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Dan Swinney Article on High Road

Kevin Carson

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Dan Swinney of the Center for Labor and Community Research, author of *Building the Bridge to the High Road* and frequent reporter on the cooperative economy in Emilia Romagna, has an excellent article in *The High Road* newsletter: “A Third Way? Or the Only Way?”

Is the Social Economy a Third Way to produce and distribute goods and services, particularly suited to the margins of a market economy dominated by traditional capitalist business interests and practices? Must real solutions to the economic devastation we see around us come only from government? Is our movement’s primary arena of contention therefore that of politics at the local, regional, and national levels?

At the Center for Labor and Community Research (CLCR) we answer “no” to all three. We have an obligation and an opportunity to present a compelling

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and comprehensive alternative to the neo-liberal model in the political arena. But we can and must also do so in the market itself, and make ours the mainstream model of development for our countries.

The Social Economy is not a Third Way—it is the Only Way, and the market is the place to demonstrate this claim to hegemony in tandem with the use of our political skills in the more familiar terrain of the state. If we are willing to use our values, our militancy, our ability to organize, and our commitment to radical democracy, and combine them with the technical skills of business assessment, finance, and management—if we are willing to do all this, we can compete in the market and win.

He's preaching to the choir as far as I'm concerned. I've written myself about the need for the alternative economy or counter-economy to grow beyond merely operating in the interstices of a state capitalist structure, and to evolve into an interlocking network of cooperative production, finance and retail operations that will eventually supplant the existing state capitalist framework. I am a little ambivalent about his reference to "political skills" and the "terrain of the state." If that refers to using political pressure to roll back the state's current intervention on behalf of corporate interests, well and good. If it means an integral role for the state in creating and maintaining an alternative system (as he suggests below), I'm agin it.

Here's how a character in Ken Macleod's *The Star Fraction* put it:

...what we always meant by socialism wasn't something you forced on people, it was people organizing themselves as they pleased into co-ops, collectives, communes, unions... And if socialism really is better,

more efficient than capitalism, then it can bloody well compete with capitalism. So we decided, forget all the statist shit and the violence: the best place for socialism is the closest to a free market you can get!

Swinney draws several lessons from his years of experience in the CLCR, of using High Road practices to save and turn around failing business firms under labor and community leadership.

One of them I strongly agree with:

The market is not synonymous with capitalism. The market is an achievement of human civilization that both predates capitalism and will persist for a long time even if capitalism is replaced by another system.

Indeed, capitalism is simply a system of class privilege in which the state intervenes in the market on behalf of capitalists. The term capitalism was originally coined, not to describe a system of free enterprise, but a society in which industrial capitalists exerted the same control over the state as did the landed aristocracy of the Old Regime.

Another of Swinney's generalizations I disagree with just as strongly:

...our role in the market is complemented by our success and influence in the state and civil society. There has never been and never will be a "free market." Every value system uses the regulatory, coercive, coordinating, and incentive power of the state, as well as its influence in the broader culture to supplement its power in the market. And so must we.

The observation that markets operate in a framework of social coordination, and with a social consensus on normative rules, is hardly new. It's also unexceptionable, as far as I'm concerned. The

real question is whether such coordination requires a state. The real question, identified by Proudhon, is whether Liberty is the mother or the daughter of Order. Is social peace and cooperation impossible without some organization that claims the right to initiate force on behalf of all inhabitants in a given geographical area, and a monopoly on the right to define the legitimate use of force in that area? I also disagree, by the way, with Swinney's attempt to distinguish "the market" not only from the state, but from "the broader culture." The market is not just the cash nexus. It is the entire realm of voluntary transactions, including mutual aid, cooperation, and the gift economy.

It is true that there has never been a free market. There has likewise never been, since the birth of the state, a statist society free of class rule and exploitation. If the fact that one of these has never existed implies that it never will, then why doesn't the same conclusion also apply to the other? Since the rise of advanced civilizations several thousand years ago, we've never had a developed society without both a coercive state and a parasitic ruling class. If we cannot free ourselves of the one, what reason for hope is there of ridding ourselves of the other?

More often than not—if not always—the state has been the enemy of the kinds of socially enforced rules and cooperation that markets depend on. The evils that Swinney identifies with the Low Road were brought about by the state—capitalism was created by the state, through a coercive revolution imposed from above—and depend on state intervention for their survival. The state, by definition, is a coercive mechanism; that mechanism is used to create externalities, and to benefit one class at the expense of another. Any state intervention in the market results in a zero-sum outcome, in which one party benefits at another's expense. That is why class exploitation requires a state.

Since the beginning of history, a social order based on voluntary cooperation and peaceful exchange of labor between producers has existed only within the interstices of a statist system of class rule.

Our goal is eventually to replace coercion with voluntary cooperation, to the greatest extent possible. The method was described by Gustav Landauer:

The State is a condition, a certain relationship among human beings, a mode of behavior, we destroy it by contracting other relationships, by behaving differently toward one and other...

...and by Paul Goodman:

A free society cannot be the substitution of a "new order" for the old order; it is the extension of spheres of free action until they make up most of the social life.