

The following is an English translation of the last two chapters of a book I wrote, published in 2013 entitled *Proudhonian Studies – Property and Beyond*. Éditions du Monde libertaire.

During the translation process, I slightly modified certain passages.

I would ask English-speaking readers to forgive any imperfections in the translation.

René Berthier

A THEORY OF ECONOMIC SYSTEMS. – AN ANARCHIST APPROACH

René Berthier



If one of the functions of economic policy is to identify needs and define their hierarchy, the other function is to determine how to meet them. Thus, the boundary separating political economy from economic policy is blurred: we are in fact touching the field of politics, all in all.

The usual criteria for classifying economic systems distinguish between liberalism and statism; and therefore between private property and state property, knowing that there are intermediate variants between these two extreme models. Let us now consider how a libertarian economy would be situated in a table where the determination of needs would be indicated. In the mythical liberal regime of political economics textbooks, needs

are, we are told, defined by the market, a virtual place where consumers and entrepreneurs confront each other. In theory, therefore, we are dealing with a system where the determination of needs is totally decentralized. At the other end of the table, we have the state system where the determination of needs is totally centralized since it is done by the State. In this picture, where would “the libertarian economy be? Nowhere, since Proudhon does not consider state

property more than private property, and he only recognizes the existence of a limited market. Moreover, state property is not the abolition of property, it is only the extreme concentration of property.

However, there is perhaps a method which would allow us to situate Proudhon's economic thought in an approximate way within a classification system: that provided by Louis Duquesne de la Vinelle, author of *Une théorie des systèmes économiques* (A Theory of Economic Systems), published in 1969¹. It would be illusory to summarize in a few lines the work of M. de la Vinelle, dense and stimulating. Of course, he is not a Proudhonian; his intention was not to include Proudhon in his reflections and he had no idea of the use that could be made of his works. "Mr Duquesne attempts to reveal, through all their differences, the unity of observable economic systems, and for this he defines what he calls "differentiation criteria". He intends to define...

"...a criterion for classifying possible economic systems, enabling them to be placed in a logical way relative to each other; in other words, a criterion which can be applied to any economic system. This is very important because a classification is only really satisfactory if it is universal, that is to say if it extends to the whole domain it is supposed to inventory."²

It is therefore obvious that the question which arises is: can a libertarian economic system fit into the classification defined by the author? "If the answer to this question is negative, it will then be necessary to define the classification system specific to this libertarian economy.

Duquesne de la Vinelle chose two criteria for differentiation:

1. The "reference systems": how needs are identified;
2. "Organizational systems": how needs are met.

From the outset, it is clear that the property criterion is not mentioned or at least not considered as sufficiently decisive. We have taken up this method, without implying any identity of views with the author. Indeed, we are concerned with the examination of the possibility of a libertarian economy – which Mr. de la Vinelle does not envisage at all. Which is a pity, because on several occasions he comes close to the question without addressing it. It is regrettable that the author does not know either Proudhon or Bakunin or Kropotkin because these authors are perfectly situated in the problematic of the *Theory of economic systems*: the first by the relativisation he makes of the problem of property; the second by criticising the metaphysical nature of

1 Louis Duquesne de la Vinelle, *Une théorie des systèmes économiques*, Editions de la Librairie encyclopédique, Bruxelles, 1969.

2 *Op. cit.* p. 37.

Marx's economy; the third by the importance he attaches to consumption problems and the determination of needs.³

Another author deserves to be mentioned, F. von Hayek, who addresses the issues of interest here and whose ideas have been obscured by the prevalence of Marxist dogmatic thought as long as it was about socialized economics – without this in any way prejudging an identity of views with him. It is the *Collectivist economic planning: Critical studies on the possibilities of socialism*.⁴ Hayek's contribution to this collective work is interesting in that he asks the right questions but fails to propose the right solutions. Hayek addresses the question of the distribution of available resources: "Deciding that an object should be produced, and how to produce it, is what (...) constitutes economic decisions". This is the least that can be said about political economy but it is, according to Hayek, an approach that is nowhere found in the writings of Marx:⁵

"Marx and the Marxists undertook, as it were, without any hesitation, to discourage positively all research concerning the effective organization and functioning of the socialist society of the future. (...) It is in vain that one would seek in his writings a precise definition of the general principles by which the economic activity of socialist society would be directed."⁶

Von Hayek only sees socialism in the state form: it is defined as not only collective property but also the central and unique direction of the use of all material resources of production". He does not seem to ignore other approaches to socialism but he dismisses them without discussion:

"...the older systems of decentralized socialism, such as corporate socialism or syndicalism, do not necessarily need to be our focus here, since it now seems to be more or less generally accepted that

3 Proudhon's relativisation of the notion of property finds one of its justifications in the affirmation of the pre-eminent role played by circulation in the capitalist system and in any organized society: "modern society is constituted on the general and preponderant fact of a circulation which makes all industries, all fortunes, mutually in solidarity, unlike ancient societies, formed on individual property, and where, by the little importance of circulation, the independence of fortunes was complete." (*General idea of the Revolution*) This is also the reason why Proudhon considers state communism impossible, focusing above all on the organization of work: "In this system, reform is directly concerned with labour and production; it only indirectly affects circulation." In 1848, the problem posed by the revolution "is first and foremost a problem of commutative justice, a problem of circulation, credit, exchange, not a problem of workshop organization".

4 1939. Textes de F. von Hayek, N.G. Pierson, Ludwig von Mises, Georg Halm et Errico Barone. This text can be consulted on the monde-nouveau.net website.

5 Page 17.

6 Hayek, *loc. cit.* pp. 22-23.

they do not provide any kind of system for a rationalised direction of economic activity.”⁷

The alternatives to state communism are thus discarded from the outset, without examination. The translation of Hayeks' text into French is somewhat faulty: the French text uses the word "syndicalisme", which should be translated into "trade unionism", but in German and in English "syndikalism" and "syndicalism" mean "revolutionary syndicalism".⁸ The concept of corporatism has bad press and the expression corporate socialism could be misunderstood: it could especially be taken in a very general sense while Hayek most probably refers to "Guild socialism", a typically British production of the years 1890-1920 and which could not in *any* case be summarized by the idea of corporatism. It was a movement close to revolutionary syndicalism.⁹ It is therefore clear that von Hayek deliberately and consciously rejects any reflection on the possibility of a non-centralist socialist alternative to the state economy.

Mr. Duquesne de la Vinelle, for his part, establishes a theoretical scheme that integrates two types of factors, with intermediate degrees:

- The variations in the centralisation and decentralisation of the determination of needs (reference systems);
- The variations of centralization and decentralization in resource allocation (organizational systems) actually, the political decision.

We thus have a table that situates the different contemporary economic regimes (See below.) It remains to be seen whether a libertarian economy fits into the picture.

7 Hayek, p. 29.

8 This text was originally written in French

9 Guild socialism is a political movement advocating workers' control of industry through the medium of trade-related guilds. Guilds were presented as an alternative to state control of industry or conventional trade union activity. Unlike the existing trade unions, they would not confine their demands to matters of wages and conditions but would seek to obtain control of industry for the workers whom they represented. Ultimately, industrial guilds would serve as the organs through which industry would be organised in a future socialist society. About the state, the Guild socialists differed, some believing it would remain more or less in its existing form and others that it would be transformed into a federal body representing the workers' guilds, consumers' organizations, local government bodies, and other social structures.

Liberalism	Statism	Anarchism
Private property of means of production	State property of means of production	Socialised property of means of production
Decentralised definition of needs by the market	Centralised definition of needs by the State	Decentralised definition of needs by consultation
Allocation of resources by the market	Allocation of resources by the state	Federalised allocation of resources

State and oligarchic ownership

Most authors who see socialism as a mode of production in which all capital is state property actually speak only of state capitalism, a regime in which the means of production are in the hands of managers designated by the State, who assume the function of the ruling class. The property is not suppressed, it is only highly concentrated. The greatest mystification of state socialism is that it led people to believe that state ownership of the means of production was tantamount to putting them into the hands of the people.

Those who pointed out that in Russia there was no title to property, which in principle defines capitalism, reduced it to its most formal aspect and ignored what constituted the basis for it, the appropriation of surplus value. But there *was* a title to property: the decree of 28 June 1918 which nationalized industrial enterprises and declared their assets to be property of the Federative Socialist Soviet Republic of Russia. This was private property held oligarchically (that is to say, collectively by a minority) by the members of the state apparatus.

The notion of collective ownership by a minority is a perfectly commonplace in capitalism: the 100,000 shareholders of a large company are in this case; and out of these 100,000 shareholders, only a small number are in a position to manage it. State capitalism is only the last stage of the process of concentration of capital.¹⁰

Trotsky rightly said in *Defence of Marxism*:

10 You do not need to be a 51% shareholder to run a company. A 30% shareholder can form a blocking minority. Three shareholders with a total of 51% can manage the company.

“The bureaucracy, as a collectivity, has all the means of production, all the accumulated capital, freely distributed the surplus value. As a community, of course, because just like the big shareholders and boards of directors have a real say in how companies are going, excluding small and medium-sized shareholders, the right of free disposal of means of production is becoming increasingly restricted as we move away from bureaucratic heights.”

What Trotsky describes here could perfectly apply to monopoly capitalism, or to the “industrial feudality” evoked by Proudhon. But Trotsky’s otherwise accurate diagnosis did not prevent him from sticking to false conclusions, namely that the Soviet Union remained nevertheless a “workers’ state”. The Soviet state apparatus was like the great manufacturer of which Proudhon speaks, who does not care to own the land on which his factory is located, or even the machines themselves, as long as he appropriates the value produced by the collective work of the workers. This is precisely what the apparatus of the Soviet state and the party did.

