interests of the ruling class. We discuss this in section J.2.2 and will not do so here.

To this it must be added that wealth has a massive **indirect** influence over politics (and so over society and the law). We have noted above that wealth controls the media and its content. However, beyond this there is what can be called "Investor Confidence," which is another important source of influence. This is *"the key to capitalist stability,"* notes market socialist David Schweickart. *"If a government initiates policies that capitalists perceive to be opposed to their interests, they may, with neither organisation nor even spitefulness, become reluctant to invest [or actually dis-invest] in the offending country (or region or community), not if 'the climate for business is bad.' The outcome of such isolated acts is an economic downturn, and hence political instability. So a government ... has no real choice but to regard the interests of business as privileged. In a very real sense, what is good for business really is good for the country. If business suffers, so will everyone else."* [**Op. Cit.**, pp. 214–5]

Hence Chomsky's comment that when *"popular reform candidates ... get elected ... you get [a] capital strike — investment capital flows out of the country, there's a lowering of investment, and the economy grinds to a halt ... The reason is quite simple. In our society, real power does not happen to lie in the political system, it lies in the private economy; that's were the decisions are made about what's produced, how much is produced, what's consumed, where investment takes place, who has jobs, who controls the resources, and so on and so forth. And as long as that remains the case, changes inside the political system can make* ***some*** *difference — I don't want to say it's zero — but the differences are going to be very slight."* This means that government policy is forced to make *"the rich folk happy"* otherwise *"everything's going to grind to a halt."* [**Understanding Power**, pp. 62–3] As we discuss in the next section, this is precisely what **has** happened.

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Therefore, logically, politics will be dominated by the rich and powerful — in fact if not in theory — since, in general, only the rich can afford to run and only parties supported by the wealthy will gain enough funds and favourable press coverage to have a chance (see section D.3 for the wealthy's control of the mass media). Of course, there are many countries which do have labour-based parties, often allied with union movements, as is the case in Western Europe, for example. Yet even here, the funds available for labour parties are always less than those of capitalist supported parties, meaning that the ability of the former to compete in "fair" elections is hindered. In addition, the political agenda is dominated by the media and as the media are owned by and dependent upon advertising from business, it is hardly surprising that independent labour-based political agendas are difficult to follow or be taken seriously. Unsurprisingly, many of these so-called labour or social-democratic parties have moved to the right (particularly since the 1980s). In Britain, for example, the New Labour government which was elected in 1997 simply, in the main, followed the policies of the previous Conservative Governments and saw its main funding switch from unions to wealthy business men (sometimes in the form of "loans" which could be hidden from the accounts). Significantly, New Labour's success was in part dependent on support from the right-wing media empire of Rupert Murdoch (Blair even consulted with him on policy, indicating his hold over the government).

Then there are the barriers involved once a party has gained office. Just because a party has become the government, it does not mean that they can simply implement their election promises. There are also significant pressures on politicians from the state bureaucracy itself. The state structure is designed to ensure that real power lies not in the hands of elected representatives but rather in the hands of officials, of the state bureaucracy which ensures that any pro-labour political agenda will be watered down and made harmless to the

D.2 What influence does wealth have over politics?

The short answer is: a great deal of influence, directly and indirectly. We have already touched on this in section B.2.3. Here we will expand on those remarks.

State policy in a capitalist democracy is usually well-insulated from popular influence but very open to elite influence and money interests. Let's consider the possibility of direct influence first. It's obvious that elections cost money and that only the rich and corporations can realistically afford to take part in a major way. Even union donations to political parties cannot effectively compete with those from the business classes. For example, in the 1972 US presidential elections, of the $500 million spent, only about $13 million came from trade unions. The vast majority of the rest undoubtedly came from Big Business and wealthy individuals. For the 1956 elections, the last year for which direct union-business comparisons are possible, the contributions of 742 businessmen matched those of unions representing 17 million workers. This, it should be stressed was at a time when unions had large memberships and before the decline of organised labour in America. Thus the evidence shows that it is *"irrefutable"* that *"businessmen contribute vastly greater sums of money to political campaigns than do other groups [in society]. Moreover, they have special ease of access to government officials, and they are disproportionately represented at all upper levels of government."* [David Schweickart, **Against Capitalism**, pp. 210–1]

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For every reinforcement of state power there is always ... a corresponding debilitation of grassroots elements. Men may come and go, but the state remains." [Jose Peirats, **The CNT in the Spanish Revolution**, vol. 2, p. 150]

to social emancipation. It is contrary to all the experience of history and of psychology; people who are not prepared to fight for the betterment of their living conditions are not likely to fight for social emancipation. Slogans of this kind are like a cancer in the revolutionary movement." [Rudolf Rocker, **London Years**, pp. 25–6]

The anarchist position is, therefore, a practical one based on the specific situation rather than a simplistic application of what is ideologically correct. Rolling back the state in the abstract is not without problems in a class and hierarchy ridden system where opportunities in life are immensely unequal. As such, any *"effort to develop and implement government programs that really were equalisers would lead to a form of class war, and in the present state of popular organisations and distribution of effective power, there can hardly be much doubt as to who would win."* [Chomsky, **The Chomsky Reader**, p. 184] Anarchists seek to build the grassroots resistance for politicians like Reagan, Bush Snr and Jnr, Thatcher and so on do not get elected without some serious institutional forces at work. It would be insane to think that once a particularly right-wing politician leaves office those forces will go away or stop trying to influence the political decision making process.

The task of anarchists therefore is not to abstractly oppose state intervention but rather contribute to popular self-organisation and struggle, creating pressures from the streets and workplaces that governments cannot ignore or defy. This means supporting direct action rather than electioneering (see section J.2) for the *"make-up of the government, the names, persons and political tendencies which rubbed shoulders in it, were incapable of effecting the slightest amendment to the enduring quintessence of the state organism ... And the price of entering the of strengthening the state is always unfailingly paid in the currency of a weakening of the forces offering it their assistance.*

force the individualism and lack of personal and social responsibility that produced the need for such action in the first place. The pressing need, therefore, is for working class people need *"independent control ... of their own welfare programs. Mutual aid and welfare arrangements are necessary."* [Sam Dolgoff, **The American Labour Movement**, p. 26] Specific forms of community and social self-help and their historical precedents are discussed in section J.5.16.

This means that the anarchist task is building popular resistance to the state and capitalism and that may, at time, involves resisting attempts to impose "reforms" which harm the working class and enrich and empower the ruling class. As such, few anarchists subscribe to the notion that we should support capitalism inspired "minimising" of the state in the believe that this will increase poverty and inequality and so speed up the arrival of a social revolution. However, such a position fails to appreciate that social change is only possible when the hope for a better future has not been completely destroyed:

> *"Like many others I have believed in my youth that as social conditions became worse, those who suffered so much would come to realise the deeper causes of their poverty and suffering. I have since been convinced that such a belief is a dangerous illusion ... There is a pitch of material and spiritual degradation from which a man can no longer rise. Those who have been born into misery and never knew a better state are rarely able to resist and revolt ... Certainly the old slogan, 'The worse the better', was based on an erroneous assumption. Like that other slogan, 'All or nothing', which made many radical oppose any improvement in the lot of the workers, even when the workers demanded it, on the ground that it would distract the mind of the proletariat, and turn it away from the road which leads*

now. By organising strikes and protests ourselves, we can improve our lives. This does not mean that using direct action to get favourable laws passed or less-favourable ones revoked is a waste of time. Far from it. However, unless ordinary people use their own strength and grassroots organisations to enforce the law, the state and employers will honour any disliked law purely in the breach. By trusting the state, social self-protection against the market and power concentrations becomes hollow. In the end, what the state gives (or, more correctly, is pressurised into giving), it can take away but what we create and run ourselves is always responsive to **our** desires and interests. We have seen how vulnerable state welfare is to pressures from the capitalist class to see that this is a truism.

This is not to deny that in many ways such state "support" can be used as a means of regaining some of the power and labour stolen from us by capitalists in the first place. State intervention **can** give working people more options than they otherwise would have. If state action could not be used in this way, it is doubtful that capitalists and their hired "experts" would spend so much time trying to undermine and limit it. As the capitalist class happily uses the state to enforce its power and property rights, working people making whatever use they can of it is to be expected. Be that as it may, this does not blind anarchists to the negative aspects of the welfare state and other forms of state intervention (see section J.5.15 for anarchist perspectives on the welfare state).

One problem with state intervention, as Kropotkin saw, is that the state's absorption of social functions *"necessarily favoured the development of an unbridled, narrow-minded individualism. In proportion as the obligations towards the State grew in numbers, the citizens were evidently relieved from their obligations towards each other."* [**Mutual Aid**, p. 183] In the case of state "social functions," such as the British National Health Service, although they were created as a **result** of the social atomisation caused by capitalism, they have tended to **rein-**

Section D: How do statism and capitalism affect society?

This section of the FAQ indicates how both statism and capitalism affect the society they exist in. It is a continuation of sections B (Why do anarchists oppose the current system?) and C (What are the myths of capitalist economics?) and it discusses the impact of the underlying social and power relationships within the current system on society.

This section is important because the institutions and social relationships capitalism and statism spawn do not exist in a social vacuum, they have deep impacts on our everyday lives. These effects go beyond us as individuals (for example, the negative effects of hierarchy on our individuality) and have an effect on how the political institutions in our society work, how technology develops, how the media operates and so on. As such, it is worthwhile to point out how (and why) statism and capitalism affect society as a whole outwith the narrow bounds of politics and economics.

So here we sketch some of the impact concentrations of political and economic power have upon society. While many people attack the *results* of these processes (like specific forms of state intervention, ecological destruction, imperialism, etc.) they usually ignore their *causes*. This means that the struggle against social evils will be never-ending, like a doctor fighting the symptoms of a disease without treating the disease itself or the conditions which create it in the first place. We have indicated the roots of the problems we face in earlier sections; now we discuss how these impact on other aspects of our society. This section of the FAQ explores the interactions of the causes and results and draws out how the authoritarian and exploitative nature of capitalism and the state affects the world we live in.

It is important to remember that most supporters of capitalism refuse to do this. Yes, some of them point out **some** flaws and problems within society but they never relate them to the system as such. As Noam Chomsky points out, they *"ignor[e] the catastrophes of capitalism or, on the rare occasions when some*

sentatives of the business class and, consequently, aim to cut social programmes people actually need while leaving welfare for the rich in place. As such, anarchists argue that pressure from below is required to prioritise reforms based on genuine need rather than the interests of capital. For example, in the UK this would involve, say, urging the privatisation of the Royal Family before even thinking about "reforming" the National Health Service or fighting for the state to "get off the backs" of the unions trying to deregulate business. The key is that people reject a *"naive appeal to the legislators and high officials, waiting for salvation through their deliberations and decrees."* In reality *"freedom does not come begging, but rather must be conquered."* [Reclus, **Op. Cit.**, p. 210] This is not done, then the results will simply confirm Voltairine de Cleyre's insight:

> *"Nearly all laws which were originally framed with the intention of benefiting workers, have either turned into weapons in their enemies' hands, or become dead letters unless the workers through their organisations have directly enforced their observance. So that in the end, it is direct action that has to be relied on anyway."* [**The Voltairine de Cleyre Reader**, p. 59]

A classic example of the former are the anti-trust laws in America, originally aimed at breaking the power of capitalist monopoly but were soon turned against labour unions and strikers. De Cleyre's second point is a truism and, obviously, means that anarchists aim to strengthen popular organisations and create mass movements which use direct action to defend their rights. Just because there are laws protecting workers, for example, there is no guarantee that they will be enforced — unless workers themselves are strong enough to make sure the bosses comply with the law.

Anarchists are in favour of self-directed activity and direct action to get improvements and defend reforms in the here and

ganisation for the social functions that the state fulfils through the bureaucracy." [Colin Ward, **Anarchy in Action**, p. 19] This means that anarchists, as part of the wider socialist, labour and social movements seek *"to counterbalance as much as we [can] the centralistic, bureaucratic ambitions of Social Democracy."* [Kropotkin, **Act for Yourselves**, p. 120] This applies both to the organisation and tactics of popular movements as well as the proposed reforms and how they are implemented.

In terms of social reforms, anarchists stress that it cannot be left in the hands of politicians (i.e. the agents of the ruling class). It should be obvious that if you let the ruling class decide (on the basis of their own needs and priorities) which reforms to introduce you can guess which ones will be implemented. If the state establishes what is and is not a "reform", then it will implement those which it favours in a manner which benefits itself and the capitalist class. Such top-down "liberalisation" will only increase the power and freedom of the capitalist class and make capitalist and statist exploitation more efficient. It will not undermine the restrictions on liberty for the many which ensure the profits, property and power of the few in the first place. That is, there will be minor changes around the edges of the state system in order to give more "freedom" to landlords and employers to lord it over their tenants and workers. This can be seen from the experience of neo-liberalism across the world.

This means that the decision of what aspects of statism to dismantle first should **never** be handed over to politicians and bureaucrats who are inevitably agents of the capitalist class. It should be decided from below and guided by an overall strategy of dismantling capitalism **as a system**. That means that any reforms should be aimed at those forms of state intervention which bolster the profits and power of the ruling class and long before addressing those laws which are aimed at making exploitation and oppression tolerable for the working class. If this is not done, then any "reforms" will be directed by the repre-

*problem is noticed, attribut[e] them to any cause **other** than the system that consistently brings them about.*" [**Deterring Democracy**, p. 232] Thus we have people, say, attacking imperialist adventures while, at the same time, supporting the capitalist system which drives it. Or opposing state intervention in the name of "freedom" while supporting an economic system which by its working forces the state to intervene simply to keep it going and society together. The contradictions multiple, simply because the symptoms are addressed, never the roots of the problems.

That the system and its effects are interwoven can best be seen from the fact that while right-wing parties have been elected to office promising to reduce the role of the state in society, the actual size and activity of the state has not been reduced, indeed it has usually increased in scope (both in size and in terms of power and centralisation). This is unsurprising, as "free market" implies strong (and centralised) state — the "freedom" of management to manage means that the freedom of workers to resist authoritarian management structures must be weakened by state action. Thus, ironically, state intervention within society will continue to be needed in order to ensure that society survives the rigours of market forces and that elite power and privilege are protected from the masses.

The thing to remember is that the political and economic spheres are not independent. They interact in many ways, with economic forces prompting political reactions and changes, and vice versa. Overall, as Kropotkin stressed, there are *"intimate links ... between the political regime and the economic regime."* [**Words of a Rebel**, p. 118] These means that it is impossible to talk of, say, capitalism as if it could exist without shaping and being shaped by the state and society. Equally, to think that the state could intervene as it pleased in the economy fails to take into account the influence economic institutions and forces have on it. This has always been the case, as the state *"is a hybridisation of political and social institutions, of co-*

ercive with distributive functions, of highly punitive with regulatory procedures, and finally of class with administrative needs — this melding process has produced very real ideological and practical paradoxes that persist as major issues today." [Bookchin, **The Ecology of Freedom**, p. 196] These paradoxes can only be solved, anarchists argue, by abolishing the state and the social hierarchies it either creates (the state bureaucracy) or defends (the economically dominant class). Until then, reforms of the system will be incomplete, be subject to reversals and have unintended consequences.

These links and interaction between statism and capitalism are to be expected due to their similar nature. As anarchists have long argued, at root they are based on the same hierarchical principle. Proudhon, for example, regarded *"the capitalist principle"* and *"the governmental principle"* as *"one and the same principle ... abolition of the exploitation of man by man and the abolition of the government of man by man, are one and the same formula."* [quoted by Wayne Thorpe, **"The Workers Themselves"**, p. 279] This means that anarchists reject the notion that political reforms are enough in themselves and instead stress that they must be linked to (or, at least, take into account) economic change. This means, for example, while we oppose specific imperialist wars and occupation, we recognise that they will reoccur until such time as the economic forces which generate them are abolished. Similarly, we do not automatically think all attempts to reduce state intervention should be supported simply because they appear to reduce the state. Instead, we consider who is introducing the reforms, why they are doing so and what the results will be. If the "reforms" are simply a case of politicians redirecting state intervention away from the welfare state to bolster capitalist power and profits, we would not support the change. Anarchist opposition to neoliberalism flows from our awareness of the existence of economic and social power and inequality and its impact on society and the political structure.

member, one vote — which would be a much better alternative than privatising what is obviously a natural monopoly (which, as experience shows, simply facilitates the fleecing of the public for massive private profit). Christie and Meltzer state the obvious:

> *"It is true that government takes over the control of certain necessary social functions. It does not follow that **only** the state could assume such control. The postmen are 'civil servants' only because the State makes them such. The railways were not always run by the state, They belonged to the capitalists [and do once more, at least in the UK], and could as easily have been run by the railway workers.*
>
> *"The opponents of anarchism assure us that if we put government under a ban, there would be no education, for the state controls the schools. There would be no hospitals — where would the money come from? Nobody would work — who would pay their wages? ... But in reality, not ... the state, but the people provide what the people have. If the people do not provide for themselves, the state cannot help them. It only appears to do so because it is in control. Those who have power may apportion work or regulate the standard of living, but this is part of the attack upon the people, not something undertaken on their behalf."* [**The Floodgates of Anarchy**, p. 148–149]

Much the same can be said of other aspects of state intervention. For example, if we look at state education or welfare an anarchist solution could be to press for *"workers' control by all the people involved"* in an institution, in other words *"the extension of the principle of freedom from the economic to the political side of the health [and education] system[s]."* [Nicholas Walters, **About Anarchism**, p. 76] The aim is to create *"new forms of or-*

take on the role of workers' protectors ... it is important to point out that the 'nationalise it' or 'take it into public ownership' slogan is far too often spun out by people on the left without their taking into account that there is a massive difference between state control/ownership and workers' control/ownership ... we all know that even if the revenues ... were still in state ownership, spending it on housing the homeless or reducing hospital waiting lists would not top the agenda of the government.

"Put simply, state ownership does not equal workers' ownership ... we are sold the lie that the resource ... is 'public property.' The reality however is that far from being in the ownership of 'the public,' ordinary people have no direct say in the allocation of these resources. Just as working class people are consistently alienated from the product of their labour, this selling of the idea of 'public ownership' over which the public have no real say leads to an increase in apathy and a sense of helplessness among ordinary people. It is much more likely that the political establishment who control the purse strings supposedly 'in the public interest' will actually spend revenues generated from these 'public assets' on measures that will have the long-term effect of re-enforcing rather than alleviating social division. Public policy consistently results in an increase in the gap between the well-off and the poor." [Kerr, **Opt. Cit.**, pp. 16–7 and p. 17]

Thus an anarchist approach to this issue would be to reject both privatisation **and** nationalisation in favour of socialisation, i.e. placing nationalised firms under workers' self-management. In the terms of public utilities, such as water and power suppliers, they could be self-managed by their workers in association with municipal co-operatives — based on one

In some ways, this section discusses class struggle **from above**, i.e. the attacks on the working class conducted by the ruling class by means of its state. While it appears that every generation has someone insisting that the "class war" is dead and/or obsolete (Tony Blair did just that in the late 1990s), what they mean is that class struggle **from below** is dead (or, at least, they wish it so). What is ignored is that the class struggle from above continues even if class struggle from the below appears to have disappeared (until it reappears in yet another form). This should be unsurprising as any ruling class will be seeking to extend its profits, powers and privileges, a task aided immensely by the reduced pressure from below associated with periods of apparent social calm (Blair's activities in office being a striking confirmation of this). Ultimately, while you may seek to ignore capitalism and the state, neither will ignore you. That this produces resistance should be obvious, as is the fact that demise of struggle from below have always been proven wrong.

By necessity, this section will not (indeed, cannot) cover all aspects of how statism and capitalism interact to shape both the society we live in and ourselves as individuals. We will simply sketch the forces at work in certain important aspects of the current system and how anarchists view them. Thus our discussion of imperialism, for example, will not get into the details of specific wars and interventions but rather give a broad picture of why they happen and why they have changed over the years. However, we hope to present enough detail for further investigation as well as an understanding of how anarchists analyse the current system based on our anti-authoritarian principles and how the political and economic aspects of capitalism interact.

D.1 Why does state intervention occur?

The most obvious interaction between statism and capitalism is when the state intervenes in the economy. Indeed, the full range of capitalist politics is expressed in how much someone thinks this should happen. At one extreme, there are the right-wing liberals (sometimes mistakenly called "libertarians") who seek to reduce the state to a defender of private property rights. At the other, there are those who seek the state to assume full ownership and control of the economy (i.e. state capitalists who are usually mistakenly called "socialists"). In practice, the level of state intervention lies between these two extremes, moving back and forth along the spectrum as necessity requires.

For anarchists, capitalism as an economy requires state intervention. There is, and cannot be, a capitalist economy which does not exhibit some form of state action within it. The state is forced to intervene in society for three reasons:

1. To bolster the power of capital as a whole within society.
2. To benefit certain sections of the capitalist class against others.
3. To counteract the anti-social effects of capitalism.

From our discussion of the state and its role in section B.2, the first two reasons are unexpected and straight forward. The state is an instrument of class rule and, as such, acts to favour

> *"Privatisation of public services — whether it is through the direct sale of utilities or through indirect methods such as PFI and PPP — involves a massive transfer of wealth from taxpayers to the pockets of private business interests. It negates the concept of there being such a thing as 'public service' and subjects everything to the bottom line of profit. In other words it seeks to maximise the profits of a few at the expense of wages and social obligations. Furthermore, privatisation inevitably leads to an attack on wages and working conditions — conditions which have been fought for through years of trade union agitation are done away with at the scratch of a pen."* [Gregor Kerr, *"Privatisation: the rip-off of public resources"*, pp. 14–18, **Black and Red Revolution**, no. 11, p. 16]

In response to such "reforms", anarchists propose an alternatives to both options. Anarchists aim not at state ownership but to *"transfer all that is needed for production ... from the hands of the individual capitalists into those of the communities of producers and consumers."* [Kropotkin, **Environment and Evolution**, pp. 169–70] In other words, while *"[i]n today's world 'public sector' has come to mean 'government.' It is only if 'public sector' can be made to mean 'people's ownership' in a real sense that the call for public ownership can be a truly radical one."* [Kerr, **Op. Cit.**, p. 18] This is based on a common-sense conclusion from the analysis of the state as an instrument of the ruling class:

> *"While anarchists oppose the privatisation of state assets and services for the reasons discussed above, we do not call — as some on the left do — for the 'nationalisation' of services as a solution to problems ... We'd be expecting the same politicians who are busily implementing the neo-liberal agenda to now*

both Thatcher and Reagan was conducted under a "democratic" mandate although, in fact, these governments took advantage of the lack of real accountability between elections. They took advantage of an aspect of the state which anarchists had been warning of for decades, being *"well aware that [the politician] can now commit crimes with immunity, [and so] the elected official finds himself immediately exposed to all sorts of seductions on behalf of the ruling classes"* and so implemented policies *"solicited by big industry, high officials, and above all, by international finance."* [Elisee Reclus, **The Modern State**, p. 208 and pp. 208–9]

As such, while anarchists are against the state, our position on state intervention depends on the specific issue at hand. Most of us think state health care services and unemployment benefits (for example) are more socially useful than arms production, and in lieu of more anarchistic solutions, better than the alternative of "free market" capitalism. This does not mean we are happy with state intervention, which in practice undermines working class self-help, mutual aid and autonomy. Also, state intervention of the "social" nature is often paternalistic, run by and for the "middle classes" (i.e. professional/managerial types and other self-proclaimed "experts"). However, until such time as a viable anarchist counterculture is created, we have little option but to "support" the lesser evil (and make no mistake, it **is** an evil).

Taking the issue of privatisation of state owned and run industry, the anarchist position is opposition to both. As we noted in section D.1.3, the anarchist prediction that if you substitute government ownership for private ownership, *"nothing is changed but the stockholders and the management; beyond that, there is not the least difference in the position of the workers."* [Proudhon, quoted by Ritter, **Op. Cit.**, pp. 167–8] However, privatisation is a rip-off of the general public for the benefit of the wealthy:

the continuation of the system as a whole. The state, therefore, has always intervened in the capitalist economy, usually to distort the market in favour of the capitalist class within its borders as against the working class and foreign competitors. This is done by means of taxes, tariffs, subsidies and so forth.

State intervention has been a feature of capitalism from the start. As Kropotkin argued, *"nowhere has the system of 'non-intervention of the State' ever existed. Everywhere the State has been, and still is, the main pillar and the creator, direct and indirect, of Capitalism and its powers over the masses. Nowhere, since States have grown up, have the masses had the freedom of resisting the oppression by capitalists... The state has **always** interfered in the economic life in favour of the capitalist exploiter. It has always granted him protection in robbery, given aid and support for further enrichment. **And it could not be otherwise**. To do so was one of the functions — the chief mission — of the State."* [**Evolution and Environment**, pp. 97–8]

In addition to this role, the state has also regulated certain industries and, at times, directly involved itself in employing wage labour to product goods and services. The classic example of the latter is the construction and maintenance of a transport network in order to facilitate the physical circulation of goods. As Colin Ward noted, transport *"is an activity heavily regulated by government. This regulation was introduced, not in the interests of the commercial transport operators, but in the face of their intense opposition, as well as that of the ideologists of 'free' enterprise."* He gives the example of the railways, which were *"built at a time when it was believed that market forces would reward the good and useful and eliminate the bad or socially useless."* However, *"it was found necessary as early as 1840 for the government's Board of Trade to regulate and supervise them, simply for the protection of the public."* [**Freedom to Go**, p. 7 and pp. 7–8]

This sort of intervention was to ensure that no one capitalist or group of capitalists had a virtual monopoly over the oth-

ers which would allow them to charge excessive prices. Thus the need to bolster capital as a whole may involve regulating or expropriating certain capitalists and sections of that class. Also, state ownership was and is a key means of rationalising production methods, either directly by state ownership or indirectly by paying for Research and Development. That certain sections of the ruling class may seek advantages over others by control of the state is, likewise, a truism.

All in all, the idea that capitalism is a system without state intervention is a myth. The rich use the state to bolster their wealth and power, as would be expected. Yet even if such a thing as a truly "laissez-faire" capitalist state were possible, it would still be protecting capitalist property rights and the hierarchical social relations these produce against those subject to them. This means, as Kropotkin stressed, it *"has never practised"* the idea of laissez faire. In fact, *"while all Governments have given the capitalists and monopolists full liberty to enrich themselves with the underpaid labour of working men [and women] ... they have **never**, **nowhere** given the working [people] the liberty of opposing that exploitation. Never has any Government applied the 'leave things alone' principle to the exploited masses. It reserved it for the exploiters only."* [**Op. Cit.**, p. 96] As such, under pure "free market" capitalism state intervention would still exist but it would be limited to repressing the working class (see section D.1.4 for more discussion).

