

Libertarian Left

Free-market anti-capitalism, the unknown ideal

By Sheldon Richman

RON PAUL'S 2008 presidential campaign introduced many people to the word "libertarian." Since Paul is a Republican and Republicans, like libertarians, use the rhetoric of free markets and private enterprise, people naturally assume that libertarians are some kind of quirky offshoot of the American right wing. To be sure, some libertarian positions fit uneasily with the mainstream conservatism—complete drug decriminalization, legal same-sex marriage, and the critique of the national-security state alienate many on the right from libertarianism.

But the dominant strain of libertarianism still seems at home on that side of the political spectrum. Paeans to property rights and free enterprise—the mainstream libertarian conviction that the American capitalist system, despite government intervention, fundamentally embodies those values—appear to justify that conclusion.

But then one runs across passages like this: "Capitalism, arising as a new class society directly from the old class society of the Middle Ages, was founded on an act of robbery as massive as the earlier feudal conquest of the land. It has been sustained to the present by continual state intervention to protect its system of privilege without which its survival is unimaginable." And this: "build worker solidarity. On the one hand, this means formal organisation, including unionization—but I'm not talking about the prevailing model of 'business unions' ... but *real* unions, the old-fashioned kind, committed to the

working *class* and not just union members, and interested in worker autonomy, not government patronage."

These passages—the first by independent scholar Kevin Carson, the second by Auburn University philosophy professor Roderick Long—read as though they come not from libertarians but from radical leftists, even Marxists. That conclusion would be only half wrong: these words were written by pro-free-market left-libertarians. (The preferred term for their economic ideal is "freed market," coined by William Gillis.)

These authors—and a growing group of colleagues—see themselves as both libertarians and leftists. They are standard libertarians in that they believe in the moral legitimacy of private ownership and free exchange and oppose all government interference in personal and economic affairs—a groundless, pernicious dichotomy. Yet they are leftists in that they share traditional left-wing concerns, about exploitation and inequality for example, that are largely ignored, if not dismissed, by other libertarians. Left-libertarians favor worker solidarity vis-à-vis bosses, support poor people's squatting on government or abandoned property, and prefer that corporate privileges be repealed *before* the regulatory restrictions on how those privileges may be exercised. They see Walmart as a symbol of corporate favoritism—supported by highway subsidies and eminent domain—view the fictive personhood of the limited-liability corporation with suspicion, and

doubt that Third World sweatshops would be the "best alternative" in the absence of government manipulation.

Left-libertarians tend to eschew electoral politics, having little confidence in strategies that work through the government. They prefer to develop alternative institutions and methods of working around the state. The Alliance of the Libertarian Left encourages the formation of local activist and mutual-aid organizations, while its website promotes kindred groups and posts articles elaborating its philosophy. The new Center for a Stateless Society (C4SS) encourages left-libertarians to bring their analysis of current events to the general public through op-eds.

These laissez-faire left-libertarians are not to be confused with other varieties of left-wing libertarians, such as Noam Chomsky or Hillel Steiner, who each in his own way objects to individualistic appropriation of unowned natural resources and the economic inequality that freed markets can produce. The left-libertarians under consideration here have been called "market-oriented left-libertarians" or "market anarchists," though not everyone in this camp is an anarchist.

There are historical grounds for placing pro-market libertarianism on the left. In the first half of the 19th century, the laissez-faire liberal economist Frederic Bastiat sat on the left side of the French National Assembly with other radical opponents of the *ancien régime*, including a variety of socialists. The right side was reserved for reactionary

defenders of absolute monarchy and plutocracy. For a long time “left” signified radical, even revolutionary, opposition to political authority, fired by hope and optimism, while “right” signified sympathy for a status quo of privilege or a return to an authoritarian order. These terms applied even in the United States well into the 20th century and only began to change during the New Deal, which prompted regrettable alliances of convenience that carried over into the Cold War era and beyond.

At the risk of oversimplifying, there are two wellsprings of modern pro-market left-libertarianism: the theory of political economy formulated by Murray N. Rothbard and the philosophy known as “Mutualism” associated with the pro-market anarchist Pierre-Joseph Proudhon—who sat with Bastiat on the left side of the assembly while arguing with him incessantly about economic theory—and the American individualist anarchist Benjamin R. Tucker.

