

# **An Anarchist FAQ**

## **Replies to Some Errors and Distortions in Bryan Caplan's "Anarchist Theory FAQ" version 4.1.1.**

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# Introduction

Bryan Caplan's "Anarchist Theory FAQ" appears to be a neutral statement of anarchist ideas, but it is actually in large part an "anarcho"-capitalist FAQ. This can be seen by the fact that anarchist ideas (which he calls "left-anarchist") are given less than half the available space while "anarcho"-capitalist dogma makes up the majority of it. Considering that anarchism has been around far longer than "anarcho"-capitalism and is the bigger and better established movement, this is surprising. Even his use of the term "left anarchist" is strange as it is never used by anarchists and ignores the fact that Individualist Anarchists like Tucker called themselves "socialists" and considered themselves part of the wider socialist movement. For anarchists, the expression "left anarchist" is meaningless as all anarchists are anti-capitalist. Thus the terms used to describe each "school" in his FAQ are biased (as noted, those whom Caplan calls "left anarchists" do not use that term, usually preferring "social anarchist" to distinguish themselves from individualist anarchists like Tucker).

Caplan also frames the debate only around issues which he is comfortable with. For example, when discussing "left anarchist" ideas he states that a *"key value in this line of anarchist thought is egalitarianism, the view that inequalities, especially of wealth and power, are undesirable, immoral, and socially contingent."* This, however, is **not** why anarchists are egalitarians. Anarchists oppose inequalities because they undermine and restrict individual and social freedom.

Taking another example, under the question, *"How would left-anarchy work?"*, Caplan fails to spell out some of the obvious forms of anarchist thought. For example, the works of Bookchin, Kropotkin, Bakunin and Proudhon are not discussed in any detail. His vague and confusing prose would seem to reflect the amount of thought that he has put into it. Caplan also concentrates on the economic aspect of anarchism and ignores its communal side. The economic aspect of anarchism he discusses is anarcho-syndicalism and tries to contrast the confederated economic system explained by one anarcho-syndicalist with Bakunin's opposition to Marxism. Unfortunately for Caplan, Bakunin is the source of anarcho-syndicalism's ideas on a confederation of self-managed workplaces running the economy. Therefore, to state that *"many" anarchists "have been very sceptical of setting up any overall political structure, even a democratic one, and focused instead on direct worker control at the factory level"* is simply **false**. The idea of direct local control within a confederated whole is a common thread through anarchist theory and activity, as any anarchist could tell you.

Lastly, we must note that after Caplan posted his FAQ to the "anarchy-list" (a long-established anarchist mailing-list), many of the anarchists on that list presented numerous critiques of the "anarcho"-capitalist theories and of the ideas (falsely) attributed to social anarchists in the FAQ, which he chose to ignore (that he was aware of these postings is asserted by the fact he e-mailed one of the authors of this FAQ on the issue that anarchists never used or use the term "left-anarchist" to describe social anarchism, arguing that the term "left-anarchist" had been used by Michel Foucault, who never claimed to be an anarchist, in one of his private letters), Strangely, he never posted his FAQ to the list again.

As can be seen from these few examples, Caplan's FAQ is blatantly biased towards "anarcho"-capitalism, based on the mis-characterisations and the dis-emphasis on some of the most important issues between "anarcho-capitalists" and anarchists. It is clear that his viewpoint is anything but impartial. This appendix will highlight some of the many errors and

distortions in that FAQ. Numbers in square brackets refer to the corresponding sections Caplan's FAQ.

## 1 Is anarchism purely negative and only against the state?

Caplan, consulting his **American Heritage Dictionary**, claims [1]: *"Anarchism is a negative; it holds that one thing, namely government, is bad and should be abolished. Aside from this defining tenet, it would be difficult to list any belief that all anarchists hold."*

The last sentence is ridiculous. If we look at the works of Tucker, Kropotkin, Proudhon and Bakunin (for example) we discover that we can, indeed list one more *"belief that all anarchists hold."* This is opposition to exploitation, to usury (i.e. profits, interest and rent). For example, Tucker argued that *"Liberty insists. . . [on] the abolition of the State and the abolition of usury; on no more government of man by man, and no more exploitation of man by man."* [quoted Eunice Schuste, **Native American Anarchism - A Study of Left-Wing American Individualism**, p. 140] Such a position is one that Proudhon, Bakunin and Kropotkin would agree with. Indeed, Tucker is simply repeating Proudhon who had argued that *"abolition of man's exploitation of his fellow-man and abolition of man's government of his fellow-man"* were *"one and the same proposition"* for *"what, in politics, goes under the name of Authority is analogous to and synonymous with what is termed, in political economy, Property"*. These *"two notions overlap one with the other and are identical"*. The *"principle of AUTHORITY [was] articulated through property and through the State"* and so *"an attack upon one is an attack upon the other."* [**Property is Theft!**, pp. 503-6]

In other words, anarchists hold two beliefs -- opposition to government **and** opposition to exploitation. Any person which rejects either of these positions cannot be part of the anarchist movement. An anarchist, then, must be against capitalism in order to be a true anarchist. This means that "anarcho"-capitalism -- with its roots in bourgeois economics -- is excluded from anarchism simply because it does not think that labour is exploited by capital. The wage of the worker, it claims, is simply its reward for its contribution to production just as profits are capital's contribution. Such a claim is one which all schools of anarchism rejected and a reality which they all wanted to end.

Moreover it is not at all difficult to find a more fundamental *"defining tenet"* of anarchism. We can do so merely by analysing the term *"an-archy,"* which is composed of the Greek words **an**, meaning *"no"* or *"without,"* and **arche**, meaning literally *"a ruler,"* but more generally referring to the **principle** of rulership, i.e. hierarchical authority. Hence an anarchist is someone who advocates abolishing the principle of hierarchical authority -- not just in government but in all institutions and social relations. Those who did not -- such as Proudhon and his support for patriarchy -- were critiqued for their inconsistency and violation of their own principles.

Anarchists oppose the principle of hierarchical authority because it is the basis of domination, which is not only degrading in itself but generally leads to exploitation and all the social evils which follow from exploitation, from poverty, hunger and homelessness to class struggle and armed conflict. Because anarchists oppose hierarchical authority, domination, and exploitation, they naturally seek to eliminate all hierarchies, as the very purpose of hierarchy is to facilitate the domination and (inevitably) exploitation of subordinates.

The reason anarchists oppose government, then, is because government is **one manifestation** of the evils of hierarchical authority, domination, and exploitation. The capitalist workplace is another. In fact, the capitalist workplace is where most people have their most frequent and unpleasant encounters with these evils. Hence workers' control -- the elimination of the hierarchical workplace through democratic self-management -- has been central to the agenda of classical and contemporary anarchism from the 19th century to the present. It can be found in Proudhon's **What is Property?**, the work which first used the term "anarchist" to describe this school of thought. More, anarchism was born out of the struggle of workers against capitalist exploitation.

To accept Caplan's definition of anarchism, however, would mean that anarchists' historical struggle for workers' self-management has never been a "genuine" anarchist activity. This is clearly a **reductio ad absurdum** of that definition.

Caplan has confused a necessary condition with a sufficient condition. Opposition to government is a necessary condition of anarchism, but not a sufficient one. To put it differently, all anarchists oppose government, but opposition to government does not automatically make one an anarchist. To be an anarchist one must oppose government for anarchist reasons and be opposed to all other forms of hierarchical structure.

To understand why let us look to capitalist property. Murray Rothbard, who invented "anarcho"-capitalism, argued that "[o]bviously, in a free society, Smith has the ultimate decision-making power over his own just property, Jones over his, etc." Defence firms would be employed to enforce those decisions (i.e. laws and rules). No real disagreement there. What is illuminating is Rothbard's comments that the state "*arrogates to itself a monopoly of force, of ultimate decision-making power, over a given area territorial area*" [**The Ethics of Liberty**, p. 173 and p. 170] Which, to state the obvious, means that both the state and property is marked by an "*ultimate decision-making power*" over their territory. The only "difference" is that Rothbard claims one is "just" (i.e. "justly" acquired) and the other is "unjust" (i.e. acquired by force). In reality of course, the modern distribution of property is just as much a product of past force as is the modern state. In other words, the current property owners have acquired their property in the same unjust fashion as the state has its. If one is valid, so is the other.

Rothbard goes on to show why statism and private property are essentially the same thing:

*"If the State may be said to properly own its territory, then it is proper for it to make rules for everyone who presumes to live in that area. It can legitimately seize or control private property because there is no private property in its area, because it really owns the entire land surface. So long as the State permits its subjects to leave its territory, then, it can be said to act as does any other owner who sets down rules for people living on his property."* [Op. Cit., p. 170]

Of course Rothbard does not draw the obvious conclusion. He wants to maintain that the state is bad and property is good while drawing attention to their obvious similarities. Ultimately Rothbard is exposing the bankruptcy of his own politics and analysis. According to Rothbard, something can look like a state (i.e. have the "*ultimate decision-making power*" over an area) and act like a state (i.e. "*make rules for everyone*" who lives in an area, i.e. govern them) but not be a state. This not a viable position for obvious reasons, as noted by Proudhon in 1840 when he argued that "*proprietor*" and "*sovereign*" were "*synonymous*" for he "*imposes his*

*will as law, and suffers neither contradiction nor control; that is, he pretends to be the legislative and the executive power at once."* Thus "property necessarily engenders despotism" for "each proprietor is sovereign lord within the sphere of his property, absolute king throughout his own domain". Anarchy, in contrast, was "the absence of a master, of a sovereign". [**Property is Theft!**, p. 135 and p. 134]

In capitalism, property and possession are opposites -- as Proudhon argued in **What is Property?**. Under possession, the "property" owner exercises "ultimate decision-making power" over themselves as no-one else uses the resource in question. This is non-hierarchical. Under capitalism, however, use and ownership are divided. Landlords and capitalists give others access to their property while retaining power over it and so the people who use it. This is by nature hierarchical. Little wonder Noam Chomsky argued that a "consistent anarchist must oppose private ownership of the means of production and the wage slavery which is a component of this system as incompatible with the principle that labour must be freely undertaken and under the control of the producer." ["Notes on Anarchism", **Chomsky on Anarchism**, p. 123]

Thus a true anarchist must oppose both state and capitalism as they generate the same hierarchical social relationships (as recognised by Rothbard but apparently subjected to "doublethink"). As "anarcho"-capitalists do not oppose capitalist property they cannot be anarchists -- they support a very specific form of **archy**, that of the capitalist or landlord over working class people.

Moreover, self-styled "anarcho"-capitalists do not oppose government for anarchist reasons. That is, they oppose it not because it is a manifestation of hierarchical authority, but because government authority often **conflicts** with capitalists' authority over the enterprises they control. By getting rid of government with its minimum wage laws, health and safety requirements, union rights, environmental standards, and other inconveniences, capitalists would have even more power to exploit workers than they already do (in practice, such laws are often ignored but their existence can give bosses cause to think twice whilst being of some use to workers when used in association with other, more potent, strategies based on direct action and solidarity). These consequences of "anarcho"-capitalism are diametrically opposed to the historically central objective of the anarchist movement, which is to eliminate capitalist exploitation. This was recognised by anarchists at the time of the so-called "classical liberals" from which "anarcho"-capitalism descends from:

*"Mr. Herbert, as we know, still retains an unshaken belief in the rightfulness of property-owning, and in the healthfulness of commercial competition; consequently, he acquiesces without a sigh in the tortuous wriggles human nature is compelled into executing in the name of the wage-system, and acquiesces, also, in just as much hired brute force as may be required to keep property where it is, commercial competition what it is, and the wage-earner in his 'proper place,' i.e., at the beck and call of the wage-dispenser. This is conservatism pure and simple, candid and honest . . . The thing he chiefly objects to is that particular function of Government which **limits the absolute sway of the individual property-owner**, compulsory taxation; -- the taking of money out of private pockets for so-called public purposes."* [L. S. Bevington, "Mr. Auberon Herbert's 'Voluntary State'", **Freedom: A Journal of Anarchist Communism**, July 1893]

We must conclude, then, that "anarcho"-capitalists are not anarchists at all. In reality they are capitalists **posing** as anarchists in order to attract support for their laissez-faire economic project from those who are angry at government and other aspects of the current system. This scam is only possible on the basis of the misunderstanding perpetrated by Caplan: that anarchism means nothing more than opposition to government and that all the ills of the modern world have their sole root in the State rather than being a product of a range of factors, including the State but also capitalism and the inequalities of power associated with political, economic and social hierarchies.

Better definitions of anarchism can be found in other reference works. For example, in **Grolier's Online Encyclopedia** we read: *"Anarchism rejects all forms of hierarchical authority, social and economic as well as political."* According to this more historically and etymologically accurate definition, "anarcho"-capitalism is not a form of anarchism, since it does not reject hierarchical authority in the economic sphere (which has been the area of prime concern to anarchists since day one). Hence it is **bogus** anarchism.

## 2 Anarchism and Equality

On the question "What major subdivisions may be made among anarchists?" [5.] Caplan writes:

*"Unlike the left-anarchists, anarcho-capitalists generally place little or no value on equality, believing that inequalities along all dimensions -- including income and wealth -- are not only perfectly legitimate so long as they 'come about in the right way,' but are the natural consequence of human freedom."*

This statement is not inaccurate as a characterisation of "anarcho"-capitalist ideas, but its implications need to be made clear. "Anarcho"-capitalists generally place little or no value on equality -- particularly economic equality -- because they know that under their system, where capitalists would be completely free to exploit workers to the hilt, wealth and income inequalities would become even greater than they are now. Thus their references to "human freedom" as the way in which such inequalities would allegedly come about means "freedom of capitalists to exploit workers", it does not mean "freedom of workers to **resist** -- or **end** -- capitalist exploitation".