The shareholder who now invests his money in several companies has no sense of being co-owner, nor even responsible in any way: his only motivation is to receive a *rent*. He will not hesitate to put his money elsewhere if he deems it necessary. He is not the owner of a plant, business, mine or other establishment; he owns a money capital that is not fixed anywhere. He will probably never even see a material expression of his property.

Reference systems

For Duquesne de la Vinelle, the “reference system” is the method of determining needs. If political economy is an operation that allocates resources, by definition scarce, or at least not overabundant, in order to make profit (for the capitalist) and to meet the needs of the population (for the consumer), it is therefore necessary to find a way to determine these needs. This is a problem common to all economic systems. The needs will also be identified in order of urgency. Thus, one of the flaws in the liberal argument appears: who determines these needs and how? Another problem arises: how to implement the means necessary to meet the needs?

In capitalist reasoning, it is understood that demand – that is to say the identification of needs – is that of *individuals* – creditworthy individuals, naturally. Each individual with a given amount of income is willing to allocate this income according to an order of urgency that is particular to him. All the individuals making up the collectivity thus define an average of needs whose nature the capitalist entrepreneur has to determine in order to satisfy them through investment. That’s the theory.

Three other flaws in the liberal reasoning appear:

- There is no way to determine collective needs because the community is not an element that fits into this mode of reasoning. It is not an identifiable “legal person” and it has no expressed needs in the economic field. And above all, the needs of this entity called the community are not likely to produce profits, at least not in the short term, and not direct profits.¹¹
- The idea that the community can express needs other than those of individuals is excluded; The community is not expected to express an opinion on individual needs that differs from those of individuals themselves.
- Non-solvent needs, that is individuals or groups without means of payment, cannot be taken into account.

In the theoretical model of the capitalist market, many needs – social needs – cannot be identified because they do not produce direct profits for entrepreneurs. The choice of satisfying social needs inevitably implies long-term orientations proceeding from a rationality totally different from that which is implemented in the capitalist market. These long-term choices are not profitable from a capitalist point of view, for which there are only short- or medium-term operations. What is the point of holding funds in a transaction that will only pay off in 30 years or more?

This is where politics takes over. In principle, the role of political institutions is to decide to what extent social needs will be met. The difference between “right-wing” and “left-wing” politics will be that the former will pull needs down, while the latter will pull them up, albeit within certain limits, as the room for manoeuvre is very narrow in any case, especially as the nature of these needs will be defined on the basis of estimates made by elected representatives of the electorate – parliamentarians and the government – and not by the population organised for this purpose (trade unions or consumer associations).

The notion of social profitability of choices is perfectly illustrated by an example from the United States, which the media covered at the time of Bill Clinton’s election campaign. Poverty and malnutrition mean that a large pro-

11 The situation has changed since the days of ‘classical’ capitalism before ‘globalisation’. Industrial societies are going through a phase of over-accumulation of capital, which is a tendency to invest more and more in order to cope with the stagnation of the surplus value produced by employees’ labour power. The mismatch between the two rhythms gives rise to a downward trend in the rate of profit (the ratio of surplus value to capital immobilised in production), leading to a frantic search for new profit-producing sectors. This is why financial institutions are turning to all the public sectors hitherto little affected by the logic of the market (health, education, transport, energy, etc.) to privatise them and make them profit-producing. By the same process, everything that was previously part of the public sector and not likely to produce a profit is simply liquidated. Today, everything can become a commodity. (Note of 2024)

portion of women give birth to children weighing less than 2.5 kg. Specialists have estimated that, in the long term, each of these children will cost the community 25,000 dollars as a result of this handicap, whereas prevention to avoid women giving birth to premature or hypotrophic children would cost 250 dollars. Here we have the beginnings of reasoning in terms of “social profitability”. In the end, these measures were not implemented because of opposition from the Conservatives.

What is dreadful about this example is that measures to help disadvantaged people are being considered purely from a cost-benefit perspective, and not from the point of view of people’s well-being or strictly humanitarian considerations. But when you think about it, the example is positive because it shows that “social profitability” is not a fiction but a proven fact. The fact that the notion of social profitability was not taken into account in this case is a *political choice*.

It is commonly accepted that social needs that cannot be identified by the capitalist market are met by the state. This is one of the justifications for the state function. It is particularly true in security issues. It is significant that in the most liberal regimes, that is to say those which try to minimise state intervention in the social field as much as possible, particular emphasis is placed on security issues. The collapse of the legitimacy of the state function in the field of collective protection and preservation of social achievements is accompanied by a concomitant insistence on the security of persons and property. This function of the state in the field of security is itself fuelled by the delinquency caused by its disengagement from the social sphere. It’s a vicious circle.

The determination of needs, which is the basis of economic activity, appears to be an extremely complex problem in that it is a largely subjective question (in the case of individual needs at least) and its reference criteria are variable. It is also complicated by the fact that the economic problem really begins when several needs are compared. The question of how resources are respectively allocated to food, clothing, health, education, recreation, etc. is not the same depending on the basic income available. A person with limited resources does not have the same urgent needs as someone living comfortably.

The representative system does not provide a means to determine the urgency of the needs of a given population, or to measure the relative urgency of individual needs in relation to collective needs. Indeed, it does happen that a person with a low standard of living (who therefore has relatively higher social needs) will vote for a right-wing candidate who, once elected, will support a policy of reducing social gains: There is no absolute correlation between the standard of living and the political choices: subjectivity, preconceived ideas, prejudice and ideological conditioning all play an important role. On the other hand, if there were an institutional framework allowing the population to express its needs, in which opinions would have a decision-making character,

the nature of the choices made by a right-wing voter from a modest background would undoubtedly be very different. For example, if right-wing political authorities decided to cut a class in his child's school, it is more than likely that he would react on the basis of his interests rather than his ideological choices.

So the main difficulty in determining needs lies in establishing a framework in which they can be expressed. For the liberal economy, it is the "market", a fictitious place where the sum of individual solvable needs confronts. For the economy of state communism, it is the political apparatus and ultimately the party leadership that decides. Only the anarchist thinkers perceived an answer to this question, especially Proudhon.

The globalization of the economy introduces a new situation in thinking about defining needs. The traditional framework separating the definition of individual needs by the market and the definition of collective needs by the state is abandoned. Globalization introduces a system where virtually all collective needs will be covered by the market, that is to say their cost will be covered by the solvent consumer. This is the general trend towards the privatisation of public services who must enter the sphere of immediate capitalist profitability and leave that of social profitability.

A public service is an institution created over the decades with the money of the population, in order to meet collective needs. A public service is therefore in principle the *property of the population*, of the nation. The trend today is towards the privatisation of public services, that is to say, the transfer to private shareholders of the bulk of institutions created and paid for with the money of the population. Governments engaged in such operations are engaging in an act of piracy. In France, the public energy sector made €8 billion of profits in 2009, 6 of which were paid to shareholders, and *not a single euro* was returned in the form of investment.

The same process is in place in the railways. It's being implemented in the postal sector.¹² Then comes health, education. Reading OECD documents is very instructive: 160 sectors of activity are expected to be privatized, some of which represent fabulous global markets that have long been arousing the appetite of the private sector (\$2 trillion for education, \$3.5 trillion for health).

This is a determined, concerted and perfectly cynical policy which is illustrated by a somewhat unknown OECD document on the education sector, published in 1996:

12 For the anecdote, the public authorities put up for sale a company in the social housing sector, Icade, which has 36,000 homes in the Paris region, to finance the privatisation of "La Poste", the French postal administration. In general, when an asset is sold (privatised in this case), it makes money. In this case, it's the opposite: selling "La Poste" costs money... The explanation is as follows: buyers need to be presented with an asset that is in a position to generate profits, i.e. one that has been rationalised by making a large number of employees redundant, a costly operation.

“If operating expenditure is trimmed, the quantity of service should not be reduced, even if the quality has to suffer. For example, operating credits for schools or universities may be reduced, but it would be dangerous to restrict the number of students. Families will react violently if children are refused admission, but not to a gradual reduction in the quality of the education given, and the school can progressively and for particular purposes obtain a contribution from the families, or eliminate a given activity. This should be done case by case, in one school but not in the neighbouring establishment, so that any general discontent of the population is avoided.”¹³

One can easily imagine that this strategy of unprecedented cynicism will be applied everywhere.

Organizational systems

Whether one is in a market economy or a state-run economy, the problem of optimal allocation of resources remains the same: what changes are the means – but perhaps not so much, as Duquesne de la Vinelle suggests.

The supposed “efficiency” of the market economy presupposes its transparency, that is, the absence of interference by disruptive elements, and the ability of entrepreneurs to anticipate changing needs and invest in these evolving sectors. To imagine that such a system could actually work is pure candour. On the other hand, the supposed efficiency of the centralized, state-run economy is based on the presumed ability of the leaders to know the needs of the population without ever consulting them. This is an even greater candour: a state economy will implement an allocation of resources that meets the state reason, nothing else.

Speaking of the necessary coordination of all economic operations, Duquesne de la Vinelle writes:

“It is typical of markets that it operates entirely spontaneously, each economic agent, natural or legal person, choosing its activities (defining its role, as one might say in the language of sociologists) and fulfilling, under its own responsibility, the tasks involved in these activities. On the contrary, it is typical of ‘organizations’ that coordination of activities is done by the authority which defines roles, appoints their holders, gives them directives and controls their execution.

“But, however real it may be, this contrast is not absolute.”¹⁴

13 Christian Morisson, *The Political Feasibility of Adjustment*, Policy Brief n° 13, OECD 1996.

14 Duquesne de la Vinelle. *op. cit.*

In reality, under the liberal system, companies find all sorts of methods to limit their competition; moreover, says the author, entrepreneurs would be the first to complain if there were no state to “determine the rules of civil and commercial law, settle disputes and punish contractual and tortious offences”.