Then there is the last reason, namely counteracting the destructive effects of capitalism itself. As Chomsky puts it, *"in a predatory capitalist economy, state intervention would be an absolute necessity to preserve human existence and to prevent the destruction of the physical environment — I speak optimistically ... social protection ... [is] therefore a minimal necessity to constrain the irrational and destructive workings of the classical free market."* [**Chomsky on Anarchism**, p. 111] This kind of intervention is required simply because *"government cannot want society to break up, for it would mean that it and the dominant*

to downsize government and to 'get the government off the people's back,' even though what he meant was to deregulate big business, and make them free to exploit the workers and make larger profits." [Lorenzo Kom'boa Ervin, **Anarchism and the Black Revolution**, p. 100] As such, it would be a big mistake to confuse anarchist hostility to the state with the rhetoric of right-wing politicians seeking to reduce social spending (Brian Oliver Sheppard discusses this issue well in his article *"Anarchism vs. Right-Wing 'Anti-Statism'"* [**Anarcho-Syndicalist Review**, no. 31, Spring 2001]). Chomsky puts it well:

> *"State authority is now under severe attack in the more democratic societies, but not because it conflicts with the libertarian vision. Rather the opposite: because it offers (weak) protection to some aspects of that vision. Governments have a fatal flaw: unlike the private tyrannies, the institutions of state power and authority offer to the despised public an opportunity to play some role, however limited, in managing their own affairs. That defect is intolerable to the masters ... the goals of a committed anarchist should be to defend some state institutions from the attack against them, while trying at the same time to pry them open to more meaningful public participation — and, ultimately, to dismantle them in a much more free society, of the appropriate circumstances can be achieved."* [**Chomsky on Anarchism**, p. 193 and p. 194]

There is, of course, a tension in this position. The state may be influenced by popular struggle but it remains an instrument of **capitalist** rule. It may intervene in society as a result of people power and by the necessity to keep the system as a whole going, but it is bureaucratic and influenced by the wealthy and big business. Indeed, the onslaught on the welfare state by

D.1.5 Do anarchists support state intervention?

So where do anarchists stand on state intervention? This question does not present a short answer simply because it is a complex issue. On the one hand, as Proudhon stressed, the state exists to *"maintain **order** in society, by consecrating and sanctifying obedience of the citizens to the State, subordination of the poor to the rich, of the common people to the upper class, of the worker to the idler."* [**The General Idea of the Revolution**, p. 243] In such circumstances, appealing to the state makes little sense. On the other hand, the modern state does do some good things (to varying degrees). As a result of past popular struggles, there is a basic welfare system in some countries which does help the poorest sections of society. That aspect of state intervention is what is under attack by the right under the slogan of "minimising the state."

In the long term, of course, the real solution is to abolish capitalism *"and both citizens and communities will have no need of the intervention of the State."* [Proudhon, **Op. Cit.**, p. 268] In a free society, social self-defence would not be statist but would be similar in nature to trade unionism, co-operatives and pressure groups — individuals working together in voluntary associations to ensure a free and just society — within the context of an egalitarian, decentralised and participatory system which eliminates or reduces the problems in the first place (see section I).

However, that does not answer the question of what we do in the here and now when faced with demands that the welfare state (for the working class, **not** corporate welfare) and other reforms be rolled back. This attack has been on going since the 1970s, accelerating since 1980. We should be clear that claims to be minimising the state should be taken with a massive pitch of salt as the likes of Reagan were *"elected to office promising*

class would be deprived of sources of exploitation; nor can it leave society to maintain itself without official intervention, for then people would soon realise that government serves only to defend property owners ... and they would hasten to rid themselves of both." [Malatesta, **Anarchy**, p. 25]

So while many ideologues of capitalism thunder against state intervention (for the benefit of the masses), the fact is that capitalism itself produces the need for such intervention. The abstractly individualistic theory on which capitalism is based ("everyone for themselves") results in a high degree of statism since the economic system itself contains no means to combat its own socially destructive workings. The state must also intervene in the economy, not only to protect the interests of the ruling class but also to protect society from the atomising and destructive impact of capitalism. Moreover, capitalism has an inherent tendency toward periodic recessions or depressions, and the attempt to prevent them has become part of the state's function. However, since preventing them is impossible (they are built into the system — see section C.7), in practice the state can only try to postpone them and ameliorate their severity. Let's begin with the need for social intervention.

Capitalism is based on turning both labour and land into commodities. As socialist Karl Polanyi points out, however, *"labour and land are no other than the human beings themselves of which every society consists and the natural surroundings in which it exists; to include labour and land in the market mechanism means to subordinate the substance of society itself to the laws of the market."* And this means that *"human society has become an accessory to the economic system,"* with humanity placing itself fully in the hands of supply and demand. But such a situation *"could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness."* This, inevitably, provokes a reaction in order to defend the basis of society and the environment that capi-

talism needs, but ruthlessly exploits. As Polanyi summarises, *"the countermove against economic liberalism and laissez-faire possessed all the unmistakable characteristics of a spontaneous reaction ... [A] closely similar change from laissez-faire to 'collectivism' took place in various countries at a definite stage of their industrial development, pointing to the depth and independence of the underlying causes of the process."* [**The Great Transformation**, p. 71, pp. 41–42 and pp. 149–150]

To expect that a community would remain indifferent to the scourge of unemployment, dangerous working conditions, 16-hour working days, the shifting of industries and occupations, and the moral and psychological disruption accompanying them — merely because economic effects, in the long run, might be better — is an absurdity. Similarly, for workers to remain indifferent to, for example, poor working conditions, peacefully waiting for a new boss to offer them better conditions, or for citizens to wait passively for capitalists to start voluntarily acting responsibly toward the environment, is to assume a servile and apathetic role for humanity. Luckily, labour refuses to be a commodity and citizens refuse to stand idly by while the planet's ecosystems are destroyed.

In other words, the state and many of its various policies are not imposed from outside of the capitalist system. It is not some alien body but rather has evolved in response to clear failings within capitalism itself (either from the perspective of the ruling elite or from the general population). It contrast, as the likes of von Hayek did, to the "spontaneous" order of the market versus a "designed" order associated with state fails to understand that the latter can come about in response to the former. In other words, as Polanyi noted, state intervention can be a *"spontaneous reaction"* and so be a product of social evolution itself. While the notion of a spontaneous order may be useful to attack undesired forms of state intervention (usually social welfare, in the case of von Hayek), it fails to note this process at work nor the fact that the state itself played a key

the resulting unemployment and job insecurity make workers more likely to put up with low pay and do what their bosses demand. As Doug Henwood notes, *"policy makers are exceedingly obsessed with wage increases and the state of labour militancy. They're not only concerned with the state of the macroeconomy, conventionally defined, they're also concerned with the state of the class struggle, to use the old-fashioned language."* [**Wall Street**, p. 219] Little wonder the ruling class and its high priests within the "science" of economics have embraced the concept of a "natural rate" of unemployment (see section C.9 on this and as we indicated in section C.6, this has been **very** enriching for the ruling class since 1980).

Ultimately, the business class wants the state to intervene in the economy beyond the minimum desired by a few ideologues of capitalism simply to ensure it gets even more wealth and power — and to ensure that the system does not implode. Ironically, to get capitalism to work as some of its defenders want it to would require a revolution in itself — against the capitalists! Yet if we go to the trouble of fighting public tyranny (the state), why should we stop there? Why should private tyranny (capitalism, its autocratic structures and hierarchical social relationships) remain untouched? Particularly, as Chomsky notes, under capitalism *"minimising the state means strengthening the private sectors. It narrows the domain within which public influence can be expressed. That's not an anarchist goal ... It's minimising the state and increasing an even worse power,"* namely capitalist firms and corporations which are *"private totalitarian organisations."* [**Chomsky on Anarchism**, p. 214 and p. 213] In other words, if a government "privatises" some government function, it is not substituting a market for a bureaucracy. It is substituting a private bureaucracy for a public one, usually at rock-bottom prices, so that some more capitalists can make a profit. All the economic mumbo-jumbo is just a smokescreen for this fact.

its turn before this new authority that is incompatible with the practice of liberty." [Proudhon, quoted by Alan Ritter, **The Political Thought of Pierre-Joseph Proudhon**, p. 122] Thus capitalism always has to rely on the state, on political coercion, if only the minimal state, to assure its survival. The capitalist market has to, in other words, resort to the coercion it claims to avoid once people start to question its shortcomings. Of course, this coercion need not be monopolised in the form of state police and armed forces. It has been enforced successfully by private police forces and security guards, but it does not change the fact that force is required to maintain capitalist property, power and property rights.

In summary, **all** forms of capitalism rest on the superior force of economic elites who have the backing of the state to defend the sources of that power as well as any contracts it has agreed to. In other words, "laissez-faire" capitalism does not end state intervention, it simply creates a situation where the state leaves the market process to the domination of those who occupy superior market positions. As Kropotkin put it, capitalism *"is called the freedom of transactions but it is more truly called the freedom of exploitation."* [**Words of a Rebel**, p. 119]

Given this, it may be objected that in this case there is no reason for the ruling class to interfere with the economy. If economic coercion is sufficient, then the elite has no need to turn to the state for aid. This objection, however, fails to appreciate that the state **has** to interfere to counteract the negative impacts of capitalism. Moreover, as we discussed in section C.7, economic coercion becomes less pressing during periods of low unemployment and these tend to provoke a slump. It is in the interests of the ruling elite to use state action to reduce the power of the working classes in society. Thus we find the Federal Reserve in the USA studying economic statistics to see if workers are increasing their bargaining power on the labour market (i.e. are in a position to demand more wages or better conditions). If so, then interest rates are increased and

role in the creation of capitalism in the first place as well as specifying the rules for the operation and so evolution of the market itself.

Therefore state intervention occurs as a form of protection against the workings of the market. As capitalism is based on atomising society in the name of "freedom" on the competitive market, it is hardly surprising that defence against the anti-social workings of the market should take statist forms — there being few other structures capable of providing such defence (as such social institutions have been undermined, if not crushed, by the rise of capitalism in the first place). Thus, ironically, "individualism" produces a "collectivist" tendency within society as capitalism destroys communal forms of social organisation in favour of ones based on abstract individualism, authority, and hierarchy — all qualities embodied in the state, the sole remaining agent of collective action in the capitalist worldview. Strangely, conservatives and other right-wingers fail to see this, instead spouting on about "traditional values" while, at the same time, glorifying the "free market." This is one of the (many) ironic aspects of free market dogma, namely that it is often supported by people who are at the forefront of attacking the **effects** of it. Thus we see conservatives bemoaning the breakdown of traditional values while, at the same time, advocating the economic system whose operation weakens family life, breaks up communities, undermines social bonds and places individual gain above all else, particularly "traditional values" and "community." They seem blissfully unaware that capitalism destroys the traditions they claim to support and recognises only monetary values.

In addition to social protection, state intervention is required to protect a country's economy (and so the economic interests of the ruling class). As Noam Chomsky points out, even the USA, home of "free enterprise," was marked by *"large-scale intervention in the economy after independence, and conquest of resources and markets... [while] a centralised developmental state*

[was constructed] committed to [the] creation and entrenchment of domestic manufacture and commerce, subsidising local production and barring cheaper British imports, constructing a legal basis for private corporate power, and in numerous other ways providing an escape from the stranglehold of comparative advantage." [**World Orders, Old and New**, p. 114] State intervention is as natural to capitalism as wage labour.

In the case of Britain and a host of other countries (and more recently in the cases of Japan and the Newly Industrialising Countries of the Far East, like Korea) state intervention was the key to development and success in the "free market." (see, for example, Robert Wade's **Governing the Market**). In other "developing" countries which have had the misfortune to be subjected to "free-market reforms" (e.g. neo-liberal Structural Adjustment Programs) rather than following the interventionist Japanese and Korean models, the results have been devastating for the vast majority, with drastic increases in poverty, homelessness, malnutrition, etc. (for the elite, the results are somewhat different of course). In the nineteenth century, states only turned to laissez-faire once they could benefit from it and had a strong enough economy to survive it: *"Only in the mid-nineteenth century, when it had become powerful enough to overcome any competition, did England [sic!] embrace free trade."* [Chomsky, **Op. Cit.**, p. 115] Before this, protectionism and other methods were used to nurture economic development. And once laissez-faire started to undermine a country's economy, it was quickly revoked. For example, protectionism is often used to protect a fragile economy and militarism has always been a favourite way for the ruling elite to help the economy, as is still the case, for example, in the "Pentagon System" in the USA (see section D.8).

Therefore, contrary to conventional wisdom, state intervention will always be associated with capitalism due to: (1) its authoritarian nature; (2) its inability to prevent the anti-social results of the competitive market; (3) its fallacious assumption

market, by definition, does not and cannot have any protections against the imposition of private power. The state (or legal code) by enforcing the norms agreed to by the exchange is just as much a form of state intervention as more obvious forms of state action. In other words, the state's monopoly of power and coercion is used to enforce the contracts reached between the powerful and powerless. As such contracts will hardly be neutral, the state cannot be a neutral arbiter when presiding over capitalism. The net result is simply that the state allows the more powerful party to an exchange to have authority over the weaker party — all under the fiction of equality and freedom. And, as Malatesta stressed, state power and centralisation will have to increase:

> *"liberalism, is in theory a kind of anarchy without socialism, and therefore is simply a lie, for freedom is not possible 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 with 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. 46]

His comments were more than confirmed by the rise of neoliberalism nearly a century later which combined the "free(r) market" with a strong state marked by more extensive centralisation and police powers.

This is unsurprising, as laissez-faire capitalism being *"unable to solve its celebrated problem of the harmony of interests, [is forced] to impose laws, if only provisional ones, and abdicates in*

fend capitalist power and the property and property rights this flows from.

This means that the laissez-faire position is a form of state intervention as well. State "neutrality" considered as simply enforcing property rights (the "minimal state") instantly raises the question of **whose** conception of property rights, popular ones or capitalist ones? Unsurprisingly, the capitalist state enforces capitalist notions of property. In other words, it sanctions and supports economic inequality and the privileges and power of those who own property and, of course, the social relationships such a system generates. Yet by defending capitalist property, the state can hardly remain "neutral" with regards to ownership and the power it generates. In other words, the "neutral" state **has** to intervene to defend the authority of the boss or landlord over the workers they exploit and oppress. It is not a "public body" defending some mythical "public interest" but rather a defender of class society and the socio-economic relationships such a system creates. Political power, therefore, reflects and defends economic and social power.

As Kropotkin argued, the *"major portion"* of laws have *"but one object — to protect private property, i.e. wealth acquired by the exploitation of man by man. Their aim is to open to capital fresh fields for exploitation, and to sanction the new forms which that exploitation continually assumes, as capital swallows up another branch of human activity ... They exist to keep up the machinery of government which serves to secure to capital the exploitation and monopoly of wealth produced."* This means that all modern states *"all serve one God — capital; all have but one object — to facilitate the exploitation of the worker by the capitalist."* [**Anarchism**, p. 210]

Given that the capitalist market is marked by inequalities of power, any legal framework will defend that power. The state simply allows the interaction between parties to determine the norms of conduct in any contract. This ensures that the more powerful party to impose its desires on the weaker one as the

that society should be *"an accessory to the economic system"*; (4) the class interests of the ruling elite; and (5) the need to impose its authoritarian social relationships upon an unwilling population in the first place. Thus the contradictions of capitalism necessitate government intervention. The more the economy grows, the greater become the contradictions and the greater the contradictions, the greater the need for state intervention. The development of capitalism as a system provides amble empirical support for this theoretical assessment.

Part of the problem is that the assumption that "pure" capitalism does not need the state is shared by both Marxists and supporters of capitalism. *"So long as capital is still weak,"* Marx wrote, *"it supports itself by leaning on the crutches of past, or disappearing, modes of production. As soon as it begins to feel itself strong, it throws away these crutches and moves about in accordance with its own laws of motion. But as soon as it begins to feel itself as a hindrance to further development and is recognised as such, it adapts forms of behaviour through the harnessing of competition which seemingly indicate its absolute rule but actually point to its decay and dissolution."* [quoted by Paul Mattick, **Marx and Keynes**, p. 96] Council Communist Paul Mattick comments that a *"healthy"* capitalism *"is a strictly competitive capitalism, and the imperfections of competition in the early and late stages of its development must be regarded as the ailments of an infantile and of a senile capitalism. For a capitalism which restricts competition cannot find its indirect 'regulation' in the price and market movements which derive from the value relations in the production process."* [**Op. Cit.**, p. 97]

However, this gives capitalism far too much credit — as well as ignoring how far the reality of that system is from the theory. State intervention has always been a constant aspect of economic life under capitalism. Its limited attempts at laissez-faire have always been failures, resulting in a return to its statist roots. The process of selective laissez-faire and collectivism has been as much a feature of capitalism in the past as it is now. In-

deed, as Noam Chomsky argues, *"[w]hat is called 'capitalism' is basically a system of corporate mercantilism, with huge and largely unaccountable private tyrannies exercising vast control over the economy, political systems, and social and cultural life, operating in close co-operation with powerful states that intervene massively in the domestic economy and international society. That is dramatically true of the United States, contrary to much illusion. The rich and privileged are no more willing to face market discipline than they have been in the past, though they consider it just fine for the general population."* [**Marxism, Anarchism, and Alternative Futures**, p. 784] As Kropotkin put it:

> *"What, then is the use of taking, with Marx, about the 'primitive accumulation' — as if this 'push' given to capitalists were a thing of the past? ... In short, nowhere has the system of 'non-intervention of the State' ever existed ... Nowhere, since States have grown up, have the masses had the freedom of resisting the oppression by capitalists. The few rights they have now they have gained only by determination and endless sacrifice.*
>
> *"To speak therefore of 'non-intervention of the State' may be all right for middle-class economists, who try to persuade the workers that their misery is 'a law of Nature.' But — how can Socialists use such language?"* [**Op. Cit.**, pp. 97–8]

In other words, while Marx was right to note that the *"silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker"* he was wrong to state that *"[d]irect extra-economic force is still of course used, but only in exceptional cases."* The ruling class rarely lives up to its own rhetoric and while *"rely[ing] on his [the workers'] dependence on capital"* it always supplements that with state intervention.

95–6] As British anarchists stressed during the first post-war Labour Government:

> *"The fact that the alternative, under capitalism, is destitution and the sharper anomalies of poverty, does not make the Liberal-Socialistic alternative a sound proposition."*
>
> *"The only rational insurance against the evils of poverty and industrialism and old age under the wages system is the abolition of poverty and the wages system, and the transformation of industrialism to serve human ends instead of grinding up human beings."* [Vernon Richards (ed.), **World War — Cold War**, p. 347]

In reality, rather than genuine socialism we had reformists *"operating capitalism while trying to give it a socialist gloss."* [**Op. Cit.**, p. 353] The fact is that the ruling class oppose those forms of state intervention which aim, at least in rhetoric, to help working class people. This does not make such reforms socialistic. The much more substantial state intervention for the elite and business are simply part of the natural order and go unmentioned. That this amounts to a welfare state for the wealthy or socialism for the rich is, of course, one of the great unspeakable truths of capitalism.

D.1.4 Is laissez-faire capitalism actually without state intervention?

The underlying assumption in the neo-liberal and conservative attacks against state intervention is the assumption that their minimal state is without it. The reality of the situation is, of course, different. Even the minimal state of the ideologues dreams intervenes on behalf of the ruling class in order to de-

creative industrialists in dictatorial managerial positions." [Vernon Richards (ed.), **Op. Cit.**, p. 10] Thus, in practice, the real examples of nationalisation confirmed Kropotkin's prediction that it would be *"an exchange of present capitalism for state-capitalism"* and simply be *"nothing but a new, perhaps improved, but still undesirable form of the wage system."* [**Evolution and Environment**, p. 193 and p. 171] The nationalised industries were expected, of course, to make a profit, partly for *"repaying the generous compensation plus interest to the former owners of the mainly bankrupt industries that the Labour government had taken over."* [Richards, **Op. Cit.**, p. 7]

Ultimately, state ownership at local or national level is hardly socialistic in principle or in practice. As Kropotkin stressed, *"no reasonable man [or woman] will expect that Municipal Socialism, any more than Co-operation, could solve to any extent the Social problem."* This was because it was *"self-evident that [the capitalists] will not let themselves be expropriated without opposing resistance. They may favour municipal [or state] enterprise for a time; but the moment they see that it really begins to reduce the number of paupers ... or gives them regular employment, and consequently threatens to reduce the profits of the exploiters, they will soon put an end to it."* [**Act for Yourselves**, p. 94 and p. 95] The rise of Monetarism in the 1970s and the subsequent enthronement of the "Natural Rate" of unemployment thesis proves this argument.

While state intervention is hardly socialistic, what can be said is that *"the positive feature of welfare legislation is that, contrary to the capitalist ethic, it is a testament to human solidarity. The negative feature is precisely that it is an arm of the state."* [Colin Ward, **Talking Anarchy**, p. 79] For anarchists, while *"we are certainly in full sympathy with all that is being done to widen the attributes of city life and to introduce communistic conceptions into it. But it is only through a Social Revolution, made by the workers themselves, that the present exploitation of Labour by Capital can be altered."* [Kropotkin, **Op. Cit.**, pp.

As such, Marx was wrong to state it was *"otherwise during the historical genesis of capitalist production."* It is not only the *"rising bourgeoisie"* which *"needs the power of the state"* nor is it just *"an essential aspect of so-called primitive accumulation."* [**Capital**, vol. 1, pp. 899–900]

The enthusiasm for the "free market" since the 1970s is in fact the product of the extended boom, which in turn was a product of a state co-ordinated war economy and highly interventionist Keynesian economics (a boom that the apologists of capitalism use, ironically, as "evidence" that "capitalism" works) plus an unhealthy dose of nostalgia for a past that never existed. It's strange how a system that has never existed has produced so much! When the Keynesian system went into crisis, the ideologues of "free market" capitalism seized their chance and found many in the ruling class willing to utilise their rhetoric to reduce or end those aspects of state intervention which benefited the many or inconvenienced themselves. However, state intervention, while reduced, did not end. It simply became more focused in the interests of the elite (i.e. the natural order). As Chomsky stresses, the "minimal state" rhetoric of the capitalists is a lie, for they will *"never get rid of the state because they need it for their own purposes, but they love to use this as an ideological weapon against everyone else."* They are *"not going to survive without a massive state subsidy, so they want a powerful state."* [**Chomsky on Anarchism**, p. 215]

And neither should it be forgotten that state intervention was required to create the "free" market in the first place. To quote Polanyi again, *"[f]or as long as [the market] system is not established, economic liberals must and will unhesitatingly call for the intervention of the state in order to establish it, and once established, in order to maintain it."* [**Op. Cit.**, p. 149] Protectionism and subsidy (mercantilism) — along with the liberal use of state violence against the working class — was required to create and protect capitalism and industry in the first place (see section F.8 for details).

In short, although laissez-faire may be the ideological basis of capitalism — the religion that justifies the system — it has rarely if ever been actually practised. So, while the ideologues are praising "free enterprise" as the fountainhead of modern prosperity, the corporations and companies are gorging at the table of the State. As such, it would be wrong to suggest that anarchists are somehow "in favour" of state intervention. This is not true. We are "in favour" of reality, not ideology. The reality of capitalism is that it needs state intervention to be created and needs state intervention to continue (both to secure the exploitation of labour and to protect society from the effects of the market system). That we have no truck with the myths of "free market" economics does not mean we "support" state intervention beyond recognising it as a fact of a system we want to end and that some forms of state intervention are better than others.

D.1.1 Does state intervention cause the problems to begin with?

It depends. In the case of state intervention on behalf of the ruling class, the answer is always yes! However, in terms of social intervention the answer is usually no.

However, for classical liberals (or, as we would call them today, neo-liberals, right-wing "libertarians" or "conservatives"), state intervention is the root of all evil. It is difficult for anarchists to take such argument that seriously. Firstly, it is easily concluded from their arguments that they are only opposed to state intervention on behalf of the working class (i.e. the welfare state or legal support for trade unionism). They either ignore or downplay state intervention on behalf of the ruling class (a few **do** consistently oppose all state intervention beyond that required to defend private property, but these unsurprisingly have little influence beyond appropriation of some

ers. Rather, it is to be expected that they will be designed and manipulated by private power for their own benefits; and to a significant degree the expectation is fulfilled. It is not very likely that matters could be otherwise in the absence of mass popular organisations that are prepared to struggle for their rights and interests." [**Op. Cit.**, p. 184] The notion that "welfare equals socialism" is nonsense, although it can reduce poverty and economic inequality somewhat. As Colin Ward notes, *"when socialists have achieved power"* they have produced nothing more than *"[m]onopoly capitalism with a veneer of social welfare as a substitute for social justice."* [**Anarchy in Action**, p. 18]

This analysis applies to state ownership and control of industry. Britain, for example, saw the nationalisation of roughly 20% of the economy by the 1945 Labour Government. These were the most unprofitable sections of the economy but, at the time, essential for the economy as a whole. By taking it into state ownership, these sections could be rationalised and developed at public expense. Rather than nationalisation being feared as "socialism," the capitalist class had no real issue with it. As anarchists at the time noted, *"the real opinions of capitalists can be seen from Stock Exchange conditions and statements of industrialists [rather] than the Tory Front bench ... [and from these we] see that the owning class is not at all displeased with the record and tendency of the Labour Party."* [Vernon Richards (ed.), **Neither Nationalisation nor Privatisation — Selections from Freedom 1945–1950**, p. 9]

Moreover, the example of nationalised industries is a good indicator of the non-socialist nature of state intervention. Nationalisation meant replacing the capitalist bureaucrat with a state one, with little real improvement for those subjected to the "new" regime. At the height of the British Labour Party's post-war nationalisations, anarchists were pointing out its anti-socialist nature. Nationalisation was *"really consolidating the old individual capitalist class into a new and efficient class of managers to run ... state capitalism"* by *"installing the really*

tives do their best to portray the forms of government intervention that they favour, for example, patent and copyright protection, as simply part of the natural order of things." [**Op. Cit.**, p. 1 and p. 2]

This, it should be stressed, is unexpected. As we explained in section B.2, the state is an instrument of minority rule. As such, it strains belief that state intervention would be socialist in nature. After all, if the state is an agent of a self-interesting ruling class, then its laws are inevitably biased in its favour. The ultimate purpose of the state and its laws are the protection of private property and so the form of law is a class weapon while its content is the protection of class interests. They are inseparable.

