A critical appraisal of what could be an anarchist political economy

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Conflated with anti-statism, anything goes, chaos, violence and terrorism, anarchism is probably one of the most misconstrued and demonized political ideologies of our times. Anarchist writings have long been the preserve of activist subcultures, while attracting only marginal attention in academic circles. The tide seems to have changed alongside the widespread disillusionment with the authoritarian neoliberal state and sweeping Orwellian surveillance apparatuses in the wake of the current crisis. Particularly, the political momentum of horizontalist social movements with anarchist traits, taking to the squares and demanding ‘real democracy now’, has spurred renewed academic curiosity in anarchist ideas and practices. Much of this ideological appreciation might be of a transient nature only, flirting with what David Graeber (2002: 72) referred to as ‘small-a anarchism’. Notwithstanding, the reinvigorated interest in anarchist thought epitomizes the search for an alternative socio-economic order – an order that goes beyond reformist and parochial conceptions of what is commonly considered politically acceptable and feasible.

The (re-)production of everyday life through work lies at the foundation of every economic and political system, including of what could be an anarchist one. What alternative views on the production, distribution and consumption of goods and services does anarchism offer? What are the virtues and pitfalls of an anarchist organisation of the economy? Anarchism might not be celebrated for its distinguished views on the economy; yet a range of anarchists has outlined fairly concrete views on how to organise alternative forms of production, and for that matter, an alternative socio-economic order that is non-capitalist in essence. This note critically discusses the merits and limits of anarchist utopias and real
existing examples of what one could call anarchist economic organisation. It will be argued that the anarchist legacy has much to offer when envisaging anti-capitalist alternatives but that there are also important shortcomings.

Leaving the comfort zones of mere capitalist critique and envisaging a non-capitalist anarchist future may seem a dauntingly naïve endeavour. We should not forget though that an integral part of critical scholarship is not only to explain and criticize structures of the existing social order, but also to formulate coherent visions of alternatives that transcend this order (Cox, 1996). Arguably, alternative visions, whether anarchist or not, will always be incomplete and imperfect. As Emma Goldman (1927: 7) reminds us, anarchism is not ‘an ironclad program or method on the future’. Solutions to societal problems are rather to be found in a dialectical interplay between thought and action, or what the Zapatista movement termed preguntando caminamos – walking we ask questions. An important set of questions is rooted in the longstanding and multi-faceted antagonism between anarchism and Marxism. The purpose of this contribution is not to (re-)produce orthodox platitudes or to reconcile what may or may not be reconciled, but rather to exploit some of the tensions that arise from the different ontological foci underpinning anarchist and Marxist views and their ramifications of transformative action (see also Wigger and Buch-Hansen, 2013).

**Anarchism as emancipatory theory and praxis**

Anarchist theory encompasses a heterodox compilation of ideas, which mean different things to different people and which are constantly in flux and evolving. Referring to an authentic and homogeneous anarchism would therefore be as much of a misnomer as referring to a genuine Marxism (White and Williams, 2012: 1628). For the brevity of this note, some broad generalisations will be inevitable nonetheless. When stripped to its quintessence and deprived from its various qualifying adjectives, anarchism boils down to a profound scepticism towards skewed and coercive social power relations, be it alongside class, race, gender or people with different sexual orientations (McLaughlin, 2010). Anarchists aim at maximising individual autonomy and collectivist freedom by ‘reducing fixed hierarchies that systematically privilege some people over others to a minimum’ (Albert, 2012: 327).

