa) -- if it were possible. As Murray Bookchin notes:

*"there can be a decidedly classless, even a non-exploitative society in the **economic** sense that still preserves hierarchical rule and domination in the **social** sense -- whether they take the form of the patriarchal family, domination by age and ethnic groups, bureaucratic institutions, ideological manipulation or a pyramidal division of labour . . . classless or not, society would be riddled by domination and, with domination, a general condition of command and obedience, of unfreedom and humiliation, and perhaps most decisively, an abortion of each individual's potentiality for consciousness, reason, selfhood, creativity, and the right to assert full control over her or his daily live."*
[**Toward an Ecological Society**, pp. 14-5]

This clearly implies that anarchists *"challenge not only class formations but hierarchies, not only material exploitation but domination in every form."* [Bookchin, **Op. Cit.**, p. 15] Hence the

anarchist stress on opposing hierarchy rather than just, say, the state (as some falsely assert) or simply economic class and exploitation (as, say, many Marxists do). As noted earlier (in [section A.2.8](#)), anarchists consider all hierarchies to be not only harmful but unnecessary, and think that there are alternative, more egalitarian ways to organise social life. In fact, we argue that hierarchical authority creates the conditions it is presumably designed to combat, and thus tends to be self-perpetuating. Thus hierarchical organisations erode the ability of those at the bottom to manage their own affairs directly so requiring hierarchy and some people in positions to give orders and the rest to follow them. Rather than prevent disorder, governments are among its primary causes while its bureaucracies ostensibly set up to fight poverty wind up perpetuating it, because without poverty, the high-salaried top administrators would be out of work. The same applies to agencies intended to eliminate drug abuse, fight crime, etc. In other words, the power and privileges deriving from top hierarchical positions constitute a strong incentive for those who hold them **not** to solve the problems they are supposed to solve. (For further discussion see Marilyn French, **Beyond Power: On Women, Men, and Morals**, Summit Books, 1985.)

B.1.1 What are the effects of authoritarian social relationships?

Hierarchical authority is inextricably connected with the marginalisation and disempowerment of those without authority. This has negative effects on those over whom authority is exercised, since *"[t]hose who have these symbols of authority and those who benefit from them must dull their subject people's realistic, i.e. critical, thinking and make them believe the fiction [that irrational authority is rational and necessary], . . . [so] the mind is lulled into submission by clichés . . . [and] people are made dumb because they become dependent and lose their capacity to trust their eyes and judgement."* [Erich Fromm, **To Have or To Be?**, p. 47]

Or, in the words of Bakunin, *"the principle of authority, applied to men who have surpassed or attained their majority, becomes a monstrosity, a source of slavery and intellectual and moral depravity."* [**God and the State**, p. 41]

This is echoed by the syndicalist miners who wrote the classic **The Miners' Next Step** when they indicate the nature of authoritarian organisations and their effect on those involved. Leadership (i.e. hierarchical authority) *"implies power held by the leader. Without power the leader is inept. The possession of power inevitably leads to corruption. . . in spite of. . . good intentions . . . [Leadership means] power of initiative, this sense of responsibility, the self-respect which comes from expressed manhood [sic!], is taken from the men, and consolidated in the leader. The sum of their initiative, their responsibility, their self-respect becomes his . . . [and the] order and system he maintains is based upon the suppression of the men, from being independent thinkers into being 'the men' . . . In a word, he is compelled to become an autocrat and a foe to democracy."* Indeed, for the "leader," such marginalisation can be beneficial, for a leader *"sees no need for any high level of intelligence in the rank and file, except to applaud his actions. Indeed such intelligence from his point of view, by breeding criticism and opposition, is an obstacle and causes confusion."* [**The Miners' Next Step**, pp. 16-17 and p. 15]

Anarchists argue that hierarchical social relationships will have a negative effect on those subject to them, who can no longer exercise their critical, creative and mental abilities **freely**. As Colin Ward argues, people "*do go from womb to tomb without realising their human potential, precisely because the power to initiate, to participate in innovating, choosing, judging, and deciding is reserved for the top men*" (and it usually **is** men!) [**Anarchy in Action**, p. 42]. Anarchism is based on the insight that there is an interrelationship between the authority structures of institutions and the psychological qualities and attitudes of individuals. Following orders all day hardly builds an independent, empowered, creative personality ("*authority and servility walk ever hand in hand.*" [Peter Kropotkin, **Anarchism**, p. 81]). As Emma Goldman made clear, if a person's "*inclination and judgement are subordinated to the will of a master*" (such as a boss, as most people have to sell their labour under capitalism) then little wonder such an authoritarian relationship "*condemns millions of people to be mere nonentities.*" [**Red Emma Speaks**, p. 50]

As the human brain is a bodily organ, it needs to be used regularly in order to be at its fittest. Authority concentrates decision-making in the hands of those at the top, meaning that most people are turned into executants, following the orders of others. If muscle is not used, it turns to fat; if the brain is not used, creativity, critical thought and mental abilities become blunted and side-tracked onto marginal issues, like sports and fashion. This can only have a negative impact:

"Hierarchical institutions foster alienated and exploitative relationships among those who participate in them, disempowering people and distancing them from their own reality. Hierarchies make some people dependent on others, blame the dependent for their dependency, and then use that dependency as a justification for further exercise of authority. . . . Those in positions of relative dominance tend to define the very characteristics of those subordinate to them . . . Anarchists argue that to be always in a position of being acted upon and never to be allowed to act is to be doomed to a state of dependence and resignation. Those who are constantly ordered about and prevented from thinking for themselves soon come to doubt their own capacities . . . [and have] difficulty acting on [their] sense of self in opposition to societal norms, standards and expectations." [Martha Ackelsberg, **Free Women of Spain**, pp. 40-1]

And so, in the words of Colin Ward, the "*system makes its morons, then despises them for their ineptitude, and rewards its 'gifted few' for their rarity.*" [**Op. Cit.**, p. 43]

This negative impact of hierarchy is, of course, not limited to those subject to it. Those in power are affected by it, but in different ways. As we noted in [section A.2.15](#), power corrupts those who have it as well as those subjected to it. The Spanish Libertarian Youth put it this way in the 1930s:

"Against the principle of authority because this implies erosion of the human personality when some men submit to the will of others, arousing in these instincts which predispose them to cruelty and indifference in the face of the suffering of their fellows." [quoted by

Jose Peirats, **The CNT in the Spanish Revolution**, vol. 2, p. 76]

Hierarchy impoverishes the human spirit. "A hierarchical mentality," notes Bookchin, "fosters the renunciation of the pleasures of life. It justifies toil, guilt, and sacrifice by the 'inferiors,' and pleasure and the indulgent gratification of virtually every caprice by their 'superiors.' The objective history of the social structure becomes internalised as a subjective history of the psychic structure." In other words, being subject to hierarchy fosters the internalisation of oppression -- and the denial of individuality necessary to accept it. "Hierarchy, class, and ultimately the State," he stresses, "penetrate the very integument of the human psyche and establish within it unreflective internal powers of coercion and constraint . . . By using guilt and self-blame, the inner State can control behaviour long before fear of the coercive powers of the State have to be invoked." [**The Ecology of Freedom**, p. 72 and p. 189]

In a nutshell, "[h]ierarchies, classes, and states warp the creative powers of humanity." However, that is not all. Hierarchy, anarchists argue, also twists our relationships with the environment. Indeed, "all our notions of dominating nature stem from the very real domination of human by human . . . And it is not until we eliminate domination in all its forms . . . that we will really create a rational, ecological society." For "the conflicts within a divided humanity, structured around domination, inevitably leads to conflicts with nature. The ecological crisis with its embattled division between humanity and nature stems, above all, from divisions between human and human." While the "rise of capitalism, with a law of life based on competition, capital accumulation, and limitless growth, brought these problems -- ecological and social -- to an acute point," anarchists "emphasise that major ecological problems have their roots in social problems -- problems that go back to the very beginnings of patricentric culture itself." [Murray Bookchin, **Remaking Society**, p. 72, p. 44, p. 72 and pp. 154-5]

Thus, anarchists argue, hierarchy impacts not only on us but also our surroundings. The environmental crisis we face is a result of the hierarchical power structures at the heart of our society, structures which damage the planet's ecology at least as much as they damage humans. The problems within society, the economic, ethnic, cultural, and gender conflicts, among many others, lie at the core of the most serious ecological dislocations we face. The way human beings deal with each other as social beings is crucial to addressing the ecological crisis. Ultimately, ecological destruction is rooted in the organisation of our society for a degraded humanity can only yield a degraded nature (as capitalism and our hierarchical history have sadly shown).

This is unsurprising as we, as a species, shape our environment and, consequently, whatever shapes us will impact how we do so. This means that the individuals produced by the hierarchy (and the authoritarian mentality it produces) will shape the planet in specific, harmful, ways. This is to be expected as humans act upon their environment deliberately, creating what is most suitable for their mode of existence. If that mode of living is riddled with hierarchies, classes, states and the oppression, exploitation and domination they create then our relations with the natural world will hardly be any better. In other words, social hierarchy and class legitimises our domination of the environment, planting the seeds for the believe that nature exists, like other people, to be dominated and used as required.

Which brings us to another key reason why anarchists reject hierarchy. In addition to these negative psychological effects from the denial of liberty, authoritarian social relationships also produce social inequality. This is because an individual subject to the authority of another has to obey the orders of those above them in the social hierarchy. In capitalism this means that workers have to follow the orders of their boss (see [next section](#)), orders that are designed to make the boss richer. And richer they have become, with the Chief Executive Officers (CEOs) of big firms earning 212 times what the average US worker did in 1995 (up from a mere 44 times 30 years earlier). Indeed, from 1994 to 1995 alone, CEO compensation in the USA rose 16 percent, compared to 2.8 percent for workers, which did not even keep pace with inflation, and whose stagnating wages cannot be blamed on corporate profits, which rose a healthy 14.8 percent for that year.

Needless to say, inequality in terms of power will translate itself into inequality in terms of wealth (and vice versa). The effects of such social inequality are wide-reaching. For example, health is affected significantly by inequality. Poor people are more likely to be sick and die at an earlier age, compared to rich people. Simply put, *"the lower the class, the worse the health. Going beyond such static measures, even interruptions in income of the sort caused by unemployment have adverse health effects."* Indeed, the sustained economic hardship associated with a low place in the social hierarchy leads to poorer physical, psychological and cognitive functioning (*"with consequences that last a decade or more"*). *"Low incomes, unpleasant occupations and sustained discrimination,"* notes Doug Henwood, *"may result in apparently physical symptoms that confuse even sophisticated biomedical scientists . . . Higher incomes are also associated with lower frequency of psychiatric disorders, as are higher levels of asset ownership."* [**After the New Economy**, pp. 81-2]

Moreover, the *degree* of inequality is important (i.e. the size of the gap between rich and poor). According to an editorial in the **British Medical Journal** *"what matters in determining mortality and health in a society is less the overall wealth of that society and more how evenly wealth is distributed. The more equally wealth is distributed the better the health of that society."* [vol. 312, April 20, 1996, p. 985]

Research in the USA found overwhelming evidence of this. George Kaplan and his colleagues measured inequality in the 50 US states and compared it to the age-adjusted death rate for all causes of death, and a pattern emerged: the more unequal the distribution of income, the greater the death rate. In other words, it is the gap between rich and poor, and not the average income in each state, that best predicts the death rate in each state. [*"Inequality in income and mortality in the United States: analysis of mortality and potential pathways,"* **British Medical Journal**, vol. 312, April 20, 1996, pp. 999-1003]

This measure of income inequality was also tested against other social conditions besides health. States with greater inequality in the distribution of income also had higher rates of unemployment, higher rates of incarceration, a higher percentage of people receiving income assistance and food stamps, a greater percentage of people without medical insurance, greater proportion of babies born with low birth weight, higher murder rates, higher rates of violent

crime, higher costs per-person for medical care, and higher costs per person for police protection. Moreover states with greater inequality of income distribution also spent less per person on education, had fewer books per person in the schools, and had poorer educational performance, including worse reading skills, worse mathematics skills, and lower rates of completion of high school.

As the gap grows between rich and poor (indicating an increase in social hierarchy within and outwith of workplaces) the health of a people deteriorates and the social fabric unravels. The psychological hardship of being low down on the social ladder has detrimental effects on people, beyond whatever effects are produced by the substandard housing, nutrition, air quality, recreational opportunities, and medical care enjoyed by the poor (see George Davey Smith, *"Income inequality and mortality: why are they related?"* **British Medical Journal**, Vol. 312, April 20, 1996, pp. 987-988).

So wealth does not determine health. What does is the gap between the rich and the poor. The larger the gap, the sicker the society. Countries with a greater degree of socio-economic inequality show greater inequality in health status; also, that middle-income groups in relatively unequal societies have worse health than comparable, or even poorer, groups in more equal societies. Unsurprisingly, this is also reflected over time. The widening income differentials in both the USA and the UK since 1980 have coincided with a slowing down of improvements in life-expectancy, for example.

Inequality, in short, is bad for our health: the health of a population depends not just on the size of the economic pie, but on how the pie is shared.

This is not all. As well as inequalities in wealth, inequalities in freedom also play a large role in overall human well-being. According to Michael Marmot's **The Status Syndrome: How Social Standing Affects Our Health and Longevity**, as you move up any kind of hierarchy your health status improves. Autonomy and position in a hierarchy are related (i.e. the higher you are in a hierarchy, the more autonomy you have). Thus the implication of this empirical work is that autonomy is a source of good health, that the more control you have over your work environment and your life in general, the less likely you are to suffer the classic stress-related illnesses, such as heart disease. As public-health scholars Jeffrey Johnson and Ellen Hall have noted, the *"potential to control one's own environment is differentially distributed along class lines."* [quoted by Robert Kuttner, **Everything for Sale**, p. 153]

As would be expected from the very nature of hierarchy, to *"be in a life situation where one experiences relentless demands by others, over which one has relatively little control, is to be at risk of poor health, physically as well as mentally."* Looking at heart disease, the people with greatest risk *"tended to be in occupations with high demands, low control, and low social support. People in demanding positions but with great autonomy were at lower risk."* Under capitalism, *"a relatively small elite demands and gets empowerment, self-actualisation, autonomy, and other work satisfaction that partially compensate for long hours"* while *"epidemiological data confirm that lower-paid, lower-status workers are more likely to experience the most clinically damaging forms of stress, in part because they have less control*

over their work." [Kuttner, **Op. Cit.**, p. 153 and p. 154]

In other words, the inequality of autonomy and social participation produced by hierarchy is itself a cause of poor health. There would be positive feedback on the total amount of health -- and thus of social welfare -- if social inequality was reduced, not only in terms of wealth but also, crucially, in power. This is strong evidence in support of anarchist visions of egalitarianism. Some social structures give more people more autonomy than others and acting to promote social justice along these lines is a key step toward improving our health. This means that promoting libertarian, i.e. self-managed, social organisations would increase not only liberty but also people's health and well-being, both physical and mental. Which is, as we argued above, to be expected as hierarchy, by its very nature, impacts negatively on those subject to it.

This dovetails into anarchist support for workers' control. Industrial psychologists have found that satisfaction in work depends on the "span of autonomy" workers have. Unsurprisingly, those workers who are continually making decisions for themselves are happier and live longer. It is the power to control all aspects of your life -- work particularly -- that wealth and status tend to confer that is the key determinant of health. Men who have low job control face a 50% higher risk of new illness: heart attacks, stroke, diabetes or merely ordinary infections. Women are at slightly lower risk but low job control was still a factor in whether they fell ill or not.

So it is the fact that the boss is a boss that makes the employment relationship so troublesome for health issues (and genuine libertarians). The more bossy the boss, the worse, as a rule is the job. So part of autonomy is not being bossed around, but that is only part of the story. And, of course, hierarchy (inequality of power) and exploitation (the source of material inequality) are related. As we indicate in the [next section](#), capitalism is based on wage labour. The worker sell their liberty to the boss for a given period of time, i.e. they lose their autonomy. This allows the possibility of exploitation, as the worker can produce more wealth than they receive back in wages. As the boss pockets the difference, lack of autonomy produces increases in social inequality which, in turn, impacts negatively on your well-being.

Then there is the waste associated with hierarchy. While the proponents of authority like to stress its "efficiency," the reality is different. As Colin Ward points out, being in authority *"derives from your rank in some chain of command . . . But knowledge and wisdom are not distributed in order of rank, and they are no one person's monopoly in any undertaking. The fantastic inefficiency of any hierarchical organisation -- any factory, office, university, warehouse or hospital -- is the outcome of two almost invariable characteristics. One is that the knowledge and wisdom of the people at the bottom of the pyramid finds no place in the decision-making leadership hierarchy of the institution. Frequently it is devoted to making the institution work in spite of the formal leadership structure, or alternatively to sabotaging the ostensible function of the institution, because it is none of their choosing. The other is that they would rather not be there anyway: they are there through economic necessity rather than through identification with a common task which throws up its own shifting and functional leadership."* [**Op. Cit.**, p. 41]

Hierarchy, in other words, blocks the flow of information and knowledge. Rulers, as Malatesta argued, *"can only make use of the forces that exist in society -- except for those great forces"*

their action *"paralyses and destroys, and those rebel forces, and all that is wasted through conflicts; inevitable tremendous losses in such an artificial system."* And so as well as individuals being prevented from developing to their fullest, wasting their unfulfilled potentialities, hierarchy also harms society as a whole by reducing efficiency and creativity. This is because input into decisions are limited *"only to those individuals who form the government [of a hierarchical organisation] or who by reason of their position can influence the[ir] policy."* Obviously this means *"that far from resulting in an increase in the productive, organising and protective forces in society,"* hierarchy *"greatly reduce[s] them, limiting initiative to a few, and giving them the right to do everything without, of course, being able to provide them with the gift of being all-knowing."* [**Anarchy**, p. 38 and p. 39]

Large scale hierarchical organisations, like the state, are also marked by bureaucracy. This becomes a necessity in order to gather the necessary information it needs to make decisions (and, obviously, to control those under it). However, soon this bureaucracy becomes the real source of power due to its permanence and control of information and resources. Thus hierarchy cannot *"survive without creating around itself a new privileged class"* as well as being a *"privileged class and cut off from the people"* itself. [Malatesta, **Op. Cit.**, p. 37 and p. 36] This means that those at the top of an institution rarely know the facts on the ground, making decisions in relative ignorance of their impact or the actual needs of the situation or people involved. As economist Joseph Stiglitz concluded from his own experiences in the World Bank, *"immense time and effort are required to effect change even from the inside, in an international bureaucracy. Such organisations are opaque rather than transparent, and not only does far too little information radiate from inside to the outside world, perhaps even less information from outside is able to penetrate the organisation. The opaqueness also means that it is hard for information from the bottom of the organisation to percolate to the top."* [**Globalisation and its Discontents**, p. 33] The same can be said of any hierarchical organisation, whether a nation state or capitalist business.

Moreover, as Ward and Malatesta indicate, hierarchy provokes a struggle between those at the bottom and at the top. This struggle is also a source of waste as it diverts resources and energy from more fruitful activity into fighting it. Ironically, as we discuss in [section H.4.4](#), one weapon forged in that struggle is the *"work to rule,"* namely workers bringing their workplace to a grinding halt by following the dictates of the boss to the letter. This is clear evidence that a workplace only operates because workers exercise their autonomy during working hours, an autonomy which authoritarian structures stifle and waste. A participatory workplace, therefore, would be more efficient and less wasteful than the hierarchical one associated with capitalism. As we discuss in [section J.5.12](#), hierarchy and the struggle it creates always acts as a barrier stopping the increased efficiency associated with workers' participation undermining the autocratic workplace of capitalism.

All this is not to suggest that those at the bottom of hierarchies are victims nor that those at the top of hierarchies only gain benefits -- far from it. As Ward and Malatesta indicated, hierarchy by its very nature creates resistance to it from those subjected to it and, in the process, the potential for ending it (see [section B.1.6](#) for more discussion). Conversely, at the summit of the

pyramid, we also see the evils of hierarchy.

If we look at those at the top of the system, yes, indeed they often do **very** well in terms of material goods and access to education, leisure, health and so on but they lose their humanity and individuality. As Bakunin pointed out, "*power and authority corrupt those who exercise them as much as those who are compelled to submit to them.*" [The **Political Philosophy of Bakunin**, p. 249] Power operates destructively, even on those who have it, reducing their individuality as it "*renders them stupid and brutal, even when they were originally endowed with the best of talents. One who is constantly striving to force everything into a mechanical order at last becomes a machine himself and loses all human feeling.*" [Rudolf Rocker, **Anarcho-Syndicalism**, pp. 17-8]

When it boils down to it, hierarchy is self-defeating, for if "*wealth is other people,*" then by treating others as less than yourself, restricting their growth, you lose all the potential insights and abilities these individuals have, so impoverishing your own life and **restricting your own growth**. Unfortunately in these days material wealth (a particularly narrow form of "self-interest") has replaced concern for developing the whole person and leading a fulfilling and creative life (a broad self-interest, which places the individual **within** society, one that recognises that relationships with others shape and develop all individuals). In a hierarchical, class based society everyone loses to some degree, even those at the "top."

Looking at the environment, the self-defeating nature of hierarchy also becomes clear. The destiny of human life goes hand-in-hand with the destiny of the non-human world. While being rich and powerful may mitigate the impact of the ecological destruction produced by hierarchies and capitalism, it will not stop them and will, eventually, impact on the elite as well as the many.

Little wonder, then, that "*anarchism . . . works to destroy authority in all its aspects . . . [and] refuses all hierarchical organisation.*" [Kropotkin, **Anarchism**, p. 137]

B.1.2 Is capitalism hierarchical?

Yes. Under capitalism workers do not exchange the products of their labour they exchange the labour itself for money. They sell themselves for a given period of time, and in return for wages, promise to obey their paymasters. Those who pay and give the orders -- owners and managers -- are at the top of the hierarchy, those who obey at the bottom. This means that capitalism, by its very nature, is hierarchical.

As Carole Pateman argues:

"Capacities or labour power cannot be used without the worker using his will, his understanding and experience, to put them into effect. The use of labour power requires the presence of its 'owner,' and it remains mere potential until he acts in the manner necessary to put it into use, or agrees or is compelled so to act; that is, the worker must labour. To contract for the use of labour power is a waste of resources unless it can be used in the way in which the new owner requires. The fiction 'labour power' cannot be

used; what is required is that the worker labours as demanded. The employment contract must, therefore, create a relationship of command and obedience between employer and worker . . . In short, the contract in which the worker allegedly sells his labour power is a contract in which, since he cannot be separated from his capacities, he sells command over the use of his body and himself. To obtain the right to use another is to be a (civil) master." [The Sexual Contract, pp. 150-1]

You need only compare this to Proudhon's comments quoted in [section B.1](#) to see that anarchists have long recognised that capitalism is, by its very nature, hierarchical. The worker is subjected to the authority of the boss during working hours (sometimes outside work too). As Noam Chomsky summarises, *"a corporation, factory of business is the economic equivalent of fascism: decisions and control are strictly top-down."* [Letters from Lexington, p. 127] The worker's choices are extremely limited, for most people it amount to renting themselves out to a series of different masters (for a lucky few, the option of being a master is available). And master is the right word for, as David Ellerman reminds us, *"[s]ociety seems to have 'covered up' in the popular consciousness the fact that the traditional name [for employer and employee] is 'master and servant.'" [Property and Contract in Economics, p. 103]*

This hierarchical control of wage labour has the effect of alienating workers from their own work, and so from themselves. Workers no longer govern themselves during work hours and so are no longer free. And so, due to capitalism, there is *"an oppression in the land," a "form of slavery" rooted in current "property institutions" which produces "a social war, inevitable so long as present legal-social conditions endure."* [Voltairine de Cleyre, **Op. Cit.**, pp. 54-5]

Some defenders of capitalism are aware of the contradiction between the rhetoric of the system and its reality for those subject to it. Most utilise the argument that workers consent to this form of hierarchy. Ignoring the economic conditions which force people to sell their liberty on the labour market (see [section B.4.3](#)), the issue instantly arises of whether consent is enough in itself to justify the alienation/selling of a person's liberty. For example, there have been arguments for slavery and monarchy (i.e. dictatorship) rooted in consent. Do we really want to say that the only thing wrong with fascism or slavery is that people do not consent to it? Sadly, some right-wing "libertarians" come to that conclusion (see [section B.4](#)).

Some try to redefine the reality of the command-and-obey of wage labour. *"To speak of managing, directing, or assigning workers to various tasks is a deceptive way of noting that the employer continually is involved in re-negotiation of contracts on terms that must be acceptable to both parties,"* argue two right-wing economists. [Arman Alchian and Harold Demsetz, quoted by Ellerman, **Op. Cit.**, p. 170] So the employer-employee (or, to use the old, more correct, terminology, master-servant) contract is thus a series of unspoken contracts.

However, if an oral contract is not worth the paper it is written on, how valuable is an unspoken one? And what does this *"re-negotiation of contracts"* amount to? The employee decides whether to obey the command or leave and the boss decides whether the employee is obedient and productive enough to remain in under his or her control. Hardly a relationship based on freedom between equal partners! As such, this capitalist defence of wage labour *"is a deceptive*

way of noting" that the employee is paid to obey. The contract between them is simply that of obedience on one side and power on the other. That both sides may break the contract does not alter this fact. Thus the capitalist workplace *"is not democratic in spite of the 'consent of the governed' to the employment contract . . . In the employment contract, the workers alienate and transfer their legal rights to the employer to govern their activities 'within the scope of the employment' to the employer."* [David Ellerman, **The Democratic Worker-Owned Firm**, p. 50]

Ultimately, there is **one** right that cannot be ceded or abandoned, namely the right to personality. If a person gave up their personality they would cease to be a person yet this is what the employment contract imposes. To maintain and develop their personality is a basic right of humanity and it cannot be transferred to another, permanently or temporarily. To argue otherwise would be to admit that under certain circumstances and for certain periods of time a person is not a person but rather a thing to be used by others. Yet this is precisely what capitalism does due to its hierarchical nature.

This is not all. Capitalism, by treating labour as analogous to all other commodities denies the key distinction between labour and other "resources" - that is to say its inseparability from its bearer - labour, unlike other "property," is endowed with will and agency. Thus when one speaks of selling labour there is a necessary subjugation of will (hierarchy). As Karl Polanyi writes:

"Labour is only another name for human activity which goes with life itself, which is in turn not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life itself, be stored or mobilised . . . To allow the market mechanism to be sole director of the fate of human beings and their natural environment . . . would result in the demolition of society. For the alleged commodity 'labour power' cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity. In disposing of a man's labour power the system would, incidentally, dispose of the physical, psychological, and moral entity 'man' attached to that tag." [**The Great Transformation**, p. 72]

In other words, labour is much more than the commodity to which capitalism tries to reduce it. Creative, self-managed work is a source of pride and joy and part of what it means to be fully human. Wrenching control of work from the hands of the worker profoundly harms his or her mental and physical health. Indeed, Proudhon went so far as to argue that capitalist companies *"plunder the bodies and souls of the wage-workers"* and were an *"outrage upon human dignity and personality."* [**Op. Cit.**, p. 219] This is because wage labour turns productive activity and the person who does it into a commodity. People *"are not human beings so much as human resources. To the morally blind corporation, they are tool to generate as much profit as possible. And 'the tool can be treated just like a piece of metal -- you use it if you want, you throw it away if you don't want it,' says Noam Chomsky. 'If you can get human beings to become tool like that, it's more efficient by some measure of efficiency . . . a measure which is based on dehumanisation. You have to dehumanise it. That's part of the system."* [Joel Bakan, **The Corporation**, p. 69]

Separating labour from other activities of life and subjecting it to the laws of the market means to annihilate its natural, organic form of existence -- a form that evolved with the human race through tens of thousands of years of co-operative economic activity based on sharing and mutual aid -- and replacing it with an atomistic and individualistic one based on contract and competition. Unsurprisingly, this relationship is a very recent development and, moreover, the product of substantial state action and coercion (see [section F.8](#) for some discussion of this). Simply put, *"the early labourer . . . abhorred the factory, where he [or she] felt degraded and tortured."* While the state ensured a steady pool of landless workers by enforcing private property rights, the early manufacturers also utilised the state to ensure low wages, primarily for social reasons -- only an overworked and downtrodden labourer with no other options would agree to do whatever their master required of them. *"Legal compulsion and parish serfdom as in England,"* noted Polanyi, *"the rigors of an absolutist labour police as on the Continent, indented labour as in the early Americas were the prerequisites of the 'willing worker.'"* [Op. Cit., pp. 164-5]

Ignoring its origins in state action, the social relationship of wage labour is then claimed by capitalists to be a source of "freedom," whereas in fact it is a form of (in)voluntary servitude (see sections [B.4](#) and [A.2.14](#) for more discussion). Therefore a libertarian who did not support economic liberty (i.e. self-government in industry, libertarian socialism) would be no libertarian at all, and no believer in liberty. Capitalism is based upon hierarchy and the denial of liberty. To present it otherwise denies the nature of wage labour. However, supporters of capitalism try to but -- as Karl Polanyi points out -- the idea that wage labour is based upon some kind of "natural" liberty is false:

"To represent this principle [wage labour] as one of non-interference [with freedom], as economic liberals were wont to do, was merely the expression of an ingrained prejudice in favour of a definite kind of interference, namely, such as would destroy non-contractual relations between individuals and prevent their spontaneous re-formation."
[Op. Cit., p.163]

As noted above, capitalism itself was created by state violence and the destruction of traditional ways of life and social interaction was part of that task. From the start, bosses spent considerable time and energy combating attempts of working people to join together to resist the hierarchy they were subjected to and reassert human values. Such forms of free association between equals (such as trade unions) were combated, just as attempts to regulate the worse excesses of the system by democratic governments. Indeed, capitalists prefer centralised, elitist and/or authoritarian regimes precisely because they are sure to be outside of popular control (see [section B.2.5](#)). They are the only way that contractual relations based on market power could be enforced on an unwilling population. Capitalism was born under such states and as well as backing fascist movements, they made high profits in Nazi Germany and Fascist Italy. Today many corporations *"regularly do business with totalitarian and authoritarian regimes -- again, because it is profitable to do so."* Indeed, there is a *"trend by US corporations to invest in"* such countries. [Joel Bakan, Op. Cit., p. 89 and p. 185] Perhaps unsurprisingly, as such regimes are best able to enforce the necessary conditions to commodify labour fully.

B.1.3 What kind of hierarchy of values does capitalism create?

Anarchists argue that capitalism can only have a negative impact on ethical behaviour. This flows from its hierarchical nature. We think that hierarchy must, by its very nature, always impact negatively on morality.

As we argued in [section A.2.19](#), ethics is dependent on both individual liberty and equality between individuals. Hierarchy violates both and so the "*great sources of moral depravity*" are "*capitalism, religion, justice, government.*" In "*the domain of economy, coercion has lead us to industrial servitude; in the domain of politics to the State . . . [where] the nation . . . becomes nothing but a mass of obedient **subjects** to a central authority.*" This has "*contributed and powerfully aided to create all the present economic, political, and social evils*" and "*has given proof of its absolute impotence to raise the moral level of societies; it has not even been able to maintain it at the level it had already reached.*" This is unsurprising, as society developed "*authoritarian prejudices*" and "*men become more and more divided into governors and governed, exploiters and exploited, the moral level fell . . . and the spirit of the age declined.*" By violating equality, by rejecting social co-operation between equals in favour of top-down, authoritarian, social relationships which turn some into the tools of others, capitalism, like the state, could not help but erode ethical standards as the "*moral level*" of society is "*debased by the practice of authority.*" [Kropotkin, **Anarchism**, pp. 137-8, p. 106 and p. 139]

However, as we as promoting general unethical behaviour, capitalism produces a specific perverted hierarchy of values -- one that places humanity below property. As Erich Fromm argues:

*"The use [i.e. exploitation] of man by man is expressive of the **system of values** underlying the capitalistic system. **Capital, the dead past, employs labour -- the living vitality and power of the present.** In the capitalistic hierarchy of values, capital stands higher than labour, amassed things higher than the manifestations of life. Capital employs labour, and not labour capital. The person who owns capital commands the person who 'only' owns his life, human skill, vitality and creative productivity. 'Things' are higher than man. The conflict between capital and labour is much more than the conflict between two classes, more than their fight for a greater share of the social product. It is the conflict between two principles of value: **that between the world of things, and their amassment, and the world of life and its productivity.**" [The Sane Society, pp. 94-95]*

Capitalism only values a person as representing a certain amount of the commodity called "labour power," in other words, as a **thing**. Instead of being valued as an individual -- a unique human being with intrinsic moral and spiritual worth -- only one's price tag counts. This replacement of human relationships by economic ones soon results in the replacement of human values by economic ones, giving us an "ethics" of the account book, in which people are valued by how much they earn. It also leads, as Murray Bookchin argues, to a debasement of human

values:

"So deeply rooted is the market economy in our minds that its grubby language has replaced our most hallowed moral and spiritual expressions. We now 'invest' in our children, marriages, and personal relationships, a term that is equated with words like 'love' and 'care.' We live in a world of 'trade-offs' and we ask for the 'bottom line' of any emotional 'transaction.' We use the terminology of contracts rather than that of loyalties and spiritual affinities." [The Modern Crisis, p. 79]

With human values replaced by the ethics of calculation, and with only the laws of market and state "binding" people together, social breakdown is inevitable. Little wonder modern capitalism has seen a massive increase in crime and dehumanisation under the freer markets established by "conservative" governments, such as those of Thatcher and Reagan and their transnational corporate masters. We now live in a society where people live in self-constructed fortresses, "free" behind their walls and defences (both emotional and physical).

Of course, some people **like** the "ethics" of mathematics. But this is mostly because -- like all gods -- it gives the worshipper an easy rule book to follow. "Five is greater than four, therefore five is better" is pretty simple to understand. John Steinbeck noticed this when he wrote:

"Some of them [the owners] hated the mathematics that drove them [to kick the farmers off their land], and some were afraid, and some worshipped the mathematics because it provided a refuge from thought and from feeling." [The Grapes of Wrath, p. 34]

The debasement of the individual in the workplace, where so much time is spent, necessarily affects a person's self-image, which in turn carries over into the way he or she acts in other areas of life. If one is regarded as a commodity at work, one comes to regard oneself and others in that way also. Thus all social relationships -- and so, ultimately, **all** individuals -- are commodified. In capitalism, literally nothing is sacred -- "everything has its price" -- be it dignity, self-worth, pride, honour -- all become commodities up for grabs. Such debasement produces a number of social pathologies. "Consumerism" is one example which can be traced directly to the commodification of the individual under capitalism. To quote Fromm again, "**Things** have no self, and men who have become things [i.e. commodities on the labour market] can have no self." [Op. Cit., p. 143]

However, people still feel the **need** for selfhood, and so try to fill the emptiness by consuming. The illusion of happiness, that one's life will be complete if one gets a new commodity, drives people to consume. Unfortunately, since commodities are yet more things, they provide no substitute for selfhood, and so the consuming must begin anew. This process is, of course, encouraged by the advertising industry, which tries to convince us to buy what we don't need because it will make us popular/sexy/happy/free/etc. (delete as appropriate!). But consuming cannot really satisfy the needs that the commodities are bought to satisfy. Those needs can only be satisfied by social interaction based on truly human values and by creative, self-directed work.

This does not mean, of course, that anarchists are against higher living standards or material

goods. To the contrary, they recognise that liberty and a good life are only possible when one does not have to worry about having enough food, decent housing, and so forth. Freedom and 16 hours of work a day do not go together, nor do equality and poverty or solidarity and hunger. However, anarchists consider consumerism to be a distortion of consumption caused by the alienating and inhuman "account book" ethics of capitalism, which crushes the individual and his or her sense of identity, dignity and selfhood.

B.1.4 Why do racism, sexism and homophobia exist?

Since racism, sexism and homophobia (hatred/fear of homosexuals) are institutionalised throughout society, sexual, racial and gay oppression are commonplace. The primary cause of these three evil attitudes is the need for ideologies that justify domination and exploitation, which are inherent in hierarchy -- in other words, "theories" that "justify" and "explain" oppression and injustice. As Tacitus said, *"We hate those whom we injure."* Those who oppress others always find reasons to regard their victims as "inferior" and hence deserving of their fate. Elites need some way to justify their superior social and economic positions. Since the social system is obviously unfair and elitist, attention must be distracted to other, less inconvenient, "facts," such as alleged superiority based on biology or "nature." Therefore, doctrines of sexual, racial, and ethnic superiority are inevitable in hierarchical, class-stratified societies.

We will take each form of bigotry in turn.

From an economic standpoint, racism is associated with the exploitation of cheap labour at home and imperialism abroad. Indeed, early capitalist development in both America and Europe was strengthened by the bondage of people, particularly those of African descent. In the Americas, Australia and other parts of the world the slaughter of the original inhabitants and the expropriation of their land was also a key aspect in the growth of capitalism. As the subordination of foreign nations proceeds by force, it appears to the dominant nation that it owes its mastery to its special natural qualities, in other words to its "racial" characteristics. Thus imperialists have frequently appealed to the Darwinian doctrine of "Survival of the Fittest" to give their racism a basis in "nature."

In Europe, one of the first theories of racial superiority was proposed by Gobineau in the 1850s to establish the natural right of the aristocracy to rule over France. He argued that the French aristocracy was originally of Germanic origin while the "masses" were Gallic or Celtic, and that since the Germanic race was "superior", the aristocracy had a natural right to rule. Although the French "masses" didn't find this theory particularly persuasive, it was later taken up by proponents of German expansion and became the origin of German racial ideology, used to justify Nazi oppression of Jews and other "non-Aryan" types. Notions of the "white man's burden" and "Manifest Destiny" developed at about the same time in England and to a lesser extent in America, and were used to rationalise Anglo-Saxon conquest and world domination on a "humanitarian" basis.

Racism and authoritarianism at home and abroad has gone hand in hand. As Rudolf Rucker

argued, "[a]ll advocates of the race doctrine have been and are the associates and defenders of every political and social reaction, advocates of the power principle in its most brutal form . . . He who thinks that he sees in all political and social antagonisms merely blood-determined manifestations of race, denies all conciliatory influence of ideas, all community of ethical feeling, and must at every crisis take refuge in brute force. In fact, race theory is only the cult of power." Racism aids the consolidation of elite power for by attacking "all the achievements . . . in the direction of personal freedom" and the idea of equality "[n]o better moral justification could be produced for the industrial bondage which our holders of industrial power keep before them as a picture of the future." [**Nationalism and Culture**, pp. 337-8]

The idea of racial superiority was also found to have great domestic utility. As Paul Sweezy points out, "[t]he intensification of social conflict within the advanced capitalist countries. . . has to be directed as far as possible into innocuous channels -- innocuous, that is to say, from the standpoint of capitalist class rule. The stirring up of antagonisms along racial lines is a convenient method of directing attention away from class struggle," which of course is dangerous to ruling-class interests. [**Theory of Capitalist Development**, p. 311] Indeed, employers have often deliberately fostered divisions among workers on racial lines as part of a strategy of "divide and rule" (in other contexts, like Northern Ireland or Scotland, the employers have used religion in the same way instead).

Employers and politicians have often deliberately fostered divisions among workers on racial lines as part of a strategy of "divide and rule." In other contexts, like Tsarist Russia, Northern Ireland or Scotland, the employers have used religion in the same way. In others, immigrants and native born is the dividing line. The net effect is the same, social oppressions which range from the extreme violence anarchists like Emma Goldman denounced in the American South ("*the atrocities rampant in the South, of negroes lynched, tortured and burned by infuriated crowds without a hand being raised or a word said for their protection*") [**Emma Goldman: A Documentary History of the American Years**, vol. 1, p. 386] or the pogroms against Jews in Tsarist Russia to discrimination in where people can live, what jobs people can get, less pay and so on.

For those in power, this makes perfect sense as racism (like other forms of bigotry) can be used to split and divide the working class by getting people to blame others of their class for the conditions they all suffer. In this way, the anger people feel about the problems they face are turned away from their real causes onto scapegoats. Thus white workers are subtly (and sometimes not so subtly) encouraged, for example, to blame unemployment, poverty and crime on blacks or Hispanics instead of capitalism and the (white, male) elites who run it and who directly benefit from low wages and high profits. Discrimination against racial minorities and women makes sense for capitalism, for in this way profits are enlarged directly and indirectly. As jobs and investment opportunities are denied to the disadvantaged groups, their wages can be depressed below prevailing levels and profits, correspondingly, increased. Indirectly, discrimination adds capitalist profits and power by increasing unemployment and setting workers against each other. Such factors ensure that capitalism will never "compete" discrimination way as some free-market capitalist economists argue.

In other words, capitalism has benefited and will continue to benefit from its racist heritage. Racism has provided pools of cheap labour for capitalists to draw upon and permitted a section of the population to be subjected to worse treatment, so increasing profits by reducing working conditions and other non-pay related costs. In America, blacks still get paid less than whites for the same work (around 10% less than white workers with the same education, work experience, occupation and other relevant demographic variables). This is transferred into wealth inequalities. In 1998, black incomes were 54% of white incomes while black net worth (including residential) was 12% and non-residential net worth just 3% of white. For Hispanics, the picture was similar with incomes just 62% of whites, net worth, 4% and non-residential net worth 0%. While just under 15% of white households had zero or negative net worth, 27% of black households and 36% Hispanic were in the same situation. Even at similar levels of income, black households were significantly less wealthy than white ones. [Doug Henwood, **After the New Economy**, p. 99 and pp. 125-6]

All this means that racial minorities are "*subjected to oppression and exploitation on the dual grounds of race and class, and thus have to fight the extra battles against racism and discrimination.*" [Lorenzo Kom'boa Ervin, **Anarchism and the Black Revolution**, p. 126]

Sexism only required a "justification" once women started to act for themselves and demand equal rights. Before that point, sexual oppression did not need to be "justified" -- it was "natural" (saying that, of course, equality between the sexes was stronger before the rise of Christianity as a state religion and capitalism so the "place" of women in society has fallen over the last few hundred years before rising again thanks to the women's movement).

The nature of sexual oppression can be seen from marriage. Emma Goldman pointed out that marriage "*stands for the sovereignty of the man over the women,*" with her "*complete submission*" to the husbands "*whims and commands.*" [**Red Emma Speaks**, p. 164] As Carole Pateman notes, until "*the late nineteenth century the legal and civil position of a wife resembled that of a slave. . . A slave had no independent legal existence apart from his master, and husband and wife became 'one person,' the person of the husband.*" Indeed, the law "*was based on the assumption that a wife was (like) property*" and only the marriage contract "*includes the explicit commitment to obey.*" [**The Sexual Contract**, p. 119, p. 122 and p. 181]

However, when women started to question the assumptions of male domination, numerous theories were developed to explain why women's oppression and domination by men was "natural." Because men enforced their rule over women by force, men's "superiority" was argued to be a "natural" product of their gender, which is associated with greater physical strength (on the premise that "might makes right"). In the 17th century, it was argued that women were more like animals than men, thus "proving" that women had as much right to equality with men as sheep did. More recently, elites have embraced socio-biology in response to the growing women's movement. By "explaining" women's oppression on biological grounds, a social system run by men and for men could be ignored.

