

Free Markets and Private Property: The Road to Social Justice?

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[23 May 2013, Istanbul Bilgi University]

“I tend to agree with the Greens and other left-wing decentralists on the evils to which they object in current society and on their general view of a good society, while I agree with free market libertarians on their analysis of the cause of such evils and how to get from here to there. In short: green ends with libertarian means.” – Kevin A. Carson

“Freed-market advocates should embrace ‘anti-capitalism’ in order to encapsulate and highlight their full-blown commitment to freedom and their rejection of phony alternatives that use talk of freedom to conceal acquiescence in exclusion, subordination, and deprivation.” – Gary Chartier

“A fully freed market means liberating essential command posts in the economy from state control, to be reclaimed for market and social entrepreneurship. The market that would emerge that would look profoundly different from anything we have now. That so profound a change cannot easily fit into traditional categories of thought, e.g. ‘libertarian’ or ‘left-wing,’ ‘laissez-faire’ or ‘socialist,’ ‘entrepreneurial’ or ‘anti-capitalist,’ is not because these categories do not apply but because they are not big enough: radically free markets burst through them. If there were another word more all-embracing than revolutionary, we would use it.” – Charles W. Johnson

What does “capitalism” mean, in ordinary speech?

- a) private property and free markets (“private ownership of the means of production”)?
- b) society dominated by business power and wage labour; separation of labour from ownership/management?
- c) both (a) and (b) together, on the assumption that (a) leads to (b) and that both prevail in most modern industrialised countries?

Problem: what if (a) and (b) are actually incompatible – making (c) impossible?

what if it is really (b) *but not (a)* that prevails in most modern industrialised countries?

what if the appearance of (a) is a sham, and anti-market reality wrapped in pro-market rhetoric?

what if (b) prevails precisely because of the suppression of (a)?

what if the best way to get rid of (a) is to embrace (b)?

FMAC: Free-Market Anti-Capitalism (socialist ends, free-market means)

Great socioeconomic inequality is difficult to maintain without state privilege, because competition is a levelling force: success breeds imitation and whittles away profits, unless the successful are insulated from competition.

Why are businesses large and hierarchical? Establishment answer: economies of scale.

But economies of scale are eventually overtaken by diseconomies of scale;

larger firms have more and more of their internal decisions insulated from market feedback, becoming miniature socialist central-planning states, sluggish and inefficient;

information travels badly in hierarchies, especially upward.

Even when larger scale brings production gains, such gains bring increased distribution costs. Diseconomies of scale place an upper limit on firm growth – *but* state privileges enable firms to externalise the costs of growth onto society as a whole.

Subsidies, tax breaks, eminent domain, protectionist tariffs, “intellectual property” laws insulate established players from competition.

Transportation subsidies (e.g., tax-funded highways) reduce distribution costs, thus disadvantaging local production.

Fees, licensure requirements, zoning regulations are a heavier burden on small than on big players.

Central banks’ monopoly on issuing currency enables inflation in ways that benefit established players.

Quality standards and other regulations serve to cartelise industry, freeing firms from the need to compete in certain areas.

Transactions between firms are taxed more than transactions within firms, giving incentive to move more functions in-house.

Growth in firm size breeds growth in hierarchy.

Labour legislation functions to lure labour unions into a junior partnership with the big-business/big-government partnership, and thus to tame them, luring them into seeking wages and benefits rather than greater worker control of industry.

State-granted titles to unimproved land deprive workers of access to land and natural resources; likewise for state-granted monopolies over electric service and the infrastructure of communication (telephone, cable, radio airwaves, fiber-optic bandwidth).

State privilege (e.g., artificial land titles, protection against lawsuits), socialises costs of pollution and environmental degradation.

State privilege has driven low-cost worker-run mutual-aid healthcare out of business, leaving false choice between state-run healthcare and corporation-run (falsely called “free enterprise”) healthcare.

Industrialised countries support repressive regimes in developing countries in order to maintain supply of cheap labour.

Employment discrimination (racial, sexual, etc.) is penalised under competition, as firms that hire on the basis of productivity outcompete those that don’t.

But with competition artificially hampered, a) cost of discrimination is lowered, plus b) larger and more hierarchical firms have a harder time determining productive contributions of employees and so are more likely to let biases drive their guesses.

People don’t like being ordered around, especially when the orders are disconnected from reality; hence there would be fewer hierarchical firms and more worker cooperatives and independent contractors, if the barriers to competition were removed.

Right-wing statism = government/business partnership wrapped in anti-big-government rhetoric

Left-wing statism = government/business partnership wrapped in anti-big-business rhetoric

Net effect of redistribution is upward, from less to more affluent

State officials and private plutocrats have similar but not identical interests; squabbles over spoils are consistent with overall partnership.

Much that is called “deregulation” is really the removal of *secondary* regulations designed to mitigate the harmful effects of primary regulations.

Much that is called “privatisation” is really the granting of state privileges to nominally private firms.

