

Bailouts or co-operatives?

Anarcho

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As capitalism goes into crisis (again), there have been bailouts of the financial sector as well as calls for the bailing out of certain industries. In America, the big three car companies having been asking for state help. There are many reasons for rejecting this:

*‘When it comes to bailing out the auto industry, count me in the “let them starve” camp. The auto industry has been outsourcing American jobs for 25 years now with little regard for the devastated communities they’ve left in their wake (seriously, re-watch **Roger & Me** sometime). The big three have also used their lobbying might to oppose every environmental regulation in their sights. And on top of all of that, their cars suck.’*

As true as this is, the problem is that the workers who are left will be harmed by this. As such, I think it is wise for anarchists to have some practical suggestion on what to do – beyond, of course, calls for social revolution (which is correct, but fails to take into account where we are now and is, as a result, abstract sloganeering).

May I suggest that in return for any bailouts, the company is turned into a co-operative? This is a libertarian alternative to just throwing money at capitalists or nationalising workplaces.

For example, Proudhon argued in 1848 he “*did not want to see the State confiscate the mines, canals and railways; that would add to monarchy, and more wage slavery. We want the mines, canals, railways handed over to democratically organised workers’ associations ... these associations [will] be models for agriculture, industry and trade, the pioneering core of that vast federation of companies and societies woven into the common cloth of the democratic social Republic.*” (**No Gods, No Masters**, vol. 1, p. 62)

In his classic work, **The General Idea of the Revolution**, he made a similar suggestion as part of his general critique of capitalism:

“That is why I said one day, in February or March, 1849, at a meeting of patriots, that I rejected equally the construction and management of railroads by companies of capitalists and by the State. In my opinion, railroads are in the field of workmen’s companies, which are different from the present commercial companies, as they must be independent of the State. A railroad, a mine, a factory, a ship, are to the workers who use them what a hive is to the bees, at once their tool and their home, their country, their territory, their property. It is surprising that they who so zealously maintain the principle of association should have failed to see that such was its normal application.”

Proudhon's support for workers' associations (or co-operatives) should be well known. It influenced the Communards, who applied these ideas by turning empty workplaces into co-operatives (which makes Engels' later attempts to distance the Communards from Proudhon seem a tad dishonest).

In 1912, Kropotkin argued along similar lines. He noted that the "*State phases which we are traversing now seems to be unavoidable.*" However, aiding "*the Labour Unions to enter into a temporary possession of the industrial concerns*" anarchists would provide "*an effective means to check the State Nationalisation.*" (quoted by Ruth Kinna, "*Fields of Vision: Kropotkin and Revolutionary Change*", pp. 67–86, **SubStance**, Vol. 36, No. 2, p. 77)

So there is a history of making this kind of demand in the anarchist tradition. In terms of Marxism, in the 1880s Engels suggested as a reform the putting of public works and state-owned land into the hands of workers' co-operatives rather than capitalists. (**Collected Works**, vol. 47, p. 239) So, there is nothing anti-socialist in this demand.

What of the obvious objection, namely that this is not socialism and just "worker capitalism."

Yes, it is not socialism – but it contains more elements of socialism than the alternatives of bailouts or nationalisation. It is a suggestion that could be applied in the here and now, where a social revolution is currently unlikely. If our position is one of revolutionary purity then it will be unlikely that anyone will pay much attention to us and if a revolt does break out then our influence will be smaller than it could be if we addressed social issues today. If done in the right way, such activity can be used to get us closer to our immediate aim – a libertarian social movement which uses direct action and solidarity to change society for the better.

What of the notion it is "worker capitalism"? This is confused. It is not capitalist because workers own and control their own means of production. If quoting Engels is not too out of place, the "*object of production – to produce commodities – does not import to the instrument the character of capital*" for the "*production of commodities is one of the preconditions for the existence of capital ... as long as the producer sells only what he himself produces, he is not a capitalist; he becomes so only from the moment he makes use of his instrument to exploit the wage labour of others.*" (**Collected Works**, vol. 47, pp. 179–80) So workers' associations are not capitalist, as Marx also made clear:

"Let us suppose the workers are themselves in possession of their respective means of production and exchange their commodities with one another. These commodities would not be products of capital." (**Capital**, vol. 3, p. 276)

This is Proudhon's distinction between property and possession and, unsurprisingly, he (like all consistent libertarians) placed workers' associations at the heart of his anarchism, considering them as "*a protest against the wage system*" and a "*denial of the rule of capitalists.*" Proudhon's aim was "*Capitalistic and proprietary exploitation, stopped everywhere, the wage system abolished, equal and just exchange guaranteed.*" (**The General Idea of the Revolution**)

As long as these associations remained democratic (i.e., all people who work there are members) then this is a socialisation of the means of life (albeit, currently within capitalism).

The key to understanding socialisation is to remember that it is fundamentally about access. In other words, that every one has the same rights to the means of life as everyone else. In contrast, a capitalist society places the owner in the dominant position and new members of the workforce are employees and so subordinate members of an "association" which they have no say in.

The economies in which workplaces exist in the mutualism, collectivism and communism forms of anarchism are different but rest on the same principle of equal access and self-management. Thus when someone joins an existing workers association they become full members of the co-operative, with the same rights and duties as existing members. In other words, they participate in the decisions on a basis of one person, one vote. How the products of that association are distributed vary in different types of anarchism, but the associations that create them are rooted in an association of equals.

Unsurprisingly, this was Proudhon position. He argued that “*every individual employed in the association ... has an undivided share in the property of the company*”, has “*the right to fill any position, of any grade, in the company, according to the suitability of sex, age, skill, and length of employment*” and that “*all positions are elective, and the by-laws subject to the approval of the members*” (**The General Idea of the Revolution**) Bakunin was also a firm supporter of cooperatives, as was Kropotkin.

This should be the criteria for any bailouts demanded under capitalism – the turning of the company into a co-operative which is run by its members and which any new workers are automatically members with the same rights as others.

Of course, it is unlikely that any government will agree to such a socialisation of companies. Unless pressurised from below, they will pick bailouts or (part/full) nationalisation in order to keep capitalism going. If ignored then people should simply socialise their workplaces themselves by occupying and running them directly. Nor should this be limited to simply those firms seeking bailouts. All workplaces in danger of being closed should be occupied – which will hopefully inspire *all* workers to do the same.

This support for co-operatives should be seen as a practical response to current events, a means of spreading the anarchist message and getting people to act for themselves. As can be seen from the Argentine revolt against neo-liberalism, the idea of occupation and co-operatives has mass appeal and can work. At the very least, it helps people who are suffering from the crisis while, at the same time, showing that another world is possible. And it is doubtful that the people whose jobs and communities are on the line because of the decisions of their bosses can make any more of a mess than has already been inflicted on them!

But this is a short-term libertarian solution to the crisis, one that can be used to help create something better. The longer term aim is end capitalism once and for all. Wage slavery has failed. It is time to give economic liberty a go!

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A suggestion for practical libertarian activity in the current crisis, one which tries to get beyond abstract calls for social revolution by presenting possible solutions which can aim the process of creating an anarchist social movement and, ultimately, anarchism.

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