Women's subservient role also has economic value for capitalism (we should note that Goldman considered capitalism to be another "*paternal arrangement*" like marriage, both of which robbed

people of their "birthright," "stunts" their growth, "poisons" their bodies and keeps people in "ignorance, in poverty and dependence." [Op. Cit., p. 210]. Women often provide necessary (and unpaid) labour which keeps the (usually) male worker in good condition; and it is primarily women who raise the next generation of wage-slaves (again without pay) for capitalist owners to exploit. Moreover, women's subordination gives working-class men someone to look down upon and, sometimes, a convenient target on whom they can take out their frustrations (instead of stirring up trouble at work). As Lucy Parsons pointed out, a working class woman is "a slave to a slave."

Sexism, like all forms of bigotry, is reflected in relative incomes and wealth levels. In the US women, on average, were being paid 57% the amount men were in 2001 (an improvement than the 39% 20 years earlier). Part of this is due to fewer women working than men, but for those who do work outside the home their incomes were 66% than of men's (up from 47% in 1980 and 38% in 1970). Those who work full time, their incomes 76% of men's, up from the 60% average through most of the 1970s. However, as with the black-white gap, this is due in part to the stagnant income of male workers (in 1998 men's real incomes were just 1% above 1989 levels while women's were 14% above). So rather than the increase in income being purely the result of women entering high-paying and largely male occupations and them closing the gender gap, it has also been the result of the intense attacks on the working class since the 1980s which has de-unionised and de-industrialised America. This has resulted in a lot of high-paying male jobs have been lost and more and more women have entered the job market to make sure their families make ends. [Henwood, Op. Cit., p. 91-2]

Turning away from averages, we discover that sexism results in women being paid about 12% less than men during the same job, with the same relative variables (like work experience, education and so forth). Needless to say, as with racism, such "relevant variables" are themselves shaped by discrimination. Women, like blacks, are less likely to get job interviews and jobs. Sexism even affects types of jobs, for example, "caring" professions pay less than non-caring ones because they are seen as feminine and involve the kinds of tasks which women do at home without pay. In general, female dominated industries pay less. In 1998, occupations that were over 90% male had a median wage almost 10% above average while those over 90% female, almost 25% below. One study found that a 30% increase in women in an occupation translated into a 10% decline in average pay. Needless to say, having children is bad economic news for most women (women with children earn 10 to 15% less than women without children while for men the opposite is the case). Having maternity leave, incidentally, have a far smaller motherhood penalty. [Henwood, Op. Cit., p. 95-7]

The oppression of lesbians, gays and bisexuals is inextricably linked with sexism. A patriarchal, capitalist society cannot see homosexual practices as the normal human variations they are because they blur that society's rigid gender roles and sexist stereotypes. Most young gay people keep their sexuality to themselves for fear of being kicked out of home and all gays have the fear that some "straights" will try to kick their sexuality out of them if they express their sexuality freely. As with those subject to other forms of bigotry, gays are also discriminated against economically (gay men earning about 4-7% less than the average straight man [Henwood, Op.

Cit., p. 100]). Thus the social oppression which result in having an alternative sexuality are experienced on many different levels, from extreme violence to less pay for doing the same work.

Gays are not oppressed on a whim but because of the specific need of capitalism for the nuclear family. The nuclear family, as the primary - and inexpensive - creator of submissive people (growing up within the authoritarian family gets children used to, and "respectful" of, hierarchy and subordination - see [section B.1.5](#)) as well as provider and carer for the workforce fulfils an important need for capitalism. Alternative sexualities represent a threat to the family model because they provide a different role model for people. This means that gays are going to be in the front line of attack whenever capitalism wants to reinforce "family values" (i.e. submission to authority, "tradition", "morality" and so on). The introduction of Clause 28 in Britain is a good example of this, with the government making it illegal for public bodies to promote gay sexuality (i.e. to present it as anything other than a perversion). In American, the right is also seeking to demonise homosexuality as part of their campaign to reinforce the values of the patriarchal family unit and submission to "traditional" authority. Therefore, the oppression of people based on their sexuality is unlikely to end until sexism is eliminated.

This is not all. As well as adversely affecting those subject to them, sexism, racism and homophobia are harmful to those who practice them (and in some way benefit from them) within the working class itself. Why this should be the case is obvious, once you think about it. All three divide the working class, which means that whites, males and heterosexuals hurt themselves by maintaining a pool of low-paid competing labour, ensuring low wages for their own wives, daughters, mothers, relatives and friends. Such divisions create inferior conditions and wages for all as capitalists gain a competitive advantage using this pool of cheap labour, forcing all capitalists to cut conditions and wages to survive in the market (in addition, such social hierarchies, by undermining solidarity against the employer on the job and the state possibly create a group of excluded workers who could become scabs during strikes). Also, "privileged" sections of the working class lose out because their wages and conditions are less than those which unity could have won them. Only the boss really wins.

This can be seen from research into this subject. The researcher Al Szymanski sought to systematically and scientifically test the proposition that white workers gain from racism [*"Racial Discrimination and White Gain"*, in **American Sociological Review**, vol. 41, no. 3, June 1976, pp. 403-414]. He compared the situation of "white" and "non-white" (i.e. black, Native American, Asian and Hispanic) workers in United States and found several key things:

(1) the narrower the gap between white and black wages in an American state, the higher white earnings were relative to white earnings elsewhere. This means that *"whites do not benefit economically by economic discrimination. White workers especially appear to benefit economically from the **absence** of economic discrimination. . . both in the absolute level of their earnings **and** in relative equality among whites."* [p. 413] In other words, the less wage discrimination there was against black workers, the better were the wages that white workers received.

(2) the more "non-white" people in the population of a given American State, the more inequality there was between whites. In other words, the existence of a poor, oppressed group of workers reduced the wages of white workers, although it did not affect the earnings of non-working class whites very much ("*the greater the discrimination against [non-white] people, the greater the inequality among whites*" [p. 410]). So white workers clearly lost economically from this discrimination.

(3) He also found that "*the more intense racial discrimination is, the lower are the white earnings because of . . . [its effect on] working-class solidarity.*" [p. 412] In other words, racism economically disadvantages white workers because it undermines the solidarity between black and white workers and weakens trade union organisation.

So overall, these white workers receive some apparent privileges from racism, but are in fact screwed by it. Thus racism and other forms of hierarchy actually works against the interests of those working class people who practice it -- and, by weakening workplace and social unity, benefits the ruling class:

"As long as discrimination exists and racial or ethnic minorities are oppressed, the entire working class is weakened. This is so because the Capitalist class is able to use racism to drive down the wages of individual segments of the working class by inciting racial antagonism and forcing a fight for jobs and services. This division is a development that ultimately undercuts the living standards of all workers. Moreover, by pitting Whites against Blacks and other oppressed nationalities, the Capitalist class is able to prevent workers from uniting against their common enemy. As long as workers are fighting each other, the Capitalist class is secure." [Lorenzo Kom'boa Ervin, **Op. Cit.**, pp. 12-3]

In addition, a wealth of alternative viewpoints, insights, experiences, cultures, thoughts and so on are denied the racist, sexist or homophobe. Their minds are trapped in a cage, stagnating within a mono-culture -- and stagnation is death for the personality. Such forms of oppression are dehumanising for those who practice them, for the oppressor lives as a **role**, not as a person, and so are restricted by it and cannot express their individuality **freely** (and so do so in very limited ways). This warps the personality of the oppressor and impoverishes their own life and personality. Homophobia and sexism also limits the flexibility of all people, gay or straight, to choose the sexual expressions and relationships that are right for them. The sexual repression of the sexist and homophobe will hardly be good for their mental health, their relationships or general development.

From the anarchist standpoint, oppression based on race, sex or sexuality will remain forever intractable under capitalism or, indeed, under any economic or political system based on domination and exploitation. While individual members of "minorities" may prosper, racism as a justification for inequality is too useful a tool for elites to discard. By using the results of racism (e.g. poverty) as a justification for racist ideology, criticism of the status quo can, yet again, be replaced by nonsense about "nature" and "biology." Similarly with sexism or discrimination against gays.

The long-term solution is obvious: dismantle capitalism and the hierarchical, economically class-stratified society with which it is bound up. By getting rid of capitalist oppression and exploitation and its consequent imperialism and poverty, we will also eliminate the need for ideologies of racial or sexual superiority used to justify the oppression of one group by another or to divide and weaken the working class. However, struggles against bigotry cannot be left until after a revolution. If they were two things are likely: one, such a revolution would be unlikely to happen and, two, if it were then these problems would more than likely remain in the new society created by it. Therefore the negative impacts of inequality can and must be fought in the here and now, like any form of hierarchy. Indeed, as we discuss in more detail [section B.1.6](#) by doing so we make life a bit better in the here and now as well as bringing the time when such inequalities are finally ended nearer. Only this can ensure that we can all live as free and equal individuals in a world without the blights of sexism, racism, homophobia or religious hatred.

Needless to say, anarchists totally reject the kind of "equality" that accepts other kinds of hierarchy, that accepts the dominant priorities of capitalism and the state and accedes to the devaluation of relationships and individuality in name of power and wealth. There is a kind of "equality" in having "equal opportunities," in having black, gay or women bosses and politicians, but one that misses the point. Saying "Me too!" instead of "What a mess!" does not suggest real liberation, just different bosses and new forms of oppression. We need to look at the way society is organised, not at the sex, colour, nationality or sexuality of who is giving the orders!

B.1.5 How is the mass-psychological basis for authoritarian civilisation created?

We noted in [section A.3.6](#) that hierarchical, authoritarian institutions tend to be self-perpetuating, because growing up under their influence creates submissive/authoritarian personalities -- people who both "respect" authority (based on fear of punishment) and desire to exercise it themselves on subordinates. Individuals with such a character structure do not really want to dismantle hierarchies, because they are afraid of the responsibility entailed by genuine freedom. It seems "natural" and "right" to them that society's institutions, from the authoritarian factory to the patriarchal family, should be pyramidal, with an elite at the top giving orders while those below them merely obey. Thus we have the spectacle of so-called "Libertarians" and "anarcho" capitalists bleating about "liberty" while at the same time advocating factory fascism and privatised states. In short, authoritarian civilisation reproduces itself with each generation because, through an intricate system of conditioning that permeates every aspect of society, it creates masses of people who support the status quo.

Wilhelm Reich has given one of the most thorough analyses of the psychological processes involved in the reproduction of authoritarian civilisation. Reich based his analysis on four of Freud's most solidly grounded discoveries, namely, (1) that there exists an unconscious part of the mind which has a powerful though irrational influence on behaviour; (2) that even the small child develops a lively "genital" sexuality, i.e. a desire for sexual pleasure which has nothing to do with procreation; (3) that childhood sexuality along with the Oedipal conflicts that arise in

parent-child relations under monogamy and patriarchy are usually repressed through fear of punishment or disapproval for sexual acts and thoughts; (4) that this blocking of the child's natural sexual activity and extinguishing it from memory does not weaken its force in the unconscious, but actually intensifies it and enables it to manifest itself in various pathological disturbances and anti-social drives; and (5) that, far from being of divine origin, human moral codes are derived from the educational measures used by the parents and parental surrogates in earliest childhood, the most effective of these being the ones opposed to childhood sexuality.

By studying Bronislaw Malinowski's research on the Trobriand Islanders, a woman-centred (matricentric) society in which children's sexual behaviour was not repressed and in which neuroses and perversions as well as authoritarian institutions and values were almost non-existent, Reich came to the conclusion that patriarchy and authoritarianism originally developed when tribal chieftains began to get economic advantages from a certain type of marriage ("cross-cousin marriages") entered into by their sons. In such marriages, the brothers of the son's wife were obliged to pay a dowry to her in the form of continuous tribute, thus enriching her husband's clan (i.e. the chief's). By arranging many such marriages for his sons (which were usually numerous due to the chief's privilege of polygamy), the chief's clan could accumulate wealth. Thus society began to be stratified into ruling and subordinate clans based on wealth.

To secure the permanence of these "good" marriages, strict monogamy was required. However, it was found that monogamy was impossible to maintain without the repression of childhood sexuality, since, as statistics show, children who are allowed free expression of sexuality often do not adapt successfully to life-long monogamy. Therefore, along with class stratification and private property, authoritarian child-rearing methods were developed to inculcate the repressive sexual morality on which the new patriarchal system depended for its reproduction. Thus there is a historical correlation between, on the one hand, pre-patriarchal society, primitive libertarian communism (or "*work democracy*," to use Reich's expression), economic equality, and sexual freedom, and on the other, patriarchal society, a private-property economy, economic class stratification, and sexual repression. As Reich puts it:

"Every tribe that developed from a [matricentric] to a patriarchal organisation had to change the sexual structure of its members to produce a sexuality in keeping with its new form of life. This was a necessary change because the shifting of power and of wealth from the democratic gens [maternal clans] to the authoritarian family of the chief was mainly implemented with the help of the suppression of the sexual strivings of the people. It was in this way that sexual suppression became an essential factor in the division of society into classes.

"Marriage, and the lawful dowry it entailed, became the axis of the transformation of the one organisation into the other. In view of the fact that the marriage tribute of the wife's gens to the man's family strengthened the male's, especially the chief's, position of power, the male members of the higher ranking gens and families developed a keen interest in making the nuptial ties permanent. At this stage, in other words, only the man had an interest in marriage. In this way natural work-democracy's simple alliance, which could

be easily dissolved at any time, was transformed into the permanent and monogamous marital relationship of patriarchy. The permanent monogamous marriage became the basic institution of patriarchal society -- which it still is today. To safeguard these marriages, however, it was necessary to impose greater and greater restrictions upon and to depreciate natural genital strivings." [The Mass Psychology of Fascism, p. 90]

The suppression of natural sexuality involved in this transformation from matricentric to patriarchal society created various anti-social drives (sadism, destructive impulses, rape fantasies, etc.), which then also had to be suppressed through the imposition of a compulsive morality, which took the place the natural self-regulation that one finds in pre-patriarchal societies. In this way, sex began to be regarded as "dirty," "diabolical," "wicked," etc. -- which it had indeed become through the creation of secondary drives. Thus:

"The patriarchal- authoritarian sexual order that resulted from the revolutionary processes of latter-day [matricentrism] (economic independence of the chief's family from the maternal gens, a growing exchange of goods between the tribes, development of the means of production, etc.) becomes the primary basis of authoritarian ideology by depriving the women, children, and adolescents of their sexual freedom, making a commodity of sex and placing sexual interests in the service of economic subjugation. From now on, sexuality is indeed distorted; it becomes diabolical and demonic and has to be curbed." [Reich, **Op. Cit.**, p. 88]

Once the beginnings of patriarchy are in place, the creation of a fully authoritarian society based on the psychological crippling of its members through sexual suppression follows:

*"The moral inhibition of the child's natural sexuality, the last stage of which is the severe impairment of the child's **genital** sexuality, makes the child afraid, shy, fearful of authority, obedient, 'good,' and 'docile' in the authoritarian sense of the words. It has a crippling effect on man's rebellious forces because every vital life-impulse is now burdened with severe fear; and since sex is a forbidden subject, thought in general and man's critical faculty also become inhibited. In short, morality's aim is to produce acquiescent subjects who, despite distress and humiliation, are adjusted to the authoritarian order. Thus, the family is the authoritarian state in miniature, to which the child must learn to adapt himself as a preparation for the general social adjustment required of him later. Man's authoritarian structure -- this must be clearly established -- is basically produced by the embedding of sexual inhibitions and fear."* [Reich, **Op. Cit.**, p. 30]

In this way, by damaging the individual's power to rebel and think for him/herself, the inhibition of childhood sexuality -- and indeed other forms of free, natural expression of bioenergy (e.g. shouting, crying, running, jumping, etc.) -- becomes the most important weapon in creating reactionary personalities. This is why every reactionary politician puts such an emphasis on "strengthening the family" and promoting "family values" (i.e. patriarchy, compulsive monogamy, premarital chastity, corporal punishment, etc.). In the words of Reich:

*"Since authoritarian society reproduces itself in the individual structures of the masses with the help of the authoritarian family, it follows that political reaction has to regard and defend the authoritarian family as **the** basis of the 'state, culture, and civilisation. . . .' [It is] **political reaction's germ cell**, the most important centre for the production of reactionary men and women. Originating and developing from definite social processes, it becomes the most essential institution for the preservation of the authoritarian system that shapes it." [Op. Cit., pp. 104-105]*

The family is the most essential institution for this purpose because children are most vulnerable to psychological maiming in their first few years, from the time of birth to about six years of age, during which time they are mostly in the charge of their parents. The schools and churches then continue the process of conditioning once the children are old enough to be away from their parents, but they are generally unsuccessful if the proper foundation has not been laid very early in life by the parents. Thus A.S. Neill observes that *"the nursery training is very like the kennel training. The whipped child, like the whipped puppy, grows into an obedient, inferior adult. And as we train our dogs to suit our own purposes, so we train our children. In that kennel, the nursery, the human dogs must be clean; they must feed when we think it convenient for them to feed. I saw a hundred thousand obedient, fawning dogs wag their tails in the Templehof, Berlin, when in 1935, the great trainer Hitler whistled his commands."* [**Summerhill: a Radical Approach to Child Rearing**, p. 100]

The family is also the main agency of repression during adolescence, when sexual energy reaches its peak. This is because the vast majority of parents provide no private space for adolescents to pursue undisturbed sexual relationships with their partners, but in fact actively discourage such behaviour, often (as in fundamentalist Christian families) demanding complete abstinence -- at the very time when abstinence is most impossible! Moreover, since teenagers are economically dependent on their parents under capitalism, with no societal provision of housing or dormitories allowing for sexual freedom, young people have no alternative but to submit to irrational parental demands for abstention from premarital sex. This in turn forces them to engage in furtive sex in the back seats of cars or other out-of-the-way places where they cannot relax or obtain full sexual satisfaction. As Reich found, when sexuality is repressed and laden with anxiety, the result is always some degree of what he terms *"orgastic impotence"*: the inability to fully surrender to the flow of energy discharged during orgasm. Hence there is an incomplete release of sexual tension, which results in a state of chronic bioenergetic stasis. Such a condition, Reich found, is the breeding ground for neuroses and reactionary attitudes. (For further details see the [section J.6](#)).

In this connection it is interesting to note that "primitive" societies, such as the Trobriand Islanders, prior to their developing patriarchal-authoritarian institutions, provided special community houses where teenagers could go with their partners to enjoy undisturbed sexual relationships -- and this with society's full approval. Such an institution would be taken for granted in an anarchist society, as it is implied by the concept of freedom. (For more on adolescent sexual liberation, see [section J.6.8](#).)

Nationalistic feelings can also be traced to the authoritarian family. A child's attachment to its mother is, of course, natural and is the basis of all family ties. Subjectively, the emotional core of the concepts of homeland and nation are mother and family, since the mother is the homeland of the child, just as the family is the "nation in miniature." According to Reich, who carefully studied the mass appeal of Hitler's "National Socialism," nationalistic sentiments are a direct continuation of the family tie and are rooted in a **fixated** tie to the mother. As Reich points out, although infantile attachment to the mother is natural, **fixated** attachment is not, but is a social product. In puberty, the tie to the mother would make room for other attachments, i.e., natural sexual relations, **if** the unnatural sexual restrictions imposed on adolescents did not cause it to be eternalised. It is in the form of this socially conditioned externalisation that fixation on the mother becomes the basis of nationalist feelings in the adult; and it is only at this stage that it becomes a reactionary social force.

Later writers who have followed Reich in analysing the process of creating reactionary character structures have broadened the scope of his analysis to include other important inhibitions, besides sexual ones, that are imposed on children and adolescents. Rianne Eisler, for example, in her book **Sacred Pleasure**, stresses that it is not just a sex-negative attitude but a **pleasure-negative** attitude that creates the kinds of personalities in question. Denial of the value of pleasurable sensations permeates our unconscious, as reflected, for example, in the common idea that to enjoy the pleasures of the body is the "animalistic" (and hence "bad") side of human nature, as contrasted with the "higher" pleasures of the mind and "spirit." By such dualism, which denies a spiritual aspect to the body, people are made to feel guilty about enjoying any pleasurable sensations -- a conditioning that does, however, prepare them for lives based on the sacrifice of pleasure (or indeed, even of life itself) under capitalism and statism, with their requirements of mass submission to alienated labour, exploitation, military service to protect ruling-class interests, and so on. And at the same time, authoritarian ideology emphasises the value of suffering, as for example through the glorification of the tough, insensitive warrior hero, who suffers (and inflicts "necessary" suffering on others) for the sake of some pitiless ideal.

Eisler also points out that there is *"ample evidence that people who grow up in families where rigid hierarchies and painful punishments are the norm learn to suppress anger toward their parents. There is also ample evidence that this anger is then often deflected against traditionally disempowered groups (such as minorities, children, and women)."* [**Sacred Pleasure**, p. 187] This repressed anger then becomes fertile ground for reactionary politicians, whose mass appeal usually rests in part on scapegoating minorities for society's problems.

As the psychologist Else Frenkel-Brunswick documents in **The Authoritarian Personality**, people who have been conditioned through childhood abuse to surrender their will to the requirements of feared authoritarian parents, also tend to be very susceptible as adults to surrender their will and minds to authoritarian leaders. *"In other words,"* Frenkel-Brunswick summarises, *"at the same time that they learn to deflect their repressed rage against those they perceive as weak, they also learn to submit to autocratic or 'strong-man' rule. Moreover, having been severely punished for any hint of rebellion (even 'talking back' about being treated unfairly), they gradually also learn to deny to themselves that there was anything wrong with*

what was done to them as children -- and to do it in turn to their own children." [**The Authoritarian Personality**, p. 187]

These are just some of the mechanisms that perpetuate the status quo by creating the kinds of personalities who worship authority and fear freedom. Consequently, anarchists are generally opposed to traditional child-rearing practices, the patriarchal-authoritarian family (and its "values"), the suppression of adolescent sexuality, and the pleasure-denying, pain-affirming attitudes taught by the Church and in most schools. In place of these, anarchists favour non-authoritarian, non-repressive child-rearing practices and educational methods (see sections [J.6](#) and [secJ.5.13](#), respectively) whose purpose is to prevent, or at least minimise, the psychological crippling of individuals, allowing them instead to develop natural self-regulation and self-motivated learning. This, we believe, is the only way to for people to grow up into happy, creative, and truly freedom-loving individuals who will provide the psychological ground where anarchist economic and political institutions can flourish.

B.1.6 Can hierarchy be ended?

Faced with the fact that hierarchy, in its many distinctive forms, has been with us such a long time and so negatively shapes those subject to it, some may conclude that the anarchist hope of ending it, or even reducing it, is little more than a utopian dream. Surely, it will be argued, as anarchists acknowledge that those subject to a hierarchy adapt to it this automatically excludes the creation of people able to free themselves from it?

Anarchists disagree. Hierarchy can be ended, both in specific forms and in general. A quick look at the history of the human species shows that this is the case. People who have been subject to monarchy have ended it, creating republics where before absolutism reigned. Slavery and serfdom have been abolished. Alexander Berkman simply stated the obvious when he pointed out that *"many ideas, once held to be true, have come to be regarded as wrong and evil. Thus the ideas of divine right of kings, of slavery and serfdom. There was a time when the whole world believed those institutions to be right, just, and unchangeable."* However, they became *"discredited and lost their hold upon the people, and finally the institutions that incorporated those ideas were abolished"* as *"they were useful only to the master class"* and *"were done away with by popular uprisings and revolutions."* [**What is Anarchism?**, p. 178] It is unlikely, therefore, that current forms of hierarchy are exceptions to this process.

Today, we can see that this is the case. Malatesta's comments of over one hundred years ago are still valid: *"the oppressed masses . . . have never completely resigned themselves to oppression and poverty . . . [and] show themselves thirsting for justice, freedom and wellbeing."* [**Anarchy**, p. 33] Those at the bottom are constantly resisting both hierarchy and its the negative effects and, equally important, creating non-hierarchical ways of living and fighting. This constant process of self-activity and self-liberation can be seen from the labour, women's and other movements -- in which, to some degree, people create their own alternatives based upon their own dreams and hopes. Anarchism is based upon, and grew out of, this process of resistance, hope and direct action. In other words, the libertarian elements that the oppressed continually produce in their

struggles within and against hierarchical systems are extrapolated and generalised into what is called anarchism. It is these struggles and the anarchistic elements they produce which make the end of all forms of hierarchy not only desirable, but possible.

So while the negative impact of hierarchy is not surprising, neither is the resistance to it. This is because the individual *"is not a blank sheet of paper on which culture can write its text; he [or she] is an entity charged with energy and structured in specific ways, which, while adapting itself, reacts in specific and ascertainable ways to external conditions."* In this *"process of adaptation,"* people develop *"definite mental and emotional reactions which follow from specific properties"* of our nature. [Eric Fromm, **Man for Himself**, p. 23 and p. 22] For example:

"Man can adapt himself to slavery, but he reacts to it by lowering his intellectual and moral qualities . . . Man can adapt himself to cultural conditions which demand the repression of sexual strivings, but in achieving this adaptation he develops . . . neurotic symptoms. He can adapt to almost any culture pattern, but in so far as these are contradictory to his nature he develops mental and emotional disturbances which force him eventually change these conditions since he cannot change his nature. . . . If . . . man could adapt himself to all conditions without fighting those which are against his nature, he would have no history. Human evolution is rooted in man's adaptability and in certain indestructible qualities of his nature which compel him to search for conditions better adjusted to his intrinsic needs." [Op. Cit., pp. 22-23]

So as well as adaptation to hierarchy, there is resistance. This means that modern society (capitalism), like any hierarchical society, faces a direct contradiction. On the one hand, such systems divide society into a narrow stratum of order givers and the vast majority of the population who are (officially) excluded from decision making, who are reduced to carrying out (executing) the decisions made by the few. As a result, most people suffer feelings of alienation and unhappiness. However, in practice, people try and overcome this position of powerlessness and so hierarchy produces a struggle against itself by those subjected to it. This process goes on all the time, to a greater or lesser degree, and is an essential aspect in creating the possibility of political consciousness, social change and revolution. People refuse to be treated like objects (as required by hierarchical society) and by so doing hierarchy creates the possibility for its own destruction.

For the inequality in wealth and power produced by hierarchies, between the powerful and the powerless, between the rich and the poor, has not been ordained by god, nature or some other superhuman force. It has been created by a specific social system, its institutions and workings -- a system based upon authoritarian social relationships which effect us both physically and mentally. So there is hope. Just as authoritarian traits are learned, so can they be **unlearned**. As Carole Pateman summarises, the evidence supports the argument *"that we do learn to participate by participating"* and that a participatory environment *"might also be effective in diminishing tendencies toward non-democratic attitudes in the individual."* [**Participaton and Democratic Theory**, p. 105] So oppression reproduces resistance and the seeds of its own destruction.

It is for this reason anarchists stress the importance of self-liberation (see [section A.2.7](#)) and

"support all struggles for partial freedom, because we are convinced that one learns through struggle, and that once one begins to enjoy a little freedom one ends by wanting it all."

[Malatesta, **Errico Malatesta: His Life and Ideas**, p. 195] By means of direct action (see [section J.2](#)), people exert themselves and stand up for themselves. This breaks the conditioning of hierarchy, breaks the submissiveness which hierarchical social relationships both need and produce. Thus the daily struggles against oppression *"serve as a training camp to develop" a person's "understanding of [their] proper role in life, to cultivate [their] self-reliance and independence, teach him [or her] mutual help and co-operation, and make him [or her] conscious of [their] responsibility. [They] will learn to decide and act on [their] own behalf, not leaving it to leaders or politicians to attend to [their] affairs and look out for [their] welfare. It will be [them] who will determine, together with [their] fellows . . . , what they want and what methods will best serve their aims."* [Berkman, **Op. Cit.**, p. 206]

In other words, struggle encourages all the traits hierarchy erodes and, consequently, develop the abilities not only to question and resist authority but, ultimately, end it once and for all. This means that any struggle **changes** those who take part in it, politicising them and transforming their personalities by shaking off the servile traits produced and required by hierarchy. As an example, after the sit-down strikes in Flint, Michigan, in 1937 one eye-witness saw how *"the auto worker became a different human being. The women that had participated actively became a different type of women . . . They carried themselves with a different walk, their heads were high, and they had confidence in themselves."* [Genora (Johnson) Dollinger, contained in **Voices of a People's History of the United States**, Howard Zinn and Anthony Arnove (eds.), p. 349] Such changes happen in all struggles (also see [section J.4.2](#)). Anarchists are not surprised for, as discussed in [section J.1](#) and [J.2.1](#), we have long recognised the liberating aspects of social struggle and the key role it plays in creating free people and the other preconditions for needed for an anarchist society (like the initial social structure -- see [section I.2.3](#)).

Needless to say, a hierarchical system like capitalism cannot survive with a non-submissive working class and the bosses spend a considerable amount of time, energy and resources trying to break the spirits of the working class so they will submit to authority (either unwillingly, by fear of being fired, or willingly, by fooling them into believing that hierarchy is natural or by rewarding subservient behaviour). Unsurprisingly, this never completely succeeds and so capitalism is marked by constant struggles between the oppressed and oppressor. Some of these struggles succeed, some do not. Some are defensive, some are not. Some, like strikes, are visible, other less so (such a working slowly and less efficiently than management desires). And these struggles are waged by both sides of the hierarchical divide. Those subject to hierarchy fight to limit it and increase their autonomy and those who exercise authority fight to increase their power over others. Who wins varies. The 1960s and 1970s saw a marked increase in victories for the oppressed all throughout capitalism but, unfortunately, since the 1980s, as we discuss in [section C.8.3](#), there has been a relentless class war conducted by the powerful which has succeeded in inflicting a series of defeats on working class people. Unsurprisingly, the rich have got richer and more powerful since.

So anarchists take part in the on-going social struggle in society in an attempt to end it in the

only way possible, the victory of the oppressed. A key part of this is to fight for partial freedoms, for minor or major reforms, as this strengthens the spirit of revolt and starts the process towards the final end of hierarchy. In such struggles we stress the autonomy of those involved and see them not only as the means of getting more justice and freedom in the current unfree system but also as a means of ending the hierarchies they are fighting once and for all. Thus, for example, in the class struggle we argue for "[o]rganisation from the bottom up, beginning with the shop and factory, on the foundation of the joint interests of the workers everywhere, irrespective of trade, race, or country." [Alexander Berkman, **Op. Cit.**, p. 207] Such an organisation, as we discuss in [section J.5.2](#), would be run via workplace assemblies and would be the ideal means of replacing capitalist hierarchy in industry by genuine economic freedom, i.e. worker's self-management of production (see [section I.3](#)). Similarly, in the community we argue for popular assemblies (see [section J.5.1](#)) as a means of not only combating the power of the state but also replaced it with by free, self-managed, communities (see [section I.5](#)).

Thus the current struggle itself creates the bridge between what is and what could be:

*"Assembly and community must arise from within the revolutionary process itself; indeed, the revolutionary process must **be** the formation of assembly and community, and with it, the destruction of power. Assembly and community must become 'fighting words,' not distant panaceas. They must be created as **modes of struggle** against the existing society, not as theoretical or programmatic abstractions."* [Murray Bookchin, **Post-Scarcity Anarchism**, p. 104]

This is not all. As well as fighting the state and capitalism, we also need fight all other forms of oppression. This means that anarchists argue that we need to combat social hierarchies like racism and sexism as well as workplace hierarchy and economic class, that we need to oppose homophobia and religious hatred as well as the political state. Such oppressions and struggles are not diversions from the struggle against class oppression or capitalism but part and parcel of the struggle for human freedom and cannot be ignored without fatally harming it.

As part of that process, anarchists encourage and support all sections of the population to stand up for their humanity and individuality by resisting racist, sexist and anti-gay activity and challenging such views in their everyday lives, everywhere (as Carole Pateman points out, "*sexual domination structures the workplace as well as the conjugal home*" [**The Sexual Contract**, p. 142]). It means a struggle of all working class people against the internal and external tyrannies we face -- we must fight against our own prejudices while supporting those in struggle against our common enemies, no matter their sex, skin colour or sexuality. Lorenzo Kom'boa Ervin words on fighting racism are applicable to all forms of oppression:

"Racism must be fought vigorously wherever it is found, even if in our own ranks, and even in ones own breast. Accordingly, we must end the system of white skin privilege which the bosses use to split the class, and subject racially oppressed workers to super-exploitation. White workers, especially those in the Western world, must resist the attempt to use one section of the working class to help them advance, while holding back the gains of another segment based on race or nationality. This kind of class opportunism

and capitulationism on the part of white labour must be directly challenged and defeated. There can be no workers unity until the system of super-exploitation and world White Supremacy is brought to an end." [**Anarchism and the Black Revolution**, p. 128]

Progress towards equality can and has been made. While it is still true that (in the words of Emma Goldman) "[n]owhere is woman treated according to the merit of her work, but rather as a sex" [**Red Emma Speaks**, p. 177] and that education is still patriarchal, with young women still often steered away from traditionally "male" courses of study and work (which teaches children that men and women are assigned different roles in society and sets them up to accept these limitations as they grow up) it is also true that the position of women, like that of blacks and gays, **has** improved. This is due to the various self-organised, self-liberation movements that have continually developed throughout history and these are **the** key to fighting oppression in the short term (and creating the potential for the long term solution of dismantling capitalism and the state).

Emma Goldman argued that emancipation begins "*in [a] woman's soul.*" Only by a process of internal emancipation, in which the oppressed get to know their own value, respect themselves and their culture, can they be in a position to effectively combat (and overcome) external oppression and attitudes. Only when you respect yourself can you be in a position to get others to respect you. Those men, whites and heterosexuals who are opposed to bigotry, inequality and injustice, must support oppressed groups and refuse to condone racist, sexist or homophobic attitudes and actions by others or themselves. For anarchists, "*not a single member of the Labour movement may with impunity be discriminated against, suppressed or ignored. . . Labour [and other] organisations must be built on the principle of equal liberty of all its members. This equality means that only if each worker is a free and independent unit, co-operating with the others from his or her mutual interests, can the whole labour organisation work successfully and become powerful.*" [Lorenzo Kom'boa Ervin, **Op. Cit.**, pp. 127-8]

We must all treat people as equals, while at the same time respecting their differences. Diversity is a strength and a source of joy, and anarchists reject the idea that equality means conformity. By these methods, of internal self-liberation and solidarity against external oppression, we can fight against bigotry. Racism, sexism and homophobia can be reduced, perhaps almost eliminated, before a social revolution has occurred by those subject to them organising themselves, fighting back **autonomously** and refusing to be subjected to racial, sexual or anti-gay abuse or to allowing others to get away with it (which plays an essential role in making others aware of their own attitudes and actions, attitudes they may even be blind to!).

The example of the *Mujeres Libres* (Free Women) in Spain during the 1930s shows what is possible. Women anarchists involved in the C.N.T. and F.A.I. organised themselves autonomously to raise the issue of sexism in the wider libertarian movement, to increase women's involvement in libertarian organisations and help the process of women's self-liberation against male oppression. Along the way they also had to combat the (all too common) sexist attitudes of their "revolutionary" male fellow anarchists. Martha A. Ackelsberg's book **Free Women of Spain** is an excellent account of this movement and the issues it raises for all people

concerned about freedom. Decades later, the women's movement of the 1960s and 1970s did much the same thing, aiming to challenge the traditional sexism and patriarchy of capitalist society. They, too, formed their own organisations to fight for their own needs as a group. Individuals worked together and drew strength for their own personal battles in the home and in wider society.

Another essential part of this process is for such autonomous groups to actively support others in struggle (including members of the dominant race/sex/sexuality). Such practical solidarity and communication can, when combined with the radicalising effects of the struggle itself on those involved, help break down prejudice and bigotry, undermining the social hierarchies that oppress us all. For example, gay and lesbian groups supporting the 1984/5 UK miners' strike resulted in such groups being given pride of place in many miners' marches. Another example is the great strike by Jewish immigrant workers in 1912 in London which occurred at the same time as a big London Dock Strike. *"The common struggle brought Jewish and non-Jewish workers together. Joint strike meetings were held, and the same speakers spoke at huge joint demonstrations."* The Jewish strike was a success, dealing a *"death-blow to the sweatshop system. The English workers looked at the Jewish workers with quite different eyes after this victory."* Yet the London dock strike continued and many dockers' families were suffering real wants. The successful Jewish strikers started a campaign *"to take some of the dockers' children into their homes."* This practical support *"did a great deal to strengthen the friendship between Jewish and non-Jewish workers."* [Rudolf Rocker, **London Years**, p. 129 and p. 131] This solidarity was repaid in October 1936, when the dockers were at the forefront in stopping Mosley's fascist blackshirts marching through Jewish areas (the famous battle of Cable street).

For whites, males and heterosexuals, the only anarchistic approach is to support others in struggle, refuse to tolerate bigotry in others and to root out their own fears and prejudices (while refusing to be uncritical of self-liberation struggles -- solidarity does not imply switching your brain off!). This obviously involves taking the issue of social oppression into all working class organisations and activity, ensuring that no oppressed group is marginalised within them.

Only in this way can the hold of these social diseases be weakened and a better, non-hierarchical system be created. An injury to one is an injury to all.

B.2 Why are anarchists against the state?

As previously noted (see [section B.1](#)), anarchists oppose all forms of hierarchical authority. Historically, however, they have spent most of their time and energy opposing two main forms in particular. One is capitalism, the other, the state. These two forms of authority have a symbiotic relationship and cannot be easily separated:

"[T]he State . . . and Capitalism are facts and conceptions which we cannot separate from each other. In the course of history these institutions have developed, supporting and reinforcing each other.

"They are connected with each other -- not as mere accidental co-incidences. They are linked together by the links of cause and effect." [Kropotkin, **Evolution and Environment**, p. 94]

In this section, in consequence, as well as explaining why anarchists oppose the state, we will necessarily have to analyse the relationship between it and capitalism.

So what is the state? As Malatesta put it, anarchists *"have used the word State, and still do, to mean the sum total of the political, legislative, judiciary, military and financial institutions through which the management of their own affairs, the control over their personal behaviour, the responsibility for their personal safety, are taken away from the people and entrusted to others who, by usurpation or delegation, are vested with the power to make laws for everything and everybody, and to oblige the people to observe them, if need be, by the use of collective force."* [**Anarchy**, p. 17]

He continues:

"For us, government [or the state] is made up of all the governors; and the governors . . . are those who have the power to make laws regulating inter-human relations and to see that they are carried out . . . [and] who have the power, to a greater or lesser degree, to make use of the social power, that is of the physical, intellectual and economic power of the whole community, in order to oblige everybody to carry out their wishes. And this power, in our opinion, constitutes the principle of government, of authority." [**Op. Cit.**, p. 19]

Kropotkin presented a similar analysis, arguing that the state *"not only includes the existence of a power situated above society, but also of a territorial concentration as well as the concentration in the hands of a few of many functions in the life of societies . . . A whole mechanism of legislation and of policing has to be developed in order to subject some classes to the domination of others."* [**The State: Its Historic Role**, p. 10] For Bakunin, all states *"are in essence only machines governing the masses from above, through . . . a privileged minority, allegedly knowing the genuine interests of the people better than the people themselves."* [**The Political Philosophy of Bakunin**, p. 211] On this subject Murray Bookchin writes:

"Minimally, the State is a professional system of social coercion -- not merely a system of social administration as it is still naively regarded by the public and by many political theorists. The word 'professional' should be emphasised as much as the word 'coercion.' . . . It is only when coercion is institutionalised into a professional, systematic and organised form of social control -- that is, when people are plucked out of their everyday lives in a community and expected not only to 'administer' it but to do so with the backing of a monopoly of violence -- that we can properly speak of a State." [**Remaking Society**, p. 66]

As Bookchin indicates, anarchists reject the idea that the state is the same as society or that **any** grouping of human beings living and organised together is a state. This confusion, as Kropotkin

notes, explains why "*anarchists are generally upbraided for wanting to 'destroy society' and of advocating a return to 'the permanent war of each against all.'*" Such a position "*overlook[s] the fact that Man lived in Societies for thousands of years before the State had been heard of*" and that, consequently, the State "*is only one of the forms assumed by society in the course of history.*" [Op. Cit., p. 10]

The state, therefore, is not just federations of individuals or peoples and so, as Malatesta stressed, cannot be used to describe a "*human collectively gathered together in a particular territory and making up what is called a social unit irrespective of the way the way said collectivity are grouped or the state of relations between them.*" It cannot be "*used simply as a synonym for society.*" [Op. Cit., p. 17] The state is a particular form of social organisation based on certain key attributes and so, we argue, "*the word 'State' . . . should be reserved for those societies with the hierarchical system and centralisation.*" [Peter Kropotkin, **Ethics**, p. 317f] As such, the state "*is a historic, transitory institution, a temporary form of society*" and one whose "*utter extinction*" is possible as the "*State is not society.*" [Bakunin, **Michael Bakunin: Selected Writings**, p. 151]

In summary, the state is a specific way in which human affairs are organised in a given area, a way marked by certain institutions which, in turn, have certain characteristics. This does not imply, however, that the state is a monolithic entity that has been the same from its birth to the present day. States vary in many ways, especially in their degree of authoritarianism, in the size and power of their bureaucracy and how they organise themselves. Thus we have monarchies, oligarchies, theocracies, party dictatorships and (more or less) democratic states. We have ancient states, with minimal bureaucracy, and modern ones, with enormous bureaucracy.

Moreover, anarchists argue that "*the **political** regime . . . is always an expression of the **economic** regime which exists at the heart of society.*" This means that regardless of how the state changes, it "*continues to be shaped by the economic system, of which it is always the expression and, at the same time, the consecration and the sustaining force.*" Needless to say, there is not always an exact match and sometimes "*the political regime of a country finds itself lagging behind the economic changes that are taking place, and in that case it will abruptly be set aside and remodelled in a way appropriate to the economic regime that has been established.*" [Kropotkin, **Words of a Rebel**, p. 118]

At other times, the state can change its form to protect the economic system it is an expression of. Thus we see democracies turn to dictatorships in the face of popular revolts and movements. The most obvious examples of Pinochet's Chile, Franco's Spain, Mussolini's Italy and Hitler's Germany are all striking confirmations of Bakunin's comment that while "*[n]o government could serve the economic interests of the bourgeoisie better than a republic,*" that class would "*prefer . . . military dictatorship*" if needed to crush "*the revolts of the proletariat.*" [Bakunin on **Anarchism**, p. 417]

However, as much as the state may change its form it still has certain characteristics which identify a social institution as a state. As such, we can say that, for anarchists, the state is marked by three things:

- 1) A "**monopoly of violence**" in a given territorial area;
- 2) This violence having a "*professional*," institutional nature; and
- 3) A hierarchical nature, centralisation of power and initiative into the hands of a few.

Of these three aspects, the last one (its centralised, hierarchical nature) is the most important simply because the concentration of power into the hands of the few ensures a division of society into government and governed (which necessitates the creation of a professional body to enforce that division). Hence we find Bakunin arguing that "[w]ith the State there must go also . . . all organisation of social life from the top downward, via legislation and government." [**The Political Philosophy of Bakunin**, p. 242] In other words, "*the people was not governing itself.*" [Kropotkin, **Op. Cit.**, p. 120]

This aspect implies the rest. In a state, all the people residing in an area are subject to the state, submitting themselves to the individuals who make up the institution of authority ruling that territory. To enforce the will of this few, they must have a monopoly of force within the territory. As the members of the state collectively monopolise political decision making power, they are a privileged body separated by its position and status from the rest of the population as a whole which means they cannot rely on them to enforce its will. This necessitates a professional body of some kind to enforce their decisions, a separate police force or army rather than the people armed.

