

# Kropotkin's Anarchist Critique of Capitalism

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1991

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Peter Kropotkin devoted a major part of his prolific anarchist writings to two related themes: examining the actual workings of capitalist economies and developing the broad outlines of an anarchist-communist society. Kropotkin was not satisfied to merely assert that a free society was possible, he sought to show how such a society could be constructed from the materials at hand—realizing that a revolutionary movement that failed to consider the problems of production and distribution would quickly collapse. This installment outlines Kropotkin’s critique of capitalist political economy; next issue will turn to his positive economic program. This distinction, however, is somewhat arbitrary, as Kropotkin always preferred to illustrate what might be by pointing to what already was.

## Economic Doctrine

For Kropotkin, the purpose of political economy was to study society’s needs and the means available (either currently in use, or which could be developed with present knowledge) to meet them.

It should try to analyze how far the present means are expedient and satisfactory ... [and] should concern itself with the discovery of means for the satisfaction of these needs with the smallest possible waste of labor and with the greatest benefit to mankind in general.<sup>1</sup>

It was this task that Kropotkin took on.

Rather than engage in the abstract theorizing that dominated, then as now, the field, he carried out detailed studies of the agricultural and industrial techniques practical in his day (whether they were in general use or not) and their capacity to meet human needs.

Unlike most economists, Kropotkin insisted on subjecting economic theories to the same rigorous inquiry he would apply to any “scientific” theory:

When certain economists tell us that “in a perfectly free market the price of commodities is measured by the amount of labor socially necessary for their production,” we do not take this assertion on faith .... We not only find most of these so-called laws grossly erroneous, but maintain also that those who believe in them will themselves become convinced of their error as soon as they come to see the necessity of verifying the[m] ... by quantitative investigation.

While there certainly was a relationship between the price of commodities and the amount of labor necessary for their production, Kropotkin argued, they were by no means proportional to one another (as the Labor Theory of Value would imply). Nor had socialist economists troubled themselves to investigate whether or not the theory was true by actually gathering data to test the alleged relationship. Anyone who took the trouble to engage in such an investigation would quickly learn that the theory was false. We need only consider the price of oil or gold to realize that these prices are set not by the amount of labor power required to extract and process them, but rather by external market and social conditions. Most so-called economic laws, Kropotkin

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<sup>1</sup> “Modern Science and Anarchism,” p. 180. In: R. Baldwin (ed.), *Kropotkin’s Revolutionary Pamphlets* (Dover.

concluded, were mere suppositions. And although socialist economists “criticize some of these deductions ... it has not yet been original enough to find a path of its own.”<sup>2</sup>

Thus, when Marx argued against Proudhon that all products exchanged at (or, at least, fluctuated around) their labor value, he was implicitly arguing for what has been called the Iron Law of Wages (though Marx later refuted himself by conceding that union activity could decrease the level of exploitation). The Socialist Party of Great Britain and similar tendencies are wholly correct when they maintain that a Marxian analysis requires that all commodities— including labor power—are valued under capitalism at the cost of their reproduction, which in turn is determined by the most-productive available methods. (Thus a shirt that takes 60 minutes to make by hand or five minutes to make by machine sells for the same price on the world market.)

There is, of course, an element of truth to this—which is why the theory was widely accepted by the labor movement. But, as we shall see, it mistakes an association for a causal relationship. The commodity theory of labor would indicate that only by increasing productivity can workers make possible an improved standard of living, and only through socialist revolution can those possible improvements be actually realized. (Otherwise, the benefits merely accrue to the capitalists and their underlings.)

This doctrine leads inevitably to the conclusion that wage struggles are essentially a waste of time and energy (though workers, through hundreds of years of struggle, have proved the opposite), and that the only alternative to competing against each other into ever-greater immiseration is a state-managed, planned economy which can determine labor values and ensure their equitable distribution. But this doctrine is wholly false. In turn, below, to Kropotkin’s proof that wage levels have nothing to do with the cost of reproduction. But the essential point is that wage levels, like the price of all commodities, are set not by their cost of production or the amount of labor they require, but by the relative economic, military and social power held by the respective parties. Monopolies, cartels, police clubs, prisons, labor organization, co-operative associations—these and other power relationships skew the relative “value” of commodities, or at least of the price that can be gotten for them. (And it really matters very little whether a canteloupe has a theoretical, labor-derived value of 25 cents if all the stores charge a dollar.)

## Capitalism Not Productive

Like most socialists, Kropotkin initially assumed that an abundance of goods was being produced—and thus that the primary problem facing socialists was arranging their distribution. But when Malatesta suggested that this could not be true, Kropotkin investigated the matter, and found that (quoting Malatesta):

this accumulation of products could not possibly exist, because the bosses normally only allow for the production of what they can sell at a profit ... Some countries were continually threatened by shortages.