“LEFT” SIGNIFIED RADICAL OPPOSITION TO POLITICAL AUTHORITY, FIRED BY HOPE AND OPTIMISM, WHILE “RIGHT” SIGNIFIED SYMPATHY FOR A STATUS QUO OF PRIVILEGE OR A RETURN TO AN AUTHORITARIAN ORDER.

Rothbard (1926-1995) was the leading theorist of radical Lockean libertarianism combined with Austrian economics, which demonstrates that free markets produce widespread prosperity, social cooperation, and economic coordination without monopoly, depression, or inflation—evils whose roots are to be found in government intervention. Rothbard, who called himself an “anarcho-capitalist,” first saw himself as a man of the “Old Right,” the loose collection of opponents of the New Deal and American Empire epitomized by Sen. Robert Taft, journalist John T. Flynn, and more radically, Albert Jay Nock. Yet Rothbard

understood libertarianism’s left-wing roots.

In his 1965 classic and sweeping essay “Left and Right: The Prospects for Liberty,” Rothbard identified “liberalism”—what is today called libertarianism—with the left as “the party of hope, of radicalism, of liberty, of the Industrial Revolution, of progress, of humanity.” The other great ideology to emerge after the French revolution “was conservatism, the party of reaction, the party that longed to restore the hierarchy, statism, theocracy, serfdom, and class exploitation of the Old Order.”

When the New Left arose in the 1960s to oppose the Vietnam War, the military-industrial complex, and bureaucratic centralization, Rothbard easily made common cause with it. “The Left has changed greatly, and it is incumbent upon everyone interested in ideology to understand the change... [T]he change marks a striking and splendid infusion of libertarianism into the ranks of the

Left,” he wrote in “Liberty and the New Left.” His left-radicalism was clear in his interest in decentralization and participatory democracy, pro-peasant land reform in the feudal Third World, “black power,” and worker “homesteading” of American corporations whose profits came mainly from government contracts.

But with the fading of New Left, Rothbard deemphasized these positions and moved strategically toward right-wing paleoconservatism. His left-libertarian colleague, the former Goldwater speechwriter Karl Hess (1923-1994), kept the torch burning. In *Dear America*

Hess wrote, “On the far right, law and order means the law of the ruler and the order that serves the interest of that ruler, usually the orderliness of drone workers, submissive students, elders either totally cowed into loyalty or totally indoctrinated and trained into that loyalty,” while the left “has been the side of politics and economics that opposes the concentration of power and wealth and, instead, advocates and works toward the distribution of power into the maximum number of hands.”

Benjamin Tucker (1854-1939) was the editor of *Liberty*, the leading publication of American individualist anarchism. As a Mutualist, Tucker rigorously embraced free markets and voluntary exchange void of all government privilege and regulation. Indeed, he called himself a “consistent Manchester man,” a reference to the economic philosophy of the English free-traders Richard Cobden and John Bright. Tucker disdained defenders of the American status quo who, while favoring free competition among workers for jobs, supported capitalist suppression of competition among employers through government’s “four monopolies”: land, the tariff, patents, and money.

“What causes the inequitable distribution of wealth?” Tucker asked in 1892. “It is not competition, but monopoly, that deprives labor of its product. ... Destroy the banking monopoly, establish freedom in finance, and down will go interest on money through the beneficent influence of competition. Capital will be set free, business will flourish, new enterprises will start, labor will be in demand, and gradually the wages of labor will rise to a level with its product.”

The Rothbardians and Mutualists have some disagreements over land ownership and theories of value, but their intellectual cross-pollination has brought the groups closer philosophi-

cally. What unites them, and distinguishes them from other market libertarians, is their embrace of traditional left-wing concerns, including the consequences of plutocratic corporate power for workers and other vulnerable groups. But left-libertarians differ from other leftists in identifying the culprit as the historical partnership between government and business—whether called the corporate state, state capitalism, or just plain capitalism—and in seeing the solution in radical *laissez faire*, the total separation of economy and state.