Needless to say, "freedom to exploit workers" has historically been the objective only of capitalists and other dominant classes, not anarchists -- indeed, every school of anarchists has sought explicitly to end exploitation and to ensure that the worker receive the full product of their labour (whether individually or collectively). Therefore, "anarcho"-capitalism again shows itself to be nothing more than capitalism attempting to pass itself off as part of the anarchist movement -- a movement that has been dedicated since its inception to the destruction of capitalism. One would have to look hard to find a more audacious fraud.

There is another reason why equality is important for, according to "anarcho"-capitalism itself, the ability to exercise your freedoms would depend on your wealth. So, for example, while everyone had an abstract right to free speech, it can only be exercised upon owned property or by the permission of the property owner. This means that the distribution of wealth is also the distribution of freedom. Rather than freedom and equality somehow being

at loggerheads, equality is actually the foundation upon which freedom grows and flourishes -  
- assuming, of course, that freedom for all is considered an important thing.

Indeed, we read in growing amazement how Murray Rothbard, a leading "anarcho"-capitalist icon, quickly eliminates all freedoms worthy of the name because there are *"no human rights which are not also property rights"*. Thus *"a person does not have a 'right to freedom of speech'; what he **does** have is the right to hire a hall and address the people who enter the premise."* He *"has no **right** to speak but only a request"* that the owner *"must decide upon"*. In terms of freedom of assembly, owners *"have the right to decide who shall have access to those streets"* and *"have the absolute right to decide on whether picketers could use their street"* while *"the employer can fire"* a worker who joins a union *"forth-with"*. In short, no rights *"beyond the property rights that person may have in any given case."* [**The Ethics of Liberty**, pp. 113-6, p. 118, p. 132, p. 114] Yet the "freedom" of the boss to force all his employees to watch anti-union propaganda and fire those expressing their liberties of speech, assembly and organisation is hardly that: it is power, authority, *archy*.

So, from the arguments of the proprietarians themselves, an unequal distribution of wealth also means an unequal distribution of freedom. If property is required for liberty, then those without property are without liberty. An indifference to equality is an indifference to liberty. By dismissing -- or not understanding -- the importance of equality to freedom, "anarcho"-capitalism ensures that liberty is just for the few. The many are reduced to having *"sold their arms and parted with their liberty"*. [Proudhon, **Property is Theft!**, p. 212] The only hope would be to become a proprietor but that hardly changes an authoritarian system:

*"Work, the economists repeat ceaselessly to the people; work, save, capitalise, become proprietors in your turn. As they said: Workers, you are the recruits of property. Each of you carries in your own sack the rod that serves to correct you, and that may one day serve you to correct others. Raise yourself up to property by labour; and when you have the taste for human flesh, you will no longer want any other meat, and you will make up for your long abstinences.*

*"To fall from the proletariat into property! From slavery into tyranny, which is to say, following Plato, always into slavery! What a perspective! And though it is inevitable, the condition of the slave is no more tenable. In order to advance, to free yourself from wage-labour, it is necessary to become a capitalist, to become a tyrant! . . .*

*"Thus, property, which should make us free, makes us prisoners. What am I saying? It degrades us, by making us servants and tyrants to one another. Do you know what it is to be a wage-worker? To work under a master . . ." [Proudhon, **Op. Cit.**, pp. 247-8]*

As for the claim that inequalities are irrelevant if they *"come about the right way"*, this ignores the reality of freedom and what is required to be free. To see why we need not turn to anarchist thinkers but simply look at Rothbard's analysis of the situation after the abolition of serfdom in Russia and slavery in America:

*"The **bodies** of the oppressed were freed, but the property which they had worked and eminently deserved to own, remained in the hands of their former oppressors. With economic power thus remaining in their hands, the former lords soon found themselves virtual masters once more of what were now free tenants or farm*

*labourers. The serfs and slaves had tasted freedom, but had been cruelly deprived of its fruits.*" [The Ethics of Liberty, p. 74]

However, contrast this with Rothbard's claims that if market forces ("voluntary exchanges") result in the creation of free tenants or wage-labourers then these labourers and tenants are free (see, for example, **The Ethics of Liberty**, pp. 221-2 on why "economic power" within capitalism does not, in fact, exist). But workers dispossessed by market forces are in **exactly** the same situation as the former serfs and slaves. Rothbard sees the obvious economic power in the latter case, but denies it in the former. But the **conditions** of the people in question are identical and it is these conditions that horrify us and create social relationships based on subordination, authority and oppression rather than freedom. It is only ideology that stops Rothbard drawing the obvious conclusion -- identical conditions produce identical social relationships and so if the formally "free" ex-serfs are subject to "economic power" and "masters" then so are the formally "free" labourers within capitalism. Both sets of workers face circumstances such that they are "free" to "consent" to sell their freedom to others (i.e. economic power produces relationships of domination and unfreedom between formally free individuals).

Thus inequalities that "*come about in the right way*" restrict freedom just as much as inequalities that do not. If the latter restricts liberty and generate oppressive and exploitative social relationships then so do the former. Thus, if we are serious about individual liberty (rather than property) we must look at inequalities, determine what generates them and seek changes in social relationships and rights so that they either disappear or minimal.

Besides, "*the natural consequence of human freedom*" vary considerably between differing socio-economic systems. Take, for example, the different outcomes of joining a workplace in anarchism compared to "anarcho"-capitalism. Both are a product of free agreement (although the latter is driven by economic necessity) yet, as Proudhon explained, under capitalism, the worker is "*simply the employee of the proprietor-capitalist-entrepreneur*" and so "*is subordinated, exploited: his permanent condition is one of obedience and poverty.*" The alternative was when the worker "*will participate in the chances of loss or gain of the establishment, he will have a voice in the council, in a word, he will become an associate.*" He "*resumes his dignity as a man and citizen, he may aspire to comfort, he forms a part of the producing organisation, of which he was before but the slave; as, in the town, he forms a part of the sovereign power, of which he was before but the subject.*" Is this is not done, that people "*would remain related as subordinates and superiors, and there would ensue two industrial castes of masters and wage-workers, which is repugnant to a free and democratic society.*" The output of the workplace likewise differs, for in anarchism "*the collective force, which is a product of the community, ceases to be a source of profit to a small number of managers and speculators: it becomes the property of all the workers.*" [Op. Cit., p. 583 and p. 586]

So when Caplan asserts that inequalities in capitalism are "*the natural consequence of human freedom*", in reality they are not, unless you subscribe to the idea that capitalist property rights are the basis of human freedom. However, that assumption can be easily seen to be flawed just from the example of the ex-slaves and ex-serfs we have just described. Inequalities resulting from "voluntary exchanges" in the capitalist market can and do result in the denial of freedom, thus suggesting that property and liberty are not natural consequences of each other. In short, the "anarcho"-capitalist maintains that a lack of freedom (for the many) is "*the natural consequence of human freedom*", a somewhat paradoxical position to



take. It would be nice if this position were clearly stated rather than hidden behind rhetoric on "human freedom".

To state the obvious, private property (rather than possession) means that the non-property owner can gain access to the resource in question only when they agree to submit to the property owner's authority (and pay tribute for the privilege of being bossed about). This aspect of property (rightly called "*despotism*" by Proudhon) is one which right-"libertarians" continually fail to highlight when they defend it as the paradigm of liberty.

Equality is more than material, it relates to the social relationships we form. Both are interwoven. All anarchists viewed their preferred economic system as producing more equality for workers were expected to receive the full product of the labour and non-labour incomes would have been impossible. For those anarchists who rejected (libertarian) communism, there would be some inequalities of income related to how hard and how long someone worked, but compared to a class society these would be minor. Even those anarchists who are communists do not envision equality in the sense of everyone getting exactly the same but rather everyone having equal opportunity to consume the products produced by all. Thus those who need medical attention receive it as required rather than everyone getting medication whether they needed it or not. In short, Caplan's question is rooted in the assumptions and prejudices of proprietarianism and, as such, is misleading.

### 3 Is anarchism the same thing as socialism?

In section [7] ("Is anarchism the same thing as socialism?") Caplan writes:

*"Outside of the Anglo-American political culture, there has been a long and close historical relationship between the more orthodox socialists who advocate a socialist government, and the anarchist socialists who desire some sort of decentralised, voluntary socialism. The two groups both want to severely limit or abolish private property..."*

For Caplan to claim that anarchism is not the same thing as socialism, he has to ignore anarchist history as the Individualist anarchists called themselves socialists as did social anarchists. Indeed, Individualist Anarchists like Joseph Labadie stated that "*Anarchism is voluntary socialism*" [**Anarchism: What it is and What it is Not**] and wanted to limit private property in many ways (for example, "*the resources of nature -- land, mines, and so forth -- should not be held as private property and subject to being held by the individual for speculative purposes, that use of these things shall be the only valid title, and that each person has an equal right to the use of all these things.*" [**What is Socialism?**]). Therefore, **within** the "Anglo-American political culture," **all** types of anarchists considered themselves part of the socialist movement. This can be seen not only from Kropotkin's or Bakunin's work, but also in Tucker's (as shown, repeatedly, in **Instead of a Book**). So to claim that the "Anglo-American" anarchists did not have "*a long and close historical relationship*" with the wider socialist movement is simply **false**.

Of course, many of "*the more orthodox socialists*", particularly Marxists, often sought to exclude anarchism (of every school) from the socialism. They portrayed it, even collectivist and communist anarchism, as individualistic and linked it to the ideas of the liberals of the time. Anarchists, of course, protested against such claims as nothing more than the product of

ignorance or simply smears (see, for example, Warlaam Tcherkesoff's *"Let Us Be Just: Open Letter to Liebknecht"* [**A Libertarian Reader**, vol. 1, pp. 429-435]). Anarchists, of all schools, rejected this notion that socialism could be defined exclusively as Marxism (i.e., social-democracy). Other socialists, including some Marxists, were less sectarian -- particularly those who took the time to actually read anarchist writers rather than regurgitate the claims of others.

There appears to be an assumption hidden in Caplan's claims, namely that Anglo-American anarchism is the Individualist school. For, lest we forget, the British anarchist movement was (and is) predominantly social anarchist in nature -- just as the American one was. So while some make a great deal of the fact that **Liberty** was published between 1881 and 1908, **Freedom** was published from 1886 to 1927 (and was revived in 1936 as **Spain and the World** before becoming **Freedom** again in 1945). While Kropotkin helped co-found **Freedom**, most of those involved with the paper were British activists -- Charlotte Wilson, John Turner, Alfred Marsh, Thomas Keell, George Barrett and Louisa Sarah Bevington (to name just a few). Kropotkin also contributed to leading British journals like **The Nineteenth Century** as well as being regularly reported upon in the wider British press, socialist and mainstream. All this ensured that an anarchist-communist voice was heard in *"Anglo-American political culture"* and it was much, much louder than the almost non-existent individualist tendency.

Much the same can be said of American anarchism. While most of the Individualist school were native-born Americans, it is not the case that social anarchism was solely an immigrant movement. Harry Kelly, Ben Reitman, Albert and Lucy Parsons were native-born Americans who became anarchist-communists as did Voltarine de Cleyre. Jay Fox and William Z Foster were native-born Americans who embraced syndicalism (before Marxism). Looking at those labelled "immigrants", both Emma Goldman and Alexander Berkman became anarchist-communists while in America and made the conscious decision to communicate in English to spread their ideas within *"Anglo-American political culture"*. Indeed, Goldman was far better known in America than Tucker, regularly appearing in the press as an interviewee and subject of news reports.

As noted in [section G.3.1](#), in this Caplan is reflecting what appears a common feature of proprietarianism, namely a desire to identify it as American (sometimes going so far as expressing a form of ideological protectionism). They seem unwilling to acknowledge that both social and individualist anarchism grew from the soil of American capitalism, fertilised by the class conflicts and antagonisms which afflicted that nation just as much as, say, Europe. Needless to say, Tucker had no more issues with embracing the ideas of the French anarchist Proudhon than Parsons did with Kropotkin. Ultimately, making a contrast between native-born and immigrant anarchism is very much at odds with the internationalism which has inspired all genuine forms of anarchism -- particularly when **both** impacted upon *"Anglo-American political culture"* according to their relative strengths.

As for the statement that anarchists want to severely limit or abolish "private property", this is misleading if it is not further explained. For the way it stands, it sounds like anarchism is just another form of coercive "state" (i.e. a political entity that forcibly prevents people from owning private property), whereas this is far from the case.

Firstly, anarchists are **not** against "private property" in the sense personal belongings. *"Anarchists,"* points out Nicholas Walter, *"are in favour of the private property which cannot*

*be used by one person to exploit another -- those personal possessions which we accumulate from childhood and which become part of ours.*" [About Anarchism, p. 40] Kropotkin makes the anarchist position clear when he wrote that we "*do not want to rob any one of his coat*" but expropriation "*must apply to everything that enables any man [or woman] -- by he financier, mill owner, or landlord -- to appropriate the product of others' toil.*" [The Conquest of Bread, p. 61] Property, in short, is rejected for two interlinked reasons – it produces oppressive and exploitative relationships between people. If the "property" in question does neither, then anarchists have no issue with it -- like most socialists.

In effect, Caplan is confusing two very different kinds of "private property", of which one rests on usefulness to an individual, the other on the employment (and so exploitation) of the labour of others. The latter produces social relations of domination between individuals, while the former is a relationship between people and things. As Proudhon argued, possession becomes property only when it also serves as means of exploitation and subjection of other people. But failing to distinguish these radically different forms of "private property" Caplan distorts the anarchist position.

