

# Mutualism, yes and no

Anarcho

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Mutualism is a libertarian form of market socialism. It is most associated with Pierre-Joseph Proudhon, the first person to call himself an anarchist. However, he did not invent the term but rather picked it up from workers in Lyons when he stayed there in the 1840s. Mutualism reached the peak of its influence when the Paris Commune of 1871 applied Proudhon's ideas on federalism and workers' co-operatives before being bloodily crushed.

Mutualism aims to create a system of self-employed workers and co-operatives honestly exchanging goods and services in a market without interest, rent, profit, landlords or capitalists. Rejecting social revolution, it aims to destroy capitalism and the state by means of reform – a combination of more just and more efficient economic institutions (mutual banks and co-operatives) and pressurising the state from outside to enact appropriate reforms.

Revolutionary anarchism developed after Proudhon's death in 1865, but it shares many of the same ideas. It takes his critique of property as a source of exploitation ("*property is theft*") and domination ("*property is despotism*"), his analysis of the state as an instrument of class domination and destroyer of freedom, his arguments for decentralisation, economic and social self-management, and socio-economic federalism. It rejects his reformist means as well as support for markets in a free society.

The notion that credit and producer co-operatives would display capitalism is rejected by most anarchists. Following Bakunin, we see the need for revolutionary action to end capitalism. This was because of the vast advantage that the capitalist class enjoys against the working class in terms of wealth, not to mention the support (open or hidden, but always active) of the state. The fight is too unequal for success to be expected. Instead, anarchists turned to the labour movement, strikes and other forms of collective direct action and solidarity to change society.

Even with the outside pressure of the people on the state Proudhon thought was necessary to force it towards meaningful reforms, it is unlikely that it will transcend its class role and act in the public good. Revolutionary anarchists recognised that if there were a reform movement strong enough to pressurise the state in such a way it would also be strong enough to abolish the state – and the capitalism it exists to defend. It must also be noted that, assuming its means were viable, Proudhon saw the achievement of anarchy as a matter of centuries. The current eco-crisis does not permit such a time-scale.

The key area of disagreement in terms of vision is that unlike other forms of anarchism, mutualism keeps a modified version of market exchange. Some, particularly Marxists, reject this

vision as simply “self-managed capitalism.” Ironically, this repeats the neo-liberal assertion that “markets” equal capitalism, so downplaying wage labour (and the domination and exploitation that goes with it). Moreover, this is not the case. As Marx himself repeatedly noted, this would be a different mode of production than capitalism as it was not based on wage-labour.

While mutualism is not “self-managed” capitalism, it does not mean that this form of libertarian socialism is without flaws. Communist-anarchists argue that there are problems with markets *as such*, which are independent of, or made worse by, capitalism. It is these problems which make most anarchists hostile to the market (even one of competing self-managed workplaces) and so we desire a (libertarian) communist society.

At its most basic, markets soon result in impersonal forces (“*market forces*”) which ensure that the people in the economy do what is required in order for it to function. While the market is usually presented as a regime of freedom where no one forces anyone to do anything, where we freely exchange with others as we see fit, the reality is different as the market usually ensures that people act in ways **opposite** to what they desire or forces them to accept “free agreements” which they may not actually desire. Wage labour under capitalism is the most obvious example of this, but survival on the market can drive even the best intended co-operative to act in anti-social and anti-ecological ways simply to survive.

Operating in a market means submitting to the profit criterion. However much workers might want to employ social criteria in their decision making, they cannot. To ignore “profitability” would cause their firm to go bankrupt. Markets systematically reward anti-social activity as firms which impose externalities can lower prices and be rewarded by increased market share as a result – particularly as it is impossible to determine whether a low cost reflects actual efficiency or a willingness to externalise costs. So the price mechanism blocks information required for sensible decision making (that something costs £5 does not tell you how much pollution it causes or the conditions of the workplace which created it). While there will be a reduced likelihood for co-operatives to pollute their own neighbourhoods, the competitive pressures and rewards would still be there and it seems unlikely that they will be ignored, particularly if survival on the market is at stake.

The market can also block the efficient use of resources. Eco-friendly technology, at least initially, is often more expensive than its rivals and while, over the long term, it is more efficient the high initial price ensures that most people continued to use the less efficient technologies and so waste resources. Thus we see investment in (say) wind energy ignored in favour of one-use and polluting energy sources. *Any* market system would be infused with short-termism, as co-operatives which are not would incur costs which their less far-sighted competitors would not – particularly as it would still be dependent on finding the money to do so and may still increase the price of their finished product so harming their market position – and survival.

Even if we assume that self-managed firms resist the economic temptations and pressures, any market system is also marked by a continuing need to expand production and consumption. In terms of environmental impact, a self-managed firm must still ensure sales exceed costs in order to survive and so the economy must grow and expand into the environment. As well as placing pressure on the planet’s ecology, this need to grow impacts on human activity as it also means that market forces ensure that work continually has to expand. Value needs to be created, and that can only be done by labour and so even a non-capitalist market system will see work dominate people’s lives and broader (non-monetary) measures of welfare such as quality of life

being sacrificed. Such a regime may, perhaps, be good for material wealth but it is not great for people or the planet.