Given this, the division of society into rulers and ruled is the key to what constitutes a state. Without such a division, we would not need a monopoly of violence and so would simply have an association of equals, unmarked by power and hierarchy (such as exists in many stateless "primitive" tribes and will exist in a future anarchist society). And, it must be stressed, such a division exists even in democratic states as "*with the state there is always a hierarchical and status difference between rulers and ruled. Even if it is a democracy, where we suppose those who rule today are not rulers tomorrow, there are still differences in status. In a democratic system, only a tiny minority will ever have the opportunity to rule and these are invariably drawn from the elite.*" [Harold Barclay, **The State**, pp. 23-4]

Thus, the "*essence of government*" is that "*it is a thing apart, developing its own interests*" and so is "*an institution existing for its own sake, preying upon the people, and teaching them whatever will tend to keep it secure in its seat.*" [Voltairine de Cleyre, **The Voltairine de Cleyre Reader**, p. 27 and p. 26] And so "*despotism resides not so much in the form of the State or power as in the very principle of the State and political power.*" [Bakunin, **Op. Cit.**, p. 211]

As the state is the delegation of power into the hands of the few, it is obviously based on hierarchy. This delegation of power results in the elected people becoming isolated from the mass of people who elected them and outside of their control (see [section B.2.4](#)). In addition, as those elected are given power over a host of different issues and told to decide upon them, a bureaucracy soon develops around them to aid in their decision-making and enforce those decisions once they have been reached. However, this bureaucracy, due to its control of information and its permanency, soon has more power than the elected officials. Therefore "*a highly complex state machine . . . leads to the formation of a class especially concerned with*

state management, which, using its acquired experience, begins to deceive the rest for its personal advantage." [Kropotkin, **Selected Writings on Anarchism and Revolution**, p. 61]

This means that those who serve the people's (so-called) servant have more power than those they serve, just as the politician has more power than those who elected him. All forms of state-like (i.e. hierarchical) organisations inevitably spawn a bureaucracy about them. This bureaucracy soon becomes the de facto focal point of power in the structure, regardless of the official rules.

This marginalisation and disempowerment of ordinary people (and so the empowerment of a bureaucracy) is the key reason for anarchist opposition to the state. Such an arrangement ensures that the individual is disempowered, subject to bureaucratic, authoritarian rule which reduces the person to an object or a number, **not** a unique individual with hopes, dreams, thoughts and feelings. As Proudhon forcefully argued:

"To be GOVERNED is to be kept in sight, inspected, spied upon, directed, law-driven, numbered, enrolled, indoctrinated, preached at, controlled, estimated, valued, censured, commanded, by creatures who have neither the right, nor the wisdom, nor the virtue to do so . . . To be GOVERNED is to be at every operation, at every transaction, noted, registered, enrolled, taxed, stamped, measured, numbered, assessed, licensed, authorised, admonished, forbidden, reformed, corrected, punished. It is, under the pretext of public utility, and in the name of the general interest, to be placed under contribution, trained, ransomed, exploited, monopolised, extorted, squeezed, mystified, robbed; then, at the slightest resistance, the first word of complaint, to be repressed, fined, despised, harassed, tracked, abused, clubbed, disarmed, choked, imprisoned, judged, condemned, shot, deported, sacrificed, sold, betrayed; and, to crown it all, mocked, ridiculed, outraged, dishonoured. That is government; that is its justice; that is its morality."
[**General Idea of the Revolution**, p. 294]

Such is the nature of the state that **any** act, no matter how evil, becomes good if it helps forward the interests of the state and the minorities it protects. As Bakunin put it:

"The State . . . is the most flagrant, the most cynical, and the most complete negation of humanity. It shatters the universal solidarity of all men [and women] on the earth, and brings some of them into association only for the purpose of destroying, conquering, and enslaving all the rest . . .

"This flagrant negation of humanity which constitutes the very essence of the State is, from the standpoint of the State, its supreme duty and its greatest virtue . . . Thus, to offend, to oppress, to despoil, to plunder, to assassinate or enslave one's fellowman [or woman] is ordinarily regarded as a crime. In public life, on the other hand, from the standpoint of patriotism, when these things are done for the greater glory of the State, for the preservation or the extension of its power, it is all transformed into duty and virtue. And this virtue, this duty, are obligatory for each patriotic citizen; everyone if supposed to exercise them not against foreigners only but against one's own fellow citizens . . . whenever the welfare of the State demands it.

"This explains why, since the birth of the State, the world of politics has always been and continues to be the stage for unlimited rascality and brigandage . . . This explains why the entire history of ancient and modern states is merely a series of revolting crimes; why kings and ministers, past and present, of all times and all countries -- statesmen, diplomats, bureaucrats, and warriors -- if judged from the standpoint of simply morality and human justice, have a hundred, a thousand times over earned their sentence to hard labour or to the gallows. There is no horror, no cruelty, sacrilege, or perjury, no imposture, no infamous transaction, no cynical robbery, no bold plunder or shabby betrayal that has not been or is not daily being perpetrated by the representatives of the states, under no other pretext than those elastic words, so convenient and yet so terrible: 'for reasons of state.'" [Bakunin on Anarchism, pp. 133-4]

Governments habitually lie to the people they claim to represent in order to justify wars, reductions (if not the destruction) of civil liberties and human rights, policies which benefit the few over the many, and other crimes. And if its subjects protest, the state will happily use whatever force deemed necessary to bring the rebels back in line (labelling such repression "law and order"). Such repression includes the use of death squads, the institutionalisation of torture, collective punishments, indefinite imprisonment, and other horrors at the worse extremes.

Little wonder the state usually spends so much time ensuring the (mis)education of its population -- only by obscuring (when not hiding) its actual practises can it ensure the allegiance of those subject to it. The history of the state could be viewed as nothing more than the attempts of its subjects to control it and bind it to the standards people apply to themselves.

Such behaviour is not surprising, given that Anarchists see the state, with its vast scope and control of deadly force, as the "ultimate" hierarchical structure, suffering from all the negative characteristics associated with authority described in the [last section](#). *"Any logical and straightforward theory of the State,"* argued Bakunin, *"is essentially founded upon the principle of authority, that is the eminently theological, metaphysical, and political idea that the masses, always incapable of governing themselves, must at all times submit to the beneficent yoke of a wisdom and a justice imposed upon them, in some way or other, from above."* [Bakunin on Anarchism, p. 142] Such a system of authority cannot help being centralised, hierarchical and bureaucratic in nature. And because of its centralised, hierarchical, and bureaucratic nature, the state becomes a great weight over society, restricting its growth and development and making popular control impossible. As Bakunin put it:

"the so-called general interests of society supposedly represented by the State . . . [are] in reality . . . the general and permanent negation of the positive interests of the regions, communes, and associations, and a vast number of individuals subordinated to the State . . . [in which] all the best aspirations, all the living forces of a country, are sanctimoniously immolated and interred." [The Political Philosophy of Bakunin, p. 207]

That is by no means the end of it. As well as its obvious hierarchical form, anarchists object to the state for another, equally important, reason. This is its role as a defender of the economically

dominant class in society against the rest of it (i.e. from the working class). This means, under the current system, the capitalists *"need the state to legalise their methods of robbery, to protect the capitalist system."* [Berkman, **What is Anarchism?**, p. 16] The state, as we discuss in [section B.2.1](#), is the defender of private property (see [section B.3](#) for a discussion of what anarchists mean by that term and how it differs from individual possessions).

This means that in capitalist states the mechanisms of state domination are controlled by and for a corporate elite (and hence the large corporations are often considered to belong to a wider *"state-complex"*). Indeed, as we discuss in more depth in [section F.8](#), the *"State has been, and still is, the main pillar and the creator, direct and indirect, of Capitalism and its powers over the masses."* [Kropotkin, **Evolution and Environment**, p. 97] [Section B.2.3](#) indicates how this is domination is achieved in a representative democracy.

However this does not mean anarchists think that the state is purely an instrument of economic class rule. As Malatesta argued, while *"a special class (government) which, provided with the necessary means of repression, exists to legalise and protect the owning class from the demands of the workers . . . it uses the powers at its disposal to create privileges for itself and to subject, if it can, the owning class itself as well."* [**Errico Malatesta: His Life and Ideas**, p. 183] Thus the state has interests of its own, distinct from and sometimes in opposition to the economic ruling elite. This means that both state **and** capitalism needs to be abolished, for the former is as much a distinct (and oppressive and exploitative) class as the former. This aspects of the state is discussed in [section B.2.6](#).

As part of its role as defender of capitalism, the state is involved in not only in political domination but also in economic domination. This domination can take different forms, varying from simply maintaining capitalist property rights to actually owning workplaces and exploiting labour directly. Thus every state intervenes in the economy in some manner. While this is usually to favour the economically dominant, it can also occur try and mitigate the anti-social nature of the capitalist market and regulate its worse abuses. We discuss this aspect of the state in [section B.2.2](#).

Needless to say, the characteristics which mark a state did not develop by chance. As we discuss in [section H.3.7](#), anarchists have an evolutionary perspective on the state. This means that it has a hierarchical nature in order to facilitate the execution of its role, its function. As sections [B.2.4](#) and [B.2.5](#) indicate, the centralisation that marks a state is required to secure elite rule and was deliberately and actively created to do so. This means that states, by their very nature, are top-down institutions which centralise power into a few hands and, as a consequence, a state *"with its traditions, its hierarchy, and its narrow nationalism"* can *"not be utilised as an instrument of emancipation."* [Kropotkin, **Evolution and Environment**, p. 78] It is for this reason that anarchists aim to create a new form of social organisation and life, a decentralised one based on decision making from the bottom-up and the elimination of hierarchy.

Finally, we must point out that anarchists, while stressing what states have in common, do recognise that some forms of the state are better than others. Democracies, for example, tend to be less oppressive than dictatorships or monarchies. As such it would be false to conclude that

anarchists, *"in criticising the democratic government we thereby show our preference for the monarchy. We are firmly convinced that the most imperfect republic is a thousand times better than the most enlightened monarchy."* [Bakunin, **Bakunin on Anarchism**, p. 144] However, this does not change the nature or role of the state. Indeed, what liberties we have are **not** dependent on the goodwill of the state but rather the result of people standing against it and exercising their autonomy. Left to itself, the state would soon turn the liberties and rights it says it defends into dead-laws -- things that look good in print but not practised in real life.

So in the rest of this section we will discuss the state, its role, its impact on a society's freedom and who benefits from its existence. Kropotkin's classic essay, **The State: It's Historic Role** is recommended for further reading on this subject. Harold Barclay's **The State** is a good overview of the origins of the state, how it has changed over the millenniums and the nature of the modern state.

B.2.1 What is main function of the state?

The main function of the state is to guarantee the existing social relationships and their sources within a given society through centralised power and a monopoly of violence. To use Malatesta's words, the state is basically *"the property owners' gendarme."* This is because there are *"two ways of oppressing men [and women]: either directly by brute force, by physical violence; or indirectly by denying them the means of life and thus reducing them to a state of surrender."* The owning class, *"gradually concentrating in their hands the means of production, the real sources of life, agriculture, industry, barter, etc., end up establishing their own power which, by reason of the superiority of its means . . . always ends by more or less openly subjecting the political power, which is the government, and making it into its own gendarme."* [**Op. Cit.**, p. 23, p. 21 and p. 22]

The state, therefore, is *"the political expression of the economic structure"* of society and, therefore, *"the representative of the people who own or control the wealth of the community and the oppressor of the people who do the work which creates the wealth."* [Nicholas Walter, **About Anarchism**, p. 37] It is therefore no exaggeration to say that the state is the extractive apparatus of society's parasites.

The state ensures the exploitative privileges of its ruling elite by protecting certain economic monopolies from which its members derive their wealth. The nature of these economic privileges varies over time. Under the current system, this means defending capitalist property rights (see [section B.3.2](#)). This service is referred to as "protecting private property" and is said to be one of the two main functions of the state, the other being to ensure that individuals are "secure in their persons." However, although this second aim is professed, in reality most state laws and institutions are concerned with the protection of property (for the anarchist definition of "property" see [section B.3.1](#)).

From this we may infer that references to the "security of persons," "crime prevention," etc., are mostly rationalisations of the state's existence and smokescreens for its perpetuation of elite

power and privileges. This does not mean that the state does not address these issues. Of course it does, but, to quote Kropotkin, any *"laws developed from the nucleus of customs useful to human communities . . . have been turned to account by rulers to sanctify their own domination. of the people, and maintained only by the fear of punishment."* [**Anarchism**, p. 215]

Simply put, if the state *"presented nothing but a collection of prescriptions serviceable to rulers, it would find some difficulty in insuring acceptance and obedience"* and so the law reflects customs *"essential to the very being of society"* but these are *"cleverly intermingled with usages imposed by the ruling caste and both claim equal respect from the crowd."* Thus the state's laws have a *"two-fold character."* While its *"origin is the desire of the ruling class to give permanence to customs imposed by themselves for their own advantage"* it also passes into law *"customs useful to society, customs which have no need of law to insure respect"* -- unlike those *"other customs useful only to rulers, injurious to the mass of the people, and maintained only by the fear of punishment."* [Kropotkin, **Op. Cit.**, pp. 205-6] To use an obvious example, we find the state using the defence of an individual's possessions as the rationale for imposing capitalist private property rights upon the general public and, consequently, defending the elite and the source of its wealth and power against those subject to it.

Moreover, even though the state does take a secondary interest in protecting the security of persons (particularly elite persons), the vast majority of crimes against persons are motivated by poverty and alienation due to state-supported exploitation and also by the desensitisation to violence created by the state's own violent methods of protecting private property. In other words, the state rationalises its existence by pointing to the social evils it itself helps to create (either directly or indirectly). Hence, anarchists maintain that without the state and the crime-engendering conditions to which it gives rise, it would be possible for decentralised, voluntary community associations to deal compassionately (not punitively) with the few incorrigibly violent people who might remain (see [section I.5.8](#)).

Anarchists think it is pretty clear what the real role of the modern state is. It represents the essential coercive mechanisms by which capitalism and the authority relations associated with private property are sustained. The protection of property is fundamentally the means of assuring the social domination of owners over non-owners, both in society as a whole and in the particular case of a specific boss over a specific group of workers. Class domination is the authority of property owners over those who use that property and it is the primary function of the state to uphold that domination (and the social relationships that generate it). In Kropotkin's words, *"the rich perfectly well know that if the machinery of the State ceased to protect them, their power over the labouring classes would be gone immediately."* [**Evolution and Environment**, p. 98] Protecting private property and upholding class domination are the same thing.

The historian Charles Beard makes a similar point:

"Inasmuch as the primary object of a government, beyond mere repression of physical violence, is the making of the rules which determine the property relations of members of society, the dominant classes whose rights are thus to be protected must perforce obtain from the government such rules as are consonant with the larger interests necessary to

the continuance of their economic processes, or they must themselves control the organs of government." ["An Economic Interpretation of the Constitution," quoted by Howard Zinn, **Op. Cit.**, p. 89]

This role of the state -- to protect capitalism and the property, power and authority of the property owner -- was also noticed by Adam Smith:

"[T]he inequality of fortune . . . introduces among men a degree of authority and subordination which could not possibly exist before. It thereby introduces some degree of that civil government which is indispensably necessary for its own preservation . . . [and] to maintain and secure that authority and subordination. The rich, in particular, are necessarily interested to support that order of things which can alone secure them in the possession of their own advantages. Men of inferior wealth combine to defend those of superior wealth in the possession of their property, in order that men of superior wealth may combine to defend them in the possession of theirs . . . [T]he maintenance of their lesser authority depends upon that of his greater authority, and that upon their subordination to him depends his power of keeping their inferiors in subordination to them. They constitute a sort of little nobility, who feel themselves interested to defend the property and to support the authority of their own little sovereign in order that he may be able to defend their property and to support their authority. Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all." [**The Wealth of Nations**, book 5, pp. 412-3]

This is reflected in both the theory and history of the modern state. Theorists of the liberal state like John Locke had no qualms about developing a theory of the state which placed the defence of private property at its heart. This perspective was reflected in the American Revolution. For example, there is the words of John Jay (the first chief justice of the Supreme Court), namely that *"the people who own the country ought to govern it."* [quoted by Noam Chomsky, **Understanding Power**, p. 315] This was the maxim of the Founding Fathers of American *"democracy"* and it has continued ever since.

So, in a nutshell, the state is the means by which the ruling class rules. Hence Bakunin:

"The State is authority, domination, and force, organised by the property-owning and so-called enlightened classes against the masses . . . the State's domination . . . [ensures] that of the privileged classes who it solely represents." [**The Basic Bakunin**, p. 140]

Under the current system, this means that the state *"constitutes the chief bulwark of capital"* because of its *"centralisation, law (always written by a minority in the interest of that minority), and courts of justice (established mainly for the defence of authority and capital)."* Thus it is *"the mission of all governments . . . is to protect and maintain by force the . . . privileges of the possessing classes."* Consequently, while *"[i]n the struggle between the individual and the State, anarchism . . . takes the side of the individual as against the State, of society against the authority which oppresses it,"* anarchists are well aware that the state does not exist above

society, independent of the classes which make it up. [Kropotkin, **Anarchism**, pp. 149-50, p. 214 and pp. 192-3]

Consequently anarchists reject the idea that the role of the state is simply to represent the interests of the people or "the nation." For *"democracy is an empty pretence to the extent that production, finance and commerce -- and along with them, the political processes of the society as well -- are under control of 'concentrations of private power.'* The 'national interest' as articulated by those who dominate the . . . societies will be their special interests. Under these circumstances, talk of 'national interest' can only contribute to mystification and oppression." [Noam Chomsky, **Radical Priorities**, p. 52] As we discuss in [section D.6](#), nationalism always reflects the interests of the elite, not those who make up a nation and, consequently, anarchists reject the notion as nothing more than a con (i.e. the use of affection of where you live to further ruling class aims and power).

Indeed, part of the state's role as defender of the ruling elite is to do so internationally, defending "national" (i.e. elite) interests against the elites of other nations. Thus we find that at the IMF and World Bank, nations are represented by ministers who are *"closely aligned with particular constituents within their countries. The trade ministers reflect the concerns of the business community"* while the *"finance ministers and central bank governors are closely tied to financial community; they come from financial firms, and after their period in service, that is where they return . . . These individuals see the world through the eyes of the financial community."* Unsurprisingly, the *"decisions of any institution naturally reflect the perspectives and interests of those who make the decisions"* and so the *"policies of the international economic institutions are all too often closely aligned with the commercial and financial interests of those in the advanced industrial countries."* [Joseph Stiglitz, **Globalisation and its Discontents**, pp. 19-20]

This, it must be stressed, does not change in the so-called democratic state. Here, however, the primary function of the state is disguised by the "democratic" facade of the representative electoral system, through which it is made to appear that the people rule themselves. Thus Bakunin writes that the modern state *"unites in itself the two conditions necessary for the prosperity of the capitalistic economy: State centralisation and the actual subjection of . . . the people . . . to the minority allegedly representing it but actually governing it."* [**Op. Cit.**, p. 210] How this is achieved is discussed in [section B.2.3](#).

B.2.2 Does the state have subsidiary functions?

Yes, it does. While, as discussed in the [last section](#), the state is an instrument to maintain class rule this does not mean that it is limited to just defending the social relationships in a society and the economic and political sources of those relationships. No state has ever left its activities at that bare minimum. As well as defending the rich, their property and the specific forms of property rights they favoured, the state has numerous other subsidiary functions.

What these are has varied considerably over time and space and, consequently, it would be impossible to list them all. However, **why** it does is more straight forward. We can generalise

two main forms of subsidiary functions of the state. The first one is to boost the interests of the ruling elite either nationally or internationally beyond just defending their property. The second is to protect society against the negative effects of the capitalist market. We will discuss each in turn and, for simplicity and relevance, we will concentrate on capitalism (see also [section D.1](#)).

The first main subsidiary function of the state is when it intervenes in society to help the capitalist class in some way. This can take obvious forms of intervention, such as subsidies, tax breaks, non-bid government contracts, protective tariffs to old, inefficient, industries, giving actual monopolies to certain firms or individuals, bailouts of corporations judged by state bureaucrats as too important to let fail, and so on. However, the state intervenes far more than that and in more subtle ways. Usually it does so to solve problems that arise in the course of capitalist development and which cannot, in general, be left to the market (at least initially). These are designed to benefit the capitalist class as a whole rather than just specific individuals, companies or sectors.

These interventions have taken different forms in different times and include state funding for industry (e.g. military spending); the creation of social infrastructure too expensive for private capital to provide (railways, motorways); the funding of research that companies cannot afford to undertake; protective tariffs to protect developing industries from more efficient international competition (the key to successful industrialisation as it allows capitalists to rip-off consumers, making them rich and increasing funds available for investment); giving capitalists preferential access to land and other natural resources; providing education to the general public that ensures they have the skills and attitude required by capitalists and the state (it is no accident that a key thing learned in school is how to survive boredom, being in a hierarchy and to do what it orders); imperialist ventures to create colonies or client states (or protect citizen's capital invested abroad) in order to create markets or get access to raw materials and cheap labour; government spending to stimulate consumer demand in the face of recession and stagnation; maintaining a "natural" level of unemployment that can be used to discipline the working class, so ensuring they produce more, for less; manipulating the interest rate in order to try and reduce the effects of the business cycle and undermine workers' gains in the class struggle.

These actions, and others like it, ensures that a key role of the state within capitalism *"is essentially to socialise risk and cost, and to privatise power and profit."* Unsurprisingly, *"with all the talk about minimising the state, in the OECD countries the state continues to grow relative to GNP."* [Noam Chomsky, **Rogue States**, p. 189] Hence David DeLeon:

"Above all, the state remains an institution for the continuance of dominant socio-economic relations, whether through such agencies as the military, the courts, politics or the police . . . Contemporary states have acquired . . . less primitive means to reinforce their property systems [than state violence -- which is always the means of last, often first, resort]. States can regulate, moderate or resolve tensions in the economy by preventing the bankruptcies of key corporations, manipulating the economy through interest rates, supporting hierarchical ideology through tax benefits for churches and schools, and other tactics. In essence, it is not a neutral institution; it is powerfully for

the status quo. The capitalist state, for example, is virtually a gyroscope centred in capital, balancing the system. If one sector of the economy earns a level of profit, let us say, that harms the rest of the system -- such as oil producers' causing public resentment and increased manufacturing costs -- the state may redistribute some of that profit through taxation, or offer encouragement to competitors." ["Anarchism on the origins and functions of the state: some basic notes", **Reinventing Anarchy**, pp. 71-72]

In other words, the state acts to protect the long-term interests of the capitalist class as a whole (and ensure its own survival) by protecting the system. This role can and does clash with the interests of particular capitalists or even whole sections of the ruling class (see [section B.2.6](#)). But this conflict does not change the role of the state as the property owners' policeman. Indeed, the state can be considered as a means for settling (in a peaceful and apparently independent manner) upper-class disputes over what to do to keep the system going.

This subsidiary role, it must be stressed, is no accident, It is part and parcel capitalism. Indeed, *"successful industrial societies have consistently relied on departures from market orthodoxies, while condemning their victims [at home and abroad] to market discipline."* [Noam Chomsky, **World Orders, Old and New**, p. 113] While such state intervention grew greatly after the Second World War, the role of the state as active promoter of the capitalist class rather than just its passive defender as implied in capitalist ideology (i.e. as defender of property) has always been a feature of the system. As Kropotkin put it:

"every State reduces the peasants and the industrial workers to a life of misery, by means of taxes, and through the monopolies it creates in favour of the landlords, the cotton lords, the railway magnates, the publicans, and the like . . . we need only to look round, to see how everywhere in Europe and America the States are constituting monopolies in favour of capitalists at home, and still more in conquered lands [which are part of their empires]." [**Evolution and Environment**, p. 97]

By "*monopolies*," it should be noted, Kropotkin meant general privileges and benefits rather than giving a certain firm total control over a market. This continues to this day by such means as, for example, privatising industries but providing them with state subsidies or by (mis-labelled) "free trade" agreements which impose protectionist measures such as intellectual property rights on the world market.

All this means that capitalism has rarely relied on purely economic power to keep the capitalists in their social position of dominance (either nationally, vis-à-vis the working class, or internationally, vis-à-vis competing foreign elites). While a "free market" capitalist regime in which the state reduces its intervention to simply protecting capitalist property rights has been approximated on a few occasions, this is not the standard state of the system -- direct force, i.e. state action, almost always supplements it.

This is most obviously the case during the birth of capitalist production. Then the bourgeoisie wants and uses the power of the state to "regulate" wages (i.e. to keep them down to such levels as to maximise profits and force people attend work regularly), to lengthen the working day and

to keep the labourer dependent on wage labour as their own means of income (by such means as enclosing land, enforcing property rights on unoccupied land, and so forth). As capitalism is not and has never been a "natural" development in society, it is not surprising that more and more state intervention is required to keep it going (and if even this was not the case, if force was essential to creating the system in the first place, the fact that it latter can survive without further direct intervention does not make the system any less statist). As such, "regulation" and other forms of state intervention continue to be used in order to skew the market in favour of the rich and so force working people to sell their labour on the bosses terms.

This form of state intervention is designed to prevent those greater evils which might threaten the efficiency of a capitalist economy or the social and economic position of the bosses. It is designed not to provide positive benefits for those subject to the elite (although this may be a side-effect). Which brings us to the other kind of state intervention, the attempts by society, by means of the state, to protect itself against the eroding effects of the capitalist market system.

Capitalism is an inherently anti-social system. By trying to treat labour (people) and land (the environment) as commodities, it has to break down communities and weaken eco-systems. This cannot but harm those subject to it and, as a consequence, this leads to pressure on government to intervene to mitigate the most damaging effects of unrestrained capitalism. Therefore, on one side there is the historical movement of the market, a movement that has not inherent limit and that therefore threatens society's very existence. On the other there is society's natural propensity to defend itself, and therefore to create institutions for its protection. Combine this with a desire for justice on behalf of the oppressed along with opposition to the worse inequalities and abuses of power and wealth and we have the potential for the state to act to combat the worse excesses of the system in order to keep the system as a whole going. After all, the government *"cannot want society to break up, for it would mean that it and the dominant class would be deprived of the sources of exploitation."* [Malatesta, **Op. Cit.**, p. 25]

Needless to say, the thrust for any system of social protection usually comes from below, from the people most directly affected by the negative effects of capitalism. In the face of mass protests the state may be used to grant concessions to the working class in cases where not doing so would threaten the integrity of the system as a whole. Thus, social struggle is the dynamic for understanding many, if not all, of the subsidiary functions acquired by the state over the years (this applies to pro-capitalist functions as these are usually driven by the need to bolster the profits and power of capitalists at the expense of the working class).

State legislation to set the length of the working day is an obvious example this. In the early period of capitalist development, the economic position of the capitalists was secure and, consequently, the state happily ignored the lengthening working day, thus allowing capitalists to appropriate more surplus value from workers and increase the rate of profit without interference. Whatever protests erupted were handled by troops. Later, however, after workers began to organise on a wider and wider scale, reducing the length of the working day became a key demand around which revolutionary socialist fervour was developing. In order to defuse this threat (and socialist revolution is the worst-case scenario for the capitalist), the state passed

legislation to reduce the length of the working day.

Initially, the state was functioning purely as the protector of the capitalist class, using its powers simply to defend the property of the few against the many who used it (i.e. repressing the labour movement to allow the capitalists to do as they liked). In the second period, the state was granting concessions to the working class to eliminate a threat to the integrity of the system as a whole. Needless to say, once workers' struggle calmed down and their bargaining position reduced by the normal workings of market (see [section B.4.3](#)), the legislation restricting the working day was happily ignored and became "dead laws."

This suggests that there is a continuing tension and conflict between the efforts to establish, maintain, and spread the "free market" and the efforts to protect people and society from the consequences of its workings. Who wins this conflict depends on the relative strength of those involved (as does the actual reforms agreed to). Ultimately, what the state concedes, it can also take back. Thus the rise and fall of the welfare state -- granted to stop more revolutionary change (see [section D.1.3](#)), it did not fundamentally challenge the existence of wage labour and was useful as a means of regulating capitalism but was "reformed" (i.e. made worse, rather than better) when it conflicted with the needs of the capitalist economy and the ruling elite felt strong enough to do so.

Of course, this form of state intervention does not change the nature nor role of the state as an instrument of minority power. Indeed, that nature cannot help but shape how the state tries to implement social protection and so if the state assumes functions it does so as much in the immediate interest of the capitalist class as in the interest of society in general. Even where it takes action under pressure from the general population or to try and mend the harm done by the capitalist market, its class and hierarchical character twists the results in ways useful primarily to the capitalist class or itself. This can be seen from how labour legislation is applied, for example. Thus even the "good" functions of the state are penetrated with and dominated by the state's hierarchical nature. As Malatesta forcefully put it:

"The basic function of government . . . is always that of oppressing and exploiting the masses, of defending the oppressors and the exploiters . . . It is true that to these basic functions . . . other functions have been added in the course of history . . . hardly ever has a government existed . . . which did not combine with its oppressive and plundering activities others which were useful . . . to social life. But this does not detract from the fact that government is by nature oppressive . . . and that it is in origin and by its attitude, inevitably inclined to defend and strengthen the dominant class; indeed it confirms and aggravates the position . . . [I]t is enough to understand how and why it carries out these functions to find the practical evidence that whatever governments do is always motivated by the desire to dominate, and is always geared to defending, extending and perpetuating its privileges and those of the class of which it is both the representative and defender." [Op. Cit., pp. 23-4]

This does not mean that these reforms should be abolished (the alternative is often worse, as neo-liberalism shows), it simply recognises that the state is not a neutral body and cannot be expected

to act as if it were. Which, ironically, indicates another aspect of social protection reforms within capitalism: they make for good PR. By appearing to care for the interests of those harmed by capitalism, the state can obscure its real nature:

"A government cannot maintain itself for long without hiding its true nature behind a pretence of general usefulness; it cannot impose respect for the lives of the privileged if it does not appear to demand respect for all human life; it cannot impose acceptance of the privileges of the few if it does not pretend to be the guardian of the rights of all."

[Malatesta, **Op. Cit.**, p. 24]

Obviously, being an instrument of the ruling elite, the state can hardly be relied upon to control the system which that elite run. As we discuss in the [next section](#), even in a democracy the state is run and controlled by the wealthy making it unlikely that pro-people legislation will be introduced or enforced without substantial popular pressure. That is why anarchists favour direct action and extra-parliamentary organising (see sections [J.2](#) and [J.5](#) for details). Ultimately, even basic civil liberties and rights are the product of direct action, of *"mass movements among the people"* to *"wrest these rights from the ruling classes, who would never have consented to them voluntarily."* [Rocker, **Anarcho-Syndicalism**, p. 75]

Equally obviously, the ruling elite and its defenders hate any legislation it does not favour -- while, of course, remaining silent on its own use of the state. As Benjamin Tucker pointed out about the "free market" capitalist Herbert Spencer, *"amid his multitudinous illustrations . . . of the evils of legislation, he in every instance cites some law passed ostensibly at least to protect labour, alleviating suffering, or promote the people's welfare. . . But never once does he call attention to the far more deadly and deep-seated evils growing out of the innumerable laws creating privilege and sustaining monopoly."* [**The Individualist Anarchists**, p. 45] Such hypocrisy is staggering, but all too common in the ranks of supporters of "free market" capitalism.

Finally, it must be stressed that none of these subsidiary functions implies that capitalism can be changed through a series of piecemeal reforms into a benevolent system that primarily serves working class interests. To the contrary, these functions grow out of, and supplement, the basic role of the state as the protector of capitalist property and the social relations they generate -- i.e. the foundation of the capitalist's ability to exploit. Therefore reforms may modify the functioning of capitalism but they can never threaten its basis.

In summary, while the level and nature of statist intervention on behalf of the employing classes may vary, it is always there. No matter what activity it conducts beyond its primary function of protecting private property, what subsidiary functions it takes on, the state always operates as an instrument of the ruling class. This applies even to those subsidiary functions which have been imposed on the state by the general public -- even the most popular reform will be twisted to benefit the state or capital, if at all possible. This is not to dismiss all attempts at reform as irrelevant, it simply means recognising that we, the oppressed, need to rely on our own strength and organisations to improve our circumstances.

B.2.3 How does the ruling class maintain control of the state?

In some systems, it is obvious how economic dominant minorities control the state. In feudalism, for example, the land was owned by the feudal lords who exploited the peasantry directly. Economic and political power were merged into the same set of hands, the landlords. Absolutism saw the monarch bring the feudal lords under his power and the relative decentralised nature of feudalism was replaced by a centralised state.

It was this centralised state system which the rising bourgeoisie took as the model for their state. The King was replaced by a Parliament, which was initially elected on a limited suffrage. In this initial form of capitalist state, it is (again) obvious how the elite maintain control of the state machine. As the vote was based on having a minimum amount of property, the poor were effectively barred from having any (official) say in what the government did. This exclusion was theorised by philosophers like John Locke -- the working masses were considered to be an object of state policy rather than part of the body of people (property owners) who nominated the government. In this perspective the state was like a joint-stock company. The owning class were the share-holders who nominated the board of directors and the mass of the population were the workers who had no say in determining the management personnel and were expected to follow orders.

As would be expected, this system was mightily disliked by the majority who were subjected to it. Such a "classical liberal" regime was ruled by an alien, despotic power, lacking popular legitimacy, and utterly unaccountable to the general population. It is quite evident that a government elected on a limited franchise could not be trusted to treat those who owned no real property with equal consideration. It was predictable that the ruling elite would use the state they controlled to further their own interests and to weaken potential resistance to their social, economic and political power. Which is precisely what they did do, while masking their power under the guise of "good governance" and "liberty." Moreover, limited suffrage, like absolutism, was considered an affront to liberty and individual dignity by many of those subject to it.

Hence the call for universal suffrage and opposition to property qualifications for the franchise. For many radicals (including Marx and Engels) such a system would mean that the working classes would hold "*political power*" and, consequently, be in a position to end the class system once and for all. Anarchists were not convinced, arguing that "*universal suffrage, considered in itself and applied in a society based on economic and social inequality, will be nothing but a swindle and snare for the people*" and "*the surest way to consolidate under the mantle of liberalism and justice the permanent domination of the people by the owning classes, to the detriment of popular liberty.*" Consequently, anarchists denied that it "*could be used by the people for the conquest of economic and social equality. It must always and necessarily be an instrument hostile to the people, one which supports the **de facto** dictatorship of the bourgeoisie.*" [Bakunin, **Bakunin on Anarchism**, p. 224]

Due to popular mass movements from below, the vote was won by the male working classes and,

at a later stage, women. While the elite fought long and hard to retain their privileged position they were defeated. Sadly, the history of universal suffrage proven the anarchists right. Even allegedly "*democratic*" capitalist states are in effect dictatorships of the propertariat. The political history of modern times can be summarised by the rise of capitalist power, the rise, due to popular movements, of (representative) democracy and the continued success of the former to undermine and control the latter.

This is achieved by three main processes which combine to effectively deter democracy. These are the wealth barrier, the bureaucracy barrier and, lastly, the capital barrier. Each will be discussed in turn and all ensure that "*representative democracy*" remains an "*organ of capitalist domination*." [Kropotkin, **Words of a Rebel**, p. 127]

The wealth barrier is the most obvious. It takes money to run for office. In 1976, the total spent on the US Presidential election was \$66.9 million. In 1984, it was \$103.6 million and in 1996 it was \$239.9 million. At the dawn of the 21st century, these figures had increased yet again. 2000 saw \$343.1 spent and 2004, \$717.9 million. Most of this money was spent by the two main candidates. In 2000, Republican George Bush spent a massive \$185,921,855 while his Democratic rival Al Gore spent only \$120,031,205. Four years later, Bush spent \$345,259,155 while John Kerry managed a mere \$310,033,347.

Other election campaigns are also enormously expensive. In 2000, the average winning candidate for a seat in the US House of Representatives spent \$816,000 while the average willing senator spent \$7 million. Even local races require significant amounts of fundraising. One candidate for the Illinois House raised over \$650,000 while another candidate for the Illinois Supreme Court raised \$737,000. In the UK, similarly prohibitive amounts were spent. In the 2001 general election the Labour Party spent a total of £10,945,119, the Tories £12,751,813 and the Liberal Democrats (who came a distant third) just £1,361,377.

To get this sort of money, wealthy contributors need to be found and wooed, in other words promised that that their interests will be actively looked after. While, in theory, it is possible to raise large sums from small contributions in practice this is difficult. To raise \$1 million you need to either convince 50 millionaires to give you \$20,000 or 20,000 people to fork out \$50. Given that for the elite \$20,000 is pocket money, it is hardly surprising that politicians aim for winning over the few, not the many. Similarly with corporations and big business. It is far easier and more efficient in time and energy to concentrate on the wealthy few (whether individuals or companies).

It is obvious: whoever pays the piper calls the tune. And in capitalism, this means the wealthy and business. In the US corporate campaign donations and policy paybacks have reached unprecedented proportions. The vast majority of large campaign donations are, not surprisingly, from corporations. Most of the wealthy individuals who give large donations to the candidates are CEOs and corporate board members. And, just to be sure, many companies give to more than one party.

Unsurprisingly, corporations and the rich expect their investments to get a return. This can be

seen from George W. Bush's administration. His election campaigns were beholden to the energy industry (which has backed him since the beginning of his career as Governor of Texas). The disgraced corporation Enron (and its CEO Kenneth Lay) were among Bush's largest contributors in 2000. Once in power, Bush backed numerous policies favourable to that industry (such as rolling back environmental regulation on a national level as he had done in Texas). His supporters in Wall Street were not surprised that Bush tried to privatise Social Security. Nor were the credit card companies when the Republicans tighten the noose on bankrupt people in 2005. By funding Bush, these corporations ensured that the government furthered their interests rather than the people who voted in the election.

This means that as a *"consequence of the distribution of resources and decision-making power in the society at large . . . the political class and the cultural managers typically associate themselves with the sectors that dominate the private economy; they are either drawn directly from those sectors or expect to join them."* [Chomsky, **Necessary Illusions**, p. 23] This can be seen from George W. Bush's quip at an elite fund-raising gala during the 2000 Presidential election: *"This is an impressive crowd -- the haves and the have-mores. Some people call you the elites; I call you my base."* Unsurprisingly:

"In the real world, state policy is largely determined by those groups that command resources, ultimately by virtue of their ownership and management of the private economy or their status as wealthy professionals. The major decision-making positions in the Executive branch of the government are typically filled by representatives of major corporations, banks and investment firms, a few law firms that cater primarily to corporate interests and thus represent the broad interests of owners and managers rather than some parochial interest . . . The Legislative branch is more varied, but overwhelmingly, it is drawn from the business and professional classes." [Chomsky, **On Power and Ideology**, pp. 116-7]

That is not the only tie between politics and business. Many politicians also have directorships in companies, interests in companies, shares, land and other forms of property income and so forth. Thus they are less like the majority of constituents they claim to represent and more like the wealthy few. Combine these outside earnings with a high salary (in the UK, MP's are paid more than twice the national average) and politicians can be among the richest 1% of the population. Thus not only do we have a sharing of common interests the elite, the politicians are part of it. As such, they can hardly be said to be representative of the general public and are in a position of having a vested interest in legislation on property being voted on.

Some defend these second jobs and outside investments by saying that it keeps them in touch with the outside world and, consequently, makes them better politicians. That such an argument is spurious can be seen from the fact that such outside interests never involve working in McDonald's flipping burgers or working on an assembly line. For some reason, no politician seeks to get a feeling for what life is like for the average person. Yet, in a sense, this argument **does** have a point. Such jobs and income do keep politicians in touch with the world of the elite rather than that of the masses and, as the task of the state is to protect elite interests, it cannot be

denied that this sharing of interests and income with the elite can only aid that task!

Then there is the sad process by which politicians, once they leave politics, get jobs in the corporate hierarchy (particularly with the very companies they had previously claimed to regulate on behalf of the public). This was termed "the revolving door." Incredibly, this has changed for the worse. Now the highest of government officials arrive directly from the executive offices of powerful corporations. Lobbyists are appointed to the jobs whose occupants they once vied to influence. Those who regulate and those supposed to be regulated have become almost indistinguishable.

Thus politicians and capitalists go hand in hand. Wealth selects them, funds them and gives them jobs and income when in office. Finally, once they finally leave politics, they are often given directorships and other jobs in the business world. Little wonder, then, that the capitalist class maintains control of the state.

That is not all. The wealth barrier operates indirectly to. This takes many forms. The most obvious is in the ability of corporations and the elite to lobby politicians. In the US, there is the pervasive power of Washington's army of 24,000 registered lobbyists -- and the influence of the corporate interests they represent. These lobbyists, whose job it is to convince politicians to vote in certain ways to further the interests of their corporate clients help shape the political agenda even further toward business interests than it already is. This Lobby industry is immense -- and exclusively for big business and the elite. Wealth ensures that the equal opportunity to garner resources to share a perspective and influence the political progress is monopolised by the few: *"where are the desperately needed countervailing lobbies to represent the interests of average citizens? Where are the millions of dollars acting in **their** interests? Alas, they are notably absent."* [Joel Bakan, **The Corporation**, p. 107]

However, it cannot be denied that it is up to the general population to vote for politicians. This is when the indirect impact of wealth kicks in, namely the role of the media and the Public Relations (PR) industry. As we discuss in [section D.3](#), the modern media is dominated by big business and, unsurprisingly, reflects their interests. This means that the media has an important impact on how voters see parties and specific politicians and candidates. A radical party will, at best, be ignored by the capitalist press or, at worse, subject to smears and attacks. This will have a corresponding negative impact on their election prospects and will involve the affected party having to invest substantially more time, energy and resources in countering the negative media coverage. The PR industry has a similar effect, although that has the advantage of not having to bother with appearing to look factual or unbiased. Add to this the impact of elite and corporation funded *"think tanks"* and the political system is fatally skewed in favour of the capitalist class (also see [section D.2](#)).

In a nutshell:

"The business class dominates government through its ability to fund political campaigns, purchase high priced lobbyists and reward former officials with lucrative jobs . . . [Politicians] have become wholly dependent upon the same corporate dollars to

*pay for a new professional class of PR consultants, marketeers and social scientists who manage and promote causes and candidates in essentially the same manner that advertising campaigns sell cars, fashions, drugs and other wares." [John Stauber and Sheldon Rampton, **Toxic Sludge is Good for You**, p. 78]*

That is the first barrier, the direct and indirect impact of wealth. This, in itself, is a powerful barrier to deter democracy and, as a consequence, it is usually sufficient in itself. Yet sometimes people see through the media distortions and vote for reformist, even radical, candidates. As we discuss in [section J.2.6](#), anarchists argue that the net effect of running for office is a general **de**-radicalising of the party involved. Revolutionary parties become reformist, reformist parties end up maintaining capitalism and introducing politics the opposite of which they had promised. So while it is unlikely that a radical party could get elected and remain radical in the process, it is possible. If such a party did get into office, the remaining two barriers kicks in: the bureaucracy barrier and the capital barrier.

The existence of a state bureaucracy is a key feature in ensuring that the state remains the ruling class's "*policeman*" and will be discussed in greater detail in section J.2.2 ([Why do anarchists reject voting as a means for change?](#)). Suffice to say, the politicians who are elected to office are at a disadvantage as regards the state bureaucracy. The latter is a permanent concentration of power while the former come and go. Consequently, they are in a position to tame any rebel government by means of bureaucratic inertia, distorting and hiding necessary information and pushing its own agenda onto the politicians who are in theory their bosses but in reality dependent on the bureaucracy. And, needless to say, if all else fails the state bureaucracy can play its final hand: the military coup.