Conversely, centralised systems are not immune to the phenomena of internal competition identical to those found in the market. Here again, it is to Proudhon’s credit that he perceived this contradictory phenomenon, inherent in every society, that the tendencies towards organisation and competition (or emulation, if we prefer) manifest themselves in an irreducible way, leading him to the conclusion that a non alienated society must know how to integrate these two notions by finding a balance between them. Duquesne de la Vinelle expresses this by saying that contrary to the impression given by the watertight partition that exists between the technical literature relating respectively to “markets” and “organisations”, there is an obvious connection between the problems that these two disciplines study.

The paradox is that for a truly competitive economy to exist, an incredible arsenal of legislative measures is needed to guarantee equal treatment to the multiplicity of firms. Companies must operate in an environment that is extremely regulated. Failing this – to return once again to Proudhon – the absence of these regulating measures leads to a deadly competitive confrontation for many companies, at the end of which monopolies and an “industrial feudality” are formed. Again, as Proudhon says in the *Handbook of the Stock Speculator*¹⁵, it is capitalism itself that destroys property.

The interest of Duquesne de la Vinelle’s approach lies in the fact that he goes beyond economic reasoning to include in his reflections “the sociology of organisations and administrative sciences in the broad sense”. Analysing centralised systems of organisation, Duquesne de la Vinelle notes that, empirically, there are many degrees of centralisation: from the case where the State only intervenes at the level of monetary policy to the case where it concentrates all resources and decisions, with all intermediate cases. But “an overall perspective, making it possible to situate them in relation to each other, is still lacking”. We are therefore entitled to wonder about the place of a libertarian system in his conclusions when he defines the organisation as

“...a system whose purpose is to coordinate human activities and the implementation of material resources in order to achieve, with maximum efficiency, an objective or set of objectives (identified by a reference system).”

In this way, the “market economy and the organized or planned economy cease to appear as antinomian realities and become species of the same kind”.

15 Pierre-Joseph Proudhon, *Manuel du spéculateur à la bourse*, Paris, Garnier frères, 1854 (<https://archive.org/details/manueldusculat03prouggoog>)

Which is totally in line with Proudhon, for whom the state property is only a form of property, and in no case its suppression.

Let us conclude our brief presentation of the positions of Mr. Duquesne de la Vinelle by adding that this author, who is outside any analysis of libertarian type, says three more things that we must emphasize:

1. The reflection on organizational systems is “intimately linked to the question of power, its mode of exercise and its distribution”¹⁶. Whether it is competition or planning, these are two types of “distribution and exercise of power”: the power to dispose of economic resources. This touches on the “area of income distribution”. We know from experience that the centralized economic regimes – let’s just say the communist regimes – have not in any way eliminated the extraordinary income differences between the lower strata of the population and the upper strata of the state apparatus. This is to be expected, since these are social strata who appropriate collective surplus value for their own personal ends, in the same way as capitalist shareholders. This raises a very libertarian problem: that of controlling the distribution of income, of social wealth in general.

2. The second point raised by Mr Duquesne de la Vinelle ties in with our analysis. The controversy over the respective advantages of competition and centralisation, he says, has been “complicated and obscured by the fact that, under the influence of Marxism, it has often been approached from the point of view of the legal system of ownership of productive goods, which is not essential. But the essence of the question has to do with the distribution of power.” [My emphasis] Here again, this is a reflection that is entirely in line with the libertarian approach.

3. Finally, the main element of differentiation in economic systems is not their greater or lesser degree of centralization but “the direction of the distribution of power and the manner in which it is exercised”: “Isn’t the hierarchical structure and the corresponding devolution of responsibilities one of the major concerns of companies?”

Duquesne de la Vinelle makes a distinction – which we feel is perfectly justified – between the *degree of centralisation of the economy*, on the one hand, and the *degree of centralisation of power*, on the other. “The degree of centralisation or decentralisation is only a relatively general parameter for situating the various systems of organisation in relation to each other”, he says. So he thinks that “the simplest thing at first sight would be to classify organisations according to the degree of centralisation of power that characterises them”. This distinction will be useful for examining the points of view

16 The author is referring here to the sociology of organisations, which has its starting point in Weber’s analysis of bureaucracy, an analysis closely linked to a theory of power and the conditions under which it is exercised.

of Proudhon and Bakunin, advocates of political decentralisation and economic centralisation.

Foundation of a libertarian economy

The first task of economics is to determine needs. In the statist system, determining the needs of the population is not the result of supposedly transcendent economic “mechanisms” but of a political choice made by those in power.

Politics could be defined as the activity whose function is to determine the allocation of society’s resources. This function has been monopolised by one institution, the state, through its various historical forms. Basically, the nature of this function has not changed, even today. In the most primitive and ancient forms of the State, the allocation of resources was carried out by a tiny minority of the population, by the dominant strata holding the power. In application of the principle that you are never better served than by yourself, these dominant strata allocated the lion’s share of resources to themselves. This was made all the simpler by the fact that during the High Middle Ages, the monarchy, the aristocracy and the clergy held almost all the means of production, i.e. the land. The abbey of Saint-Germain-des-Près alone owned five million hectares spread across the whole of France.

However, this situation was not sustainable. The dynamics of Western society led to the formation of new social strata whose function was trade and productive activity. Little by little, the system of nobility was called into question. The gradual expansion of money circulation from the 11th century onwards ultimately weakened landed capitalism – the landed aristocracy – through indebtedness. By the 16th century, the aristocracy and the monarchy were irremediably chained to the golden imperatives of debt.¹⁷

The rise of the bourgeoisie to power led to a new way of allocating resources. The state was given the task of ensuring that this was done solely for the benefit of the bourgeoisie. The social demands of the proletariat led the state and the bourgeoisie to make partial concessions, with the aim of ceding a little ground so as not to risk losing everything. Even today, the main function of the state is to ensure that resources are allocated for the benefit of the ruling class. The alternations in power between the right and the left merely illustrate

17 England and France differed fundamentally in this process. In France, it was accepted that a nobleman could under no circumstances engage in commercial activity, on pain of *derogation*, i.e. of no longer being a nobleman. Indebted to inflation and luxury consumption, the French nobility gradually sold off some of their lands to the bourgeoisie. By 1789, they owned just 20% of the land. The English nobility was much less stupid. A large proportion of the nobility turned to lucrative activities and invested their money. This explains why, even today, the structure of land ownership in Great Britain resembles that of an Ancien Régime society

variations in “style”, not in substance. It is not uncommon to see a left-wing government implement anti-social measures that a right-wing government would not dare to do.

All the posturing about restoring a minimum of purchasing power to the population has resulted in measures that are no more than superficial window-dressing, or that dip into the pockets of the middle classes or those of modest means, especially not those of the richest, on the pretext that the “coffers are empty” – but we avoid saying that they are empty because we are cutting taxes for the rich. Worse still, the measures that have been put in place are leading to a veritable historic regression: the gradual nibbling away of social gains is such that, for the first time since the start of the industrial revolution, younger generations will be living less well than previous generations and will be in poorer health.

Contrary to popular belief, although the first theorists of “anarchism” – Proudhon and Bakunin – were opposed to state centralisation, they were not, however, advocates of direct democracy, permanent consultation and assemblyism, and they advocated economic centralisation.

Paradox?

Proudhon was elected to the Assembly on 4 June 1848, preceded by his reputation, but he found himself completely isolated. Only one deputy from Lyon, Greppo, supported him. Initially critical of the representative mandate, his criticisms declined with the introduction of universal suffrage, but then resumed. In short, he was *experimenting*. An intense debate began on direct democracy, in which he did not take part at first. When he decided to intervene, it was to oppose it. At the end of his reflections, he abandoned all electoral prospects: he switched to a completely different logic. Sovereignty would no longer be exercised in parliaments, but in productive institutions where the *associated workers* would organise themselves. We are entering a completely different logic. We need to bear this in mind to understand Proudhon’s opposition to “workers” candidatures” in the *Political Capacity of the Working Classes*. He opposed them because workers must organise themselves *differently*, and *elsewhere*: in a way that can be defined, using more contemporary language, as saying that they must organise themselves on the basis of their role in the production process, in their own class organisations. This anticipates anarcho-sindicalism.

Economic calculation

Proudhon’s ambition was to create a science of economics, in other words, a science that would make it possible to discover the forms that society freed from exploitation would take. There is, he says, a science of society “that must not be invented but discovered”. It is a question of “discovering and establishing economic laws that restrict property and distribute labour”, in

other words the “laws of the social economy” that will make it possible to correct the misdeeds of the system. Although it was not a question of providing “recipes for the cooking pots of the future”, as Marx put it¹⁸, Proudhon nevertheless intended to create a science that would make it possible to deduce from the present the essential features of the society of the future. The social science which describes the dysfunctions of the capitalist system is the same as that which will define the functioning of the socialist economy.

It should be pointed out that the Proudhon who talks about economics is not an amateur, a fact that is rarely emphasised. Marx wrote about economics from an absolutely theoretical point of view. Today we would say that he was concerned with abstract macroeconomics. Proudhon, on the other hand, was an excellent accountant who was called upon to untangle complicated situations. He moved to Lyon where, from 1843 to 1847, he was chief accountant and manager of the Gauthier brothers’ river navigation business: there he discovered big business, big banking and big companies.

Proudhon’s vision of the economy, inspired by his experience as an accountant, is still marked by the observation that we must not spend more than we earn. Political economy, he said, was “the science of society’s accounts”.¹⁹ To solve the problem of poverty, we need to “elevate the science of accounting to the highest level”; “show the records of society” and “establish the assets and liabilities of each institution”. You have to “keep the books up to date, i.e. determine rights and duties accurately so as to be able, at any given moment, to ascertain order and disorder and present the balance sheet...”²⁰ There is never anything equivalent in Marx, who always remains at a theoretical level. Proudhon’s thinking remains constantly at the level of reality, at the experimental level one might say.