That self-managed firms would adjust to market forces by increasing hours, working more intensely, allocating resources to accumulating equipment rather than leisure time or consumption can be seen in co-operatives under capitalism. This is why many socialists call this “self-exploitation” (although this is somewhat misleading, as there no exploitation in the sense of owners appropriating unpaid labour). Economic pressures will increasingly encroach on any higher ethical goals in order to survive on the market, be “efficient” and grow.

Market forces, in short, produce collectively irrational behaviour as a result of atomistic individual actions. Moreover, a market of self-managed firms would still suffer from booms and slumps as the co-operatives response to changes in prices would still result in over-production and over-investment. While the lack of non-labour income would help reduce the severity of the business cycle, it seems unlikely to eliminate it totally. Equally, many of the problems of market-increased uncertainty and the destabilising aspects of price signals are just as applicable to all markets, including post-capitalist ones.

While an anarchist society would be created with people driven by a sense of solidarity and desire for equality, markets tend to erode those feelings. Mutualism could even degenerate back into capitalism as any inequalities that exist between co-operatives would be increased by competition, forcing weaker co-operatives to fail and so creating a pool of workers with nothing to sell but their labour. If the inequalities become so great that the new rich become so alienated from the rest of society they could recreate wage-labour and, by necessity, a state to enforce their desire for property in land and the means of production against public opinion.

So communist-anarchists fear that while not having bosses, capitalists and landlords would mitigate some of the irrationalities associated with capitalism, it will not totally remove all of them. While the market may be free, people would not be.

In conclusion then, communist-anarchists argue that even non-capitalist markets would result in everyone being so busy competing to further their “self-interest” that they would lose sight of what makes life worth living and so harm their **actual** interests. The pressures of competing may easily result in short-term and narrow interests taking precedence over richer, deeper needs and aspirations which a libertarian communist system could allow to flourish by providing the social institutions by which individuals can discuss their joint interests, formulate them and act to achieve them. That is, even non-capitalist markets would result in people simply working long and hard to survive rather than **living**. This would filter into our relationships with the planet as well, with the drive of economic pressures soon overcoming hopes of living in harmony within viable eco-systems.

Mutualists are well aware of the corrosive effects of market forces, tempering them with solidarity via an agro-industrial federation and a just price to reduce market fluctuations and uncertainty. However, co-operatives will still need to survive in the market and so are under pressure to conform to its dictates. In short, bosses act as they do under capitalism *in part* because markets force them to. Getting rid of bosses need not eliminate all the economic pressures which influence their decisions and these could force groups of workers to act in similar ways. Thus keeping markets would undermine many of the benefits which people sought when they ended capitalism.

Then there is the ethical issue. Market income does not reflect needs and a just society would recognise this. Many needs cannot be provided by markets (public goods and efficient health

care, most obviously). All market decisions are crucially conditioned by the purchasing power – not everyone can work (the sick, the very old, children and so forth) and, for those who can, personal circumstances may impact on their ability to labour. We need to recognise the needs of the individual, do not always correspond to their deeds. While economic distress will be less in a non-capitalist market system, it still would exist as would the fear of it and the market system is the worst one for allocating resources when purchasing power is unequally distributed.

So there are certain features of markets are undesirable regardless of whether they are capitalist or not. This is why most anarchists today argue for no markets, for the abolition of money or equivalents. In short: no wage labour **AND** no wages system (*“From each according to their abilities, to each according to their needs”*).

To conclude, mutualism and communist-anarchism share many things in common. Both can agreed on the need to build alternatives such as co-operatives in the here and now. However, for the latter this is not enough in itself. While they may make life better under capitalism and show that we do not need to live like cogs in the machine of economic growth, they will never transform capitalism. In fact, rather than change the system it is far more likely that the system will change them as they adapt to market forces in order to survive.

What we need to do is to create a culture of resistance in our workplaces and communities, a movement which, while fighting capitalism, seeks to replace it. In short, mutualism is not enough – we need revolutionary social movements.

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This was written after a request from Shift Magazine for a communist-anarchist critique of mutualism. While I'm sympathetic to mutualism, I remain a communist-anarchist. I was given a specific word limit so space limitations precluded addressing the criticism Proudhon directed towards communism. As most of these were applicable only to state communism and highly regulated utopian socialist communities, they are not applicable to anarcho-communism. Some, however, are (see section G.2.4 of **An Anarchist FAQ**) and would need to be addressed if there had been more space. Similarly, I could not address the issue of transition and the (likely, I think) possibility that any social revolution would pass through a mutualist phrase on the way to libertarian communism. It should go without saying that a free society would see those wishing to experiment with mutualism doing so – the aim is to convince other anarchists of the benefits of anarcho-communism. Perhaps needless to say, I've concentrated on European mutualism (Proudhon's kind) rather than American mutualism, which is better called Individualist anarchism. The former is, I would argue, a kind of social anarchism and distinctly different than Proudhon's version (see section G.4.2 of **An Anarchist FAQ**).

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