This threat has been applied in many countries, most obviously in the developing world (with the aid of Western, usually US, imperialism). The coups in Iran (1953) and Chile (1973) are just two examples of this process. Yet the so-called developed world is not immune to it. The rise of fascism in Italy, Germany, Portugal and Spain can be considered as variations of a military coup (particularly the last one where fascism was imposed by the military). Wealthy business men funded para-military forces to break the back of the labour movement, forces formed by ex-military people. Even the New Deal in America was threatened by such a coup. [Joel Bakan, **Op. Cit.**, pp. 86-95] While such regimes do protect the interests of capital and are, consequently, backed by it, they do hold problems for capitalism. This is because, as with the Absolutism which fostered capitalism in the first place, this kind of government can get ideas above its station This means that a military coup will only be used when the last barrier, the capital barrier, is used and fails.

The capital barrier is obviously related to the wealth barrier insofar as it relates to the power that great wealth produces. However, it is different in how it is applied. The wealth barrier restricts who gets into office, the capital barrier controls whoever does so. The capital barrier, in other words, are the economic forces that can be brought to bear on any government which is acting in ways disliked of by the capitalist class.

We see their power implied when the news report that changes in government, policies and law

have been "welcomed by the markets." As the richest 1% of households in America (about 2 million adults) owned 35% of the stock owned by individuals in 1992 -- with the top 10% owning over 81% -- we can see that the "opinion" of the markets actually means the power of the richest 1-5% of a country's population (and their finance experts), power derived from their control over investment and production. Given that the bottom 90% of the US population has a smaller share (23%) of all kinds of investable capital than the richest 1/2% (who own 29%), with stock ownership being even more concentrated (the top 5% holding 95% of all shares), it's obvious why Doug Henwood argues that stock markets are "a way for the very rich as a class to own an economy's productive capital stock as a whole," are a source of "political power" and a way to have influence over government policy. [**Wall Street: Class Racket**]

The mechanism is simple enough. The ability of capital to disinvest (capital flight) and otherwise adversely impact the economy is a powerful weapon to keep the state as its servant. The companies and the elite can invest at home or abroad, speculate in currency markets and so forth. If a significant number of investors or corporations lose confidence in a government they will simply stop investing at home and move their funds abroad. At home, the general population feels the results as demand drops, layoffs increase and recession kicks in. As Noam Chomsky notes:

"In capitalist democracy, the interests that must be satisfied are those of capitalists; otherwise, there is no investment, no production, no work, no resources to be devoted, however marginally, to the needs of the general population." [**Turning the Tide**, p. 233]

This ensures the elite control of government as government policies which private power finds unwelcome will quickly be reversed. The power which "business confidence" has over the political system ensures that democracy is subservient to big business. As summarised by Malatesta:

*"Even with universal suffrage -- we could well say even more so with universal suffrage - - the government remained the bourgeoisie's servant and **gendarme**. For were it to be otherwise with the government hinting that it might take up a hostile attitude, or that democracy could ever be anything but a pretence to deceive the people, the bourgeoisie, feeling its interests threatened, would be quick to react, and would use all the influence and force at its disposal, by reason of its wealth, to recall the government to its proper place as the bourgeoisie's **gendarme**."* [**Anarchy**, p. 23]

It is due to these barriers that the state remains an instrument of the capitalist class while being, in theory, a democracy. Thus the state machine remains a tool by which the few can enrich themselves at the expense of the many. This does not mean, of course, that the state is immune to popular pressure. Far from it. As indicated in the [last section](#), direct action by the oppressed can and has forced the state to implement significant reforms. Similarly, the need to defend society against the negative effects of unregulated capitalism can also force through populist measures (particularly when the alternative may be worse than the allowing the reforms, i.e. revolution). The key is that such changes are **not** the natural function of the state.

So due to their economic assets, the elites whose incomes are derived from them -- namely,

finance capitalists, industrial capitalists, and landlords -- are able to accumulate vast wealth from those whom they exploit. This stratifies society into a hierarchy of economic classes, with a huge disparity of wealth between the small property-owning elite at the top and the non-property-owning majority at the bottom. Then, because it takes enormous wealth to win elections and lobby or bribe legislators, the propertied elite are able to control the political process -- and hence the state -- through the "power of the purse." In summary:

"No democracy has freed itself from the rule by the well-to-do anymore than it has freed itself from the division between the ruler and the ruled . . . at the very least, no democracy has jeopardised the role of business enterprise. Only the wealthy and well off can afford to launch viable campaigns for public office and to assume such positions. Change in government in a democracy is a circulation from one elite group to another."
[Harold Barclay, **Op. Cit.**, p. 47]

In other words, elite control of politics through huge wealth disparities insures the continuation of such disparities and thus the continuation of elite control. In this way the crucial political decisions of those at the top are insulated from significant influence by those at the bottom. Finally, it should be noted that these barriers do not arise accidentally. They flow from the way the state is structured. By effectively disempowering the masses and centralising power into the hands of the few which make up the government, the very nature of the state ensures that it remains under elite control. This is why, from the start, the capitalist class has favoured centralisation. We discuss this in the next two sections.

(For more on the ruling elite and its relation to the state, see C. Wright Mills, **The Power Elite** [Oxford, 1956]; cf. Ralph Miliband, **The State in Capitalist Society** [Basic Books, 1969] and **Divided Societies** [Oxford, 1989]; G. William Domhoff, **Who Rules America?** [Prentice Hall, 1967]; and **Who Rules America Now? A View for the '80s** [Touchstone, 1983]).

B.2.4 How does state centralisation affect freedom?

It is a common idea that voting every four or so years to elect the public face of a highly centralised and bureaucratic machine means that ordinary people control the state and, as a consequence, free. In reality, this is a false idea. In any system of centralised power the general population have little say in what affects them and, as a result, their freedom is extremely limited.

Obviously, to say that this idea is false does not imply that there is no difference between a liberal republic and a fascistic or monarchical state. Far from it. The vote is an important victory wrested from the powers that be. That, of course, is not to suggest that anarchists think that libertarian socialism is only possible after universal suffrage has been won or that it is achievable via it. Far from it. It is simply to point out that being able to pick your ruler is a step forward from having one imposed upon you. Moreover, those considered able to pick their ruler is, logically, also able to do without one.

However, while the people are proclaimed to be sovereign in a democratic state, in reality they

alienate their power and hand over control of their affairs to a small minority. Liberty, in other words, is reduced to merely the possibility "to pick rulers" every four or five years and whose mandate (sic!) is "to legislate on any subject, and his decision will become law." [Kropotkin, **Words of a Rebel**, p. 122 and p. 123]

In other words, representative democracy is not "liberty" nor "self-government." It is about alienating power to a few people who then (mis)rule in your name. To imply it is anything else is nonsense. So while we get to pick a politician to govern in our name it does not follow that they represent those who voted for them in any meaningful sense. As shown time and time again, "representative" governments can happily ignore the opinions of the majority while, at the same time, verbally praising the "democracy" it is abusing (New Labour in the UK during the run up to the invasion of Iraq was a classic example of this). Given that politicians can do what they like for four or five years once elected, it is clear that popular control via the ballot box is hardly effective or even meaningful.

Indeed, such "democracy" almost always means electing politicians who say one thing in opposition and do the opposite once in office. Politicians who, at best, ignore their election manifesto when it suits them or, at worse, introduce the exact opposite. It is the kind of "democracy" in which people can protest in their hundreds of thousands against a policy only to see their "representative" government simply ignore them (while, at the same time, seeing their representatives bend over backward ensuring corporate profits and power while speaking platitudes to the electorate and their need to tighten their belts). At best it can be said that democratic governments tend to be less oppressive than others but it does not follow that this equates to liberty.

State centralisation is the means to ensure this situation and the debasement of freedom it implies.

All forms of hierarchy, even those in which the top officers are elected are marked by authoritarianism and centralism. Power is concentrated in the centre (or at the top), which means that society becomes "a heap of dust animated from without by a subordinating, centralist idea." [P. J. Proudhon, quoted by Martin Buber, **Paths in Utopia**, p. 29] For, once elected, top officers can do as they please, and, as in all bureaucracies, many important decisions are made by non-elected staff. This means that the democratic state is a contradiction in terms:

*"In the democratic state the election of rulers by alleged majority vote is a subterfuge which helps individuals to believe that they control the situation. They are selecting persons to do a task for them and they have no guarantee that it will be carried out as they desired. They are abdicating to these persons, granting them the right to impose their own wills by the threat of force. Electing individuals to public office is like being given a limited choice of your oppressors . . . Parliamentary democracies are essentially oligarchies in which the populace is led to believe that it delegates all its authority to members of parliament to do as they think best." [Harold Barclay, **Op. Cit.**, pp. 46-7]*

The nature of centralisation places power into the hands of the few. Representative democracy is

based on this delegation of power, with voters electing others to govern them. This cannot help but create a situation in which freedom is endangered -- universal suffrage *"does not prevent the formation of a body of politicians, privileged in fact though not in law, who, devoting themselves exclusively to the administration of the nation's public affairs, end by becoming a sort of political aristocracy or oligarchy."* [Bakunin, **The Political Philosophy of Bakunin**, p. 240]

This should not come as a surprise, for to *"create a state is to institutionalise power in a form of machine that exists **apart** from the people. It is to professionalise rule and policy making, to create a distinct interest (be it of bureaucrats, deputies, commissars, legislators, the military, the police, ad nauseam) that, however weak or however well-intentioned it may be at first, eventually takes on a corruptive power of its own."* [Murray Bookchin, *"The Ecological Crisis, Socialism, and the need to remake society,"* pp. 1-10, **Society and Nature**, vol. 2, no. 3, p. 7]

Centralism makes democracy meaningless, as political decision-making is given over to professional politicians in remote capitals. Lacking local autonomy, people are isolated from each other (atomised) by having no political forum where they can come together to discuss, debate, and decide among themselves the issues they consider important. Elections are not based on natural, decentralised groupings and thus cease to be relevant. The individual is just another "voter" in the mass, a political "constituent" and nothing more. The amorphous basis of modern, statist elections *"aims at nothing less than to abolish political life in towns, communes and departments, and through this destruction of all municipal and regional autonomy to arrest the development of universal suffrage."* [Proudhon, quoted by Martin Buber, **Op. Cit.**, p. 29]

Thus people are disempowered by the very structures that claim to allow them to express themselves. To quote Proudhon again, in the centralised state *"the citizen divests himself of sovereignty, the town and the Department and province above it, absorbed by central authority, are no longer anything but agencies under direct ministerial control."* He continues:

"The Consequences soon make themselves felt: the citizen and the town are deprived of all dignity, the state's depredations multiply, and the burden on the taxpayer increases in proportion. It is no longer the government that is made for the people; it is the people who are made for the government. Power invades everything, dominates everything, absorbs everything." [**The Principle of Federation**, p. 59]

As intended, as isolated people are no threat to the powers that be. This process of marginalisation can be seen from American history, for example, when town meetings were replaced by elected bodies, with the citizens being placed in passive, spectator roles as mere "voters" (see [next section](#)). Being an atomised voter is hardly an ideal notion of "freedom," despite the rhetoric of politicians about the virtues of a "free society" and "The Free World" -- as if voting once every four or five years could ever be classed as "liberty" or even "democracy."

Marginalisation of the people is the key control mechanism in the state and authoritarian organisations in general. Considering the European Community (EC), for example, we find that the *"mechanism for decision-making between EC states leaves power in the hands of officials (from Interior ministries, police, immigration, customs and security services) through a myriad*

of working groups. Senior officials . . . play a critical role in ensuring agreements between the different state officials. The EC Summit meetings, comprising the 12 Prime Ministers, simply rubber-stamp the conclusions agreed by the Interior and Justice Ministers. It is only then, in this intergovernmental process, that parliaments and people are informed (and them only with the barest details)." [Tony Bunyon, **Statewatching the New Europe**, p. 39]

As well as economic pressures from elites, governments also face pressures within the state itself due to the bureaucracy that comes with centralism. There is a difference between the state and government. The state is the permanent collection of institutions that have entrenched power structures and interests. The government is made up of various politicians. It's the institutions that have power in the state due to their permanence, not the representatives who come and go. As Clive Ponting (an ex-civil servant himself) indicates, *"the function of a political system in any country . . . is to regulate, but not to alter radically, the existing economic structure and its linked power relationships. The great illusion of politics is that politicians have the ability to make whatever changes they like."* [quoted in **Alternatives**, no.5, p. 19]

Therefore, as well as marginalising the people, the state also ends up marginalising "our" representatives. As power rests not in the elected bodies, but in a bureaucracy, popular control becomes increasingly meaningless. As Bakunin pointed out, *"liberty can be valid only when . . . [popular] control [of the state] is valid. On the contrary, where such control is fictitious, this freedom of the people likewise becomes a mere fiction."* [**Op. Cit.**, p. 212] State centralisation ensures that popular control is meaningless.

This means that state centralism can become a serious source of danger to the liberty and well-being of most of the people under it. *"The bourgeois republicans,"* argued Bakunin, *"do not yet grasp this simple truth, demonstrated by the experience of all times and in all lands, that every organised power standing above and over the people necessarily excludes the freedom of peoples. The political state has no other purpose than to protect and perpetuate the exploitation of the labour of the proletariat by the economically dominant classes, and in so doing the state places itself against the freedom of the people."* [**Bakunin on Anarchism**, p. 416]

Unsurprisingly, therefore, *"whatever progress that has been made . . . on various issues, whatever things have been done for people, whatever human rights have been gained, have not been gained through the calm deliberations of Congress or the wisdom of presidents or the ingenious decisions of the Supreme Court. Whatever progress has been made . . . has come because of the actions of ordinary people, of citizens, of social movements. Not from the Constitution."* That document has been happily ignored by the official of the state when it suits them. An obvious example is the 14th Amendment of the US Constitution, which *"didn't have any meaning until black people rose up in the 1950s and 1960s in the South in mass movements . . . They made whatever words there were in the Constitution and the 14th Amendment have some meaning for the first time."* [Howard Zinn, **Failure to Quit**, p. 69 and p. 73]

This is because the *"fact that you have got a constitutional right doesn't mean you're going to get that right. Who has the power on the spot? The policeman on the street. The principal in the school. The employer on job. The Constitution does not cover private employment. In other*

*words, the Constitution does not cover most of reality." Thus our liberty is not determined by the laws of the state. Rather "the source and solution of our civil liberties problems are in the situations of every day . . . Our actual freedom is determined not by the Constitution or the Court, but by the power the policeman has over us on the street or that of the local judge behind him; by the authority of our employers; . . . by the welfare bureaucrats if we are poor; . . . by landlords if we are tenants." Thus freedom and justice "are determined by power and money" rather than laws. This points to the importance of popular participation, of social movements, for what those do are "to create a countervailing power to the policeman with a club and a gun. That's essentially what movements do: They create countervailing powers to counter the power which is much more important than what is written down in the Constitution or the laws." [Zinn, **Op. Cit.**, pp. 84-5, pp. 54-5 and p. 79]*

It is precisely this kind of mass participation that centralisation kills. Under centralism, social concern and power are taken away from ordinary citizens and centralised in the hands of the few. This results in any formally guaranteed liberties being effectively ignored when people want to use them, if the powers at be so decide. Ultimately, isolated individuals facing the might of a centralised state machine are in a weak position. Which is way the state does what it can to undermine such popular movements and organisations (going so far as to violate its own laws to do so).

As should be obvious, by centralisation anarchists do not mean simply a territorial centralisation of power in a specific central location (such as in a nation state where power rests in a central government located in a specific place). We also mean the centralisation of **power** into a few hands. Thus we can have a system like feudalism which is territorially decentralised (i.e. made up on numerous feudal lords without a strong central state) while having power centralised in a few hands locally (i.e. power rests in the hands of the feudal lords, not in the general population). Or, to use another example, we can have a laissez-faire capitalist system which has a weak central authority but is made up of a multitude of autocratic workplaces. As such, getting rid of the central power (say the central state in capitalism or the monarch in absolutism) while retaining the local authoritarian institutions (say capitalist firms and feudal landlords) would not ensure freedom. Equally, the abolition of local authorities may simply result in the strengthening of central power and a corresponding weakening of freedom.

B.2.5 Who benefits from centralisation?

No social system would exist unless it benefited someone or some group. Centralisation, be it in the state or the company, is no different. In all cases, centralisation directly benefits those at the top, because it shelters them from those who are below, allowing the latter to be controlled and governed more effectively. Therefore, it is in the direct interests of bureaucrats and politicians to support centralism.

Under capitalism, however, various sections of the business class also support state centralism. This is the symbiotic relationship between capital and the state. As will be discussed later (in [section F.8](#)), the state played an important role in "nationalising" the market, i.e. forcing the "free

market" onto society. By centralising power in the hands of representatives and so creating a state bureaucracy, ordinary people were disempowered and thus became less likely to interfere with the interests of the wealthy. *"In a republic," writes Bakunin, "the so-called people, the legal people, allegedly represented by the State, stifle and will keep on stifling the actual and living people" by "the bureaucratic world" for "the greater benefit of the privileged propertied classes as well as for its own benefit."* [Op. Cit., p. 211]

Examples of increased political centralisation being promoted by wealthy business interests by can be seen throughout the history of capitalism. *"In revolutionary America, 'the nature of city government came in for heated discussion,' observes Merrill Jensen . . . Town meetings . . . 'had been a focal point of revolutionary activity'. The anti-democratic reaction that set in after the American revolution was marked by efforts to do away with town meeting government . . . Attempts by conservative elements were made to establish a 'corporate form (of municipal government) whereby the towns would be governed by mayors and councils' elected from urban wards . . . [T]he merchants 'backed incorporation consistently in their efforts to escape town meetings.'"* [Murray Bookchin, **Towards an Ecological Society**, p. 182]

Here we see local policy making being taken out of the hands of the many and centralised in the hands of the few (who are always the wealthy). France provides another example:

"The Government found. . .the folknotes [of all households] 'too noisy', too disobedient, and in 1787, elected councils, composed of a mayor and three to six syndics, chosen among the wealthier peasants, were introduced instead." [Peter Kropotkin, **Mutual Aid**, pp. 185-186]

This was part of a general movement to disempower the working class by centralising decision making power into the hands of the few (as in the American revolution). Kropotkin indicates the process at work:

"[T]he middle classes, who had until then had sought the support of the people, in order to obtain constitutional laws and to dominate the higher nobility, were going, now that they had seen and felt the strength of the people, to do all they could to dominate the people, to disarm them and to drive them back into subjection.

[. . .]

*"[T]hey made haste to legislate in such a way that the political power which was slipping out of the hand of the Court should not fall into the hands of the people. Thus . . . [it was] proposed . . . to divide the French into two classes, of which one only, the **active** citizens, should take part in the government, whilst the other, comprising the great mass of the people under the name of **passive** citizens, should be deprived of all political rights . . . [T]he [National] Assembly divided France into departments . . . always maintaining the principle of excluding the poorer classes from the Government . . . [T]hey excluded from the primary assemblies the mass of the people . . . who could no longer take part in the primary assemblies, and accordingly had no right to nominate the electors [who chose*

representatives to the National Assembly], or the municipality, or any of the local authorities . . .

*"And finally, the **permanence** of the electoral assemblies was interdicted. Once the middle-class governors were appointed, these assemblies were not to meet again. Once the middle-class governors were appointed, they must not be controlled too strictly. Soon the right even of petitioning and of passing resolutions was taken away -- 'Vote and hold your tongue!'*

*"As to the villages . . . the general assembly of the inhabitants . . . [to which] belonged the administration of the affairs of the commune . . . were forbidden by the . . . law. Henceforth only the well-to-do peasants, the **active** citizens, had the right to meet, **once a year**, to nominate the mayor and the municipality, composed of three or four middle-class men of the village.*

"A similar municipal organisation was given to the towns. . .

*"[Thus] the middle classes surrounded themselves with every precaution in order to keep the municipal power in the hands of the well-to-do members of the community." [The **Great French Revolution**, vol. 1, pp. 179-186]*

Thus centralisation aimed to take power away from the mass of the people and give it to the wealthy. The power of the people rested in popular assemblies, such as the "Sections" and "Districts" of Paris (expressing, in Kropotkin's words, "*the principles of anarchism*" and "*practising . . . Direct Self-Government*" [Op. Cit., p. 204 and p. 203]) and village assemblies. However, the National Assembly "*tried all it could to lessen the power of the districts . . . [and] put an end to those hotbeds of Revolution . . . [by allowing] active citizens only . . . to take part in the electoral and administrative assemblies.*" [Op. Cit., p. 211] Thus the "*central government was steadily endeavouring to subject the sections to its authority*" with the state "*seeking to centralise everything in its own hands . . . [I]ts depriving the popular organisations . . . all . . . administrative functions . . . and its subjecting them to its bureaucracy in police matters, meant the death of the sections.*" [Op. Cit., vol. 2, p. 549 and p. 552]

As can be seen, both the French and American revolutions saw a similar process by which the wealthy centralised power into their own hands (volume one of Murray Bookchin's **The Third Revolution** discusses the French and American revolutions in some detail). This ensured that working class people (i.e. the majority) were excluded from the decision making process and subject to the laws and power of a few. Which, of course, benefits the minority class whose representatives have that power. This was the rationale for the centralisation of power in every revolution. Whether it was the American, French or Russian, the centralisation of power was the means to exclude the many from participating in the decisions that affected them and their communities.

For example, the founding fathers of the American State were quite explicit on the need for centralisation for precisely this reason. For James Madison the key worry was when the

"majority" gained control of "popular government" and was in a position to "sacrifice to its ruling passion or interest both the public good and the rights of other citizens." Thus the "public good" escaped the "majority" nor was it, as you would think, what the public thought of as good (for some reason left unexplained, Madison considered the majority able to pick those who **could** identify the public good). To safeguard against this, he advocated a republic rather than a democracy in which the citizens "assemble and administer the government in person . . . have ever been found incompatible with personal security or the rights of property." He, of course, took it for granted that "[t]hose who hold and those who are without property have ever formed distinct interests in society." His schema was to ensure that private property was defended and, as a consequence, the interests of those who held protected. Hence the need for "the delegation of the government . . . to a small number of citizens elected by the rest." This centralisation of power into a few hands locally was matched by a territorial centralisation for the same reason. Madison favoured "a large over a small republic" as a "rage for paper money, for an abolition of debts, for an equal division of property, or for any other improper or wicked project, will be less apt to pervade the whole body of the Union than a particular member of it." [contained in **Voices of a People's History of the United States**, Howard Zinn and Anthony Arnove (eds.), pp. 109-113] This desire to have a formal democracy, where the masses are mere spectators of events rather than participants, is a recurring theme in capitalism (see the chapter "Force and Opinion" in Noam Chomsky's **Deterring Democracy** for a good overview).

On the federal and state levels in the US after the Revolution, centralisation of power was encouraged, since "most of the makers of the Constitution had some direct economic interest in establishing a strong federal government." Needless to say, while the rich elite were well represented in formulating the principles of the new order, four groups were not: "slaves, indentured servants, women, men without property." Needless to say, the new state and its constitution did not reflect their interests. Given that these were the vast majority, "there was not only a positive need for strong central government to protect the large economic interests, but also immediate fear of rebellion by discontented farmers." [Howard Zinn, **A People's History of the United States**, p. 90] The chief event was Shay's Rebellion in western Massachusetts. There the new Constitution had raised property qualifications for voting and, therefore, no one could hold state office without being wealthy. The new state was formed to combat such rebellions, to protect the wealthy few against the many.

Moreover, state centralisation, the exclusion of popular participation, was essential to mould US society into one dominated by capitalism:

*"In the thirty years leading up to the Civil War, the law was increasingly interpreted in the courts to suit capitalist development. Studying this, Morton Horwitz (**The Transformation of American Law**) points out that the English common-law was no longer holy when it stood in the way of business growth . . . Judgements for damages against businessmen were taken out of the hands of juries, which were unpredictable, and given to judges . . . The ancient idea of a fair price for goods gave way in the courts to the idea of caveat emptor (let the buyer beware) . . . contract law was intended to discriminate against working people and for business . . . The pretence of the law was*

that a worker and a railroad made a contract with equal bargaining power . . . 'The circle was completed; the law had come simply to ratify those forms of inequality that the market system had produced.'" [Zinn, **Op. Cit.**, p. 234]

The US state was created on elitist liberal doctrine and actively aimed to reduce democratic tendencies (in the name of "individual liberty"). What happened in practice (unsurprisingly enough) was that the wealthy elite used the state to undermine popular culture and common right in favour of protecting and extending their own interests and power. In the process, US society was reformed in their own image:

"By the middle of the nineteenth century the legal system had been reshaped to the advantage of men of commerce and industry at the expense of farmers, workers, consumers, and other less powerful groups in society. . . it actively promoted a legal distribution of wealth against the weakest groups in society." [Morton Horwitz, quoted by Zinn, **Op. Cit.**, p. 235]

In more modern times, state centralisation and expansion has gone hand in glove with rapid industrialisation and the growth of business. As Edward Herman points out, *"[t]o a great extent, it was the growth in business size and power that elicited the countervailing emergence of unions and the growth of government. Bigness beyond business was to a large extent a response to bigness in business."* [**Corporate Control, Corporate Power**, p. 188 -- see also, Stephen Skowronek, **Building A New American State: The Expansion of National Administrative Capacities, 1877-1920**] State centralisation was required to produce bigger, well-defined markets and was supported by business when it acted in their interests (i.e. as markets expanded, so did the state in order to standardise and enforce property laws and so on). On the other hand, this development towards "big government" created an environment in which big business could grow (often encouraged by the state by subsidies and protectionism - as would be expected when the state is run by the wealthy) as well as further removing state power from influence by the masses and placing it more firmly in the hands of the wealthy. It is little wonder we see such developments, for *"[s]tructures of governance tend to coalesce around domestic power, in the last few centuries, economic power."* [Noam Chomsky, **World Orders, Old and New**, p. 178]

State centralisation makes it easier for business to control government, ensuring that it remains their puppet and to influence the political process. For example, the European Round Table (ERT) *"an elite lobby group of . . . chairmen or chief executives of large multi-nationals based mainly in the EU . . . [with] 11 of the 20 largest European companies [with] combined sales [in 1991] . . . exceeding \$500 billion, . . . approximately 60 per cent of EU industrial production,"* makes much use of the EU. As two researchers who have studied this body note, the ERT *"is adept at lobbying . . . so that many ERT proposals and 'visions' are mysteriously regurgitated in Commission summit documents."* The ERT *"claims that the labour market should be more 'flexible,' arguing for more flexible hours, seasonal contracts, job sharing and part time work. In December 1993, seven years after the ERT made its suggestions [and after most states had agreed to the Maastricht Treaty and its "social chapter"], the European Commission published a white paper . . . [proposing] making labour markets in Europe more flexible."* [Doherty and

Hoedeman, "Knights of the Road," **New Statesman**, 4/11/94, p. 27]

The current talk of globalisation, NAFTA, and the Single European Market indicates an underlying transformation in which state growth follows the path cut by economic growth. Simply put, with the growth of transnational corporations and global finance markets, the bounds of the nation-state have been made economically redundant. As companies have expanded into multi-nationals, so the pressure has mounted for states to follow suit and rationalise their markets across "*nations*" by creating multi-state agreements and unions.

As Noam Chomsky notes, G7, the IMF, the World Bank and so forth are a "*de facto world government*," and "*the institutions of the transnational state largely serve other masters [than the people], as state power typically does; in this case the rising transnational corporations in the domains of finance and other services, manufacturing, media and communications.*" [**Op. Cit.**, p. 179]

As multi-nationals grow and develop, breaking through national boundaries, a corresponding growth in statism is required. Moreover, a "*particularly valuable feature of the rising de facto governing institutions is their immunity from popular influence, even awareness. They operate in secret, creating a world subordinated to the needs of investors, with the public 'put in its place', the threat of democracy reduced*" [Chomsky, **Op. Cit.**, p. 178].

This does not mean that capitalists desire state centralisation for everything. Often, particularly for social issues, relative decentralisation is often preferred (i.e. power is given to local bureaucrats) in order to increase business control over them. By devolving control to local areas, the power which large corporations, investment firms and the like have over the local government increases proportionally. In addition, even middle-sized enterprise can join in and influence, constrain or directly control local policies and set one workforce against another. Private power can ensure that "*freedom*" is safe, **their** freedom.

No matter which set of bureaucrats are selected, the need to centralise social power, thus marginalising the population, is of prime importance to the business class. It is also important to remember that capitalist opposition to "*big government*" is often financial, as the state feeds off the available social surplus, so reducing the amount left for the market to distribute to the various capitals in competition.

In reality, what capitalists object to about "big government" is its spending on social programs designed to benefit the poor and working class, an "illegitimate" function which "wastes" part of the surplus that might go to capital (and also makes people less desperate and so less willing to work cheaply). Hence the constant push to reduce the state to its "classical" role as protector of private property and the system, and little else. Other than their specious quarrel with the welfare state, capitalists are the staunchest supports of government (and the "correct" form of state intervention, such as defence spending), as evidenced by the fact that funds can always be found to build more prisons and send troops abroad to advance ruling-class interests, even as politicians are crying that there is "no money" in the treasury for scholarships, national health care, or welfare for the poor.

State centralisation ensures that *"as much as the equalitarian principles have been embodied in its political constitutions, it is the bourgeoisie that governs, and it is the people, the workers, peasants included, who obey the laws made by the bourgeoisie" who "has in fact if not by right the exclusive privilege of governing."* This means that *"political equality . . . is only a puerile fiction, an utter lie."* It takes a great deal of faith to assume that the rich, *"being so far removed from the people by the conditions of its economic and social existence" can "give expression in the government and in the laws, to the feelings, the ideas, and the will of the people."*

Unsurprisingly, we find that *"in legislation as well as in carrying on the government, the bourgeoisie is guided by its own interests and its own instincts without concerning itself much with the interests of the people."* So while *"on election days even the proudest bourgeois who have any political ambitions are forced to court . . . The Sovereign People."* But on the *"day after the elections every one goes back to their daily business"* and the politicians are given carte blanche to rule in the name of the people they claim to represent." [Bakunin, **The Political Philosophy of Bakunin**, p. 218 and p. 219]

B.2.6 Can the state be an independent power within society?

Yes it can. Given the power of the state machine, it would be hard to believe that it could always be simply a tool for the economically dominant minority in a society. Given its structure and powers, it can use them to further its own interests. Indeed, in some circumstances it can be the ruling class itself.

However, in normal times the state is, as we discussed in [section B.2.1](#), a tool of the capitalist class. This, it must be stressed, does not mean that they always see *"eye to eye."* Top politicians, for example, are part of the ruling elite, but they are in competition with other parts of it. In addition, different sectors of the capitalist class are competing against each other for profits, political influence, privileges, etc. The bourgeoisie, argued Malatesta, *"are always at war among themselves . . . Thus the games of the swings, the manoeuvres, the concessions and withdrawals, the attempts to find allies among the people against the conservatives, and among the conservatives against the people."* [**Anarchy**, p. 25] This means that different sections of the ruling class will cluster around different parties, depending on their interests, and these parties will seek to gain power to further those interests. This may bring them into conflict with other sections of the capitalist class. The state is the means by which these conflicts can be resolved.

Given that the role of the state is to ensure the best conditions for capital **as a whole**, this means that, when necessary, it can and does work against the interests of certain parts of the capitalist class. To carry out this function the state needs to be above individual capitalists or companies. This is what can give the state the appearance of being a neutral social institution and can fool people into thinking that it represents the interests of society as a whole. Yet this sometime neutrality with regards to individual capitalist companies exists only as an expression of its role as an instrument of capital in general. Moreover, without the tax money from successful businesses the state would be weakened and so the state is in competition with capitalists for the surplus value produced by the working class. Hence the anti-state rhetoric of big business which can fool those unaware of the hand-in-glove nature of modern capitalism to the state.

As Chomsky notes:

"There has always been a kind of love-hate relationship between business interests and the capitalist state. On the one hand, business wants a powerful state to regulate disorderly markets, provide services and subsidies to business, enhance and protect access to foreign markets and resources, and so on. On the other hand, business does not want a powerful competitor, in particular, one that might respond to different interests, popular interests, and conduct policies with a redistributive effect, with regard to income or power." [Turning the Tide, p. 211]

As such, the state is often in conflict with sections of the capitalist class, just as sections of that class use the state to advance their own interests within the general framework of protecting the capitalist system (i.e. the interests of the ruling class **as a class**). The state's role is to resolve such disputes within that class peacefully. Under modern capitalism, this is usually done via the "democratic" process (within which we get the chance of picking the representatives of the elite who will oppress us least).

Such conflicts sometimes give the impression of the state being a "neutral" body, but this is an illusion -- it exists to defend class power and privilege -- but exactly which class it defends can change. While recognising that the state protects the power and position of the economically dominant class within a society anarchists also argue that the state has, due to its hierarchical nature, interests of its own. Thus it cannot be considered as simply the tool of the economically dominant class in society. States have their own dynamics, due to their structure, which generate their own classes and class interests and privileges (and which allows them to escape from the control of the economic ruling class and pursue their own interests, to a greater or lesser degree). As Malatesta put it *"the government, though springing from the bourgeoisie and its servant and protector, tends, as with every servant and every protector, to achieve its own emancipation and to dominate whoever it protects."* [Op. Cit., p. 25]

Thus, even in a class system like capitalism, the state can act independently of the ruling elite and, potentially, act against their interests. As part of its role is to mediate between individual capitalists/corporations, it needs sufficient power to tame them and this requires the state to have some independence from the class whose interests it, in general, defends. And such independence can be used to further its own interests, even to the detriment of the capitalist class, if the circumstances allow. If the capitalist class is weak or divided then the state can be in a position to exercise its autonomy vis-à-vis the economically dominant elite, using against the capitalists as a whole the tools it usually applies to them individually to further its own interests and powers.

This means that the state is not just *"the guardian of capital"* for it *"has a vitality of its own and constitutes . . . a veritable social class apart from other classes . . . ; and this class has its own particular parasitical and usurious interests, in conflict with those of the rest of the collectivity which the State itself claims to represent . . . The State, being the depository of society's greatest physical and material force, has too much power in its hands to resign itself to being no more than the capitalists' guard dog."* [Luigi Fabbri, quoted by David Berry, **A History of the French**

Anarchist Movement, 1917-1945, p. 39]

Therefore the state machine (and structure), while its modern form is intrinsically linked to capitalism, cannot be seen as being a tool usable by the majority. This is because the *"State, any State -- even when it dresses-up in the most liberal and democratic form -- is essentially based on domination, and upon violence, that is upon despotism -- a concealed but no less dangerous despotism."* The State *"denotes power, authority, domination; it presupposes inequality in fact."* [**The Political Philosophy of Michael Bakunin**, p. 211 and p. 240] The state, therefore, has its own specific logic, its own priorities and its own momentum. It constitutes its own locus of power which is not merely a derivative of economic class power. Consequently, the state can be beyond the control of the economically dominant class and it need not reflect economic relations.

This is due to its hierarchical and centralised nature, which empowers the few who control the state machine -- *"[e]very state power, every government, by its nature places itself outside and over the people and inevitably subordinates them to an organisation and to aims which are foreign to and opposed to the real needs and aspirations of the people."* If *"the whole proletariat . . . [are] members of the government . . . there will be no government, no state, but, if there is to be a state there will be those who are ruled and those who are slaves."* [**Bakunin on Anarchism**, p. 328 and p. 330]

In other words, the state bureaucracy is itself directly an oppressor and can exist independently of an economically dominant class. In Bakunin's prophetic words:

"What have we seen throughout history? The State has always been the patrimony of some privileged class: the sacerdotal class, the nobility, the bourgeoisie -- and finally, when all other classes have exhausted themselves, the class of the bureaucracy enters the stage and then the State falls, or rises, if you please, to the position of a machine." [**The Political Philosophy of Michael Bakunin**, p. 208]

This is unsurprising. For anarchists, *"the State organisation . . . [is] the force to which minorities resorted for establishing and organising their power over the masses."* It does not imply that these minorities need to be the economically dominant class in a society. The state is *"a superstructure built to the advantage of Landlordism, Capitalism, and Officialism."* [**Evolution and Environment**, p. 82 and p. 105] Consequently, we cannot assume that abolishing one or even two of this unholy trinity will result in freedom nor that all three share exactly the same interests or power in relation to the others. Thus, in some situations, the landlord class can promote its interests over those of the capitalist class (and vice versa) while the state bureaucracy can grow at the expense of both.

As such, it is important to stress that the minority whose interests the state defends need not be an economically dominant one (although it usually is). Under some circumstances a priesthood can be a ruling class, as can a military group or a bureaucracy. This means that the state can also effectively **replace** the economically dominant elite as the exploiting class. This is because anarchists view the state as having (class) interests of its own.

As we discuss in more detail in [section H.3.9](#), the state cannot be considered as merely an instrument of (economic) class rule. History has shown numerous societies where the state **itself** was the ruling class and where no other dominant economic class existed. The experience of Soviet Russia indicates the validity of this analysis. The reality of the Russian Revolution contrasted starkly with the Marxist claim that a state was simply an instrument of class rule and, consequently, the working class needed to build its own state within which to rule society. Rather than being an instrument by which working class people could run and transform society in their own interests, the new state created by the Russian Revolution soon became a power over the class it claimed to represent (see [section H.6](#) for more on this). The working class was exploited and dominated by the new state and its bureaucracy rather than by the capitalist class as previously. This did not happen by chance. As we discuss in [section H.3.7](#), the state has evolved certain characteristics (such as centralisation, delegated power and so on) which ensure its task as enforcer of minority rule is achieved. Keeping those characteristics will inevitably mean keeping the task they were created to serve.

Thus, to summarise, the state's role is to repress the individual and the working class as a whole in the interests of economically dominant minorities/classes and in its own interests. It is "*a society for mutual insurance between the landlord, the military commander, the judge, the priest, and later on the capitalist, in order to support such other's authority over the people, and for exploiting the poverty of the masses and getting rich themselves.*" Such was the "*origin of the State; such was its history; and such is its present essence.*" [Kropotkin, **Evolution and Environment**, p. 94]

So while the state is an instrument of class rule it does **not** automatically mean that it does not clash with sections of the class it represents nor that it has to be the tool of an economically dominant class. One thing is sure, however. The state is not a suitable tool for securing the emancipation of the oppressed.

B.3 Why are anarchists against private property?

Private property is one of the three things all anarchists oppose, along side hierarchical authority and the state. Today, the dominant system of private property is capitalist in nature and, as such, anarchists tend to concentrate on this system and its property rights regime. We will be reflecting this here but do not, because of this, assume that anarchists consider other forms of private property regime (such as, say, feudalism) as acceptable. This is not the case -- anarchists are against every form of property rights regime which results in the many working for the few.

Anarchist opposition to private property rests on two, related, arguments. These were summed up by Proudhon's maxims (from *What is Property?* that "*property is theft*" and "*property is despotism.*" In his words, "*Property . . . violates equality by the rights of exclusion and increase, and freedom by despotism . . . [and has] perfect identity with robbery.*" [Proudhon, *What is Property*, p. 251] Anarchists, therefore, oppose private property (i.e. capitalism) because it is a

source of coercive, hierarchical authority as well as exploitation and, consequently, elite privilege and inequality. It is based on and produces inequality, in terms of both wealth and power.

We will summarise each argument in turn.

The statement "*property is theft*" is one of anarchism's most famous sayings. Indeed, it is no exaggeration to say that anyone who rejects this statement is not an anarchist. This maxim works in two related ways. Firstly, it recognises the fact that the earth and its resources, the common inheritance of all, have been monopolised by a few. Secondly, it argues that, as a consequence of this, those who own property exploit those who do not. This is because those who do not own have to pay or sell their labour to those who do own in order to get access to the resources they need to live and work (such as workplaces, machinery, land, credit, housing, products under patents, and such like -- see [section B.3.2](#) for more discussion).

As we discuss in [section B.3.3](#), this exploitation (theft) flows from the fact that workers do not own or control the means of production they use and, as a consequence, are controlled by those who do during work hours. This alienation of control over labour to the boss places the employer in a position to exploit that labour -- to get the worker to produce more than they get paid in wages. That is precisely **why** the boss employs the worker. Combine this with rent, interest and intellectual property rights and we find the secret to maintaining the capitalist system as all allow enormous inequalities of wealth to continue and keep the resources of the world in the hands of a few.

Yet labour cannot be alienated. Therefore when you sell your labour you sell yourself, your liberty, for the time in question. This brings us to the second reason why anarchists oppose private property, the fact it produces authoritarian social relationships. For all true anarchists, property is opposed as a source of authority, indeed despotism. To quote Proudhon on this subject:

*"The proprietor, the robber, the hero, the sovereign -- for all these titles are synonymous -- imposes his will as law, and suffers neither contradiction nor control; that is, he pretends to be the legislative and the executive power at once . . . [and so] property engenders despotism . . . That is so clearly the essence of property that, to be convinced of it, one need but remember what it is, and observe what happens around him. Property is the right to **use** and **abuse** . . . if goods are property, why should not the proprietors be kings, and despotic kings -- kings in proportion to their **facultes bonitaires**? And if each proprietor is sovereign lord within the sphere of his property, absolute king throughout his own domain, how could a government of proprietors be any thing but chaos and confusion?" [Op. Cit., pp. 266-7]*

In other words, private property is the state writ small, with the property owner acting as the "*sovereign lord*" over their property, and so the absolute king of those who use it. As in any monarchy, the worker is the subject of the capitalist, having to follow their orders, laws and decisions while on their property. This, obviously, is the total denial of liberty (and dignity, we

may note, as it is degrading to have to follow orders). And so private property (capitalism) necessarily excludes participation, influence, and control by those who use, but do not own, the means of life.

It is, of course, true that private property provides a sphere of decision-making free from outside interference -- but only for the property's owners. But for those who are not property owners the situation is radically different. In a system of exclusively private property does not guarantee them any such sphere of freedom. They have only the freedom to sell their liberty to those who **do** own private property. If I am evicted from one piece of private property, where can I go? Nowhere, unless another owner agrees to allow me access to their piece of private property. This means that everywhere I can stand is a place where I have no right to stand without permission and, as a consequence, I exist only by the sufferance of the property owning elite. Hence Proudhon:

"Just as the commoner once held his land by the munificence and condescension of the lord, so to-day the working-man holds his labour by the condescension and necessities of the master and proprietor." [Proudhon, **Op. Cit.**, p. 128]

This means that far from providing a sphere of independence, a society in which all property is private thus renders the property-less completely dependent on those who own property. This ensures that the exploitation of another's labour occurs and that some are subjected to the will of others, in direct contradiction to what the defenders of property promise. This is unsurprising given the nature of the property they are defending:

"Our opponents . . . are in the habit of justifying the right to private property by stating that property is the condition and guarantee of liberty.

"And we agree with them. Do we not say repeatedly that poverty is slavery?"

"But then why do we oppose them?"