Secondly, it is not that anarchists want to pass laws making private property (in the second, exploitative, sense) illegal. Rather they want to restructure society in such a way that the means of production are freely available for workers to use. This does not mean "anarchist police" standing around with guns to prohibit people from owning private property. Rather, it means dismantling the coercive state agencies that make private property possible, i.e., the departments of real police who now stand around with guns protecting private property.

Once that occurs, anarchists maintain that capitalism would be impossible, since capitalism is essentially a monopoly of the means of production, which can only be maintained by organised coercion.

Suppose that in an anarchist society someone (call him Bob) somehow acquires certain machinery needed to produce widgets (a doubtful supposition if widget-making machines are very expensive, as there will be little wealth disparity in an anarchist society). Further suppose Bob offers to let workers with widget-making skills use his machines if they will pay him "rent," i.e. allow him to appropriate a certain amount of the value embodied in the widgets they produce. The workers will simply refuse, choosing instead to join a widget-making collective where they have free access to widget-making machinery, thus preventing Bob from living parasitically on their labour. Thus Kropotkin:

*"Everywhere you will find that the wealth of the wealthy springs from the poverty of the poor. That is why an anarchist society need not fear the advent of a Rothschild [or any other millionaire] who would settle in its midst. If every member of the community knows that after a few hours of productive toil he [or she] will have a right to all the pleasures that civilisation procures, and to those deeper sources of enjoyment which art and science offer to all who seek them, he [or she] will not sell his strength. . . No one will volunteer to work for the enrichment of your Rothschild."* [Op. Cit., p. 61]

In this scenario, private property was "abolished," but not through coercion. Indeed, it was precisely the abolition of organised coercion that allowed private property to be abolished.

## 4 Anarchism and dissidents

On the question "How would left-anarchy work?" [9] Caplan writes:

*"Some other crucial features of the left-anarchist society are quite unclear. Whether dissidents who despised all forms of communal living would be permitted to set up their own inegalitarian separatist societies is rarely touched upon. Occasionally left-anarchists have insisted that small farmers and the like would not be forcibly collectivised, but the limits of the right to refuse to adopt an egalitarian way of life are rarely specified."*

This is a straw man. "Left" (i.e. real) anarchist theory clearly implies and **explicitly states** the answer to these questions.

Firstly, on the issue of "separatist" societies. Anarchist thinkers have always acknowledged that there would be a multitude of different communities after a revolution (and not just Caplan's "inegalitarian" ones). Bakunin, for example, taking Paris as his starting point argued (in a striking anticipation of the Paris Commune) that only revolutionary communes would federate together and that these would not claim any right to govern others:

*"Paris will naturally make haste to organize itself as best it can, in revolutionary style, after the workers have joined into associations and made a clean sweep of all the instruments of labour and every kind of capital and building; armed and organized by streets and **quartiers**, they will form the revolutionary . . . federative commune. And this commune will have every right to declare that it does not claim the right to govern or organize France, but that it calls on the people and all the communes . . . to follow its example, for each in their own place to make an equally radical revolution, equally destructive of the State, judicial law and privileged ownership, and after that to come and join in federation with itself . . . to organize the necessary common services and arrangements for production and exchange, to establish the charter of equality, the basis of all liberty -- a charter utterly negative in character, defining what has to be abolished for ever rather than the positive forms of local life which can only be created by the living practice of each locality -- and to organize common defence against the enemies of the Revolution, together with propaganda, the weapon of revolution, and practical revolutionary solidarity with friends in all countries against enemies in all countries [Michael Bakunin: Selected Writings, p. 179]*

Marx and Engels mocked this as *"the most benevolent tolerance towards the reactionary provinces, which would not hesitate to resume the civil war."* [Marx-Engels Collected Works, vol. 23, p. 469] Like Caplan, they seemed to forget that socialism can only be created by a social -- that is, popular -- revolution and **cannot** be imposed from some centre -- indeed, history is full of examples of civil war being provoked by attempts to impose a desired social system by force and such a solution necessitates an occupying force, which is hardly socialist.

Kropotkin, following Bakunin, stated that *"the point attained in the socialisation of wealth will not be everywhere the same"* and *"[s]ide by side with the revolutionised communes . . . places would remain in an expectant attitude, and would go on living on the Individualist*

system." While he was hopeful that "everywhere [would be] more or less Socialism", he recognised that the revolution would not conform to "any particular rule" and would differ in different areas -- "in one country State Socialist, in another Federation" and so on. [**The Conquest of Bread**, pp. 81-2] Malatesta made the same point, arguing that "after the revolution" there would be "relations between anarchist groupings and those living under some kind of authority, between communist collectives and those living in an individualistic way." This is because anarchism "cannot be imposed". [**Errico Malatesta: His Life and Ideas**, p. 173 and p. 21] Alexander Berkman likewise noted the right to different ways of life in his classic introduction to communist-anarchism:

*"Among the new ways might also be tried that of free colonization. The revolution will offer its enemies an opportunity to settle in some part of the country and there establish the form of social life that will suit them best. It is no vain speculation to foresee that it would not be long before most of them would prefer the brotherhood and liberty of the revolutionary community to the reactionary régime of their colony."*  
[**What is Anarchism?**, p. 236]

Needless to say, these "separatist societies" (which may or may not be "inegalitarian") would not be anarchist societies. If a group of people wanted to set up a capitalist, Marxist, Georgist or whatever kind of community then their right would be respected -- although, as Bakunin indicated, anarchists would seek to convince those who live in such a regime of the benefits of anarchism.

As Malatesta pointed out, "free and voluntary communism is ironical if one has not the right and the possibility to live in a different regime, collectivist, mutualist, individualist -- as one wishes, always on condition that there is no oppression or exploitation of other" as "it is clear that all, and only, those ways of life which respect freedom, and recognise that each individual has an equal right to the means of production and to the full enjoyment of the product of his own labour, have anything in common with anarchism." Ultimately, "it is not a question of right and wrong; it is a question of freedom for everybody . . . None can judge with certainty who is right and who is wrong, who is nearest to the truth, or which is the best way to achieve the greatest good for each and everyone. Freedom coupled with experience, is the only way of discovering the truth and what is best; and there can be no freedom if there is the denial of the freedom to err." [**Op. Cit.**, p. 103, p. 33 and p. 49] Emma Goldman, then, spoke for all social anarchists:

*"I think it most probable that various forms of economic life might be tried -- some forms of individual agreements or collectivist [ones] -- but I have no doubt that experience and common sense would in the long run choose the economic system best suited for this or that locality. And I may add that I feel convinced that the voluntary communist way would quickly show its advantages and that example of communist cooperation would ultimately be followed by those living under different economic arrangements."*

*"Freedom of choice being given to individual and community, I am certain the most useful and rational method would be developed. In free communism I see the most practical economic system, as well as the one guaranteeing the greatest individual and social justice."* ["Communism -- Bolshevik and Anarchist: A Comparison", **Black Flag Anarchist Review**, vol. 4, no. 2, p. 168]

Caplan does not indicate that, for revolutionary anarchists, a social revolution would take place only when there was a sufficiently large majority of people in favour of it -- unlike capitalism, it would not be imposed upon an unwilling population from above, rather created from below. So we would expect anarchist and archist communities (of whatever kind, whether Marxist, propertarian, whatever) to co-exist until such time as those subject to authority free themselves from it. Needless to say, free societies would defend themselves against those seeking to re-introduce the authoritarian relations they had overthrown.

Secondly, regarding "*dissidents*" who wanted to set up their own "*inegalitarian separatist societies*", if the term "*inegalitarian*" implies economic inequalities due to private property, the answer is that private property requires some kind of state, if not a public state then private security forces ("private-state capitalism"), as advocated by "anarcho"-capitalists, in order to protect private property. Therefore, "anarcho"-capitalists are asking if an anarchist society will allow the existence of states. Of course, in the territory that used to be claimed by a nation state a whole host of communities and societies will spring up -- but that does not make the non-anarchist ones anarchist.

Suppose that in a hypothetical libertarian socialist society, our would-be capitalist Bob tries to set up private security forces to protect certain means of production, e.g. farmland. By the hypothesis, if Bob merely wanted to work the land himself, there would be no reason for him to go to the trouble of creating a private state to guard it, because use-rights guarantee that he has free access to the productive assets he needs to make a living. Thus, the only plausible reason Bob could have for claiming and guarding more farmland than he could use himself would be a desire to create a monopoly of land in order to exact tribute from others for the privilege of using it. But this would be an attempt to set up a system of feudal exploitation in the midst of a free community. Thus the community is justified in ignoring his claims to "own" more land than he can use himself -- for it is unlikely that many would find the call of "work for me and you can pay me with the product of your toil for the privilege of me ordering you about" appealing.

In other words, there is no "right" to adopt an "inegalitarian way of life" within a libertarian community, since such a right would have to be enforced by the creation of a coercive system of enslavement, which would mean the end of the libertarian community. To the contrary, the members of such a community have a right, guaranteed by "the people in arms", to resist such attempts to enslave them:

*"To have the individual free, they must strive to constitute **a society of equals**, wherein **every one** would be possessed of **equal rights** to the treasures of knowledge and to the immense wealth accumulated by mankind and its civilisation, **wherein nobody should be compelled to sell his labour** (and consequently, to a certain degree, his personality) to those who intend to exploit him.*

*"This is why Anarchy necessarily is **Communist**, why it was born amidst the international Socialist movement . . .*

*"He who intends to retain **for himself** the monopoly of any piece of land or property, or any other portion of the social wealth, **will be bound to look for some authority** which could guarantee to him possession of this piece of land, or this portion of the modern machinery -- so as to enable him to compel others to work for him.*

*"Either the individual will join a society of which all the members own, all together, such a territory, such machinery, such roads, and so on, and utilise them for the life of all . . . or he will apply to some sort of authority, placed above society, and obtain from it the right of taking, for his **own exclusive and permanent use**, such a portion of the territory or the social wealth. And then he will NOT be an Anarchist: he will be an authoritarian."* [Peter Kropotkin, "A Few Thoughts about the Essence of Anarchism", **Direct Struggle Against Capital**, pp. 202-3]

The statement that "left" anarchists have "*occasionally*" insisted that small farmers and the like would not be forcibly collectivised is a distortion of the facts. No responsible left libertarian advocates forced collectivisation, i.e. compelling others to join collectives. Self-employment is always an option. This can be seen from Bakunin [**Bakunin on Anarchism**, p. 200], Kropotkin [**The Conquest of Bread**, p. 61; **Act for Yourselves**, pp. 104-5] and Malatesta [**Errico Malatesta: His Life and Ideas**, p. 99 and p. 103]. So the anarchist opposition to forced collectivisation has always existed and, for anyone familiar with the ideas of social anarchism, very well known. Thus during the Spanish Revolution, small farmers who did not wish to join collective farms were allowed to keep as much land as they could work themselves. After perceiving the advantages of collectives, however, many joined them voluntarily.

As discussed in more detail [section G.2.1](#), to claim that social anarchists "*occasionally*" oppose forced collectivisation is a smear, pure and simple, with little basis in anarchist activity and even less in anarchist theory. Anyone remotely familiar with the literature could not make such a mistake.

It worth noting that Caplan -- yet again -- mixes up two radically different notions of private property in his claims. He merges the notion of the self-employed worker (the peasant or artisan who uses his own tools and resources) with that of the capitalist or landlord (who hires others to work the resources he or she claims to own). This is a common feature of those seeking to defend capitalism or aspects of it (for example, Ricardo's proof for the advantages of international trade rests on a model based on workers directly exchanging their products and skilfully ignores the existence of other classes such as capitalists and landlords who would be well-placed to monopolise these advantages).

Likewise, Caplan's comments on "*communal living*" seem intended to invoke notions of hippy communes and the sharing of everything, including meals, bathrooms and perhaps even toothbrushes. Yet few communist-anarchists envision such a system. Kropotkin, to take an obvious example, did indeed argue for "*Communism, [but] not the monastic or barrack-room Communism formerly advocated, but the free Communism which places the products reaped or manufactured in common at the disposal of all, leaving to each the liberty to consume them as he pleases in his own home.*" So "*let all be consumed, not in public, but at home, according to individual tastes and in company with one's family and friends.*" Indeed, he criticised intentional communities precisely because they made the "*mistake . . . to manage the community after the model of a family, to make it 'the great family.'*" *They lived all in the same house and were thus forced to continuously meet the same 'brethren and sisters.'* *It is already difficult often for two real brothers to live together in the same house, and family life is not always harmonious; so it was a fundamental error to impose on all the 'great family' instead of trying, on the contrary, to guarantee, as much as possible, to each individual, freedom and home life.*" [**Direct Struggle Against Capital**, pp. 120-1 and p. 635] He made the same point in **The Conquest of Bread** in its chapter on "*Agreeable Work*". As such, the



very phrasing of this question is biased as few social anarchists actually advocate "*communal living*" in the popular sense, either as a tactic or as a goal.

Finally, we should point out that under "anarcho"-capitalism there would be, according to Murray Rothbard, a "*basic libertarian law code*." [**The Ethics of Liberty**, p. 234] This means that under "anarcho"-capitalism, "egalitarian" communities could only come about within an "inegalitarian" legal framework. Thus, given that everything would be privatised, dissenters could only experiment if they could afford it **and** accepted the legal system based on capitalist property rights (and, of course, survive the competition of capitalist companies within the capitalist framework). As we have argued in sections [B.4](#) and [F.3](#) the capitalist market is not a level playing field -- which hinders experimentation. In other words, "anarcho"-capitalists has the abstract right to experiment (within the capitalist laws) but hinders the possibility to live under other regimes. And, we must point out, **why** should we have to **pay** the stealers of the earth for the privilege to live our own lives? Caplan, in effect, ignores the barriers to experimentation in his system while distorting the anarchist position.