This was reflected in his approach to the problem, particularly when he defined the first of the system’s malfunctions – the monopolisation of workers’ collective strength – as an error in “society’s accounts”: Jean Bancal writes:

18 The real quote is as follows: “The *method* employed in *Capital* has been little understood, judging by the contradictory notions people have formed of it. Thus, the *Revue positive* of Paris reproaches me both for having done political economy, metaphysics and – guess what? – that I confined myself to a simple critical analysis of the elements given, instead of formulating (comtist?) recipes for the *cooking pots of the future*”. (*Capital*, Book I, Warning to the reader.) The wording does not suggest that we should *in any way* propose recipes for the “cooking pots of the future”, contrary to the interpretation that is made of the formula. The Bolsheviks found themselves in power without any idea of what to do, because they had no “recipes” in mind.

19 Proudhon, *Système des contradictions*. On 15 January 1852, Proudhon wrote in his Notebooks that the “fundamental axiom” of political economy was accounting. On 29 November 1847, he complained that “France is a trading house that does not keep records”.

20 Proudhon, *Les Confessions d’un révolutionnaire*, Marcel Rivière 1929, p. 180.

“It is by analysing, successively, the factors which contributed to this error that he will come to discover a political economy as a socio-economy articulated in an *economic accounting*, an *economic sociology* and an *economic law*.”²¹

We have already mentioned this accounting error, which is the appropriation by the owner of the surplus value generated by collective labour. Proudhon’s “economic accounting” is “apt to describe the basic economic “equations” and relations that allow the exact evaluation of economic operations and their fair allocation between economic agents”, says Jean Bancal. In fact, Proudhon wanted to create the “science of production”, which would take the form of the “accounts of society”. Political economy, the science of labour, is therefore divided into three parts according to whether labour is considered “objectively in matter”, “subjectively in man” or “synthetically from the point of view of distribution and allocation”.²²

“It is certainly in his conception of economics as the science of accounting for society that Proudhon shows one of the most original and astonishingly modern aspects of his thought. With an ingenious sense of the future, he was to make economic accounting *avant la lettre* one of the means of establishing political economy as a science of economics. By comparing resources and uses, and by balancing production and consumption, this accounting will provide a numerical basis on which value can truly be constituted.”²³

Referring to the economies of the countries of “real” socialism, Pierre Naville saw the problem clearly: “Over time it became clearer that the substitution of central planning for the free market did not abolish the function of exchange value, and that the problem of prices (including wages) remained at the centre of economic life.”²⁴ It was in this way, he continued, that a theory of the “socialist market” gradually crystallised, openly recognised in Yugoslavia, advocated in Hungary, camouflaged in the USSR. The crucial question was to determine whether planning could produce “natural prices”. Statistics became the indispensable tool for creating accounts by branch and by sector.

Proudhon even advocated the application of mathematics to political economy. His ambition was to turn political economy into “an exact and mathematical science”, in the words of Sainte-Beuve. Economic accounting “will

21 Jean Bancal, *Proudhon, pluralisme et autogestion*, Aubier-Montaigne, I, p. 35. “We have borrowed from Jean Bancal this development on Proudhon’s economic accounting.

22 J. Bancal, *op. cit.* p. 37.

23 *Ibid.*

24 Pierre Naville, *le Nouveau Léviathan*, 4, “Les échanges socialistes”, éditions Anthropos, p. 235.

give political economy, considered in terms of its production and distribution mechanisms, *the scientific apparatus* to express the balance of resources and uses, economic circuits, and the production, distribution and financing operations carried out between the various economic agents.”²⁵

What Proudhon calls “double-entry accounting” is an accounting system that distinguishes between agent accounts and transaction accounts, which would become the basic principle of all economic accounting. Proudhon proposed nothing less than the creation of a national accounting system with a forward-looking function.

This extremely brief overview nevertheless gives an idea of the nature of the concerns of the author of the *System of Economic Contradictions*, which were extremely pragmatic, and the distance that separates his approach from that of Marx. Proudhon literally engaged in scientific reflection on the problems of building socialism, in tragic contrast to the level of reflection of the Russian communists in 1917. Thus, questioned before the seizure of power about the fact that nobody knew how to operate the machinery of government, Lenin replied: “Any worker will be able to operate a ministry after a few days. It requires no special knowledge. The civil servants will do the work.” And what about money, he was then asked, “how will you manage that, since you intend to cancel the old currency? “We’ll print as much money as we need”, replied Lenin.²⁶ And that’s exactly what he did. It was on the basis of these sound conceptions of economic policy that the Bolshevik party prepared to take power.

In Russia, from the introduction of the NEP in 1921, the market and planning became antagonistic concepts. The simultaneous existence of the two principles implied, in the eyes of the regime’s ideologists, a struggle at the end of which, if the market won out, there would be a return to capitalism and, if the plan won out, further conquests towards socialism would be possible. This was the crux of the debate between Preobrazhensky and Bukharin. It was Stalin who came out on top, proclaiming the victory of planning over the market, which was synonymous with anarchy, competition, exploitation and the race for profitability.

However, whether the economy is capitalist or socialist, the function of economic management remains, in principle, the same: to allocate resources as rationally as possible, in other words, to avoid waste. If the State has all the means at its disposal and determines the ends alone, we find ourselves in the situation, foreseen by Proudhon, of a State-controlled economy (the “State sponsorship” that he criticised Louis Blanc for wanting to introduce) which can only lead to a waste of resources.

25 J. Bancal, *op. cit.*

26 *Lénine*, David Shub, Idées-Gallimard, p. 204.

After the popular uprisings in Hungary and Poland, caused mainly by the system's inability to improve the population's living conditions, Khrushchev was forced to initiate an economic reform that raised the problem of the "socialist market". In Poland, there were intense debates. In 1956, Oskar Lange felt that the system had increased "imbalances between the expansion of agriculture and industry, between industrial production capacity and the supply of raw materials, between the quantitative increase in production and its quality and cost price, between production and investment programmes and technical backwardness."²⁷ In the USSR, there were aberrations which do not speak in favour of state planification, such as steel being sent from Leningrad to Vladivostok, while steel from Vladivostok was sent to Leningrad. Such malfunctions are attributed to the use of coercive methods and centralised administration. Here again, we are at the heart of the problems raised by Proudhon, and which no Marxist ever raised until confronted with the realities.

Generally speaking, administrators in Eastern Europe complained that it was impossible to define labour productivity because there were no adequate methods of calculation. Nor is there any way of determining cost accounting. All these concerns come under the heading of waste. Paradoxically, in the USSR there were problems of overproduction of certain consumer goods, leading to a sharp fall in sales and an accumulation of stocks. This phenomenon became widespread in the 1960s: sales of sewing machines fell by 30% in 1960 and 1963; sales of watches fell by 10% in 1962 and 1963. At the beginning of 1964, unsaleable clothing stocks in Soviet shops exceeded 500 million roubles; the total value of unsold stocks reached 2 billion roubles.²⁸

The Liberman reform was an attempt to rehabilitate profit in the management of Soviet companies. The aim was to use company profits as an indicator of whether the plan had been achieved. But Liberman was careful to point out:

"In the USSR, profit, depending on the nature of its origin, is in principle only an indicator of the level of production efficiency. Profit is the difference between the selling price of goods and their production cost. But since prices in our country are in principle the expression of the rate of expenditure of socially necessary labour, this difference is a criterion of relative savings in production... In essence and in their source, profits in socialism only superficially resemble those of private enterprises; they differ fundamentally in kind and according to what they are the indicator of... The significance of profit in the USSR was reduced because the law of value was ignored to a certain extent. This law was incorrectly interpreted by certain Soviet economists as a kind of unfortunate persistence of capitalism, which it was admitted that it had to be got rid of as

27 Quoted by P. Naville, *op. cit.*, p. 237.

28 *Critique de l'économie politique*, La Nature des pays de l'Est, "Les réformes Liberman-Trapeznikov", p. 177-178.

quickly as possible.... Ignoring the requirements of the law of value led to the arbitrary fixing of planned prices, which remained in force for too long”.²⁹

Precisely, Proudhon constantly insists on the need to achieve the determination of value, what he calls “constitution”. At the level of micro-economics, nothing can indicate, in a particular operation taken at random, “whether it is supply, that is to say useful value, which has prevailed, or whether it is exchangeable value, that is to say demand”, says Proudhon. Since any excess in the price of a commodity is followed by a proportional fall, “we can rightly regard the average of prices, over a complete period, as indicating the real and legitimate value of products”. Proudhon points out that this average, established at the macro-economic level, arrives too late³⁰: in the proprietary regime, the constitution of value takes place *a posteriori*. But who can say, would ask Proudhon, if this average, which is at the macro-economic level, cannot one day be established:

“Who knows whether it might not be discovered in advance? Is there an economist who dares to say no? Whether we like it or not, we have to look for the measure of value: logic dictates it.”³¹

It will be up to the society free of alienation, the associated society, to come to the constitution of value. “The opinion that denies the existence of this measure is irrational and unreasonable.” In short, on this question, Proudhon recognises that all the work remains to be done. He spoke out against both the economists who claimed that “political economy is a science of facts, and that the facts are contrary to the hypothesis of a determination of value”, and the socialists who asserted that the question of value was scabrous and no longer had any place “in a universal association, which would absorb all antagonism”. He opposes both the supporters of the *status quo* and those who refuse to tackle the problem head on. If the law of exchange is not found, he says, “the fault lies not with the facts but with the scientists”; and as long as man works to subsist, justice will be the condition of association: “without a determination of value, justice is lame, is impossible”.³²

The reader may be surprised by the meticulous care taken by the “anarchist” Proudhon to reflect on the establishment of an instrument of economic calculation with a view to building a socialist economy. This certainly doesn’t fit in with received ideas of an “anarchism” that is essentially destructive, passionate, spontaneous and so on. In his reflections, Proudhon had anticipated

29 *Ibid.*

30 Of course Proudhon doesn’t use the terms “micro-” and “macro-économie”...

31 Proudhon, *Système des contradictions économiques*, p. 73.

32 Readers will have understood that, for Proudhon, the concept of “justice” is not to be understood in the narrow legal sense but in its broadest sense of a society founded on justice.

all the economic problems that arose during the Russian Revolution. It is regrettable that the Bolsheviks read too much Marx and not enough Proudhon...