"The reason is clear: in reality the property that they defend is capitalist property, namely property that allows its owners to live from the work of others and which therefore depends on the existence of a class of the disinherited and dispossessed, forced to sell their labour to the property owners for a wage below its real value . . . This means that workers are subjected to a kind of slavery, which, though it may vary in degree of harshness, always means social inferiority, material penury and moral degradation, and is the primary cause of all the ills that beset today's social order." [Malatesta, **The Anarchist Revolution**, p. 113]

It will, of course, be objected that no one forces a worker to work for a given boss. However, as we discuss in [section B.4.3](#), this assertion (while true) misses the point. While workers are not forced to work for a **specific** boss, they inevitably have to work for a boss. This is because there is literally no other way to survive -- all other economic options have been taken from them by state coercion. The net effect is that the working class has little choice but to hire themselves out

to those with property and, as a consequence, the labourer *"has sold and surrendered his liberty"* to the boss. [Proudhon, **Op. Cit.**, p. 130]

Private property, therefore, produces a very specific form of authority structure within society, a structure in which a few govern the many during working hours. These relations of production are inherently authoritarian and embody and perpetuate the capitalist class system. The moment you enter the factory gate or the office door, you lose all your basic rights as a human being. You have no freedom of speech nor association and no right of assembly. If you were asked to ignore your values, your priorities, your judgement, and your dignity, and leave them at the door when you enter your home, you would rightly consider that tyranny yet that is exactly what you do during working hours if you are a worker. You have no say in what goes on. You may as well be a horse (to use John Locke's analogy -- see [section B.4.2](#)) or a piece of machinery.

Little wonder, then, that anarchists oppose private property as Anarchy is *"the absence of a master, of a sovereign"* [Proudhon, **Op. Cit.**, p. 264] and call capitalism for what it is, namely **wage slavery!**

For these reasons, anarchists agree with Rousseau when he stated:

*"The first man who, having fenced off a plot of land, thought of saying, 'This is mine' and found people simple enough to believe him was the real founder of civil society. How many crimes, wars, murders, how many miseries and horrors might the human race had been spared by the one who, upon pulling up the stakes or filling in the ditch, had shouted to his fellow men: 'Beware of listening to this impostor; you are lost if you forget the fruits of the earth belong to all and that the earth belongs to no one.'" ["Discourse on Inequality," **The Social Contract and Discourses**, p. 84]*

This explains anarchist opposition to capitalism. It is marked by two main features, *"private property"* (or in some cases, state-owned property -- see [section B.3.5](#)) and, consequently, wage labour and exploitation and authority. Moreover, such a system requires a state to maintain itself for as *"long as within society a possessing and non-possessing group of human beings face one another in enmity, the state will be indispensable to the possessing minority for the protection for its privileges."* [Rudolf Rocker, *Anarcho-Syndicalism*, p. 11] Thus private ownership of the means of production is only possible if there is a state, meaning mechanisms of organised coercion at the disposal of the propertied class (see [section B.2](#)).

Also, it ought to be easy to see that capitalism, by giving rise to an ideologically inalienable *"right"* to private property, will also quickly give rise to inequalities in the distribution of external resources, and that this inequality in resource distribution will give rise to a further inequality in the relative bargaining positions of the propertied and the property less. While apologists for capitalism usually attempt to justify private property by claiming that *"self-ownership"* is a *"universal right"* (see section B.4.2 -- ["*Is capitalism based on self-ownership?*"](#)), it is clear that capitalism actually makes universal autonomy implied by the flawed concept of self-ownership (for the appeal of the notion of self-ownership rests on the ideal that people are not used as a means but only as an end in themselves). The capitalist system, however, has

undermined autonomy and individual freedom, and ironically, has used the term "*self-ownership*" as the basis for doing so. Under capitalism, as will be seen in [section B.4](#), most people are usually left in a situation where their best option is to allow themselves to be used in just those ways that are logically incompatible with genuine self-ownership, i.e. the autonomy which makes it initially an appealing concept.

Only libertarian socialism can continue to affirm the meaningful autonomy and individual freedom which self-ownership promises whilst building the conditions that guarantee it. Only by abolishing private property can there be access to the means of life for all, so making the autonomy which self-ownership promises but cannot deliver a reality by universalising self-management in all aspects of life.

Before discussing the anti-libertarian aspects of capitalism, it will be necessary to define "*private property*" as distinct from "*personal possessions*" and show in more detail why the former requires state protection and is exploitative.

B.3.1 What is the difference between private property and possession?

Anarchists define "*private property*" (or just "*property*," for short) as state-protected monopolies of certain objects or privileges which are used to control and exploit others. "*Possession*," on the other hand, is ownership of things that are not used to exploit others (e.g. a car, a refrigerator, a toothbrush, etc.). Thus many things can be considered as either property or possessions depending on how they are used.

To summarise, anarchists are in favour of the kind of property which "*cannot be used to exploit another -- those kinds of personal possessions which we accumulate from childhood and which become part of our lives.*" We are opposed to the kind of property "*which can be used only to exploit people -- land and buildings, instruments of production and distribution, raw materials and manufactured articles, money and capital.*" [Nicholas Walter, **About Anarchism**, p. 40] As a rule of thumb, anarchists oppose those forms of property which are owned by a few people but which are used by others. This leads to the former controlling the latter and using them to produce a surplus for them (either directly, as in the case of a employee, or indirectly, in the case of a tenant).

The key is that "*possession*" is rooted in the concept of "*use rights*" or "*usufruct*" while "*private property*" is rooted in a divorce between the users and ownership. For example, a house that one lives in is a possession, whereas if one rents it to someone else at a profit it becomes property. Similarly, if one uses a saw to make a living as a self-employed carpenter, the saw is a possession; whereas if one employs others at wages to use the saw for one's own profit, it is property. Needless to say, a capitalist workplace, where the workers are ordered about by a boss, is an example of "*property*" while a co-operative, where the workers manage their own work, is an example of "*possession*." To quote Proudhon:

"The proprietor is a man who, having absolute control of an instrument of production, claims the right to enjoy the product of the instrument without using it himself. To this end he lends it." [Op. Cit., p. 293]

While it may initially be confusing to make this distinction, it is very useful to understand the nature of capitalist society. Capitalists tend to use the word "property" to mean anything from a toothbrush to a transnational corporation -- two very different things, with very different impacts upon society. Hence Proudhon:

*"Originally the word **property** was synonymous with **proper** or **individual possession**. It designated each individual's special right to the use of a thing. But when this right of use . . . became active and paramount -- that is, when the usufructuary converted his right to personally use the thing into the right to use it by his neighbour's labour -- then property changed its nature and this idea became complex." [Op. Cit., pp. 395-6]*

Proudhon graphically illustrated the distinction by comparing a lover as a possessor, and a husband as a proprietor! As he stressed, the "double definition of property -- domain and possession -- is of highest importance; and must be clearly understood, in order to comprehend" what anarchism is really about. So while some may question why we make this distinction, the reason is clear. As Proudhon argued, "it is proper to call different things by different names, if we keep the name 'property' for the former [possession], we must call the latter [the domain of property] robbery, repine, brigandage. If, on the contrary, we reserve the name 'property' for the latter, we must designate the former by the term **possession** or some other equivalent; otherwise we should be troubled with an unpleasant synonym." [Op. Cit., p. 65 and p. 373]

The difference between property and possession can be seen from the types of authority relations each generates. Taking the example of a capitalist workplace, it's clear that those who own the workplace determine how it is used, not those who do the actual work. This leads to an almost totalitarian system. As Noam Chomsky points out, "the term 'totalitarian' is quite accurate. There is no human institution that approaches totalitarianism as closely as a business corporation. I mean, power is completely top-down. You can be inside it somewhere and you take orders from above and hand 'em down. Ultimately, it's in the hands of owners and investors." Thus the actual producer does not control their own activity, the product of their labour nor the means of production they use. In modern class societies, the producer is in a position of subordination to those who actually do own or manage the productive process.

In an anarchist society, as noted, actual use is considered the only title. This means that a workplace is organised and run by those who work within it, thus reducing hierarchy and increasing freedom and equality within society. Hence anarchist opposition to private property and capitalism flows naturally from anarchism's basic principles and ideas. Hence all anarchists agree with Proudhon:

"Possession is a right; property is against right. Suppress property while maintaining possession." [Op. Cit., p. 271]

As Alexander Berkman frames this distinction, anarchism *"abolishes private ownership of the means of production and distribution, and with it goes capitalistic business. Personal possession remains only in the things you use. Thus, your watch is your own, but the watch factory belongs to the people. Land, machinery, and all other public utilities will be collective property, neither to be bought nor sold. Actual use will be considered the only title -- not to ownership but to possession."* [**What is Anarchism?**, p. 217]

This analysis of different forms of property is at the heart of both social and individualist anarchism. This means that all anarchists seek to change people's opinions on what is to be considered as valid forms of property, aiming to see that *"the Anarchistic view that occupancy and use should condition and limit landholding becomes the prevailing view"* and so ensure that *"individuals should no longer be protected by their fellows in anything but personal occupation and cultivation [i.e. use] of land."* [Benjamin Tucker, **The Individualist Anarchists**, p. 159 and p. 85] The key differences, as we noted in [section A.3.1](#), is how they apply this principle.

This anarchist support for possession does not imply the break up of large scale organisations such as factories or other workplaces which require large numbers of people to operate. Far from it. Anarchists argue for association as the complement of possession. This means applying *"occupancy and use"* to property which is worked by more than one person results in associated labour, i.e. those who collectively work together (i.e. use a given property) manage it and their own labour as a self-governing, directly democratic, association of equals (usually called *"self-management"* for short).

This logically flows from the theory of possession, of *"occupancy and use."* For if production is carried on in groups who is the legal occupier of the land? The employer or their manager? Obviously not, as they are by definition occupying more than they can use by themselves. Clearly, the association of those engaged in the work can be the only rational answer. Hence Proudhon's comment that *"all accumulated capital being social property, no one can be its exclusive proprietor."* *"In order to destroy despotism and inequality of conditions, men must . . . become associates"* and this implies workers' self-management -- *"leaders, instructors, superintendents . . . must be chosen from the labourers by the labourers themselves."* [Proudhon, **Op. Cit.**, p. 130, p. 372 and p. 137]

In this way, anarchists seek, in Proudhon's words, *"abolition of the proletariat"* and consider a key idea of our ideas that *"Industrial Democracy must . . . succeed Industrial Feudalism."* [Proudhon, **Selected Writings of Pierre-Joseph Proudhon**, p. 179 and p. 167] Thus an anarchist society would be based on possession, with workers' self-management being practised at all levels from the smallest one person workplace or farm to large scale industry (see [section I.3](#) for more discussion).

Clearly, then, all anarchists seek to transform and limit property rights. Capitalist property rights would be ended and a new system introduced rooted in the concept of possession and use. While the exact nature of that new system differs between schools of anarchist thought, the basic principles are the same as they flow from the same anarchist theory of property to be found in Proudhon's, *What is Property?*.

Significantly, William Godwin in his Enquiry Concerning Political Justice makes the same point concerning the difference between property and possession (although not in the same language) fifty years before Proudhon, which indicates its central place in anarchist thought. For Godwin, there were different kinds of property. One kind was "*the empire to which every [person] is entitled over the produce of his [or her] own industry.*" However, another kind was "*a system, in whatever manner established, by which one man enters into the faculty of disposing of the produce of another man's industry.*" This "*species of property is in direct contradiction*" to the former kind (he similarities with subsequent anarchist ideas is striking). For Godwin, inequality produces a "*servile*" spirit in the poor and, moreover, a person who "*is born to poverty, may be said, under a another name, to be born a slave.*" [**The Anarchist Writings of William Godwin**, p. 133, p. 134, p. 125 and p. 126]

Needless to say, anarchists have not be totally consistent in using this terminology. Some, for example, have referred to the capitalist and landlord classes as being the "*possessing classes.*" Others prefer to use the term "*personal property*" rather than "*possession*" or "*capital*" rather than "*private property.*" Some, like many individualist anarchists, use the term "*property*" in a general sense and qualify it with "*occupancy and use*" in the case of land, housing and workplaces. However, no matter the specific words used, the key idea is the same.

B.3.2 What kinds of property does the state protect?

Kropotkin argued that the state was "*the instrument for establishing monopolies in favour of the ruling minorities.*" [**Anarchism**, p. 286] In every system of class exploitation, a ruling class controls access to the means of production in order to extract tribute from labour. Capitalism is no exception. In this system the state maintains various kinds of "*class monopolies*" (to use Tucker's phrase) to ensure that workers do not receive their "*natural wage*," the full product of their labour. While some of these monopolies are obvious (such as tariffs, state granted market monopolies and so on), most are "*behind the scenes*" and work to ensure that capitalist domination does not need extensive force to maintain.

Under capitalism, there are four major kinds of property, or exploitative monopolies, that the state protects:

- (1) the power to issue credit and currency, the basis of capitalist banking;
- (2) land and buildings, the basis of landlordism;
- (3) productive tools and equipment, the basis of industrial capitalism;
- (4) ideas and inventions, the basis of copyright and patent ("*intellectual property*") royalties.

By enforcing these forms of property, the state ensures that the objective conditions within the economy favour the capitalist, with the worker free only to accept oppressive and exploitative contracts within which they forfeit their autonomy and promise obedience or face misery and poverty. Due to these "*initiations of force*" conducted **previously** to any specific contract being signed, capitalists enrich themselves at our expense because we "*are compelled to pay a heavy tribute to property holders for the right of cultivating land or putting machinery into action.*"

[Kropotkin, **The Conquest of Bread**, p. 103] These conditions obviously also make a mockery of free agreement (see [section B.4](#)).

These various forms of state intervention are considered so normal many people do not even think of them as such. Thus we find defenders of "free market" capitalism thundering against forms of "state intervention" which are designed to aid the poor while seeing nothing wrong in defending intellectual property rights, corporations, absentee landlords and the other multitude of laws and taxes capitalists and their politicians have placed and kept upon the statute-books to skew the labour market in favour of themselves (see [section F.8](#) on the state's role in developing capitalism in the first place).

Needless to say, despite the supposedly subtle role of such "*objective*" pressures in controlling the working class, working class resistance has been such that capital has never been able to dispense with the powers of the state, both direct and indirect. When "*objective*" means of control fail, the capitalists will always turn to the use of state repression to restore the "*natural*" order. Then the "*invisible*" hand of the market is replaced by the visible fist of the state and the indirect means of securing ruling class profits and power are supplemented by more direct forms by the state. As we indicate in [section D.1](#), state intervention beyond enforcing these forms of private property is the norm of capitalism, not the exception, and is done so to secure the power and profits of the capitalist class.

To indicate the importance of these state backed monopolies, we shall sketch their impact.

The credit monopoly, by which the state controls who can and cannot issue or loan money, reduces the ability of working class people to create their own alternatives to capitalism. By charging high amounts of interest on loans (which is only possible because competition is restricted) few people can afford to create co-operatives or one-person firms. In addition, having to repay loans at high interest to capitalist banks ensures that co-operatives often have to undermine their own principles by having to employ wage labour to make ends meet (see [section J.5.11](#)). It is unsurprising, therefore, that the very successful Mondragon co-operatives in the Basque Country created their own credit union which is largely responsible for the experiment's success.

Just as increasing wages is an important struggle within capitalism, so is the question of credit. Proudhon and his followers supported the idea of a **People's Bank**. If the working class could take over and control increasing amounts of money it could undercut capitalist power while building its own alternative social order (for money is ultimately the means of buying labour power, and so authority over the labourer - which is the key to surplus value production). Proudhon hoped that by credit being reduced to cost (namely administration charges) workers would be able to buy the means of production they needed. While most anarchists would argue that increased working class access to credit would no more bring down capitalism than increased wages, all anarchists recognise how more cheap credit, like more wages, can make life easier for working people and how the struggle for such credit, like the struggle for wages, might play a useful role in the development of the power of the working class within capitalism. Obvious cases that spring to mind are those where money has been used by workers to finance

their struggles against capital, from strike funds and weapons to the periodical avoidance of work made possible by sufficiently high money income. Increased access to cheap credit would give working class people slightly more options than selling their liberty or facing misery (just as increased wages and unemployment benefit also gives us more options).

Therefore, the credit monopoly reduces competition to capitalism from co-operatives (which are generally more productive than capitalist firms) while at the same time forcing down wages for all workers as the demand for labour is lower than it would otherwise be. This, in turn, allows capitalists to use the fear of the sack to extract higher levels of surplus value from employees, so consolidating capitalist power (within and outwith the workplace) and expansion (increasing set-up costs and so creating oligarchic markets dominated by a few firms). In addition, high interest rates transfer income directly from producers to banks. Credit and money are both used as weapons in the class struggle. This is why, again and again, we see the ruling class call for centralised banking and use state action (from the direct regulation of money itself, to the attempted management of its flows by the manipulation of the interest) in the face of repeated threats to the nature (and role) of money within capitalism.

The credit monopoly has other advantages for the elite. The 1980s were marked by a rising debt burden on households as well as the increased concentration of wealth in the US. The two are linked. Due to *"the decline in real hourly wages, and the stagnation in household incomes, the middle and lower classes have borrowed more to stay in place"* and they have *"borrowed from the very rich who have [become] richer."* By 1997, US households spent \$1 trillion (or 17% of the after-tax incomes) on debt service. *"This represents a massive upward redistribution of income."* And why did they borrow? The bottom 40% of the income distribution *"borrowed to compensate for stagnant or falling incomes"* while the upper 20% borrowed *"mainly to invest."* Thus *"consumer credit can be thought of as a way to sustain mass consumption in the face of stagnant or falling wages. But there's an additional social and political bonus, from the point of view of the creditor class: it reduces pressure for higher wages by allowing people to buy goods they couldn't otherwise afford. It helps to nourish both the appearance and reality of a middle-class standard of living in a time of polarisation. And debt can be a great conservatising force; with a large monthly mortgage and/or MasterCard bill, strikes and other forms of troublemaking look less appealing than they would otherwise."* [Doug Henwood, **Wall Street**, pp. 64-6]

Thus credit *"is an important form of social coercion; mortgaged workers are more pliable."* [Henwood, **Op. Cit.**, p. 232] Money is power and any means which lessens that power by increasing the options of workers is considered a threat by the capitalist class -- whether it is tight labour markets, state provided unemployment benefit, or cheap, self-organised, credit -- will be resisted. The credit monopoly can, therefore, only be fought as part of a broader attack on all forms of capitalist social power.

In summary, the credit monopoly, by artificially restricting the option to work for ourselves, ensures we work for a boss while also enriching the few at the expense of the many.

The land monopoly consists of enforcement by government of land titles which do not rest upon personal occupancy and use. It also includes making the squatting of abandoned housing and

other forms of property illegal. This leads to ground-rent, by which landlords get payment for letting others use the land they own but do not actually cultivate or use. It also allows the ownership and control of natural resources like oil, gas, coal and timber. This monopoly is particularly exploitative as the owner cannot claim to have created the land or its resources. It was available to all until the landlord claimed it by fencing it off and barring others from using it.

Until the nineteenth century, the control of land was probably the single most important form of privilege by which working people were forced to accept less than its product as a wage. While this monopoly is less important in a modern capitalist society (as few people know how to farm), it still plays a role (particularly in terms of ownership of natural resources). At a minimum, every home and workplace needs land on which to be built. Thus while cultivation of land has become less important, the use of land remains crucial. The land monopoly, therefore, ensures that working people find no land to cultivate, no space to set up shop and no place to sleep without first having to pay a landlord a sum for the privilege of setting foot on the land they own but neither created nor use. At best, the worker has mortgaged their life for decades to get their wee bit of soil or, at worse, paid their rent and remained as property-less as before. Either way, the landlords are richer for the exchange.

Moreover, the land monopoly did play an important role in **creating** capitalism (also see [section F.8.3](#)). This took two main forms. Firstly, the state enforced the ownership of large estates in the hands of a single family. Taking the best land by force, these landlords turned vast tracks of land into parks and hunting grounds so forcing the peasants little option but to huddle together on what remained. Access to superior land was therefore only possible by paying a rent for the privilege, if at all. Thus an elite claimed ownership of vacant lands, and by controlling access to it (without themselves ever directly occupying or working it) they controlled the labouring classes of the time. Secondly, the ruling elite also simply stole land which had traditionally been owned by the community. This was called enclosure, the process by which common land was turned into private property. Economist William Lazonick summaries this process:

"The reorganisation of agricultural land [the enclosure movement] . . . inevitably undermined the viability of traditional peasant agriculture . . . [it] created a sizeable labour force of disinherited peasants with only tenuous attachments to the land. To earn a living, many of these peasants turned to 'domestic industry' - the production of goods in their cottages . . . It was the eighteenth century expansion of domestic industry . . . that laid the basis for the British Industrial Revolution. The emergence of labour-saving machine technology transformed . . . textile manufacture . . . and the factory replaced the family home as the predominant site of production." [**Business Organisation and the Myth of the Market Economy**, pp. 3-4]

By being able to "legally" bar people from "their" property, the landlord class used the land monopoly to ensure the creation of a class of people with nothing to sell but their labour (i.e. liberty). Land was taken from those who traditionally used it, violating common rights, and it was used by the landlord to produce for their own profit (more recently, a similar process has been going on in the Third World as well). Personal occupancy was replaced by landlordism and

agricultural wage slavery, and so *"the Enclosure Acts . . . reduced the agricultural population to misery, placed them at the mercy of the landowners, and forced a great number of them to migrate to the towns where, as proletarians, they were delivered to the mercy of the middle-class manufacturers."* [Peter Kropotkin, **The Great French Revolution**, vol. 1, pp. 117-8]

A variation of this process took place in countries like America, where the state took over ownership of vast tracks of land and then sold it to farmers. As Howard Zinn notes, the Homestead Act *"gave 160 acres of western land, unoccupied and publicly owned, to anyone who would cultivate it for fives years. Anyone willing to pay \$1.25 an acre could buy a homestead. Few ordinary people had the \$200 necessary to do this; speculators moved in and bought up much of the land."* [**A People's History of the United States**, p. 233] Those farmers who did pay the money often had to go into debt to do so, placing an extra burden on their labour. Vast tracks of land were also given to railroad and other companies either directly (by gift or by selling cheap) or by lease (in the form of privileged access to state owned land for the purpose of extracting raw materials like lumber and oil). Either way, access to land was restricted and those who actually did work it ended up paying a tribute to the landlord in one form or another (either directly in rent or indirectly by repaying a loan).

This was the land monopoly in action (also see sections [F.8.3](#), [F.8.4](#) and [F.8.5](#) for more details) and from it sprang the tools and equipment monopoly as domestic industry could not survive in the face of industrial capitalism. Confronted with competition from industrial production growing rich on the profits produced from cheap labour, the ability of workers to own their own means of production decreased over time. From a situation where most workers owned their own tools and, consequently, worked for themselves, we now face an economic regime where the tools and equipment needed for work are owned by a capitalists and, consequently, workers now work for a boss.

The tools and equipment monopoly is similar to the land monopoly as it is based upon the capitalist denying workers access to their capital unless the worker pays tribute to the owner for using it. While capital is *"simply stored-up labour which has already received its pay in full"* and so *"the lender of capital is entitled to its return intact, and nothing more"* (to use Tucker's words), due to legal privilege the capitalist is in a position to charge a *"fee"* for its use. This is because, with the working class legally barred from both the land and available capital (the means of life), members of that class have little option but to agree to wage contracts which let capitalists extract a *"fee"* for the use of their equipment (see [section B.3.3](#)).

Thus the capital-monopoly is, like the land monopoly, enforced by the state and its laws. This is most clearly seen if you look at the main form in which such capital is held today, the corporation. This is nothing more than a legal construct. *"Over the last 150 years,"* notes Joel Bakan, *"the corporation has risen from relative obscurity to becomes the world's dominant economic institution."* The law has been changed to give corporations *"limited liability"* and other perks in order *"to attract valuable incorporation business . . . by jettisoning unpopular [to capitalists] restrictions from . . . corporate laws."* Finally, the courts *"fully transformed the corporation onto a 'person,' with its own identity . . . and empowered, like a real person, to*

conduct business in its own name, acquire assets, employ workers, pay taxes, and go to court to assert its rights and defend its actions." In America, this was achieved using the 14th Amendment (which was passed to protect freed slaves!). In summary, the corporation *"is not an independent 'person' with its own rights, needs, and desires . . . It is a state-created tool for advancing social and economic policy."* [**The Corporation**, p. 5, p. 13, p. 16 and p. 158]

Nor can it be said that this monopoly is the product of hard work and saving. The capital-monopoly is a recent development and how this situation developed is usually ignored. If not glossed over as irrelevant, some fairy tale is spun in which a few bright people saved and worked hard to accumulate capital and the lazy majority flocked to be employed by these (almost superhuman) geniuses. In reality, the initial capital for investing in industry came from wealth plundered from overseas or from the proceeds of feudal and landlord exploitation. In addition, as we discuss in [section F.8](#), extensive state intervention was required to create a class of wage workers and ensure that capital was in the best position to exploit them. This explicit state intervention was scaled down once the capital-monopoly found its own feet.

Once this was achieved, state action became less explicit and becomes focused around defending the capitalists' property rights. This is because the *"fee"* charged to workers was partly reinvested into capital, which reduced the prices of goods, ruining domestic industry and so narrowing the options available to workers in the economy. In addition, investment also increased the set-up costs of potential competitors, which continued the dispossession of the working class from the means of production as these *"natural"* barriers to entry into markets ensured few members of that class had the necessary funds to create co-operative workplaces of appropriate size. So while the land monopoly was essential to create capitalism, the *"tools and equipment"* monopoly that sprang from it soon became the mainspring of the system.

In this way usury became self-perpetuating, with apparently *"free exchanges"* being the means by which capitalist domination survives. In other words, "past initiations of force" combined with the current state protection of property ensure that capitalist domination of society continues with only the use of *"defensive"* force (i.e. violence used to protect the power of property owners against unions, strikes, occupations, etc.). The *"fees"* extracted from previous generations of workers has ensured that the current one is in no position to re-unite itself with the means of life by *"free competition"* (in other words, the paying of usury ensures that usury continues). Needless to say, the surplus produced by this generation will be used to increase the capital stock and so ensure the dispossession of future generations and so usury becomes self-perpetuating. And, of course, state protection of *"property"* against *"theft"* by working people ensures that property remains theft and the **real** thieves keep their plunder.

As far as the *"ideas"* monopoly is concerned, this has been used to enrich capitalist corporations at the expense of the general public and the inventor. Patents make an astronomical price difference. Until the early 1970s, for example, Italy did not recognise drug patents. As a result, Roche Products charged the British National Health Service over 40 times more for patented components of Librium and Valium than charged by competitors in Italy. As Tucker argued, the patent monopoly *"consists in protecting investors and authors against competition for a period*

long enough to enable them to extort from the people a reward enormously in excess of the labour measure of their services, -- in other words, in giving certain people a right of property for a term of years and facts of nature, and the power to extract tribute from others for the use of this natural wealth which should be open to all." [The Individualist Anarchists, p. 86]

The net effect of this can be terrible. The Uruguay Round of global trade negotiations "strengthen intellectual property rights. American and other Western drug companies could now stop drug companies in India and Brazil from 'stealing' their intellectual property. But these drug companies in the developing world were making these life-saving drugs available to their citizens at a fraction of the price at which the drugs were sold by the Western drug companies . . . Profits of the Western drug companies would go up . . . but the increases profits from sales in the developing world were small, since few could afford the drugs . . . [and so] thousands were effectively condemned to death, becomes governments and individuals in developing countries could no longer pay the high prices demanded." [Joseph Stiglitz, **Globalisation and its discontents**, pp. 7-8] While international outrage over AIDS drugs eventually forced the drug companies to sell the drugs at cost price in late 2001, the underlying intellectual property rights regime was still in place.

The irony that this regime was created in a process allegedly about trade liberalisation should not go unnoticed. "Intellectual property rights," as Noam Chomsky correctly points out, "are a protectionist measure, they have nothing to do with free trade -- in fact, they're the exact **opposite** of free trade." [Understanding Power, p. 282] The fundamental injustice of the "ideas monopoly" is exacerbated by the fact that many of these patented products are the result of government funding of research and development, with private industry simply reaping monopoly profits from technology it did not spend a penny to develop. In fact, extending government aid for research and development is considered an important and acceptable area of state intervention by governments and companies verbally committed to the neo-liberal agenda.

The "ideas monopoly" actually works against its own rationale. Patents suppress innovation as much as they encourage it. The research scientists who actually do the work of inventing are required to sign over patent rights as a condition of employment, while patents and industrial security programs used to bolster competitive advantage on the market actually prevent the sharing of information, so reducing innovation (this evil is being particularly felt in universities as the new "intellectual property rights" regime is spreading there). Further research stalls as the incremental innovation based on others' patents is hindered while the patent holder can rest on their laurels as they have no fear of a competitor improving the invention. They also hamper technical progress because, by their very nature, preclude the possibility of independent discovery. Also, of course, some companies own a patent explicitly not to use it but simply to prevent someone else from so doing.

As Noam Chomsky notes, today trade agreements like GATT and NAFTA "impose a mixture of liberalisation and protection, going far beyond trade, designed to keep wealth and power firmly in the hands of the masters." Thus "investor rights are to be protected and enhanced" and a key demand "is increased protection for 'intellectual property,' including software and patents, with

*patent rights extending to process as well as product" in order to "ensure that US-based corporations control the technology of the future" and so "locking the poor majority into dependence on high-priced products of Western agribusiness, biotechnology, the pharmaceutical industry and so on." [World Orders, Old and New, p. 183, p. 181 and pp. 182-3] This means that if a company discovers a new, more efficient, way of producing a drug then the "ideas monopoly" will stop them and so "these are not only highly protectionist measures . . . they're a blow **against** economic efficiency and technological process -- that just shows you how much 'free trade' really is involved in all of this." [Chomsky, **Understanding Power**, p. 282]*

All of which means that the corporations (and their governments) in the developed world are trying to prevent emergence of competition by controlling the flow of technology to others. The "free trade" agreements are being used to create monopolies for their products and this will either block or slow down the rise of competition. While corporate propagandists piously denounce "anti-globalisation" activists as enemies of the developing world, seeking to use trade barriers to maintain their (Western) lifestyles at the expense of the poor nations, the reality is different. The "ideas monopoly" is being aggressively used to either suppress or control the developing world's economic activity in order to keep the South as, effectively, one big sweatshop. As well as reaping monopoly profits directly, the threat of "low-wage" competition from the developing world can be used to keep the wage slaves of the developed world in check and so maintain profit levels at home.

This is not all. Like other forms of private property, the usury produced by it helps ensure it becomes self-perpetuating. By creating "legal" absolute monopolies and reaping the excess profits these create, capitalists not only enrich themselves at the expense of others, they also ensure their dominance in the market. Some of the excess profits reaped due to patents and copyrights are invested back into the company, securing advantages by creating various "natural" barriers to entry for potential competitors. Thus patents impact on business structure, encouraging the formation and dominance of big business.

Looking at the end of the nineteenth century, the ideas monopoly played a key role in promoting cartels and, as a result, laid the foundation for what was to become corporate capitalism in the twentieth century. Patents were used on a massive scale to promote concentration of capital, erect barriers to entry, and maintain a monopoly of advanced technology in the hands of western corporations. The exchange or pooling of patents between competitors, historically, has been a key method for the creation of cartels in industry. This was true especially of the electrical appliance, communications, and chemical industries. For example, by the 1890s, two large companies, General Electric and Westinghouse, "*monopolised a substantial part of the American electrical manufacturing industry, and their success had been in large measure the result of patent control.*" The two competitors simply pooled their patents and "*yet another means of patent and market control had developed: corporate patent-pooling agreements. Designed to minimise the expense and uncertainties of conflict between the giants, they greatly reinforced the position of each vis-à-vis lesser competitors and new entrants into the field.*" [David Noble, **American By Design**, p. 10]

While the patent system is, in theory, promoted to defend the small scale inventor, in reality it is corporate interests that benefit. As David Noble points out, the *"inventor, the original focus of the patent system, tended to increasingly to 'abandon' his patent in exchange for corporate security; he either sold or licensed his patent rights to industrial corporations or assigned them to the company of which he became an employee, bartering his genius for a salary. In addition, by means of patent control gained through purchase, consolidation, patent pools, and cross-licensing agreements, as well as by regulated patent production through systematic industrial research, the corporations steadily expanded their 'monopoly of monopolies.'"* As well as this, corporations used *"patents to circumvent anti-trust laws."* This reaping of monopoly profits at the expense of the customer made such *"tremendous strides"* between 1900 and 1929 and *"were of such proportions as to render subsequent judicial and legislative effects to check corporate monopoly through patent control too little too late."* [Op. Cit., p. 87, p. 84 and p. 88]

Things have changed little since Edwin Prindle, a corporate patent lawyer, wrote in 1906 that:

"Patents are the best and most effective means of controlling competition. They occasionally give absolute command of the market, enabling their owner to name the price without regard to the cost of production. . . Patents are the only legal form of absolute monopoly . . . The power which a patentee has to dictate the conditions under which his monopoly may be exercised had been used to form trade agreements throughout practically entire industries." [quoted by Noble, Op. Cit., p. 89]

Thus, the ruling class, by means of the state, is continually trying to develop new forms of private property by creating artificial scarcities and monopolies, e.g. by requiring expensive licenses to engage in particular types of activities, such as broadcasting or producing certain kinds of medicines or products. In the *"Information Age,"* usury (use fees) from intellectual property are becoming a much more important source of income for elites, as reflected in the attention paid to strengthening mechanisms for enforcing copyright and patents in the recent GATT agreements, or in US pressure on foreign countries (like China) to respect such laws.

This allows corporations to destroy potential competitors and ensure that their prices can be set as high as possible (and monopoly profits maintained indefinitely). It also allows them to enclose ever more of the common inheritance of humanity, place it under private ownership and charge the previous users money to gain access to it. As Chomsky notes, *"U.S. corporations must control seeds, plant varieties, drugs, and the means of life generally."* [World Orders, Old and New, p. 183] This has been termed *"bio-piracy"* (a better term may be the new enclosures) and it is a process by which *"international companies [are] patenting traditional medicines or foods."* They *"seek to make money from 'resources' and knowledge that rightfully belongs to the developing countries"* and *"in so doing, they squelch domestic firms that have long provided the products. While it is not clear whether these patents would hold up in court if they were effectively challenged, it is clear that the less developed countries many not have the legal and financial resources required to challenge the patent."* [Joseph Stiglitz, Op. Cit., p. 246] They may also not withstand the economic pressures they may experience if the international markets conclude that such acts indicate a regime that is less than business friendly. That the people who

were dependent on the generic drugs or plants can no longer afford them is as irrelevant as the impediments to scientific and technological advance they create.

In other words, capitalists desire to skew the "*free market*" in their favour by ensuring that the law reflects and protects their interests, namely their "*property rights*." By this process they ensure that co-operative tendencies within society are crushed by state-supported "market forces." As Noam Chomsky puts it, modern capitalism is "*state protection and public subsidy for the rich, market discipline for the poor*." ["Rollback, Part I", **Z Magazine**] Self-proclaimed defenders of "free market" capitalism are usually nothing of the kind, while the few who actually support it only object to the "*public subsidy*" aspect of modern capitalism and happily support state protection for property rights.

All these monopolies seek to enrich the capitalist (and increase their capital stock) at the expense of working people, to restrict their ability to undermine the ruling elites power and wealth. All aim to ensure that any option we have to work for ourselves (either individually or collectively) is restricted by tilting the playing field against us, making sure that we have little option but to sell our labour on the "*free market*" and be exploited. In other words, the various monopolies make sure that "natural" barriers to entry (see [section C.4](#)) are created, leaving the heights of the economy in the control of big business while alternatives to capitalism are marginalised at its fringes.

So it is these kinds of property and the authoritarian social relationships that they create which the state exists to protect. It should be noted that converting private to state ownership (i.e. nationalisation) does not fundamentally change the nature of property relationships; it just removes private capitalists and replaces them with bureaucrats (as we discuss in [section B.3.5](#)).

B.3.3 Why is property exploitative?

To answer this question, consider the monopoly of productive "*tools and equipment*." This monopoly, obtained by the class of industrial capitalists, allows this class in effect to charge workers a "*fee*" for the privilege of using the monopolised tools and equipment.

This occurs because property, in Proudhon words, "*excommunicates*" the working class. This means that private property creates a class of people who have no choice but to work for a boss in order to pay the landlord rent or buy the goods they, as a class, produce but do not own. The state enforces property rights in land, workplaces and so on, meaning that the owner can bar others from using them and enforce **their** rules on those they do let use "*their*" property. So the boss "*gives you a job; that is, permission to work in the factory or mill which was not built by him but by other workers like yourself. And for that permission you help to support him for . . . as long as you work for him.*" [Alexander Berkman, **What is Anarchism?**, p. 14] This is called wage labour and is, for anarchists, the defining characteristic of capitalism.

This class of people who are dependent on wages to survive was sometimes called the "*proletariat*" by nineteenth century anarchists. Today most anarchists usually call it the "*working class*" as most workers in modern capitalist nations are wage workers rather than peasants or

artisans (i.e. self-employed workers who are also exploited by the private property system, but in different ways). It should also be noted that property used in this way (i.e. to employ and exploit other people's labour) is also called "**capital**" by anarchists and other socialists. Thus, for anarchists, private property generates a class system, a regime in which the few, due to their ownership of wealth and the means of producing it, rule over the many who own very little (see [section B.7](#) for more discussion of classes).

This ensures that the few can profit from the work of others:

*"In the capitalist system the working man cannot [in general] work for himself . . . So . . . you must find an employer. You work for him . . . In the capitalist system the whole working class sells its labour power to the employing class. The workers build factories, make machinery and tools, and produce goods. The employers keep the factories, the machinery, the tools and the goods for themselves as **their profit**. The workers only get their wages . . . Though the workers, as a class, have built the factories, a slice of their daily labour is taken from them for the privilege of **using** those factories . . . Though the workers have made the tools and the machinery, another slice of their daily labour is taken from them for the privilege of **using** those tools and machinery . . .*

*"Can you guess now why the wisdom of Proudhon said that **the possessions of the rich are stolen property**? Stolen from the producer, the worker." [Berkman, **Op. Cit.**, pp. 7-8]*

Thus the daily theft/exploitation associated with capitalism is dependent on the distribution of wealth and private property (i.e. the initial theft of the means of life, the land, workplaces and housing by the owning class). Due to the dispossession of the vast majority of the population from the means of life, capitalists are in an ideal position to charge a "*use-fee*" for the capital they own, but neither produced nor use. Having little option, workers agree to contracts within which they forfeit their autonomy during work and the product of that work. This results in capitalists having access to a "*commodity*" (labour) that can potentially produce more value than it gets paid for in wages.

For this situation to arise, for wage labour to exist, workers must not own or control the means of production they use. As a consequence, are controlled by those who do own the means of production they use during work hours. As their labour is owned by their boss and as labour cannot be separated from the person who does it, the boss effectively owns the worker for the duration of the working day and, as a consequence, exploitation becomes possible. This is because during working hours, the owner can dictate (within certain limits determined by worker resistance and solidarity as well as objective conditions, such as the level of unemployment within an industry or country) the organisation, level, duration, conditions, pace and intensity of work, and so the amount of output (which the owner has sole rights over even though they did not produce it).

Thus the "*fee*" (or "*surplus value*") is created by owners paying workers less than the full value added by their labour to the products or services they create for the firm. The capitalist's profit is thus the difference between this "*surplus value*," created by and appropriated from labour, minus

the firm's overhead and cost of raw materials (See also section C.2 -- "[Where do profits come from?](#)").

So property is exploitative because it allows a surplus to be monopolised by the owners. Property creates hierarchical relationships within the workplace (the "*tools and equipment monopoly*" might better be called the "*power monopoly*") and as in any hierarchical system, those with the power use it to protect and further their own interests at the expense of others. Within the workplace there is resistance by workers to this oppression and exploitation, which the "*hierarchical . . . relations of the capitalist enterprise are designed to resolve this conflict in favour of the representatives of capital.*" [William Lazonick, **Op. Cit.**, p. 184]

Needless to say, the state is always on hand to protect the rights of property and management against the actions of the dispossessed. When it boils down to it, it is the existence of the state as protector of the "*power monopoly*" that allows it to exist at all.

So, capitalists are able to appropriate this surplus value from workers solely because they own the means of production, not because they earn it by doing productive work themselves. Of course some capitalists **may** also contribute to production, in which case they are in fairness entitled to the amount of value added to the firm's output by their own labour; but owners typically pay themselves much more than this, and are able to do so because the state guarantees them that right as property owners (which is unsurprising, as they alone have knowledge of the firm's inputs and outputs and, like all people in unaccountable positions, abuse that power -- which is partly why anarchists support direct democracy as the essential counterpart of free agreement, for no one in power can be trusted not to prefer their own -- interests over those subject to their decisions). And of course many capitalists hire managers to run their businesses for them, thus collecting income for doing nothing except owning.

Capitalists' profits, then, are a form of state-supported exploitation. This is equally true of the interest collected by bankers and rents collected by landlords. Without some form of state, these forms of exploitation would be impossible, as the monopolies on which they depend could not be maintained. For instance, in the absence of state troops and police, workers would simply take over and operate factories for themselves, thus preventing capitalists from appropriating an unjust share of the surplus they create.

B.3.4 Can private property be justified?

No. Even though a few supporters of capitalism recognise that private property, particularly in land, was created by the use of force, most maintain that private property is just. One common defence of private property is found in the work of Robert Nozick (a supporter of "*free market*" capitalism). For Nozick, the use of force makes acquisition illegitimate and so any current title to the property is illegitimate (in other words, theft and trading in stolen goods does not make ownership of these goods legal). So, if the initial acquisition of land was illegitimate then all current titles are also illegitimate. And since private ownership of land is the basis of capitalism, capitalism itself would be rendered illegal.

To get round this problem, Nozick utilises the work of Locke ("*The Lockean Proviso*") which can be summarised as:

1. People own themselves and, consequently, their labour.
2. The world is initially owned in common (or unowned in Nozick's case.)
3. By working on common (or unowned) resources, people turn it into their own property because they own their own labour.
4. You can acquire absolute rights over a larger than average share in the world, if you do not worsen the condition of others.
5. Once people have appropriated private property, a free market in capital and labour is morally required.

However, there are numerous flaws in this theory. Most obvious is why does the mixing of something you own (labour) with something owned by all (or unowned) turn it in your property? Surely it would be as likely to simply mean that you have lost the labour you have expended (for example, few would argue that you owned a river simply because you swam or fished in it). Even if we assume the validity of the argument and acknowledge that by working on a piece of land creates ownership, why assume that this ownership must be based on **capitalist** property rights? Many cultures have recognised no such "*absolute*" forms of property, admitted the right of property in what is produced but not the land itself.

As such, the assumption that expending labour turns the soil into private property does not automatically hold. You could equally argue the opposite, namely that labour, while producing ownership of the goods created, does not produce property in land, only possession. In the words of Proudhon:

"I maintain that the possessor is paid for his trouble and industry . . . but that he acquires no right to the land. 'Let the labourer have the fruits of his labour.' Very good; but I do not understand that property in products carries with it property in raw material. Does the skill of the fisherman, who on the same coast can catch more fish than his fellows, make him proprietor of the fishing-grounds? Can the expertness of a hunter ever be regarded as a property-title to a game-forest? The analogy is perfect, -- the industrious cultivator finds the reward of his industry in the abundance and superiority of his crop. If he has made improvements in the soil, he has the possessor's right of preference. Never, under any circumstances, can he be allowed to claim a property-title to the soil which he cultivates, on the ground of his skill as a cultivator.