While Caplan is presenting a picture of "communists" imposing "communism" upon an unwilling population, it is worth noting that the expansion of capitalism historically was not a natural process but one in which a substantial amount of force was used and in which there was no toleration of other rights frameworks. Common law notions were demolished at home and in the colonies, with native populations often slaughtered in the process. As Kropotkin noted as regards the "liberals" of his time:

*"When a workman sells his labour to an employer, and knows perfectly well that some part of the value of his produce will be unjustly taken by the employer; when he sells it without even the slightest guarantee of being employed so much as six consecutive months -- and he is compelled to do so because he and his family would otherwise starve next week -- it is a sad mockery to call that a free contract. Modern economists may call it free, but the father of political economy -- Adam Smith -- was never guilty of such a misrepresentation. As long as three-quarters of humanity are compelled to enter into agreements of that description, force is, of course, necessary, both to enforce the supposed agreements and to maintain such a state of things. Force -- and a good deal of force -- is necessary for preventing the labourers from taking possession of what they consider unjustly appropriated by the few; and force is necessary to continually bring new 'uncivilised nations' under the same conditions. The Spencerian no-force party perfectly well understand that; and while they advocate no force for changing the existing conditions, they advocate still more force than is now used for maintaining them."* [**Anarchist Communism: Its Basis and Principles**]", **Anarchism and Anarchist Communism**, pp. 52-53]

As such, it is no real contradiction that the heyday of "classical liberalism" in the nineteenth century was called the "Age of Imperialism" (the means by which a basic capitalist law code was spread across the world). This is not to say that Caplan is an advocate or apologist of imperialism, simply that he seems blind to the role of force in the creation and expansion of capitalism (he, like all proprietarians, seems to consider it as natural). Yet given the history of "actually existing" capitalism, Caplan's concern over future libertarian communists contradicting their principles seems misplaced, to say the least. It also gives a somewhat distorted impression over who has used the most force to impose their ideas in the past -- and who are likely to do so in the future.



An example can be seen when the Stalinist regimes of Eastern Europe collapsed. Anarchists hoped that workers would simply take over their workplaces and the land, working them for their own benefit rather than for bureaucrats or bosses. This would mean ignoring the State and acting for themselves. Murray Rothbard, in contrast, urged "*action by government*" to return property "*to its original owners*" and where this could not be done, workers should receive "*private, negotiable shares*." Workers would not be allowed to directly take-over their workplaces and land: "*Ownership is not to be granted to collectives or cooperatives or workers or peasants holistically, which would only bring back the ills of socialism in a decentralized and chaotic syndicalist form.*" [*How and How Not to Desocialize*, **Economic Controversies**, pp. 443-46] Thus the workers were to be "forced to be free" by means of the state -- what they wanted ("subjective preferences", to use an appropriate phrase) was not a concern. The hopes of anarchists and many amongst the Eastern European masses were quickly denied by the authorities -- and wealth quickly fell into the hands of a few oligarchs. This points to what would happen to new forms of association within Rothbard's "*basic libertarian law code*" (for as Proudhon repeatedly noted his hopes for future associations were at odds with current company law [**Property is Theft!**, pp. 213-4]), namely that they would be banned to protect society from "*the ills of socialism in a decentralized and chaotic syndicalist form.*"

Which raises an obvious question ignored by Caplan in favour of raising fears of forced collectivisation, namely what would the attitude of "anarcho"-capitalists be to an anarchist social revolution? Would they encourage it or would they join the forces of reaction? Given its relatively recent development, its advocates have sadly not had the opportunity to face the choice but we can look at the attitude of their ideological ancestors to make an informed guess.

Ultimately, what Caplan is **really** talking about are those people who like being in authority, who like having servants. In the past, such people tended to support fascism: "*The anarchist Luigi Fabbri termed fascism a **preventative counter-revolution**; but in his essay he makes the important point that the employers, particularly in agriculture, were not so much moved by fear of a general revolution as by the erosion of their own authority and property rights which had already taken place locally: 'The bosses felt they were no longer bosses.'*" [Adrian Lyttelton, "*Italian Fascism*", pp. 81-114, **Fascism: a Reader's Guide**, p. 91] Perhaps it should not come as too great a surprise to discover that for proto-propertarian Ludwig von Mises it "*cannot be denied that Fascism and similar movements aiming at the establishment of dictatorships are full of the best intentions and that their intervention has, for the moment, saved European civilisation. The merit that Fascism has thereby won for itself will live eternally in history.*" [**Liberalism**, p. 51] As George Orwell suggested:

*"When one thinks of all the people who support or have supported Fascism, one stands amazed at their diversity . . . But the clue is really very simple. They are all people with something to lose, or people who long for a hierarchical society and dread the prospect of a world of free and equal human beings."* [*Looking Back on the Spanish War*, **Orwell in Spain**, p. 360]

Of course von Mises did not view fascism as a long-term solution and hoped that after crushing the labour and socialist movements (including anarchists, first in Italy as we note in [section A.5.5](#)) it would pursue (classical) liberal economic policies (for some reason, his followers today seem to think that short-term support does not count as support). It must be stressed that this was no temporary aberration as von Mises viewed state repression of the

labour movement as a normal aspect of his "liberal" regime. As a firm believer that unions, high wages and public welfare caused the great depression, *"Mises argued that ultimately there was no choice but to abolish all government intervention and to confront union power head on."* [Jorg Guido Hulsmann, **Mises: The Last Knight of Liberalism**, p. 621] It takes a true ideologue to not notice the contradiction in urging the abolition of all government intervention while also urging that troops be sent in against rebel workers -- apparently government intervention against labour and for capitalist property rights is **not** government intervention, meaning that the state clubbing workers is good (and liberty) but it providing medical care for the cracked heads is wrong (and tyranny). Unsurprisingly, von Mises acted as an advisor to Austrian fascist leader Engelbert Dollfuss although unemployment remained stubbornly high in spite of Dollfuss' brutal assault on workers in the early 1930s. Perhaps needless to say, it is a rare "anarcho"-capitalist or other propertarian who does not express rabid anti-union views.

Given all this, a more pertinent question would have been one which asked whether the inegalitarian views of "anarcho"-capitalists would make them oppose an anarchist social revolution by any means -- up to and including supporting fascism -- simply to maintain the hierarchical society they prefer and enforce the rights regime which underlies it. Given the history of both "actually existing" capitalism and propertarian ideology, it perhaps makes sense that Caplan asks no such question.

## 5 How would anarcho-capitalism work?

The section on "How would anarcho-capitalism work?" [10] contains Caplan's summary of arguments for "anarcho"-capitalism, which he right describes as an offshoot of American right-"Libertarianism" (i.e. propertarianism):

*"So-called 'minarchist' libertarians such as Nozick have argued that the largest justified government was one which was limited to the protection of individuals and their private property against physical invasion; accordingly, they favour a government limited to supplying police, courts, a legal code, and national defence."*

The first thing to note about this argument is that it is stated in such a way as to prejudice the reader against the libertarian critique of private property. The minarchist right-"libertarian," it is said, only wants to protect individuals and their private property against "physical invasion". Lest we forget, this includes companies, corporate empires, and so forth -- in other words, the sources of economic power and so the means by which the many toil for the few. Moreover, the loose way in which the term "property" is generally used, the "private property" of most individuals is commonly thought of as **personal possessions**, i.e. cars, houses, clothing, etc. (for the libertarian distinction between private property and possessions, see [section B.3.1.](#)). Therefore the argument makes it appear that right-"libertarians" are in favour of protecting personal possessions whereas genuine libertarians are not, thus conjuring up a world where, for example, there would be no protection against one's house being "physically invaded" by an intruder or a stranger stealing the shirt off one's back.

By lumping the protection of "individuals" together with the protection of their "private property," the argument implies that right libertarians are concerned with the welfare of the vast majority of the population, whereas in reality, the vast majority of individuals **do not own** any private property (i.e. means of production) -- only a handful of capitalists do.

Moreover, these capitalists use their private property to exploit the working class, leading to impoverishment, alienation, etc., and thus **damaging** most individuals rather than protecting them.

Caplan goes on:

*"This normative theory is closely linked to laissez-faire economic theory, according to which private property and unregulated competition generally lead to both an efficient allocation of resources and (more importantly) a high rate of economic progress."*

Caplan does not mention the obvious problems with this "theory," e.g. that during the heyday of laissez-faire capitalism in the US there was vast wealth disparity, with an enormous mass of impoverished people living in slums in the major cities -- hardly an "efficient" allocation of resources or an example of "progress." Of course, if one defines "efficiency" as "the most effective means of exploiting the working class" and "progress" as "a high rate of profit for investors," then the conclusion of the "theory" does indeed follow.

As the title of Henry George's classic work suggested, this was a period of **Progress and Poverty** -- as is capitalism to this day. While it has undoubtedly increased wealth overall, there is much lacking in its distribution -- wealth as concentrated into the hands of the few while relative poverty has increased. This applies to neo-liberal period from the 1980s onwards when the ideas of people of Milton Friedman were applied (see [section C.10.3](#)). Proudhon noted this feature of capitalism long ago, arguing that while he was *"ready to admit the beneficial effects of the system of property"* he could not but *"observe that these effects are entirely balanced by the misery which it is the nature of this system to produce"* and he sought to explain the mechanism by which *"the increase of misery in the present state of society is parallel and equal to the increase of wealth" which completely annuls the merits of political economy.*" This reality meant that *"political economy is justified neither by its maxims nor by its works; and, as for socialism, its whole value consists in having established this fact."* Progress in such a system would simply *"deepen the abyss which separates the class that commands and enjoys from the class that obeys and suffers."* [**System of Economical Contradictions**, p. 72 and p. 208] This is why the apologists of capitalism always stress absolute inequality and poverty and reject Adam Smith's stress on the relative nature of such things.

Nor should we forget that it is general equilibrium theory which predicts that unregulated competition will produce an efficient allocation of resources. However, as we noted in [section C.1](#), such a model has little to do with any real economy. This means that there is no reason to assume an efficient outcome for capitalist economies. Concentrations of economic power and wealth can easily skew outcomes to favour the haves over the have-nots (as history again and again shows).

Moreover, capitalism can easily lead to resources being allocated to the most profitable uses rather than those which are most needed by individuals. A classic example is in the case of famines. Amartya Sen (who won the 1998 Nobel Prize for economics) developed an *"entitlement"* approach to the study of famine. This starts with the insight that having food available in a country or region does not mean everyone living there is "entitled" to it. In market economies, people are entitled to food according to their ability to produce it for themselves or to pay for it. In capitalist economies, most people are entitled to food only if

they can sell their labour/liberty to those who own the means of life (which increases the economic insecurity of wage workers).

If some group loses its entitlement to food, whether there is a decline in the available supply or not, a famine can occur. This may seem obvious, yet before - and after -- Sen, famine studies have remained fixated on the drop in food available instead of whether specific social groups are entitled to it. Thus even a relatively successful economy can price workers out of the food market (a depressed economy brings the contradiction between need and profit -- use value and exchange value -- even more to the forefront). This "*pricing out*" can occur especially if food can get higher profits elsewhere -- for example the Irish famine of 1848 and sub-Saharan famines of the 1980s saw food being exported from famine areas to areas where it could fetch a higher price. In other words, market forces can skew resource allocation away from where it is most needed to where it can generate a profit. As anarchist George Barrett noted decades before Sen:

*"Today the scramble is to compete for the greatest profits. If there is more profit to be made in satisfying my lady's passing whim than there is in feeding hungry children, then competition brings us in feverish haste to supply the former, whilst cold charity or the poor law can supply the latter, or leave it unsupplied, just as it feels disposed. That is how it works out."* ["Objectives to Anarchism", **Our Masters are Helpless**, p. 62]

In other words, inequality skews resource allocation towards the wealthy. While such a situation may be "*efficient allocation of resources*" from the perspective of the capitalist, it is hardly so from a social perspective (i.e. one that considers **all** individual needs rather than "effective demand").

Furthermore, if we look at the stock market (a key aspect of any capitalist system) we discover a strong tendencies **against** the efficient allocation of resources. The stock market often experiences "bubbles" and becomes significantly over-valued. An inflated stock market badly distorts investment decisions. For example, if Internet companies are wildly over-valued then the sale of shares of new Internet companies or the providing of start-up capital will drain away resources that could be more productively used elsewhere. The real economy will pay a heavy price from such misdirected investment and, more importantly, resources are **not** efficiency allocated as the stock market skews resources away from where they could be used to satisfy other needs.