Economic centralisation

The solution to the question of the emancipation of the people does not lie in an adjustment of the representative system, in the search for a more adequate, more perfected form, but in the search for a form of organisation founded on *totally different bases*. Proudhon proposed a system that would allow the people to live without government and without votes. The only means is the creation of economic guarantees [and the] complete administrative independence of the communes, cantons and départements³³. In a word, centralisation of all economic forces; decentralisation of all political functions³⁴ [Emphasis added.] If we apply the criteria established by Duquesne de la Vinelle, we have a regime in which the system of reference is decentralised and the system of organisation centralised.

The idea of economic centralisation and political decentralisation is also found in Bakunin: when he examines the Swiss federal system – and he devotes many pages to this subject – he notes that the progress made since 1848 is, in the federal sphere, above all progress of an economic nature: unification of currencies, weights and measures, major public works, trade treaties, etc.

“It will be said that economic centralisation can only be achieved by political centralisation, that one implies the other, that they are both necessary and beneficial to the same degree. Not so. Economic centralisation, the essential condition of civilisation, creates freedom; but political centralisation kills it, by destroying, for the benefit of the rulers and the ruling classes, the very life and spontaneous action of the people.”³⁵

Here again, we have a regime in which the system of reference is decentralised and the system of organisation centralised.

Let's take another text by Bakunin from 1866, entitled the “Revolutionary Catechism”³⁶, which is literally a political programme. The wording needs to

33 Administrative territorial divisions of the French Republic.

34 Proudhon, *Carnet* 8, p. 276.

35 Bakounine, “Au sujet de la poursuite de Nečaev”, *Œuvres*, éd. Champ libre, V, 61.

36 Bakunin's “Revolutionary Catechism” has often been confused, even by the most informed authors, with the “Catechism of the Revolutionary”. There is no connection between these two documents. The words “of the” makes all the difference, but it is a semantic nuance that has rarely been perceived. The Catechism of the Revolutionary defines, as the wording indicates, the behaviour of the individual revolutionary. The absence of “of the” in Bakunin's “Revolutionary Catechism” reveals that it is not a statement of rules for individual behaviour but of ideas, of a

be “decoded” because it is obviously influenced by the period – the mid-nineteenth century. Nevertheless, this text sets out the essential problems that could be raised by a libertarian economy:

“When free productive associations cease to be slaves and become in their turn the masters and owners of the capital they need, they will include in their midst, as co-operating members alongside the workers, emancipated by general education, all the special intelligences required by each enterprise, when combining among themselves, always freely, according to their needs and according to their nature, sooner or later transcending all national frontiers, they will form an immense economic federation, with a parliament enlightened by data as broad as they are precise and detailed by world statistics, such as cannot yet exist today, and which – combining supply with demand – will be able to govern, determine and respect between different countries the production of world industry, so that there will be no more commercial or industrial crises, no more forced stagnation, no more disasters, no more sorrows, nor lost capital. Then human labour, the emancipation of each and every one of us, will regenerate the world.”³⁷

The population is organised into “free productive associations”, “masters and owners of capital”. A productive association is an organisation which brings together workers engaged in tasks relating to a particular branch of production – a metallurgical or textile enterprise, etc. – and which is free to choose its own form of organisation. The fact that it is “free” does not mean that it is totally detached from the rest of society and that it does “what it wants”, but that its members belong to it freely and that, in the field of activity that concerns it, it organises itself autonomously: it is therefore organised in a federative way, which implies that all the productive associations are associated with each other.

This association is both master and owner of the capital: it organises the work itself. Ownership is not state property. It is the associations grouped together that collectively own the capital.

These associations coordinate with each other to form, beyond national borders, an economic federation at the head of which is an executive body whose members are not elected by “citizens” but by workers who are functionally drawn from the associations and groupings of associations.

political programme. In fact, the “Revolutionary Catechism” is point II of a document entitled “Principles and Organisation of the International Revolutionary Society”, written in 1866 when Bakunin was in Naples.

37 Bakunin, “Principles and Organization of the International Revolutionary Society.” I. Object. II. Revolutionary Catechism. March 1866.

The associations bring together all the qualified people, “all the special intelligences”, who contribute to the smooth running of the companies “as cooperating members”. So this is by no means a narrow workers’ perspective.

In other words, the executive body is not the result of a voting process carried out by isolated individuals, as in the parliamentary system; it is made up of representatives appointed on the basis of their role in the production process, by men and women who themselves participate in that production process.

It appears that one of the tools of “governance” exercised by this “parliament” will be the “broad, precise and detailed data of a world statistic such as cannot exist today”. This asserts the need to establish a genuine economic calculation providing the executive body with the precise information it needs. Bakunin was perfectly aware that such a tool did not yet exist in his day. We can suppose that today, with computers, such a tool could exist. This tool, according to Bakunin, would make it possible to combine supply and demand, in other words to determine the needs of the population and to allocate the necessary resources to satisfy these needs. The executive body would thus be able to “govern, determine and respect between different countries the production of world industry”, which would avoid crises and waste (“lost capital”).

The main elements of a libertarian economy are outlined: federalism as a general principle of organisation; decentralisation of decision-making and centralisation of the application of decisions. The reflections of Proudhon and Bakunin suggest that they are in favour of a system that couples centralisation of the economy with decentralisation of the political.

Two comments:

- This contrasts with everything the public might have thought about anarchism;
- It contrasts with everything the anarchist movement might say after Bakunin’s death: Kropotkin, for example, would not share this point of view at all.

We won’t develop this question here, merely pointing out that, in modern language, Proudhon and Bakunin advocated a model based on decentralised political decision-making on the one hand, and an organised – planned – economy on the other; planning that is not the result of centralised state decisions, but is the application of guidelines adopted through a bottom-up consultation process according to the principles of libertarian federalism.

This means that the general orientations of production and economic organisation are the subject of broad debate at all levels of society, *in productive structures* ; and that once the orientations have been decided, they are implemented centrally. However, the notion of centralisation of the economy should not be understood as a concentration of decision-making powers in the

hands of an uncontrolled minority, but as the organised implementation, coordinated by executive bodies, of decisions that have previously been the subject of a decentralised political debate – the executive bodies themselves being controlled in ways that need to be explained.

Proudhon was concerned to avoid the holding of economic power by a minority which would inevitably call into question both individual and collective liberties: whether this minority consisted of capitalist entrepreneurs or the state apparatus, the problem remained the same:

“The problem therefore consists for the working classes not in conquering but in defeating both power and monopoly, in bringing forth from the depths of labour a greater authority, a more powerful fact.”³⁸

A libertarian economy, if we stick to the indications given by Proudhon, but using the concepts of M. Duquesne de la Vinelle, would be characterised by a decentralised system of reference (method of determining needs) and a centralised system of organisation (management of the economy). Applying these data, the libertarian organisation would be at the bottom right of Duquesne de la Vinelle’s table: it would be defined by an “integral market economy” and the “centralisation of day-to-day management”. Which obviously doesn’t “fit”...

A first difficulty arises: a decentralised determination of needs (reference system), in the logic of this table, places this economy in the “Full market economy” column, which does not correspond to the general principle of a libertarian economy. According to Duquesne, only the market allows for the decentralised determination of needs.. Our reflection will therefore have to focus on this point.

Secondly, the notion of “centralisation of day-to-day management” (organisational systems) is only envisaged within a state framework, i.e. a centralised body whose decisions regarding the allocation of resources remain virtually uncontrollable, whereas the “centralisation” of economic management from a libertarian perspective can only be understood within a federalist framework – a notion which may need to be clarified, but which can in no way be equated with state centralisation.

We can therefore conclude that neither in terms of determining needs, nor in terms of allocating resources, does the libertarian economy find its place in this table, unless it includes:

1. The idea that a decentralised determination of needs can be achieved by means other than the market;
2. The idea that the implementation of resource allocation decisions can be seen as the result of a decentralised decision-making process.

38 Proudhon, *Système des contradictions économiques*, ch. III t. I.

Neither market nor state...

The different variants of the communist system fit perfectly into the scheme created by Mr Duquesne, which tends to confirm that the communist system is merely a variant of the capitalist system, the reference and organisational systems of the two being no more than varying degrees of centralisation or decentralisation.

“In society, the consumer and the producer are one and the same”, says Proudhon in his *System of Economic Contradictions*. Unlike the socialist writers of the Marxist school, Proudhon founded an economic democracy in which consumers were not excluded. “The army of worker-consumers replaces the capitalist army”, he wrote in his *Notebooks* on October 1847, shortly after the publication of his *System of Economic Contradictions* – a work in which the “identity of producer and consumer” is asserted.

Proudhon had clearly foreseen the importance of the question of determining needs. In the *System of Economic Contradictions*, he says that man needs “a great variety of products with the obligation of providing for them by his labour”: from this arises the opposition between useful value and exchangeable value. This raises the question of demand:

“Whatever the abundance of values created and the proportion in which they are exchanged, for us to exchange our products, it is necessary, if you are the applicant, that my product be suitable for you, and if you are the offerer, that I accept yours.”³⁹

The result is that “the only judge of usefulness, or, what amounts to the same thing, of need, is the buyer”. The buyer – or consumer – must therefore be able to express his need. In this passage, Proudhon shows the inadequacy of both the market (which he calls “freedom”) and communism, i.e. the centralised determination of needs. Communism “will never triumph over this difficulty”, he says, but with “freedom” – the market – production necessarily remains indeterminate, either in quantity or in quality, so that from the point of view of economic progress, as from that of consumer convenience, the estimate remains eternally arbitrary”.