Anarchism is frequently associated with a profound distrust of formal organisations – the state in particular. Anarchism is however not simply anti-state or anti-government. The state as an ensemble of rules and institutions is considered but one source of skewed social power relations. As Schmidt and van der Walt (2009: 71) put it, ‘antistatism is at best a necessary component of
anarchist thought, but not a sufficient basis on which to classify a set of ideas or a particular thinker as part of the anarchist tradition’. The thorny question of the state has become a bit of an elephant in the room, particularly among so-called small-a anarchists who are inclined to believe that the Leviathan still can be tamed as Thomas Hobbes suggested, and advocating instead a radical democratization of the state. Capital letter ‘A’ anarchists are wholeheartedly anti-capitalist and consider the state inseparable from the capitalist system. The capitalist state is criticized for codifying, legitimizing and representing social inequalities through a hierarchical and authoritarian concentration of power in hands of ruling classes (Williams, 2007: 300; McKay, 2008: 1633). As capitalism would succumb without state regulatory apparatuses and the centralised condensation of power, the branch of self-proclaimed ‘anarcho-capitalists’, favouring laissez-faire capitalism without a state, cannot be considered anarchist (see Shannon, 2012: 280). Overcoming capitalism thus unequivocally implies overcoming the state, or, in the view of anarchist Gustav Landauer (2010: 179), the state is a social relationship: ‘a certain way of people relating to one another’, which can be destroyed by ‘people relating to one another differently’.

The commonalities between anarchism and Marxism are crucial: both condemn the capitalist exploitation of labour and nature; both view the state as an instrument of class domination and picture communism as stateless; and both share a principal commitment to a more just and egalitarian society. Anarchists however lack a distinct analysis and critique of global capitalism and often draw on Marxist insights (both positively and negatively), which is why anarchism is sometimes pigeonholed as Marxism’s poorer cousin. The engagement is frequently not reciprocal and overtly conflict-ridden. Many of the vestiges of the First International in 1872, where Karl Marx expelled Mikhail Bakunin and other anarchists, latently live on to date (see Bakunin, 1998 [1950]; McKay, 2008: 1668-1693). Condescension can be found in both camps. Anarchists sometimes draw on crude reductionist views on Marxism (see Schmidt and van der Walt, 2009), neglecting that Marxism offers both an analysis of the social world and political project, while not all Marxists necessarily embody both dimensions. Marxists, in turn, frequently seem preoccupied with theorizing and analysing capitalism and its crises, while either ignoring anarchist works altogether, or despising them as eclectic, theoretically shallow and conceptually imprecise. Illustrative in this regard is Marxist historian Eric Hobsbawm (1973), who has vociferously ranted at anarchist ideas and movements, which he deems ineffective, primitive and destined to failure.

This long-standing antagonism is unfortunate as the growing body of literature on alternative anarchist economic production is serious and sophisticated (see Shannon et al., 2012; or the voluminous and detailed work by McKay, 2008).
This up-and-coming literature gives particular emphasis to the fact that capitalist critique should be followed by the dialectics of developing alternatives and action instigated to a post-neoliberal and post-capitalist order. Social change and the emancipation of the oppressed constitute anarchism’s linchpin: structures, processes, practices and identities of social inequality should not only be criticized but also defied in daily struggles and actions. While Marxists might have produced brilliant theoretical discourses, usually sheltered by academia’s cosy ivory towers, anarchists are said to have focused more on getting things done (Kinna and Prichard, 2012; Williams, 2007). Based on first-hand (positive) experiences in laboratories of lived anarchist practice in small groups, communes and councils, anarchists usually tend to be slightly more optimistic about the prospect of overthrowing capitalism, whereas their Marxist cousins frequently lack similar experiences and tend to be intellectually more pessimist. This is why anarchism is sometimes also portrayed as the passionate, idealistic heart in contrast to Marxism’s sober and realistic head (Kinna and Prichard, 2012).

The anarchist answer to Lenin’s famous question ‘what is to be done?’ differs from traditional Marxists politics in important points. Although is there no common anarchist position on how to organise the passage from capitalism to what anarchist would call libertarian communism or anarcho-communism, anarchists see no role for authority and power centralization in the form an elite vanguard party or a red bureaucracy by proxy of the proletarian masses that would temporally seize the state as a site of political transition. Anarchists do not believe that the state would at some point miraculously wither away, as so-called classical Marxism, and in particular its Leninist branch, would suggest. For anarchists, form is content and content is form. In the spirit of building tomorrow today, the emergence of a new avant-garde that arises from within popular struggles ought to be prevented at all costs and at all times.