THE TWILIGHT OF FEUDALISM AND THE DAWN OF CAPITALISM DID NOT FIND EVERYONE POISED AT THE STARTING LINE AS EQUALS—FAR FROM IT.

Thus behind the political-economic philosophy is a view of history that separates left-libertarians from both ordinary leftists and ordinary libertarians. The common varieties of both philosophies agree that essentially free markets reigned in England from the time of the Industrial Revolution, though they evaluate the outcome very differently. But left-libertarians are revisionists, insisting that the era of near *laissez faire* is a myth. Rather than a radical freeing of economic affairs, England saw the ruling elite rig the social system on behalf of propertied class interests. (Class analysis originated with French free-market economists predating Marx.)

Through enclosure, peasants were dispossessed of land they and their kin had worked for generations and were forcibly turned into rent-paying tenants or wage-earners in the new factories with their rights to organize and even to move restricted by laws of settlement, poor laws, combination laws, and more. In the American colonies and early republic, the system was similarly rigged through land grants and specula-

tion (for and by railroads, for example), voting restrictions, tariffs, patents, and control of money and banking.

In other words, the twilight of feudalism and the dawn of capitalism did not find everyone poised at the starting line as equals—far from it. As the pro-market sociologist Franz Oppenheimer, who developed the conquest theory of the state, wrote in his book *The State*, it was not superior talent, ambition, thrift, or even luck that separated the property-holding minority from the propertyless proletarian majority—but legal

plunder, to borrow Bastiat's famous phrase.

Here is something Marx got right. Indeed, Kevin Carson seconds Marx's "eloquent passage": "these new freedmen became sellers of themselves only after they had been robbed of all their own means of production, and of all the guarantees afforded by the old feudal arrangements. And the history of this, their expropriation, is written in the annals of mankind in letters of blood and fire."

This system of privilege and exploitation has had long-distorting effects that continue to afflict most people to this day, while benefiting the ruling elite; Carson calls it "the subsidy of history." This is not to deny that living standards have generally risen in market-oriented mixed economies but rather to point out that living standards for average workers would be even higher—not to mention less debt-based—and wealth disparities less pronounced in a freed market.

The "free-market anti-capitalism" of left-libertarianism is no contradiction, nor is it a recent development. It perme-

ated Tucker's *Liberty*, and the identification of worker exploitation harked back at least to Thomas Hodgskin (1787-1869), a free-market radical who was one of the first to apply the term "capitalist" disparagingly to the beneficiaries of government favors bestowed on capital at the expense of labor. In the 19th and early 20th centuries, "socialism" did not exclusively mean collective or government ownership of the means or production but was an umbrella term for anyone who believed labor was cheated out of its natural product under historical capitalism.

Tucker sometimes called himself a socialist, but he denounced Marx as the representative of "the principle of authority which we live to combat." He thought Proudhon the superior theorist and the real champion of freedom. "Marx would nationalize the productive and distributive forces; Proudhon would individualize and associate them."

The term capitalism certainly suggests that capital is to be privileged over labor. As left-libertarian author Gary Chartier of La Sierra University writes, "[I]t makes sense for [left-libertarians] to name what they oppose 'capitalism.' Doing so ... ensures that advocates of freedom aren't confused with people who use market rhetoric to prop up an unjust *status quo*, and expresses solidarity between defenders of freed markets and workers—as well as ordinary people around the world who use 'capitalism' as a short-hand label for the world-system that constrains their freedom and stunts their lives."

In contrast to nonleft-libertarians, who seem uninterested in, if not hostile to, labor concerns per se, left-libertarians naturally sympathize with workers' efforts to improve their conditions. (Bastiat, like Tucker, supported worker associations.) However, there is little affinity for government-certified bureaucratic unions, which represent little

more than a corporatist suppression of the pre-New Deal spontaneous and self-directed labor/mutual-aid movement, with its “unauthorized” sympathy strikes and boycotts. Before the New Deal Wagner Act, big business leaders like GE’s Gerard Swope had long supported labor legislation for this reason.