When Proudhon explains that “no one has the right to impose his own merchandise on others: the only judge of utility, or, what amounts to the same thing, of need, is the buyer”⁴⁰, he is practically suggesting the identity between market capitalism and State capitalism, i.e. communism: in both cases it is a minority – entrepreneurs or State bureaucracy – that decides and imposes itself as the “arbiter of convenience”. If there is no reciprocal freedom between producer and consumer, i.e. in fact concertation, we are dealing with “spoliation”.

39 Proudhon, *System of Economic Contradictions*.

40 *Ibid.*

But then another problem arises: in order to make the relationship between consumer and producer rational, is it necessary to “limit production to what is just necessary”? In Proudhon’s words, this would mean “taking away my ability to choose” and destroying competition, “the only guarantee of a good market”. It would mean replacing commercial arbitrariness with administrative arbitrariness. We always come back to the idea of competition, without which it is impossible to determine value: “It is not a question of abolishing the idea of value, which is as impossible as abolishing labour, but of determining it; it is not a question of killing individual freedom, but of socialising it.”⁴¹

Apart from the texts he published during the 1848 revolution, Proudhon never claimed to propose a political programme. There are, however, scattered indications in his work that can be extrapolated. In *Des réformes à opérer...*, for example, he talks about setting up a “convention between producers and consumers”⁴² which “will itself be formed by groups, able to deal as one, either with their collective consumption, or even, in certain cases, with their individual consumption”.

This is all from a “reformist” perspective, but we can imagine what *this kind of reformism* might have meant in 1855. And if we extrapolate, we can see that the formation of consumer organisations that could “deal as one” could be an important clue to what could be achieved in a socialised economy in the sense of *consumers* determining their own needs.

Consumers of all countries, unite!

The fact that libertarian writers such as Proudhon and Kropotkin considered the consumer’s point of view, and not just that of the producer, to be decisive is not surprising insofar as, from their point of view, the question of determining needs is not a matter for the State or the market, but for... consumers themselves.

Kropotkin took Proudhon’s ideas much further, insisting on the need to avoid waste. The Russian revolutionary had denounced the fantastic waste of resources and energy caused by the market economy, and this was confirmed by an American author, Vance Packard, in a book published in 1962, whose title, *The Waste Makers*⁴³, is self-explanatory.

In 1965, Murray Bookchin published a book in the United States, which was not translated into French until 1976: *Towards a Liberatory Technology*. He takes a very Kropotkinian perspective in trying to examine the liberating potential of modern technology. The author explores the possibility of trans-

41 *Ibid.*

42 Proudhon, “Des réformes à opérer dans l’exploitation des chemins de fer”, Garnier frères, 1855, p. 309.

43 David McKay Publications 1960.

forming the machine into an instrument that functions as a non-hierarchical whole:

“The innovations in textile and iron-making technology provided a new sense of promise, indeed a new stimulus, to socialist and Utopian thought. It seemed to the revolutionary theorist that for the first time in history he could anchor his dream of a liberatory society in the visible prospect of material abundance and increased lei-sure for the mass of humanity. Socialism, the theorists argued, could be based on self-interest rather than on man’s dubious nobility of mind and spirit. Technological innovation had transmuted the socialist ideal from a vague humanitarian hope into a practical program.”

Bookchin seems to be saying that what Kropotkin had foreseen is now possible. In the revolutions of the past, “given the limited technological development of the last century, in the last analysis both schools [*anarchism and Marxism*] depended on an act of faith to cope with the problem of want and work”, says Bookchin. But this is precisely what Kropotkin foresaw. Today, “the countries of the Western world (and potentially all countries) are confronted by the possibility of a materially abundant, almost workless era in which most of the means of life can be provided by machines”.

Bookchin acknowledges that Kropotkin was the person “who exercised more influence among anarchists in this area of speculation, invoked man’s propensity for mutual aid – essentially a social instinct – as the guarantor of solidarity in an anarchist community (a concept which he derived from his study of animal and social evolution).” Bookchin concludes with a qualitative promise, “the promise of decentralized, communitarian lifestyles, or what I prefer to call ecological forms of human association”.

Kropotkin raises the question of the system of identification, the process by which needs are identified and satisfied. This process itself defines the political framework within which sovereignty is exercised.

Kropotkin’s doctrine is characterised by its particular emphasis on the problems of consumption. In fact, this point had not escaped his predecessors: Bakunin in particular said that a social revolution only makes sense if it immediately improves the population’s living conditions. This is one of the essential points that distinguishes anarchism from Marxism in their concrete achievements⁴⁴.

44 In the two historical examples where the anarchist movement had a real and massive influence on events, in Ukraine and Spain, the population’s living conditions improved – as did the productive apparatus. After the Russian Revolution, the Bolsheviks led Russia into an economic disaster that was responsible for tens of millions of deaths. This point is discussed in: René Berthier, *Octobre 1917, le Thermidor de la Révolution russe*, CNT-région parisienne editions.

Kropotkin emphasised that the aim of the capitalist system was not to produce in order to satisfy the needs of the population, but to make a profit. His thinking, which was entirely modern, was in line with the debates on consumer society. The revolution will have to reverse the order of priorities and adjust the productive apparatus to the real needs of the population – but he does not dwell on the institutional framework in which needs are expressed, and even less on the institutional framework in which the satisfaction of needs will be organised.

Ease for all is not a dream. Kropotkin estimates that barely a third of the population is engaged in productive work and creates global wealth. If, of the rest, “those who today squander the fruits of other people’s labour were forced to occupy their leisure time with useful work, our wealth would grow in multiple proportion to the number of productive arms”⁴⁵. To this we should add that, contrary to Malthus’ view, “man increases his productive power much more rapidly than he multiplies himself”.

The productivity of labour is such that capitalist society creates idlers: “The number of idlers and intermediaries is increasing in a frightful proportion”⁴⁶. Kropotkin categorically rejects the Marxist thesis that, since capital is concentrated in a small number of hands, it will suffice to expropriate a few capitalists. On the contrary,” he rightly says, the number of those who live at the expense of other people’s labour is ever greater. In France, for example, there are not “ten direct producers for every thirty inhabitants”.

“And what is the number of the shareholders and middlemen who levy the first fruits of labour from far and near, and heap up unearned gains by thrusting themselves between the producer and the consumer?”⁴⁷

Kropotkin’s thesis, according to which the high productivity of labour and the concentration of capital create a growing number of people who do not live

45 Kropotkin, “Will the Revolution be collectivist?”

46 *Ibid.*

47 Kropotkin, *The Conquest of Bread*.

Cf. Proudhon, in *Theory of Property*: “In France, twenty million workers, spread over all branches of science, art and industry, produce all the things useful to human life; the sum of their days equals, every year, by hypothesis, 20 billion; but because of the right of ownership and the multitude of bargains, bonuses, tithes, interest, bribes, profits, rents, annuities, profits of every kind and colour, the products are estimated by the owners and bosses at 25 billion: what does this mean? That the workers who are obliged to buy back these same products in order to live must pay 5 for what they produced for 4, or fast for five days. In his 1863 essay, Proudhon repeats a quotation from the 1840 *Mémoire sur la propriété* – a way of emphasising that he had not changed his point of view on his condemnation of “the right of bargain, this right so inherent, so intimate to property, that where it does not exist, property is null and void”. *op. cit.*, p. 21.

directly from production, is confirmed by the facts. In support of his thesis, Kropotkin cites another argument: the underproduction artificially organised by capitalists to keep prices high. This is the conscious and direct limitation of production; but there is also the indirect and unconscious limitation which consists in spending human labour on objects which are absolutely useless or destined only to satisfy the foolish vanity of the rich⁴⁸. Productivity is reduced indirectly by the waste of forces that could be used to produce, and especially to prepare the tools necessary for this production.

“But over and above this we must take into account all the labour that goes to sheer waste, – here, in keeping up the stables, the kennels, and the retinue of the rich; there, in pandering to the caprices of society and the depraved tastes of the fashionable mob; there again, in forcing the consumer to buy what he does not need, or foisting an inferior article upon him by means of puffery, and in producing on the other hand wares which are absolutely injurious, but profitable to the manufacturer. What is squandered in this manner would be enough to double the production of useful things, or so to plenish our mills and factories with machinery that they would soon flood the shops with all that is now lacking to two-thirds of the nation.”⁴⁹

In short, the “civilised nations” (i.e. the industrial nations) are increasing their productive power very rapidly, but at the same time are setting limits to this productive power. Given this observation, we can only deduce that a rational organisation of the economy would make it possible to create ease for all.

The idea of “taking from the heap”, which Kropotkin discusses in *The Conquest of Bread*, was not unanimously supported by the anarchist movement. Above all, it was misunderstood by the anarchists of his time – not to mention liberal and Marxist writers. In the two instances where this expression is mentioned in the book (in the French version at least), it is accompanied by a detail that has often been overlooked: “taking from the heap what one possesses in abundance! *Rationing of what needs to be measured and shared*”.

The expression “taken from the heap” is extremely clumsy, because it effectively suggests a “heap”, literally or figuratively, from which you can simply pick and choose as you please. This is not what Kropotkin meant. His vision was of a developed industrial society with high technology and high labour productivity. From this point of view, buying a car or a computer today is a matter of “taking from the heap”, in the sense that the quantity of these items available is sufficient to meet consumers’ needs. Today, these items are

48 *Ibid.*

49 Kropotkin, *The Conquest of Bread*, ch. 1.

acquired through purchase, but it would be naïve to believe that in a society that has abolished wage-labour everything would be “free”.

The Italian anarchist Malatesta wrote that

“Kropotkin always said that the most urgent problem was that of consumption, that to make the revolution triumph it was necessary to satisfy everyone’s needs immediately and abundantly, and that production would follow the rhythm of consumption. Hence the idea of ‘taking from the heap’, which he made fashionable and which is the most crowd-pleasing, yet at the same time the most primitive and utopian way of doing things.”⁵⁰

Malatesta’s criticism is one-sided because Kropotkin never said that manufactured products were made *ex nihilo*. In one way or another, the acquisition of an object must necessarily be recorded somewhere in an *accounting* system.