In fact, there was only enough food on hand in most major cities to sustain the population for a few days. Yet upon further investigation, Kropotkin established that the shortages, economic

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1970).

<sup>2</sup> “Modern Science and Anarchism,” pp. 177-79.

crises and general distress endemic to his age (and which continue to this day) did not result, as was widely believed, from overpopulation, poor soil, or other such material causes. Rather, they resulted from a failure to utilize the means already at hand to meet society's needs.<sup>3</sup>

Kropotkin presented his findings in *Fields, Factories and Workshops*—an anarchist classic that proved that people using then-existing technologies could meet all their needs with just a few months of labor per year. Space precludes anything more than the briefest summary of a volume with which every anarchist should have long since made themselves familiar.

He demonstrated that the technical means then existed to produce abundant and healthful food with relatively little effort or expense (a vision quite distinct from today's factory farms—the precursors of which already existed, but which, he noted, destroyed the soil for generations to come, as well as displacing people who might otherwise derive a comfortable living from the land). Contrary to many economists, Kropotkin argued for decentralizing agriculture and industry, noting that huge industrial establishments were both less common than generally believed, and established less to realize largely dubious economies of scale than to facilitate managerial control. The doctrine of national specialization or competitive advantage—then coming into prominence, and which has since been used as an excuse to ravish “third world” economies—was demonstrably harmful to the interests of the population. (As is well known to peasants compelled to grow coffee beans and sugar cane on land that could otherwise feed their families.) If the debilitating influences of capitalist control and ignorance could be ended, abundance for all was well within reach.

All this has been proved ... despite the innumerable obstacles always thrown in the way of every innovative mind .... For thousands of years ... to grow one's own food was the burden, almost the curse, of mankind. But it need be so no longer ... To grow the yearly food of a family, under rational conditions of culture, requires so little labor that it might almost be done as a mere change from other pursuits ... And again, you will be struck to see with what facility and in how short a time your needs of dress and of thousands of articles of luxury can be satisfied, when production is carried on for satisfying real needs rather than for satisfying shareholders ...<sup>4</sup>

And yet, everywhere workers lived in misery. Contrary to the teachings of every economic school, Kropotkin argued that overproduction was far from a problem:

Far from producing more than is needed to assure material riches, we do not produce enough .... If certain economists delight in writing treatises on over-production, and in explaining each industrial crisis by this cause, they would be much at a loss if called upon to name a single article produced by France in greater quantities than are necessary to satisfy the needs of the whole population .... What economists call

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<sup>3</sup> Errico Malatesta, “Peter Kropotkin—Recollections and Criticisms.” In: V. Richards (ed.), *Malatesta: Life & Ideas*. Freedom Press, 1977, p. 266. Malatesta went on to argue that Kropotkin's revised view was also wildly optimistic in its assessment of what could be realized. History, however has confirmed that agriculture can indeed produce much greater yields than was generally believed at the time—yields that in fact exceed those Kropotkin discussed.

<sup>4</sup> *Fields, Factories and Workshops Tomorrow* edited by Colin Ward. Freedom Press, 1985, pp 194-97. (This is an abridged and annotated version of Kropotkin's second edition, eliminating whole chapters of statistical data eclipsed in the 91 years since this work first saw print.)

over-production is but a production that is above the purchasing power of the worker, who is reduced to poverty by capital and State ...<sup>5</sup>

Only exploiters, he concluded, were in abundant supply. Today, 94 years later, there may well be overproduction of some goods (nuclear weapons, toxic chemicals, and products that must almost immediately be replaced)—but it is just as obscene today to talk of, for example, an over-production crisis in agriculture when millions face immediate starvation.

Thus, rather than celebrating capitalism's development of society's productive capacity, as Marxists do, Kropotkin demonstrated that capitalism resulted in chronic underproduction and deprivation. Capitalists not only do not equitably distribute the fruits of our production, the entire development of technology is distorted by their short-term profit calculations. Employers faced with the possibility of new labor-saving technologies, for example, often move to drive down labor costs rather than invest in developing the means of production (their historic role, according to Marx). The Social Revolution, then, would not merely expropriate the means of production developed by the capitalists—it would be forced to rapidly develop those means in order to meet even the most basic social needs.

Fortunately, the means for doing so have long been in place, and workers are more than capable of meeting the challenge.

## Wage Slavery

Like all socialists, Kropotkin recognized the self-evident truth that workers work for the employing class because they are forced to—without their weekly wages they and their families must starve.