The stock market is also a source of other inefficiencies. Supporters of "free-market" capitalism argue that the Stalinist system of central planning created a perverse set of incentives to managers. In effect, the system penalised honest managers and encouraged the flow of **dis**-information. This lead to information being distorted and resources inefficiently allocated and wasted. Unfortunately the stock market also creates its own set of perverse responses and mis-information. As Doug Henwood argues:

*"something like a prisoners' dilemma prevails in relations between managers and the stock market. Even if participants are aware of an upward bias to earnings estimates, and even if they correct for it, managers still have an incentive to try and fool the market. If you tell the truth, your accurate estimates will be marked down by a sceptical market. So its entirely rational for managers to boost profits in the short term, either through accounting gimmickry or by making only investments with quick*

*paybacks . . . If the markets see high costs as bad, and low costs as good, then firms may shun expensive investments because they will be taken as signs of managerial incompetence. Throughout the late 1980s and early 1990s, the stock market rewarded firms announcing write-offs and mass firings -- a bulimic strategy of management -- since the cost cutting was seen as contributing rather quickly to profits. Firms and economies can't get richer by starving themselves, but stock market investors can get richer when the companies they own go hungry. As for the long term, well, that's someone else's problem."* [Wall Street, p. 171]

This means that resources are allocated to short term projects, those that enrich the investors now rather than produce long term growth and benefits later. This results in slower and more unstable investment than less market centred economies, as well as greater instability over the business cycle. [Henwood, **Op. Cit.**, pp. 174-5] Thus the claim that capitalism results in the "efficient" allocation of resources is only true if we assume "efficient" equals highest profits for capitalists. As Henwood summarises, *"the US financial system performs dismally at its advertised task, that of efficiently directing society's savings towards their optimal investment pursuits. The system is stupefyingly expensive, gives terrible signals, and has surprisingly little to do with real investment."* [Op. Cit., p. 3]

Moreover, the claim that laissez-faire economies produce a high rate of economic progress can be questioned on the empirical evidence available. For example, from the 1970s onwards there has been a strong tendency towards economic deregulation. However, this tendency has been associated with a **slow down** of economic growth. For example, *"[g]rowth rates, investment rates and productivity rates are all lower now [in the 1990s] than in the [Keynesian post-war] Golden Age, and there is evidence that the trend rate of growth -- the underlying growth rate -- has also decreased."* Before the Thatcher pro-market reforms, the British economy grew by 2.4% in the 1970s. After Thatcher's election in 1979, growth decreased to 2% in the 1980s and to 1.2% in the 1990s (while wealth distribution skewed in favour of the wealthy, meaning that the benefits of this reduced growth was likewise skewed). In the USA, we find a similar pattern. Growth was 4.4% in the 1960s, 3.2% in the 1970s, 2.8% in the 1980s and 1.9% in the first half of the 1990s [Larry Elliot and Dan Atkinson, **The Age of Insecurity**, p. 236]. Moreover, in terms of inflation-adjusted GDP per capita and productivity, the US had the worse performance out of the US, UK, Japan, Italy, France, Canada and Australia between 1970 and 1995 [Marc-Anfre Pigeon and L. Randall Wray, **Demand Constraints and Economic Growth**]. Given that the US is usually considered the most laissez-faire out of these 7 countries, Caplan's claim of high progress for deregulated systems seems at odds with this evidence.

As far as technological innovation goes, it is also not clear that deregulation has aided that process. Much of our modern technology owes its origins to the US Pentagon system, in which public money is provided to companies for military R&D purposes. Once the technology has been proven viable, the companies involved can sell their public subsidised products for private profit. The computer industry (as we point out in [section J.4.7](#)) is a classic example of this -- indeed it is unlikely whether we would have computers or the internet if we had waited for capitalists to develop them. So whether a totally deregulated capitalism would have as high a rate of technological progress is a moot point.

So, it seems likely that it is only an **assumption** that the free capitalist market will generate *"an efficient allocation of resources and (more importantly) a high rate of economic*



*progress.*" Empirical evidence points the other way -- namely, that state aided capitalism provides an approximation of these claims.

If we look at the example of the British Empire (which pursued a strong free trade and laissez-faire policy over the areas it had invaded) we can suggest that the opposite may be true. After 25 prosperous years of fast growth (3.5 per cent), after 1873 Britain had 40 years of slow growth (1.5 per cent), the last 14 years of which were the worse -- with productivity declining, GDP stagnant and home investment halved. [Nicholas Kaldor, **Further Essays on Applied Economics**, p. 239] In comparison, those countries which embraced protectionism (such as Germany and the USA) industrialised successfully and become competitors with the UK. Indeed, these new competitors grew in time to be efficient competitors of Britain not only in foreign markets but also in Britain's home market. The result was that *"for fifty years Britain's GDP grew very slowly relative to the more successful of the newer industrialised countries, who overtook her, one after another, in the volume of manufacturing production and in exports and finally in real income per head."* [Op. Cit., p. xxvi] Indeed, *"America's growth and productivity rates were higher when tariffs were steep than when they came down."* [Larry Elliot and Dan Atkinson, **Op. Cit.**, p. 277]

(As an aside, "classical liberal" and ancestor to propertarianism, Ludwig von Mises, had a ready explanation for Britain's relative decline -- the nefarious influence of a single man, John Stuart Mill, whom he dismissed as *"the great advocate of socialism"* and who was responsible for *"the thoughtless confounding of liberal and socialist ideas that led to the decline of English liberalism and to the undermining of the living standards of the English people."* [**Liberalism**, p. 195] As regards Mill's socialism, von Mises was not mistaken for -- as discussed in [section A.4.2](#) -- Mill recognised the evils of capitalism and came to support a market socialist economy based on co-operatives as a means of ending them and ensuring freedom for working class people was not simply picking masters and toiling to enrich them. As for the notion that Mill was responsible for the relative decline of British capitalism, well, an embarrassed silence may be best.)

It is possible to explain almost everything that has ever happened in the world economy as evidence not of the failure of capitalism but rather of what happens when (capitalist) markets are not able to operate freely. Indeed, this is the right-"libertarian" position in a nutshell. However, it does seem strange that movements towards increased freedom for markets produce worse results than the more regulated way. Similarly it seems strange that the country that embraced laissez-faire and free trade (Britain) did **worse** than those which embraced protectionism (USA, Germany, etc.) if the claims of right-"libertarianism" were correct.

It could always be argued that the protectionist countries had embraced free trade their economies would have done even better. This is, of course, a possibility -- if somewhat unlikely. After all, the argument for laissez-faire and free trade is that it benefits all parties, even if it is embraced unilaterally. That Britain obviously did not benefit suggests a flaw in the theory (and that no country **has** industrialised without protectionism suggests likewise). Unfortunately, free-market capitalist economics lends itself to a mind frame that ensures that nothing could happen in the real world that would ever change its supporters minds about anything.

Free trade, it could be argued, benefits only those who have established themselves in the market -- that is, have market power. Thus Britain could initially benefit from free trade as it

was the only industrialised nation (and even **its** early industrialisation cannot be divorced from its initial mercantilist policies). This position of strength allowed them to dominate and destroy possible competitors (as Kaldor points out, "[w]here the British succeeded in gaining free entry for its goods . . . it had disastrous effects on local manufactures and employment." [Op. Cit., p. xxvi]). This would revert the other country back towards agriculture, an industry with diminishing returns to scale (manufacturing, in contrast, has increasing returns) and ensure Britain's position of power.

The use of protection, however, sheltered the home industries of other countries and gave them the foothold required to compete with Britain. In addition, Britain's continual adherence to free trade meant that a lot of **new** industries (such as chemical and electrical ones) could not be properly established. This combination contributed to free trade leading to stunted growth, in stark contrast to the arguments of neo-classical economics.

Of course, we will be accused of supporting protectionism by recounting these facts. That is not the case, as protectionism is used as a means of "proletarianising" a nation (as we discuss in [section F.8](#)). Rather we are presenting evidence to refute a claim that deregulated capitalism will lead to higher growth. So, we suggest, the history of "actually existing" capitalism indicates that Caplan's claim that deregulated capitalism will result "*a high rate of economic progress*" may be little more than an assumption. True, it is an assumption of neo-classical economics, but empirical evidence suggests that assumption is as unfounded as the rest of that theory (also see [section C.10](#)).

It would also be remiss not to note that using the example of "actually existing" capitalism to make claims on "anarcho"-capitalism is problematic. After all, while any positive example will be pointed to by "anarcho"-capitalists, any negatives ones will be dismissed because real capitalism is not pure enough. This is very much a case of having it both ways. Still, it should be noted, if only in passing, that if Rothbard's ideas on, say, full-reserve banking and the gold-standard **were** applied they would effectively destroy the banking system as we have known it for centuries. Fractional-reserve banking is used in all countries worldwide, both currently and historically. Rothbard proclaimed that reserves of less than 100% constitute fraud on the part of banks and should be illegal (apparently he and the few economists who agree with him know better than those involved in economic activity for centuries). As such, it seems disingenuous to utilise the outcome of a system based on something which would be outlawed as evidence for the desirability of the system which would eliminate it. Unless, of course, Caplan is just making assertions and simply hoping that his readers would project the dynamism of "actually existing" capitalism onto his imaginary one without any critical thought.

Next we get to the meat of the defence of "anarcho"-capitalism:

*"Now the anarcho-capitalist essentially turns the minarchist's own logic against him, and asks why the remaining functions of the state could not be turned over to the free market. And so, the anarcho-capitalist imagines that police services could be sold by freely competitive firms; that a court system would emerge to peacefully arbitrate disputes between firms; and that a sensible legal code could be developed through custom, precedent, and contract."*

Indeed, the functions in question could certainly be turned over to the "free" market, as was done in certain areas of the US during the 19th century, e.g. the towns that were virtually

owned by private coal companies. We have elsewhere discussed the negative impact of that experiment on the working class in [section F.6.2](#). Our objection is not that such privatisation cannot be done, but that it is an error to call it a form of anarchism. In reality it is an extreme form of laissez-faire capitalism, which is an opposite of anarchism for the defence of private power by private police is hardly a move towards the end of authority, nor are collections of private states an example of anarchism.

Indeed, that "anarcho"-capitalism does not desire the end of the state, just a change in its form, can be seen from Caplan's own arguments. He states that "*the remaining functions of the state*" should be "*turned over to the free market.*" Thus the state (and its functions, primarily the defence of capitalist property rights) is **privatised** and not, in fact, abolished. In effect, the "anarcho"-capitalist seeks to abolish the state by calling it something else.

Caplan:

*"The anarcho-capitalist typically hails modern society's increasing reliance on private security guards, gated communities, arbitration and mediation, and other demonstrations of the free market's ability to supply the defensive and legal services normally assumed to be of necessity a government monopoly."*

It is questionable that "*modern society*" **as such** has increased its reliance on "*private security guards, gated communities*" and so on. Rather, it is the **wealthy** who have increased their reliance on these forms of private defence. Indeed it is strange to hear a right-"libertarian" even use the term "society" as, according to that ideology, society does not exist. Perhaps the term "society" is used to hide the class nature of these developments? As for "gated communities" it is clear that their inhabitants would object if the rest of society gated themselves from them. But such is the logic of such developments -- gated communities want it both ways as they seek to exclude the rest of society from their communities while expecting to be given access to that society. Needless to say, Caplan fails to see that liberty for the rich can mean oppression for the working class:

*"Finally, it is permissible neither to draw water from a spring situated in another's grounds without the permission of the proprietor, because by the right of accession the spring belongs to the possessor of the soil, if there is no other claim; nor to pass a day on his premises without paying a tax; nor to look at a court, a garden, or an orchard, without the consent of the proprietor; nor to stroll in a park or an enclosure against the owner's will: every one is allowed to shut himself up and to fence himself in. All these prohibitions are so many positive interdictions, not only of the land, but of the air and water. We who belong to the proletarian class: property excommunicates us!"* [Proudhon, **Property is Theft!**, p. 104]

Such a system does, indeed, require a police force to ensure that the authority of the property owner is respected but what of those who lack property? Caplan does not dwell upon this for obvious reasons:

*"But if the public highway is nothing but an accessory of private property; if the communal lands are converted into private property; if the public domain, in short, assimilated to private property, is guarded, exploited, leased, and sold like private property -- what remains for the proletarian? Of what advantage is it to him that*



*society has left the state of war to enter the regime of police?" [Proudhon, Op. Cit., p. 222]*

That the law code of the state is being defended by private companies is hardly a step towards anarchy. This indicates exactly why an "anarcho"-capitalist system will be a collection of private states united around a common, capitalistic, law code. In addition, this system does not abolish the monopoly of government over society thanks to the "*general libertarian law code*," nor the monopoly of power that owners have over their property and those who use it. The difference between public and private statism is that the boss can select which law enforcement agents will enforce his or her power.

The threat to freedom and justice for the working class is clear. The thug-like nature of many private security guards enforcing private power is well documented. For example, the beating of protesters by "private cops" is a common sight in anti-motorway campaigns or when animal right activists attempt to disrupt fox hunts. The shooting of strikers by hired goons occurred regularly during the peak period of American laissez-faire capitalism. However, as most forms of protest involve the violation of "absolute" property rights, the "justice" system under "anarcho"-capitalism would probably fine the victims of such attacks by private cops.

It is also interesting that the "anarcho"-capitalist "hails" what are actually symptoms of social breakdown under capitalism. With increasing wealth disparity, society is becoming polarised into those who can afford to live in secure, gated communities and those who cannot. The latter are increasingly marginalised in ghettos and poor neighbourhoods where drug-dealing, prostitution, and theft become main forms of livelihood, with gangs offering a feudalistic type of "protection" to those who join or pay tribute to them. Under "anarcho"-capitalism, the only change would be that drug-dealing and prostitution would be legalised and gangs could start calling themselves "defence companies."

As Malatesta argued:

*"the so-called liberal . . . relies on free individual enterprise and proclaims, if not the abolition, at least the reduction of governmental functions to an absolute minimum; but because it respects private property and is entirely based on the principle of each for himself and therefore of competition between men, the liberty it espouses is for the strong and for the property owners to oppress and exploit the weak, those who have nothing; and far from producing harmony, tends to increase even more the gap between rich and poor and it too leads to exploitation and domination, in other words, to authority. This . . . is in theory a kind of anarchy without socialism, and therefore simply a lie, for freedom is impossible without equality, and real anarchy cannot exist without solidarity, without socialism. The criticism liberals direct at government consists of wanting to deprive it of some of its functions and to call upon the capitalists to fight it out among themselves, but it cannot attack the repressive functions which are of its essence: for without the **gendarme** the property owner could not exist, indeed the government's powers of repression must perforce increase as free competition results in more discord and inequality."* [Anarchy, p. 47]

That this has, indeed, been the legacy of neo-liberalism should be remembered.