Kropotkin’s intuition is undeniable. In a way, he was the inventor of the idea of the consumer society and the leisure society: By working five hours a day until the age of 45 or 52, man will easily be able to produce all that is necessary to guarantee society’s ease:

“Admit that all adults, save women, engaged in the education of their children, bind themselves to work 5 hours a day from the age of twenty or twenty-two to forty-five or fifty, and that they follow occupations they have chosen themselves in any one of those branches of human work which in this city are considered necessary. Such a society could in return guarantee well-being to all its members.”⁵¹

His vision was undoubtedly too far ahead of its time to be understood by a man like Malatesta.

Competition

The idea of a free-market economy in which the state does not intervene is pure fiction. It would be naïve to think that in a liberal economy there is not some form of “authority” to set the legal rules. Moreover, competitive relationships can exist within the same capitalist group. Finally, the idea that the major industrial and financial groups are engaged in competition to the death needs to be considerably qualified. There are many forms of agreement, association and collaboration between large groups, and the public may think

50 Malatesta: “Pierre Kropotkine, souvenir et critiques d’un de ses vieux amis”, *Studi sociali*, 15 April 1931, in *La pensée de Malatesta*, groupe Eugène-Varlin, Fédération anarchiste.

51 Kropotkin, *The Conquest of Bread*.

that they are waging a ferocious war against each other. The competition argument is largely used to justify staff cuts and shareholder profits.

From the point of view of the libertarian approach to the economy, certain questions need to be raised. Insofar as the organisation of the economy requires maximum efficiency in the allocation of scarce resources – by which we mean minimum waste – we need to define ways to:

- Guarantee accurate information about the resources available and the means that can be used. There is no point in calling on people to express their individual and collective needs if they are not informed about these issues. In the CGT-SR's social organisation plan,⁵² a Statistics Office was given the task of centralising all information relating to the progress of industry: "raw materials and processed products received and dispatched; labour employed, available or required". The revolutionary syndicalists of the time obviously couldn't have imagined the existence of a tool like computers.

- Assign the functions of implementing decisions to the most competent. The experience of the capitalist system shows over and over again that company directors are also very often incompetent. This does not prevent them, when they are the bosses of large groups and they sink the company they were in charge of, from receiving colossal compensation packages. The more limited experience of workers appointing their managers shows that they are not so stupid as to appoint the most incompetent. The main danger which threatens a libertarian system of organisation is the temptation which the representatives may have to cling to their mandates. This danger exists in all organisations. There is only one response: control and rotation of mandates.

The capitalist system bases its legitimacy on the principle of a competitive economy, which we know to be a fiction. Perfect competition is no more than a theoretical scheme that has never had any historical reality. Paradoxically, it is increasingly inapplicable in a globalising economy. Competition and the market, which are said to be the only means of achieving an optimal definition of needs, are in fact neutralised by the increasing complexity of the global economy, which makes it impossible to acquire all the information needed to define these needs.

52 The Confédération générale du travail – Syndicaliste révolutionnaire (CGT-SR) is a former French trade union confederation founded in 1926 as an anarchist split from the CGT-U; it was banned in 1939. The CGT-SR bequeathed the Charter of Lyon. It was also involved in the major struggles of its time, such as anti-colonialism, the strikes of June 1936, aid to the Spanish republicans during the civil war and resistance to the Nazis. The CGT-SR published two works setting out plans for the organisation of a libertarian society on the basis of federalism: • *Les syndicats ouvriers et la révolution sociale*, Paris, 1930. – • *Le monde nouveau, Organisation d'une société anarchiste*, CGT-SR, 1934.

“Perfect competition is [...] no more than a purely theoretical scheme, no doubt significant as a transcendent image of an ideal world, but inapplicable to the real world in our time”.⁵³

For good measure, the author adds: “a regime of total centralisation is not feasible in practice either. It is impossible to centralise all the necessary information at the top of the hierarchy of a hypothetical totally centralised organisation”.

This is where the notion of libertarian federalism comes in. According to this organisational principle, each level of the organisational structure deals autonomously with the issues that fall within its competence, with no intervention from higher authorities. It is only when the issue in question goes beyond the level concerned, in terms of its complexity, scope or stakes, that the higher level is called upon. In this way, the higher level of the organisational chart is prevented from interfering in matters that it has no business dealing with and seeking to monopolise decision-making power.

The first task of a libertarian economy would be to simplify flows – a recurring theme in Kropotkin’s thinking. The Russian revolutionary urged the population to consume locally produced or harvested products first, to avoid wasting money on transport. This recommendation was not based on a tendency to turn in on oneself, but on a concern to avoid waste. Today, it is totally irrational for a European country to produce yoghurts, have them packaged in the Far East, then repatriate them and put them on sale in the country of origin. There are countless examples of this.

As far as the state system is concerned, it is impossible to centralise all the information needed at the top of the hierarchy to process this information and exploit it effectively. This is what Proudhon foresaw. As for implementing decisions, the centralised system would come up against insurmountable obstacles. A plethoric administration would be necessary, an administration that would also be extremely rigid and incapable of adapting to the inevitable variability of data.

Proudhon’s recognition of the need for some form of competition in the economy has been variously interpreted. Liberals see in it a legitimisation of the market economy⁵⁴; Marxists see in it an intolerable attack on the intangible dogma of state centralisation and planning.

53 Duquesne de la Vinelle, *Une théorie des systèmes économiques*, Éditions de la Librairie encyclopédique, Brussels, 1969, ch. V.

54 René Berthier, “Proudhon libéral?” <https://monde-nouveau.net/spip.php?article177>

Competition and land ownership

To understand Proudhon's apparently contradictory positions on competition, we need to distinguish between the two approaches he took to the phenomenon: the economic approach and the sociological approach.

Proudhon extensively described the effects of competition as a phenomenon of the economic mechanisms of the capitalist system. Competition has devastating effects when it is the corollary of property ownership.⁵⁵ Farmers and industrialists are obliged to crush their competitors in order to survive, to "seize the production of others". Through competition, "society devours itself"⁵⁶.

"I call competition not only the rivalry between two industries of the same kind, but the general and simultaneous effort made by all industries to take precedence over one another. This effort is so great today, that the price of goods can scarcely cover the costs of manufacture and sale; so that the wages of all the workers being deducted, there is nothing left, not even interest for the capitalists."⁵⁷

As with property and value, Proudhon defines competition as a contradictory phenomenon that needs to be regulated. If it is left to itself, if it "is exercised only for the benefit of private interests and its social effects have been neither determined by science nor reserved by the State", it leads to oligarchy and civil war⁵⁸. It needs a "higher principle that socialises and defines it".

In economic terms, competition is "necessary to the constitution of value, that is, to the very principle of distribution, and consequently to the advent of equality". Applied to land ownership, Proudhon sees competition as the mechanism that will eventually, through a dialectical process, exhaust its contradictions, allowing the introduction of measures to regulate ownership by preventing its monopolisation. Access to property for all, on condition that production is organised in the interests of all, is in fact equivalent to socialisation. As a starting point, Proudhon advocated an equal division of land; he also advocated, "so that there is no abuse, that it be maintained from generation to generation", i.e. that there be no concentration of land capital. We are therefore dealing with a form of property whose prerogatives are extremely limited, a form of property whose owner is obliged to join with other owners to ensure production: this, it seems to us, is the meaning of the

55 "Competition, with its homicidal instinct, takes bread away from a whole class of workers." (Proudhon, *System of Economic Contradictions*, vol. I, chap. V, Competition. p. 229.)

56 Proudhon, *Qu'est-ce que la propriété?* Ed. Rivière, p. 268: "Competition and profit: one is war, the other loot", says Proudhon.

57 Proudhon, *Qu'est-ce que la propriété*, ed. Rivière, p. 274.

58 Proudhon, *System of Contradictions*.

“federative pact which confers ownership”, which binds the citizen and urges him to ensure, as “a member of the social body, that his property does not detract from the public good”⁵⁹. Moreover, if the citizen, bound by this “federative pact”, naturally follows the law of his own interest, he must also ensure, as “a member of the social body, that his property is not detrimental to the public good”⁶⁰.

Paradox? After denouncing the devastating effects of competition, Proudhon now posits it as a factor of equality? Let’s not forget that the author of *The System of Contradictions* never ceases to claim that the mechanisms of the capitalist system are contradictory. It is impossible, he says, to establish economic accounting – and therefore to distribute products – if we do not define their value or, in other words, their cost price. Moreover, the link between the distribution of products and equality is obvious, insofar as *there can be no equitable distribution without knowledge of the value of what is being distributed*. And this value can only be established by comparison. And for the cost prices of two products to be comparable, there must be competition.

“As long as a product is produced by only one manufacturer, the real value of that product remains a mystery, either through concealment on the part of the producer, or through carelessness or inability to bring down the cost price to its extreme limit.”⁶¹

The same reasoning applies to wages, which Proudhon wishes could be guaranteed, like labour, but he asserts that it is impossible to guarantee wages “without exact knowledge of the value, and that this value can only be discovered by competition, by no means by communist institutions or by a decree of the people”⁶².

In these few lines, Proudhon seems to be anticipating the debates that will take place in the countries of “unreal socialism” on the question of value.

The global organisation of society

Competition is also an inescapable fact of social life. This is a simple sociological observation. Competition – or tension, if you prefer – is a constituent element of all social relations, just like cooperation.

“...competition and association rely on each other; they do not exist without each other; far from being mutually exclusive, they are

59 Proudhon, *dée générale de la révolution*.

60 *Ibid.*

61 Proudhon, *Système des contradictions, Système des contradictions économiques*, ed. Rivière, t. I, chap. V, “La concurrence”, p. 213.