Whence come the fortunes of the rich[?] A little thought would suffice to show that these fortunes have their beginnings in the poverty of the poor. When there are no longer any destitute there will no longer be any rich to exploit them ...<sup>6</sup>

If people had the means to support themselves—if they were capable of meeting their daily needs without hiring out their labor—no one would consent to work for wages that must inevitably be (if the capitalist is to derive any profit) a mere fraction of the value of the goods they produce. Even an independent artisan, the labor aristocracy of Kropotkin's day, could not hope to do better than to support his family and put together an (almost certainly inadequate) pittance for his old age, should he rely on his own effort and diligence:

Assuredly this is not how great fortunes are made. But suppose our shoemaker ... takes an apprentice, the child of some poor wretch who will think himself lucky if in five years time his son has learned the trade and is able to earn his living. ...

Meanwhile our shoemaker does not lose by him; and if trade is brisk he soon takes a second, and then a third ... If he is keen enough and mean enough, his journeymen and apprentices will bring him in nearly a pound a day over and above the product

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<sup>5</sup> "Anarchism: Its Philosophy and Ideal," pp. 126-27. In: Baldwin.

<sup>6</sup> "Expropriation," p. 162. In: M. Miller (ed, *Selected Writings on Anarchism and Revolution*. (MIT Press, 1970)

of his own toil ... He will gradually become rich ... That is what people call “being economical and having frugal temperate habits.”

At bottom it is nothing more nor less than grinding the face of the poor.<sup>7</sup>

Today, to be sure, workers have after a hundred years succeeded in improving their condition—and the apprentice system, already declining in Kropotkin’s time, has all but disappeared. But saving one’s earnings is no more the route to real wealth than it ever was—at best workers can hope to buy a house, afford some time off from the hated job, and put a little money aside for retirement or hard times. To become wealthy, in economic term, requires exploitation—either directly, from workers’ labor, or indirectly, by exploiting workers’ need for the necessities of life.

Under capitalism, “the harder a man works the less he is paid.” But the solution to this manifest injustice could not be found in reversing this equation—in payment according to the service each renders to society. For who is to determine the value of another’s service?

We know what reply we shall get ... The bourgeois economists—and Marx too—will be quoted ... to prove that the scale of wages has its *raison d’être*, since the “labor power” of the engineer will have cost society more than the “labor power” of the laborer ...

[But] the employer who pays the engineer twenty times more than the laborer makes the following simple reckoning: if the engineer can save him a hundred thousand francs a year on his production costs, he will pay the engineer twenty thousand. And when he sees a foreman, able to drive the workers and save ten thousand francs in wages, he loses no time in offering him two or three thousand .. He parts with a thousand francs where he counts on gaining ten thousand, and this in essence is the capitalist system.

So let no one come up with this talk about production costs of the labor force, and tell us that a student who has cheerfully spent his youth at a university has a “right” to a salary ten times that of a miner’s son who has been wasting away down a mine from the age of eleven.<sup>8</sup>

Wage differentials, whether under capitalism or in some future “socialist” society, must be condemned as unjust. Nor is it possible to determine a “just wage” based on an individual’s contribution (even if such a system could be tolerated on ethical grounds, which it cannot).<sup>9</sup>

## Production is Social

Production is not carried out by isolated individuals whose economic contribution can be isolated from that of each other worker so that its value can be determined. To illustrate this, Kropotkin turned to coal mining. (At that time, miners worked either individually or in gangs at

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<sup>7</sup> *ibid.* p. 166.

<sup>8</sup> “The Wage System,” pp. 101, 99. In: V. Richards (ed.), *Why Work? Arguments for the Leisure Society*. (Freedom Press, 1983)

<sup>9</sup> Many Marxists, and even some who consider themselves anarcho-syndicalists, continue to argue for maintaining the wage system in such a guise. Their arguments will be presented, and refuted, in the next installment. ‘

the coal face, and were paid piece rate. In today's coal mines, of course, the issue of individual production would never arise.)

One man controls the lift, continually rushing the cage from level to level so that men and coal may be moved about. If he relaxes his concentration for an instant the apparatus will be destroyed, many men killed, and work brought to a standstill. If he loses as little as three seconds at each movement of the lever, production will be reduced by 20 tons a day or more.

Well, is it he who renders the greatest service in the mine? Or is it perhaps that boy who from below signals to him when it is time to raise the cage to the surface? Is it instead the miner who is risking his life at every moment of the day ... Or again is it the engineer who would miss the coal seam and have the miners dig into stone if he made the smallest error in his calculations? ...

All the workers engaged in the mine contribute within the limits of their powers, their knowledge ... and their skill to mine coal. And all we can say is that everybody has the right to live, to satisfy their needs, and even their fantasies, once the most pressing needs of all have been satisfied. But how can one estimate their labors?[11]

Obviously you can't—no one but a Marxist would attempt such an absurdity. And yet we still have not identified everyone who contributes to the production of that coal.