Caplan:

*"In his ideal society, these market alternatives to government services would take over **all** legitimate security services. One plausible market structure would involve individuals subscribing to one of a large number of competing police services; these police services would then set up contracts or networks for peacefully handling disputes between members of each others' agencies. Alternately, police services might be 'bundled' with housing services, just as landlords often bundle water and power with rental housing, and gardening and security are today provided to residents in gated communities and apartment complexes."*

This is a scenario designed with the upper classes in mind and a few working class people, i.e. those with **some** property (for example, a house) -- sometimes labelled the "middle class". But under capitalism, the tendency toward capital concentration leads to increasing wealth polarisation, which means a shrinking "middle class" (i.e. working class with decent jobs and their own homes) and a growing "underclass" (i.e. working class people without a decent job). Ironically enough, America (with one of the most laissez-faire capitalist systems) is also the Western nation with the **smallest** "middle class" as wealth concentration has steadily increased since the 1970s. Thus the number of people who could afford to buy protection and "justice" from the best companies would continually decrease. For this reason there would be a growing number of people at the mercy of the rich and powerful, particularly when it comes to matters concerning employment, which is the main way in which the poor would be victimised by the rich and powerful (as is indeed the case now).

Of course, if landlords **do** "bundle" police services in their contracts this means that they are determining the monopoly of force over the property in question. Tenants would "consent" to the police force and the laws of the landlord in exactly the same way immigrants "consent" to the laws and government of, say, the USA when they move there. Rather than show the difference between statism and capitalism, Caplan has indicated their essential commonality. For the proletariat, property is but another form of state. For this reason anarchists would agree with Rousseau:

*"That a rich and powerful man, having acquired immense possessions in lands, should impose laws on those who want to establish themselves there, and that he should only allow them to do so on condition that they accept his supreme authority and obey all his wishes; that, I can still conceive. But how can I conceive such a treaty, which presupposes anterior rights, could be the first foundation of law? Would not this tyrannical act contain a double usurpation: that on the ownership of the land and that on the liberty of the inhabitants?"* [**The Social Contract and Discourses**, p. 316]

Compare this to the right-"libertarian" Robert Nozick who argued that not only can someone "sell himself into slavery" but also "if one starts a private town, on land whose acquisition did not and does not violate the Lockean proviso, persons who chose to move there or later remain there would have no **right** to a say in how the town was run." [**Anarchy, State and Utopia**, p. 371 and p. 270] In short, the social relationships of capitalism -- factory fascism and office oligarchy -- extended to all aspects of life.

As argued in [section A.2.14](#), free association is not sufficient -- the associations have to be free within as well. Otherwise "anarchy" would be nothing more than a series of private archies ruled by the owners. Which is **precisely** how "anarcho"-capitalists envision their "free market" regime -- the market may be "free" (at least, outwith someone's property) but most of

the people are not. That the authority they are subject to is "voluntary" (subject to economic pressures) does not mean that they are free.

Caplan:

*"The underlying idea is that contrary to popular belief, private police would have strong incentives to be peaceful and respect individual rights. For first of all, failure to peacefully arbitrate will yield to jointly destructive warfare, which will be bad for profits. Second, firms will want to develop long-term business relationships, and hence be willing to negotiate in good faith to insure their long-term profitability. And third, aggressive firms would be likely to attract only high-risk clients and thus suffer from extraordinarily high costs (a problem parallel to the well-known 'adverse selection problem' in e.g. medical insurance -- the problem being that high-risk people are especially likely to seek insurance, which drives up the price when riskiness is hard for the insurer to discern or if regulation requires a uniform price regardless of risk)."*

The theory that *"failure to peacefully arbitrate will yield to jointly destructive warfare, which will be bad for profits"* can be faulted in two ways. Firstly, if warfare would be bad for profits, what is to stop a large "defence association" from ignoring a smaller one's claim? If warfare were "bad for business," it would be even worse for a small company without the capital to survive a conflict, which could give big "defence associations" the leverage to force compliance with their business interests. Price wars are often bad for business, but companies sometimes start them if they think they can win. Needless to say, demand would exist for such a service (unless you assume a transformation in the "human nature" generated by capitalism -- an unlikely situation and one "anarcho"-capitalists usually deny is required for their system to work). Secondly -- and this is equally, if not more, likely -- a "balance of power" method to stop warfare has little to recommend it from history. This can be seen from the First World War and feudal society.

What the "anarcho"-capitalist is describing is essentially a system of "industrial feudalism" wherein people contract for "protection" with armed gangs of their choice. Feudal societies have never been known to be peaceful, even though war is always "unprofitable" for one side or the other or both. The argument fails to consider that "defence companies," whether they be called police forces, paramilitaries or full-blown armies, tend to attract the "martial" type of authoritarian personality, and that this type of "macho" personality thrives on and finds its reason for existence in armed conflict and other forms of interpersonal violence and intimidation. Hence feudal society was continually wracked by battles between the forces of opposing warlords, because such conflicts allow the combatants a chance to "prove their manhood," vent their aggression, obtain honours and titles, advance in the ranks, obtain spoils, etc. The "anarcho" capitalist has given no reason why warfare among legalised gangs would not continue under industrial feudalism, except the extremely lame reason that it may not be profitable -- a reason that has never prevented war in any known society.

It should be noted that the above is not an argument from "original sin." Feudal societies are characterised by conflict between opposing "protection agencies" not because of the innate depravity of human beings but because of a social structure based on private property and hierarchy, which brings out the latent capacities for violence, domination, greed, etc. that humans have by creating a financial incentive to be so. But this is not to say that a different social structure would not bring out latent capacities for much different qualities like sharing,

peaceableness, and co-operation, which human beings also have. In fact, as Kropotkin argued in **Mutual Aid** and as recent anthropologists have confirmed in greater detail, ancient societies based on communal ownership of productive assets and little social hierarchy were basically peaceful, with no signs of warfare for thousands of years.

However, let us assume that such a competitive system does actually work as described. Caplan, in effect, argues that competition will generate co-operation. This is due to the nature of the market in question -- defence (and so peace) is dependent on firms working together as the commodity "peace" cannot be supplied by one firm. Yet, this co-operation does not, for some reason, become **collusion** between the firms in question. According to "anarcho"-capitalists this competitive system not only produces co-operation, it excludes "defence" firms making agreements to fix monopoly profits (i.e. co-operation that benefits the firms in question). Why does the market produce beneficial co-operation to everyone but not collusion for the firms in question? Collusion is when firms have "business relationships" and "negotiate in good faith" to insure their profitability by agreeing not to compete aggressively against each other in order to exploit the market. Obviously in "anarcho"-capitalism the firms in question only use their powers for good.

Needless to say, the "anarcho"-capitalist will object and argue that competition will ensure that collusion will not occur. However, given that co-operation is required between all firms in order to provide the commodity "peace" this places the "anarcho"-capitalist in a bind. As Caplan notes, "aggressive" firms are *"likely to attract only high-risk clients and thus suffer from extraordinarily high costs."* From the perspective of the colluding firms, a new entry into their market is, by definition, aggressive. If the colluding firms do not co-operate with the new competitor, then it will suffer from *"extraordinarily high costs"* and either go out of business or join the co-operators. If the new entry could survive in the face of the colluding firms hostility then so could "bad" defence firms, ones that ignored the market standards. Still, perhaps it is a case that co-operation (i.e., collusion) **both** cannot last for long (due to new entries and defections) **and** continue indefinitely (as it is good for profits).

So the "anarcho"-capitalist faces two options. Either an "aggressive" firm cannot survive or it can. If it cannot then the very reason why it cannot ensures that collusion is built into the market and while the system is peaceful it is based on an effective monopoly of colluding firms who charge monopoly prices. This, in effect, is a state under the "anarcho"-capitalist's definition as a property owner cannot freely select their own "protection" -- they are limited to the firms (and laws) provided by the co-operating firms. Or an "aggressive" firm can survive, violence is commonplace and chaos ensues.

Caplan's passing reference to the *"adverse selection problem"* in medical insurance suggests another problem with "anarcho"-capitalism. The problem is that high-risk people are especially likely to seek protection, which drives up the price for, as "anarcho"-capitalists themselves note, areas with high crime levels "will be bad for profits," as hardware and personnel costs will be correspondingly higher. This means that the price for "protection" in areas which need it most will be far higher than for areas which do not need it. As poor areas are generally more crime afflicted than rich areas, "anarcho"-capitalism may see vast sections of the population not able to afford "protection" (just as they may not be about to afford health care and other essential services). Indeed, "protection services" which try to provide cheap services to "high-risk" areas will be at a competitive disadvantage in relation to those who do not, as the "high-risk" areas will hurt profits and companies without "high-risk" "customers" could undercut those that have.

Need we note the example of the medical insurance system in the USA and its unwillingness to cover those most in need of treatment -- and the attempts by insurance companies to avoid paying out when needed? That Caplan **himself** points to the flaws of the privatised US health care system as part of his defence of "anarcho"-capitalism shows the power of ideology to strip its adherents of the ability to see the contradictions of their own politics.

Caplan:

*"Anarcho-capitalists generally give little credence to the view that their 'private police agencies' would be equivalent to today's Mafia -- the cost advantages of open, legitimate business would make 'criminal police' uncompetitive. (Moreover, they argue, the Mafia can only thrive in the artificial market niche created by the prohibition of alcohol, drugs, prostitution, gambling, and other victimless crimes. Mafia gangs might kill each other over turf, but liquor-store owners generally do not.)"*

As we have pointed out in [section F.6](#), the "Mafia" objection to "anarcho"-capitalist defence companies is a red herring. The biggest problem would not be "criminal police" but the fact that working people and tenants would be subject to the rules, power and laws of the property owners, the rich would be able to buy better police protection and "justice" than the poor and that the "general" law code these companies would defend would be slanted towards the interests and power of the capitalist class (defending capitalist property rights and proprietor power). And as we also noted, such a system has already been tried in 19th and early 20th century America, with the result that the rich reduced the working class to a serf-like existence, capitalist production undermined independent producers (to the annoyance of individualist anarchists at the time), and the result was the emergence of corporate America that used their own forces and private firms to break unions and strikes.

Caplan argues that "liquor-store owners" do not generally kill each other over turf. This is true (but then again they do not have access to their own private cops currently so perhaps this could change). But the company owners who created their own private police forces and armies in America's past **did** allow their goons to attack and murder union organisers and strikers. Let us look at Henry Ford's Service Department (private police force) in action:

*"In 1932 a hunger march of the unemployed was planned to march up to the gates of the Ford plant at Dearborn . . . The machine guns of the Dearborn police and the Ford Motor Company's Service Department killed [four] and wounded over a score of others. . . Ford was fundamentally and entirely opposed to trade unions. The idea of working men questioning his prerogatives as an owner was outrageous . . . [T]he River Rouge plant. . . was dominated by the autocratic regime of Bennett's service men. Bennett . . . organise[d] and train[ed] the three and a half thousand private policemen employed by Ford. His task was to maintain discipline amongst the work force, protect Ford's property [and power], and prevent unionisation. . . Frank Murphy, the mayor of Detroit, claimed that 'Henry Ford employs some of the worst gangsters in our city.' The claim was well based. Ford's Service Department policed the gates of his plants, infiltrated emergent groups of union activists, posed as workers to spy on men on the line . . . Under this tyranny the Ford worker had no security, no rights. So much so that any information about the state of things within the plant could only be freely obtained from ex-Ford workers." [Huw Beynon, **Working for Ford**, pp. 29-30]*

The private police attacked women workers handing out pro-union leaflets and gave them "a serve beating." At Kansas and Dallas "similar beatings were handed out to the union men." This use of private police to control the workforce was not unique. General Motors "spent one million dollars on espionage, employing fourteen detective agencies and two hundred spies at one time [between 1933 and 1936]. The Pinkerton Detective Agency found anti-unionism its most lucrative activity." [Op. Cit., p. 34 and p. 32] We must also note that the Pinkerton's had been selling their private police services for decades before the 1930s. In the 1870s, they had infiltrated and destroyed the Molly Maguires (a secret organisation Irish miners had developed to fight the coal bosses). For over 60 years the Pinkerton Detective Agency had "specialised in providing spies, agent provocateurs, and private armed forces for employers combating labour organisations." By 1892 it "had provided its services for management in seventy major labour disputes, and its 2 000 active agents and 30 000 reserves totalled more than the standing army of the nation." [Jeremy Brecher, **Strike!**, p. 9 and p. 55] With this force available, little wonder unions found it so hard to survive in the USA.

Given that unions could be considered as "defence" agencies for workers, this suggests a picture of how "anarcho"-capitalism may work in practice.

It could be argued that, in the end, the union was recognised by the Ford company. However, this occurred after the New Deal was in place (which helped the process), after years of illegal activity (by definition union activism on Ford property was an illegal act) and extremely militant strikes. Given that the union agreement occurred nearly 40 years after Ford was formed **and** in a legal situation violently at odds with "anarcho"-capitalism (or even minimal statist capitalism), we would be justified in wondering if unionisation would ever have occurred at Ford and if Ford's private police state would ever have been reformed.

Of course, from an "anarcho"-capitalist perspective the only limitation in the Ford workers' liberty was due to the US government alone. The regime at Ford could **not** restrict their liberty as no one forced them to work for the company. Needless to say, an "anarcho"-capitalist would reject out of hand the argument that no-one forced the citizen to enter or remain in the USA and so they consented to the government's laws and acts.