With the exception of an insurrectionist branch propagating an instantaneous revolutionary upsurge of popular masses, anarchist strategies for social transformation tend to be both non-revolutionary and non-reformist in nature. Anarchists see social change as incremental, taking place here and now, and not in the form of some grand transformation that would liberate all humanity at once in some distant future – a stance generally ascribed to Marxists politics. John Holloway’s *Change the World without Taking Power* (2003) and *Cracks of Capitalism* (2010) very much reflect this view. As capitalism developed in the interstices of feudalism, the transformation towards a non-capitalist and anarchist society is too believed to evolve cumulatively through enlarging social spaces with alternative organizational forms. As the struggle to overcome capitalism cannot be imposed or delegated from top-down hierarchical and
formal systems of power, such as the state or political parties, bottom-up grassroots struggles that aim at changing micro-relations in everyday life are considered cutting edge for changing macrostructures. The ethos of ‘prefigurative direct action’ and ‘propaganda by the deed’ is pivotal in this respect (see Maeckelbergh, 2011): new forms of social organisation ought to be realised straightaway, while the means of social change must prefigure the anticipated anarchist future (prefigurative direct action). Moreover, through exemplary political actions exposing anarchist practices as positive (propaganda by the deed), anarchists seek to stimulate solidarity activities and imitation, hoping that this would eventually coalesce into a broader movement and suffocate capitalism at some point (Carter and Moreland, 2004; Gordon, 2008). Anarchism thus needs to be understood as a way of living in the present as well as a goal for the future (Ferguson, 2011).

**Sketching the contours of an anarchist political economy**

The (re-)production of social life is essentially a collective endeavour, which engenders social power relations. Like Marxists, anarchists fundamentally challenge the skewed social power relations within capitalism between the wealthy few, controlling the means of production, and the working many, selling their labour. Committed to horizontal organising, anarchists seek a radical redistribution of wealth and power, striving to create the material conditions for a non-exploitative and egalitarian society with communal ownership structures of the means of production. What is also referred to as libertarian communism, or mutualism would be based on the free experimentation of different types of economic arrangements – arrangements that go beyond production for the sake of profits and that generally revolve around (direct) democratically managed and decentralised horizontal production collectives. As anarcho-syndicalist Rudolf Rocker (2009 [1938]) suggested, different organizational forms of production might operate side by side. This plethora of autonomous and self-organized production sites would not exist in isolation. Voluntary associations or contracts with others would be formed, resulting in horizontal clusters or networks in which products and services would be exchanged. As anarchism cannot be forced upon people, there would always be an uneasy contradiction between individual and collective self-organization. Moreover, democratic decisions for a hierarchical organization of production would have to be respected. Thus, degrees of horizontal organisation and autonomy would vary among different production collectives.

Values and principles central to anarchist thought, such as autonomy, voluntary cooperation and mutual aid, as well as equity, solidarity and mutual respect,
would prevail in the organisation of economic activities. While voluntary cooperation in the realm of the economy refers to arrangements between economic entities that focus on joint projects and reaching common goals, mutual aid concerns altruistic and solidary practices aimed at enhancing the welfare of economic entities without the aid provider directly benefitting from it (see Wigger and Buch-Hansen, 2013). Anarchists from the classical canon like Bakunin were convinced that cooperation would be the prevailing form of social organisation. Likewise, Kropotkin (2006 [1902]) criticized social-Darwinist logics based on the idea of the survival of the fittest, and argued that voluntary cooperation and most notably mutual aid were much more successful traits in human survival than egoistic behaviour. Kropotkin moreover recognized that humans have both selfish and social instincts but saw none as the main determinant. Accordingly, a system that gives primacy to the always rationally calculating and utility maximizing *Homo economicus* can be as much socially conditioning as a system that gives primacy to the features of the *Homo socialis*.