62 Proudhon, *Système des contradictions, Système des contradictions économiques*, ed. Rivière, t. I, chap. V, “La concurrence”, p. 213

not even mutually exclusive. Competition, therefore, is not selfishness, and the most deplorable error of Socialism is to have regarded it as the overthrow of society. There can therefore be no question here of destroying competition, which is as impossible as destroying liberty. For every force, every spontaneity, whether individual or collective, must be determined; in this respect, competition is like intelligence and freedom. How, then, will your competition be harmoniously determined in society?”⁶³

A society without tension is a dead society. The idea that we can, in any society, eliminate competition (Marxist view) or cooperation (neo-liberal view⁶⁴) is pure utopia. The most that can be done is to emphasise one or the other: “Remove competition”, says Proudhon, and “society, deprived of its driving force, stops like a pendulum whose spring has been slackened”⁶⁵. When he declared in the *System of Contradictions*⁶⁶ that competition “is the effect of collective activity”, it was not the analyst of the mechanisms of capitalism who was speaking, but the sociologist. But perhaps Proudhon’s notion of competition should be understood as emulation?

Devoid of any illusions about human behaviour, Proudhon also understood perfectly well that the suppression of all competition, of all emulation in the society of state communism would engender irresponsibility – in which, once again, he admirably foresaw what was going to happen after the October Revolution. He understood “the absolute impossibility for man to fulfil his duty as soon as he finds himself relieved of all responsibility towards himself”, because “responsibility towards oneself, in matters of work, necessarily implies, towards others, competition”.⁶⁷

“Order that from 1st January 1847 work and wages are guaranteed to everyone: immediately an immense slackening will follow the ardent tension of industry; real value will rapidly fall below nominal value; metallic money, despite its effigy and stamp, will suffer the fate of the assignats⁶⁸; the merchant will demand more in order to deliver less; and we will find ourselves one circle lower in

63 Proudhon, *System of Economic Contradictions*, Rivière, vol. I, p. 238.

64 We are thinking in particular of Margareth Thatcher, who exalted competition and the individual, and systematically belittled cooperation and society: “there is no such thing as society; there are only individuals”.

65 Proudhon, *Confessions of a Revolutionary* (1849). Proudhon also says in *The System of Economic Contradictions*: “Can competition in labour be abolished? You might as well ask whether personality, freedom and individual responsibility can be abolished”. (Ed. Rivière, t. I, chap. V, “La concurrence”, p. 237.

66 Proudhon, *Système des contradictions économiques*, ed. Rivière, t. I, chap. V, “La concurrence”, p. 237.

67 Proudhon, *Système des contradictions, Système des contradictions, Système des contradictions économiques*, ed. Rivière, t. I, chap. V, “La concurrence”, p. 213.

the hell of misery of which competition is still only the third round.”⁶⁹

What Proudhon fears above all in the suppression of competition envisaged by State communism is negligence, squandering, “the fear of compromising oneself”, “all the defects that one notices in the administration of public wealth”⁷⁰. This is undoubtedly a somewhat disillusioned vision, but it is a vision without any complacency, which takes into account the predictable behaviour of any person who finds himself in the position of the irremovable civil servant. In this, Proudhon is radically opposed to Louis Blanc, the representative of State communism, for whom “the remedy for competition, or rather the means of abolishing it, consists in the intervention of authority, in the substitution of the State for individual freedom”⁷¹.

Proudhon was totally sceptical of the idea that individuals could be permanently driven by devotion, and he criticised Louis Blanc for being “dizzy with the sound of his phrases: he replaces private interest with devotion to the public good; he substitutes emulation and rewards for competition”⁷². This is a fairly good description of the Soviet system.

Proudhon understood in anticipation what it took the Soviet leaders fifty years to understand: if there is not some form of competition (or, if you like, emulation, although he himself uses the term in a pejorative sense) in the production apparatus, no effort will be encouraged to reduce production costs, optimise the use of materials and avoid waste. What’s more, Proudhon understood that an economic system that did not give a significant role to individual initiative would not be viable. Although he failed to find the right solution to this problem, Proudhon has the undeniable merit of having posed it.

68 The assignat is a fiduciary currency introduced during the French Revolution. It was a resounding failure.

69 Proudhon, *System of Contradictions*, p. 237.

70 Proudhon, *System of Contradictions*, p. 243.

71 “... what can socialism, that universal protest, have in common with the jumble of old prejudices that make up M. Blanc’s republic? M. Blanc never ceases to call for authority, and socialism declares itself to be highly anarchic; M. Blanc places power above society, and socialism tends to place power under society; M. Blanc brings social life down from above, and socialism claims to bring it to birth and vegetate from below; M. Blanc chases after politics, and socialism seeks science.” (*System of Contradictions*, p. 243.)

Proudhon never bothered to refute Marx’s positions because after the latter’s polemical and hateful response to his *System of Economic Contradictions*, he simply didn’t want to hear any more about it. However, most of Proudhon’s criticisms of Louis Blanc can be perfectly applied to Marx. Bakunin criticised Marx and Louis Blanc indiscriminately, because he totally identified their positions, which enraged Marx.

72 Proudhon, *System of Contradictions*, p. 243.

Conclusion

Let's dream a little: we can easily imagine that, in the Proudhonian spirit, each inhabitant would be an equal owner of an inalienable share of a "company" called the French Republic and that, as such, he or she would be jointly responsible for the smooth running of public affairs and would be called upon to give his or her opinion on the general organisation of this "company": determination of needs and allocation of resources. In this way, democracy would no longer be merely political but economic. The institutional framework within which such an activity would be carried out is not difficult to imagine.

The problems raised by Proudhon's economic critique remain highly topical today. This is particularly true of the question of property. His "message" is based on the observation that the status of ownership of the means of production is perhaps not the main criterion for differentiating economic systems. Yet this question was at the forefront of the debates and polemics in the early socialist movement, and the various currents that emerged from Marxism only wanted to see as a solution to this problem what they considered to be the antithesis of private property: state property.

Proudhon's originality may lie in the fact that he proposed a different way of thinking about socialism, what he called a "third term", which was the opposite of the "communist principle" and the "property-owning principle"⁷³. A path that bypasses the psychological obstacle that the question of ownership has created in debates within the labour movement. Beyond this question lies another, which still has implications today: the misunderstanding of the problem has rendered all the organisations of the left incapable of developing strategies that integrate the middle classes and the peasantry.

Today, the very notion of ownership of the means of production has become ambiguous in a society where large companies run by one owner controlling all the capital are in the minority. The possibility of *expropriating* the owners of the main means of production would not correspond today to the phantasm of the nineteenth-century bourgeois who saw himself thrown out of his home by hordes of famished and greedy proletarians: it would take place in a practically invisible way by the computerised transfer of shares and bonds to another account, for the benefit of the community – of which, incidentally, the expropriated themselves would have their share... equal to everyone else's.

When Proudhon talks about property, he refers mostly to land ownership, which is, for him, the fundamental form of property in a society that was still essentially agricultural: he points out in *Idée générale de la révolution* that land ownership in France "concerns two-thirds of the inhabitants". However, all his plans for rural property had their equivalent in industry: "Thus, by the

73 Proudhon, *Solution du problème social*, "Banque d'échange", Editions Tops/Trinquier, p. 150.

rules of the industrial association, which sooner or later, with the help of better legislation, will include vast bodies of industry, each worker has a hand in a portion of the capital.”⁷⁴

Industrial society was far from absent from Proudhon’s reflections, and he foresaw a monopolistic concentration of capital, aggravated by the downward trend in profit rates.⁷⁵ He denounced the “great capitalist associations, organised according to the spirit of mercantile and industrial feudalism”⁷⁶. In *Idée générale de la Révolution* and *Capacité politique des classes ouvrières*, Proudhon wrote at length about the “workers’ production companies” and the “mutual associations” intended to replace the capitalist organisation of production. Georges Gurvitch described *La Capacité politique* as the “catechism of the French labour movement”.

Knowing the psychological impact that the institution of property had on the population, he knew that it was impossible to attack it head-on. Fundamentally, he hated property, but he only seemed interested in it because he saw it as a bulwark against the state, which he hated even more. Towards the end of his life, he complained about “all those fences around Paris that take away the view of the countryside and the enjoyment of the land from the poor pedestrian”. This aroused in him a “violent irritation”:

“I wonder if the property that keeps everyone in their own homes isn’t more like expropriation, the expulsion from the land. *Private property!* I sometimes come across this word written in large letters at the entrance to an open passageway, which seems like a sentry forbidding you to pass. I confess that my human dignity bristles with disgust.”⁷⁷

Deep down, he hates all those people who retreat behind their property like a fortress; he hates that “old patrician, pitiless and avaricious”, that “insolent baron”, that “greedy bourgeois” and that “harsh peasant”, that man who, “with one foot on this land that he holds only by a free concession, forbids you to pass, forbids you to pick a bluet in his field or to pass along the path”.

74 Proudhon, *Idée générale de la révolution*.

75 “By the power of labour, by the multiplication of the product and by exchanges, the capitalist’s interest, in other words the idler’s bargain, tends always to diminish, and by constant attenuation, to disappear” (Second Memoir).

The notion of falling rates of profit, shared by Marx, is strongly criticised today. What seems questionable to us is the idea that the fall in the rate of profit inevitably leads to the collapse of capitalism. This fall in the rate of profit in no way implies a fall in profits: in fact, it is largely offset by the rise in labour productivity and the increase in the growing mass of committed capital.

76 Proudhon, *Political capacity*.

77 Proudhon, *Theory of Property*.

“If I ever find myself a landowner,” says Proudhon at the end of his *Theory of Property*, “I’ll make sure that God and men, especially the poor, forgive me...”.

August-September 2024

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This text will be followed by another one on “Abolition of value”.

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