"To change possession into property, something is needed besides labour, without which a man would cease to be proprietor as soon as he ceased to be a labourer. Now, the law bases property upon immemorial, unquestionable possession; that is, prescription. Labour is only the sensible sign, the physical act, by which occupation is manifested. If, then, the cultivator remains proprietor after he has ceased to labour and produce; if his possession, first conceded, then tolerated, finally becomes inalienable, -- it happens by permission of the civil law, and by virtue of the principle of occupancy. So true is this, that there is not a bill of sale, not a farm lease, not an annuity, but implies it . . .

"Man has created every thing -- every thing save the material itself. Now, I maintain that this material he can only possess and use, on condition of permanent labour, -- granting, for the time being, his right of property in things which he has produced.

*"This, then, is the first point settled: property in product, if we grant so much, does not carry with it property in the means of production; that seems to me to need no further demonstration. There is no difference between the soldier who possesses his arms, the mason who possesses the materials committed to his care, the fisherman who possesses the water, the hunter who possesses the fields and forests, and the cultivator who possesses the lands: all, if you say so, are proprietors of their products -- not one is proprietor of the means of production. The right to product is exclusive -- **jus in re**; the right to means is common -- **jus ad rem**." [What is Property?, pp. 120-1]*

Proudhon's argument has far more historical validity than Nozick's. Common ownership of land combined with personal use has been the dominant form of property rights for tens of thousands of years while Nozick's "natural law" theory dates back to Locke's work in the seventh century (itself an attempt to defend the encroachment of capitalist norms of ownership over previous common law ones). Nozick's theory only appears valid because we live in a society where the dominant form of property rights are capitalist. As such, Nozick is begging the question -- he is assuming the thing he is trying to prove.

Ignoring these obvious issues, what of Nozick's actual argument?

The first thing to note is that it is a fairy tale, it is a myth. The current property system and its distribution of resources and ownership rights is a product of thousands of years of conflict, coercion and violence. As such, given Nozick's arguments, it is illegitimate and the current owners have no right to deprive others of access to them or to object to taxation or expropriation. However, it is precisely this conclusion which Nozick seeks to eliminate by means of his story. By presenting an ahistoric thought experiment, he hopes to convince the reader to ignore the actual history of property in order to defend the current owners of property from redistribution. Nozick's theory is only taken seriously because, firstly, it assumes the very thing it is trying to justify (i.e. capitalist property rights) and, as such, has a superficial coherence as a result and, secondly, it has obvious political utility for the rich.

The second thing to note is that the argument itself is deeply flawed. To see why, take (as an example) two individuals who share land in common. Nozick allows for one individual to claim the land as their own as long as the "*process normally giving rise to a permanent bequeathable property right in a previously unowned thing will not do so if the position of others no longer at liberty to use the thing is therefore worsened.*" [Anarchy, State and Utopia, p. 178] Given this, one of our two land sharers can appropriate the land as long as they can provide the other with a wage greater than what they were originally producing. If this situation is achieved then, according to Nozick, the initial appropriation was just and so are all subsequent market exchanges. In this way, the unowned world becomes owned and a market system based on capitalist property rights in productive resources (the land) and labour develop.

Interestingly, for a ideology that calls itself "libertarian" Nozick's theory defines "worse off" in terms purely of material welfare, compared to the conditions that existed within the society based upon common use. However, the fact is if one person appropriated the land that the other cannot live off the remaining land then we have a problem. The other person has no choice but to agree to become employed by the landowner. The fact that the new land owner offers the other a wage to work their land that exceeds what the new wage slave originally produced may meet the "Lockean Proviso" misses the point. The important issue is that the new wage slave has no option but to work for another and, as a consequence, becomes subject to that person's authority. In other words, being "worse off" in terms of liberty (i.e. autonomy or self-government) is irrelevant for Nozick, a **very** telling position to take.

Nozick claims to place emphasis on self-ownership in his ideology because we are separate individuals, each with our own life to lead. It is strange, therefore, to see that Nozick does not emphasise people's ability to act on their own conception of themselves in his account of appropriation. Indeed, there is no objection to an appropriation that puts someone in an unnecessary and undesirable position of subordination and dependence on the will of others.

Notice that the fact that individuals are now subject to the decisions of other individuals is not considered by Nozick in assessing the fairness of the appropriation. The fact that the creation of private property results in the denial of important freedoms for wage slaves (namely, the wage slave has no say over the status of the land they had been utilising and no say over how their labour is used). Before the creation of private property, all managed their own work, had self-government in all aspects of their lives. After the appropriation, the new wage slave has no such liberty and indeed must accept the conditions of employment within which they relinquish control over how they spend much of their time. That this is issue is irrelevant for the Lockean Proviso shows how concerned about liberty capitalism actually is.

Considering Nozick's many claims in favour of self-ownership and why it is important, you would think that the autonomy of the newly dispossessed wage slaves would be important to him. However, no such concern is to be found -- the autonomy of wage slaves is treated as if it were irrelevant. Nozick claims that a concern for people's freedom to lead their own lives underlies his theory of unrestricted property-rights, but, this apparently does not apply to wage slaves. His justification for the creation of private property treats only the autonomy of the land owner as relevant. However, as Proudhon rightly argues:

"if the liberty of man is sacred, it is equally sacred in all individuals; that, if it needs property for its objective action, that is, for its life, the appropriation of material is equally necessary for all . . . Does it not follow that if one individual cannot prevent another . . . from appropriating an amount of material equal to his own, no more can he prevent individuals to come." [Op. Cit., pp. 84-85]

The implications of Nozick's argument become clear once we move beyond the initial acts of appropriation to the situation of a developed capitalist economy. In such a situation, **all** of the available useful land has been appropriated. There is massive differences in who owns what and these differences are passed on to the next generation. Thus we have a (minority) class of people

who own the world and a class of people (the majority) who can only gain access to the means of life on terms acceptable to the former. How can the majority really be said to own themselves if they may do nothing without the permission of others (the owning minority).

Under capitalism people are claimed to own themselves, but this is purely formal as most people do not have independent access to resources. And as they have to use other peoples' resources, they become under the control of those who own the resources. In other words, private property reduces the autonomy of the majority of the population and creates a regime of authority which has many similarities to enslavement. As John Stuart Mill put it:

"No longer enslaved or made dependent by force of law, the great majority are so by force of property; they are still chained to a place, to an occupation, and to conformity with the will of an employer, and debarred by the accident of birth to both the enjoyments, and from the mental and moral advantages, which others inherit without exertion and independently of desert. That this is an evil equal to almost any of those against which mankind have hitherto struggles, the poor are not wrong in believing."
["Chapters on Socialism", **Principles of Political Economy**, pp. 377-8]

Capitalism, even though claiming formal self-ownership, in fact not only restricts the self-determination of working class people, it also makes them a resource for others. Those who enter the market after others have appropriated all the available property are limited to charity or working for others. The latter, as we discuss in [section C](#), results in exploitation as the worker's labour is used to enrich others. Working people are compelled to co-operate with the current scheme of property and are forced to benefit others. This means that self-determination requires resources as well as rights over one's physical and mental being. Concern for self-determination (i.e. meaningful self-ownership) leads us to common property plus workers' control of production and so some form of libertarian socialism - **not** private property and capitalism.

And, of course, the appropriation of the land requires a state to defend it against the dispossessed as well as continuous interference in people's lives. Left to their own devices, people would freely use the resources around them which they considered unjustly appropriated by others and it is only continuous state intervention that prevents them from violating Nozick's principles of justice (to use Nozick's own terminology, the "*Lockean Proviso*" is a patterned theory, his claims otherwise not withstanding).

In addition, we should note that private ownership by one person presupposes non-ownership by others ("*we who belong to the proletaire class, property excommunicates us!*" [Proudhon, **Op. Cit.**, p. 105]) and so the "*free market*" restricts as well as creates liberties just as any other economic system. Hence the claim that capitalism constitutes "*economic liberty*" is obviously false. In fact, it is **based** upon denying liberty for the vast majority during work hours (as well as having serious impacts on liberty outwith work hours due to the effects of concentrations of wealth upon society).

Perhaps Nozick can claim that the increased material benefits of private property makes the acquisition justified. However, it seems strange that a theory supporting "liberty" should consider

well off slaves to be better than poor free men and women. As Nozick claims that the wage slaves consent is not required for the initial acquisition, so perhaps he can claim that the gain in material welfare outweighs the loss of autonomy and so allows the initial act as an act of paternalism. But as Nozick opposes paternalism when it restricts private property rights he can hardly invoke it when it is required to generate these rights. And if we exclude paternalism and emphasise autonomy (as Nozick claims he does elsewhere in his theory), then justifying the initial creation of private property becomes much more difficult, if not impossible.

And if each owner's title to their property includes the historical shadow of the Lockean Proviso on appropriation, then such titles are invalid. Any title people have over unequal resources will be qualified by the facts that *"property is theft"* and that *"property is despotism."* The claim that private property is economic liberty is obviously untrue, as is the claim that private property can be justified in terms of anything except *"might is right."*

In summary, *"[i]f the right of life is equal, the right of labour is equal, and so is the right of occupancy."* This means that *"those who do not possess today are proprietors by the same title as those who do possess; but instead of inferring therefrom that property should be shared by all, I demand, in the name of general security, its entire abolition."* [Proudhon, **Op. Cit.**, p. 77 and p. 66] Simply put, if it is right for the initial appropriation of resources to be made then, by that very same reason, it is right for others in the same and subsequent generations to abolish private property in favour of a system which respects the liberty of all rather than a few.

For more anarchist analysis on private property and why it cannot be justified (be it by occupancy, labour, natural right, or whatever) consult Proudhon's classic work *What is Property?*. For further discussion on capitalist property rights see [section F.4](#).

B.3.5 Is state owned property different from private property?

No, far from it.

State ownership should not be confused with the common or public ownership implied by the concept of *"use rights."* The state is a hierarchical instrument of coercion and, as we discussed in [section B.2](#), is marked by power being concentrated in a few hands. As the general populace is, by design, excluded from decision making within it this means that the state apparatus has control over the property in question. As the general public and those who use a piece of property are excluded from controlling it, state property is identical to private property. Instead of capitalists owning it, the state bureaucracy does.

This can easily be seen from the example of such so-called *"socialist"* states as the Soviet Union or China. To show why, we need only quote a market socialist who claims that China is not capitalist. According to David Schweickart a society is capitalist if, *"[i]n order to gain access to means of production (without which no one can work), most people must contract with people who own (or represent the owners of) such means. In exchange for a wage or a salary, they*

agree to supply the owners with a certain quantity and quality of labour. **It is a crucial characteristic of the institution of wage labour that the goods or services produced do not belong to the workers who produce them but to those who supply the workers with the means of production.**" Anarchists agree with Schweickart's definition of capitalism. As such, he is right to argue that a "*society of small farmers and artisans . . . is not a capitalist society, since wage labour is largely absent.*" He is, however, wrong to assert that a "*society in which most of [the] means of production are owned by the central government or by local communities -- contemporary China, for example -- is not a capitalist society, since private ownership of the means of production is not dominant.*" [**After Capitalism**, p. 23]

The reason is apparent. As Emma Goldman said (pointing out the obvious), if property is nationalised "*it belongs to the state; this is, the government has control of it and can dispose of it according to its wishes and views . . . Such a condition of affairs may be called state capitalism, but it would be fantastic to consider it in any sense Communistic*" (as that needs the "*socialisation of the land and of the machinery of production and distribution*" which "*belong[s] to the people, to be settled and used by individuals or groups according to their needs*" based on "*free access*"). [**Red Emma Speaks**, pp. 406-7]

Thus, by Schweickart's own definition, a system based on state ownership **is** capitalist as the workers clearly do not own the own means of production they use, the state does. Neither do they own the goods or services they produce, the state which supplies the workers with the means of production does. The difference is that rather than being a number of different capitalists there is only one, the state. It is, as Kropotkin warned, the "*mere substitution . . . of the State as the universal capitalist for the present capitalists.*" [**Evolution and Environment**, p. 106] This is why anarchists have tended to call such regimes "*state capitalist*" as the state basically replaces the capitalist as boss.

While this is most clear for regimes like China's which are dictatorships, the logic also applies to democratic states. No matter if a state is democratic, state ownership is a form of exclusive property ownership which implies a social relationship which is totally different from genuine forms of socialism. Common ownership and use rights produce social relationships based on liberty and equality. State ownership, however, presupposes the existence of a government machine, a centralised bureaucracy, which stands above the members of society, both as individuals and as a group, and has the power to coerce and dominate them. In other words, when a state owns the means of life, the members of society remain proletarians, non-owners, excluded from control. Both legally and in reality, the means of life belong not to them, but to the state. As the state is not an abstraction floating above society but rather a social institution made up of a specific group of human beings, this means that this group controls and so effectively owns the property in question, not society as a whole nor those who actually use it. Just as the owning class excludes the majority, so does the state bureaucracy which means it owns the means of production, whether or not this is formally and legally recognised.

This explains why libertarian socialists have consistently stressed workers' self-management of production as the basis of any real form of socialism. To concentrate on ownership, as both

Leninism and social democracy have done, misses the point. Needless to say, those regimes which have replaced capitalist ownership with state property have shown the validity the anarchist analysis in these matters ("*all-powerful, centralised Government with State Capitalism as its economic expression,*" to quote Emma Goldman's summation of Lenin's Russia [**Op. Cit.**, p. 388]). State property is in no way fundamentally different from private property -- all that changes is who exploits and oppresses the workers.

For more discussion see section H.3.13 -- "[Why is state socialism just state capitalism?](#)"

B.4 How does capitalism affect liberty?

Private property is in many ways like a private form of state. The owner determines what goes on within the area he or she "owns," and therefore exercises a monopoly of power over it. When power is exercised over one's self, it is a source of freedom, but under capitalism it is a source of coercive authority. As Bob Black points out in **The Abolition of Work**:

"The liberals and conservatives and Libertarians who lament totalitarianism are phoney's and hypocrites. . . You find the same sort of hierarchy and discipline in an office or factory as you do in a prison or a monastery. . . A worker is a part-time slave. The boss says when to show up, when to leave, and what to do in the meantime. He tells you how much work to do and how fast. He is free to carry his control to humiliating extremes, regulating, if he feels like it, the clothes you wear or how often you go to the bathroom. With a few exceptions he can fire you for any reason, or no reason. He has you spied on by snitches and supervisors, he amasses a dossier on every employee. Talking back is called 'insubordination,' just as if a worker is a naughty child, and it not only gets you fired, it disqualifies you for unemployment compensation. . . The demeaning system of domination I've described rules over half the waking hours of a majority of women and the vast majority of men for decades, for most of their lifespans. For certain purposes it's not too misleading to call our system democracy or capitalism or -- better still -- industrialism, but its real names are factory fascism and office oligarchy. Anybody who says these people are 'free' is lying or stupid." [**The Abolition of Work and other essays**, p. 21]

In response to this, defenders of capitalism usually say something along the lines of "*It's a free market and if you don't like it, find another job.*" Of course, there are a number of problems with this response. Most obviously is the fact that capitalism is not and has never been a "free market." As we noted in [section B.2](#), a key role of the state has been to protect the interests of the capitalist class and, as a consequence of this, it has intervened time and time again to skew the market in favour of the bosses. As such, to inform us that capitalism is something it has never been in order to defend it from criticism is hardly convincing.

However, there is another more fundamental issue with the response, namely the assumption that tyranny is an acceptable form of human interaction. To say that your option is either tolerate this boss or seek out another (hopefully more liberal) one suggests an utter lack of understanding

what freedom is. Freedom is not the opportunity to pick a master, it is to have autonomy over yourself. What capitalist ideology has achieved is to confuse having the ability to pick a master with freedom, that consent equates to liberty -- regardless of the objective circumstances shaping the choices being made or the nature of the social relationships such choices produce.

While we return to this argument in [section B.4.3](#), a few words seem appropriate now. To see why the capitalist response misses the point, we need only transfer the argument from the economic regime to the political. Let us assume a system of dictatorial states on an island. Each regime is a monarchy (i.e. a dictatorship). The King of each land decrees what his subjects do, who they associate with and, moreover, appropriates the fruit of their labour in exchange for food, clothing and shelter for however many hours a day he wants (the King is generous and allows his subjects some time to themselves in the evening and weekends). Some of the Kings even decree what their subjects will wear and how they will greet their fellow subjects. Few people would say that those subject to such arrangements are free.

Now, if we add the condition that any subject is free to leave a Kingdom but only if another King will let them join his regime, does that make it any more freer? Slightly, but not by much. The subjects now have a limited choice in who can govern them but the **nature** of the regime they are subjected to does not change. What we would expect to see happen is that those subjects whose skills are in demand will get better, more liberal, conditions than the others (as long as they are in demand). For the majority the conditions they are forced to accept will be as bad as before as they are easily replaceable. Both sets of subjects, however, are still under the autocratic rule of the monarchs. Neither are free but the members of one set have a more liberal regime than the others, dependent on the whims of the autocrats and their need for labour.

That this thought experiment reflects the way capitalism operates is clear. Little wonder anarchists have echoed Proudhon's complaint that *"our large capitalist associations [are] organised in the spirit of commercial and industrial feudalism."* [**Selected Writings of Pierre-Joseph Proudhon**, p. 72] Ironically, rather than deny the anarchist claim, defenders of capitalism have tried to convince us that such a regime is liberty incarnate. Yet the statist nature of private property can be seen in (right-wing) "Libertarian" (i.e. "classical" liberal) works representing the extremes of laissez-faire capitalism:

*"[I]f one starts a private town, on land whose acquisition did not and does not violate the Lockean proviso [of non-aggression], persons who chose to move there or later remain there would have no **right** to a say in how the town was run, unless it was granted to them by the decision procedures for the town which the owner had established."* [Robert Nozick, **Anarchy, State and Utopia**, p. 270]

This is voluntary feudalism, nothing more. And, indeed, it was. Such private towns have existed, most notably the infamous company towns of US history. Howard Zinn summarises the conditions of such "private towns" in the Colorado mine fields:

"Each mining camp was a feudal dominion, with the company acting as lord and master. Every camp had a marshal, a law enforcement officer paid by the company. The 'laws'

were the company's rules. Curfews were imposed, 'suspicious' strangers were not allowed to visit the homes, the company store had a monopoly on goods sold in the camp. The doctor was a company doctor, the schoolteachers hired by the company . . . Political power in Colorado rested in the hands of those who held economic power. This meant that the authority of Colorado Fuel & Iron and other mine operators was virtually supreme . . . Company officials were appointed as election judges. Company-dominated coroners and judges prevented injured employees from collecting damages." [**The Colorado Coal Strike, 1913-14**, pp. 9-11]

Unsurprisingly, when the workers rebelled against this tyranny, they were evicted from their homes and the private law enforcement agents were extremely efficient in repressing the strikers: *"By the end of the strike, most of the dead and injured were miners and their families."* The strike soon took on the features of a war, with battles between strikers and their supporters and the company thugs. Ironically, when the National Guard was sent in to "restore order" the *"miners, having faced in the first five weeks of the strike what they considered a reign of terror at the hands of the private guards, . . . looked forward"* to their arrival. They *"did not know that the governor was sending these troops under pressure from the mine operators."* Indeed, the banks and corporations lent the state funds to pay for the militia. It was these company thugs, dressed in the uniform of the state militia, who murdered woman and children in the infamous Ludlow Massacre of April 20th, 1914. [**Op. Cit.**, p. 22, p. 25, p. 35]

Without irony the **New York Times** editorialised that the *"militia was as impersonal and impartial as the law."* The corporation itself hired Ivy Lee (*"the father of public relations in the United States"*) to change public opinion after the slaughter. Significantly, Lee produced a series of tracts labelled *"Facts Concerning the Struggle in Colorado for Industrial Freedom."* The head of the corporation (Rockefeller) portrayed his repression of the strikers as blow for workers' freedom, to *"defend the workers' right to work."* [quoted by Zinn, **Op. Cit.**, p. 44, p. 51 and p. 50] So much for the capitalism being the embodiment of liberty.

Of course, it can be claimed that "market forces" will result in the most liberal owners being the most successful, but a nice master is still a master (and, of course, capitalism then was more "free market" than today, suggesting that this is simply wishful thinking). To paraphrase Tolstoy, *"the liberal capitalist is like a kind donkey owner. He will do everything for the donkey -- care for it, feed it, wash it. Everything except get off its back!"* And as Bob Black notes, *"Some people giving orders and others obeying them: this is the essence of servitude. . . . But freedom means more than the right to change masters."* [**The Libertarian as Conservative, The Abolition of Work and other essays**, p. 147] That supporters of capitalism often claim that this "right" to change masters is the essence of "freedom" is a telling indictment of the capitalist notion of "liberty."

Needless to say, the authoritarianism of capitalism is not limited to the workplace. Capitalists seek to bolster their power within society as a whole, via the state. Capitalists call upon and support the state when it acts in **their** interests and when it supports **their** authority and power. Any apparent "conflict" between state and capital is like two gangsters fighting over the proceeds

of a robbery: they will squabble over the loot and who has more power in the gang, but they need each other to appropriate the goods and defend their "property" against those from whom they stole it.

Unlike a company, however, the democratic state can be influenced by its citizens, who are able to act in ways that limit (to some extent) the power of the ruling elite to be "left alone" to enjoy their power. As a result, the wealthy hate the democratic aspects of the state, and its ordinary citizens, as potential threats to their power. This "problem" was noted by Alexis de Tocqueville in early 19th-century America:

"It is easy to perceive that the wealthy members of the community entertain a hearty distaste to the democratic institutions of their country. The populace is at once the object of their scorn and their fears."

These fears have not changed, nor has the contempt for democratic ideas. To quote one US Corporate Executive, *"one man, one vote will result in the eventual failure of democracy as we know it."* [L. Silk and D. Vogel, **Ethics and Profits: The Crisis of Confidence in American Business**, pp. 189f]

This contempt for democracy does not mean that capitalists are **anti**-state. Far from it. As previously noted, capitalists depend on the state. This is because *"[classical] Liberalism, is in theory a kind of anarchy without socialism, and therefore is simply a lie, for freedom is not possible without equality. . . The criticism liberals direct at government consists only of wanting to deprive it some of its functions and to call upon the capitalists to fight it out amongst themselves, but it cannot attack the repressive functions which are of its essence: for without the **gendarme** the property owner could not exist."* [Errico Malatesta, **Anarchy**, p. 47]

We have discussed the state and how the ruling elite control in [section B.2](#) and will not do so here. Nor we will discuss the ways in which the elite use that state to enforce private property (see [section B.3](#)) or use the state to intervene in society (see [section D.1](#)). Rather, the rest of this section will discuss how capitalism impacts on freedom and autonomy and why the standard apologetics by defenders of capitalism fail.

B.4.1 Is capitalism based on freedom?

For anarchists, freedom means both *"freedom from"* and *"freedom to."* "Freedom from" signifies not being subject to domination, exploitation, coercive authority, repression, or other forms of degradation and humiliation. "Freedom to" means being able to develop and express one's abilities, talents, and potentials to the fullest possible extent compatible with the maximum freedom of others. Both kinds of freedom imply the need for self-management, responsibility, and independence, which basically means that people have a say in the decisions that affect their lives. And since individuals do not exist in a social vacuum, it also means that freedom **must** take on a collective aspect, with the associations that individuals form with each other (e.g. communities, work groups, social groups) being run in a manner which allows the individual to participate in the decisions that the group makes. Thus freedom for anarchists requires

participatory democracy, which means face-to-face discussion and voting on issues by the people affected by them.

Are these conditions of freedom met in the capitalist system? Obviously not. Despite all their rhetoric about "democracy," most of the "advanced" capitalist states remain only superficially democratic -- and this because the majority of their citizens are employees who spend about half their waking hours under the thumb of capitalist dictators (bosses) who allow them no voice in the crucial economic decisions that affect their lives most profoundly and require them to work under conditions inimical to independent thinking. If the most basic freedom, namely freedom to think for oneself, is denied, then freedom itself is denied.

The capitalist workplace is profoundly undemocratic. Indeed, as Noam Chomsky points out, the oppressive authority relations in the typical corporate hierarchy would be called fascist or totalitarian if we were referring to a political system. In his words :

"There's nothing individualistic about corporations. These are big conglomerate institutions, essentially totalitarian in character, but hardly individualistic. There are few institutions in human society that have such strict hierarchy and top-down control as a business organisation. Nothing there about 'don't tread on me'. You're being tread on all the time." [**Keeping the Rabble in Line**, p. 280]

Far from being "based on freedom," then, capitalism actually destroys freedom. In this regard, Robert E. Wood, the chief executive officer of Sears, spoke plainly when he said "*[w]e stress the advantages of the free enterprise system, we complain about the totalitarian state, but... we have created more or less of a totalitarian system in industry, particularly in large industry.*" [quoted by Allan Engler, **Apostles of Greed**, p. 68]

Or, as Chomsky puts it, supporters of capitalism do not understand "*the fundamental doctrine, that you should be free from domination and control, including the control of the manager and the owner*" [Feb. 14th, 1992 appearance on **Pozner/Donahue**].

Under corporate authoritarianism, the psychological traits deemed most desirable for average citizens to possess are efficiency, conformity, emotional detachment, insensitivity, and unquestioning obedience to authority -- traits that allow people to survive and even prosper as employees in the company hierarchy. And of course, for "non-average" citizens, i.e., bosses, managers, administrators, etc., **authoritarian** traits are needed, the most important being the ability and willingness to dominate others.

But all such master/slave traits are inimical to the functioning of real (i.e. participatory/libertarian) democracy, which requires that citizens have qualities like flexibility, creativity, sensitivity, understanding, emotional honesty, directness, warmth, realism, and the ability to mediate, communicate, negotiate, integrate and co-operate. Therefore, capitalism is not only **undemocratic**, it is **anti-democratic**, because it promotes the development of traits that make real democracy (and so a libertarian society) impossible.

Many capitalist apologists have attempted to show that capitalist authority structures are "voluntary" and are, therefore, somehow not a denial of individual and social freedom. Milton Friedman (a leading free market capitalist economist) has attempted to do just this. Like most apologists for capitalism he ignores the authoritarian relations explicit within wage labour (within the workplace, "co-ordination" is based upon top-down command, **not** horizontal co-operation). Instead he concentrates on the decision of a worker to sell their labour to a **specific** boss and so ignores the lack of freedom within such contracts. He argues that *"individuals are effectively free to enter or not enter into any particular exchange, so every transaction is strictly voluntary. . . The employee is protected from coercion by the employer because of other employers for whom he can work."* [**Capitalism and Freedom**, pp. 14-15]

Friedman, to prove the free nature of capitalism, compares capitalism with a simple exchange economy based upon independent producers. He states that in such a simple economy each household *"has the alternative of producing directly for itself, [and so] it need not enter into any exchange unless it benefits from it. Hence no exchange will take place unless both parties do benefit from it. Co-operation is thereby achieved without coercion."* Under capitalism (or the "complex" economy) Friedman states that *"individuals are effectively free to enter or not to enter into any particular exchange, so that every transaction is strictly voluntary."* [**Op. Cit.**, p. 13 and p. 14]

A moments thought, however, shows that capitalism is not based on "strictly voluntary" transactions as Friedman claims. This is because the proviso that is required to make every transaction "strictly voluntary" is **not** freedom not to enter any **particular** exchange, but freedom not to enter into any exchange **at all**.

This, and only this, was the proviso that proved the simple model Friedman presents (the one based upon artisan production) to be voluntary and non-coercive; and nothing less than this would prove the complex model (i.e. capitalism) is voluntary and non-coercive. But Friedman is clearly claiming above that freedom not to enter into any **particular** exchange is enough and so, **only by changing his own requirements**, can he claim that capitalism is based upon freedom.

It is easy to see what Friedman has done, but it is less easy to excuse it (particularly as it is so commonplace in capitalist apologetics). He moved from the simple economy of exchange between independent producers to the capitalist economy without mentioning the most important thing that distinguishes them - namely the separation of labour from the means of production. In the society of independent producers, the worker had the choice of working for themselves - under capitalism this is not the case. For capitalist economists like Friedman, workers choose whether to work or not. The bosses must pay a wage to cover the "disutility" of labour. In reality, of course, most workers face the choice of working or starvation/poverty. Capitalism is based upon the existence of a labour force without access to capital or land, and therefore without a choice as to whether to put its labour in the market or not. Friedman would, hopefully, agree that where there is no choice there is coercion. His attempted demonstration that capitalism co-ordinates without coercion therefore fails.

Capitalist apologists are able to convince some people that capitalism is "based on freedom" only

because the system has certain superficial **appearances** of freedom. On closer analysis these appearances turn out to be deceptions. For example, it is claimed that the employees of capitalist firms have freedom because they can always quit. To quote Bob Black:

*"Some people giving orders and others obeying them: this is the essence of servitude. Of course, as [right-Libertarians] smugly [observe], 'one can at least change jobs,' but you can't avoid having a job -- just as under statism one can at least change nationalities but you can't avoid subjection to one nation-state or another. But freedom means more than the right to change masters." ["The Libertarian as Conservative", **The Abolition of Work and other essays**, p. 147]*

Under capitalism, workers have only the Hobson's choice of being governed/exploited or living on the street.

Anarchists point out that for choice to be real, free agreements and associations must be based on the social equality of those who enter into them, and both sides must receive roughly equivalent benefit. But social relations between capitalists and employees can never be equal, because private ownership of the means of production gives rise to social hierarchy and relations of coercive authority and subordination, as was recognised even by Adam Smith (see [below](#)).

The picture painted by Walter Reuther (one time head of the US autoworkers' union) of working life in America before the Wagner act is a commentary on class inequality : *"Injustice was as common as streetcars. When men walked into their jobs, they left their dignity, their citizenship and their humanity outside. They were required to report for duty whether there was work or not. While they waited on the convenience of supervisors and foremen they were unpaid. They could be fired without a pretext. They were subjected to arbitrary, senseless rules . . . Men were tortured by regulations that made difficult even going to the toilet. Despite grandiloquent statements from the presidents of huge corporations that their door was open to any worker with a complaint, there was no one and no agency to which a worker could appeal if he were wronged. The very idea that a worker could be wronged seemed absurd to the employer."* Much of this indignity remains, and with the globalisation of capital, the bargaining position of workers is further deteriorating, so that the gains of a century of class struggle are in danger of being lost.

A quick look at the enormous disparity of power and wealth between the capitalist class and the working class shows that the benefits of the "agreements" entered into between the two sides are far from equal. Walter Block, a leading ideologue of the Canadian right-libertarian "think-tank" the Fraser Institute, makes clear the differences in power and benefits when discussing sexual harassment in the workplace:

*"Consider the sexual harassment which continually occurs between a secretary and a boss . . . while objectionable to many women, [it] is not a coercive action. It is rather part of a package deal in which the secretary agrees to **all** aspects of the job when she agrees to accept the job, and especially when she agrees to **keep** the job. The office is, after all, private property. The secretary does not have to remain if the 'coercion' is objectionable." [quoted by Engler, **Op. Cit.**, p. 101]*

The primary goal of the Fraser Institute is to convince people that all other rights must be subordinated to the right to enjoy wealth. In this case, Block makes clear that under private property, only bosses have "freedom to," and most also desire to ensure they have "freedom from" interference with this right.

So, when capitalists gush about the "liberty" available under capitalism, what they are really thinking of is their state-protected freedom to exploit and oppress workers through the ownership of property, a freedom that allows them to continue amassing huge disparities of wealth, which in turn insures their continued power and privileges. That the capitalist class in liberal-democratic states **gives** workers the right to change masters (though this is not true under state capitalism) is far from showing that capitalism is based on freedom. For as Peter Kropotkin rightly points out, "*freedoms are not given, they are taken.*" [Peter Kropotkin, **Words of a Rebel**, p. 43] In capitalism, you are "free" to do anything you are permitted to do by your masters, which amounts to "freedom" with a collar and leash.

B.4.2 Is capitalism based on self-ownership?

Murray Rothbard, a leading "libertarian" capitalist, claims that capitalism is based on the "*basic axiom*" of "*the right to self-ownership.*" This "*axiom*" is defined as "*the absolute right of each man [sic] . . . to control [his or her] body free of coercive interference. Since each individual must think, learn, value, and choose his or her ends and means in order to survive and flourish, the right to self-ownership gives man [sic] the right to perform these vital activities without being hampered by coercive molestation.*" [**For a New Liberty**, pp. 26-27]

At first sight, this appears to sound reasonable. That we "own" ourselves and, consequently, we decide what we do with ourselves has an intuitive appeal. Surely this is liberty? Thus, in this perspective, liberty "*is a condition in which a person's ownership rights in his own body and his legitimate material property are **not** invaded, are not aggressed against.*" It also lends itself to contrasts with slavery, where one individual owns another and "*the slave has little or no right to self-ownership; his person and his produce are systematically expropriated by his master by the use of violence.*" [Rothbard, **Op. Cit.**, p. 41] This means that "self-ownership" can be portrayed as the opposite of slavery: we have the dominion over ourselves that a slaveholder has over their slave. This means that slavery is wrong because the slave owner has stolen the rightful property of the slave, namely their body (and its related abilities). This concept is sometimes expressed as people having a "natural" or "inalienable" right to own their own body and the product of their own labour.

Anarchists, while understanding the appeal of the idea, are not convinced. That "self-ownership," like slavery, places issues of freedom and individuality within the context of private property -- as such it shares the most important claim of slavery, namely that people can be objects of the rules of private property. It suggests an alienated perspective and, moreover, a fatal flaw in the dogma. This can be seen from how the axiom is used in practice. In as much as the term "self-ownership" is used simply as an synonym for "individual autonomy" anarchists do not have an issue with it. However, the "basic axiom" is not used in this way by the theorists of capitalism.

Liberty in the sense of individual autonomy is not what "self-ownership" aims to justify. Rather, it aims to justify the denial of liberty, not its exercise. It aims to portray social relationships, primarily wage labour, in which one person commands another as examples of liberty rather than what they are, examples of domination and oppression. In other words, "self-ownership" becomes the means by which the autonomy of individuals is limited, if not destroyed, in the name of freedom and liberty.

This is exposed in the right-libertarian slogan "*human rights are property rights.*" Assuming this is true, it means that you can alienate your rights, rent them or sell them like any other kind of property. Moreover, if you have no property, you have no human rights as you have no place to exercise them. As Ayn Rand, another ideologue for "free market" capitalism stated, "*there can be no such thing as the right to unrestricted freedom of speech (or of action) on someone else's property.*" [**Capitalism: The Unknown Ideal**, p. 258] If you are in someone else's property (say at work) you have no basic rights at all, beyond the right not to be harmed (a right bosses habitually violate anyway by ignoring health and safety issues).

Self-ownership justifies this. You have rented out the property in your person (labour services) and, consequently, another person can tell you what to do, when to do and how to do it. Thus property comes into conflict with liberty. If you argue that "*human rights are property rights*" you automatically ensure that human rights are continually violated in practice simply because there is a conflict between property and liberty. This is not surprising, as the "property rights" theory of liberty was created to justify the denial of other people's liberty and the appropriation of their labour.

Clearly, then, we reach a problem with "self-ownership" (or property in the person) once we take into account private property and its distribution. In a nutshell, capitalists don't pay their employees to perform the other "*vital activities*" listed by Rothbard (learning, valuing, choosing ends and means) -- unless, of course, the firm requires that workers undertake such activities in the interests of company profits. Otherwise, workers can rest assured that any efforts to engage in such "*vital activities*" on company time **will** be "*hampered*" by "*coercive molestation.*" Therefore wage labour (the basis of capitalism) in practice **denies** the rights associated with "self-ownership," thus alienating the individual from his or her basic rights. Or as Michael Bakunin expressed it, "*the worker sells his person and his liberty for a given time*" under capitalism. [**The Political Philosophy of Bakunin**, p. 187]

In a society of relative equals, "property" would not be a source of power as use would coincide with occupancy (i.e. private property would be replaced by possession). For example, you would still be able to fling a drunk out of your home. But in a system based on wage labour (i.e. capitalism), property is a different thing altogether, becoming a source of **institutionalised** power and coercive authority through hierarchy. As Noam Chomsky writes, capitalism is based on "*a particular form of authoritarian control. Namely, the kind that comes through private ownership and control, which is an extremely rigid system of domination.*" When "property" is purely what you, as an individual, use (i.e. **possession**) it is not a source of power. In capitalism, however, "property" rights no longer coincide with **use** rights, and so they become a **denial** of

freedom and a source of authority and power over the individual.

As we've seen in the discussion of hierarchy (sections [A.2.8](#) and [B.1](#)), all forms of authoritarian control depend on "*coercive molestation*" -- i.e. the use or threat of sanctions. This is definitely the case in company hierarchies under capitalism. Bob Black describes the authoritarian nature of capitalism as follows:

*"[T]he place where [adults] pass the most time and submit to the closest control is at work. Thus . . . it's apparent that the source of the greatest direct duress experienced by the ordinary adult is **not** the state but rather the business that employs him. Your foreman or supervisor gives you more or-else orders in a week than the police do in a decade."*
["*The Libertarian as Conservative*", **The Abolition of Work and other essays**, p. 145]

In developing nations, this control can easily be seen to be an utter affront to human dignity and liberty. There a workplace is often "*surrounded by barbed wire. Behind its locked doors . . . workers are supervised by guards who beat and humiliate them on the slightest pretext . . . Each worker repeats the same action -- sewing on a belt loop, stitching a sleeve -- maybe two thousand times a day. They work under painfully bright lights, for twelve- to fourteen-hour shifts, in overheated factories, with too few bathroom breaks, and restricted access to water (to reduce the need for more bathroom breaks), which is often foul and unfit for human consumption in any event.*" The purpose is "*to maximise the amount of profit that could be wrung out*" of the workers, with the "*time allocated to each task*" being calculated in "*units of ten thousands of a second.*" [Joel Bakan, **The Corporation**, pp. 66-7] While in the developed world the forms of control are, in general, nowhere as extreme (in thanks due to hard won labour organising and struggle) the basic principle is the same. Only a sophist would argue that the workers "owned" themselves and abilities for the period in question -- yet this is what the advocates of "self-ownership" do argue.

So if by the term "self-ownership" it is meant "individual autonomy" then, no, capitalism is not based on it. Ironically, the theory of "self-ownership" is used to undercut and destroy genuine self-ownership during working hours (and, potentially, elsewhere). The logic is simple. As I own myself I am, therefore, able to sell myself as well, although few advocates of "self-ownership" are as blunt as this (as we discuss in [section F.2.2](#) right-libertarian Robert Nozick accepts that voluntary slavery flows from this principle). Instead they stress that we "own" our labour and we contract them to others to use. Yet, unlike other forms of property, labour cannot be alienated. Therefore when you sell your labour you sell yourself, your liberty, for the time in question. By alienating your labour power, you alienate the substance of your being, your personality, for the time in question.

As such, "self-ownership" ironically becomes the means of justifying authoritarian social relationships which deny the autonomy it claims to defend. Indeed, these relationships have similarities with slavery, the very thing which its advocates like to contrast "self-ownership" to. While modern defenders of capitalism deny this, classical economist James Mill let the cat out of the bag by directly comparing the two. It is worthwhile to quote him at length:

"The great capitalist, the owner of a manufactory, if he operated with slaves instead of free labourers, like the West India planter, would be regarded as owner both of the capital, and of the labour. He would be owner, in short, of both instruments of production: and the whole of the produce, without participation, would be his own.

*"What is the difference, in the case of the man, who operates by means of labourers receiving wages? The labourer, who receives wages, sells his labour for a day, a week, a month, or a year, as the case may be. The manufacturer, who pays these wages, buys the labour, for the day, the year, or whatever period it may be. He is equally therefore the owner of the labour, with the manufacturer who operates with slaves. The only difference is, in the mode of purchasing. The owner of the slave purchases, at once, the whole of the labour, which the man can ever perform: he, who pays wages, purchases only so much of a man's labour as he can perform in a day, or any other stipulated time. Being equally, however, the owner of the labour, so purchased, as the owner of the slave is of that of the slave, the produce, which is the result of this labour, combined with his capital, is all equally his own. In the state of society, in which we at present exist, it is in these circumstances that almost all production is effected: the capitalist is the owner of both instruments of production: and the whole of the produce is his." ["Elements of Political Economy" quoted by David Ellerman, **Property and Contract in Economics**, pp. 53-4*

Thus the only "difference" between slavery and capitalist labour is the "mode of purchasing." The labour itself and its product in both cases is owned by the "great capitalist." Clearly this is a case of, to use Rothbard's words, during working hours the worker "has little or no right to self-ownership; his person and his produce are systematically expropriated by his master." Little wonder anarchists have tended to call wage labour by the more accurate term "**wage slavery**." For the duration of the working day the boss owns the labour power of the worker. As this cannot be alienated from its "owner" this means that the boss effectively owns the worker -- and keeps the product of their labour for the privilege of so doing!

There are key differences of course. At the time, slavery was not a voluntary decision and the slaves could not change their master (although in some cultures, such as Ancient Rome, people over the could sell themselves in slavery while "**voluntary slavery is sanctioned in the Bible**." [Ellerman, **Op. Cit.**, p. 115 and p. 114]). Yet the fact that under wage slavery people are not forced to take a specific job and can change masters does not change the relations of authority created between the two parties. As we note in the [next section](#), the objection that people can leave their jobs just amounts to saying "love it or leave it!" and does not address the issue at hand. The vast majority of the population cannot avoid wage labour and remain wage workers for most of their adult lives. It is virtually impossible to distinguish being able to sell your liberty/labour piecemeal over a lifetime from alienating your whole lifetime's labour at one go. Changing who you alienate your labour/liberty to does not change the act and experience of alienation.

Thus the paradox of self-ownership. It presupposes autonomy only in order to deny it. In order to enter a contract, the worker exercises autonomy in deciding whether it is advantageous to rent or

sell his or her property (their labour power) for use by another (and given that the alternative is, at best, poverty unsurprisingly people do consider it "advantageous" to "consent" to the contract). Yet what is rented or sold is **not** a piece of property but rather a self-governing individual. Once the contract is made and the property rights are transferred, they no longer have autonomy and are treated like any other factor of production or commodity.

In the "self-ownership" thesis this is acceptable due to its assumption that people and their labour power are property. Yet the worker cannot send along their labour by itself to an employer. By its very nature, the worker has to be present in the workplace if this "property" is to be put to use by the person who has bought it. The consequence of contracting out your labour (your property in the person) is that your autonomy (liberty) is restricted, if not destroyed, depending on the circumstances of the particular contract signed. This is because employers hire people, not a piece of property.

So far from being based on the "right to self-ownership," then, capitalism effectively denies it, alienating the individual from such basic rights as free speech, independent thought, and self-management of one's own activity, which individuals have to **give up** when they are employed. But since these rights, according to Rothbard, are the products of humans **as** humans, wage labour alienates them from themselves, exactly as it does the individual's labour power and creativity. For you do not sell your skills, as these skills are **part** of you. Instead, what you have to sell is your **time**, your labour power, and so **yourself**. Thus under wage labour, rights of "self-ownership" are always placed below property rights, the only "right" being left to you is that of finding another job (although even this right is denied in some countries if the employee owes the company money).