A range of anarchists have worked out rather detailed visions on how such democratically managed and socialized production forms would look like. A canonical overview would exceed the scope of this note. Michael Albert and Robin Hahnel’s (1991) work on a participatory economy, in short Parecon, is probably one of the best-known but also one of the most criticized accounts (see also Albert, 2003; Hahnel, 2005). Several authors and branches of literature could be mentioned that also centre on egalitarian cooperative forms of self-managed production, albeit without an outright commitment to anarchism, such as work on ‘post-growth societies’ (Daly, 1996; Jackson, 2008; Latouche, 2009), a ‘humanized economy’ (Restakis, 2010) and ‘real utopias’ (Wright, 2010). The extensive literature on the ‘commons’ with collectively shared access, use and ownership rights also falls into this category. Suffice it to say that all of these visions can be a source of inspiration for an anarchist organisation of the economy.

Collectivist decentralised and democratically planned production would allow for what Karl Polanyi (1944) called the re-embedding of the economy in social relations, rather than running society as an adjunct to the market, as it is the case under contemporary capitalism. Production would be organized according to need. As Peter Kropotkin (2008 [1892]: 201) outlined in his vision of anarcho-communism: ‘Before producing anything, must you not feel the need of it? [...] Is it not the study of needs that should govern production?’ The question of a needs-based economy also stands central in Marx and what he termed ‘use-value’ – rather than production for the sake of commercial gain or ‘exchange-value’. A needs-based orientation would break with the imperative of relentless capital accumulation and economic growth, as well as the hedonistic consumerism of
the privileged, which, as Bookchin (1986: 21) accurately observed, ‘pacifies but never satisfies’. Surplus production, necessary for creating stocks for times of economic insecurity or scarcity, would be still necessary but kept at bay. Certain domains would be relatively small-scale or local or regional in orientation, particularly in the area of foodstuff and basic products. This would render not only production but also the distribution and consumption less alienated, enhance local autonomy and sovereignty and reduce energy-wasteful long-distance trade. This would however not mean that large-scale industries making use of advanced technologies and profiting from economies of scale or trade would have to be abandoned altogether. The appropriate scale of production (and trade) would have to be determined democratically, taking into account the objective needs of production and those who work in and live alongside the production processes (McKay, 2008).

Anarchists deem sufficient leisure time essential for the conscious creation of a balanced life. As Kropotkin (2008 [1892]: 63, 172) emphasized, economic production should be geared towards the ‘well-being for all’ by ‘giving society the greatest amount of useful products with the least waste of human energy’. In an anarchist organisation of economic production, a new division of labor would surface. The workplace would not be fixed, allowing for a balanced composition of tasks. Workers would engage in participatory planning and take decisions that concern the organisation of the day-to-day work, including also decisions to leave production collectives at free will. The workplace moreover would constitute a site of creativity, self-esteem, mutual learning and knowledge sharing, allowing for personal growth, work satisfaction and the appreciation of good craftsmanship. In that sense, the Fordist-type factory setting forms the antithesis to an anarchist mode of production: the machine-paced assembly lines and coercive Taylorist managerial structures not only suppress the autonomy but also the self-esteem of the workforce, while concentrating power in the hands of those who control the assembly line (Scott, 2013).

Assessing the virtues and limits of an anarchist political economy

Horizontally organised, self-managed production sites where workers take direct democratic decisions and own the means of production have existed all over the world throughout history. Various types of consumer and producer cooperatives, cooperative banks, sustainable communities such as ecovillages (Alperovitz, 2005) or temporary autonomous zones (Bay, 1985) can also be found in contemporary capitalism. Estimates suggest that there are currently 1.4 million cooperatives with nearly one billion members worldwide (Monaghan and Ebrey, 2012: 29). Examples can be found in the Emilia Romagna region in Italy, home
to 8,100 cooperatives producing 40 per cent of the region’s GDP; India with over 239 million people working in coops, or the UK, which counts 13 million coop members (ibid.).