So the state and its institutions can *"challenge the use of authority by other institutions, such as cruel parents, greedy landlords, brutal bosses, violent criminals"* as well as *"promot[ing] desirable social activities, such as public works, disaster relief, communications and transport systems, poor relief, education and broadcasting."* Anarchists argue, though, the state remains *"primarily ... oppressive"* and its *"main function is in fact to hold down the people, to limit freedom"* and that *"all the benevolent functions of the state can be exercised and often have been exercised by voluntary associations."* Moreover, *"the essential function of the state is to maintain the existing inequality"* and so *"cannot redistribute wealth fairly because it is the main agency of the unfair distribution."* This is because it is *"the political expression of the economic structure, that it is the representative of the people who own or control the wealth of the community and the oppressor of the people who do the work which creates wealth."* [Walters, **About Anarchism**, p. 36 and p. 37]

The claim that state intervention is "socialist" also ignores the realities of power concentration under capitalism. Real socialism equalises power by redistributing it to the people, but, as Noam Chomsky points out, *"[i]n a highly inegalitarian society, it is most unlikely that government programs will be equalis-*

rhetoric and arguments by those seeking to bolster the ruling elite). So most of the right attack the social or regulatory activities of the government, but fail to attack those bureaucratic activities (like defence, protection of property) which they agree with. As such, their arguments are so selective as to be little more than self-serving special pleading. Secondly, it does appear that their concern for social problems is limited simply to their utility for attacking those aspects of state intervention which claim to help those most harmed by the current system. They usually show greater compassion for the welfare of the elite and industry than for the working class. For former, they are in favour of state aid, for the latter the benefits of economic growth is all that counts.

So what to make of claims that it is precisely the state's interference with the market which causes the problems that society blames on the market? For anarchists, such a position is illogical, for *"whoever says regulation says limitation: now, how conceive of limiting privilege before it existed?"* It *"would be an effect without a cause"* and so *"regulation was a corrective to privilege"* and not vice versa. *"In logic as well as in history, everything is appropriated and monopolised when laws and regulations arrive."* [Proudhon, **System of Economic Contradictions**, p. 371] As economist Edward Herman notes:

> *"The growth of government has closely followed perceived failings of the private market system, especially in terms of market instability, income insecurity, and the proliferation of negative externalities. Some of these deficiencies of the market can be attributed to its very success, which have generated more threatening externalities and created demands for things the market is not well suited to provide. It may also be true that the growth of the government further weakens the market. This does not alter the fact that powerful underlying forces — not power*

> *hungry bureaucrats or frustrated intellectuals — are determining the main drift."* [Edward Herman, **Corporate Control, Corporate Power**, pp. 300–1]

In other words, state intervention is the result of the problems caused by capitalism rather than their cause. To say otherwise is like arguing that murder is the result of passing laws against it.

As Polanyi explains, the neo-liberal premise is false, because state intervention always *"dealt with some problem arising out of modern industrial conditions or, at any rate, in the market method of dealing with them."* In fact, most of these "collectivist" measures were carried out by *"convinced supporters of laissez-faire ... [and who] were as a rule uncompromising opponents of [state] socialism or any other form of collectivism."* [**Op. Cit.**, p. 146] Sometimes such measures were introduced to undermine support for socialist ideas caused by the excesses of "free market" capitalism but usually there were introduced due to a pressing social need or problem which capitalism created but could not meet or solve. This means that key to understanding state intervention, therefore, is to recognise that politics is a **not** matter of free will on behalf of politicians or the electorate. Rather they are the outcome of the development of capitalism itself and result from social, economic or environmental pressures which the state has to acknowledge and act upon as they were harming the viability of the system as a whole.

Thus state intervention did not spring out of thin air, but occurred in response to pressing social and economic needs. This can be observed in the mid 19th century, which saw the closest approximation to laissez-faire in the history of capitalism. As Takis Fotopoulos argues, *"the attempt to establish pure economic liberalism, in the sense of free trade, a competitive labour market and the Gold Standard, did not last more than 40 years, and by the 1870s and 1880s, protectionist legislation was back ... It was also significant... [that all major capitalist powers] passed through*

> *"The key flaw in the stance that most progressives have taken on economic issues is that they have accepted a framing whereby conservatives are assumed to support market outcomes, while progressives want to rely on the government ... The reality is that conservatives have been quite actively using the power of the government to shape market outcomes in ways that redistribute income upward. However, conservatives have been clever enough to not own up to their role in this process, pretending all along that everything is just the natural working of the market. And, progressives have been foolish enough to go along with this view."* [**The Conservative Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer**, p. v]

He stresses, that *"both conservatives and liberals want government intervention. The difference between them is the goal of government intervention, and the fact that conservatives are smart enough to conceal their dependence on the government."* They *"want to use the government to distribute income upward to higher paid workers, business owners, and investors. They support the establishment of rules and structures that have this effect."* Dean discusses numerous examples of right-wing forms of state action, and notes that *"[i]n these areas of public policy ... conservatives are enthusiastic promoters of big government. They are happy to have the government intervene into the inner workings of the economy to make sure that money flows in the direction they like — upward. It is accurate to say that conservatives don't like big government social programs, but not because they don't like big government. The problem with big government social programs is that they tend to distribute money downward, or provide benefits to large numbers of people."* It seems redundant to note that *"conservatives don't own up to the fact that the policies they favour are forms of government intervention. Conserva-*

world into "one office and one factory" (to use Lenin's expression). Little wonder that most sane people join with anarchists in rejecting it. Who wants to work under a system in which, if one does not like the boss (i.e. the state), one cannot even quit?

The theory that state intervention is "creeping socialism" takes the laissez-faire ideology of capitalism at its face value, not realising that it is ideology rather than reality. Capitalism is a dynamic system and evolves over time, but this does not mean that by moving away from its theoretical starting point it is negating its essential nature and becoming socialistic. Capitalism was born from state intervention, and except for a very short period of laissez-faire which ended in depression has always depended on state intervention for its existence. As such, while there *"may be a residual sense to the notion that the state serves as an equaliser, in that without its intervention the destructive powers of capitalism would demolish social existence and the physical environment, a fact that has been well understood by the masters of the private economy who have regularly called upon the state to restrain and organise these forces. But the common idea that the government acts as a social equaliser can hardly be put forth as a general principle."* [Noam Chomsky, **The Chomsky Reader**, p. 185]

The list of state aid to business is lengthy and can hardly be considered as socialistic or egalitarian is aim (regardless of its supporters saying it is about creating "jobs" rather than securing profits, the reality of the situation). Government subsidies to arms companies and agribusiness, its subsidy of research and development work undertaken by government-supported universities, its spending to ensure a favourable international climate for business operations, its defence of intellectual property rights, its tort reform (i.e. the business agenda of limiting citizen power to sue corporations), its manipulation of unemployment rates, and so forth, are all examples of state intervention which can, by no stretch of the imagination be considered as "socialistic." As left-liberal economist Dean Baker notes:

a period of free trade and laissez-faire, followed by a period of anti-liberal legislation." [*"The Nation-state and the Market"*, pp. 37–80, **Society and Nature**, Vol. 2, No. 2, p. 48]

For example, the reason for the return of protectionist legislation was the Depression of 1873–86, which marked the end of the first experiment with pure economic liberalism. Paradoxically, then, the attempt to liberalise the markets led to more regulation. In light of our previous analysis, this is not surprising. Neither the owners of the country nor the politicians desired to see society destroyed, the result to which unhindered laissez-faire leads. Apologists of capitalism overlook the fact that *"[a]t the beginning of the Depression, Europe had been in the heyday of free trade."* [Polanyi, **Op. Cit.**, p. 216] State intervention came about in response to the social disruptions resulting from laissez-faire. It did not cause them.

Similarly, it is a fallacy to state, as Ludwig von Mises did, that *"as long as unemployment benefit is paid, unemployment must exist."* [quoted by Polanyi, **Op. Cit.**, p. 283] This statement is not only ahistoric but ignores the existence of the **involuntary** unemployment (the purer capitalism of the nineteenth century regularly experienced periods of economic crisis and mass unemployment). Even such a die-hard exponent of the minimal state as Milton Friedman recognised involuntary unemployment existed:

> *"The growth of government transfer payments in the form of unemployment insurance, food stamps, welfare, social security, and so on, has reduced drastically the suffering associated with involuntary unemployment… most laid-off workers … may enjoy nearly as high an income when unemployed as when employed … At the very least, he need not be so desperate to find another job as his counterpart in the 1930's. He can afford to be choosy and to wait until he is either recalled or a more attractive job turns up."*

[quoted by Elton Rayack, **Not so Free to Choose**, p. 130]

Which, ironically, contradicts Friedman's own claims as regards the welfare state. In an attempt to show that being unemployed is not as bad as people believe Friedman *"glaringly contradicts two of his main theses, (1) that the worker is free to choose and (2) that no government social programs have achieved the results promised by its proponents."* As Rayack notes, by *"admitting the existence of involuntary unemployment, Friedman is, in essence, denying that ... the market protects the worker's freedom to choose... In addition, since those social programs have made it possible for the worker to be 'choosy; in seeking employment, to that extent the welfare state has increased his freedom."* [**Op. Cit.**, p. 130] But, of course, the likes of von Mises will dismiss Friedman as a "socialist" and no further thought is required.

That governments started to pay out unemployment benefit is not surprising, given that mass unemployment can produce mass discontent. This caused the state to start paying out a dole in order eliminate the possibility of crime as well as working class self-help, which could conceivably have undermined the status quo. The elite was well aware of the danger in workers organising for their own benefit and tried to counter-act it. What the likes of von Mises forget is that the state has to consider the long term viability of the system rather than the ideologically correct position produced by logically deducting abstract principles.

Sadly, in pursuing of ideologically correct answers, capitalist apologists often ignore common sense. If one believes people exist for the economy and not the economy for people, one becomes willing to sacrifice people and their society today for the supposed economic benefit of future generations (in reality, current profits). If one accepts the ethics of mathematics, a future increase in the size of the economy is more important

(and the environment, we must add) and beneficial only for the elite (as intended, of course).

Ultimately, the implication of the false premise that democracy leads to state intervention is that the state exists for the benefit of the majority, which uses the state to exploit the elite! Amazingly, many capitalist apologists accept this as a valid inference from their premise, even though it's obviously a **reductio ad absurdum** of that premise as well as going against the facts of history. That the ruling elite is sometimes forced to accept state intervention outside its preferred area of aid for itself simply means that, firstly, capitalism is an unstable system which undermines its own social and ecological basis and, secondly, that they recognise that reform is preferable to revolution (unlike their cheerleaders).

D.1.3 Is state intervention socialistic?

No. Libertarian socialism is about self-liberation and self-management of one's activities. Getting the state to act for us is the opposite of these ideals. In addition, the question implies that socialism is connected with its nemesis, statism, and that socialism means even more bureaucratic control and centralisation (*"socialism is the contrary of governmentalism."* [Proudhon, **No Gods, No Masters**, vol. 1, p. 63]). As Kropotkin stressed: *"State bureaucracy and centralisation are as irreconcilable with socialism as was autocracy with capitalist rule."* [**Evolution and Environment**, p. 185] The history of both social democracy and state socialism proved this, with the former merely reforming some aspects of capitalism while keeping the system intact while the latter created an even worse form of class system.

The identification of socialism with the state is something that social democrats, Stalinists and capitalist apologists **all** agree upon. However, as we'll see in section H.3.13, "state socialism" is in reality just state capitalism — the turning of the

p. 263 and p. 211] A clearer example of how capitalist "democracy" works can hardly be found.

Von Hayek showed his grasp of reality by stating that the real problem is *"not the selfish action of individual firms but the selfishness of organised groups"* and so *"the real exploiters in our present society are not egotistic capitalists ... but organisations which derive their power from the moral support of collective action and the feeling of group loyalty."* [**Op. Cit.**, p. 96] So (autocratic) firms and (state privileged) corporations are part of the natural order, but (self-organised and, at worse, relatively democratic) unions are not. Ignoring the factual issues of the power and influence of wealth and business, the logical problem with this opinion is clear. Companies are, of course, *"organised groups"* and based around *"collective action"*. The difference is that the actions and groups are dictated by the few individuals at the top. As would be expected, the application of his ideas by the Thatcher government not only bolstered capitalist power and resulted in increased inequality and exploitation (see section J.4.2) but also a strengthening and centralisation of state power. One aspect of this the introduction of government regulation of unions as well as new legislation which increase police powers to restrict the right to strike and protest (both of which were, in part, due opposition to free market policies by the population).

Anarchists may agree that the state, due to its centralisation and bureaucracy, crushes the spontaneous nature of society and is a handicap to social progress and evolution. However, leaving the market alone to work its course fallaciously assumes that people will happily sit back and let market forces rip apart their communities and environment. Getting rid of state intervention without getting rid of capitalism and creating a free society would mean that the need for social self-protection would still exist but that there would be even less means of achieving it than now. The results of such a policy, as history shows, would be a catastrophe for the working class

than current social disruption. Thus Polanyi again: *"a social calamity is primarily a cultural not an economic phenomenon that can be measured by income figures."* [**Op. Cit.**, p. 157] And it is the nature of capitalism to ignore or despise what cannot be measured.

This does not mean that state intervention cannot have bad effects on the economy or society. Given the state's centralised, bureaucratic nature, it would be impossible for it **not** to have some bad effects. State intervention can and does make bad situations worse in some cases. It also has a tendency for self-perpetuation. As Elisee Reclus put it:

> *"As soon as an institution is established, even if it should be only to combat flagrant abuses, it creates them anew through its very existence. It has to adapt to its bad environment, and in order to function, it must do so in a pathological way. Whereas the creators of the institution follow only noble ideals, the employees that they appoint must consider above all their remuneration and the continuation of their employment."* [*"The Modern State"*, pp. 201–15, John P Clark and Camille Martin (eds.), **Anarchy, Geography, Modernity**, p. 207]

As such, welfare within a bureaucratic system will have problems but getting rid of it will hardly **reduce** inequality (as proven by the onslaught on it by Thatcher and Reagan). This is unsurprising, for while the state bureaucracy can never eliminate poverty, it can and does reduce it — if only to keep the bureaucrats secure in employment by showing some results.

Moreover, as Malatesta notes, *"the practical evidence [is] that whatever governments do is always motivated by the desire to dominate, and is always geared to defending, extending and perpetuating its privileges and those of the class of which it is both the representative and defender."* [**Anarchy**, p. 24] In such circumstances, it would be amazing that state intervention did not

have negative effects. However, to criticise those negative effects while ignoring or downplaying the far worse social problems which produced the intervention in the first place is both staggeringly illogical and deeply hypocritical. As we discuss later, in section D.1.5, the anarchist approach to reforms and state intervention is based on this awareness.

D.1.2 Is state intervention the result of democracy?

No. Social and economic intervention by the modern state began long before universal suffrage became widespread. While this intervention was usually in the interests of the capitalist class, it was sometimes done explicitly in the name of the general welfare and the public interest. Needless to say, while the former usually goes unmentioned by defenders of capitalism, the latter is denounced and attacked as violations of the natural order (often in terms of the sinister sounding "collectivist" measures).

That democracy is not the root cause for the state's interference in the market is easily seen from the fact that non-democratic capitalist states presided over by defenders of "free market" capitalism have done so. For example, in Britain, acts of state intervention were introduced when property and sexual restrictions on voting rights still existed. More recently, taking Pinochet's neo-liberal dictatorship in Chile, we find that the state, as would be expected, *"often intervened on behalf of private and foreign business interests."* Given the history of capitalism, this is to be expected. However, the state also practised social intervention at times, partly to diffuse popular disaffection with the economic realities the system generated (disaffection that state oppression could not control) and partly to counter-act the negative effects of its own dogmas. As such, *"[f]ree-market ideologues are reluctant to acknowledge that even*

be brought by the large firms or corporation is comparable to that of the organisation of labour" is right, but in the exact opposite way he intended. [**Law, Legislation and Liberty**, vol. III, p. 89] Outside the imagination of conservatives and right-wing liberals, big business has much greater influence than trade unions on government policy (see section D.2 for some details). While trade union and other forms of popular action are more visible than elite pressures, it does not mean that the form does not exist or less influential. Quite the reverse. The latter may be more noticeable, true, but is only because it has to be in order to be effective and because the former is so prevalent.

The reality of the situation can be seen from looking at the US, a political system where union influence is minimal while business influence and lobbying is large scale (and has been since the 1980s). A poll of popular attitudes about the 2005 US budget *"revealed that popular attitudes are virtually the inverse of policy."* In general, there is a *"dramatic divide between public opinion and public policy,"* but public opinion has little impact on state officials. Unsurprisingly, the general population *"do not feel that the government is responsive to the public will."* The key to evaluating whether a state is a functioning democracy is dependent on *"what public opinion is on major issues"* and *"how it relates to public policy."* In the case of the US, business interests are supreme and, as such, *"[n]ot only does the US government stand apart from the rest of the world on many crucial issues, but even from its own population."* The state *"pursues the strategic and economic interests of dominant sectors of the domestic population,"* unless forced otherwise by the people (for *"rights are not likely to be granted by benevolent authorities"* but rather by *"education and organising"*). In summary, governments implement policies which benefit *"the short-term interests of narrow sectors of power and wealth ... It takes wilful blindness not to see how these commitments guide ... policy."* [Chomsky, **Failed States**, p. 234, p. 235, p. 228, p. 229, p. 262,

der to justify the need for state intervention in some particular aspect of social or economic life. John Stuart Mill's famous chapter on *"the grounds and limits of the laissez-faire and non-interference principle"* in his **Principles of Political Economy** is, perhaps, the most obvious example of this dichotomy (unsurprisingly, von Mises dismissed Mill as a "socialist" — recognising the problems which capitalism itself generates will make you ideologically suspect to the true believer).

To abolish these reforms without first abolishing capitalism is to return to the social conditions which produced the social movements in the first place. In other words, to return to the horrors of the 19th century. We can see this in the USA today, where this process of turning back the clock is most advanced: mass criminality, lower life expectancy, gated communities, increased work hours, and a fortune spent on security. However, this should not blind us to the limitations of these movements and reforms which, while coming about as a means to overcome the negative effects of corporate capitalism upon the population, **preserved** that system. In terms of successful popular reform movements, the policies they lead to were (usually) the minimum standard agreed upon by the capitalists themselves to offset social unrest.

Unsurprisingly, most opponents of state intervention are equally opposed to popular movements and the pressures they subject the state to. However trying to weaken (or even get rid of) the social movements which have helped reform capitalism ironically helps bolster the power and centralisation of the state. This is because to get rid of working class organisations means eliminating a key counter-balance to the might of the state. Atomised individuals not only cannot fight capitalist exploitation and oppression, they also cannot fight and restrict the might of the state nor attempt to influence it even a fraction of what the wealthy elite can via the stock market and management investment decisions. As such, von Hayek's assertion that *"it is inexcusable to pretend that … the pressure which can*

the Pinochet government intervened in many cases in the marketplace in last-minute attempts to offset the havoc wrecked by its free-market policies (low-income housing, air quality, public health, etc.)" [Joseph Collins and John Lear, **Chile's Free-Market Miracle: A Second Look**, p. 254]

The notion that it is "democracy" which causes politicians to promise the electorate state action in return for office is based on a naive viewpoint of representative democracy. The centralist and hierarchical nature of "representative" democracy means that the population at large has little real control over politicians, who are far more influenced by big business, business lobby groups, and the state bureaucracy. This means that truly popular and democratic pressures are limited within the capitalist state and the interests of elites are far more decisive in explaining state actions.

Obviously anarchists are well aware that the state does say it intervenes to protect the interests of the general public, not the elite. While much of this is often rhetoric to hide policies which (in reality) benefit corporate interests far more than the general public, it cannot be denied that such intervention does exist, to some degree. However, even here the evidence supports the anarchist claim that the state is an instrument of class rule, not a representative of the general interest. This is because such reforms have, in general, been few and far between compared to those laws which benefit the few.

Moreover, historically when politicians have made legal changes favouring the general public rather than the elite they have done so only after intense social pressure from below. For examples, the state only passed pro-union laws only when the alternative was disruptive industrial conflict. In the US, the federal government, at best, ignored or, at worse, actively suppressed labour unions during the 19th century. It was only when mineworkers were able to shut down the anthracite coal fields for months in 1902, threatening disruption of heating supplies around the country, that Teddy Roosevelt supported

union demands for binding arbitration to raise wages. He was the first President in American history to intervene in a strike in a positive manner on behalf of workers.

This can be seen from the "New Deal" and related measures of limited state intervention to stimulate economic recovery during the Great Depression. These were motivated by more material reasons than democracy. Thus Takis Fotopoulos argues that *"[t]he fact ...that 'business confidence' was at its lowest could go a long way in explaining the much more tolerant attitude of those controlling production towards measures encroaching on their economic power and profits. In fact, it was only when — and as long as — state interventionism had the approval of those actually controlling production that it was successful."* [*"The Nation-state and the Market"*, **Op. Cit.**, p. 55] As anarchist Sam Dolgoff notes, the New Deal in America (and similar policies elsewhere) was introduced, in part, because the *"whole system of human exploitation was threatened. The political state saved itself, and all that was essential to capitalism, doing what 'private enterprise' could not do. Concessions were made to the workers, the farmers, the middle-class, while the private capitalists were deprived of some of their power."* [**The American Labor Movement**, pp. 25–6] Much the same can be said of the post-war Keynesianism consensus, which combined state aid to the capitalist class with social reforms. These reforms were rarely the result of generous politicians but rather the product of social pressures from below and the needs of the system as a whole. For example, the extensive reforms made by the 1945 Labour Government in the UK was the direct result of ruling class fear, not socialism. As Quentin Hogg, a Conservative M.P., put it in the House of Parliament in 1943: *"If you do not give the people social reforms, they are going to give you revolution."* Memories of the near revolutions across Europe after the First World War were obviously in many minds, on both sides.

Needless to say, when the ruling class considered a specific reform to be against its interests, it will be abolished or re-

This explains why the unions in, say, Britain spend a large part of their time under Labour governments trying to influence it by means of strikes and lobbying.

The defenders of "free market" capitalism appear oblivious as to the reasons **why** the state has approved regulations and nationalisations as well as **why** trade unions, (libertarian and statist) socialist and populist movements came about in the first place. Writing all these off as the products of ideology and/or economic ignorance is far too facile an explanation, as is the idea of power hungry bureaucrats seeking to extend their reach. The truth is much more simple and lies at the heart of the current system. The reasons why various "anti-capitalist" social movements and state interventions arise with such regular periodicity is because of the effects of an economic system which is inherently unstable and exploitative. For example, social movements arose in the 19th century because workers, artisans and farmers were suffering the effects of a state busy creating the necessary conditions for capitalism. They were losing their independence and had become, or were being turned, into wage slaves and, naturally, hated it. They saw the negative effects of capitalism on their lives and communities and tried to stop it.

In terms of social regulation, the fact is that they were often the result of pressing needs. Epidemics, for example, do not respect property rights and the periodic deep recessions that marked 19th century capitalism made the desire to avoid them an understandable one on the part of the ruling elite. Unlike their ideological followers in the latter part of the century and onwards, the political economists of the first half of the nineteenth century were too intelligent and too well informed to advocate out-and-out laissez-faire. They grasped the realities of the economic system in which they worked and thought and, as a result, were aware of clash between the logic of pure abstract theory and the demands of social life and morality. While they stressed the pure theory, the usually did so in or-

tially, it would treat the masters in the same way." [**Op. Cit.**, p. 129]

The interest of merchants and master manufacturers, Smith stressed, *"is always in some respects different from, and even opposite to, that of the public … The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it."* [**Op. Cit.**, pp. 231–2] These days Smith would have likely argued that this position applies equally to attempts by big business to **revoke** laws and regulations!

To view the state intervention as simply implementing the wishes of the majority is to assume that classes and other social hierarchies do not exist, that one class does not oppress and exploit another and that they share common interests. It means ignoring the realities of the current political system as well as economic, for political parties will need to seek funds to campaign and that means private cash. Unsurprisingly, they will do what their backers demands and this dependence the wealthy changes the laws all obey. This means that any government will tend to favour business and the wealthy as the parties are funded by them and so they get some say over what is done. Only those parties which internalise the values and interests of their donors will prosper and so the wealthy acquire an unspoken veto power over government policy. In other words, parties need to beg the rich for election funds. Some parties do, of course, have trade union funding, but this is easily counteracted by pressure from big business (i.e., that useful euphemism, *"the markets"*) and the state bureaucracy.

stricted. An example of this can be seen in the 1934 Wagner Act in the USA, which gave US labour its first and last political victory. The Act was passed due to the upsurge in wildcat strikes, factory occupations and successful union organising drives which were spreading throughout the country. Its purpose was specifically to calm this struggle in order to preserve "labour peace." The act made it legal for unions to organise, but this placed labour struggles within the boundaries of legal procedures and so meant that they could be more easily controlled. In addition, this concession was a form of appeasement whose effect was to make those involved in union actions less likely to start questioning the fundamental bases of the capitalist system. Once the fear of a militant labour movement had passed, the Wagner Act was undermined and made powerless by new laws, laws which made illegal the tactics which forced the politicians to pass the law in the first place and increased the powers of bosses over workers. The same can be said of other countries.

The pattern is clear. It is always the case that things need to change on the ground first and then the law acknowledges the changes. Any state intervention on behalf of the general public or workers have all followed people and workers organising and fighting for their rights. If labour or social "peace" exists because of too little organising and protesting or because of lack of strength in the workplace by unions, politicians will feel no real pressure to change the law and, consequently, refuse to. As Malatesta put it, the *"only limit to the oppression of government is that power with which the people show themselves capable of opposing it … When the people meekly submit to the law, or their protests are feeble and confined to words, the government studies its own interests and ignores the needs of the people; when the protests are lively, insistent, threatening, the government … gives way or resorts to repression."* [**Errico Malatesta: His Life and Ideas**, p. 196]

Needless to say, the implication of classical liberal ideology that popular democracy is a threat to capitalism is the root of the fallacy that democracy leads to state intervention. The notion that by limiting the franchise the rich will make laws which benefit all says more about the classical liberals' touching faith in the altruism of the rich than it does about their understanding of human nature, the realities of both state and capitalism and their grasp of history. The fact that they can join with John Locke and claim with a straight face that all must abide by the rules that only the elite make says a lot about their concept of "freedom."

Some of the more modern classical liberals (for example, many right-wing "libertarians") advocate a "democratic" state which cannot intervene in economic matters. This is no solution, however, as it only gets rid of the statist response to real and pressing social problems caused by capitalism without supplying anything better in its place. This is a form of paternalism, as the elite determines what is, and is not, intervention and what the masses should, and should not, be able to do (in their interests, of course). Then there is the obvious conclusion that any such regime would have to exclude change. After all, if people can change the regime they are under they may change it in ways that the right does not support. The provision for ending economic and other reforms would effectively ban most opposition parties as, by definition, they could do nothing once in power. How this differs from a dictatorship would be hard to say — after all, most dictatorships have parliamentary bodies which have no power but which can talk a lot.