It should be stressed that this is **not** a strange paradox of the "self-ownership" axiom. Far from it. The doctrine was most famously expounded by John Locke, who argued that *"every Man has a **Property** in his own **Person**. This no Body has any Right to but himself."* However, a person can sell, *"for a certain time, the Service he undertakes to do, in exchange for Wages he is to receive."* The buyer of the labour then owns both it and its product. *"Thus the Grass my Horse has bit; the Turfs my Servant has cut; and the Ore I have digg'd in any place where I have a right to them in common with others, becomes my **Property**, without the assignation or consent of any body. The labour that was mine . . . hath **fixed** my **Property** in them."* [Second Treatise on Government, Section 27, Section 85 and Section 28]

Thus a person (the servant) becomes the equivalent of an animal (the horse) once they have sold their labour to the boss. Wage labour denies the basic humanity and autonomy of the worker. Rather than being equals, private property produces relations of domination and alienation. Proudhon compared this to an association in which, *"while the partnership lasts, the profits and losses are divided between them; since each produces, not for himself, but for the society; when the time of distribution arrives it is not the producer who is considered, but the associated. That is why the slave, to whom the planter gives straw and rice; and the civilised labour, to whom the capitalist pays a salary which is always too small, -- not being associated with their employers, although producing with them, -- are disregarded when the product is divided. Thus the horse*

who draws our coaches . . . produce with us, but are not associated with us; we take their product but do not share it with them. The animals and labourers whom we employ hold the same relation to us." [What is Property?, p. 226]

So while the capitalist Locke sees nothing wrong in comparing a person to an animal, the anarchist Proudhon objects to the fundamental injustice of a system which turns a person into a resource for another to use. And we do mean resource, as the self-ownership thesis is also the means by which the poor become little more than spare parts for the wealthy. After all, the poor own their bodies and, consequently, can sell all or part of it to a willing party. This means that someone in dire economic necessity can sell parts of their body to the rich. Ultimately, "[t]o tell a poor man that he **has** property because he **has** arms and legs -- that the hunger from which he suffers, and his power to sleep in the open air are his property, -- is to play upon words, and to add insult to injury." [Proudhon, **Op. Cit.**, p. 80]

Obviously the ability to labour is **not** the property of a person -- it is their possession. Use and ownership are fused and cannot be separated out. As such, anarchists argue that the history of capitalism shows that there is a considerable difference whether one said (like the defenders of capitalism) that slavery is wrong because every person has a natural right to the property of their own body, or because every person has a natural right freely to determine their own destiny (like the anarchists). The first kind of right is alienable and in the context of a capitalist regime ensures that the many labour for those who own the means of life. The second kind of right is inalienable as long as a person remained a person and, therefore, liberty or self-determination is not a claim to ownership which might be both acquired and surrendered, but an inextricable aspect of the activity of being human.

The anarchist position on the inalienable nature of human liberty also forms the basis for the excluded to demand access to the means necessary to labour. "*From the distinction between possession and property,*" argued Proudhon, "*arise two sorts of rights: the **jus in re**, the right in a thing, the right by which I may reclaim the property which I have acquired, in whatever hands I find it; and **jus ad rem**, the right to a thing, which gives me a claim to become a proprietor . . . In the first, possession and property are united; the second includes only naked property. With me who, as a labourer, have a right to the possession of the products of Nature and my own industry -- and who, as a proletaire, enjoy none of them -- it is by virtue of the **jus de rem** that I demand admittance to the **jus in re**." [Op. Cit., p. 65] Thus to make the self-ownership of labour and its products a reality for those who do the actual work in society rather than a farce, property must be abolished -- both in terms of the means of life and also in defining liberty and what it means to be free.*

So, contrary to Rothbard's claim, capitalism in practice uses the rhetoric of self-ownership to alienate the right to genuine self-ownership because of the authoritarian structure of the workplace, which derives from private property. If we desire real self-ownership, we cannot renounce it for most of our adult lives by becoming wage slaves. Only workers' self-management of production, not capitalism, can make self-ownership a reality:

"They speak of 'inherent rights', 'inalienable rights', 'natural rights,' etc . . . Unless the

material conditions for equality exist, it is worse than mockery to pronounce men equal. And unless there is equality (and by equality I mean equal chances for every one to make the most of himself [or herself]) unless, I say, these equal changes exist, freedom, either of thought, speech, or action, is equally a mockery . . . As long as the working-people . . . tramp the streets, whose stones they lay, whose filth they clean, whose sewers they dig, yet upon which they must not stand too long lest the policeman bid them 'move on'; as long as they go from factory to factory, begging for the opportunity to be a slave, receiving the insults of bosses and foreman, getting the old 'no,' the old shake of the head, in these factories they built, whose machines they wrought; so long as they consent to be herd like cattle, in the cities, driven year after year, more and more, off the mortgaged land, the land they cleared, fertilised, cultivated, rendered of value . . . so long as they continue to do these things vaguely relying upon some power outside themselves, be it god, or priest, or politician, or employer, or charitable society, to remedy matters, so long deliverance will be delayed. When they conceive the possibility of a complete international federation of labour, whose constituent groups shall take possession of land, mines, factories, all the instruments of production . . . , in short, conduct their own industry without regulative interference from law-makers or employers, then we may hope for the only help which counts for aught -- Self-Help; the only condition which can guarantee free speech [along with their other rights] (and no paper guarantee needed)." [Voltaireine de Cleyre, **The Voltairine de Cleyre Reader**, pp. 4-6]

To conclude, the idea that capitalism is based on self-ownership is radically at odds with reality if, by self-ownership, it is meant self-determination or individual autonomy. However, this is not surprising given that the rationale behind the self-ownership thesis is precisely to justify capitalist hierarchy and its resulting restrictions on liberty. Rather than being a defence of liberty, self-ownership is designed to facilitate its erosion. In order to make the promise of autonomy implied by the concept of "self-ownership" a reality, private property will need to be abolished.

For more discussion of the limitations, contradictions and fallacies of defining liberty in terms of self-ownership and property rights, see [section F.2](#).

B.4.3 But no one forces you to work for them!

Of course it is claimed that entering wage labour is a "voluntary" undertaking, from which both sides allegedly benefit. However, due to **past** initiations of force (e.g. the seizure of land by conquest), the control of the state by the capitalist class plus the tendency for capital to concentrate, a relative handful of people now control vast wealth, depriving all others access to the means of life. Thus denial of free access to the means of life is based ultimately on the principle of "might makes right." And as Murray Bookchin so rightly points out, *"the means of life must be taken for what they literally are: the means without which life is impossible. To deny them to people is more than 'theft' . . . it is outright homicide."* [**Remaking Society**, p. 187]

David Ellerman has also noted that the past use of force has resulted in the majority being limited to those options allowed to them by the powers that be:

*"It is a veritable mainstay of capitalist thought . . . that the moral flaws of chattel slavery have not survived in capitalism since the workers, unlike the slaves, are free people making voluntary wage contracts. But it is only that, in the case of capitalism, the denial of natural rights is less complete so that the worker has a residual legal personality as a free 'commodity owner.' He is thus allowed to voluntarily put his own working life to traffic. When a robber denies another person's right to make an infinite number of other choices besides losing his money or his life and the denial is backed up by a gun, then this is clearly robbery even though it might be said that the victim making a 'voluntary choice' between his remaining options. When the legal system itself denies the natural rights of working people in the name of the prerogatives of capital, and this denial is sanctioned by the legal violence of the state, then the theorists of 'libertarian' capitalism do not proclaim institutional robbery, but rather they celebrate the 'natural liberty' of working people to choose between the remaining options of selling their labour as a commodity and being unemployed." [quoted by Noam Chomsky, **The Chomsky Reader**, p. 186]*

Therefore the existence of the labour market depends on the worker being separated from the means of production. The natural basis of capitalism is wage labour, wherein the majority have little option but to sell their skills, labour and time to those who **do** own the means of production. In advanced capitalist countries, less than 10% of the working population are self-employed (in 1990, 7.6% in the UK, 8% in the USA and Canada - however, this figure includes **employers** as well, meaning that the number of self-employed **workers** is even smaller!). Hence for the vast majority, the labour market is their only option.

Michael Bakunin notes that these facts put the worker in the position of a serf with regard to the capitalist, even though the worker is formally "free" and "equal" under the law:

*"Juridically they are both equal; but economically the worker is the serf of the capitalist . . . thereby the worker sells his person and his liberty for a given time. The worker is in the position of a serf because this terrible threat of starvation which daily hangs over his head and over his family, will force him to accept any conditions imposed by the gainful calculations of the capitalist, the industrialist, the employer. . . . The worker always has the **right** to leave his employer, but has he the means to do so? No, he does it in order to sell himself to another employer. He is driven to it by the same hunger which forces him to sell himself to the first employer. Thus the worker's liberty . . . is only a theoretical freedom, lacking any means for its possible realisation, and consequently it is only a fictitious liberty, an utter falsehood. The truth is that the whole life of the worker is simply a continuous and dismaying succession of terms of serfdom -- voluntary from the juridical point of view but compulsory from an economic sense -- broken up by momentarily brief interludes of freedom accompanied by starvation; in other words, it is real slavery." [The Political Philosophy of Bakunin, pp. 187-8]*

Obviously, a company cannot **force** you to work for them but, in general, you have to work for **someone**. How this situation developed is, of course, usually ignored. If not glossed over as

irrelevant, some fairy tale is spun in which a few bright people saved and worked hard to accumulate capital and the lazy majority flocked to be employed by these (almost superhuman) geniuses. In the words of one right-wing economist (talking specifically of the industrial revolution but whose argument is utilised today):

"The factory owners did not have the power to compel anybody to take a factory job. They could only hire people who were ready to work for the wages offered to them. Low as these wage rates were, they were nonetheless much more than these paupers could earn in any other field open to them." [Ludwig von Mises, **Human Action**, pp. 619-20]

Notice the assumptions. The workers just happen have such a terrible set of options -- the employing classes have absolutely nothing to do with it. And these owners just happen to have all these means of production on their hands while the working class just happen to be without property and, as a consequence, forced to sell their labour on the owners' terms. That the state enforces capitalist property rights and acts to defend the power of the owning class is just another co-incidence among many. The possibility that the employing classes might be directly implicated in state policies that reduced the available options of workers is too ludicrous even to mention.

Yet in the real world, the power of coincidence to explain all is less compelling. Here things are more grim as the owning class clearly benefited from numerous acts of state violence and a general legal framework which restricted the options available for the workers. Apparently we are meant to believe that it is purely by strange co-incidence the state was run by the wealthy and owning classes, not the working class, and that a whole host of anti-labour laws and practices were implemented by random chance.

It should be stressed that this nonsense, with its underlying assumptions and inventions, is still being peddled today. It is being repeated to combat the protests that "multinational corporations exploit people in poor countries." Yes, it will be readily admitted, multinationals **do** pay lower wages in developing countries than in rich ones: that is why they go there. However, it is argued, this represents economic advancement compares to what the other options available are. As the corporations do not force them to work for them and they would have stayed with what they were doing previously the charge of exploitation is wrong. Would you, it is stressed, leave your job for one with less pay and worse conditions? In fact, the bosses are doing them a favour in paying such low wages for the products the companies charge such high prices in the developed world for.

And so, by the same strange co-incidence that marked the industrial revolution, capitalists today (in the form of multinational corporations) gravitate toward states with terrible human rights records. States where, at worse, death squads torture and "disappear" union and peasant co-operative organisers or where, at best, attempts to organise a union can get you arrested or fired and blacklisted. States where peasants are being forced off their land as a result of government policies which favour the big landlords. By an equally strange coincidence, the foreign policy of the American and European governments is devoted to making sure such anti-labour regimes stay in power. It is a co-incidence, of course, that such regimes are favoured by the

multinationals and that these states spend so much effort in providing a "market friendly" climate to tempt the corporations to set up their sweatshops there. It is also, apparently, just a coincidence that these states are controlled by the local wealthy owning classes and subject to economic pressure by the transnationals which invest and wish to invest there.

It is clear that when a person who is mugged hands over their money to the mugger they do so because they prefer it to the "next best alternative." As such, it is correct that people agree to sell their liberty to a boss because their "next best alternative" is worse (utter poverty or starvation are not found that appealing for some reason). But so what? As anarchists have been pointing out over a century, the capitalists have systematically used the state to create a limit options for the many, to create buyers' market for labour by skewing the conditions under which workers can sell their labour in the bosses favour. To then merrily answer all criticisms of this set-up with the response that the workers "voluntarily agreed" to work on those terms is just hypocrisy. Does it really change things if the mugger (the state) is only the agent (hired thug) of another criminal (the owning class)?

As such, hymns to the "free market" seem somewhat false when the reality of the situation is such that workers do not need to be forced at gun point to enter a specific workplace because of **past** (and more often than not, current) "initiation of force" by the capitalist class and the state which have created the objective conditions within which we make our employment decisions. Before any **specific** labour market contract occurs, the separation of workers from the means of production is an established fact (and the resulting "labour" market usually gives the advantage to the capitalists as a class). So while we can usually pick which capitalist to work for, we, in general, cannot choose to work for ourselves (the self-employed sector of the economy is tiny, which indicates well how spurious capitalist liberty actually is). Of course, the ability to leave employment and seek it elsewhere is an important freedom. However, this freedom, like most freedoms under capitalism, is of limited use and hides a deeper anti-individual reality.

As Karl Polanyi puts it:

"In human terms such a postulate [of a labour market] implied for the worker extreme instability of earnings, utter absence of professional standards, abject readiness to be shoved and pushed about indiscriminately, complete dependence on the whims of the market. [Ludwig Von] Mises justly argued that if workers 'did not act as trade unionists, but reduced their demands and changed their locations and occupations according to the labour market, they would eventually find work.' This sums up the position under a system based on the postulate of the commodity character of labour. It is not for the commodity to decide where it should be offered for sale, to what purpose it should be used, at what price it should be allowed to change hands, and in what manner it should be consumed or destroyed." [The Great Transformation, p. 176]

(Although we should point out that von Mises argument that workers will "eventually" find work as well as being nice and vague -- how long is "eventually"?, for example -- is contradicted by actual experience. As the Keynesian economist Michael Stewart notes, in the nineteenth century workers "who lost their jobs had to redeploy fast or starve (and even this feature of the

nineteenth century economy. . . did not prevent prolonged recessions)" [Keynes in the 1990s, p. 31] Workers "reducing their demands" may actually worsen an economic slump, causing more unemployment in the short run and lengthening the length of the crisis. We address the issue of unemployment and workers "reducing their demands" in more detail in [section C.9](#)).

It is sometimes argued that capital needs labour, so both have an equal say in the terms offered, and hence the labour market is based on "liberty." But for capitalism to be based on real freedom or on true free agreement, both sides of the capital/labour divide must be equal in bargaining power, otherwise any agreement would favour the most powerful at the expense of the other party. However, due to the existence of private property and the states needed to protect it, this equality is de facto impossible, regardless of the theory. This is because, in general, capitalists have three advantages on the "free" labour market-- the law and state placing the rights of property above those of labour, the existence of unemployment over most of the business cycle and capitalists having more resources to fall back on. We will discuss each in turn.

The first advantage, namely property owners having the backing of the law and state, ensures that when workers go on strike or use other forms of direct action (or even when they try to form a union) the capitalist has the full backing of the state to employ scabs, break picket lines or fire "the ring-leaders." This obviously gives employers greater power in their bargaining position, placing workers in a weak position (a position that may make them, the workers, think twice before standing up for their rights).

The existence of unemployment over most of the business cycle ensures that *"employers have a structural advantage in the labour market, because there are typically more candidates. . . than jobs for them to fill."* This means that *"[c]ompetition in labour markets is typically skewed in favour of employers: it is a buyers market. And in a buyer's market, it is the sellers who compromise. Competition for labour is not strong enough to ensure that workers' desires are always satisfied."* [Juliet B. Schor, **The Overworked American**, p. 71, p. 129] If the labour market generally favours the employer, then this obviously places working people at a disadvantage as the threat of unemployment and the hardships associated with it encourages workers to take any job and submit to their bosses demands and power while employed. Unemployment, in other words, serves to discipline labour. The higher the prevailing unemployment rate, the harder it is to find a new job, which raises the cost of job loss and makes it less likely for workers to strike, join unions, or to resist employer demands, and so on.

As Bakunin argued, *"the property owners... are likewise forced to seek out and purchase labour... but not in the same measure . . . [there is no] equality between those who offer their labour and those who purchase it."* [Op. Cit., p. 183] This ensures that any "free agreements" made benefit the capitalists more than the workers (see the [next section](#) on periods of full employment, when conditions tilt in favour of working people).

Lastly, there is the issue of inequalities in wealth and so resources. The capitalist generally has more resources to fall back on during strikes and while waiting to find employees (for example, large companies with many factories can swap production to their other factories if one goes on strike). And by having more resources to fall back on, the capitalist can hold out longer than the

worker, so placing the employer in a stronger bargaining position and so ensuring labour contracts favour them. This was recognised by Adam Smith:

"It is not difficult to foresee which of the two parties [workers and capitalists] must, upon all ordinary occasions... force the other into a compliance with their terms... In all such disputes the masters can hold out much longer... though they did not employ a single workman [the masters] could generally live a year or two upon the stocks which they already acquired. Many workmen could not subsist a week, few could subsist a month, and scarce any a year without employment. In the long-run the workman may be as necessary to his master as his master is to him; but the necessity is not so immediate. . . [I]n disputes with their workmen, masters must generally have the advantage." [**Wealth of Nations**, pp. 59-60]

How little things have changed.

So, while it is definitely the case that no one forces you to work for them, the capitalist system is such that you have little choice but to sell your liberty and labour on the "free market." Not only this, but the labour market (which is what makes capitalism capitalism) is (usually) skewed in favour of the employer, so ensuring that any "free agreements" made on it favour the boss and result in the workers submitting to domination and exploitation. This is why anarchists support collective organisation (such as unions) and resistance (such as strikes), direct action and solidarity to make us as, if not more, powerful than our exploiters and win important reforms and improvements (and, ultimately, change society), even when faced with the disadvantages on the labour market we have indicated. The despotism associated with property (to use Proudhon's expression) is resisted by those subject to it and, needless to say, the boss does not always win.

B.4.4 But what about periods of high demand for labour?

Of course there are periods when the demand for labour exceeds supply, but these periods hold the seeds of depression for capitalism, as workers are in an excellent position to challenge, both individually and collectively, their allotted role as commodities. This point is discussed in more detail in section C.7 ([What causes the capitalist business cycle?](#)) and so we will not do so here. For now it's enough to point out that during normal times (i.e. over most of the business cycle), capitalists often enjoy extensive authority over workers, an authority deriving from the unequal bargaining power between capital and labour, as noted by Adam Smith and many others.

However, this changes during times of high demand for labour. To illustrate, let us assume that supply and demand approximate each other. It is clear that such a situation is only good for the worker. Bosses cannot easily fire a worker as there is no one to replace them and the workers, either collectively by solidarity or individually by "exit" (i.e. quitting and moving to a new job), can ensure a boss respects their interests and, indeed, can push these interests to the full. The boss finds it hard to keep their authority intact or from stopping wages rising and causing a profits squeeze. In other words, as unemployment drops, workers power increases.

Looking at it another way, giving someone the right to hire and fire an input into a production

process vests that individual with considerable power over that input unless it is costless for that input to move; that is unless the input is perfectly mobile. This is only approximated in real life for labour during periods of full employment, and so perfect mobility of **labour** costs problems for a capitalist firm because under such conditions workers are not dependent on a particular capitalist and so the level of worker effort is determined far more by the decisions of workers (either collectively or individually) than by managerial authority. The threat of firing cannot be used as a threat to increase effort, and hence production, and so full employment increases workers power.

With the capitalist firm being a fixed commitment of resources, this situation is intolerable. Such times are bad for business and so occur rarely with free market capitalism (we must point out that in neo-classical economics, it is assumed that all inputs - including capital - are perfectly mobile and so the theory ignores reality and assumes away **capitalist production** itself!).

During the last period of capitalist boom, the post-war period, we can see the breakdown of capitalist authority and the fear this held for the ruling elite. The Trilateral Commission's 1975 report, which attempted to "understand" the growing discontent among the general population, makes our point well. In periods of full employment, according to the report, there is *"an excess of democracy."* In other words, due to the increased bargaining power workers gained during a period of high demand for labour, people started thinking about and acting upon their needs as **humans**, not as commodities embodying labour power. This naturally had devastating effects on capitalist and statist authority: *"People no longer felt the same compulsion to obey those whom they had previously considered superior to themselves in age, rank, status, expertise, character, or talent"*.

This loosening of the bonds of compulsion and obedience led to *"previously passive or unorganised groups in the population, blacks, Indians, Chicanos, white ethnic groups, students and women... embark[ing] on concerted efforts to establish their claims to opportunities, rewards, and privileges, which they had not considered themselves entitled to before."*

Such an "excess" of participation in politics of course posed a serious threat to the status quo, since for the elites who authored the report, it was considered axiomatic that *"the effective operation of a democratic political system usually requires some measure of apathy and non-involvement on the part of some individuals and groups. . . . In itself, this marginality on the part of some groups is inherently undemocratic, but it is also one of the factors which has enabled democracy to function effectively."* Such a statement reveals the hollowness of the establishment's concept of 'democracy,' which in order to function effectively (i.e. to serve elite interests) must be *"inherently undemocratic."*

Any period where people feel empowered allows them to communicate with their fellows, identify their needs and desires, and resist those forces that deny their freedom to manage their own lives. Such resistance strikes a deadly blow at the capitalist need to treat people as commodities, since (to re-quote Polanyi) people no longer feel that *"is not for the commodity to decide where it should be offered for sale, to what purpose it should be used, at what price it should be allowed to change hands, and in what manner it should be consumed or destroyed."*

Instead, as thinking and feeling people, they act to reclaim their freedom and humanity.

As noted at the beginning of this section, the economic effects of such periods of empowerment and revolt are discussed in [section C.7](#). We will end by quoting the Polish economist Michal Kalecki, who noted that a continuous capitalist boom would **not** be in the interests of the ruling class. In 1943, in response to the more optimistic Keynesians, he noted that *"to maintain the high level of employment. . . in the subsequent boom, a strong opposition of 'business leaders' is likely to be encountered. . . lasting full employment is not at all to their liking. The workers would 'get out of hand' and the 'captains of industry' would be anxious 'to teach them a lesson'"* because *"under a regime of permanent full employment, 'the sack' would cease to play its role as a disciplinary measure. The social position of the boss would be undermined and the self assurance and class consciousness of the working class would grow. Strikes for wage increases and improvements in conditions of work would create political tension. . . 'discipline in the factories' and 'political stability' are more appreciated by business leaders than profits. Their class interest tells them that lasting full employment is unsound from their point of view and that unemployment is an integral part of the normal capitalist system."* [quoted by Malcolm C. Sawyer, **The Economics of Michal Kalecki**, p. 139 and p. 138]

Therefore, periods when the demand for labour outstrips supply are not healthy for capitalism, as they allow people to assert their freedom and humanity -- both fatal to the system. This is why news of large numbers of new jobs sends the stock market plunging and why capitalists are so keen these days to maintain a "natural" rate of unemployment (that it has to be maintained indicates that it is **not** "natural"). Kalecki, we must point out, also correctly predicted the rise of *"a powerful bloc"* between *"big business and the rentier interests"* against full employment and that *"they would probably find more than one economist to declare that the situation was manifestly unsound."* The resulting *"pressure of all these forces, and in particular big business"* would *"induce the Government to return to . . . orthodox policy."* [Kalecki, quoted by Sawyer, **Op. Cit.**, p. 140] This is exactly what happened in the 1970s, with the monetarists and other sections of the "free market" right providing the ideological support for the business lead class war, and whose "theories" (when applied) promptly generated massive unemployment, thus teaching the working class the required lesson.

So, although detrimental to profit-making, periods of recession and high unemployment are not only unavoidable but are necessary to capitalism in order to *"discipline"* workers and *"teach them a lesson."* And in all, it is little wonder that capitalism rarely produces periods approximating full employment -- they are **not** in its interests (see also [section C.9](#)). The dynamics of capitalism makes recession and unemployment inevitable, just as it makes class struggle (which creates these dynamics) inevitable.

B.4.5 But I want to be "left alone"!

It is ironic that supporters of laissez-faire capitalism, such as "Libertarians" and "anarcho"-capitalists, should claim that they want to be "left alone," since capitalism **never** allows this. As Max Stirner expressed it:

"Restless acquisition does not let us take breath, take a calm enjoyment. We do not get the comfort of our possessions. . ." [Max Stirner **The Ego and Its Own**, p. 268]

Capitalism cannot let us *"take breath"* simply because it needs to grow or die, which puts constant pressure on both workers and capitalists (see [section D.4.1](#)). Workers can never relax or be free of anxiety about losing their jobs, because if they do not work, they do not eat, nor can they ensure that their children will get a better life. Within the workplace, they are not "left alone" by their bosses in order to manage their own activities. Instead, they are told what to do, when to do it and how to do it. Indeed, the history of experiments in workers' control and self-management within capitalist companies confirms our claims that, for the worker, capitalism is incompatible with the desire to be "left alone." As an illustration we will use the **"Pilot Program"** conducted by General Electric between 1968 and 1972.

General Electric proposed the "Pilot Program" as a means of overcoming the problems they faced with introducing Numeric Control (N/C) machinery into its plant at Lynn River Works, Massachusetts. Faced with rising tensions on the shop floor, bottle-necks in production and low-quality products, GE management tried a scheme of *"job enrichment"* based on workers' control of production in one area of the plant. By June 1970 the workers' involved were *"on their own"* (as one manager put it) and *"[i]n terms of group job enlargement this was when the Pilot Project really began, with immediate results in increased output and machine utilisation, and a reduction on manufacturing losses. As one union official remarked two years later, 'The fact that we broke down a traditional policy of GE [that the union could never have a hand in managing the business] was in itself satisfying, especially when we could throw success up to them to boot.'"* [David Noble, **Forces of Production**, p. 295]

The project, after some initial scepticism, proved to be a great success with the workers involved. Indeed, other workers in the factory desired to be included and the union soon tried to get it spread throughout the plant and into other GE locations. The success of the scheme was that it was based on workers' managing their own affairs rather than being told what to do by their bosses -- *"We are human beings,"* said one worker, *"and want to be treated as such."* [quoted by Noble, **Op. Cit.**, p. 292] To be fully human means to be free to govern oneself in all aspects of life, including production.

However, just after a year of the workers being given control over their working lives, management stopped the project. Why? *"In the eyes of some management supporters of the 'experiment,' the Pilot Program was terminated because management as a whole refused to give up any of its traditional authority. . . [t]he Pilot Program foundered on the basic contradiction of capitalist production: Who's running the shop?"* [Noble, **Op. Cit.**, p. 318]

Noble goes on to argue that to GE's top management, *"the union's desire to extend the program appeared as a step toward greater workers control over production and, as such, a threat to the traditional authority rooted in private ownership of the means of production. Thus the decision to terminate represented a defence not only of the prerogatives of production supervisors and plant managers but also of the power vested in property ownership."* He notes that this result was not an isolated case and that the *"demise of the GE Pilot Program followed the typical pattern for*

such 'job enrichment experiments'" [Op. Cit., p. 318 and p. 320] Even though "[s]everal dozen well-documented experiments show that productivity increases and social problems decrease when workers participate in the work decisions affecting their lives" [Department of Health, Education and Welfare study quoted by Noble, Op. Cit., p. 322] such schemes are ended by bosses seeking to preserve their own power, the power that flows from private property.

As one worker in the GE Pilot Program stated, "[w]e just want to be left alone." They were not -- capitalist social relations prohibit such a possibility (as Noble correctly notes, "the 'way of life' for the management meant controlling the lives of others" [Op. Cit., p. 294 and p. 300]). In spite of improved productivity, projects in workers' control are scrapped because they undermined both the power of the capitalists -- and by undermining their power, you potentially undermine their profits too ("If we're all one, for manufacturing reasons, we must share in the fruits equitably, just like a co-op business." [GE Pilot Program worker, quoted by Noble, Op. Cit., p. 295]).

As we argue in more detail in [section J.5.12](#), profit maximisation can work against efficiency, meaning that capitalism can harm the overall economy by promoting less efficient production techniques (i.e. hierarchical ones against egalitarian ones) because it is in the interests of capitalists to do so and the capitalist market rewards that behaviour. This is because, ultimately, profits are unpaid labour. If you empower labour, give workers' control over their work then they will increase efficiency and productivity (they know how to do their job the best) but you also erode authority structures within the workplace. Workers' will seek more and more control (freedom naturally tries to grow) and this, as the Pilot Program worker clearly saw, implies a co-operative workplace in which workers', **not** managers, decide what to do with the surplus produced. By threatening power, you threaten profits (or, more correctly, who controls the profit and where it goes). With the control over production **and** who gets to control any surplus in danger, it is unsurprising that companies soon abandon such schemes and return to the old, less efficient, hierarchical schemes based on "Do what you are told, for as long as you are told." Such a regime is hardly fit for free people and, as Noble notes, the regime that replaced the GE Pilot Program was "designed to 'break' the pilots of their new found 'habits' of self-reliance, self-discipline, and self-respect." [Op. Cit., p. 307]

Thus the experience of workers' control project within capitalist firms indicates well that capitalism cannot "leave you alone" if you are a wage slave.

Moreover, capitalists themselves cannot relax because they must ensure their workers' productivity rises faster than their workers' wages, otherwise their business will fail (see sections [C.2](#) and [C.3](#)). This means that every company has to innovate or be left behind, to be put out of business or work. Hence the boss is not "left alone" -- their decisions are made under the duress of market forces, of the necessities imposed by competition on individual capitalists. Restless acquisition -- in this context, the necessity to accumulate capital in order to survive in the market -- always haunts the capitalist. And since unpaid labour is the key to capitalist expansion, work must continue to exist and grow -- necessitating the boss to control the working hours of the worker to ensure that they produce more goods than they receive in wages. The boss is not "left

alone" nor do they leave the worker alone.

These facts, based upon the authority relations associated with private property and relentless competition, ensure that the desire to be "left alone" cannot be satisfied under capitalism.

As Murray Bookchin observes:

"Despite their assertions of autonomy and distrust of state authority . . . classical liberal thinkers did not in the last instance hold to the notion that the individual is completely free from lawful guidance. Indeed, their interpretation of autonomy actually presupposed quite definite arrangements beyond the individual -- notably, the laws of the marketplace. Individual autonomy to the contrary, these laws constitute a social organising system in which all 'collections of individuals' are held under the sway of the famous 'invisible hand' of competition. Paradoxically, the laws of the marketplace override the exercise of 'free will' by the same sovereign individuals who otherwise constitute the "collection of individuals." ["Communalism: The Democratic Dimension of Anarchism", pp. 1-17, Democracy and Nature no. 8, p. 4]

Human interaction is an essential part of life. Anarchism proposes to eliminate only undesired social interactions and authoritarian impositions, which are inherent in capitalism and indeed in any hierarchical form of socio-economic organisation (e.g. state socialism). Hermits soon become less than human, as social interaction enriches and develops individuality. Capitalism may attempt to reduce us to hermits, only "connected" by the market, but such a denial of our humanity and individuality inevitably feeds the spirit of revolt. In practice the "laws" of the market and the hierarchy of capital will never "leave one alone," but instead, crush one's individuality and freedom. Yet this aspect of capitalism conflicts with the human "instinct for freedom," as Noam Chomsky describes it, and hence there arises a counter-tendency toward radicalisation and rebellion among any oppressed people (see [section J](#)).

One last point. The desire to "be left alone" often expresses two drastically different ideas -- the wish to be your own master and manage your own affairs and the desire by bosses and landlords to have more power over their property. However, the authority exercised by such owners over their property is also exercised over **those who use that property**. Therefore, the notion of "being left alone" contains two contradictory aspects within a class ridden and hierarchical society. Obviously anarchists are sympathetic to the first, inherently libertarian, aspect -- the desire to manage your own life, in your own way -- but we reject the second aspect and any implication that it is in the interests of the governed to leave those in power alone. Rather, it is in the interest of the governed to subject those with authority over them to as much control as possible -- for obvious reasons.

Therefore, working people are more or less free to the extent that they **restrict** the ability of their bosses to be "left alone." One of the aims of anarchists within a capitalist society is **ensure** that those in power are **not** "left alone" to exercise their authority over those subject to it. We see solidarity, direct action and workplace and community organisation as a means of interfering with the authority of the state, capitalists and property owners until such time as we can destroy

such authoritarian social relationships once and for all.

Hence anarchist dislike of the term "laissez-faire" -- within a class society it can only mean protecting the powerful against the working class (under the banner of "neutrally" enforcing property rights and so **the power derived from them**). However, we are well aware of the other, libertarian, vision expressed in the desire to be "left alone." That is the reason we have discussed why capitalist society can never actually achieve that desire -- it is handicapped by its hierarchical and competitive nature -- and how such a desire can be twisted into a means of enhancing the power of the few over the many.

B.5 Is capitalism empowering and based on human action?

A key element of the social vision propounded by capitalism, particularly "libertarian" capitalism, is that of "voting" by the "customer," which is compared to political voting by the "citizen." According to Milton Friedman, *"when you vote in the supermarket, you get precisely what you voted for and so does everyone else."* Such "voting" with one's pocket is then claimed to be an example of the wonderful "freedom" people enjoy under capitalism (as opposed to "socialism," always equated by right-wingers with **state** socialism, which will be discussed in [section H](#)). However, in evaluating this claim, the difference between customers and citizens is critical.

The customer chooses between products on the shelf that have been designed and built by others for the purpose of profit. The consumer is the end-user, essentially a spectator rather than an actor, merely choosing between options created elsewhere by others. Market decision making is therefore fundamentally **passive** and **reactionary**, i.e. based on reacting to developments initiated by others. In contrast, the "citizen" is actively involved, at least ideally, in all stages of the decision making process, either directly or through elected delegates. Therefore, given decentralised and participatory-democratic organisations, decision making by citizens can be **pro-active**, based on human **action** in which one takes the initiative and sets the agenda oneself. Indeed, most supporters of the "citizen" model support it precisely **because** it actively involves individuals in participating in social decision making, so creating an educational aspect to the process and developing the abilities and powers of those involved.

In addition, the power of the consumer is not evenly distributed across society. Thus the expression "voting" when used in a market context expresses a radically different idea than the one usually associated with it. In political voting everyone gets one vote, in the market it is one vote per dollar. What sort of "democracy" is it that gives one person more votes than tens of thousands of others combined?

Therefore the "consumer" idea fails to take into account the differences in power that exist on the market as well as assigning an essentially passive role to the individual. At best they can act on the market as isolated individuals through their purchasing power. However, such a position is

part of the problem for, as E. F. Schumacher argues, the "*buyer is essentially a bargain hunter; he is not concerned with the origin of the goods or the conditions under which they have been produced. His sole concern is to obtain the best value for money.*" He goes on to note that the market "*therefore respects only the surface of society and its significance relates to the momentary situation as it exists there and then. There is no probing into the depths of things, into the natural or social facts that lie behind them.*" [**Small is Beautiful**, p. 29]

Indeed, the "customer" model actually works **against** any attempt to "probe" the facts of things. Firstly, consumers rarely know the significance or implications of the goods they are offered because the price mechanism withholds such information from them. Secondly, because the atomistic nature of the market makes discussion about the "why" and "how" of production difficult -- we get to choose between various "whats". Instead of critically evaluating the pros and cons of certain economic practices, all we are offered is the option of choosing between things already produced. We can only **re-act** when the damage is already done by picking the option which does least damage (often we do not have even that choice). And to discover a given products social and ecological impact we have to take a pro-active role by joining groups which provide this sort of information (information which, while essential for a rational decision, the market does not and cannot provide).

Moreover, the "consumer" model fails to recognise that the decisions we make on the market to satisfy our "wants" are determined by social and market forces. What we are capable of wanting is relative to the forms of social organisation we live in. For example, people choose to buy cars because General Motors bought up and destroyed the tram network in the 1930s and people buy "fast food" because they have no time to cook because of increasing working hours. This means that our decisions within the market are often restricted by economic pressures. For example, the market forces firms, on pain of bankruptcy, to do whatever possible to be cost-effective. Firms that pollute, have bad working conditions and so on often gain competitive advantage in so doing and other firms either have to follow suit or go out of business. A "race to the bottom" ensures, with individuals making "decisions of desperation" just to survive. Individual commitments to certain values, in other words, may become irrelevant simply because the countervailing economic pressures are simply too intense (little wonder Robert Owen argued that the profit motive was "*a principle entirely unfavourable to individual and public happiness*").

And, of course, the market also does not, and cannot, come up with goods that we do not want in our capacity as consumers but desire to protect for future generations or because of ecological reasons. By making the protection of the planet, eco-systems and other such "goods" dependent on the market, capitalism ensures that unless we put our money where our mouth is we can have no say in the protection of such goods as eco-systems, historical sites, and so on. The need to protect such "resources" in the long term is ignored in favour of short-termism -- indeed, if we do not "consume" such products today they will not be there tomorrow. Placed within a society that the vast majority of people often face difficulties making ends meet, this means that capitalism can never provide us with goods which we would like to see available as **people** (either for others or for future generations or just to protect the planet) but cannot afford or desire as **consumers**.

It is clearly a sign of the increasing dominance of capitalist ideology that the "customer" model is being transferred to the political arena. This reflects the fact that the increasing scale of political institutions has reinforced the tendency noted earlier for voters to become passive spectators, placing their "support" behind one or another "product" (i.e. party or leader). As Murray Bookchin comments, "*educated, knowledgeable citizens become reduced to mere taxpayers who exchange money for 'services.'*" [**Remaking Society**, p. 71] In practice, due to state centralism, this turns the political process into an extension of the market, with "citizens" being reduced to "consumers." Or, in Erich Fromm's apt analysis, "*The functioning of the political machinery in a democratic country is not essentially different from the procedure on the commodity market. The political parties are not too different from big commercial enterprises, and the professional politicians try to sell their wares to the public.*" [**The Sane Society**, pp. 186-187]

But does it matter? Friedman suggests that being a customer is **better** than being a citizen as you get "precisely" what you, and everyone else, wants.

The key questions here are whether people always get what they want when they shop. Do consumers who buy bleached newsprint and toilet paper **really** want tons of dioxins and other organochlorides in rivers, lakes and coastal waters? Do customers who buy cars **really** want traffic jams, air pollution, motorways carving up the landscape and the greenhouse effect? And what of those who do not buy these things? They are also affected by the decisions of others. The notion that only the consumer is affected by his or her decision is nonsense -- as is the childish desire to get "precisely" what you want, regardless of the social impact.

Perhaps Friedman could claim that when we consume we also approve of its impact. But when we "vote" on the market we cannot say that we approved of the resulting pollution (or distribution of income or power) because that was not a choice on offer. Such changes are **pre-defined** or an aggregate outcome and can only be chosen by a collective decision. In this way we can modify outcomes we could bring about individually but which harm us collectively. And unlike the market, in politics we can **change our minds** and revert back to a former state, undoing the mistakes made. No such option is available on the market.

So Friedman's claims that in elections "*you end up with something different from what you voted for*" is equally applicable to the market place.

These considerations indicate that the "consumer" model of human action is somewhat limited (to say the least!). Instead we need to recognise the importance of the "citizen" model, which we should point out includes the "consumer" model within it. Taking part as an active member of the community does not imply that we stop making individual consumption choices between those available, all it does is potentially enrich our available options by removing lousy choices (such as ecology or profit, cheap goods or labour rights, family or career).

In addition we must stress its role in developing those who practice the "citizen" model and how it can enrich our social and personal life. Being active within participatory institutions fosters and develops an active, "public-spirited" type of character. Citizens, because they are making **collective** decisions have to weight other interests **as well as** their own and so consider the

impact on themselves, others, society and the environment of possible decisions. It is, by its very nature, an educative process by which all benefit by developing their critical abilities and expanding their definition of self-interest to take into account themselves as part of a society and eco-system **as well as** as an individual. The "consumer" model, with its passive and exclusively private/money orientation develops few of people's faculties and narrows their self-interest to such a degree that their "rational" actions can actually (indirectly) harm them.

As Noam Chomsky argues, it is *"now widely realised that the economists 'externalities' can no longer be consigned to footnotes. No one who gives a moment's thought to the problems of contemporary society can fail to be aware of the social costs of consumption and production, the progressive destruction of the environment, the utter irrationality of the utilisation of contemporary technology, the inability of a system based on profit or growth maximisation to deal with needs that can only be expressed collectively, and the enormous bias this system imposes towards maximisation of commodities for personal use in place of the general improvement of the quality of life."* [**Radical Priorities**, pp. 190-1]

The "citizen" model takes on board the fact that the sum of rational individual decisions may not yield a rational collective outcome (which, we must add, harms the individuals involved and so works against their self-interest). Social standards, created and enriched by a process of discussion and dialogue can be effective in realms where the atomised "consumer" model is essentially powerless to achieve constructive social change, never mind protect the individual from "agreeing" to "decisions of desperation" that leave them and society as a whole worse off (see also sections [E.3](#) and [E.5](#)).

This is **not** to suggest that anarchists desire to eliminate individual decision making, far from it. An anarchist society will be based upon individuals making decisions on what they want to consume, where they want to work, what kind of work they want to do and so on. So the aim of the "citizen" model is not to "replace" the "consumer" model, but only to improve the social environment within which we make our individual consumption decisions. What the "citizen" model of human action desires is to place such decisions within a social framework, one that allows each individual to take an active part in improving the quality of life for us all by removing "Hobson choices" as far as possible.

B.6 But won't decisions made by individuals with their own money be the best?

This question refers to an argument commonly used by capitalists to justify the fact that investment decisions are removed from public control under capitalism, with private investors making all the decisions. Clearly the assumption behind this argument is that individuals suddenly lose their intelligence when they get together and discuss their common interests. But surely, through debate, we can enrich our ideas by social interaction. In the marketplace we do not discuss but instead act as atomised individuals.

This issue involves the "*Isolation Paradox*," according to which the very logic of individual decision-making is different from that of collective decision-making. An example is the "*tyranny of small decisions*." Let us assume that in the soft drink industry some companies start to produce (cheaper) non-returnable bottles. The end result of this is that most, if not all, the companies making returnable bottles lose business and switch to non-returnables. Result? Increased waste and environmental destruction.

This is because market price fails to take into account social costs and benefits, indeed it **mis**-estimates them for both buyer/seller and to others not involved in the transaction. This is because, as Schumacher points out, the "*strength of the idea of private enterprise lies in its terrifying simplicity. It suggests that the totality of life can be reduced to one aspect - profits...*" [**Small is Beautiful**, p. 215] But life cannot be reduced to one aspect without impoverishing it and so capitalism "*knows the price of everything but the value of nothing.*"

Therefore the market promotes "the tyranny of small decisions" and this can have negative outcomes for those involved. The capitalist "solution" to this problem is no solution, namely to act after the event. Only after the decisions have been made and their effects felt can action be taken. But by then the damage has been done. Can suing a company **really** replace a fragile ecosystem? In addition, the economic context has been significantly altered, because investment decisions are often difficult to unmake.

In other words, the operations of the market provide an unending source of examples for the argument that the aggregate results of the pursuit of private interest may well be collectively damaging. And as collectives are made up of individuals, that means damaging to the individuals involved. The remarkable ideological success of "free market" capitalism is to identify the anti-social choice with self-interest, so that any choice in the favour of the interests which we share collectively is treated as a piece of self-sacrifice. However, by atomising decision making, the market often actively works against the self-interest of the individuals that make it up.

Game theory is aware that the sum of rational choices do not automatically yield a rational group outcome. Indeed, it terms such situations as "collective action" problems. By not agreeing common standards, a "race to the bottom" can ensue in which a given society reaps choices that we as individuals really don't want. The rational pursuit of individual self-interest leaves the group, and so most individuals, worse off. The problem is not bad individual judgement (far from it, the individual is the only person able to know what is best for them in a given situation). It is the absence of social discussion and remedies that compels people to make unbearable choices because the available menu presents no good options.