This is more than a history lesson. Such private police forces are on the rise again. [Mike Zielinski, "Armed and Dangerous: Private Police on the March", **Covert Action Quarterly**, no. 54, Fall 1995). This system of private police (as demonstrated by Ford) is just one of the hidden aspects of Caplan's comment that the "anarcho"-capitalist "typically hails modern society's increasing reliance on private security guards. . . and other demonstrations of the free market's ability to supply the defensive and legal services normally assumed to be of necessity a government monopoly." Needless to say, private police states are not a step forward in anarchist eyes.

Caplan:

*"Unlike some left-anarchists, the anarcho-capitalist has no objection to punishing criminals; and he finds the former's claim that punishment does not deter crime to be the height of naivete. Traditional punishment might be meted out after a conviction by a neutral arbitrator; or a system of monetary restitution (probably in conjunction with a prison factory system) might exist instead."*

First, in disputes between the capitalist class and the working class, there would be no "*neutral arbitrator*," because the rich would either own the arbitration company or influence/control it through the power of the purse. In addition, "successful" arbitrators would also be wealthy, so making neutrality even more unlikely (they would be unlikely to make decisions which would harm social inequalities). Moreover, given that the laws the "neutral arbitrator" would be using would be based on capitalist property rights, the powers and privileges of the owner are built into the system from the start.

Second, the anarchist critique of punishment does not rest, as "anarcho"-capitalists claim, on a naive view. Rather, it rests on the premise that capitalist societies produce large numbers of "criminals", whereas societies based on equality and community ownership of productive assets do not. It also argues that punishment does not, in fact, deter crime when the root causes that drive such actions remain. Likewise, it points to the fact that punishment does not actually stop crime but actually ensures high-levels of re-offending -- as Kropotkin noted, prisons are the "*universities of crime*". [**Direct Struggle Against Capital**, p. 261] Ultimately, if the "anarcho"-capitalist position were remotely correct then crime would have long ceased to exist as punishment has been tried for centuries and privatising it would be unlikely to have much impact.

The anarchist argument is that societies based on private property and hierarchy inevitably lead to a huge gap between the haves and the have-nots, with the latter sunk in poverty, alienation, resentment, anger, and hopelessness, while at the same time such societies promote greed, ambition, ruthlessness, deceit, and other aspects of competitive individualism that destroy communal values like sharing, co-operation, and mutual aid. Thus in capitalist societies, the vast majority of "crime" turns out to be so-called "crimes against property," which can be traced to the grossly unfair distribution of wealth. Where the top one percent of the population controls more wealth than the bottom 90 percent combined, it is no wonder that a considerable number of those on the bottom should try to recoup illegally some of the mal-distributed wealth they cannot obtain legally (in this they are encouraged by the bad example of the ruling class, whose parasitic ways of making a living would be classified as criminal if the mechanisms for defining "criminal behaviour" were not controlled by the ruling class itself). In addition, most of the remaining "crimes against persons" can be traced to the alienation, dehumanisation, frustration, rage, and other negative emotions produced by the inhumane and unjust economic system.

Thus it is only in societies like ours, with their wholesale manufacture of many different kinds of criminals, that punishment appears to be the only possible way to discourage "crime." From the social anarchist perspective, however, the punitive approach is a band-aid measure that does not get to the real root of the problem -- a problem that lies in the structure of the system itself. The real solution is the creation of a non-hierarchical society based on communal ownership of productive assets, which, by eliminating poverty and the other negative effects of capitalism, would greatly reduce the incidence of criminal behaviour and so the need for punitive countermeasures. As such, Caplan's summary of the anarchist position leaves much to be desired and those interested in what anarchists actually argue should consult Kropotkin's "*Prisons and Their Moral Influence on Prisoners*" in the collection **Anarchism** -- or [section I.5.8](#).

In terms of crime (i.e, anti-social acts), anarchists have argued that by transforming society then anti-social acts would disappear in the main (although, of course, not completely as people being people some will act like idiots). Eliminate current levels of inequality, social

hierarchies, and so forth, then the root causes of crime would be eliminated. That "anarcho"-capitalists argue that this is ridiculous would suggest one of two things -- that they believe that humans are completely immune to the influence of their social environment (that is, a pre-scientific perspective of "original sin") or that they do not think their ideal society will be much different to the current social system, meaning that "crime" would have the same root causes and so continue. Compare this to Tucker's argument:

*"The State is necessary to keep thieves and murderers in subjection . . . [is a myth] the capitalists use it to blind the people to the real object of the institution by which they are able to extort from labor the bulk of its products . . . Can you not see that it is the State that creates the conditions which give birth to thieves and murderers, and that to justify its existence . . . we are not opposed to the punishment of thieves and murderers; we are opposed to their manufacture . . .*

*"Are not the laboring classes deprived of their earnings by usury in its three forms -- interest, rent, and profit?*

*"Is not such deprivation the principal cause of poverty?*

*"Is not poverty, directly or indirectly, the principal cause of illegal crime?*

*"Is not usury dependent upon monopoly, and especially upon the land and money monopolies?*

*"Could these monopolies exist without the State at their back?*

*"Does not by far the larger part of the work of the State consist in establishing and sustaining these monopolies and other results of special legislation?*

*"Would not the abolition of these invasive functions of the State lead gradually to the disappearance of crime?" [Instead of a Book, p. 54]*

Then there is the question of private prisons. First, as to the desirability of a "*prison factory system*", we will merely note that, given the capitalist principle of "grow-or-die," if punishing crime becomes a business, one can be sure that those who profit from it will find ways to ensure that the "criminal" population keeps expanding at a rate sufficient to maintain a high rate of profit and growth. After all, the logic of a "*prison factory system*" is self-defeating -- if the aim of prison is to deter crime (as some claim) and if a private prison system will meet that aim, then a successful private prison system would stop crime, which, in turn, will put them out of business! Thus a "*prison factory system*" cannot aim to be efficient (i.e. stop crime) as no company actively works to put itself out of business. As such, there is a pressing incentive for crime to not only continue but to grow (perhaps with the aid of private police forces in integrated police-prison corporations).

Secondly, Caplan does not mention the effect of prison labour on the wages, job conditions and market position of workers. Having a sizeable proportion of the working population labouring in prison would have a serious impact on the bargaining power of workers. How could workers outside of prison compete with such a regime of labour discipline without submitting to prison-like conditions themselves? Unsurprisingly, US history again presents some insight into this. As Noam Chomsky notes, the "*rapid industrial development in the*



southeastern region [of America] a century ago was based on (Black) convict labour, leased to the highest bidder." Chomsky quotes expert Alex Lichtenstein comments that Southern Industrialists pointed out that convict labour was "more reliable and productive than free labour" and that it overcomes the problem of labour turnover and instability. It also "remove[d] all danger and cost of strikes" and that it lowers wages for "free labour" (i.e. wage labour). The US Bureau of Labor reported that "mine owners [in Alabama] say they could not work at a profit without the lowering effect in wages of convict-labour competition." [The Umbrella of US Power, p. 32]

Needless to say, Caplan fails to mention this aspect of "anarcho"-capitalism (just as he fails to mention the example of Ford's private police state). Perhaps an "anarcho"-capitalist will say that prison labour will be less productive than wage labour and so workers have little to fear, but this makes little sense. If wage labour is more productive then prison labour will not find a market (and then what for the prisoners? Will profit-maximising companies **really** invest in an industry with such high over-heads as maintaining prisoners for free?). Thus it seems more than likely that any "prison-factory system" will be as productive as the surrounding wage-labour ones, thus forcing down their wages and the conditions of labour. For capitalists this would be ideal, however for the vast majority a different conclusion must be drawn.

Caplan:

*"Probably the main division between the anarcho-capitalists stems from the apparent differences between Rothbard's natural-law anarchism, and David Friedman's more economic approach. Rothbard puts more emphasis on the need for a generally recognised libertarian legal code (which he thinks could be developed fairly easily by purification of the Anglo-American common law), whereas Friedman focuses more intently on the possibility of plural legal systems co-existing and responding to the consumer demands of different elements of the population. The difference, however, is probably overstated. Rothbard believes that it is legitimate for consumer demand to determine the philosophically neutral content of the law, such as legal procedure, as well as technical issues of property right definition such as water law, mining law, etc. And Friedman admits that 'focal points' including prevalent norms are likely to circumscribe and somewhat standardise the menu of available legal codes."*

The argument that "consumer demand" would determine a "philosophically neutral" content of the law cannot be sustained. Any law code will reflect the philosophy of those who create it. Under "anarcho"-capitalism, the values of the capitalist will be dominant and will shape the law code and justice system, as they do now, only more so. The law code will therefore continue to give priority to the protection of private property over human values; those who have the most money will continue being able to hire the best lawyers; and the best (i.e. most highly paid) judges will be inclined to side with the wealthy and to rule in their interests, out of class loyalty and personal interests. Indeed, Theodore A. Burczak in **Socialism After Hayek** presents a useful critique of Hayek's similar notion of the neutrality of common law, showing that it contradicts his own subjectivism and ignores how judges' personal views and interests can skew decisions (although, strangely, the influence of class and wealth are not particularly stressed -- as Kropotkin argued in "Law and Authority" laws have evolved reflecting both social needs **and** class influences).

Moreover, given that the law code exists to protect capitalist property rights, how can it be "philosophically neutral" with that basis? How would "competing" property frameworks co-

exist? If a defence agency allowed squatting and another (hired by the property owner) did not, there is no way (bar force) a conflict could be resolved. Then the firm with the most resources would win. "Anarcho"-capitalism, in effect, smuggles into the foundation of their system a distinctly **non**-neutral philosophy, namely capitalism. Those who reject such a basis may end up sharing the fate of tribal peoples who rejected that system of property rights, for example, the Native Americans.

In other words, in terms of outcome the whole system would favour **capitalist** values and so not be "philosophically neutral." The law would be favourable to employers rather than workers, manufacturers rather than consumers, and landlords rather than tenants. Indeed, from the "anarcho"-capitalist perspective the rules that benefit employers, landlords and manufacturers simply define liberty whereas the rules that benefit workers, tenants and consumers (as passed by progressive legislatures under popular pressure and enforced by direct action) are simply an interference with liberty. The rules one likes, in other words, are the foundations of sacred property rights (and so "liberty," as least for the capitalist and landlord), those one does not like are meddlesome regulation. This is a very handy trick and would not be worth mentioning if it was not so commonplace in right-"libertarian" theory.

We should leave aside the fantasy that the law under "anarcho"-capitalism is a politically neutral set of universal rules logically deduced from particular unproblematic assumptions and free from a particular instrumental or class agenda.

Caplan:

*"Critics of anarcho-capitalism sometimes assume that communal or worker-owned firms would be penalised or prohibited in an anarcho-capitalist society. It would be more accurate to state that while individuals would be free to voluntarily form communitarian organisations, the anarcho-capitalist simply doubts that they would be widespread or prevalent."*

There is good reason for this doubt. Worker co-operatives would not be widespread or prevalent in an "anarcho"-capitalist society for the same reason that they are not widespread or prevalent now: namely, that the socio-economic, legal, and political systems would be structured in such a way as to automatically discourage their growth. In addition, capitalist firms and the rich would also have an advantage in that they would still own and control the wealth they currently have which are a result of previous "initiations of force". This would give them an obvious advantage on the "free-market" -- an advantage which would be insurmountable. Moreover, as we explain in more detail in [section J.5.11](#), the reason why there are not more producer co-operatives is partly structural, based on the fact that co-operatives have a tendency to grow at a slower rate than capitalist firms. This is a good thing if one's primary concern is, say, protecting the environment, but fatal if one is trying to survive in a capitalist environment. This, it should be noted, in spite of the well-documented fact that workers' control is more efficient and productive than wage-labour (in other words, the capitalist market for numerous reasons selects for the **less** fit). As Murray Bookchin suggested:

*"Communes, cooperatives, and various vocational collectives, to be sure, may be excellent schools for teaching people how to administer self-managed enterprises . . . No cooperative will ever replace a giant supermarket chain merely by competing with it, however much good will it may earn, nor will a Proudhonian 'People's Bank'*

*replace a major Financial institution, however many supporters it may have."*  
[Remaking Society, p. 183]

Moreover, co-operatives within capitalism have a tendency to adapt to the dominant market conditions rather than undermining them. There will be pressure on the co-operatives to compete more effectively by adopting the same cost-cutting and profit-enhancing measures as capitalist firms. Such measures will include the deskilling of workers; squeezing as much "productivity" as is humanly possible from them; and a system of pay differentials in which the majority of workers receive low wages while the bulk of profits are reinvested in technology upgrades and other capital expansion that keeps pace with capitalist firms. This means that in a capitalist environment, there tend to be few practical advantages for workers in collective ownership of the firms in which they work.

This problem can only be solved by eliminating private property and the coercive statist mechanisms required to protect it (including private states masquerading as "protection companies"), because this is the only way to eliminate competition for profits as the driving force of economic activity. In a libertarian communist, federated associations of workers in co-operative enterprises would co-ordinate production for **use** rather than profit, thus eliminating the competitive basis of the economy and so also the "grow-or-die" principle which now puts co-operatives at a fatal economic disadvantage. (For more on how such an economy would be organised and operated, as well as answers to objections, see [section I.](#))

And let us not forget what is implied by Caplan's statement that the "anarcho"-capitalist does not think that co-operative holding of property *"would be widespread or prevalent."* It means that the vast majority would be subject to the power, authority and laws of the property owner and so would not govern themselves. In other words, it would be a system of private statism rather than anarchy.