Needless to say, the right often justify this position by appealing to the likes of Adam Smith but this, needless to say, fails to appreciate the changing political and economic situation since those days. As market socialist Allan Engler argues:

> *"In Smith's day government was openly and unashamedly an instrument of wealth owners. Less than 10 per cent of British men — and no women at all — had the right to vote. When Smith opposed government interference in the economy, he was opposing the imposition of wealth owners' interests on everybody else. Today, when neoconservatives oppose state interference, their aim to the opposite: to stop the representatives of the people from interfering with the interests of wealth owners."* [**Apostles of Greed**, p. 104]

As well as the changing political situation, Smith's society was without the concentrations of economic power that marks capitalism as a developed system. Whether Smith would have been happy to see his name appropriated to defend corporate power is, obviously, a moot point. However, he had no illusions that the state of his time interfered to bolster the elite, not the many (for example: *"Whenever the law has attempted to regulate the wages of workmen, it has always been rather to lower them than to raise them."* [**The Wealth of Nations**, p. 119]). As such, it is doubtful he would have agreed with those who involve his name to defend corporate power and trusts while advocating the restriction of trade unions as is the case with modern day neo-liberalism:

> *"Whenever the legislature attempts to regulate the differences between masters and their workmen, its counsellors are always masters. When the regulation, therefore, is in favour of the workmen, it is always just and equitable … When masters combine together in order to reduce the wages of their workmen, they commonly enter into a private bond or agreement … Were the workmen to enter into a contrary combination of the same kind. not to accept of a certain wage under a certain penalty, the law would punish them very severely; and if dealt impar-*

which meant that they tried to manufacture goods like, for instance, cars that they had previously imported. Without suggesting this sort of policy offered a positive alternative (it was, after all, just local capitalism) it did have one big disadvantage for the imperialist powers: it tended to deny them both markets and cheap raw materials (the current turn towards globalisation was used to break these policies). As such, whether a nation pursued such policies was dependent on the costs involved to the imperialist power involved.

So instead of direct rule over less developed nations (which generally proved to be too costly, both economically and politically), indirect forms of domination were now preferred. These are rooted in economic and political pressure rather than the automatic use of violence, although force is always an option and is resorted to if "business interests" are threatened. This is the reality of the expression "the international community" — it is code for imperialist aims for Western governments, particularly the U.S. and its junior partner, the U.K. As discussed in section D.2.1, economic power can be quite effective in pressuring governments to do what the capitalist class desire even in advanced industrial countries. This applies even more so to so-called developing nations.

In addition to the stick of economic and political pressure, the imperialist countries also use the carrot of foreign aid and investment to ensure their aims. This can best be seen when Western governments provide lavish funds to "developing" states, particularly petty right-wing despots, under the pseudonym "foreign aid." Hence the all to common sight of US Presidents supporting authoritarian (indeed, dictatorial) regimes while at the same time mouthing nice platitudes about "liberty" and "progress." The purpose of this foreign aid, noble-sounding rhetoric about freedom and democracy aside, is to ensure that the existing world order remains intact and that US corporations have access to the raw materials and markets they need. Stability has become the watchword of modern imperial-

David Noble provides a good summary of the effects of such indirect pressures when he writes firms *"have the ability to transfer production from one country to another, to close a plant in one and reopen it elsewhere, to direct and redirect investment wherever the 'climate' is most favourable [to business]... [I]t has enabled the corporation to play one workforce off against another in the pursuit of the cheapest and most compliant labour (which gives the misleading appearance of greater efficiency)... [I]t has compelled regions and nations to compete with one another to try and attract investment by offering tax incentives, labour discipline, relaxed environmental and other regulations and publicly subsidised infrastructure... Thus has emerged the great paradox of our age, according to which those nations that prosper most (attract corporate investment) by most readily lowering their standard of living (wages, benefits, quality of life, political freedom). The net result of this system of extortion is a universal lowering of conditions and expectations in the name of competitiveness and prosperity."* [**Progress Without People**, pp. 91–92]

And, we must note, even when a country **does** lower its standard of living to attract investment or encourage its own business class to invest (as the USA and UK did by means of recession to discipline the workforce by high unemployment) it is no guarantee that capital will stay. US workers have seen their companies' profits rise while their wages have stagnated and (in reward) hundreds of thousands have been "down-sized" or seen their jobs moved to Mexico or South East Asia sweatshops. In the far east, Japanese, Hong Kong, and South Korean workers have also seen their manufacturing jobs move to low wage (and more repressive/authoritarian) countries such as China and Indonesia.

As well as the mobility of capital, there is also the threat posed by public debt. As Doug Henwood notes, *"[p]ublic debt is a powerful way of assuring that the state remains safely in capital's hands. The higher a government's debt, the more it must please its bankers. Should bankers grow displeased, they will*

refuse to roll over old debts or to extend new financing on any but the most punishing terms (if at all). The explosion of [US] federal debt in the 1980s vastly increased the power of creditors to demand austere fiscal and monetary policies to dampen the US economy as it recovered ... from the 1989–92 slowdown." [**Wall Street**, pp. 23–24] And, we must note, Wall street made a fortune on the debt, directly and indirectly.

This analysis applies within countries as well. Commenting on Clinton's plans for the devolution of welfare programmes from Federal to State government in America, Noam Chomsky makes the important point that *"under conditions of relative equality, this could be a move towards democracy. Under existing circumstances, devolution is intended as a further blow to the eroding democratic processes. Major corporations, investment firms, and the like, can constrain or directly control the acts of national governments and can set one national workforce against another. But the game is much easier when the only competing player that might remotely be influenced by the 'great beast' is a state government, and even middle-sized enterprise can join in. The shadow cast by business [over society and politics] can thus be darker, and private power can move on to greater victories in the name of freedom."* [Noam Chomsky, *"Rollback III"*, **Z Magazine**, March, 1995]

Economic blackmail is a very useful weapon in deterring freedom. Little wonder Proudhon argued that the *"Revolutionary principle ... is Liberty. In other words, no more government of man by man through the accumulation of capital."* [quoted by Jack Hayward, **After the French Revolution**, p. 177]

D.2.1 Is capital flight really that powerful?

Yes. By capital flight, business can ensure that any government which becomes too independent and starts to consider the interests of those who elected it will be put back

of the capitalist state system also increases." [*"Anarchism and Syndicalism"*, **Op. Cit.**, p. 26] Unfortunately these "liberation" movements transformed mass struggle from a potential struggle against capitalism into movements aiming for independent capitalist nation states (see section D.7). Not, we must stress, that the USA was being altruistic in its actions, independence for colonies weakened its rivals as well as allowing US capital access to those markets.

This process reflected capital expanding even more **beyond** the nation-state into multinational corporations. The nature of imperialism and imperialistic wars changed accordingly. In addition, the various successful struggles for National Liberation ensured that imperialism had to change itself in face of popular resistance. These two factors ensured that the old form of imperialism was replaced by a new system of "neo-colonialism" in which newly "independent" colonies are forced, via political and economic pressure, to open their borders to foreign capital. If a state takes up a position which the imperial powers consider "bad for business," action will be taken, from sanctions to outright invasion. Keeping the world open and "free" for capitalist exploitation has been America's general policy since 1945. It springs directly from the expansion requirements of private capital and so cannot be fundamentally changed. However, it was also influenced by the shifting needs resulting from the new political and economic order and the rivalries existing between imperialist nations (particularly those of the Cold War). As such, which method of intervention and the shift from direct colonialism to neo-colonialism (and any "anomalies") can be explained by these conflicts.

Within this basic framework of indirect imperialism, many "developing" nations did manage to start the process of industrialising. Partly in response to the Great Depression, some former colonies started to apply the policies used so successfully by imperialist nations like Germany and America in the previous century. They followed a policy of "import substitution"

war, it was claimed, that would end all wars. As we now know, of course, it did not because it did not fight the root cause of modern wars, capitalism.

After the First World War, the identification of nation-state with national capital became even more obvious, and can be seen in the rise of extensive state intervention to keep capitalism going — for example, the rise of Fascism in Italy and Germany and the efforts of "national" governments in Britain and the USA to "solve" the economic crisis of the Great Depression. However, these attempts to solve the problems of capital did not work. The economic imperatives at work before the first world war had not gone away. Big business still needed markets and raw materials and the statification of industry under fascism only aided to the problems associated with imperialism. Another war was only a matter of time and when it came most anarchists, as they had during the first world war, opposed both sides and called for revolution:

> *"the present struggle is one between rival Imperialisms and for the protection of vested interests. The workers in every country, belonging to the oppressed class, have nothing in common with these interests and the political aspirations of the ruling class. Their immediate struggle is their* ***emancipation****. Their front line is the workshop and factory, not the Maginot Line where they will just rot and die, whilst their masters at home pile up their ill-gotten gains."* [*"War Commentary"*, quoted Mark Shipway, **Anti-Parliamentary Communism**, p. 170]

After the Second World War, the European countries yielded to pressure from the USA and national liberation movements and grated many former countries "independence" (often after intense conflict). As Kropotkin predicted, such social movements were to be expected for with the growth of capitalism *"the number of people with an interest in the capitulation*

into its place. Therefore we cannot expect a different group of politicians to react in different ways to the same institutional influences and interests. It's no coincidence that the Australian Labour Party and the Spanish Socialist Party introduced "Thatcherite" policies at the same time as the "Iron Lady" implemented them in Britain. The New Zealand Labour government is a case in point, where *"within a few months of re-election [in 1984], finance minister Roger Douglas set out a programme of economic 'reforms' that made Thatcher and Reagan look like wimps…[A]lmost everything was privatised and the consequences explained away in marketspeak. Division of wealth that had been unknown in New Zealand suddenly appeared, along with unemployment, poverty and crime."* [John Pilger, *"Breaking the one party state,"* **New Statesman**, 16/12/94]

An extreme example of capital flight being used to "discipline" a naughty administration can be seen from Labour governments in Britain during the 1960s and 1970s. Harold Wilson, the Labour Prime Minister between 1964 and 1970, recorded the pressures his government was under from "the markets":

> *"We were soon to learn that decisions on pensions and taxation were no longer to be regarded, as in the past, as decisions for parliament alone. The combination of tax increases with increased social security benefits provoked the first of a series of attacks on sterling, by speculators and others, which beset almost every section of the government for the next five years."* [**The Labour Government 1964–1970**, p. 31]

He also had to *"listen night after night to demands that there should be cuts in government expenditure, and particularly in those parts of government expenditure which related to social services. It was not long before we were being asked, almost at pistol-point to cut back on expenditure"* by the Governor of the

Bank of England, the stock exchange's major mouthpiece. [**Op. Cit.**, p. 34] One attempt to pressurise Wilson resulted in him later reflecting:

> *"Not for the first time, I said that we had now reached the situation where a newly elected government with a mandate from the people was being told, not so much by the Governor of the Bank of England but by international speculators, that the policies on which we had fought the election could not be implemented; that the government was to be forced into the adoption of Tory policies to which it was fundamentally opposed. The Governor confirmed that that was, in fact, the case."* [**Op. Cit.**, p. 37]

Only the bluff of threatening to call another general election allowed Wilson to win that particular battle but his government was constrained. It implemented only some of the reforms it had won the election on while implementing many more policies which reflected the wishes of the capitalist class (for example, attempts to shackle the rank and file of the unions).

A similar process was at work against the 1974 to 1979 Labour government. In January, 1974, the FT Index for the London Stock Exchange stood at 500 points. In February, the Miner's went on strike, forcing Heath (the Tory Prime Minister) to hold (and lose) a general election. The new Labour government (which included some left-wingers in its cabinet) talked about nationalising the banks and much heavy industry. In August, 1974, Tony Benn announced plans to nationalise the ship building industry. By December, the FT index had fallen to 150 points. [John Casey, *"The Seventies"*, **The Heavy Stuff**, no. 3, p. 21] By 1976 the Treasury was *"spending $100 million a day buying back its own money on the markets to support the pound."* [**The Times**, 10/6/76]

the First World War, the real cause of war at the time was *"the competition for markets and the right to exploit nations backward in industry."* [quoted by Martin Miller, **Kropotkin**, p. 225] Secondly, the creation of trusts, the export of goods and the import of cheap raw materials cannot stop the business cycle nor "buy-off" the working class indefinitely (i.e. the excess profits of imperialism will never be enough to grant more and more reforms and improvements to the working class in the industrialised world). Thus the need to overcome economic slumps propelled business to find new ways of dominating the market, up to and including the use of war to grab new markets and destroy rivals. Moreover, war was a good way of side tracking class conflict at home — which, let us not forget, had been reaching increasingly larger, more militant and more radical levels in all the imperialist nations (see John Zerzan's *"Origins and Meaning of WWI"* in his **Elements of Refusal**).

Thus this first phase of imperialism began as the growing capitalist economy started to reach the boundaries of the nationalised market created by the state within its own borders. Imperialism was then used to expand the area that could be colonised by the capital associated with a given nation-state. This stage ended, however, once the dominant powers had carved up the planet into different spheres of influence and there was nowhere left to expand into. In the competition for access to cheap raw materials and foreign markets, nation-states came into conflict with each other. As it was obvious that a conflict was brewing, the major European countries tried to organise a "balance of power." This meant that armies were built and navies created to frighten other countries and so deter war. Unfortunately, these measures were not enough to countermand the economic and power processes at play (*"Armies equipped to the teeth with weapons, with highly developed instruments of murder and backed by military interests, have their own dynamic interests,"* as Goldman put it [**Red Emma Speaks**, p. 353]). War did break out, a war over empires and influence, a

the nation's economy. Of course, these advantages of conquest cannot totally **stop** the business cycle nor eliminate competition, as the imperialistic nations soon discovered.

Therefore, the "classic" form of imperialism based on direct conquest and the creation of colonies had numerous advantages for the imperialist nations and the big business which their states represented.

These dominated nations were, in the main, pre-capitalist societies. The domination of imperialist powers meant the importation of capitalist social relationships and institutions into them, so provoking extensive cultural and physical resistance to these attempts of foreign capitalists to promote the growth of the free market. However, peasants', artisans' and tribal people's desires to be "left alone" was never respected, and "civilisation" was forced upon them "for their own good." As Kropotkin realised, *"force is necessary to continually bring new 'uncivilised nations' under the same conditions [of wage labour]."* [**Anarchism and Anarchist Communism**, p. 53] Anarchist George Bradford also stresses this, arguing that we *"should remember that, historically, colonialism, bringing with it an emerging capitalist economy and wage system, destroyed the tradition economies in most countries. By substituting cash crops and monoculture for forms of sustainable agriculture, it destroyed the basic land skills of the people whom it reduced to plantation workers."* [**How Deep is Deep Ecology**, p. 40] Indeed, this process was in many ways similar to the development of capitalism in the "developed" nations, with the creation of a class of landless workers who forms the nucleus of the first generation of people given up to the mercy of the manufacturers.

However, this process had objective limitations. Firstly, the expansion of empires had the limitation that there were only so many potential colonies out there. This meant that conflicts over markets and colonies was inevitable (as the states involved knew, and so they embarked on a policy of building larger and larger armed forces). As Kropotkin argued before

The Times [27/5/76] noted that *"the further decline in the value of the pound has occurred despite the high level of interest rates... [D]ealers said that selling pressure against the pound was not heavy or persistent, but there was an almost total lack of interest amongst buyers. The drop in the pound is extremely surprising in view of the unanimous opinion of bankers, politicians and officials that the currency is undervalued."* While there was much talk of private armies and military intervention, this was not needed. As anarchist John Casey argues, the ruling class *"chose to play the economic card ... They decided to subdue the rogue Labour administration by pulling the financial plugs out of the economy ... This resulted in the stock market and the pound plummeting ... This was a much neater solution than bullets and forced the Wilson government to clean up the mess by screwing the working class with public spending cuts and a freeze on wage claims ... The whole process of economic sabotage was neatly engineering through third parties like dealers in the currency markets."* [**Op. Cit.**, p. 23]

The Labour government, faced with the power of international capital, ended up having to receive a temporary "bailing out" by the IMF, which imposed a package of cuts and controls, to which Labour's response was, in effect, *"We'll do anything you say,"* as one economist described it. The social costs of these policies were disastrous, with unemployment rising to the then unheard-of-height of one million. And let's not forget that they *"cut expenditure by twice the amount the IMF were promised"* in an attempt to appear business-friendly. [Peter Donaldson, **A Question of Economics**, p. 89] By capital flight, a slightly radical Labour government was brought to heel.

Capital will not invest in a country that does not meet its approval. In 1977, the Bank of England failed to get the Labour government to abolish its exchange controls. Between 1979 and 1982 the Tories abolished them and ended restrictions on lending for banks and building societies:

> *"The result of the abolition of exchange controls was visible almost immediately: capital hitherto invested in the U.K. began going abroad. In the* ***Guardian*** *of 21 September, 1981, Victor Keegan noted that 'Figures published last week by the Bank of England show that pension funds are now investing 25% of their money abroad (compared with almost nothing a few years ago) and there has been no investment at all (net) by unit trusts in the UK since exchange controls were abolished.'"* [Robin Ramsay, *"Mrs Thatcher, North Sea and the Hegemony of the City"*, pp. 2–9, **Lobster**, no. 27, p. 3]

This contributed to the general mismanagement of the economy by Thatcher's Monetarist government. While Milton Friedman had predicted *"only a modest reduction in output and employment will be a side effect of reducing inflation to single figures by 1982,"* the actual results of applying his ideas were drastically different. [quoted by Michael Stewart, **Keynes and After**, p. 179] Britain experienced its deepest recession since the 1930s, with unemployment nearly tripling between 1979 and 1985 (officially, from around 5% to 13% but the real figure was even higher as the government changed the method of measuring it to reduce the figures!). Total output fell by 2.5% in 1980 and another 1.5% in 1981. By 1984 manufacturing investment was still 30% lower in 1979. [Steward, **Op. Cit.**, p. 180] Poverty and inequality soared as unemployment and state repression broke the back of the labour movement and working class resistance.

Eventually, capital returned to the UK as Thatcher's government had subdued a militant working class, shackled the trade unions by law and made the welfare state difficult to live on. It reversed many of the partial gains from previous struggles and ended a situation where people had enough dignity not to accept any job offered or put up with an employer's authoritar-

adds with the problems associated with the over-production of goods:

> *"The workman being unable to purchase with their wages the riches they are producing, industry must search for new markets elsewhere, amidst the middle classes of other nations. It must find markets, in the East, in Africa, anywhere; it must increase, by trade, the number of its serfs in Egypt, in India, on the Congo. But everywhere it finds competitors in other nations which rapidly enter into the same line of industrial development. And wars, continuous wars, must be fought for the supremacy in the world-market — wars for the possession of the East, wars for getting possession of the seas, wars for the right of imposing heavy duties on foreign merchandise."* [Kropotkin, **Anarchism**, pp. 55–6]

This process of expansion into non-capitalist areas also helps Capital to weather both the subjective and objective economic pressures upon it which cause the business cycle (see section C.7 for more details). As wealth looted from less industrially developed countries is exported back to the home country, profit levels can be protected both from working-class demands and from any relative decline in surplus-value production caused by increased capital investment (see section C.2 for more on surplus value). In fact, the working class of the imperialist country could receive improved wages and living conditions as the looted wealth was imported into the country and that meant that the workers could fight for, and win, improvements that otherwise would have provoked intense class conflict. And as the sons and daughters of the poor emigrated to the colonies to make a living for themselves on stolen land, the wealth extracted from those colonies helped to overcome the reduction in the supply of labour at home which would increase its market price. This loot also helps reduce competitive pressures on

colonies were seized to increase the size of "friendly" markets and, of course, allow the easy export of capital into areas with cheap labour and raw materials. The increased concentration of capital this implies was essential to gain an advantage against foreign competitors and dominate the international market as well as the national one.

This form of imperialism, which arose in the late nineteenth century, was based on the creation of larger and larger businesses and the creation of colonies across the globe by the industrialised nations. Direct conquest had the advantage of opening up more of the planet for the capitalist market, thus leading to more trade and exploitation of raw materials and labour. This gave a massive boost to both the state and the industries of the invading country in terms of new profits, so allowing an increase in the number of capitalists and other social parasites that could exist in the developed nation. As Kropotkin noted at the time, *"British, French, Belgian and other capitalists, by means of the ease with which they exploit countries which themselves have no developed industry, today control the labour of hundreds of millions of those people in Eastern Europe, Asia, and Africa. The result is that the number of those people in the leading industrialised countries of Europe who live off the work of others doesn't gradually decrease at all. Far from it."* [*"Anarchism and Syndicalism"*, **Black Flag**, no. 210, p. 26]

As well as gaining access to raw materials, imperialism allows the dominating nation to gain access to markets for its goods. By having an empire, products produced at home can be easily dumped into foreign markets with less developed industry, undercutting locally produced goods and consequently destroying the local economy (and so potential competitors) along with the society and culture based on it. Empire building is a good way of creating privileged markets for one's goods. By eliminating foreign competition, the imperialist nation's capitalists can charge monopoly prices in the dominated country, so ensuring high profit margins for capitalist business. This

ian practices. These factors created "inflexibility" in the labour market, so that the working class had to be taught a lesson in "good" economics (in part, ironically, by mismanaging the economy by applying neoclassical dogmas in their Monetarist form!).

Needless to say, the situation in the 21st century has become worse. There has been a *"huge rise in international borrowing ... in international capital markets since the liberalisation moves of the 1970s, and [a] significant increase in foreign penetration of national central government bond markets."* This means that it is *"obvious that no central government today may follow economic policies that are disapproved of by the capital markets, which have the power to create an intolerable economic pressure on the respective country's borrowing ability, currency value and investment flows."* [Takis Fotopoulos, **Toward an Inclusive Democracy**, p. 42] We discuss globalisation in more detail in section D.5.

Unsurprisingly, when left-wing governments have been elected into office after the 1980s, they have spent a lot of time during the election showing how moderate they are to the capitalist class ("the markets"). This moderation continued once in office and any reforms implemented have been of a minor nature and placed within a general neo-liberal context. This was the fate of the British Labour government of Tony Blair, while in Brazil the government of Lula (a former lathe operator, labour union leader and Brazil's first working-class president) was termed "Tropical Blairism" by left-wing critics. Rather than use popular mandate to pursue social justice, they have governed for the rich. Given the role of the state and the pressures governments experience from capital, anarchists were not surprised.

Of course, exceptions can occur, with popular governments implementing significant reforms when economic and political circumstances are favourable. However, these generally need popular movements at the same time to be really effec-

tive and these, at some stage, come into conflict with the reformist politicians who hold them back. Given the need for such extra-parliamentary movements to ensure reforms anarchists consider their time better spent building these than encouraging illusions about voting for radical politicians to act for us (see section J.2 for details).

D.2.2 How extensive is business propaganda?

Business spends a lot of money to ensure that people accept the status quo. Referring again to the US as an example (where such techniques are common), various means are used to get people to identify "free enterprise" (meaning state-subsidised private power with no infringement of managerial prerogatives) as "the American way." The success of these campaigns is clear, since many American working people (for example) now object to unions ing too much power or irrationally rejecting all radical ideas as "Communism" (i.e. Stalinism) regardless of their content. By the 1990s, it had even made "liberal" (i.e. mildly reformist centre-left policies) into a swear word in some parts of the country.

This is unsurprising and its roots can be found in the success of sort of popular movements business propaganda was created to combat. As Chomsky argues, due to popular struggles, *"the state has limited capacity to coerce"* in the advanced capitalist countries (although it is always there, to be used when required). This meant that *"elite groups — the business world, state managers and so on — recognised early on that they are going to have to develop massive methods of control of attitude and opinion, because you cannot control people by force anymore and therefore you have to modify their consciousness so that they don't perceive that they are living under conditions of alienation, oppression, subordination and so on. In fact, that's what probably a couple trillion dollars are spent on each year in the US, very*

as Kropotkin argued, protectionism ensured *"the high profits of those manufacturers who do not improve their factories and chiefly rely upon cheap labour and long hours,"* it also meant that these profits would be used to finance industry and develop an industrial base. [**Op. Cit.**, p. 41] Without this state aid, it is doubtful that these countries would have industrialised (as Kaldor notes, *"all the present 'developed' or 'industrialised' countries established their industries through 'import substitution' by means of protective tariffs and/or differential subsidies."* [**Op. Cit.**, p. 127]).

Within the industrialising country, the usual process of competition driving out competitors continued. More and more markets became dominated by big business (although, as Kropotkin stressed, without totally eliminating smaller workshops within an industry and even creating more around them). Indeed, as Russian anarchist G. P. Maximoff stressed, the *"specific character of Imperialism is ... the concentration and centralisation of capital in syndicates, trusts and cartels, which ... have a decisive voice, not only in the economic and political life of their countries, but also in the life of the nations of the worlds a whole."* [**Program of Anarcho-Syndicalism**, p. 10] The modern multinational and transnational corporations are the latest expression of this process.

Simply put, the size of big business was such that it had to expand internationally as their original national markets were not sufficient and to gain further advantages over their competitors. Faced with high tariff barriers and rising international competition, industry responded by exporting capital as well as finished goods. This export of capital was an essential way of beating protectionism (and even reap benefits from it) and gain a foothold in foreign markets (*"protective duties have no doubt contributed ... towards attracting German and English manufacturers to Poland and Russia"* [Kropotkin, **Op. Cit.**, p. 41]). In addition, it allowed access to cheap labour and raw materials by placing capital in foreign lands As part of this process

tion in the world market by means of free trade. This meant that goods were exported rather than capital.

Faced with the influx of cheap, mass produced goods, existing industry in Europe and the Americas faced ruin. As economist Nicholas Kaldor notes, *"the arrival of cheap factory-made English goods **did** cause a loss of employment and output of small-scale industry (the artisanate) both in European countries (where it was later offset by large-scale industrialisation brought about by protection) and even more in India and China, where it was no so offset."* [**Further Essays on Applied Economics**, p. 238] The existing industrial base was crushed, industrialisation was aborted and unemployment rose. These countries faced two possibilities: turn themselves into providers of raw materials for Britain or violate the principles of the market and industrialise by protectionism.