By **not** discussing the impact of their decisions with everyone who will be affected, the individuals in question have not made a better decision. Of course, under our present highly centralised statist and capitalist system, such a discussion would be impossible to implement, and its closest approximation -- the election process -- is too vast, bureaucratic and dominated by wealth to do much beyond passing a few toothless laws which are generally ignored when they hinder profits.

However, let's consider what the situation would be like under libertarian socialism, where the local community assemblies discuss the question of returnable bottles along with the workforce. Here the function of specific interest groups (such as consumer co-operatives, ecology groups, workplace Research and Development action committees and so on) would play a critical role in producing information. Knowledge, as Bakunin, Kropotkin, etc. knew, is widely dispersed throughout society and the role of interested parties is essential in making it available to others. Based upon this information and the debate it provokes, the collective decision reached would most probably favour returnables over waste. This would be a better decision from a social and ecological point of view, and one that would benefit the individuals who discussed and agreed upon its effects on themselves and their society.

In other words, anarchists think we have to take an active part in creating the menu as well as picking options from it which reflect our individual tastes and interests.

It needs to be emphasised that such a system does not involve discussing and voting on everything under the sun, which would paralyse all activity. To the contrary, most decisions would be left to those interested (e.g. workers decide on administration and day-to-day decisions within the factory), the community decides upon policy (e.g. returnables over waste). Neither is it a case of electing people to decide for us, as the decentralised nature of the confederation of communities ensures that power lies in the hands of local people.

This process in no way implies that "society" decides what an individual is to consume. That, like all decisions affecting the individual only, is left entirely up to the person involved. Communal decision-making is for decisions that impact both the individual and society, allowing those affected by it to discuss it among themselves as equals, thus creating a rich social context within which individuals can act. This is an obvious improvement over the current system, where decisions that often profoundly alter people's lives are left to the discretion of an elite class of managers and owners, who are supposed to "know best."

There is, of course, the danger of "tyranny of the majority" in any democratic system, but in a direct libertarian democracy, this danger would be greatly reduced, for reasons discussed in section I.5.6 ([Won't there be a danger of a "tyranny of the majority" under libertarian socialism?](#)).

B.7 What classes exist within modern society?

For anarchists, class analysis is an important means of understanding the world and what is going on in it. While recognition of the fact that classes actually exist is less prevalent now than it once was, this does not mean that classes have ceased to exist. Quite the contrary. As we'll see, it means only that the ruling class has been more successful than before in obscuring the existence of class.

Class can be objectively defined: the relationship between an individual and the sources of power within society determines his or her class. We live in a class society in which a few people possess far more political and economic power than the majority, who usually work for the minority that controls them and the decisions that affect them. This means that class is based both on exploitation **and** oppression, with some controlling the labour of others for their own gain. The means of oppression have been indicated in earlier parts of [section B](#), while section C ([What are the myths of capitalist economics?](#)) indicates exactly how exploitation occurs within a society apparently based on free and equal exchange. In addition, it also highlights the effects on the economic system itself of this exploitation. The social and political impact of the system and the classes and hierarchies it creates is discussed in depth in section D ([How does statism and capitalism affect society?](#)).

We must emphasise at the outset that the idea of the "working class" as composed of nothing but industrial workers is simply false. It is **not** applicable today, if it ever was. Power, in terms of hire/fire and investment decisions, is the important thing. Ownership of capital as a means of determining a person's class, while still important, does not tell the whole story. An obvious example is that of the higher layers of management within corporations. They have massive power within the company, basically taking over the role held by the actual capitalist in smaller firms. While they may technically be "salary slaves" their power and position in the social hierarchy indicate that they are members of the ruling class in practice (and, consequently, their income is best thought of as a share of profits rather than a wage). Much the same can be said of politicians and state bureaucrats whose power and influence does not derive from the ownership of the means of production but rather then control over the means of coercion. Moreover, many large companies are owned by other large companies, through pension funds, multinationals, etc. (in 1945, 93% of shares were owned by individuals; by 1997, this had fallen to 43%). Needless to say, if working-class people own shares that does not make them capitalists as the dividends are **not** enough to live on nor do they give them any say in how a company is run).

For most anarchists, there are two main classes:

(1) **Working class** -- those who have to work for a living but have no real control over that work or other major decisions that affect them, i.e. order-takers. This class also includes the unemployed, pensioners, etc., who have to survive on handouts from the state. They have little wealth and little (official) power. This class includes the growing service worker sector, most (if not the vast majority) of "white collar" workers as well as traditional "blue collar" workers. Most self-employed people would be included in this class, as would the bulk of peasants and artisans (where applicable). In a nutshell, the producing classes and those who either were producers or will be producers. This group makes up the vast majority of the population.

(2) **Ruling class** -- those who control investment decisions, determine high level policy, set the agenda for capital and state. This is the elite at the top, owners or top managers of large companies, multinationals and banks (i.e., the capitalists), owners of large amounts of land (i.e. landlords or the aristocracy, if applicable), top-level state officials, politicians, and so

forth. They have real power within the economy and/or state, and so control society. In a nutshell, the owners of power (whether political, social or economic) or the master class. This group consists of around the top 5-15% of the population.

Obviously there are "grey" areas in any society, individuals and groups who do not fit exactly into either the working or ruling class. Such people include those who work but have some control over other people, e.g. power of hire/fire. These are the people who make the minor, day-to-day decisions concerning the running of capital or state. This area includes lower to middle management, professionals, and small capitalists.

There is some argument within the anarchist movement whether this "grey" area constitutes another ("middle") class or not. Most anarchists say no, most of this "grey" area are working class, others (such as the British **Class War Federation**) argue it is a different class. One thing is sure, all anarchists agree that most people in this "grey" area have an interest in getting rid of the current system just as much as the working class (we should point out here that what is usually called "middle class" in the USA and elsewhere is nothing of the kind, and usually refers to working class people with decent jobs, homes, etc. As class is considered a rude word in polite society in the USA, such mystification is to be expected).

So, there will be exceptions to this classification scheme. However, most of society share common interests, as they face the economic uncertainties and hierarchical nature of capitalism.

We do not aim to fit all of reality into this class scheme, but only to develop it as reality indicates, based on our own experiences of the changing patterns of modern society. Nor is this scheme intended to suggest that all members of a class have identical interests or that competition does not exist between members of the same class, as it does between the classes. Capitalism, by its very nature, is a competitive system. As Malatesta pointed out, *"one must bear in mind that on the one hand the bourgeoisie (the property owners) are always at war amongst themselves. . . and that on the other hand the government, though springing from the bourgeoisie and its servant and protector, tends, as every servant and every protector, to achieve its own emancipation and to dominate whoever it protects. Thus the game of the swings, the manoeuvres, the concessions and the withdrawals, the attempts to find allies among the people and against the conservatives, and among conservatives against the people, which is the science of the governors, and which blinds the ingenuous and phlegmatic who always wait for salvation to come down to them from above."* [**Anarchy**, p. 25]

However, no matter how much inter-elite rivalry goes on, at the slightest threat to the system from which they benefit, the ruling class will unite to defend their common interests. Once the threat passes, they will return to competing among themselves for power, market share and wealth. Unfortunately, the working class rarely unites as a class, mainly due to its chronic economic and social position. At best, certain sections unite and experience the benefits and pleasure of co-operation. Anarchists, by their ideas and action try to change this situation and encourage solidarity within the working class in order to resist, and ultimately get rid of, capitalism. However, their activity is helped by the fact that those in struggle often realise that *"solidarity is strength"* and so start to work together and unite their struggles against their

common enemy. Indeed, history is full of such developments.

B.7.1 But do classes actually exist?

So do classes actually exist, or are anarchists making them up? The fact that we even need to consider this question points to the pervasive propaganda efforts by the ruling class to suppress class consciousness, which will be discussed further on. First, however, let's examine some statistics, taking the USA as an example. We have done so because the state has the reputation of being a land of opportunity and capitalism. Moreover, class is seldom talked about there (although its business class is **very** class conscious). Moreover, when countries have followed the US model of freer capitalism (for example, the UK), a similar explosion of inequality develops along side increased poverty rates and concentration of wealth into fewer and fewer hands.

There are two ways of looking into class, by income and by wealth. Of the two, the distribution of wealth is the most important to understanding the class structure as this represents your assets, what you own rather than what you earn in a year. Given that wealth is the source of income, this represents the impact and power of private property and the class system it represents. After all, while all employed workers have an income (i.e. a wage), their actual wealth usually amounts to their personal items and their house (if they are lucky). As such, their wealth generates little or no income, unlike the owners of resources like companies, land and patents. Unsurprisingly, wealth insulates its holders from personal economic crises, like unemployment and sickness, as well as gives its holders social and political power. It, and its perks, can also be passed down the generations. Equally unsurprisingly, the distribution of wealth is much more unequal than the distribution of income.

At the start of the 1990s, the share of total US income was as follows: one third went to the top 10% of the population, the next 30% gets another third and the bottom 60% gets the last third. Dividing the wealth into thirds, we find that the top 1% owns a third, the next 9% owns a third, and bottom 90% owns the rest. [David Schweickart, **After Capitalism**, p. 92] Over the 1990s, the inequalities in US society have continued to increase. In 1980, the richest fifth of Americans had incomes about ten times those of the poorest fifth. A decade later, they had twelve times. By 2001, they had incomes over fourteen times greater. [Doug Henwood, **After the New Economy**, p. 79] Looking at the figures for private family wealth, we find that in 1976 the wealthiest one percent of Americans owned 19% of it, the next 9% owned 30% and the bottom 90% of the population owned 51%. By 1995 the top 1% owned 40%, more than owned by the bottom 92% of the US population combined -- the next 9% had 31% while the bottom 90% had only 29% of total (see Edward N. Wolff, **Top Heavy: A Study of Increasing Inequality in America** for details).

So in terms of wealth ownership, we see a system in which a very small minority own the means of life. In 1992 the richest 1% of households -- about 2 million adults -- owned 39% of the stock owned by individuals. The top 10%, owned over 81%. In other words, the bottom 90% of the population had a smaller share (23%) of investable capital of all kinds than the richest 1/2%

(29%). Stock ownership was even more densely concentrated, with the richest 5% holding 95% of all shares. [Doug Henwood, **Wall Street: Class racket**] Three years later, *"the richest 1% of households . . . owned 42% of the stock owned by individuals, and 56% of the bonds . . . the top 10% together owned nearly 90% of both."* Given that around 50% of all corporate stock is owned by households, this means that 1% of the population *"owns a quarter of the productive capital and future profits of corporate America; the top 10% nearly half."* [Doug Henwood, **Wall Street**, pp. 66-7] Unsurprisingly, the Congressional Budget Office estimates that more than half of corporate profits ultimately accrue to the wealthiest 1 percent of taxpayers, while only about 8 percent go to the bottom 60 percent.

Henwood summarises the situation by noting that *"the richest tenth of the population has a bit over three-quarters of all the wealth in this society, and the bottom half has almost none -- but it has lots of debt."* Most middle-income people have most of their (limited) wealth in their homes and if we look at non-residential wealth we find a *"very, very concentrated"* situation. The *"bottom half of the population claimed about 20% of all income in 2001 -- but only 2% of non-residential wealth. The richest 5% of the population claimed about 23% of income, a bit more than the entire bottom half. But it owned almost two-thirds -- 65% -- of the wealth."* [**After the New Economy**, p. 122]

In terms of income, the period since 1970 has also been marked by increasing inequalities and concentration:

"According to estimates by the economists Thomas Piketty and Emmanuel Saez -- confirmed by data from the Congressional Budget Office -- between 1973 and 2000 the average real income of the bottom 90 percent of American taxpayers actually fell by 7 percent. Meanwhile, the income of the top 1 percent rose by 148 percent, the income of the top 0.1 percent rose by 343 percent and the income of the top 0.01 percent rose 599 percent." [Paul Krugman, *"The Death of Horatio Alger"*, **The Nation**, January 5, 2004]

Doug Henwood provides some more details on income [**Op. Cit.**, p. 90]:

Changes in income, 1977-1999

	real income growth 1977-99	Share of total income		
		1977	1999	Change
poorest 20%	-9%	5.7%	4.2%	-1.5%
second 20%	+1	11.5	9.7	-1.8
middle 20%	+8	16.4	14.7	-1.7
fourth 20%	+14	22.8	21.3	-1.5

top 20%	+43	44.2	50.4	+6.2
top 1%	+115	7.3	12.9	+5.6

By far the biggest gainers from the wealth concentration since the 1980s have been the super-rich. The closer you get to the top, the bigger the gains. In other words, it is not simply that the top 20 percent of families have had bigger percentage gains than the rest. Rather, the top 5 percent have done better than the next 15, the top 1 percent better than the next 4 per cent, and so on.

As such, if someone argues that while the share of national income going to the top 10 percent of earners has increased that it does not matter because anyone with an income over \$81,000 is in that top 10 percent they are missing the point. The lower end of the top ten per cent were not the big winners over the last 30 years. Most of the gains in the share in that top ten percent went to the top 1 percent (who earn at least \$230,000). Of these gains, 60 percent went to the top 0.1 percent (who earn more than \$790,000). And of these gains, almost half went to the top 0.01 percent (a mere 13,000 people who had an income of at least \$3.6 million and an average income of \$17 million). [Paul Krugman, "For Richer", **New York Times**, 20/10/02]

All this proves that classes do in fact exist, with wealth and power concentrating at the top of society, in the hands of the few.

To put this inequality of income into some perspective, the average full-time Wal-Mart employee was paid only about \$17,000 a year in 2004. Benefits are few, with less than half the company's workers covered by its health care plan. In the same year Wal-Mart's chief executive, Scott Lee Jr., was paid \$17.5 million. In other words, every two weeks he was paid about as much as his average employee would earn after a lifetime working for him.

Since the 1970s, most Americans have had only modest salary increases (if that). The average annual salary in America, expressed in 1998 dollars (i.e., adjusted for inflation) went from \$32,522 in 1970 to \$35,864 in 1999. That is a mere 10 percent increase over nearly 30 years. Over the same period, however, according to Fortune magazine, the average real annual compensation of the top 100 C.E.O.'s went from \$1.3 million -- 39 times the pay of an average worker -- to \$37.5 million, more than 1,000 times the pay of ordinary workers.

Yet even here, we are likely to miss the real picture. The average salary is misleading as this does not reflect the distribution of wealth. For example, in the UK in the early 1990s, two-thirds of workers earned the average wage or below and only a third above. To talk about the "average" income, therefore, is to disguise remarkable variation. In the US, adjusting for inflation, average family income -- total income divided by the number of families -- grew 28% between 1979 and 1997. The median family income -- the income of a family in the middle (i.e. the income where half of families earn more and half less) grew by only 10%. The median is a better indicator of how typical American families are doing as the distribution of income is so top heavy in the USA (i.e. the average income is considerably higher than the median). It should also be noted

that the incomes of the bottom fifth of families actually fell slightly. In other words, the benefits of economic growth over nearly two decades have **not** trickled down to ordinary families. Median family income has risen only about 0.5% per year. Even worse, *"just about all of that increase was due to wives working longer hours, with little or no gain in real wages."* [Paul Krugman, *"For Richer"*, **Op. Cit.**]

So if America does have higher average or per capita income than other advanced countries, it is simply because the rich are richer. This means that a high average income level can be misleading if a large amount of national income is concentrated in relatively few hands. This means that large numbers of Americans are worse off economically than their counterparts in other advanced countries. Thus Europeans have, in general, shorter working weeks and longer holidays than Americans. They may have a lower average income than the United States but they do not have the same inequalities. This means that the median European family has a standard of living roughly comparable with that of the median U.S. family -- wages may even be higher.

As Doug Henwood notes, *"[i]nternational measures put the United States in a disgraceful light. . . The soundbite version of the LIS [Luxembourg Income Study] data is this: for a country th[at] rich, [it] ha[s] a lot of poor people."* Henwood looked at both relative and absolute measures of income and poverty using the cross-border comparisons of income distribution provided by the LIS and discovered that *"[f]or a country that thinks itself universally middle class [i.e. middle income], the United States has the second-smallest middle class of the nineteen countries for which good LIS data exists."* Only Russia, a country in near-total collapse was worse (40.9% of the population were middle income compared to 46.2% in the USA. Households were classed as poor if their incomes were under 50 percent of the national medium; near-poor, between 50 and 62.5 percent; middle, between 62.5 and 150 percent; and well-to-do, over 150 percent. The USA rates for poor (19.1%), near-poor (8.1%) and middle (46.2%) were worse than European countries like Germany (11.1%, 6.5% and 64%), France (13%, 7.2% and 60.4%) and Belgium (5.5%, 8.0% and 72.4%) as well as Canada (11.6%, 8.2% and 60%) and Australia (14.8%, 10% and 52.5%).

The reasons for this? Henwood states that the *"reasons are clear -- weak unions and a weak welfare state. The social-democratic states -- the ones that interfere most with market incomes -- have the largest [middle classes]. The US poverty rate is nearly twice the average of the other eighteen."* Needless to say, "middle class" as defined by income is a very blunt term (as Henwood states). It says nothing about property ownership or social power, for example, but income is often taken in the capitalist press as the defining aspect of "class" and so is useful to analyse in order to refute the claims that the free-market promotes general well-being (i.e. a larger "middle class"). That the most free-market nation has the worse poverty rates **and** the smallest "middle class" indicates well the anarchist claim that capitalism, left to its own devices, will benefit the strong (the ruling class) over the weak (the working class) via "free exchanges" on the "free" market (as we argue in [section C.7](#), only during periods of full employment -- and/or wide scale working class solidarity and militancy -- does the balance of forces change in favour of working class people. Little wonder, then, that periods of full employment also see falling inequality -- see James K. Galbraith's **Created Unequal** for more details on the

correlation of unemployment and inequality).

Of course, it could be objected that this relative measure of poverty and income ignores the fact that US incomes are among the highest in the world, meaning that the US poor may be pretty well off by foreign standards. Henwood refutes this claim, noting that *"even on absolute measures, the US performance is embarrassing. LIS researcher Lane Kenworthy estimated poverty rates for fifteen countries using the US poverty line as the benchmark. . . Though the United States has the highest average income, it's far from having the lowest poverty rate."* Only Italy, Britain and Australia had higher levels of absolute poverty (and Australia exceeded the US value by 0.2%, 11.9% compared to 11.7%). Thus, in both absolute **and** relative terms, the USA compares badly with European countries. [Doug Henwood, *"Booming, Borrowing, and Consuming: The US Economy in 1999"*, pp.120-33, **Monthly Review**, vol. 51, no. 3, pp. 129-31]

In summary, therefore, taking the USA as being the most capitalist nation in the developed world, we discover a class system in which a very small minority own the bulk of the means of life and get most of the income. Compared to other Western countries, the class inequalities are greater and the society is more polarised. Moreover, over the last 20-30 years those inequalities have increased spectacularly. The ruling elite have become richer and wealth has flooded upwards rather than trickled down.

The cause of the increase in wealth and income polarisation is not hard to find. It is due to the increased economic and political power of the capitalist class and the weakened position of working class people. As anarchists have long argued, any "free contract" between the powerful and the powerless will benefit the former far more than the latter. This means that if the working class's economic and social power is weakened then we will be in a bad position to retain a given share of the wealth we produce but is owned by our bosses and accumulates in the hands of the few.

Unsurprisingly, therefore, there has been an increase in the share of total income going to capital (i.e., interest, dividends, and rent) and a decrease in the amount going to labour (wages, salaries, and benefits). Moreover, an increasing part of the share to labour is accruing to high-level management (in electronics, for example, top executives used to paid themselves 42 times the average worker in 1991, a mere 5 years later it was 220 times as much).

Since the start of the 1980s, unemployment and globalisation has weakened the economic and social power of the working class. Due to the decline in the unions and general labour militancy, wages at the bottom have stagnated (real pay for most US workers is lower in 2005 than it was in 1973!). This, combined with "trickle-down" economic policies of tax cuts for the wealthy, tax raises for the working classes, the maintaining of a "natural" law of unemployment (which weakens unions and workers power) and cutbacks in social programs, has seriously eroded living standards for all but the upper strata -- a process that is clearly leading toward social breakdown, with effects that will be discussed later (see [section D.9](#)).

Little wonder Proudhon argued that the law of supply and demand was a *"deceitful law . . . suitable only for assuring the victory of the strong over the weak, of those who own property*

over those who own nothing." [quoted by Alan Ritter, **The Political Thought of Pierre-Joseph Proudhon**, p. 121]

B.7.2 Does social mobility make up for class inequality?

Faced with the massive differences between classes under capitalism we highlighted in the [last section](#), many supporters of capitalism still deny the obvious. They do so by confusing a **caste** system with a **class** system. In a caste system, those born into it stay in it all their lives. In a class system, the membership of classes can and does change over time.

Therefore, it is claimed, what is important is not the existence of classes but of social mobility (usually reflected in income mobility). According to this argument, if there is a high level of social/income mobility then the degree of inequality in any given year is unimportant. This is because the redistribution of income over a person's life time would be very even. Thus the inequalities of income and wealth of capitalism does not matter as capitalism has high social mobility.

Milton Friedman puts the argument in this way:

"Consider two societies that have the same distribution of annual income. In one there is a great mobility and change so that the position of particular families in the income hierarchy varies widely from year to year. In the other, there is great rigidity so that each family stays in the same position. Clearly, in any meaningful sense, the second would be the more unequal society. The one kind of inequality is a sign of dynamic change, social mobility, equality of opportunity; the other of a status society. The confusion behind these two kinds of inequality is particularly important, precisely because competitive free-enterprise capitalism tends to substitute the one for the other." [**Capitalism and Freedom**, p. 171]

As with so many things, Friedman is wrong in his assertion (and that is all it is, no evidence is provided). The more free market capitalist regimes have **less** social mobility than those, like Western Europe, which have extensive social intervention in the economy. As an added irony, the facts suggest that implementing Friedman's suggested policies in favour of his beloved "competitive free-enterprise capitalism" has made social mobility less, not greater. In effect, as with so many things, Friedman ensured the refutation of his own dogmas.

Taking the USA as an example (usually considered one of the most capitalist countries in the world) there is income mobility, but not enough to make income inequality irrelevant. Census data show that 81.6 percent of those families who were in the bottom quintile of the income distribution in 1985 were still there in the next year; for the top quintile, it was 76.3 percent.

Over longer time periods, there is more mixing but still not that much and those who do slip into different quintiles are typically at the borders of their category (e.g. those dropping out of the top quintile are typically at the bottom of that group). Only around 5% of families rise from bottom to top, or fall from top to bottom. In other words, the class structure of a modern capitalist

society is pretty solid and "much of the movement up and down represents fluctuations around a fairly fixed long term distribution." [Paul Krugman, **Peddling Prosperity**, p. 143]

Perhaps under a "pure" capitalist system things would be different? Ronald Reagan helped make capitalism more "free market" in the 1980s, but there is no indication that income mobility increased significantly during that time. In fact, according to one study by Greg Duncan of the University of Michigan, the middle class shrank during the 1980s, with fewer poor families moving up or rich families moving down. Duncan compared two periods. During the first period (1975 to 1980) incomes were more equal than they are today. In the second (1981 to 1985) income inequality began soaring. In this period there was a reduction in income mobility upward from low to medium incomes of over 10%.

Here are the exact figures [cited by Paul Krugman, "*The Rich, the Right, and the Facts*," **The American Prospect** no. 11, Fall 1992, pp. 19-31]:

Percentages of families making transitions to and from middle class (5-year period before and after 1980)

Transition	Before 1980	After 1980
Middle income to low income	8.5	9.8
Middle income to high income	5.8	6.8
Low income to middle income	35.1	24.6
High income to middle income	30.8	27.6

Writing in 2004, Krugman returned to this subject. The intervening twelve years had made things worse. America, he notes, is "more of a caste society than we like to think. And the caste lines have lately become a lot more rigid." Before the rise of neo-liberalism in the 1980s, America had more intergenerational mobility. "A classic 1978 survey found that among adult men whose fathers were in the bottom 25 percent of the population as ranked by social and economic status, 23 percent had made it into the top 25 percent. In other words, during the first thirty years or so after World War II, the American dream of upward mobility was a real experience for many people." However, a new survey of today's adult men "finds that this number has dropped to only 10 percent. That is, over the past generation upward mobility has fallen drastically. Very few children of the lower class are making their way to even moderate affluence. This goes along with other studies indicating that rags-to-riches stories have become vanishingly rare, and that the correlation between fathers' and sons' incomes has risen in recent decades. In modern America, it seems, you're quite likely to stay in the social and economic class into which you were born." [Paul Krugman, "*The Death of Horatio Alger*", **The Nation**, January 5, 2004]

British Keynesian economist Will Hutton quotes US data from 2000-1 which "compare[s] the mobility of workers in America with the four biggest European economies and three Nordic

economies." The US "has the lowest share of workers moving from the bottom fifth of workers into the second fifth, the lowest share moving into the top 60 per cent and the highest share unable to sustain full-time employment." He cites an OECD study which "confirms the poor rates of relative upward mobility for very low-paid American workers; it also found that full-time workers in Britain, Italy and Germany enjoy much more rapid growth in their earnings than those in the US . . . However, downward mobility was more marked in the US; American workers are more likely to suffer a reduction in their real earnings than workers in Europe." Thus even the OECD (the "high priest of deregulation") was "forced to conclude that countries with more deregulated labour and product markets (pre-eminently the US) do not appear to have higher relative mobility, nor do low-paid workers in these economies experience more upward mobility. The OECD is pulling its punches. The US experience is worse than Europe's." Numerous studies have shown that "either there is no difference" in income mobility between the USA and Europe "or that there is less mobility in the US." [The World We're In, pp. 166-7]

Little wonder, then, that Doug Henwood argues that *"the final appeal of apologists of the American way is an appeal to our legendary mobility"* fails. In fact, *"people generally don't move far from the income class they are born into, and there is little difference between US and European mobility patterns. In fact, the United States has the largest share of what the OECD called 'low-wage' workers, and the poorest performance on the emergence from the wage cellar of any country it studied."* [Op. Cit., p. 130]

Indeed, *"both the US and British poor were more likely to stay poor for a long period of time: almost half of all people who were poor for one year stayed poor for five or more years, compared with 30% in Canada and 36% in Germany. And, despite claims of great upward mobility in the US, 45% of the poor rose out of poverty in a given year, compared with 45% in the UK, 53% in Germany, and 56% in Canada. And of those who did exit poverty, 15% of Americans were likely to make a round trip back under the poverty line, compared with 16% in Germany, 10% in the UK, and 7% in Canada."* [Doug Henwood, **After the New Economy**, pp. 136-7]

A 2005 study of income mobility by researchers at the London School of Economics (on behalf of the educational charity the Sutton Trust) confirms that the more free market a country, the worse is its levels of social mobility. [Jo Blanden, Paul Gregg and Stephen Machin, **Intergenerational Mobility in Europe and North America**, April, 2005] They found that Britain has one of the worst records for social mobility in the developed world, beaten only by the USA out of eight European and North American countries. Norway was the best followed by Denmark, Sweden, Finland, Germany and Canada.

This means that children born to poor families in Britain and the USA are less likely to fulfil their full potential than in other countries and are less likely to break free of their backgrounds than in the past. In other words, we find it harder to earn more money and get better jobs than our parents. Moreover, not only is social mobility in Britain much lower than in other advanced countries, it is actually declining and has fallen markedly over time. The findings were based on studies of two groups of children, one set born in the 1950s and the other in the 1970s. In the

UK, while 17 per cent of the former made it from the bottom quarter income group to the top, only 11 per cent of the latter did so. Mobility in the Nordic countries was twice that of the UK. While only the US did worse than the UK in social mobility

The puzzle of why, given that there is no evidence of American exceptionalism or higher social mobility, the myth persists has an easy solution. It has utility for the ruling class in maintaining the system. By promoting the myth that people can find the path to the top easy then the institutions of power will not be questioned, just the moral character of the many who do not.

Needless to say, income mobility does not tell the whole story. Increases in income do not automatically reflect changes in class, far from it. A better paid worker is still working class and, consequently, still subject to oppression and exploitation during working hours. As such, income mobility, while important, does not address inequalities in power. Similarly, income mobility does not make up for a class system and its resulting authoritarian social relationships and inequalities in terms of liberty, health and social influence. And the facts suggest that the capitalist dogma of "meritocracy" that attempts to justify this system has little basis in reality. Capitalism is a class ridden system and while there is some changes in the make-up of each class they are remarkably fixed, particularly once you get to the top 5-10% of the population (i.e. the ruling class).

Logically, this is not surprising. There is no reason to think that more unequal societies should be more mobile. The greater the inequality, the more economic power those at the top will have and, consequently, the harder it will be those at the bottom to climb upwards. To suggest otherwise is to argue that it is easier to climb a mountain than a hill! Unsurprisingly the facts support the common sense analysis that the higher the inequality of incomes and wealth, the lower the equality of opportunity and, consequently, the lower the social mobility.

Finally, we should point out even if income mobility was higher it does not cancel out the fact that a class system is marked by differences in **power** which accompany the differences in income. In other words, because it is possible (in theory) for everyone to become a boss this does not make the power and authority that bosses have over their workers (or the impact of their wealth on society) any more legitimate (just because everyone -- in theory -- can become a member of the government does not make government any less authoritarian). Because the membership of the boss class can change does not negate the fact that such a class exists.

Ultimately, using (usually highly inflated) notions of social mobility to defend a class system is unconvincing. After all, in most slave societies slaves could buy their freedom and free people could sell themselves into slavery (to pay off debts). If someone tried to defend slavery with the reference to this fact of social mobility they would be dismissed as mad. The evil of slavery is not mitigated by the fact that a few slaves could stop being slaves if they worked hard enough.

B.7.3 Why is the existence of classes denied?

It is clear, then, that classes do exist, and equally clear that individuals can rise and fall within the class structure -- though, of course, it's easier to become rich if you're born in a rich family

than a poor one. Thus James W. Loewen reports that *"ninety-five percent of the executives and financiers in America around the turn of the century came from upper-class or upper-middle-class backgrounds. Fewer than 3 percent started as poor immigrants or farm children. Throughout the nineteenth century, just 2 percent of American industrialists came from working-class origins"* [in *"Lies My Teacher Told Me"* citing William Miller, *"American Historians and the Business Elite,"* in **Men in Business**, pp. 326-28; cf. David Montgomery, **Beyond Equality**, pg. 15] And this was at the height of USA "free market" capitalism. According to a survey done by C. Wright Mills and reported in his book **The Power Elite**, about 65% of the highest-earning CEOs in American corporations come from wealthy families. Meritocracy, after all, does not imply a "classless" society, only that some mobility exists between classes. Yet we continually hear that class is an outmoded concept; that classes don't exist any more, just atomised individuals who all enjoy "equal opportunity," "equality before the law," and so forth. So what's going on?

The fact that the capitalist media are the biggest promoters of the "end-of-class" idea should make us wonder exactly **why** they do it. Whose interest is being served by denying the existence of classes? Clearly it is those who run the class system, who gain the most from it, who want everyone to think we are all "equal." Those who control the major media don't want the idea of class to spread because they themselves are members of the ruling class, with all the privileges that implies. Hence they use the media as propaganda organs to mould public opinion and distract the middle and working classes from the crucial issue, i.e., their own subordinate status. This is why the mainstream news sources give us nothing but superficial analyses, biased and selective reporting, outright lies, and an endless barrage of yellow journalism, titillation, and "entertainment," rather than talking about the class nature of capitalist society (see section D.3 -- ["How does wealth influence the mass media?"](#))

The universities, think tanks, and private research foundations are also important propaganda tools of the ruling class. This is why it is virtually taboo in mainstream academic circles to suggest that anything like a ruling class even exists in the United States. Students are instead indoctrinated with the myth of a "pluralist" and "democratic" society -- a Never-Never Land where all laws and public policies supposedly get determined only by the amount of "public support" they have -- certainly not by any small faction wielding power in disproportion to its size.

To deny the existence of class is a powerful tool in the hands of the powerful. As Alexander Berkman points out, *"[o]ur social institutions are founded on certain ideas; so long as the latter are generally believed, the institutions built on them are safe. Government remains strong because people think political authority and legal compulsion necessary. Capitalism will continue as long as such an economic system is considered adequate and just. The weakening of the ideas which support the evil and oppressive present day conditions means the ultimate breakdown of government and capitalism."* ["Author's Foreword," **What is Anarchism?**, p. xii]

Unsurprisingly, to deny the existence of classes is an important means of bolstering capitalism, to undercut social criticism of inequality and oppression. It presents a picture of a system in

which only individuals exist, ignoring the differences between one set of people (the ruling class) and the others (the working class) in terms of social position, power and interests. This obviously helps those in power maintain it by focusing analysis away from that power and its sources (wealth, hierarchy, etc.).

It also helps maintain the class system by undermining collective struggle. To admit class exists means to admit that working people share common interests due to their common position in the social hierarchy. And common interests can lead to common action to change that position. Isolated consumers, however, are in no position to act for themselves. One individual standing alone is easily defeated, whereas a *union* of individuals supporting each other is not. Throughout the history of capitalism there have been attempts by the ruling class -- often successful -- to destroy working class organisations. Why? Because in union there is power -- power which can destroy the class system as well as the state and create a new world.

That's why the very existence of class is denied by the elite. It's part of their strategy for winning the battle of ideas and ensuring that people remain as atomised individuals. By "*manufacturing consent*" (to use Walter Lipman's expression for the function of the media), force need not be used. By limiting the public's sources of information to propaganda organs controlled by state and corporate elites, all debate can be confined within a narrow conceptual framework of capitalist terminology and assumptions, and anything premised on a different conceptual framework can be marginalised. Thus the average person is brought to accept current society as "fair" and "just," or at least as "the best available," because no alternatives are ever allowed to be discussed.

B.7.4 What do anarchists mean by "*class consciousness*"?

Given that the existence of classes is often ignored or considered unimportant ("boss and worker have common interests") in mainstream culture, it's important to continually point out the facts of the situation: that a wealthy elite run the world and the vast majority are subjected to hierarchy and work to enrich this elite. To be class conscious means that we are aware of the objective facts and act appropriately to change them.

This is why anarchists stress the need for "*class consciousness*," for recognising that classes exist and that their interests are in **conflict**. The reason why this is the case is obvious enough. As Alexander Berkman argues, "*the interests of capital and labour are not the same. No greater lie was ever invented than the so-called 'identity of interests' [between capital and labour] . . . labour produces all the wealth of the world . . . [and] capital is owned by the masters is stolen property, stolen products of labour. Capitalist industry is the process of continuing to appropriate the products of labour for the benefit of the master class . . . It is clear that your interests as a worker are **different** from the interests of your capitalistic masters. More than different: they are entirely opposite; in fact, contrary, antagonistic to each other. The better wages the boss pays you, the less profit he makes out of you. It does not require great philosophy to understand that.*" [What is Anarchism?, pp. 75-6]

That classes are in conflict can be seen from the post-war period in most developed countries. Taking the example of the USA, the immediate post-war period (the 1950s to the 1970s) were marked by social conflict, strikes and so forth. From the 1980s onwards, there was a period of relative social peace because the bosses managed to inflict a series of defeats on the working class. Workers became less militant, the trade unions went into a period of decline and the success of capitalism proclaimed. If the interests of both classes were the same we would expect that all sections of society would have benefited more in the 1980s onwards than between the 1950s to 1970s. This is **not** the case. While income grew steadily across the board between 1950 and 1980s, since then wealth has flooded up to the top while those at the bottom found it harder to make ends meet.

A similar process occurred in the 1920s when Alexander Berkman stated the obvious:

*"The masters have found a very effective way to paralyse the strength of organised labour. They have persuaded the workers that they have the same interests as the employers . . . that what is good for the employer is good for his employees . . . [that] the workers will not think of fighting their masters for better conditions, but they will be patient and wait till the employer can 'share his prosperity' with them. They will also consider the interests of 'their' country and they will not 'disturb industry' and the 'orderly life of the community' by strikes and stoppage of work. If you listen to your exploiters and their mouthpieces you will be 'good' and consider only the interests of your masters, of your city and country -- but no one cares about **your** interests and those of your family, the interests of your union and of your fellow workers of the labouring class. 'Don't be selfish,' they admonish you, while the boss is getting rich by your being good and unselfish. And they laugh in their sleeves and thank the Lord that you are such an idiot." [Op. Cit., pp. 74-5]*

So, in a nutshell, class consciousness is to look after your own interest as a member of the working class. To be aware that there is inequality in society and that you cannot expect the wealthy and powerful to be concerned about anyone's interest except their own. That only by struggle can you gain respect and an increased slice of the wealth you produce but do not own. And that there is "*an irreconcilable antagonism*" between the ruling class and working class "*which results inevitably from their respective stations in life.*" The riches of the former are "*based on the exploitation and subjugation of the latter's labour*" which means "*war between*" the two "*is unavoidable.*" For the working class desires "*only equality*" while the ruling elite "*exist[s] only through inequality.*" For the latter, "*as a separate class, equality is death*" while for the former "*the least inequality is slavery.*" [Bakunin, **The Basic Bakunin**, p. 97 and pp. 91-2]

Although class analysis may at first appear to be a novel idea, the conflicting interests of the classes is **well** recognised on the other side of the class divide. For example, James Madison in the **Federalist Paper** #10 states that "*those who hold and those who are without have ever formed distinct interests in society.*" For anarchists, class consciousness means to recognise what the bosses already know: the importance of solidarity with others in the same class position as

oneself and of acting together as equals to attain common goals. The difference is that the ruling class wants to keep the class system going while anarchists seek to end it once and for all.

It could therefore be argued that anarchists actually want an "**anti-class**" consciousness to develop -- that is, for people to recognise that classes exist, to understand **why** they exist, and act to abolish the root causes for their continued existence ("*class consciousness*," argues Vernon Richards, "*but not in the sense of wanting to perpetuate classes, but the consciousness of their existence, an understanding of why they exist, and a determination, informed by knowledge and militancy, to abolish them.*" [**The Impossibilities of Social Democracy**, p. 133]). In short, anarchists want to eliminate classes, not universalise the class of "wage worker" (which would presuppose the continued existence of capitalism).

More importantly, class consciousness does not involve "worker worship." To the contrary, as Murray Bookchin points out, "*[t]he worker begins to become a revolutionary when he undoes his [or her] 'workerness', when he [or she] comes to detest his class status here and now, when he begins to shed. . . his work ethic, his character-structure derived from industrial discipline, his respect for hierarchy, his obedience to leaders, his consumerism, his vestiges of puritanism.*" [**Post-Scarcity Anarchism**, p. 119] For, in the end, anarchists "*cannot build until the working class gets rid of its illusions, its acceptance of bosses and faith in leaders.*" [Marie-Louise Berneri, **Neither East Nor West**, p. 19]

It may be objected that there are only individuals and anarchists are trying to throw a lot of people in a box and put a label like "working class" on them. In reply, anarchists agree, yes, there are "only" individuals but some of them are bosses, most of them are working class. This is an objective division within society which the ruling class does its best to hide but which comes out during social struggle. And such struggle is part of the process by which more and more oppressed people subjectively recognise the objective facts. And by more and more people recognising the facts of capitalist reality, more and more people will want to change them.

Currently there are working class people who want an anarchist society and there are others who just want to climb up the hierarchy to get to a position where they can impose their will to others. But that does not change the fact that their current position is that they are subjected to the authority of hierarchy and so can come into conflict with it. And by so doing, they must practise self-activity and this struggle can change their minds, what they think, and so they become radicalised. This, the radicalising effects of self-activity and social struggle, is a key factor in why anarchists are involved in it. It is an important means of creating more anarchists and getting more and more people aware of anarchism as a viable alternative to capitalism.

Ultimately, it does not matter what class you are, it's what you **believe in** that matters. And what you **do**. Hence we see anarchists like Bakunin and Kropotkin, former members of the Russian ruling class, or like Malatesta, born into an Italian middle class family, rejecting their backgrounds and its privileges and becoming supporters of working class self-liberation. But anarchists base their activity primarily on the working class (including peasants, self-employed artisans and so on) because the working class is subject to hierarchy and so have a real need to resist to exist. This process of resisting the powers that be can and does have a radicalising effect

on those involved and so what they believe in and what they do **changes**. Being subject to hierarchy, oppression and exploitation means that it is in the working class people's "*own interest to abolish them. It has been truly said that 'the emancipation of the workers must be accomplished by the workers themselves,' for no social class will do it for them . . . It is . . . the interest of the proletariat to emancipate itself from bondage . . . It is only by growing to a true realisation of their present position, by visualising their possibilities and powers, by learning unity and co-operation, and practising them, that the masses can attain freedom.*" [Alexander Berkman, **Op. Cit.**, pp. 187-8]

We recognise, therefore, that only those at the bottom of society have a **self-interest** in freeing themselves from the burden of those at the top, and so we see the importance of class consciousness in the struggle of oppressed people for self-liberation. Thus, "*[f]ar from believing in the messianic role of the working class, the anarchists' aim is to **abolish** the working class in so far as this term refers to the underprivileged majority in all existing societies. . . What we do say is that no revolution can succeed without the active participation of the working, producing, section of the population. . . The power of the State, the values of authoritarian society can only be challenged and destroyed by a greater power and new values.*" [Vernon Richards, **The Raven**, no. 14, pp. 183-4] Anarchists also argue that one of the effects of direct action to resist oppression and exploitation of working class people would be the **creation** of such a power and new values, values based on respect for individual freedom and solidarity (see sections [J.2](#) and [J.4](#) on direct action and its liberating potential).

As such, class consciousness also means recognising that working class people not only have an interest in ending its oppression but that we also have the power to do so. "*This power, the people's power,*" notes Berkman, "*is **actual**: it cannot be taken away, as the power of the ruler, of the politician, or of the capitalist can be. It cannot be taken away because it does not consist of possessions but in ability. It is the ability to create, to produce; the power that feeds and clothes the world, that gives us life, health and comfort, joy and pleasure.*" The power of government and capital "*disappear when the people refuse to acknowledge them as masters, refuse to let them lord it over them.*" This is "*the all-important **economic power***" of the working class. [**Op. Cit.**, p. 87, p. 86 and p. 88]

This potential power of the oppressed, anarchist argue, shows that not only are classes wasteful and harmful, but that they can be ended once those at the bottom seek to do so and reorganise society appropriately. This means that we have the power to transform the economic system into a non-exploitative and classless one as "*only a productive class may be libertarian in nature, because it does not need to exploit.*" [Albert Meltzer, **Anarchism: Arguments For and Against**, p. 23]

Finally, it is important to stress that anarchists think that class consciousness **must** also mean to be aware of **all** forms of hierarchical power, not just economic oppression. As such, class consciousness and class conflict is not simply about inequalities of wealth or income but rather questioning all forms of domination, oppression and exploitation.

For anarchists, "*[t]he class struggle does not centre around material exploitation alone but also*

around spiritual exploitation, . . . [as well as] psychological and environmental oppression."

[Bookchin, **Op. Cit.**, p. 151] This means that we do not consider economic oppression to be the only important thing, ignoring struggles and forms of oppression outside the workplace. To the contrary, workers are human beings, not the economically driven robots of capitalist and Leninist mythology. They are concerned about everything that affects them -- their parents, their children, their friends, their neighbours, their planet and, very often, total strangers.