Caplan:

*"However, in theory an 'anarcho-capitalist' society might be filled with nothing but communes or worker-owned firms, so long as these associations were formed voluntarily (i.e., individuals joined voluntarily and capital was obtained with the consent of the owners) and individuals retained the right to exit and set up corporations or other profit-making, individualistic firms."*

Perhaps it should go without saying that few people subscribe to an ideology if they expect it **not** to produce their favoured socio-economic system. Few, if any, "anarcho"-capitalists would advocate their system if they thought it likely to produce a non-capitalist outcome. Rather, they aim for "anarcho"-capitalism precisely **because** it will generate private *archies*. This is a valid position to take -- anarchists simply object to it being linked to anarchism in any way.

The reference to corporations is interesting and significant. After all, early incorporated entities were established by charter (i.e., by an act granted by a monarch or passed by parliament) while the key feature of modern corporations is limited liability which separates control of a company from ownership and means that a shareholder in a corporation will not be personally liable either for contractually agreed debts of the corporation, or for torts (involuntary harms) committed by it against a third party. These privileges were created by state law. Indeed, the very fact that the state had to create them shows that it is implausible

that they could have arisen by any other manner -- it was not a case of the state simply legalising or regulating business practices which had developed independently. As such, what is significant is that Caplan takes the institutions of "actually existing" capitalism as unproblematic entities, with no awareness of their history, and projects them into an allegedly stateless future (any "Just So" story invented to suggest that corporations could have developed without state intervention simply suggests their law and court system would create rights and privileges for the few, something they are keen to deny in other situations). In contrast, Tucker noted that *"these vast, accumulations under one control are abnormal, and dangerous", "the State grant of corporate privileges under which they are organized" and so "it being pure usurpation to presume to endow any body of men with rights and exemptions that are not theirs already under the social law of equal liberty, corporate privileges are in themselves a wrong"*. [Individual Liberty, pp. 249-250]

Still, ignoring that Caplan's suggestion of corporations would exist in spite of their statist origin, it is interesting that the "anarcho"-capitalists are willing to allow workers to set up "voluntary" co-operatives so long as the conditions are retained which ensure that such co-operatives will have difficulty surviving (i.e. private property and private states), but they are unwilling to allow workers to set up co-operatives under conditions that would ensure their success (i.e. the absence of private property and private states). This reflects the usual vacuousness of the right-"libertarian" concepts of "freedom" and "voluntarism."

In other words, these worker-owned firms would exist in and be subject to the same capitalist "general libertarian law code" and work in the same capitalist market as the rest of society. So, not only are these co-operatives subject to capitalist market forces, they exist and operate in a society defined by capitalist laws. As discussed in [section F.2](#), such disregard for the social context of human action shows up the "anarcho" capitalist's disregard for meaningful liberty.

All Caplan is arguing here is that as long as people remain within the (capitalist) "law code," they can do whatever they like. However, what determines the amount of coercion required in a society is the extent to which people are willing to accept the rules imposed on them. This is as true of an "anarcho"-capitalist society as it is of any other. In other words, if more and more people reject the basic assumptions of capitalism, the more coercion against anarchistic tendencies will be required. Saying that people would be free to experiment under "anarcho"-capitalist law (if they can afford it, of course) does not address the issue of changes in social awareness (caused, by example, by class struggle) which can make such "laws" redundant. So, when all is said and done, "anarcho"-capitalism just states that as long as you accept their rules, you are free to do what you like. How generous of them.

Thus, while we would be allowed to be collective capitalists or proprietors under "anarcho"-capitalism we would have no choice about living under laws based on the most rigid and extreme interpretation of property rights available. In other words, "anarcho"-capitalists recognise (at least implicitly) that there exists one collective need that needs collective support -- a law system to define and protect property rights. Ultimately, as C.B. Macpherson argues, the *"notion that individualism and 'collectivism' are the opposite ends of a scale along which states and theories of the state can be arranged . . . is superficial and misleading. . . . [I]ndividualism . . . does not exclude but on the contrary demands the supremacy of the state [or law] over the individual. It is not a question of the more individualism, the less collectivism; rather, the more through-going the individualism, the more complete the collectivism. Of this the supreme illustration is Hobbes's theory."* [The

**Political Theory of Possessive Individualism**, p. 256] Under "anarcho"-capitalism the individual is subject to the laws regarding private property, laws decided in advance by a small group of ideological leaders (and, as Rothbard stresses, unlike in Individualism Anarchism, there would not be juries enabled to judge the law alongside the crime). Then real individuals are expected to live with the consequences as best they can, with the law being placed ahead of these consequences for flesh and blood people. The abstraction of the law dominates and devours real individuals, who are considered below it and incapable of changing it. This, from one angle, shares a lot with theocracy and very little with liberty.

Needless to say, Caplan like most (if not all) "anarcho"-capitalists assume that the current property owners are entitled to their property. However, as John Stuart Mill pointed out over 100 years ago, the *"social arrangements"* existing today *"commenced from a distribution of property which was the result, not of a just partition, or acquisition by industry, but of conquest and violence"* and *"the system still retains many and large traces of its origin."*

[**Principles of Political Economy**, p. 15] Given that (as we point out in [section F.1](#)) Murray Rothbard argues that the state cannot be claimed to own its territory simply because it did not acquire its property in a "just" manner, this suggests that "anarcho"-capitalism cannot actually argue against the state. After all, property owners today cannot be said to have received their property "justly" and **if** they are entitled to it so is the state to **its** "property". As such, anarchists reject the "Just So" stories which are told to explain and justify property -- not least because they are the same tale as used by Locke to justify the state but without the final chapter (when all the property owners agree to form a joint-stock corporation called the state from their justly acquired properties).

But as is so often the case, property owners are exempt from the analysis the state is subjected to by "anarcho"-capitalists. The state and property owners may do the same thing (such as ban freedom of speech and association or regulate individual behaviour) but only the state is condemned by "anarcho"-capitalism.

Caplan:

*"On other issues, the anarcho-capitalist differs little if at all from the more moderate libertarian. Services should be privatised and opened to free competition; regulation of personal AND economic behaviour should be done away with."*

The "anarcho"-capitalist's professed desire to "do away" with the "regulation" of economic behaviour is entirely disingenuous. For, by giving capitalists the ability to protect their exploitative monopolies of social capital by the use of coercive private states, one is thereby "regulating" the economy in the strongest possible way, i.e. ensuring that it will be channelled in certain directions rather than others. For example, one is guaranteeing that production will be for profit rather than use; that there will consequently be runaway growth and an endless devouring of nature based on the principle of "grow or die"; and that the alienation and deskilling of the workforce will continue. What the "anarcho"-capitalist really means by doing away with the regulation of economic behaviour is that ordinary people will have even less opportunity than now to democratically control the rapacious behaviour of capitalists. Needless to say, the "regulation of personal" behaviour would **not** be done away with in the workplace, where the authority of the bosses would still exist and you would have follow their petty rules and regulations. The same applied for landlords. In short, regulation of personal and economic behaviour would not be ended, rather it will be **privatised**. Indeed,

as we note in [section F.1](#), some "anarcho"-capitalists are very clear on this and consider such regulation of personal behaviour by property-owners as a desirable feature.

Moreover, regardless of "anarcho"-capitalist claims, they do not, in fact, support civil liberties or oppose "regulation" of personal behaviour as such. Rather, they **support** property owners suppressing civil liberties on their property and the regulation of personal behaviour by employers and landlords. This they argue is a valid expression of property rights. Indeed, any attempts to allow workers civil liberties or restrict employers demands on workers by state or union action is denounced as a violation of "liberty" (i.e. the power of the property owner). Those subject to the denial of civil liberties or the regulation of their personal behaviour by landlords or employees can "love it or leave it." Of course, the same can be said to any objector to state oppression -- and frequently is. This is an artificial double standard, which labels a restraint by one group or person in a completely different way than the same restraint by others simply because one is called "the government" and the other is not.

This denial of civil liberties can be seen from these words by Murray Rothbard:

*"[I]n the profoundest sense there are no rights but property rights . . . Freedom of speech is supposed to mean the right of everyone to say whatever he likes. But the neglected question is: Where? Where does a man have this right? He certainly does not have it on property on which he is trespassing. In short, he has this right only either on his own property or on the property of someone who has agreed, as a gift or in a rental contract, to allow him in the premises. In fact, then, there is no such thing as a separate 'right to free speech'; there is only a man's property right: the right to do as he wills with his own or to make voluntary agreements with other property owners."* [Murray Rothbard, **Power and Market**, p. 176]

Of course, Rothbard fails to see that for the property-less such a regime implies **no** rights whatsoever. It also means the effective end of free speech and free association as the property owner can censor those on their property (such as workers or tenants) and ban their organisations (such as unions). Of course, in his example Rothbard looks at the "trespasser," **not** the wage-worker or the tenant (two far more common examples in any modern society). Rothbard is proposing the dictatorship of the property owner and the end of civil liberties and equal rights (as property is unequally distributed). He gives this utter denial of liberty an Orwellian twist by proclaiming this end of civil liberties by property rights as "a new liberty." Perhaps for the property-owner, but not the wage-worker or tenant.

In effect, right-"libertarians" do not care how many restrictions are placed on you as long as it is not the government doing it. Of course it will be claimed that workers and tenants "consent" to these controls (although they reject the notion that citizens "consent" to government controls by not leaving their state). Here the "libertarian" case is so disingenuous as to be offensive. There is no symmetry in the situations facing workers and capitalists. To the worker, the loss of a job is often far more of a threat than the loss of one worker is to the capitalist. The reality of economic power leads people to contract into situations that, although they are indeed the "best" arrangements of those available, are nonetheless miserable. In any real economy -- and, remember, the right-"libertarian" economy lacks any social safety net, making workers' positions more insecure than now -- the right-"libertarian" denial of economic power is a delusion.



Unlike anarchist theory, right-libertarian theory provides **no** rationale to protest private power (or even state power if we accept the notion that the state owns its territory). Relations of domination and subjection are valid expressions of liberty in their system and, perversely, attempts to resist authority (by strikes, unions, etc.) are deemed "initiations of force" upon the oppressor. In contrast, anarchist theory provides a strong rationale for resisting private and public domination. Such domination violates freedom and any free association which dominates any within it violates the basis of that association in self-assumed obligation (see [section A.2.11](#)). Thus Proudhon:

*"The social contract should increase the well-being and liberty of every citizen. -- If any one-sided conditions should slip in; if one part of the citizens should find themselves, by the contract, subordinated and exploited by others, it would no longer be a contract; it would be a fraud, against which annulment might at any time be invoked justly."* [**Property is Theft!**, p. 563]

Caplan's claim that right libertarians oppose regulation of individual behaviour is simply not true. They just oppose **state** regulation while supporting **private** regulation wholeheartedly. Anarchists, in contrast, reject both public and private domination.

Caplan:

*"Poverty would be handled by work and responsibility for those able to care for themselves, and voluntary charity for those who cannot. (Libertarians hasten to add that a deregulated economy would greatly increase the economic opportunities of the poor, and elimination of taxation would lead to a large increase in charitable giving.)"*

Notice the implication that poverty is now caused by laziness and irresponsibility rather than by the inevitable workings of an economic system that **requires** a large "reserve army of the unemployed" (to use Marx's term) as a condition of profitability. The continuous "boom" economy of "anarcho"-capitalist fantasies is simply incompatible with the fundamental principles of capitalism as noted in [section B.4.4](#). To re-quote Michael Kalecki, "lasting full employment is not at all to [the] liking [of business leaders]. The workers would 'get out of hand' and the 'captains of industry' would be anxious 'to teach them a lesson'" as "'discipline in the factories' and 'political stability' are more appreciated by business leaders than profits. Their class interest tells them that lasting full employment is unsound from their point of view and that unemployment is an integral part of the 'normal' capitalist system." [quoted by Malcolm C. Sawyer, **The Economics of Michal Kalecki**, p. 139 and p. 138]

In addition, the claims that a "deregulated economy" would benefit the poor do not have much empirical evidence to back them up. If we look at the last quarter of the twentieth century we discover that a more deregulated economy has led to massive increases in inequality and poverty. If a movement towards a deregulated economy has had the opposite effect than that predicted by Caplan, why should a totally deregulated economy be any different? It is like claiming that while adding black paint to grey makes it more black, adding the whole tin will make it white.

The reason for increased inequality and poverty as a result of increased deregulation is simple. A "free exchange" between two people will benefit the stronger party. It is obvious the capitalist economy is marked by power, regardless of "anarcho"-capitalist claims, and any

"free exchange" will reflect this. Moreover, a series of such exchanges will have an accumulative effect, with the results of previous exchanges bolstering the position of the stronger party in the current exchange.

Moreover, the claim that removing taxation will **increase** donations to charity is someone strange. We doubt that the rich who object to money being taken from them to pay for welfare will **increase** the amount of money they give to others if taxation **were** abolished. As Peter Sabatini points out, "anarcho"-capitalists *"constantly rant and shriek about how the government, or the rabble, hinders their Lockean right to amass capital."* [**Social Anarchism**, no. 23, p.101] Caplan seems to expect them to turn over a new leaf and give **more** to that same rabble!

To end, Caplan's account of "anarcho"-capitalism suggests an economic system which is pretty much the same as one forged by centuries of state intervention to reduce the bargaining power of labour relative to capital -- starting with the creation of wage-labour itself ("the labour market") when labour was separated from ownership of the means of production by the land monopoly (including enclosure) -- and includes bodies -- such as corporations -- which are the product of the state granting privileges. For an ideology which allegedly opposes the state (and **only** the state) this seems strange to say the least for it suggests an unwillingness to consider the impact of the institution it claims to hate. For anarchists, the modern state and capitalism are interwoven and one cannot be viewed in isolation from the other. Nor can the various private *archies* (whether social or economic) be ignored without making a mockery of anarchism and what it stands for. As can be seen from Caplan's FAQ.