In many nations of Western Europe (soon to be followed by the USA and Japan), the decision was simple. Faced with this competition, these countries utilised the means by which Britain had industrialised — state protection. Tariff barriers were raised, state aid was provided and industry revived sufficiently to turn these nations into successful competitors of Britain. This process was termed by Kropotkin as *"the consecutive development of nations"* (although he underestimated the importance of state aid in this process). No nation, he argued, would let itself become specialised as the provider of raw materials or the manufacturer of a few commodities but would diversify into many different lines of production. Obviously no national ruling class would want to see itself be dependent on another and so industrial development was essential (regardless of the wishes of the general population). Thus a nation in such a situation *"tries to emancipate herself from her dependency ... and rapidly begins to manufacture all those goods she used to import."* [**Fields, Factories and Workshops**, p. 49 and p. 32]

Protectionism may have violated the laws of neo-classical economics, but it proved essential for industrialisation. While,

self-consciously, from the framing of television advertisements for two-year olds to what you are taught in graduate school economics programs. It's designed to create a consciousness of subordination and it's also intended specifically and pretty consciously to suppress normal human emotions." [**Chomsky on Anarchism**, p. 223]

This process became apparent in the 1960s. In the words of Edward Herman:

> *"The business community of the United States was deeply concerned over the excesses of democracy in the United States in the 1960s, and it has tried hard to rectify this problem by means of investments in both politicians and informing public opinion. The latter effort has included massive institutional advertising and other direct and indirect propaganda campaigns, but it has extended to attempts to influence the content of academic ideas ... [With] a significant portion of academic research coming from foundations based on business fortunes ... [and money] intended to allow people with preferred viewpoints to be aided financially in obtaining academic status and influence and in producing and disseminating books."* [*"The Selling of Market Economics,"* pp. 173–199, **New Ways of Knowing**, Marcus G. Raskin and Herbert J. Bernstein (eds.), p. 182]

Wealth, in other words, is employed to shape the public mind and ensure that challenges to that wealth (and its source) are reduced. These include funding private foundations and institutes ("think-tanks") which can study, promote and protect ways to advance the interests of the few. It can also include the private funding of university chairs as well as the employment of PR companies to attack opponents and sell to the public the benefits not only of specific companies their activities

but also the whole socio-economic system. In the words of Australian Social Scientist Alex Carey the *"twentieth century has been characterised by three developments of great political importance: the growth of democracy, the growth of corporate power, and the growth of corporate propaganda as a means of protecting corporate power against democracy."* [quoted by Noam Chomsky, **World Orders, Old and New**, p. 89]

By 1978, American business was spending $1 billion a year on grassroots propaganda. [Chomsky, **Op. Cit.**, p. 93] This is known as *"Astroturf"* by PR insiders, to reflect the appearance of popular support, without the substance, and *"grasstops"* whereby influential citizens are hired to serve as spokespersons for business interests. In 1983, there existed 26 general purpose foundations for this purpose with endowments of $100 million or more, as well as dozens of corporate foundations. One extremely wealth conservative, Richard Mellon Scaife, was giving $10 million a year through four foundations and trusts. [G. William Domhoff, **Who Rules America Now?**, p. 92 and p. 94] These, along with media power, ensure that force — always an inefficient means of control — is replaced by (to use a term associated with Noam Chomsky) the *"manufacture of consent"*: the process whereby the limits of acceptable expression are defined by the wealthy.

Various institutions are used to get Big Business's message across, for example, the Joint Council on Economic Education, ostensibly a charitable organisation, funds economic education for teachers and provides books, pamphlets and films as teaching aids. In 1974, 20,000 teachers participated in its workshops. The aim is to induce teachers to present corporations in an uncritical light to their students. Funding for this propaganda machine comes from the American Bankers Association, AT&T, the Sears Roebuck Foundation and the Ford Foundation. As Domhoff points out, *"[a]lthough it [and other bodies like it] has not been able to bring about active acceptance of all power elite policies and perspectives, on economic or other domestic issues, it*

Capitalism has always been expansive. Under mercantilism, for example, the "free" market was nationalised **within** the nation state while state aid was used to skew international trade on behalf of the home elite and favour the development of capitalist industry. This meant using the centralised state (and its armed might) to break down "internal" barriers and customs which hindered the free flow of goods, capital and, ultimately, labour. We should stress this as the state has always played a key role in the development and protection of capitalism. The use of the state to, firstly, protect infant capitalist manufacturing and, secondly, to create a "free" market (i.e. free from the customs and interference of society) should not be forgotten, particularly as this second ("internal") role is repeated "externally" through imperialism. Needless to say, this process of "internal" imperialism within the country by the ruling class by means of the state was accompanied by extensive violence against the working class (also see section F.8).

So, state intervention was used to create and ensure capital's dominant position at home by protecting it against foreign competition and the recently dispossessed working class. This transition from feudal to capitalist economy enjoyed the active promotion of the state authorities, whose increasing centralisation ran parallel with the growing strength and size of merchant capital. It also needed a powerful state to protect its international trade, to conquer colonies and to fight for control over the world market. The absolutist state was used to actively implant, help and develop capitalist trade and industry.

The first industrial nation was Britain. After building up its industrial base under mercantilism and crushing its rivals in various wars, it was in an ideal position to dominate the international market. It embraced free trade as its unique place as the only capitalist/industrialised nation in the world market meant that it did not have to worry about competition from other nations. Any free exchange between unequal traders will benefit the stronger party. Thus Britain, could achieve domina-

ple, a nation with a militant working class would be less likely to pursue a war policy due to the social costs involved). However, the aim of imperialism is always to enrich and empower the capitalist and bureaucratic classes.

D.5.1 How has imperialism changed over time?

The development of Imperialism cannot be isolated from the general dynamics and tendencies of the capitalist economy. Imperialist capitalism, therefore, is not identical to pre-capitalist forms of imperialism, although there can, of course, be similarities. As such, it must be viewed as an advanced stage of capitalism and not as some kind of deviation of it. This kind of imperialism was attained by some nations, mostly Western European, in the late 19th and early 20th-century. Since then it has changed and developed as economic and political developments occurred, but it is based on the same basic principles. As such, it is useful to describe the history of capitalism in order to fully understand the place imperialism holds within it, how it has changed, what functions it provides and, consequently, how it may change in the future.

Imperialism has important economic advantages for those who run the economy. As the needs of the business class change, the forms taken by imperialism also change. We can identify three main phases: classic imperialism (i.e. conquest), indirect (economic) imperialism, and globalisation. We will consider the first two in this section and globalisation in section D.5.3. However, for all the talk of globalisation in recent years, it is important to remember that capitalism has always been an international system, that the changing forms of imperialism reflect this international nature and that the changes within imperialism are in response to developments within capitalism itself.

has been able to ensure that opposing opinions have remained isolated, suspect and only partially developed." [**Op. Cit.**, pp. 103–4]

In other words, "unacceptable" ideas are marginalised, the limits of expression defined, and all within a society apparently based on "the free marketplace of ideas."

This process has been going on for some time. For example *"[i]n April 1947, the Advertising Council announced a $100 million campaign to use all media to 'sell' the American economic system — as they conceived it — to the American people; the program was officially described as a 'major project of educating the American people about the economic facts of life.' Corporations 'started extensive programs to indoctrinate employees,' the leading business journal* ***Fortune*** *reported, subjected their captive audiences to 'Courses in Economic Education' and testing them for commitment to the 'free enterprise system — that is, Americanism.' A survey conducted by the American Management Association (AMA) found that many corporate leaders regarded 'propaganda' and 'economic education' as synonymous, holding that 'we want our people to think right'... [and that] 'some employers view... [it] as a sort of 'battle of loyalties' with the unions' — a rather unequal battle, given the resources available."* These huge PR campaigns *"employed the media, cinema, and other devices to identify 'free enterprise' — meaning state-subsidised private power with no infringement on managerial prerogatives — as 'the American way,' threatened by dangerous subversives."* [Noam Chomsky, **Op. Cit.**, pp. 89–90 and p. 89]

By 1995, $10 billion was considered a *"conservative estimate"* on how much money was spent on public relations. The actual amount is unknown, as PR industry (and their clients, of course) *"carefully conceals most of its activities from public view. This invisibility is part of a deliberate strategy for manipulating public opinion and government policy."* The net effect is that the wealth of *"large corporations, business associations and governments"* is used to *"out-manoeuvre, overpower and outlast true citizen reformers."* In other words: *"Making the World*

Safe from Democracy." [John Stauber and Sheldon Rampton, **Toxic Sludge is Good for You!**, p. 13, p. 14 and p. 13] The public relations industry, as Chomsky notes, is a means by which *"the oppressors ... instil their assumptions as the perspective from which you [should] look at the world"* and is *"done extremely consciously."* [**Propaganda and the Public Mind**, p. 166]

The effects of this business propaganda are felt in all other aspects of life, ensuring that while the US business class is extremely class conscious, the rest of the American population considers "class" a swear word! It does have an impact. The rise of, say, "supply-side" economics in the late 1970s can be attributed to the sheer power of its backers rather than its intellectual or scientific merit (which, even in terms of mainstream economics, were slim). Much the same can be said for Monetarism and other discredited free-market dogmas. Hence the usual targets for these campaigns: taxes, regulation of business, welfare (for the poor, not for business), union corruption (when facing organising drives), and so on. All, of course, wrapped up in populist rhetoric which hides the real beneficiaries of the policies (for example, tax cut campaigns which strangely fail to mention that the elite will benefit most, or entirely, from the proposed legislation).

Ironically, the apparent success of this propaganda machine shows the inherent contradiction in the process. Spin and propaganda, while influential, cannot stop people experiencing the grim consequences when the business agenda is applied. While corporate propaganda has shaped the American political scene significantly to the right since the 1970s, it cannot combat the direct experience of stagnating wages, autocratic bosses, environmental degradation, economic insecurity and wealth polarisation indefinitely. The actual objective reality of neo-liberal capitalism will always come into glaring contrast with the propaganda used to justify and extend it. Hence the rising budgets for these activities cannot counteract the rising unease the American people feel about the direction their country is no more (the other reasons being social resistance to foreign domination, which obviously helped to make imperialism bad for business as well, and the need for US imperialism to gain access to these markets after the second world war). There are now more cost-effective means than direct colonialism to ensure that "underdeveloped" countries remain open to exploitation by foreign capital. Once the costs exceeded the benefits, colonialist imperialism changed into the neo-colonialism of multinationals, political influence, and the threat of force. Moreover, we must not forget that any change in imperialism relates to changes in the underlying economic system and so the changing nature of modern imperialism can be roughly linked to developments within the capitalist economy.

Imperialism, then, is basically the ability of countries to globally and locally dictate trade relations and investments with other countries in such a way as to gain an advantage over the other countries. When capital is invested in foreign nations, the surplus value extracted from the workers in those nations are not re-invested in those nations. Rather a sizeable part of it returns to the base nation of the corporation (in the form of profits for that company). Indeed, that is to be expected as the whole reason for the investment of capital in the first place was to get more out of the country than the corporation put into it. Instead of this surplus value being re-invested into industry in the less-developed nation (as would be the case with home-grown exploiters, who are dependent on local markets and labour) it ends up in the hands of foreign exploiters who take them out of the dominated country. This means that industrial development as less resources to draw on, making the local ruling class dependent on foreign capital and its whims.

This can be done directly (by means of invasion and colonies) or indirectly (by means of economic and political power). Which method is used depends on the specific circumstances facing the countries in question. Moreover, it depends on the balance of class forces within each country as well (for exam-

initially dominate an economically "backward" nation (such as the US invasion of the Philippines, the conquest of Africa by West European states, and so on) or maintain that dominance once it has been achieved (such as the Vietnam War, the Algerian War, the Gulf War and so on). Or it may be the wars between major imperialist powers once the competition for markets and colonies reaches a point when they cannot be settled peacefully (as in the First and Second World Wars). As Kropotkin argued:

> *"men no longer fight for the pleasure of kings, they fight for the integrity of revenues and for the growing wealth ... [for the] benefit of the barons of high finance and industry ... [P]olitical preponderance ... is quite simply a matter of economic preponderance in international markets. What Germany, France, Russia, England, and Austria are all trying to win ... is not military preponderance: it is economic domination. It is the right to impose their goods and their customs tariffs on their neighbours; the right to exploit industrially backward peoples; the privilege of building railroads ... to appropriate from a neighbour either a port which will activate commerce, or a province where surplus merchandise can be unloaded ... When we fight today, it is to guarantee our great industrialists a profit of 30%, to assure the financial barons their domination at the Bourse [stock-exchange], and to provide the shareholders of mines and railways with their incomes."* [**Words of a Rebel**, pp. 65–6]

In summary, current imperialism is caused by, and always serves, the needs and interests of Capital. If it did not, if imperialism were bad for business, the business class would oppose it. This partly explains why the colonialism of the 19th

try is taking. The task of anarchists is to help the struggle, in America and across the globe, by which they can take their country and lives back from the elite.

D.3 How does wealth influence the mass media?

In a word, massively. This, in turn, influences the way people see the world and, as a result, the media is a key means by which the general population come to accept, and support, *"the arrangements of the social, economic, and political order."* The media, in other words *"are vigilant guardians protecting privilege from the threat of public understanding and participation."* This process ensures that state violence is not necessary to maintain the system as *"more subtle means are required: the manufacture of consent, [and] deceiving the masses with 'necessary illusions."* [Noam Chomsky, **Necessary Illusions**, pp. 13–4 and p. 19] The media, in other words, are a key means of ensuring that the dominant ideas within society are those of the dominant class.

Noam Chomsky has helped develop a detailed and sophisticated analyse of how the wealthy and powerful use the media to propagandise in their own interests behind a mask of objective news reporting. Along with Edward Herman, he has developed the ***"Propaganda Model"*** of the media works. Herman and Chomsky expound this analysis in their book **Manufacturing Consent: The Political Economy of the Mass Media**, whose main theses we will summarise in this section (unless otherwise indicated all quotes are from this work). We do not suggest that we can present anything other than a summary here and, as such, we urge readers to consult **Manufacturing Consent** itself for a full description and extensive supporting

cess. The end of the Cold War meant a reduction in the space available for local elites to manoeuvre. Before this local ruling classes could, if they were lucky, use the struggle between US and USSR imperialism to give them a breathing space in which they could exploit to pursue their own agenda (within limits, of course, and with the blessing of the imperialist power in whose orbit they were in). The Eastern Tiger economies were an example of this process at work. The West could use them to provide cheap imports for the home market as well as in the ideological conflict of the Cold War as an example of the benefits of the "free market" (not that they were) and the ruling elites, while maintaining a pro-west and pro-business environment (by force directed against their own populations, of course), could pursue their own economic strategies. With the end of the Cold War, this factor is no longer in play and the newly industrialised nations are now an obvious economic competitor. The local elites are now "encouraged" (by economic blackmail via the World Bank and the IMF) to embrace US economic ideology. Just as neo-liberalism attacks the welfare state in the Imperialist nations, so it results in a lower tolerance of local capital in "less developed" nations.

However, while imperialism is driven by the needs of capitalism it cannot end the contradictions inherent in that system. As Reclus put it in the late nineteenth century, *"the theatre expands, since it now embraces the whole of the land and seas. But the forces that struggled against one another in each particularly state are precisely those that fight across the earth. In each country, capital seeks to subdue the workers. Similarly, on the level of the broadest world market, capital, which had grown enormously, disregards all the old borders and seeks to put the entire mass of producers to work on behalf of its profits, and to secure all the consumers in the world."* [Reclus, quoted by Clark and Martin (eds.), **Op. Cit.**, p. 97]

This struggle for markets and resources does, by necessity, lead to conflict. This may be the wars of conquest required to

stood, that the race for colonies has become the distinctive feature of the last twenty years [Kropotkin is writing in 1912]. Each nation will have her own colonies. But colonies will not help." [**Op. Cit.**, p. 75]

Imperialism hinders industrialisation in two ways. The first way was direct colonisation, a system which has effectively ended. The second is by indirect means — namely the extraction of profits by international big business. A directly dominated country can be stopped from developing industry and be forced to specialise as a provider of raw materials. This was the aim of "classic" imperialism, with its empires and colonial wars. By means of colonisation, the imperialist powers ensure that the less-developed nation stays that way — so ensuring one less competitor as well as favourable access to raw materials and cheap labour. French anarchist Elisee Reclus rightly called this a process of creating *"colonies of exploitation."* [quoted by John P Clark and Camille Martin (eds.), **Anarchy, Geography, Modernity**, p. 92]

This approach has been superseded by indirect means (see next section). Globalisation can be seen as an intensification of this process. By codifying into international agreements the ability of corporations to sue nation states for violating "free trade," the possibility of new competitor nations developing is weakened. Industrialisation will be dependent on transnational corporations and so development will be hindered and directed to ensure corporate profits and power. Unsurprisingly, those nations which **have** industrialised over the last few decades (such as the East Asian Tiger economies) have done so by using the state to protect industry and control international finance.

The new attack of the capitalist class ("globalisation") is a means of plundering local capitalists and diminish their power and area of control. The steady weakening and ultimate collapse of the Eastern Block (in terms of economic/political performance and ideological appeal) also played a role in this pro-

evidence. We would also recommend Chomsky's **Necessary Illusions** for a further discussion of this model of the media.

Chomsky and Herman's "propaganda model" of the media postulates a set of five *"filters"* that act to screen the news and other material disseminated by the media. These *"filters"* result in a media that reflects elite viewpoints and interests and mobilises *"support for the special interests that dominate the state and private activity."* [**Manufacturing Consent**, p. xi] These *"filters"* are: (1) the size, concentrated ownership, owner wealth, and profit orientation of the dominant mass-media firms; (2) advertising as the primary income source of the mass media; (3) the reliance of the media on information provided by government, business, and "experts" funded and approved by these primary sources and agents of power; (4) *"flak"* (negative responses to a media report) as a means of disciplining the media; and (5) *"anticommunism"* as a national religion and control mechanism. It is these filters which ensure that genuine objectivity is usually lacking in the media (needless to say, some media, such as Fox news and the right-wing newspapers like the UK's Sun, Telegraph and Daily Mail, do not even try to present an objective perspective).

"The raw material of news must pass through successive filters leaving only the cleansed residue fit to print," Chomsky and Herman maintain. The filters *"fix the premises of discourse and interpretation, and the definition of what is newsworthy in the first place, and they explain the basis and operations of what amount to propaganda campaigns."* [p. 2] We will briefly consider the nature of these five filters below before refuting two common objections to the model. As with Chomsky and Herman, examples are mostly from the US media. For more extensive analysis, we would recommend two organisations which study and critique the performance of the media from a perspective informed by the "propaganda model." These are the American **Fairness & Accuracy In Reporting** (FAIR) and the UK based

MediaLens (neither, it should be pointed out, are anarchist organisations).

Before discussing the "propaganda model", we will present a few examples by FAIR to show how the media reflects the interests of the ruling class. War usually provides the most obvious evidence for the biases in the media. For example, Steve Rendall and Tara Broughel analysed the US news media during the first stage of the 2003 invasion of Iraq and found that official voices dominated it *"while opponents of the war have been notably underrepresented,"* Nearly two-thirds of all sources were pro-war, rising to 71% of US guests. Anti-war voices were a mere 10% of all sources, but just 6% of non-Iraqi sources and 3% of US sources. *"Thus viewers were more than six times as likely to see a pro-war source as one who was anti-war; with U.S. guests alone, the ratio increases to 25 to 1."* Unsurprisingly, official voices, *"including current and former government employees, whether civilian or military, dominated network newscasts"* (63% of overall sources). Some analysts did criticise certain aspects of the military planning, but such *"the rare criticisms were clearly motivated by a desire to see U.S. military efforts succeed."* While dissent was quite visible in America, *"the networks largely ignored anti-war opinion."* FAIR found that just 3% of US sources represented or expressed opposition to the war in spite of the fact more than one in four Americans opposed it. In summary, *"none of the networks offered anything resembling proportionate coverage of anti-war voices"*. [*"Amplifying Officials, Squelching Dissent"*, **Extra!** May/June 2003]

This perspective is common during war time, with the media's rule of thumb being, essentially, that to support the war is to be objective, while to be anti-war is to carry a bias. The media repeats the sanitised language of the state, relying on official sources to inform the public. Truth-seeking independence was far from the media agenda and so they made it easier for governments to do what they always do, that is lie. Rather than challenge the agenda of the state, the media simply

power at home. The export of capital is done by emerging and established transnational companies to overcome a militant and class consciousness working class which is often too advanced for heavy exploitation, and finance capital can make easier and bigger profits by investing productive capital elsewhere. It aids the bargaining position of business by pitting the workers in one country against another, so while they are being exploited by the same set of bosses, those bosses can use this fictional "competition" of foreign workers to squeeze concessions from workers at home.

Imperialism has another function, namely to hinder or control the industrialisation of other countries. Such industrialisation will, of course, mean the emergence of new capitalists, who will compete with the existing ones both in the "less developed" countries and in the world market as a whole. Imperialism, therefore, attempts to reduce competition on the world market. As we discuss in the next section, the nineteenth century saw the industrialisation of many European nations as well as America, Japan and Russia by means of state intervention. However, this state-led industrialisation had a drawback, namely that it created more and more competitors on the world market. Moreover, as Kropotkin noted, they has the advantage that the *"new manufacturers ... begin where"* the old have *"arrived after a century of experiments and groupings"* and so they *"are built according to the newest and best models which have been worked out elsewhere."* [**Op. Cit.**, p. 32 and p. 49] Hence the need to stop new competitors and secure raw materials and markets, which was achieved by colonialism:

> *"Industries of all kinds decentralise and are scattered all over the globe; and everywhere a variety, an integrated variety, of trades grows, instead of specialisation ... each nation becomes in its turn a manufacturing nation ... For each new-comer the first steps only are difficult ... The fact is so well felt, if not under-*

loans and investments are exceeded by outflows in the form of repatriated profits, interest payments, and private capital sent abroad by Third World Elites." [quoted by George Bradford, **Woman's Freedom: Key to the Population Question**, p. 77]

In addition, imperialism allows big business to increase its strength with respect to its workforce in the imperialist nation by the threat of switching production to other countries or by using foreign investments to ride out strikes. This is required because, while the "home" working class are still exploited and oppressed, their continual attempts at organising and resisting their exploiters proved more and more successful. As such, *"the opposition of the white working classes to the ... capitalist class continually gain[ed] strength, and the workers ... [won] increased wages, shorter hours, insurances, pensions, etc., the white exploiters found it profitable to obtain their labour from men [,women and children] of so-called inferior race ... Capitalists can therefore make infinitely more out there than at home."* [Bart de Ligt, **Op. Cit.**, p. 49]

As such, imperialism (like capitalism) is not only driven by the need to increase profits (important as this is, of course), it is also driven by the class struggle — the need for capital to escape from the strength of the working class in a particular country. From this perspective, the export of capital can be seen in two ways. Firstly, as a means of disciplining rebellious workers at home by an "investment strike" (capital, in effect, runs away, so causing unemployment which disciplines the rebels). Secondly, as a way to increase the 'reserve army' of the unemployed facing working people in the imperialist nations by creating new competitors for their jobs (i.e. dividing, and so ruling, workers by playing one set of workers against another). Both are related, of course, and both seek to weaken working class power by the fear of unemployment. This process played a key role in the rise of globalisation — see section D.5.3 for details.

Thus imperialism, which is rooted in the search from surplus profits for big business, is also a response to working class

foisted them onto the general population. Genuine criticism only starts to appear when the costs of a conflict become so high that elements of the ruling class start to question tactics and strategy. Until that happens, any criticism is minor (and within a generally pro-war perspective) and the media acts essentially as the fourth branch of the government rather than a Fourth Estate. The Iraq war, it should be noted, was an excellent example of this process at work. Initially, the media simply amplified elite needs, uncritically reporting the Bush Administration's pathetic "evidence" of Iraqi WMD (which quickly became exposed as the nonsense it was). Only when the war became too much of a burden did critical views start being heard and then only in a context of being supportive of the goals of the operation.

This analysis applies as much to domestic issues. For example, Janine Jackson reported how most of the media fell in step with the Bush Administration's attempts in 2006 to trumpet a "booming" U.S. economy in the face of public disbelief. As she notes, there were *"obvious reasons [for] the majority of Americans dissent ... Most American households are not, in fact, seeing their economic fortunes improve. GDP is up, but virtually all the growth has gone into corporate profits and the incomes of the highest economic brackets. Wages and incomes for average workers, adjusted for inflation, are down in recent years; the median income for non-elderly households is down 4.8 percent since 2000 ...The poverty rate is rising, as is the number of people in debt."* Yet *"rather than confront these realities, and explore the implications of the White House's efforts to deny them, most mainstream media instead assisted the Bush team's PR by themselves feigning confusion over the gap between the official view and the public mood."* They did so by presenting *"the majority of Americans' understanding of their own economic situation ... as somehow disconnected from reality, ascribed to 'pessimism,' ignorance or irrationality ... But why these ordinary workers, representing the majority of households, should not be considered the arbiters of*

whether or not 'the economy' is good is never explained." Barring a few exceptions, the media did not *"reflect the concerns of average salaried workers at least as much as those of the investor class."* Needless to say, which capitalist economists were allowed space to discuss their ideas, progressive economists did not. [*"Good News! The Rich Get Richer: Lack of applause for falling wages is media mystery,"* **Extra!**, March/April 2006] Given the nature and role of the media, this reporting comes as no surprise.

We stress again, before continuing, that this is a **summary** of Herman's and Chomsky's thesis and we cannot hope to present the wealth of evidence and argument available in either **Manufacturing Consent** or **Necessary Illusions**. We recommend either of these books for more information on and evidence to support the "propaganda model" of the media. Unless otherwise indicated, all quotes in this section of the FAQ are from Herman and Chomsky's **Manufacturing Consent**.

D.3.1 How does the structure of the media affect its content?

Even a century ago, the number of media with any substantial outreach was limited by the large size of the necessary investment, and this limitation has become increasingly effective over time. As in any well developed market, this means that there are very effective **natural** barriers to entry into the media industry. Due to this process of concentration, the ownership of the major media has become increasingly concentrated in fewer and fewer hands. As Ben Bagdikian's stresses in his 1987 book **Media Monopoly**, the 29 largest media systems account for over half of the output of all newspapers, and most of the sales and audiences in magazines, broadcasting, books, and movies. The *"top tier"* of these — somewhere between 10 and 24 systems — along with the government and wire services,

imperialist nation. This, again, allows the benefits of trade (this time the trade of workers liberty for wages) to accrue to more to business rather than to labour.

How this is done and in what manner varies and changes, but the aim is always the same — exploitation.

This can be achieved in many ways. For example, allowing the import of cheaper raw materials and goods; the export of goods to markets sheltered from foreign competitors; the export of capital from capital-rich areas to capital-poor areas as the investing of capital in less industrially developed countries allows the capitalists in question to benefit from lower wages; relocating factories to countries with fewer (or no) social and environmental laws, controls or regulations. All these allow profits to be gathered at the expense of the working people of the oppressed nation (the rulers of these nations generally do well out of imperialism, as would be expected). The initial source of exported capital is, of course, the exploitation of labour at home but it is exported to less developed countries where capital is scarcer and the price of land, labour and raw materials cheaper. These factors all contribute to enlarging profit margins:

> *"The relationship of these global corporations with the poorer countries had long been an exploiting one ... Whereas U.S. corporations in Europe between 1950 and 1965 invested $8.1 billion and made $5.5 billion in profits, in Latin America they invested $3.8 billion and made $11.2 billion in profits, and in Africa they invested $5.2 billion and made $14.3 bullion in profits."* [Howard Zinn, **A People's History of the United States**, p. 556]

Betsy Hartman, looking at the 1980s, concurs. *"Despite the popular Western image of the Third World as a bottomless begging bowl,"* she observes, *"it today gives more to the industrialised world than it takes. Inflows of official 'aid' and private*

to secure and protect international markets and opportunities in a world of rivals and **their** states.