Coops of every imaginable sort are certainly less exploitative and frequently allow for precious zones of worker’s autonomy, basic income rights, (more) equitable remuneration schemes, sustainable employment and high degrees of community liveability (see Bateman, 2012). Operating at the margins of capitalism however, cooperatives cannot easily evade the imperatives of the competitive accumulation of capital. Illustrative is the renowned Mondragon Cooperative Corporation in the Basque region of Northern Spain. As part of its expansionary strategy, Mondragon outsourced production to affiliated subsidiary companies in China, Mexico, Poland, Brazil or the Czech Republic in order to profit from cheap unskilled or semi-skilled labour, while many of the 120 linked enterprises are not organised as cooperatives (Errasti et al., 2003). Rather than enhancing North-South cooperation through Greenfield investments, Mondragon primarily expanded through joint ventures and takeovers, while restricting actual cooperative membership and ‘one-worker-one-vote’ rules to Basque plants only (ibid.). Overall, only a third of the more than 80,000 full time employees are members. Furthermore, for the sake of efficiency, crucial decisions are no longer taken by direct democratic structures but by a management board held accountable through yearly elections.

As Noam Chomsky (1999) argued, the roots of a successor project of capitalism and its neoliberal organization will have to be constructed within the existing economy. Arguably, present-tense experiments will always be imperfect (see also Nathan, 2011 for pitfalls of real-existing cooperatives in former Yugoslavia and South Africa). What’s more, anarchist production sites, which develop at the verge of capitalist competition, always risk regressing back into capitalism. Bakunin warned already in the 1870s that the capitalist sector would conquer the non-capitalist one, and that coops would eventually adopt a bourgeois mentality. This is why Bakunin, as a representative of the revolutionary anarchists, did not believe in a gradual and peaceful systemic transformation. Democratic structures at work are not a sufficient key to a non-capitalist order either. As noted by Joseph Kay (in Shannon et al., 2012: 282), ‘the assets of a co-op do not cease being capital when votes are taken on how they are used within a society of generalized production and wage labour’. Production collectives do also not automatically break with the exploitation of non-renewable natural resources or stop environmental depletion. In order to survive and maintain market shares, adjusting to market logics, such as buying cheap and selling dear, or minimizing costs and maximizing profits, is not only tempting but at times even unavoidable. Coops cannot easily evade the coercive forces of capitalist competition and its
depreciating effects on labour when being confronted with competitors and price wars. In times of economic downturn and fierce competitive pressures, coops can suffer from collective self-exploitation through ‘democratically’ imposed austerity measures in the form of longer working days, decreasing income, and redundancies in the worst case.

Capitalist competition is in many ways an anathema to anarchist values and principles. Not many anarchists have paid attention to the social ramifications of the competitive accumulation of capital (exceptions are Albert, 2003; McKay, 2008). The freedom to compete is frequently confused with political freedom and individual self-determination. Pierre-Joseph Proudhon (1988 [1846]: 272), one of the first self-proclaimed anarchists, saw a clear role for competitive behaviour among worker-owned firms in his version of market socialism, arguing that competition ‘is the vital force which animates the collective being: to destroy it, if such a supposition were possible, would be to kill society’. The idea that outperforming others would bring out the best in people might be genuinely appealing and politically motivating. It disregards however, as Marx (1973 [1939]: 650) argued, that ‘[i]t is not individuals that are set free by free competition; it is, rather, capital which is set free’. By giving primacy to grass roots collective self-organisation, the terrain of anarchist social struggles tends to be ontologically limited to changing micro-contexts only, while competitive capitalist logics operate at the systemic level. This raises important questions about whether a genuine societal reorientation towards an alternative organisation can emerge from the micro-level alone (see also Wigger and Buch-Hansen, 2013). It furthermore remains questionable whether in a non-capitalist economy competitive pressures could be eliminated. The particularistic interests of producer communities to acquire more privileges can easily encroach on higher ethical goals, also in an anarchist political economy. Although there is nothing wrong with producing better and more innovative products in a competitive sportive spirit, competition eventually disintegrates more than it unites. Apart from being highly stressful, competition can put people fundamentally at odds, disrupt social relationships and undermine solidarity and common projects. Not everyone who plays can win, and failure or humiliation can lead to anxiety, hostility or outright aggression, which interferes with performance and creativity (Kohn, 1986).