Moreover, left-libertarians tend to harbor a bias against wage employment and the often authoritarian corporate hierarchy to which it is subject. Workers today are handicapped by an array of regulations, taxes, intellectual-property laws, and business subsidies that on net impede entry to potential alternative employers and self-employment. As well, periodic economic crises set off by government borrowing and Federal Reserve management of money and banking threaten workers with unemployment, putting them further at the mercy of bosses.

IN A FREED MARKET **LEFT-LIBERTARIANS** EXPECT TO SEE LESS WAGE EMPLOYMENT AND MORE **WORKER-OWNED ENTERPRISES**.

Competition-inhibiting cartelization diminishes workers’ bargaining power, enabling employers to deprive them of a portion of the income they would receive in a freed and fully competitive economy, where employers would have to compete for workers—rather than vice versa—and self-employment free of licensing requirements would offer an escape from wage employment altogether. Of course, self-employment has its risks and wouldn’t be for everyone, but it would be more attractive to more people if government did not make the cost of living, and hence the cost of decent subsistence, artificially high in myriad ways—from building codes and land-use restrictions to product standards, highway subsidies, and government-managed medicine.

In a freed market left-libertarians expect to see less wage employment and more worker-owned enterprises, co-ops, partnerships, and single proprietorships. The low-cost desktop revolution, Internet, and inexpensive machine tools make this more feasible than ever. There would be no socialization of costs through transportation subsidies to favor nationwide over regional and local commerce. A spirit of independence can be expected to prompt a move toward these alternatives for the simple reason that employment to some extent entails subjecting oneself to someone else’s arbitrary will and the chance of abrupt dismissal. Because of the competition from self-employment, what wage employment remained would most likely take place in less-hierarchical, more-humane firms that, lacking political favors, could not socialize diseconomies of scale as large corporations do today.

Left-libertarians, drawing on the work of New Left historians, also dissent from the conservative and standard libertarian view that the economic regulations of the Progressive Era and New Deal were imposed by social democrats on an unwilling freedom-loving business community. On the contrary, as Gabriel Kolko and others have shown, the corporate elite—the House of Morgan, for example—turned to government intervention when it realized in the waning 19th century that competition was too unruly to guarantee market share.

Thus left-libertarians see post-Civil War America not as a golden era of *laissez faire* but rather as a largely corrupt business-ruled outgrowth of the war, which featured the usual military contracting and speculation in government-

securities. As in all wars, government gained power and well-connected businessmen gained taxpayer-financed fortunes and hence unfair advantage in the allegedly free market of the Gilded Age. “War is the health of the state,” leftist intellectual Randolph Bourne wrote. Civil war too.

These conflicting historical views are well illustrated in the writings of the pro-capitalist novelist Ayn Rand (1905-1982) and Roy A. Childs Jr. (1949-1992), a libertarian writer-editor with definite leftist leanings. In the 1960s Rand wrote an essay with the self-explanatory title “America’s Persecuted Minority: Big Business,” which Childs answered with “Big Business and the Rise of American Statism.” “To a large degree it has been and remains big businessmen who are the fountainheads of American statism,” Childs wrote.

One way to view the separation of left-libertarians from other market libertarians is this: the others look at the American economy and see an essentially free market coated with a thin layer of Progressive and New Deal intervention that need only to be scraped away to restore liberty. Left-libertarians see an economy that is corporatist to its core, although with limited competitive free enterprise. The programs constituting the welfare state are regarded as secondary and ameliorative, that is, intended to avert potentially dangerous social discontent by succoring—and controlling—the people harmed by the system.

Left-libertarians clash with regular libertarians most frequently when the latter display what Carson calls “vulgar libertarianism” and what Roderick Long calls “Right-conflationism.” This consists of judging American business in today’s statist environment as though it were taking place in the freed market. Thus while nonleft-libertarians theoretically recognize that big business enjoys monopolis-

tic privileges, they also defend corporations when they come under attack from the left on grounds that if they were not serving consumers, the competitive market would punish them. “Vulgar libertarian apologists for capitalism use the term ‘free market’ in an equivocal sense,” Carson writes, “[T]hey seem to have trouble remembering, from one moment to the next, whether they’re defending actually existing capitalism or free market principles.”