As power depends on profits within capitalism, this means that modern imperialism is caused more by economic factors than purely political considerations (although, obviously, this factor does play a role). Imperialism serves capital by increasing the pool of profits available for the imperialistic country in the world market as well as reducing the number of potential competitors. As Kropotkin stressed, *"capital knows no fatherland; and if high profits can be derived from the work of Indian coolies whose wages are only one-half of those of English workmen [or women], or even less, capital will migrate to India, as it has gone to Russian, although its migration may mean starvation for Lancashire."* [**Fields, Factories and Workshops**, p. 57]

Therefore, capital will travel to where it can maximise its profits — regardless of the human or environmental costs at home or abroad. This is the economic base for modern imperialism, to ensure that any trade conducted benefits the stronger party more than the weaker one. Whether this trade is between nations or between classes is irrelevant, the aim of imperialism is to give business an advantage on the market. By travelling to where labour is cheap and the labour movement weak (usually thanks to dictatorial regimes), environmental laws few or non-existent, and little stands in the way of corporate power, capital can maximise its profits. Moreover, the export of capital allows a reduction in the competitive pressures faced by companies in the home markets (at least for short periods).

This has two effects. Firstly, the industrially developed nation (or, more correctly corporation based in that nation) can exploit less developed nations. In this way, the dominant power can maximise for itself the benefits created by international trade. If, as some claim, trade always benefits each party, then imperialism allows the benefits of international trade to accrue more to one side than the other. Secondly, it gives big business more weapons to use to weaken the position of labour in the

"defines the news agenda and supplies much of the national and international news to the lower tiers of the media, and thus for the general public." [p. 5] Since then, media concentration has increased, both nationally and on a global level. Bagdikian's 2004 book, **The New Media Monopoly**, showed that since 1983 the number of corporations controlling most newspapers, magazines, book publishers, movie studios, and electronic media have shrunk from 50 to five global-dimension firms, operating with many of the characteristics of a cartel — Time-Warner, Disney, News Corporation, Viacom and Germany-based Bertelsmann.

These *"top-tier companies are large, profit-seeking corporations, owned and controlled by very wealthy people … Many of these companies are fully integrated into the financial market"* which means that *"the pressures of stockholders, directors and bankers to focus on the bottom line are powerful."* [p. 5] These pressures have intensified in recent years as media stocks have become market favourites and as deregulation has increased profitability and so the threat of take-overs. These ensure that these *"control groups obviously have a special take on the status quo by virtue of their wealth and their strategic position in one of the great institutions of society. And they exercise the power of this strategic position, if only by establishing the general aims of the company and choosing its top management."* [p. 8]

The media giants have also diversified into other fields. For example GE, and Westinghouse, both owners of major television networks, are huge, diversified multinational companies heavily involved in the controversial areas of weapons production and nuclear power. GE and Westinghouse depend on the government to subsidise their nuclear power and military research and development, and to create a favourable climate for their overseas sales and investments. Similar dependence on the government affect other media.

Because they are large corporations with international investment interests, the major media tend to have a right-wing

political bias. In addition, members of the business class own most of the mass media, the bulk of which depends for their existence on advertising revenue (which in turn comes from private business). Business also provides a substantial share of "experts" for news programmes and generates massive "flak." Claims that the media are "left-leaning" are sheer disinformation manufactured by the "flak" organisations described below (in section D.3.4). Thus Herman and Chomsky:

> *"the dominant media forms are quite large businesses; they are controlled by very wealthy people or by managers who are subject to sharp constraints by owners and other market-profit-oriented forces; and they are closely interlocked, and have important common interests, with other major corporations, banks, and government. This is the first powerful filter that effects news choices."* [p. 14]

Needless to say, reporters and editors will be selected based upon how well their work reflects the interests and needs of their employers. Thus a radical reporter and a more mainstream one both of the same skills and abilities would have very different careers within the industry. Unless the radical reporter toned down their copy, they are unlikely to see it printed unedited or unchanged. Thus the structure within the media firm will tend to penalise radical viewpoints, encouraging an acceptance of the status quo in order to further a career. This selection process ensures that owners do not need to order editors or reporters what to do — to be successful they will have to internalise the values of their employers.

> *"just as capitalist production and banking speculation, which in the long run swallows up that production, must, under the threat of bankruptcy, ceaselessly expand at the expense of the small financial and productive enterprises which they absorb, must become universal, monopolistic enterprises extending all over the world — so this modern and necessarily military State is driven on by an irrepressible urge to become a universal State... Hegemony is only a modest manifestation possible under the circumstances, of this unrealisable urge inherent in every State. And the first condition of this hegemony is the relative impotence and subjection of all the neighbouring States."* [**Op. Cit.**, p. 210]

Therefore, economically and politically, the imperialistic activities of **both** capitalist and state-capitalist (i.e. the Soviet Union and other "socialist" nations) comes as no surprise. Capitalism is inevitably imperialistic and so *"[w]ar, capitalism and imperialism form a veritable trinity,"* to quote Dutch pacifist-syndicalist Bart de Ligt [**The Conquest of Violence**, p. 64] The growth of big business is such that it can no longer function purely within the national market and so they have to expand internationally to gain advantage in and survive. This, in turn, requires the home state of the corporations also to have global reach in order to defend them and to promote their interests. Hence the economic basis for modern imperialism, with *"the capitalistic interests of the various countries fight[ing] for the foreign markets and compete with each other there"* and when they *"get into trouble about concessions and sources of profit,"* they *"call upon their respective governments to defend their interests ... to protect the privileges and dividends of some ... capitalist in a foreign country."* [Alexander Berkman, **What is Anarchism?**, p. 31] Thus a capitalist class needs the power of nation states not only to create internal markets and infrastructure but also

waged in the name of 'great ideas' … , patriotic wars for greater national unity … And what do we find beneath all that, beneath all the hypocritical phrases used in order to give these wars the appearance of humanity and right? Always the same economic phenomenon: ***the tendency on the part of some to live and prosper at the expense of others****. All the rest is mere humbug. The ignorant and naive, and the fools are entrapped by it, but the strong men who direct the destinies of the State know only too well that underlying all those wars there is only one motive: pillage, the seizing of someone else's wealth and the enslavement of someone else's labour."* [**The Political Philosophy of Bakunin**, p. 170]

However, while the economic motive for expansion is generally the same, the economic system which a nation is based on has a definite impact on what drives that motive as well as the specific nature of that imperialism. Thus the empire building of ancient Rome or Feudal England has a different economic base (and so driving need) than, say, the imperialism of nineteenth century Germany and Britain or twentieth and twenty-first century United States. Here we will focus mainly on modern capitalist imperialism as it is the most relevant one in the modern world.

Capitalism, by its very nature, is growth-based and so is characterised by the accumulation and concentration of capital. Companies **must** expand in order to survive competition in the marketplace. This, inevitably, sees a rise in international activity and organisation as a result of competition over markets and resources within a given country. By expanding into new markets in new countries, a company can gain an advantage over its competitors as well as overcome limited markets and resources in the home nation. In Bakunin's words:

D.3.2 What is the effect of advertising on the mass media?

The main business of the media is to sell audiences to advertisers. Advertisers thus acquire a kind of de facto licensing authority, since without their support the media would cease to be economically viable. And it is **affluent** audiences that get advertisers interested. As Chomsky and Herman put it, the *"idea that the drive for large audiences makes the mass media 'democratic' thus suffers from the initial weakness that its political analogue is a voting system weighted by income!"* [p.16]

As regards TV, in addition to *"discrimination against unfriendly media institutions, advertisers also choose selectively among programs on the basis of their own principles. With rare exceptions these are culturally and politically conservative. Large corporate advertisers on television will rarely sponsor programs that engage in serious criticisms of corporate activities."* Accordingly, large corporate advertisers almost never sponsor programs that contain serious criticisms of corporate activities, such as negative ecological impacts, the workings of the military-industrial complex, or corporate support of and benefits from Third World dictatorships. This means that TV companies *"learn over time that such programs will not sell and would have to be carried at a financial sacrifice, and that, in addition, they may offend powerful advertisers."* More generally, advertisers will want *"to avoid programs with serious complexities and disturbing controversies that interfere with the 'buying mood.'"* [p. 17]

Political discrimination is therefore structured into advertising allocations by wealthy companies with an emphasis on people with money to buy. In addition, *"many companies will always refuse to do business with ideological enemies and those whom they perceive as damaging their interests."* Thus overt discrimination adds to the force of the *"voting system weighted*

by income." This has had the effect of placing working class and radical papers at a serious disadvantage. Without access to advertising revenue, even the most popular paper will fold or price itself out of the market. Chomsky and Herman cite the British pro-labour and pro-union **Daily Herald** as an example of this process. At its peak, the **Daily Herald** had almost double the readership of **The Times**, the **Financial Times** and **The Guardian** combined, yet even with 8.1% of the national circulation it got 3.5% of net advertising revenue and so could not survive on the "free market." As Herman and Chomsky note, a *"mass movement without any major media support, and subject to a great deal of active press hostility, suffers a serious disability, and struggles against grave odds."* With the folding of the **Daily Herald**, the labour movement lost its voice in the mainstream media. [pp. 17–8 and pp. 15–16]

Thus advertising is an effective filter for news choice (and, indeed, survival in the market).

D.3.3 Why do the media rely on government and business "experts" for information?

As Herman and Chomsky stress, basic economics explains why the mass media *"are drawn into a symbiotic relationship with powerful sources of information"* as well as *"reciprocity of interest."* The media need *"a steady, reliable flow of raw material of news. They have daily news demands and imperative news schedules that they must meet."* They cannot afford to have reporters and cameras at all locations and so economics *"dictates that they concentrate their resources where significant news often occurs."* [p. 18] This means that bottom-line considerations dictate that the media concentrate their resources where news, rumours and leaks are plentiful, and where regular press conferences are held. The White House, Pentagon, and the State Department, in Washington, D.C., are centres of such activity

US intervention in Central America, for example, while **Deterring Democracy**, **Rogue States: The Rule of Force in World Affairs** and **Failed States: The Abuse of Power and the Assault on Democracy** present a wider perspective. **Killing Hope: US Military and CIA Interventions Since World War II** and **Rogue State: A Guide to the World's Only Superpower** by William Blum are also worth reading. For post-1945 British imperialism, Mark Curtis's **Web of Deceit: Britain's Real Role in the World** and **Unpeople: Britain's Secret Human Rights Abuses** are recommended.

As we will discuss in the following sections, imperialism has changed over time, particularly during the last two hundred years (where its forms and methods have evolved with the changing needs of capitalism). But even in the pre-capitalist days of empire building, imperialism was driven by economic forces and needs. In order to make one's state secure, in order to increase the wealth available to the state, its ruling bureaucracy and its associated ruling class, it had to be based on a strong economy and have a sufficient resource base for the state and ruling elite to exploit (both in terms of human and natural resources). By increasing the area controlled by the state, one increased the wealth available.

States by their nature, like capital, are expansionist bodies, with those who run them always wanting to increase the range of their power and influence (this can be seen from the massive number of wars that have occurred in Europe over the last 500 years). This process was began as nation-states were created by Kings declaring lands to be their private property, regardless of the wishes of those who actually lived there. Moreover, this conflict did not end when monarchies were replaced by more democratic forms of government. As Bakunin argued:

> *"we find wars of extermination, wars among races and nations; wars of conquest, wars to maintain equilibrium, political and religious wars, wars*

D.5 What causes imperialism?

In a word: power. Imperialism is the process by which one country dominates another directly, by political means, or indirectly, by economic means, in order to steal its wealth (either natural or produced). This, by necessity, means the exploitation of working people in the dominated nation. Moreover, it can also aid the exploitation of working people in the imperialist nation itself. As such, imperialism cannot be considered in isolation from the dominant economic and social system. Fundamentally the cause is the same inequality of power, which is used in the service of exploitation.

While the rhetoric used for imperial adventures may be about self-defence, defending/exporting "democracy" and/or "humanitarian" interests, the reality is much more basic and grim. As Chomsky stresses, *"deeds consistently accord with interests, and conflict with words — discoveries that must not, however, weaken our faith in the sincerity of the declarations of our leaders."* This is unsurprising as states are always *"pursuing the strategic and economic interests of dominant sectors to the accompaniment of rhetorical flourishes about its exceptional dedication to the highest values"* and so *"the evidence for ... the proclaimed messianic missions reduces to routine pronouncements"* (faithfully repeated by the media) while *"counter-evidence is mountainous."* [**Failed States**, p. 171 and pp. 203–4]

We must stress that we are concentrating on the roots of imperialism here. We do not, and cannot, provide a detailed history of the horrors associated with it. For US imperialism, the works of Noam Chomsky are recommended. His books **Turning the Tide** and **The Culture of Terrorism** expose the evils of

on a national scale, while city hall and police departments are their local equivalents. In addition, trade groups, businesses and corporations also provide regular stories that are deemed as newsworthy and from credible sources.

In other words, government and corporate sources have the great merit of being recognisable and credible by their status and prestige; moreover, they have the most money available to produce a flow of news that the media can use. For example, the Pentagon has a public-information service employing many thousands of people, spending hundreds of millions of dollars every year, and far outspending not only the public-information resources of any dissenting individual or group but the **aggregate** of such groups. Only the corporate sector has the resources to produce public information and propaganda on the scale of the Pentagon and other government bodies. The Chamber of Commerce, a business collective, had a 1983 budget for research, communications, and political activities of $65 million. Besides the US Chamber of Commerce, there are thousands of state and local chambers of commerce and trade associations also engaged in public relations and lobbying activities. As we noted in section D.2, the corporate funding of PR is massive. Thus *"business corporations and trade groups are also regular purveyors of stories deemed newsworthy. These bureaucracies turn out a large volume of material that meets the demands of news organisations for reliable, scheduled flows."* [p. 19]

To maintain their pre-eminent position as sources, government and business-news agencies expend much effort to make things easy for news organisations. They provide the media organisations with facilities in which to gather, give journalists advance copies of speeches and upcoming reports; schedule press conferences at hours convenient for those needing to meet news deadlines; write press releases in language that can be used with little editing; and carefully organise press conferences and photo-opportunity sessions. This means that, in effect, *"the large bureaucracies of the powerful **subsidise** the mass*

media, and gain special access by their contribution to reducing the media's costs of acquiring the raw materials of, and producing, news." [p. 22]

This economic dependency also allows corporations and the state to influence the media. The most obvious way is by using their *"personal relationships, threats, and rewards to further influence and coerce the media. The media may feel obligated to carry extremely dubious stories and mute criticism in order not to offend sources and disturb a close relationship. It is very difficult to call authorities on whom one depends for daily news liars, even if they tell whoppers."* Critical sources may be avoided not only due to the higher costs in finding them and establishing their credibility, but because the established *"primary sources may be offended and may even threaten the media with using them."* [p. 22] As well as refusing to co-operate on shows or reports which include critics, corporations and governments may threaten the media with loss of access if they ask too many critical questions or delve into inappropriate areas.

In addition, *"more important, powerful sources regularly take advantage of media routines and dependency to 'manage' the media, to manipulate them into following a special agenda and framework ... Part of this management process consists of inundating the media with stories, which serve sometimes to foist a particular line and frame on the media ... and at other times to chase unwanted stories off the front page or out of the media altogether."* [p. 23]

The dominance of official sources would, of course, be weakened by the existence of highly respectable unofficial sources that gave dissident views with great authority. To alleviate this problem, the power elite uses the strategy of *"co-opting the experts"* — that is, putting them on the payroll as consultants, funding their research, and organising think tanks that will hire them directly and help disseminate the messages deemed essential to elite interests. "Experts" on TV panel discussions and news programs are often drawn from such organisations,

libertarian socialism is our best hope for preventing ecological catastrophe.

stantly expand and upgrade its capital and production levels so it can sell enough to **keep** expanding and upgrading its capital — i.e. "grow or die," or *"production for the sake of production"* (to user Marx's term). This means that the accumulation of capital is at the heart of the system and so it is impossible in principle for capitalism to solve the ecological crisis, because "grow or die" is inherent in its nature:

> *"To speak of 'limits to growth' under a capitalistic market economy is as meaningless as to speak of limits of warfare under a warrior society. The moral pieties, that are voiced today by many well-meaning environmentalists, are as naive as the moral pieties of multinationals are manipulative. Capitalism can no more be 'persuaded' to limit growth than a human being can be 'persuaded' to stop breathing. Attempts to 'green' capitalism, to make it 'ecological', are doomed by the very nature of the system as a system of endless growth."* [Bookchin, **Remaking Society**, pp. 93–94]

As long as capitalism exists, it will **necessarily** continue its *"endless devouring of nature,"* until it removes the *"organic preconditions for human life."* For this reason there can be no compromise with capitalism: We must destroy it before it destroys us. And time is running out.

Capitalists, of course, do not accept this conclusion. Many simply ignore the evidence or view the situation through rose-coloured spectacles, maintaining that ecological problems are not as serious as they seem or that science will find a way to solve them before it's too late. Some are aware of the problem, but they fail to understand its roots and, as such, advocate reforms which are based on either regulation or (more usually in these neo-liberal days) on "market" based solutions. In section E we will show why these arguments are unsound and why

whose funding comes primarily from the corporate sector and wealthy families — a fact that is, of course, never mentioned on the programs where they appear. This allows business, for example, to sell its interests as objective and academic while, in fact, they provide a thin veneer to mask partisan work which draws the proper conclusions desired by their pay masters.

This process of creating a mass of experts readily available to the media *"has been carried out on a deliberate and a massive scale."* These ensure that *"the corporate viewpoint"* is effectively spread as the experts work is *"funded and their outputs ... disseminated to the media by a sophisticated propaganda effort. The corporate funding and clear ideological purpose in the overall effort had no discernible effect on the credibility of the intellectuals so mobilised; on the contrary, the funding and pushing of their ideas catapulted them into the press."* [p. 23 and p. 24]

D.3.4 How is "flak" used as a means of disciplining the media?

"Flak" is a term used by Herman and Chomsky to refer *"to negative responses to a media statement or program."* Such responses may be expressed as phone calls, letters, telegrams, e-mail messages, petitions, lawsuits, speeches, bills before Congress, or *"other modes of complaint, threat, or punishment."* Flak may be generated centrally, by organisations, or it may come from the independent actions of individuals (sometimes encouraged to act by media hacks such as right-wing talk show hosts or newspapers). *"If flak is produced on a large-scale, or by individuals or groups with substantial resources, it can be both uncomfortable and costly to the media."* [p. 26]

This is for many reasons. Positions need to be defended within and outwith an organisation, sometimes in front of legislatures and (perhaps) in the courts. Advertisers are very concerned to avoid offending constituencies who might produce

flak, and their demands for inoffensive programming exerts pressure on the media to avoid certain kinds of facts, positions, or programs that are likely to call forth flak. This can have a strong deterrence factor, with media organisations avoiding certain subjects and sources simply to avoid having to deal with the inevitable flak they will receive from the usual sources. The ability to produce flak *"is related to power,"* as it is expensive to generate on scale which is actually effective. [p. 26] Unsurprisingly, this means that the most effective flak comes from business and government who have the funds to produce it on a large scale.

The government itself is *"a major producer of flak, regularly assailing, threatening, and 'correcting' the media, trying to contain any deviations from the established line in foreign or domestic policy."* However, the right-wing plays a major role in deliberately creating flak. For example, during the 1970s and 1980s, the corporate community sponsored the creation of such institutions as the American Legal Foundation, the Capital Legal Foundation, the Media Institute, the Center for Media and Public Affairs, and Accuracy in Media (AIM), which may be regarded as organisations designed for the specific purpose of producing flak. Freedom House is an older US organisation which had a broader design but whose flak-producing activities became a model for the more recent organisations. The Media Institute, for instance, was set up in 1972 and is funded by wealthy corporate patrons, sponsoring media monitoring projects, conferences, and studies of the media. The main focus of its studies and conferences has been the alleged failure of the media to portray business accurately and to give adequate weight to the business point of view, but it also sponsors works which "expose" alleged left-wing bias in the mass media. [p. 28 and pp. 27–8]

And, it should be noted, while the flak machines *"steadily attack the media, the media treats them well. They receive respectful attention, and their propagandistic role and links to a large corpo-*

quences. Yet it is impossible **in principle** for capitalism to kick its addiction to growth. It is important to understand why.

Capitalism is based on production for profit. In order to stay profitable, a firm needs to make a profit. In other words, money must become more money. This can be done in two ways. Firstly, a firm can produce new goods, either in response to an existing need or (by means of advertising) by creating a new one. Secondly, by producing a new good more cheaply than other firms in the same industry in order to successfully compete. If one firm increases its productivity (as all firms must try to do), it will be able to produce more cheaply, thus undercutting its competition and capturing more market share (until eventually it forces less profitable firms into bankruptcy). Hence, constantly increasing productivity is essential for survival.

There are two ways to increase productivity, either by passing on costs to third parties (externalities) or by investing in new means of production. The former involves, for example, polluting the surrounding environment or increasing the exploitation of workers (e.g. longer hours and/or more intense work for the same amount of pay). The latter involves introducing new technologies that reduce the amount of labour necessary to produce the same product or service. Due to the struggle of workers to prevent increases in the level of their exploitation and by citizens to stop pollution, new technologies are usually the main way that productivity is increased under capitalism (though of course capitalists are always looking for ways to avoid regulations and to increase the exploitation of workers on a given technology by other means as well).

But new technologies are expensive, which means that in order to pay for continuous upgrades, a firm must continually sell **more** of what it produces, and so must keep expanding its capital. To stay in the same place under capitalism is to tempt crisis — thus a firm must always strive for more profits and thus must always expand and invest. In order to survive, a firm must con-

This is not to say that ecological destruction did not exist before the rise of capitalism. This is not the case. Social problems, and the environmental destruction they create, *"lie not only in the conflict between wage labour and capital"* they also *"lie in the conflicts between age-groups and sexes within the family, hierarchical modes of instruction in the schools, the bureaucratic usurpation of power within the city, and ethnic divisions within society. Ultimately, they stem from a hierarchical sensibility of command and obedience that begins with the family and merely reaches its most visible social form in the factory, bureaucracy and military. I cannot emphasise too strongly that these problems emerged long before capitalism."* However, capitalism is the dominant economic form today and so the *"modern urban crisis largely reflects the divisions that capitalism has produced between society and nature."* [**Op. Cit.**, p. 29 and p. 28]

Capitalism, unlike previous class and hierarchical systems, has an expansionist nature which makes it incompatible with the planet's ecology. So it is important to stress that capitalism must be **eliminated** because it **cannot** reform itself so as to become "environment friendly," contrary to the claims of so-called "green" capitalists. This is because *"[c]apitalism not only validates precapitalist notions of the domination of nature, ... it turns the plunder of nature into society's law of life. To quibble with this kind of system about its values, to try to frighten it with visions about the consequences of growth is to quarrel with its very metabolism. One might more easily persuade a green plant to desist from photosynthesis than to ask the bourgeois economy to desist from capital accumulation."* [**Op. Cit.**, p. 66]

Thus capitalism causes ecological destruction because it is based upon domination (of human over human and so humanity over nature) and continual, endless growth (for without growth, capitalism would die). This can be seen from the fact that industrial production has increased fifty fold between 1950 and the 1990s. Obviously such expansion in a finite environment cannot go on indefinitely without disastrous conse-

rate program are rarely mentioned or analysed." [p. 28] Indeed, such attacks *"are often not unwelcome, first because response is simple or superfluous; and second, because debate over this issue helps entrench the belief that the media are ... independent and objective, with high standards of professional integrity and openness to all reasonable views"* which is *"quite acceptable to established power and privilege — even to the media elites themselves, who are not averse to the charge that they may have gone to far in pursuing their cantankerous and obstreperous ways in defiance of orthodoxy and power."* Ultimately, such flak *"can only be understood as a demand that the media should not even reflect the range of debate over tactical questions among the dominant elites, but should serve only those segments that happen to manage the state at a particular moment, and should do so with proper enthusiasm and optimism about the causes — noble by definition — in which state power is engaged."* [Chomsky, **Necessary Illusions**, p. 13 and p. 11]

D.3.5 Why is "anticommunism" used as control mechanism?

The final filter which Herman and Chomsky discuss is the ideology of anticommunism. "Communism" is of course regarded as the ultimate evil by the corporate rich, since the ideas of collective ownership of productive assets *"threatens the very root of their class position and superior status."* As the concept is *"fuzzy,"* it can be widely applied and *"can be used against anybody advocating policies that threaten property interests."* [p. 29] Hence the attacks on third-world nationalists as "socialists" and the steady expansion of "communism" to apply to any form of socialism, social democracy, reformism, trade unionism or even "liberalism" (i.e. any movement which aims to give workers more bargaining power or allow ordinary citizens more voice in public policy decisions).

Hence the ideology of anticommunism has been very useful, because it can be used to discredit anybody advocating policies regarded as harmful to corporate interests. It also helps to divide the Left and labour movements, justifies support for pro-US fascist regimes abroad as "lesser evils" than communism, and discourages liberals from opposing such regimes for fear of being branded as heretics from the national religion. This process has been aided immensely by the obvious fact that the "communist" regimes (i.e. Stalinist dictatorships) have been so terrible.

Since the collapse of the USSR and related states in 1989, the utility of anticommunism has lost some of its power. Of course, there are still a few official communist enemy states, like North Korea, Cuba, and China, but these are not quite the threat the USSR was. North Korea and Cuba are too impoverished to threaten the world's only super-power (that so many Americans think that Cuba was ever a threat says a lot about the power of propaganda). China is problematic, as Western corporations now have access to, and can exploit, its resources, markets and cheap labour. As such, criticism of China will be mooted, unless it starts to hinder US corporations or become too much of an economic rival.

So we can still expect, to some degree, abuses or human rights violations in these countries are systematically played up by the media while similar abuses in client states are downplayed or ignored. Chomsky and Herman refer to the victims of abuses in enemy states as **worthy victims**, while victims who suffer at the hands of US clients or friends are **unworthy victims**. Stories about worthy victims are often made the subject of sustained propaganda campaigns, to score political points against enemies. For example:

> *"If the government of corporate community and the media feel that a story is useful as well as dramatic, they focus on it intensively and use it to enlighten*

an Ecological Society p. 41] In his view, without uprooting the psychology of domination, all attempts to stave off ecological catastrophe are likely to be mere palliatives and so doomed to failure.