The downsides of competition are certainly intensified under capitalism. An anarchist organisation of the economy could seek to diminish competition. This would require social institutions that seek to protect the cooperative commonwealth from creeping capitalist logics. Contrary to what is frequently assumed, anarchism is not opposed to organization or establishing institutions. Social institutions and venues where people meet, discuss mutual expectations or
take decisions are indispensable for any society (see also Albert, 2012). Anarchist institutions would however look different from the current institutional architecture that regulates economic production and exchange. Institutions would enshrine values and principles central to anarchism, such as equity, solidarity, voluntary cooperation and mutual aid. Anarchist institutions, like any institution, would certainly limit the much praised autonomy and freedom, and there would always be a minority dissenting with the established consensus, which cannot be coerced into a given institutional setting. Nonetheless, anarchist institutions would seek to maximise autonomy and collective, egalitarian self-management, and be subjected to decentralized democratic mediation and open to periodic re-evaluation and adjustment by people participating in and/or affected by these institutions.

Horizontally organised and democratically run collectives might offer patent solutions for the organization of production at micro-level. Direct democratic consensual decision-making structures, which are already premised on rather omnipotent humans, would become impossible for tackling macro-level problems that exceed the local or the regional. Anarchists, ranging from Bakunin to Proudhon or Bookchin as well as a many anarcho-syndicalists, have always been committed internationalists, and acknowledged the necessity of higher-order nested governance institutions for the coordination of public affairs beyond the local. Federal structures are generally considered to be the macro-systemic complementary to self-management and direct democracy at micro-level. Based on a bottom-up organisation of re-callable delegates, larger units in the federation would have the fewest powers and be subordinated to the lower (local) levels, ideally leaving confederal councils with the task of mere coordination. To what extent such federal structures would ultimately resemble state structures as we know them can certainly be debated.

Conclusion

Bottom-up initiatives of self-managed production collectives exemplify without doubt anarchist prefigurative politics, and can be essentially emancipatory and empowering in nature. However, anarchist organising values and principles, such as cooperation and mutual aid, as well as other forms of empathic and solidary behaviour, always risk to be subordinated to notions of winning and narrow and short-term interests in the presence of cut-throat (capitalist) competitive pressures. Anarchists, by giving ontologically primacy to micro-level social struggles, can learn from the Marxists macro-systemic view, departing from the standpoint of the totality, and thus, global capitalism. The centrifugal forces of competition are but one critical aspect that risks distorting an anarchist
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economy. Other aspects that have not been discussed here would be scarcity and
economic uncertainty; whether or not the exchange of goods and services would
be monetized; or merely the fact that the aggregate effect of individual decisions
can produce circumstances against the interest of those subject to them,
amounting to booms and busts, overproduction and overinvestment (see McKay,
2008).

Although clear-cut blueprints about an anarchist political economy and concise
roadmaps on how to get there are impossible to draw up, anarchist utopias
provide valuable inspiration for prefiguring an egalitarian distribution of
wealth and power in a society. If we understand utopianism as ‘perpetually
exploring new ways to perfect an imperfect reality’ (Niman, 1997: 302), then the
mere possibility of envisioning a different world already holds the prospect of it
becoming a viable project (see Eckert, 2011: 69). Such utopias should however
not be unduly romanticized or idealised as they can easily transmute into
dogmatic orthodoxies (Ferguson, 2011: 154). Importantly, utopias always have to
be re-envisioned in the light of past and real-existing practices.

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