The FMAC theory of class draws on pre-Marxian class theorists who influenced Marx (*e.g.*, Thomas Hodgskin, Charles Comte, Charles Dunoyer, Augustin Thierry, Pierre-Joseph Proudhon) as well as the subsequent individualist anarchist tradition (*e.g.*, Benjamin Tucker, Lysander Spooner, Voltairine de Cleyre, Franz Oppenheimer) and more recent thinkers on both the left and the right.

error of the right: conflate free markets with corporatist capitalism; take the virtues of the former as a reason to support the latter

error of the left: conflate free markets with corporatist capitalism; take the defects of the latter as a reason to oppose the former

Those who oppose corporatist capitalism are lured into opposing free markets and supporting left or political wing of ruling class.

Those who support free markets are lured into supporting corporatist capitalism and right or corporate wing of ruling class.

“Social welfare” = big government and big business stealing from you, giving a little bit back, and expecting you to be grateful.

“Austerity” = big government and big business stealing from you and then saying sorry, they can’t afford to give any back.

FMAC agreements with Marx:

- society is dominated by a capitalist ruling class
- this class achieved its status through violent expropriation (“letters of blood and fire”)

FMAC disagreements with Marx:

- Marx thinks blood and fire weren’t necessary, that capitalist domination would have arisen even through genuine free markets; FMACs deny this
- FMACs think the power of the ruling class depends crucially on the state, and specifically on state interference with markets; Marx denies this
- Marx thinks the key to social change is to seize control of the state (whether by electoral or revolutionary means), and that the state can be made safe once in the right hands; FMACs think the state, as a monopoly, is inherently beset by incentival and informational perversities, and that the key to social change is to bypass and undermine the state by building alternative institutions and winning people’s allegiance to them; allows for progress here and now.

Why anarchism?

The state claims a monopoly in security and adjudication services.

From a moral standpoint, claiming rights one denies to others is unjust.

From an economic standpoint, monopolies are beset by incentival perversities (temptation to abuse customers’ dependence) and informational perversities (inability to know what to do without competitive feedback).

Internalising externalities promotes toleration: people are less likely to support legal oppression of other religions, ethnicities, lifestyles, etc., if they have to foot the bill for such oppression rather than merely voting for it.

Thanks to economic incentives, stateless legal systems traditionally rely more heavily on tort and contract law (restitution-oriented) rather than criminal law (punishment-oriented/imprisonment-oriented).

What drives war? The state’s monopoly: captive customer base artificially lowers costs of war to rulers because they can externalise costs onto subject population.

Free online resources on FMAC (Free-Market Anti-Capitalism):

Center for a Stateless Society (editorials on current events from an FMAC perspective):

<http://c4ss.org>

The Industrial Radical (FMAC magazine; past issues online):

<http://praxeology.net/industrial-radical.htm>

Charles W. Johnson, “**The Many Monopolies**”:

http://fee.org/the_freeman/detail/the-many-monopolies

Charles W. Johnson, “**Liberty, Equality, Solidarity: Toward a Dialectical Anarchism**”:

<http://radgeek.com/gt/2010/03/02/liberty-equality-solidarity-toward-a-dialectical-anarchism>

Gary Chartier, “**The Distinctiveness of Left-Libertarianism**”:

<http://bleedingheartlibertarians.com/2012/11/the-distinctiveness-of-left-libertarianism>

Gary Chartier & Charles W. Johnson, ***Markets Not Capitalism: Individualist Anarchism Against Bosses, Inequality, Corporate Power, and Structural Poverty***:

<http://radgeek.com/gt/2011/10/Markets-Not-Capitalism-2011-Chartier-and-Johnson.pdf>

Roderick T. Long, “**The Economic Dissolution of the State**”

<http://praxeology.net/RTL-pcpe2011.pdf>

Kevin A. Carson, ***Studies in Mutualist Political Economy***:

<http://mutualist.org/sitebuildercontent/sitebuilderfiles/MPE.pdf>

Kevin A. Carson, ***Organization Theory: A Libertarian Perspective***:

<http://mutualist.org/sitebuildercontent/sitebuilderfiles/otkc11.pdf>

Kevin A. Carson, ***The Homebrew Industrial Revolution: A Low-Overhead Manifesto***:

<http://dl.dropbox.com/u/4116166/NewHomeBrew.pdf>

Samuel E. Konkin III, ***New Libertarian Manifesto***:

<http://praxeology.net/NewLibertarianManifesto.pdf>

More FMAC sites:

Alliance of the Libertarian Left: <http://all-left.net>

Art of the Possible: <http://praxeology.net/aotp.htm>

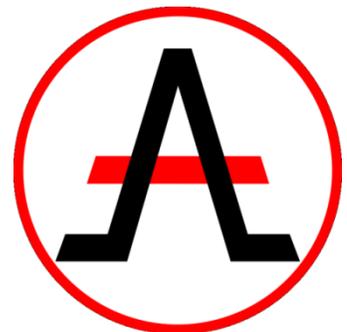
Rad Geek People’s Daily: <http://radgeek.com>

Invisible Molotov: <http://invisiblemolotov.wordpress.com>

Austro-Athenian Empire: <http://aeblog.com>

Mutualism: <http://mutualist.org> , <http://mutualist.blogspot.com>

Molinari Institute: <http://molinari.co>



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