What of the construction workers who built the railways to the pit head, without which the coal would sit useless. What of the farmers, who raise the food the coal miners eat? What of those who build the machines that will bum the coal—without which coal is merely a rather useless dirt.

There was a time, Kropotkin concedes, when a family could support itself by agricultural pursuits, supplemented with a few domestic trades, and consider the corn they raised and the cloth they weaved as products of their own, and no one else's, labor.

Even then such a view was not quite correct:

there were forests cleared and roads built by common efforts ... But now, in the extremely interwoven state of industry of which each branch supports all others, such an individualistic view can be held no more.

If the iron trade and the cotton industry of this country have reached so high a degree of development, they have done so owing to the parallel growth of thousands of other industries, great and small; to the extension of the railway system; to an increase of knowledge ... and, above all, to the world trade which has itself grown up ...

The Italians who died from cholera in digging the Suez Canal ... have contributed as much towards the enrichment of this country as the British girl who is prematurely growing old in serving a machine at Manchester... How can we pretend to estimate the exact part of each of them in the riches accumulated around us?<sup>10</sup>

And if there is no individual production, then how can private ownership of property be justified? Just as it is impossible to argue that anyone person created a lump of coal or a bolt of cloth, so it is impossible to justify private ownership of buildings or land. Homes, after all, are not built

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<sup>10</sup> "Anarchist Communism: 'Its Basis and Principles,'" p. 57. In: Baldwin.



by their owners. Their construction is a cooperative endeavor involving innumerable workers in forestry, timber yards, brickyards, etc.

Moreover—and it is here that the enormity of the whole proceeding becomes most glaring—the house owes its actual value to the profit which the owner can make out of it.

Now, this profit results from the fact that his house is built in a town ... which the work of twenty or thirty generations has gone to render habitable, healthy, and beautiful.<sup>11</sup>

Like the ground they stand upon, buildings are a common heritage.

For instance, take the town of Paris—a creation of so many centuries, a product of the genius of a whole nation ... How could one maintain to an inhabitant of that town who works every day to embellish it, to purify it, to nourish it, to make it a center of thought and art—how could one assert before one who produces this wealth that the palaces adorning the streets of Paris belong in all justice to those who are the legal proprietors today .... It is by spoliation that they hold these riches!<sup>12</sup>

That this remains so can readily be seen by examining the value of today's office buildings and shopping complexes. Without even the slightest improvements their value rise so long as the local economy prospers. But no sum of money invested in maintenance or beautification is sufficient to maintain their value when the local economy fails. For their value is not derived from the money invested, or from the bricks and mortar (and plastic, steel and cement) of which they are constructed. Not even the labor of the workers who build and maintain these modern temples to capital determines their value. Their value, in the final analysis, depends almost entirely upon the wealth and prosperity of the greater society. The most luxurious hotel built in a dying city will soon fade with its surroundings, while the meanest hovel increases in value as surrounding properties are developed.

We enrich each other—not only spiritually, but materially as well—as we work, contemplate and play together; and without the efforts of society as a whole, no one prospers.

## Private Ownership Absurd

Private ownership, then, is not merely unjust—it is absurd. As early as 1873, when he was only beginning to become active in revolutionary circles, Kropotkin recognized that true equality was impossible under capitalism.

It is desirable that a person beginning to work not enslave himself, not yield part of his labor, his strength, his independence ... to private individuals whose arbitrariness always will determine how great that part should be, then it is necessary that private persons control neither the instruments of labor ... nor the ... earth ... nor the means of existence during work ... Thus we arrive at the elimination, in that future society whose realization we desire, of any personal property ...<sup>13</sup>

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<sup>11</sup> "Expropriation," p. 197. In: Miller.

<sup>12</sup> "Anarchism: Its Philosophy and Ideal," p. 125.

<sup>13</sup> Fields, Factories and Workshops, p. 193.

All property, no matter how it was created, must become the property of all, available to all who contribute to society through their labor. This was, and remains, necessary not only on grounds of social justice, but because all production is necessarily social.

## **Production for Needs**

Kropotkin refused to separate his analysis of what was from what could be. He insisted on asking not merely if the present economic order worked on its own terms but whether:

the means now in use for satisfying human needs, under the present system of ... production for profits, [was] really economical?

Do they really lead to economy in the expenditure of human forces. Or are they not mere wasteful survivals from a past that was plunged into darkness, ignorance and oppression, and never took into consideration the economical and social value of the human being?<sup>14</sup>

The “economical .and social value of the human being,” for Kropotkin, was the key to anarchist economics—to the building of a free society. I will turn to that question in the next issue.

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<sup>14</sup> Fields, *Factories and Workshops*, p. 193.

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*Libertarian Labor Review* 11 (1991) pp 19-24.

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