Signs of Right-conflationism can be seen in the common mainstream libertarian defensiveness at leftist criticism of income inequality, America’s corporate structure, high oil prices, or the health-care system. If there’s no free market, why be defensive? You can usually make a nonleft-libertarian mad by comparing Western Europe favorably with the United States. To this, Carson writes, “[I]f you call yourself a libertarian, don’t try to kid anybody that the American system is less statist than the German one just because more of the welfare queens wear three-piece suits... . [I]f we’re choosing between equal levels of statism, of course I’ll take the one that weighs less heavily on my own neck.”

True to their heritage, left-libertarians champion other historically oppressed groups: the poor, women, people of color, gays, and immigrants, documented or not. Left-libertarians see the poor not as lazy opportunists but rather as victims of the state’s myriad barriers to self-help, mutual aid, and decent education. Left-libertarians of course oppose government oppression of women and minorities, but they wish to combat nonviolent forms of social oppression such as racism and sexism as well. Since these are not carried out by force, the measures used to oppose them also may not entail force or the state. Thus, sex and racial discrimination are to be fought through boycotts, publicity, and demonstrations, not vio-

lence or antidiscrimination laws. For left-libertarians, southern lunch-counter racism was better battled through peaceful sit-ins than with legislation in Washington, which merely ratified what direct action had been accomplishing without help from the white elite.

Why do left-libertarians *qua* libertarians care about nonviolent, nonstate oppression? Because libertarianism is premised on the dignity and self-ownership of the individual, which sexism and racism deny. Thus all forms of collectivist hierarchy undermine the libertarian attitude and hence the prospects for a free society.

In a word, left-libertarians favor equality. Not material equality—that can’t be had without oppression and the stifling of initiative. Not mere equality under the law—for the law might be oppressive. And not just equal freedom—for an equal amount of a little freedom is intolerable. They favor what Roderick Long, drawing on John Locke, calls equality in authority: “Lockean equality involves not merely equality *before* legislators, judges, and police, but, far more crucially, equality *with* legislators, judges, and police.”

Finally, like most ordinary libertarians, left-libertarians adamantly oppose war and the American empire. They embrace an essentially economic analysis of imperialism: privileged firms seek access to resources, foreign markets for surplus goods, and ways to impose intellectual-property laws on emerging industrial societies to keep foreign manufacturers from driving down prices through competition. (This is not to say there aren’t additional, political factors behind the drive for empire.)

These days left-libertarians feel vindicated. American foreign policy has embroiled the country in endless overt and covert wars, with their high cost in blood and treasure, in the resource-rich Middle East and Central Asia—with tor-

ture, indefinite detention, and surveillance among other assaults on domestic civil liberties thrown in for good measure. Meanwhile, the historical Washington-Wall Street alliance—in which recklessness with other people’s money, fostered by guarantees, bailouts, and Federal Reserve liquidity masquerades as deregulation—has brought yet another financial crisis with its heavy toll for average Americans, additional job insecurity, and magnified Wall Street influence.

Such nefariousness can only hasten the day when people discover the left-libertarian alternative. Is that expectation realistic? Perhaps. Many Americans sense that something is deeply wrong with their country. They feel their lives are controlled by large government and corporate bureaucracies that consume their wealth and treat them like subjects. Yet they have little taste for European-style social democracy, much less full-blown state socialism. Left-libertarianism may be what they’re looking for. As the Mutualist Carson writes, “Because of our fondness for free markets, mutualists sometimes fall afoul of those who have an aesthetic affinity for collectivism, or those for whom ‘petty bourgeois’ is a swear word. But it is our petty bourgeois tendencies that put us in the mainstream of the American populist/radical tradition, and make us relevant to the needs of average working Americans.”

Carson believes ordinary citizens are coming to “distrust the bureaucratic organizations that control their communities and working lives, and want more control over the decisions that affect them. They are open to the possibility of decentralist, bottom-up alternatives to the present system.” Let’s hope he’s right. ■

Sheldon Richman blogs at Free Association (www.sheldonrichman.com).