Bookchin argues that *"the conflict between humanity and nature is an extension of the conflict between human and human. Unless the ecology movement encompasses the problem of domination in all its aspects, it will contribute* ***nothing*** *toward eliminating the root causes of the ecological crisis of our time. If the ecology movement stops at mere reformism in pollution and conservation control — at mere 'environmentalism' — without dealing radically with the need for an expanded concept of revolution, it will merely serve as a safety value for the existing system of natural and human exploitation."* [**Op. Cit.**, p. 43] Since capitalism is the vehicle through which the psychology of domination finds its most ecologically destructive outlet, most eco-anarchists give the highest priority to dismantling it:

> *"Literally, the system in its endless devouring of nature will reduce the entire biosphere to the fragile simplicity of our desert and arctic biomes. We will be reversing the process of organic evolution which has differentiated flora and fauna into increasingly complex forms and relationships, thereby creating a simpler and less stable world of life. The consequences of this appalling regression are predictable enough in the long run — the biosphere will become so fragile that it will eventually collapse from the standpoint human survival needs and remove the organic preconditions for human life. That this will eventuate from a society based on production for the sake of production is … merely a matter of time, although when it will occur is impossible to predict."* [**Op. Cit.**, p. 68]

the public. This was true, for example, of the shooting down by the Soviets of the Korean airliner KAL 007 in early September 1983, which permitted an extended campaign of denigration of an official enemy and greatly advanced Reagan administration arms plans."

"In sharp contrast, the shooting down by Israel of a Libyan civilian airliner in February 1973 led to no outcry in the West, no denunciations for 'cold-blooded murder,' and no boycott. This difference in treatment was explained by the ***New York Times*** *precisely on the grounds of utility: 'No useful purpose is served by an acrimonious debate over the assignment of blame for the downing of a Libyan airliner in the Sinai peninsula last week.' There* ***was*** *a very 'useful purpose' served by focusing on the Soviet act, and a massive propaganda campaign ensued."* [p. 32]

As noted, since the end of the Cold War, anti-communism has not been used as extensively as it once was to mobilise support for elite crusades. Other enemies have to be found and so the "Drug War" or "anti-terrorism" now often provide the public with "official enemies" to hate and fear. Thus the Drug War was the excuse for the Bush administration's invasion of Panama, and "fighting narco-terrorists" has more recently been the official reason for shipping military hardware and surveillance equipment to Mexico (where it's actually being used against the Zapatista rebels in Chiapas, whose uprising is threatening to destabilise the country and endanger US investments). After 9/11, terrorism became the key means of forcing support for policies. The mantra *"you are either with us or with the terrorists"* was used to bolster support and reduce criticism for both imperial adventures as well as a whole range of regressive domestic policies.

D.4 What is the relationship between capitalism and the ecological crisis?

Environmental damage has reached alarming proportions. Almost daily there are new upwardly revised estimates of the severity of global warming, ozone destruction, topsoil loss, oxygen depletion from the clearing of rain forests, acid rain, toxic wastes and pesticide residues in food and water, the accelerating extinction rate of natural species, etc., etc. Almost all scientists now recognise that global warming may soon become irreversible, with devastating results for humanity. Those few who reject this consensus are usually paid by corporations with a vested interest in denying the reality of what their companies are doing to the planet (such as oil companies). That sections of the ruling class have become aware of the damage inflicted on the planet's eco-systems suggests that we have only a few decades before they irreparably damaged.

Most anarchists see the ecological crisis as rooted in the psychology of domination, which emerged with the rise of hierarchy (including patriarchy, classes, and the first primitive states) during the Late Neolithic. Murray Bookchin, one of the pioneers of eco-anarchism, points out that *"[t]he hierarchies, classes, propertied forms, and statist institutions that emerged with social domination were carried over conceptually into humanity's relationship with nature. Nature too became increasingly regarded as a mere resource, an object, a raw material to be exploited as ruthlessly as slaves on a latifundium."* [**Toward**

Whether any of these new enemies will prove to be as useful as anticommunism remains to be seen. It is likely, particularly given how "communism" has become so vague as to include liberal and social democratic ideas, that it will remain the bogey man of choice — particularly as many within the population both at home and abroad continue to support left-wing ideas and organisations. Given the track record of neoliberalism across the globe, being able to tar its opponents as "communists" will remain a useful tool.

D.3.6 Isn't the "propaganda model" a conspiracy theory?

No, far from it. Chomsky and Herman explicitly address this charge in **Manufacturing Consent** and explain why it is a false one:

> *"Institutional critiques such as we present in this book are commonly dismissed by establishment commentators as 'conspiracy theories,' but this is merely an evasion. We do not use any kind of 'conspiracy' hypothesis to explain mass-media performance. In fact, our treatment is much closer to a 'free market' analysis, with the results largely an outcome of the workings of market forces."* [p. xii]

They go on to suggest what some of these "market forces" are. One of the most important is the weeding-out process that determines who gets the journalistic jobs in the major media: *"Most biased choices in the media arise from the preselection of right-thinking people, internalised preconceptions, and the adaptation of personnel to the constraints of ownership, organisation, market, and political power."* This is the key, as the model *"helps us to understand how media personnel adapt, and are adapted,*

stilled, and indeed, in a properly functioning system of propaganda, it should not be, because it has a system-reinforcing character if constrained within proper bounds. What is essential is to set the bounds firmly. Controversy may rage as long as it adheres to the presuppositions that define the consensus of elites, and it should furthermore be encourages within these bounds, this helping to establish these doctrines as the very condition of thinkable thought while reinforcing the belief that freedom reigns." [**Necessary Illusions**, p. 48]

some facts about an issue … proves absolutely nothing about the adequacy or accuracy of that coverage. The mass media do, in fact, literally suppress a great deal … But even more important in this context is the question given to a fact — its placement, tone, and repetitions, the framework within which it is presented, and the related facts that accompany it and give it meaning (or provide understanding) … there is no merit to the pretence that because certain facts may be found by a diligent and sceptical researcher, the absence of radical bias and de facto suppression is thereby demonstrated." [p. xii and pp xiv-xv]

As they stress, the media in a democratic system is different from one in a dictatorship and so they *"do not function in the manner of the propaganda system of a totalitarian state. Rather, they permit — indeed, encourage — spirited debate, criticism, and dissent, as long as these remain faithfully within the system of presuppositions and principles that constitute an elite consensus, a system so powerful as to be internalised largely without awareness."* Within this context, *"facts that tend to undermine the government line, if they are properly understood, can be found."* Indeed, it is *"possible that the volume of inconvenient facts can expand, as it did during the Vietnam War, in response to the growth of a critical constituency (which included elite elements from 1968). Even in this exceptional case, however, it was very rare for news and commentary to find their way into the mass media if they failed to conform to the framework of established dogma (postulating benevolent U.S aims, the United States responding to aggression and terror, etc.)"* While during the war and after, *"apologists for state policy commonly pointed to the inconvenient facts, the periodic 'pessimism' of media pundits, and the debates over tactics as showing that the media were 'adversarial' and even 'lost' the war,"* in fact these *"allegations are ludicrous."* [p. 302 and p. xiv] A similar process, it should be noted, occurred during the invasion and occupation of Iraq.

To summarise, as Chomsky notes *"what is essential is the power to set the agenda."* This means that debate *"cannot be*

to systemic demands. Given the imperatives of corporate organisation and the workings of the various filters, conformity to the needs and interests of privileged sectors is essential to success." This means that those who do not display the requisite values and perspectives will be regarded as irresponsible and/or ideological and, consequently, will not succeed (barring a few exceptions). In other words, those who *"adapt, perhaps quite honestly, will then be able to assert, accurately, that they perceive no pressures to conform. The media are indeed free … for those who have internalised the required values and perspectives."* [p. xii and p. 304]

In other words, important media employees learn to internalise the values of their bosses: *"Censorship is largely self-censorship, by reporters and commentators who adjust to the realities of source and media organisational requirements, and by people at higher levels within media organisations who are chosen to implement, and have usually internalised, the constraints imposed by proprietary and other market and governmental centres of power."* But, it may be asked, isn't it still a conspiracy theory to suggest that media leaders all have similar values? Not at all. Such leaders *"do similar things because they see the world through the same lenses, are subject to similar constraints and incentives, and thus feature stories or maintain silence together in tacit collective action and leader-follower behaviour."* [p. xii]

The fact that media leaders share the same fundamental values does not mean, however, that the media are a solid monolith on all issues. The powerful often disagree on the tactics needed *"to attain generally shared aims, [and this gets] reflected in media debate. But views that challenge fundamental premises or suggest that the observed modes of exercise of state power are based on systemic factors will be excluded from the mass media even when elite controversy over tactics rages fiercely."* [p. xii] This means that viewpoints which question the legitimacy of elite aims or suggest that state power is being exercised in elite

interests rather than the "national" interest will be excluded from the mass media. As such, we would expect the media to encourage debate within accepted bounds simply because the ruling class is not monolithic and while they agree on keeping the system going, they disagree on the best way to do so.

Therefore the "propaganda model" has as little in common with a "conspiracy theory" as saying that the management of General Motors acts to maintain and increase its profits. As Chomsky notes, *"[t]o confront power is costly and difficult; high standards of evidence and argument are imposed, and critical analysis is naturally not welcomed by those who are in a position to react vigorously and to determine the array of rewards and punishments. Conformity to a 'patriotic agenda,' in contrast, imposes no such costs."* This means that *"conformity is the easy way, and the path to privilege and prestige ... It is a natural expectation, on uncontroversial assumptions, that the major media and other ideological institutions will generally reflect the perspectives and interests of established power."* [**Necessary Illusions**, pp. 8–9 and p. 10]

D.3.7 Isn't the model contradicted by the media reporting government and business failures?

As noted above, the claim that the media are "adversarial" or (more implausibly) that they have a "left-wing bias" is due to right-wing PR organisations. This means that some "inconvenient facts" are occasionally allowed to pass through the filters in order to give the **appearance** of "objectivity" — precisely so the media can deny charges of engaging in propaganda. As Chomsky and Herman put it: *"the 'naturalness' of these processes, with inconvenient facts allowed sparingly and within the proper framework of assumptions, and fundamental dissent virtually excluded from the mass media (but permitted in a marginalised press), makes for a propaganda system that is far more credible and effective in putting over a patriotic agenda than one with official censorship."* [p. xiv]

To support their case against the "adversarial" nature of the media, Herman and Chomsky look into the claims of such right-wing media PR machines as Freedom House. However, it is soon discovered that *"the very examples offered in praise of the media for their independence, or criticism of their excessive zeal, illustrate exactly the opposite."* Such flak, while being worthless as serious analysis, does help to reinforce the myth of an "adversarial media" and so is taken seriously by the media. By saying that both right and left attack them, the media presents themselves as neutral, balanced and objective — a position which is valid only if both criticisms are valid and of equal worth. This is not the case, as Herman and Chomsky prove, both in terms of evidence and underlying aims and principles. Ultimately, the attacks by the right on the media are based on the concern *"to protect state authority from an intrusive public"* and so *"condemn the media for lack of sufficient enthusiasm in supporting official crusades."* In other words, that the *"existing level of subordination to state authority is often deemed unsatisfactory."* [p. xiv and p. 301] The right-wing notion that the media are "liberal" or "left-wing" says far more about the authoritarian vision and aims of the right than the reality of the media.

Therefore the "adversarial" nature of the media is a myth, but this is not to imply that the media does not present critical analysis. Herman and Chomsky in fact argue that the *"mass media are not a solid monolith on all issues."* and do not deny that it does present facts (which they do sometimes themselves cite). This *"affords the opportunity for a classic **non sequitur**, in which the citations of facts from the mainstream press by a critic of the press is offered as a triumphant 'proof' that the criticism is self-refuting, and that media coverage of disputed issues is indeed adequate."* But, as they argue, *"[t]hat the media provide*

innocence, keeping suspects in indefinite imprisonment, ending trial by impartial jury, restricting access to lawyers and knowledge of evidence and charges against the accused. He has regularly stated when signing legislation that he will assert the right to ignore those parts of laws with which he disagrees. His administration has adopted policies which have ignored the Geneva Convention (labelled as *"quaint"*) and publicly tolerated torture of suspects and prisoners of war. That this underlying authoritarianism of politicians is often belied by their words should go without saying (an obvious fact, somehow missed by the mainstream media, which made satire redundant in the case the second Bush).

Not that this centralisation of powers has bothered the representatives whom are being disempowered by it. Quite the reverse. This is unsurprising, for under a leader which *"guarantees 'order' — that is to say internal exploitation and external expansion — than the parliament submits to all his caprices and arms him with ever new powers ... That is understandable: all government has tendency to become personal since that is its origin and its essence ... it will always search for the man on whom it can unload the cares of government and to whom in turn it will submit. As long as we confide to a small group all the economic, political, military, financial and industrial prerogatives with which we arm them today, this small group will necessarily be inclined ... to submit to a single chief."* [Kropotkin, **Op. Cit.**, p. 128] As such, there are institutional forces at work within the government organisational structure which encourage these tendencies and as long as they find favour with business interests they will not be challenged.

This is a key factor, of course. If increased authoritarianism and concentration of decision making were actually harming the interests of the economically dominant elite then more concern would be expressed about them in what passes for public discourse. However, the reduction of democratic processes fits in well with the neo-liberal agenda (and, indeed, this agenda de-

ists, who see **any** indigenous popular movements as a threat to the existing world order. The U.S. and other Western powers provide much-needed war material and training for the military of these governments, so that they may continue to keep the business climate friendly to foreign investors (that means tacitly and overtly supporting fascism around the globe).

Foreign aid also channels public funds to home based transnational companies via the ruling classes in Third World countries. It is, in other words, is a process where the poor people of rich countries give their money to the rich people of poor countries to ensure that the investments of the rich people of rich countries is safe from the poor people of poor countries! Needless to say, the owners of the companies providing this "aid" also do very well out of it. This has the advantage of securing markets as other countries are "encouraged" to buy imperialist countries' goods (often in exchange for "aid", typically military "aid") and open their markets to the dominant power's companies and their products.

Thus, the Third World sags beneath the weight of well-funded oppression, while its countries are sucked dry of their native wealth, in the name of "development" and in the spirit of "democracy" and "freedom". The United States leads the West in its global responsibility (another favourite buzzword) to ensure that this peculiar kind of "freedom" remains unchallenged by any indigenous movements. The actual form of the regime supported is irrelevant, although fascist states are often favoured due to their stability (i.e. lack of popular opposition movements). As long as the fascist regimes remain compliant and obedient to the West and capitalism thrives unchallenged then they can commit any crime against their own people while being praised for making progress towards "democracy." However, the moment they step out of line and act in ways which clash with the interests of the imperialist powers then their short-comings will used to justify intervention (the example of Saddam Hussein is the most obvious one to raise here). As

for *"democracy,"* this can be tolerated by imperialism as long as its in *"the traditional sense of 'top-down' rule by elites linked to US power, with democratic forms of little substance — unless they are compelled to do so, by their own populations in particular."* This applies *"internally"* as well as abroad, for *"democracy is fine as long as it ... does not risk popular interference with primary interests of power and wealth."* Thus the aim is to ensure *"an obedient client state is firmly in place, the general perferene of conquerors, leaving just military bases for future contingencies."* [**Failed States**, p. 171, p. 204 and p. 148]

In these ways, markets are kept open for corporations based in the advanced nations all without the apparent use of force or the need for colonies. However, this does not mean that war is not an option and, unsurprisingly, the post-1945 period has been marked by imperialist conflict. These include old-fashioned direct war by the imperialist nation (such as the Vietnam and Iraq wars) as well as new-style imperialistic wars by proxy (such as US support for the Contras in Nicaragua or support for military coups against reformist or nationalist governments). As such, if a regime becomes too independent, military force always remains an option. This can be seen from the 1990 Gulf War, when Saddam invaded Kuwait (and all his past crimes, conducted with the support of the West, were dragged from the Memory Hole to justify war).

Least it be considered that we are being excessive in our analysis, let us not forget that the US *"has intervened well over a hundred times in the internal affairs of other nations since 1945. The rhetoric has been that we have done so largely to preserve or restore freedom and democracy, or on behalf of human rights. The reality has been that [they] ... have been consistently designed and implemented to further the interests of US (now largely transnational) corporations, and the elites both at home and abroad who profit from their depredations."* [Henry Rosemont, Jr., *"U.S. Foreign Policy: the Execution of Human Rights"*, pp. 13–25, **Social Anarchism**, no. 29 p. 13] This has involved

episode the National Security Council, an arm of the executive branch, secretly funded the Contras, a mercenary counter-revolutionary force in Central America, in direct violation of the Boland Amendment which Congress had passed for the specific purpose of prohibiting such funding. Then there is the weakening of government agencies to the point where they can no longer effectively carry out their mandate. Reagan's tenure in the White House again provides a number of examples. The Environmental Protection Agency, for instance, was for all practical purposes neutralised when employees dedicated to genuine environmental protection were removed and replaced with people loyal to corporate polluters. Such detours around the law are deliberate policy tools that allow presidents to exercise much more actual power than they appear to have on paper. Finally, the President's authority to determine foreign and domestic policy through National Security Directives that are kept secret from Congress and the American people. Such NSDs cover a virtually unlimited field of actions, shaping policy that may be radically different from what is stated publicly by the White House and involving such matters as interference with First Amendment rights, initiation of activities that could lead to war, escalation of military conflicts, and even the commitment of billions of dollars in loan guarantees — all without congressional approval or even knowledge.

President Clinton's use of an Executive Order to bail out Mexico from its debt crisis after Congress failed to appropriate the money falls right into the authoritarian tradition of running the country by fiat, a process which accelerated with his successor George Bush (in keeping with the general tendencies of Republican administrations in particular). The second Bush took this disdain for democracy and the law even further. His administration has tried to roll back numerous basic liberties and rights as well. He has sought to strip people accused of crimes of rights that date as far back as the Magna Carta in Anglo-American jurisprudence: elimination of presumption of

mary instrument of US intervention in the internal affairs of other nations for national security reasons. This process of executive control over war reached a peak post-911, with Bush's nonsense of a *"pre-emptive"* war and public acknowledgement of a long standing US policy that the Commander-in-Chief was authorised to take "defensive" war measures without congressional approval or UN authorisation.

And as they have continued to commit troops to war without congressional authorisation or genuine public debate, the President's unilateral policy-making has spilled over into domestic affairs as well. Most obviously, thanks to Bush I and Clinton, important economic treaties (like GATT and NAFTA) can be rammed through Congress as *"fast-track"* legislation, which limits the time allowed for debate and forbids amendments. Thanks to Jimmy Carter, who reformed the Senior Executive Service to give the White House more control over career bureaucrats, and Ronald Reagan, who politicised the upper levels of the executive branch to an unprecedented degree, presidents can now pack government with their spoilsmen and reward partisan bureaucrats (the lack of response by FEMA during the Katrina hurricane is an example of this). Thanks to the first Bush, presidents now have a powerful new technique to enhance presidential prerogatives and erode the intent of Congress even further — namely, signing laws while announcing that they will not obey them. Fifth, thanks also to Bush, yet another new instrument of arbitrary presidential power has been created: the "tsar," a presidential appointee with vague, sweeping charges that overlap with or supersede the powers of department heads. [Michael Lind, *"The Case for Congressional Power: the Out-of-Control Presidency,"* **The New Republic**, Aug. 14, 1995]

Thus we find administrations bypassing or weakening official government agencies or institutions to implement policies that are not officially permitted. In the US, the Reagan Administration's Iran-Contra affair is an example. During that

the overthrow of democratically elected governments (such as in Iran, 1953; Guatemala, 1954; Chile, 1973) and their replacement by reactionary right-wing dictatorships (usually involving the military). As George Bradford argues, *"[i]n light of [the economic] looting [by corporations under imperialism], it should become clearer ... why nationalist regimes that cease to serve as simple conduits for massive U.S. corporate exploitation come under such powerful attack — Guatemala in 1954, Chile in 1973 ... Nicaragua [in the 1980s] ... [U.S.] State Department philosophy since the 1950s has been to rely on various police states and to hold back 'nationalistic regimes' that might be more responsive to 'increasing popular demand for immediate improvements in the low living standards of the masses,' in order to 'protect our resources' — in their countries!"* [**How Deep is Deep Ecology?**, p. 62]

This is to be expected, as imperialism is the only means of defending the foreign investments of a nation's capitalist class, and by allowing the extraction of profits and the creation of markets, it also safeguards the future of private capital.

This process has not come to an end and imperialism is continuing to evolve based on changing political and economic developments. The most obvious political change is the end of the USSR. During the cold war, the competition between the USA and the USSR had an obvious impact on how imperialism worked. On the one hand, acts of imperial power could be justified in fighting "Communism" (for the USA) or "US imperialism" (for the USSR). On the other, fear of provoking a nuclear war or driving developing nations into the hands of the other side allowed more leeway for developing nations to pursue policies like import substitution. With the end of the cold-war, these options have decreased considerably for developing nations as US imperialism how has, effectively, no constraints beyond international public opinion and pressure from below. As the invasion of Iraq in 2003 shows, this power is still weak but sufficient to limit some of the excesses of imperial

power (for example, the US could not carpet bomb Iraq as it had Vietnam).

The most obvious economic change is the increased global nature of capitalism. Capital investments in developing nations have increased steadily over the years, with profits from the exploitation of cheap labour flowing back into the pockets of the corporate elite in the imperialist nation, not to its citizens as a whole (though there are sometimes temporary benefits to other classes, as discussed in section D.5.4). With the increasing globalisation of big business and markets, capitalism (and so imperialism) is on the threshold of a new transformation. Just as direct imperialism transformed into in-direct imperialism, so in-direct imperialism is transforming into a global system of government which aims to codify the domination of corporations over governments. This process is often called "globalisation" and we discuss it in section D.5.3. First, however, we need to discuss non-private capitalist forms of imperialism associated with the Stalinist regimes and we do that in the next section.

D.5.2 Is imperialism just a product of private capitalism?

While we are predominantly interested in **capitalist** imperialism, we cannot avoid discussing the activities of the so-called "socialist" nations (such as the Soviet Union, China, etc.). Given that modern imperialism has an economic base caused in developed capitalism by, in part, the rise of big business organised on a wider and wider scale, we should not be surprised that the state capitalist ("socialist") nations are/were also imperialistic. As the state-capitalist system expresses the logical end point of capital concentration (the one big firm) the same imperialistic pressures that apply to big business and its state will also apply to the state capitalist nation.

controlled authority in the form of an empowered executive against which, ironically, it had fought against at its birth.

This process can be seen clearly in the history of the United States. Since World War II, power has become centralised in the hands of the president to such an extent that some scholars now refer to an *"imperial presidency,"* following Arthur Schlesinger's 1973 book of that title. In the UK, Prime Minister Tony Blair has been repeatedly criticised for his *"presidential"* form of government, while Parliament has been repeatedly side-tracked. This builds on tendencies which flow back to, at least, the Thatcher government which started the neo-liberal transformation of the UK with its associated rise in inequality, social polarisation and increases in state centralisation and authority.

Contemporary US presidents' appropriation of congressional authority, especially in matters relating to national security, has paralleled the rise of the United States as the world's strongest and most imperialistic military power. In the increasingly dangerous and interdependent world of the 20th century, the perceived need for a leader who can act quickly and decisively, without possibly disastrous obstruction by Congress, has provided an impetus for ever greater concentration of power in the White House. This concentration has taken place in both foreign and domestic policy, but it has been catalysed above all by a series of foreign policy decisions in which modern US presidents have seized the most vital of all government powers, the power to make war. For example, President Truman decided to commit troops in Korea without prior congressional approval while the Eisenhower Administration established a system of pacts and treaties with nations all over the globe, making it difficult for Congress to limit the President's deployment of troops according to the requirements of treaty obligations and national security, both of which were left to presidential judgement. The CIA, a secretive agency accountable to Congress only after the fact, was made the pri-

D.9 Why does political power become concentrated under capitalism?

Under capitalism, political power tends to become concentrated in the executive branch of government, along with a corresponding decline in the effectiveness of parliamentary institutions. As Kropotkin discussed in his account of *"Representative Government,"* parliaments grew out of the struggle of capitalists against the power of centralised monarchies during the early modern period. This meant that the function of parliaments was to check and control the exercise of executive power when it was controlled by another class (namely the aristocracy and landlords). The role of Parliaments flourished and reached the peak of their prestige in the struggle against the monarchy and immediately afterwards.

With the end of absolute monarchy, legislatures become battlegrounds of contending parties, divided by divergent class and group interests. This reduces their capacity for positive action, particularly when struggle outside parliament is pressurising representatives to take some interest in public concerns. The ruling class also needs a strong centralised state that can protect its interests internally and externally and which can ignore both popular demands and the vested interests of specific sections of the dominant economic and social elites in order to pursue policies required to keep the system as a whole going. This means that there will be a tendency for Parliaments to give up its prerogatives, building up a centralised and un-

In the words of libertarian socialist Cornelius Castoriadis:

> *"But if imperialist expansion is the necessary expression of an economy in which the process of capital concentration has arrived at the stage of monopoly domination, this is true a fortiori for an economy in which this process of concentration has arrived at its natural limit ... In other words, imperialist expansion is even more necessary for a totally concentrated economy ... That they are realised through different modes (for example, capital exportation play a much more restricted role and acts in a different way than is the case with monopoly domination) is the result of the differences separating bureaucratic capitalism from monopoly capitalism, but at bottom this changes nothing.*
>
> *"We must strongly emphasise that the imperialistic features of capital are not tied to 'private' or 'State' ownership of the means of production ... the same process takes place if, instead of monopolies, there is an exploiting bureaucracy; in other words, this bureaucracy also can* ***exploit****, but only on the condition that it* ***dominates****."* [**Political and Social Writings**, vol. 1, p. 159]

Given this, it comes as no surprise that the state-capitalist countries also participated in imperialist activities, adventures and wars, although on a lesser scale and for slightly different reasons than those associated with private capitalism. However, regardless of the exact cause the USSR *"has always pursued an imperialist foreign policy, that it is the state and not the workers which owns and controls the whole life of the country."* Given this, it is unsurprising that *"world revolution was abandoned in favour of alliances with capitalist countries. Like the bourgeois states the USSR took part in the manoeuvrings to es-*

tablish a balance of power in Europe." This has its roots in its internal class structure, as *"it is obvious that a state which pursues an imperialist foreign policy cannot itself by revolutionary"* and this is shown in *"the internal life of the USSR"* where *"the means of wealth production"* are *"owned by the state which represents, as always, a privileged class — the bureaucracy."* [*"USSR — Anarchist Position,"* pp. 21–24, Vernon Richards (ed.), **The Left and World War II**, p. 22 and p. 23]

This process became obvious after the defeat of Nazi Germany and the creation of Stalinist states in Eastern Europe. As anarchists at the time noted, this was *"the consolidation of Russian imperialist power"* and their *"incorporation ... within the structure of the Soviet Union."* As such, *"all these countries behind the Iron Curtain are better regarded as what they really [were] — satellite states of Russia."* [*"Russia's Grip Tightens"*, pp. 283–5, Vernon Richards (ed.), **World War — Cold War**, p. 285 and p. 284] Of course, the creation of these satellite states was based on the inter-imperialist agreements reached at the Yalta conference of February 1945.

As can be seen by Russia's ruthless policy towards her satellite regimes, Soviet imperialism was more inclined to the defence of what she already had and the creation of a buffer zone between herself and the West. This is not to deny that the ruling elite of the Soviet Union did not try to exploit the countries under its influence. For example, in the years after the end of the Second World War, the Eastern Block countries paid the USSR millions of dollars in reparations. As in private capitalism, the *"satellite states were regarded as a source of raw materials and of cheap manufactured goods. Russia secured the satellites exports at below world prices. And it exported to them at above world prices."* Thus trade *"was based on the old imperialist principle of buying cheap and selling dear — very, very dear!"* [Andy Anderson, **Hungary '56**, pp. 25–6 and p. 25] However, the nature of the imperialist regime was such that it discouraged too much expansionism as *"Russian imperialism [had] to rely on armies of*

with individual liberty. Indeed, *"[c]an there be anything more destructive of the true genius of liberty than ... the spirit of unquestioning obedience?"* [**Op. Cit.**, pp. 52–4] As militarism becomes bigger, this spirit of obedience widens and becomes more dominant in the community. It comes to the fore during periods of war or in the run up to war, when protest and dissent are equated to treason by those in power and their supporters. The war hysteria and corresponding repression and authoritarianism which repeatedly sweeps so-called "free" nations shows that militarism has a wider impact than just economic development and wasted resources. As Bakunin noted, *"where military force prevails, there freedom has to take its leave — especially the freedom and well-being of the working people."* [**The Political Philosophy of Bakunin**, pp. 221–2]

> *"It is sometimes argued that concealing development of high-tech industry under the cover of 'defence' has been a valuable contribution to society. Those who do not share that contempt for democracy might ask what decisions the population would have made if they had been informed of the real options and allowed to choose among them. Perhaps they might have preferred more social spending for health, education, decent housing, a sustainable environment for future generations, and support for the United Nations, international law, and diplomacy, as polls regularly show. We can only guess, since fear of democracy barred the option of allowing the public into the political arena, or even informing them about what was being done in their name."* [**Op. Cit.**, p. 127]

Finally, as well as skewing resource allocation and wealth away from the general public, militarism also harms freedom and increases the threat of war. The later is obvious, as militarism cannot help but feed an arms race as countries hurry to increase their military might in response to the developments of others. While this may be good for profits for the few, the general population have to hope that the outcome of such rivalries do not lead to war. As Goldman noted about the First World War, can be, in part, *"traced to the cut-throat competition for military equipment ... Armies equipped to the teeth with weapons, with highly developed instruments of murder backed by their military interests, have their own dynamic functions."* [**Op. Cit.**, p. 353]

As to freedom, as an institution the military is based on the *"unquestioning obedience and loyalty to the government."* (to quote, as Goldman did, one US General). The ideal soldier, as Goldman puts it, is *"a cold-blooded, mechanical, obedient tool of his military superiors"* and this position cannot be harmonised

occupation, utterly subservient quisling governments, or a highly organised and loyal political police (or all three). In such circumstances considerable dilution of Russian power occur[red] with each acquisition of territory." [*"Russian Imperialism"*, pp. 270–1, Vernon Richards (ed.), **Op. Cit.**, p. 270]

Needless to say, the form and content of the state capitalist domination of its satellite countries was dependent on its own economic and political structure and needs, just as traditional capitalist imperialism reflected its needs and structures. While direct exploitation declined over time, the satellite states were still expected to develop their economies in accordance with the needs of the Soviet Bloc as a whole (i.e., in the interests of the Russian elite). This meant the forcing down of living standards to accelerate industrialisation in conformity with the requirements of the Russian ruling class. This was because these regimes served not as outlets for excess Soviet products but rather as a means of *"plugging holes in the Russian economy, which [was] in a chronic state of underproduction in comparison to its needs."* As such, the *"form and content"* of this regimes' *"domination over its satellite countries are determined fundamentally by its own economic structure"* and so it would be *"completely incorrect to consider these relations identical to the relations of classical colonialism."* [Castoriadis, **Op. Cit.**, p. 187] So part of the difference between private and state capitalist was drive by the need to plunder these countries of commodities to make up for shortages caused by central planning (in contrast, capitalist imperialism tended to export goods). As would be expected, within this overall imperialist agenda the local bureaucrats and elites feathered their own nests, as with any form of imperialism.

As well as physical expansionism, the state-capitalist elites also aided "anti-imperialist" movements when it served their interests. The aim of this was to placed such movements and any regimes they created within the Soviet or Chinese sphere of influence. Ironically, this process was aided by imperialist ri-

valries with US imperialism as American pressure often closed off other options in an attempt to demonise such movements and states as "communist" in order to justify supporting their repression or for intervening itself. This is **not** to suggest that Soviet regime was encouraging "world revolution" by this support. Far from it, given the Stalinist betrayals and attacks on genuine revolutionary movements and struggles (the example of the Spanish Revolution is the obvious one to mention here). Soviet aid was limited to those parties which were willing to subjugate themselves and any popular movements they influenced to the needs of the Russian ruling class. Once the Stalinist parties had replaced the local ruling class, trade relations were formalised between the so-called "socialist" nations for the benefit of both the local and Russian rulers. In a similar way, and for identical needs, the Western Imperialist powers supported murderous local capitalist and feudal elites in their struggle against their own working classes, arguing that it was supporting "freedom" and "democracy" against Soviet aggression.

The turning of Communist Parties into conduits of Soviet elite interests became obvious under Stalin, when the twists and turns of the party line were staggering. However, it actually started under Lenin and Trotsky and *"almost from the beginning"* the Communist International (Comintern) *"served primarily not as an instrument for World Revolution, but as an instrument of Russian Foreign Policy."* This explains *"the most bewildering changes of policy and political somersaults"* it imposed on its member parties. Ultimately, *"the allegedly revolutionary aims of the Comintern stood in contrast to the diplomatic relations of the Soviet Union with other countries."* [Marie-Louise Berneri, **Neither East Nor West**, p. 64 and p. 63] As early as 1920, the Dutch Council Communist Anton Pannekoek was arguing that the Comintern opposition to anti-parliamentarianism was rooted *"in the needs of the Soviet Republic"* for *"peaceful trade with the rest of the world."* This meant

to the politicians and expect them to be passed without real comment all under the guise of "the war on terror." As this threat is so vague and so widespread, it is ideal to justify continuing militarism as well as imperial adventures across the global (any state can be attacked simply be declaring it is harbouring terrorists). It can also be used to justify attacks on existing enemies, such as Iraq and the other countries in the so-called "axis of evil" and related states. As such, it was not surprising to hear about the possible Iranian nuclear threat and about the dangers of Iranian influence even while the US military was bogged down in the quagmire of Iraq.

While the Bush Administration's doctrine of *"pre-emptive war"* (i.e. aggression) may have, as Chomsky noted, *"broken little new ground"* and have been standard (but unspoken) US policy from its birth, its does show how militarism will be justified for some time to come. [**Op. Cit.**, p. 85] It (and the threat of terrorism which is used to justify it) provides the Pentagon with more arguments for continued high levels of defence spending and military intervention. In a nutshell, then, the trend toward increasing militarism is not likely to be checked as the Pentagon has found a sufficiently dangerous and demonic enemy to justify continued military spending in the style to which it's accustomed.

Thus the demands of US military capitalism still take priority over the needs of the people. For example, Holly Sklar points out that Washington, Detroit, and Philadelphia have higher infant death rates than Jamaica or Costa Rica and that Black America as a whole has a higher infant mortality rate than Nigeria; yet the US still spends less public funds on education than on the military, and more on military bands than on the National Endowment for the Arts. [*"Brave New World Order,"* Cynthia Peters (ed.), **Collateral Damage**, pp. 3–46] But of course, politicians continue to maintain that education and social services must be cut back even further because there is "no money" to fund them. As Chomsky so rightly says:

omy relies, particularly since World War II." [**Failed States**, p. 126]

This means that US defence businesses, which are among the biggest lobbyists, cannot afford to lose this "corporate welfare." Unsurprisingly, they did not. So while many politicians asserted a "peace dividend" was at hand when the Soviet Bloc collapsed, this has not came to pass. Although it is true that some fat was trimmed from the defence budget in the early 1990s, both economic and political pressures have tended to keep the basic military-industrial complex intact, insuring a state of global war-readiness and continuing production of ever more advanced weapons systems into the foreseeable future. Various excuses were used to justify continued militarism, none of them particularly convincing due to the nature of the threat.

The first Gulf War was useful, but the quick defeat of Saddam showed how little a threat he actually was. The Iraq invasion of 2003 proved that his regime, while temporarily helpful to the Pentagon, was not enough of a menace to warrant the robust defence budgets of yore now given that his military machine had been smashed. This did not, of course, stop the Bush Administration spinning the threat and lying to the world about (non-existent) Iraqi "Weapons of Mass Destruction" (this is unsurprising, though, given how the Soviet military machine had also been hyped and its threat exaggerated to justify military spending). Other "threats" to the world's sole super-power such as Cuba, Iran, Libya and North Korea are equally unconvincing to any one with a firm grasp of reality. Luckily for the US state, a new enemy appeared in the shape of Islamic Terrorism.

The terrorist atrocity of 9/11 was quickly used to justify expanding US militarism (and expanding the power of the state and reducing civil liberties). In its wake, various government bureaucracies and corporations could present their wish-lists

that the Comintern's policies were driven *"by the political needs of Soviet Russia."* [*"Afterword to World Revolution and Communist Tactics,"* D.A. Smart (ed.), **Pannekoek and Gorter's Marxism**, p. 143 and p. 144] This is to be expected, as the regime had always been state capitalist and so the policies of the Comintern were based on the interests of a (state) capitalist regime.

Therefore, imperialism is not limited to states based on private capitalism — the state capitalist regimes have also been guilty of it. This is to be expected, as both are based on minority rule, the exploitation and oppression of labour and the need to expand the resources available to it. This means that anarchists oppose all forms of capitalist imperialism and raise the slogan *"Neither East nor West."* We *"cannot alter our views about Russia [or any other state capitalist regime] simply because, for imperialist reasons, American and British spokesmen now denounce Russia totalitarianism. We know that their indignation is hypocritical and that they may become friendly to Russia again if it suits their interests."* [Marie-Louise Berneri, **Op. Cit.**, p. 187] In the clash of imperialism, anarchists support neither side as both are rooted in the exploitation and oppression of the working class.

Finally, it is worthwhile to refute two common myths about state capitalist imperialism. The first myth is that state-capitalist imperialism results in a non-capitalist regimes and that is why it is so opposed to by Western interests. From this position, held by many Trotskyists, it is argued that we should support such regimes against the West (for example, that socialists should have supported the Russian invasion of Afghanistan). This position is based on a fallacy rooted in the false Trotskyist notion that state ownership of the means of production is inherently socialist.

Just as capitalist domination saw the transformation of the satellite's countries social relations from pre-capitalist forms in favour of capitalist ones, the domination of "socialist" nations meant the elimination of traditional bourgeois social relations

in favour of state capitalist ones. As such, the nature and form of imperialism was fundamentally identical and served the interests of the appropriate ruling class in each case. This transformation of one kind of class system into another explains the root of the West's very public attacks on Soviet imperialism. It had nothing to do with the USSR being considered a "workers' state" as Trotsky, for example, argued. *"Expropriation of the capitalist class,"* argued one anarchist in 1940, *"is naturally terrifying"* to the capitalist class *"but that does not prove anything about a workers' state ... In Stalinist Russia expropriation is carried out ... by, and ultimately for the benefit of, the bureaucracy, not by the workers at all. The bourgeoisie are afraid of expropriation, of power passing out of their hands, whoever seizes it from them. They will defend their property against any class or clique. The fact that they are indignant [about Soviet imperialism] proves their fear — it tells us nothing at all about the agents inspiring that fear."* [J.H., *"The Fourth International"*, pp. 37–43, Vernon Richards (ed.), **Op. Cit.**, pp. 41–2] This elimination of tradition forms of class rule and their replacement with new forms is required as these are the only economic forms compatible with the needs of the state capitalist regimes to exploit these countries on a regular basis.

The second myth is the notion that opposition to state-capitalist imperialism by its subject peoples meant support for Western capitalism. In fact, the revolts and revolutions which repeatedly flared up under Stalinism almost always raised genuine socialist demands. For example, the 1956 Hungarian revolution *"was a social revolution in the fullest sense of the term. Its object was a fundamental change in the relations of production, and in the relations between ruler and ruled in factories, pits and on the land."* Given this, unsurprisingly Western political commentary *"was centred upon the nationalistic aspects of the Revolution, no matter how trivial."* This was unsurprising, as the West was *"opposed both to its methods and to its aims ... What capitalist government could genuinely support a people demand-*

of World War II the military had become enlarged and decisive to the shape of the entire American economy, and that US capitalism had in fact become a military capitalism. This situation has not substantially changed since Mills wrote, for it is still the case that all US military officers have grown up in the atmosphere of the post-war military-industrial alliance and have been explicitly educated and trained to carry it on. Moreover, many powerful corporations have a vested interest in maintaining this system and will be funding and lobbying politicians and their parties to ensure its continuance.

That this interrelationship between corporate power and the state expressed by militarism is a key aspect of capitalism can be seen from the way it survived the end of the Cold War, the expressed rationale for this system:

> *"With the Cold war no longer available, it was necessary to reframe pretexts not only for [foreign] intervention but also for militarised state capitalism at home. The Pentagon budget presented to Congress a few months after the fall of the Berlin Wall remained largely unchanged, but was packaged in a new rhetorical framework, presented in the National Security Strategy of March 1990. Once priority was to support advanced industry in traditional ways, in sharp violation of the free market doctrines proclaimed and imposed on others. The National Security Strategy called for strengthening 'the defence industrial base' (essentially, high-tech industry) with incentives 'to invest in new facilities and equipment as well as in research and development.' As in the past, the costs and risks of the coming phases of the industrial economy were to be socialised, with eventual profits privatised, a form of state socialism for the rich on which much of the advanced US econ-*

bought-up and effectively destroyed public transit companies across America, so reducing competition against private car ownership. The net effect of this state intervention was that by 1963–66 *"one in every six business enterprise was directly dependent on the manufacture, distribution, servicing, and the use of motor vehicles."* The impact of this process is still evident today — both in terms of ecological destruction and in the fact that automobile and oil companies are still dominate the top twenty of the Fortune 500. [**Op. Cit.**, p. 102]

This system, which can be called military Keynesianism, has three advantages over socially-based state intervention. Firstly, unlike social programmes, military intervention does not improve the situation (and thus, hopes) of the majority, who can continue to be marginalised by the system, suffer the discipline of the labour market and feel the threat of unemployment. Secondly, it acts likes welfare for the rich, ensuring that while the many are subject to market forces, the few can escape that fate — while singing the praises of the "free market". And, thirdly, it does not compete with private capital — in fact, it supplements it.

Because of the connection between militarism and imperialism, it was natural after World War II that America should become the world's leading military state at the same time that it was becoming the world's leading economic power, and that strong ties developed between government, business, and the armed forces. American "military capitalism" is described in detail below, but the remarks also apply to a number of other "advanced" capitalist states.

In his farewell address, President Eisenhower warned of the danger posed to individual liberties and democratic processes by the *"military-industrial complex,"* which might, he cautioned, seek to keep the economy in a state of continual war-readiness simply because it is good business. This echoed the warning which had been made earlier by sociologist C. Wright Mills (in **The Power Elite**), who pointed out that since the end

ing 'workers' management of industry' and already beginning to implement this on an increasing scale?" The revolution *"showed every sign of making both them and their bureaucratic counterparts in the East redundant."* The revolt itself was rooted *"[n]ew organs of struggle,"* workers' councils *"which embodied, in embryo, the new society they were seeking to achieve."* [Anderson, **Op. Cit.**, p.6, p. 106 and p. 107]

The ending of state capitalism in Eastern Europe in 1989 has ended its imperialist domination of those countries. However, it has simply opened the door for private-capitalist imperialism as the revolts themselves remained fundamentally at the political level. The ruling bureaucracy was faced with both popular pressure from the streets and economic stagnation flowing from its state-run capitalism. Being unable to continue as before and unwilling, for obvious reasons, to encourage economic and political participation, it opted for the top-down transformation of state to private capitalism. Representative democracy was implemented and state assets were privatised into the hands of a new class of capitalists (often made up of the old bureaucrats) rather than the workers themselves. In other words, the post-Stalinist regimes are still class systems and now subject to a different form of imperialism — namely, globalisation.

D.5.3 Does globalisation mean the end of imperialism?

No. While it is true that the size of multinational companies has increased along with the mobility of capital, the need for nation-states to serve corporate interests still exists. With the increased mobility of capital, i.e. its ability to move from one country and invest in another easily, and with the growth in international money markets, we have seen what can be called a "free market" in states developing. Corporations can ensure that governments do as they are told simply by threatening

to move elsewhere (which they will do anyway, if it results in more profits).

Therefore, as Howard Zinn stresses, *"it's very important to point out that globalisation is in fact imperialism and that there is a disadvantage to simply using the term 'globalisation' in a way that plays into the thinking of people at the World Bank and journalists ... who are agog at globalisation. They just can't contain their joy at the spread of American economic and corporate power all over the world... it would be very good to puncture that balloon and say 'This is imperialism.'"* [**Bush Drives us into Bakunin's Arms**] Globalisation is, like the forms of imperialism that preceded it, a response to both objective economic forces and the class struggle. Moreover, like the forms that came before, it is rooted in the economic power of corporations based in a few developed nations and political power of the states that are the home base of these corporations. These powers influence international institutions and individual countries to pursue neoliberal policies, the so-called "Washington Consensus" of free market reforms, associated with globalisation.

Globalisation cannot be understood unless its history is known. The current process of increasing international trade, investment and finance markets started in the late 60s and early 1970s. Increased competition from a re-built Europe and Japan challenged US domination combined with working class struggle across the globe to leave the capitalist world feeling the strain. Dissatisfaction with factory and office life combined with other social movements (such as the women's movement, anti-racist struggles, anti-war movements and so on) which demanded more than capitalism could provide. The near revolution in France, 1968, is the most famous of these struggles but it occurred all across the globe.

For the ruling class, the squeeze on profits and authority from ever-increasing wage demands, strikes, stoppages, boycotts, squatting, protests and other struggles meant that a solution had to be found and the working class disciplined

> *49 level, and over 90 percent of its output went to the military. Synthetics (plastics and fibres) was another growth industry owning much of its development to military-related projects. Throughout the 1950s and 1960s, military-related R&D, including space, accounted for 40 to 50 percent of total public and private R&D spending and at least 85% of federal government share."* [Richard B. Du Boff, **Accumulation and Power**, pp. 103–4]

As another economist notes, it is *"important to recognise that the role of the US federal government in industrial development has been substantial even in the post-war period, thanks to the large amount of defence-related procurements and R&D spending, which have had enormous spillover effects. The share of the US federal government in total R&D speanding, which was only 16 per cent in 1930, remained between one-half and two-thirds during the postwar years. Industries such as computers, aerospace and the internet, where the USA still maintains an international edge despite the decline in its overall technological leadership, would not have existed without defence-related R&D funding by the country's federal government."* Moreover, the state also plays a *"crucial role"* in supporting R&D in the pharmaceutical industry. [Ha-Joon Chang, **Kicking Away the Ladder**, p. 31]

Not only this, government spending on road building (initially justified using defence concerns) also gave a massive boost to private capital (and, in the process, totally transformed America into a land fit for car and oil corporations). The cumulative impact of the 1944, 1956 and 1968 Federal Highway Acts *"allowed $70 billion to be spent on the interstates without [the money] passing through the congressional appropriations board."* The 1956 Act *"[i]n effect wrote into law the 1932 National Highway Users Conference strategy of G[eneral] M[otors] chairman Alfred P. Sloan to channel gasoline and other motor vehicle-related excise taxes into highway construction."* GM also

ment of high tech industry through subsidies to defence contractors, is a covert substitute in the US for the overt industrial planning policies of other "advanced" capitalist nations, like Germany and Japan. Government subsidies provide an important way for companies to fund their research and development at taxpayer expense, which often yields "spin-offs" with great commercial potential as consumer products (e.g. computers). Needless to say, all the profits go to the defence contractors and to the commercial companies who buy licences to patented technologies from them, rather than being shared with the public which funded the R&D that made the profits possible. Thus militarism is a key means of securing technological advances within capitalism.

It is necessary to provide some details to indicate the size and impact of military spending on the US economy:

> *"Since 1945... there have been new industries sparking investment and employment . . In most of them, basic research and technological progress were closely linked to the expanding military sector. The major innovation in the 1950s was electronics ... [which] increased its output 15 percent per year. It was of critical importance in workplace automation, with the federal government providing the bulk of the research and development (R&D) dollars for military-orientated purposes. Infrared instrumentation, pressure and temperature measuring equipment, medical electronics, and thermoelectric energy conversion all benefited from military R&D. By the 1960s indirect and direct military demand accounted for as much as 70 percent of the total output of the electronics industry. Feedbacks also developed between electronics and aircraft, the second growth industry of the 1950s. By 1960 ... [i]ts annual investment outlays were 5.3 times larger than their 1947–*

(and profits regained). One part of the solution was to "run away" and so capital flooded into certain areas of the "developing" world. This increased the trends towards globalisation. Another solution was the embrace of Monetarism and tight money (i.e. credit) policies. It is a moot point whether those who applied Monetarism actually knew it was nonsense and, consequently, sought an economic crisis or whether they were simply incompetent ideologues who knew little about economics and mismanaged the economy by imposing its recommendations, the outcome was the same. It resulted in increases in the interest rate, which helped deepen the recessions of the early 1980s which broke the back of working class resistance in the U.K. and U.S.A. High unemployment helped to discipline a rebellious working class and the new mobility of capital meant a virtual "investment strike" against nations which had a "poor industrial record" (i.e. workers who were not obedient wage slaves). Moreover, as in any economic crisis, the "degree of monopoly" (i.e. the dominance of large firms) in the market increased as weaker firms went under and others merged to survive. This enhancing the tendencies toward concentration and centralisation which always exist in capitalism, so ensuring an extra thrust towards global operations as the size and position of the surviving firms required wider and larger markets to operate in.

Internationally, another crisis played its role in promoting globalisation. This was the Debit Crisis of the late 1970s and early 1980s. Debt plays a central role for the western powers in dictating how their economies should be organised. The debt crisis proved an ideal leverage for the western powers to force "free trade" on the "third world." This occurred when third world countries faced with falling incomes and rising interest rates defaulted on their loans (loans that were mainly given as a bribe to the ruling elites of those countries and used as a means to suppress the working people of those countries — who now, sickenly, are expected to repay them!).

Before this, as noted in section D.5.1, many countries had followed a policy of "import substitution." This tended to create new competitors who could deny transnational corporations both markets and cheap raw materials. With the debt crisis, the imperialist powers could end this policy but instead of military force, the governments of the west sent in the International Monetary Fund (IMF) and World Bank (WB). The loans required by "developing" nations in the face of recession and rising debt repayments meant that they had little choice but to agree to an IMF-designed economic reform programme. If they refused, not only were they denied IMF funds, but also WB loans. Private banks and lending agencies would also pull out, as they lent under the cover of the IMF — the only body with the power to both underpin loans and squeeze repayment from debtors. These policies meant introducing austerity programmes which, in turn, meant cutting public spending, freezing wages, restricting credit, allowing foreign multinational companies to cherry pick assets at bargain prices, and passing laws to liberalise the flow of capital into and out of the country. Not surprisingly, the result was disastrous for the working population, but the debts were repaid and both local and international elites did very well out of it. So while workers in the West suffered repression and hardship, the fate of the working class in the "developing" world was considerably worse.

Leading economist Joseph Stiglitz worked in the World Bank and described some of dire consequences of these policies. He notes how the neo-liberalism the IMF and WB imposed has, *"too often, not been followed by the promised growth, but by increased misery"* and workers *"lost their jobs [being] forced into poverty"* or *"been hit by a heightened sense of insecurity"* if they remained in work. For many *"it seems closer to an unmitigated disaster."* He argues that part of the problem is that the IMF and WB have been taken over by true believers in capitalism and apply market fundamentalism in all cases. Thus, they *"became the new missionary institutions"* of *"free market ideology"*

invested in other countries) and give it added clout in the economic jungle of the world market. This need has resulted in, for example, *"hundreds of US bases [being] placed all over the world to ensure global domination."* [Chomsky, **Failed States**, p. 11]

The third major reason for militarism is to bolster a state's economy. Capitalist militarism promotes the development of a specially favoured group of companies which includes *"all those engaged in the manufacture and sale of munitions and in military equipment for personal gain and profit."* [Goldman, **Op. Cit.**, p. 354] These armaments companies ("defence" contractors) have a direct interest in the maximum expansion of military production. Since this group is particularly wealthy, it exerts great pressure on government to pursue the type of state intervention and, often, the aggressive foreign policies it wants. As Chomsky noted with respect to the US invasion and occupation of Iraq:

> *"Empires are costly. Running Iraq is not cheap. Somebody's paying. Somebody's paying the corporations that destroyed Iraq and the corporations that are rebuilding it. in both cases, they're getting paid by the U.S. taxpayer. Those are gifts from U.S. taxpayers to U.S. Corporations ... The same tax-payers fund the military-corporate system of weapons manufacturers and technology companies that bombed Iraq ... It's a transfer of wealth from the general population to narrow sectors of the population."* [**Imperial Ambitions**, pp. 56–7]

This "special relationship" between state and Big Business also has the advantage that it allows the ordinary citizen to pay for industrial Research and Development. As Noam Chomsky points out in many of his works, the *"Pentagon System,"* in which the public is forced to subsidise research and develop-

D.8 What causes militarism and what are its effects?

There are three main causes of capitalist militarism.

Firstly, there is the need to contain the domestic enemy — the oppressed and exploited sections of the population. As Emma Goldman argued, the military machine *"is not directed only against the external enemy; it aims much more at the internal enemy. It concerns that element of labour which has learned not to hope for anything from our institutions, that awakened part of the working people which has realised that the war of classes underlies all wars among nations, and that if war is justified at all it is the war against economic dependence and political slavery, the two dominant issues involved in the struggle of the classes."* In other words, the nation *"which is to be protected by a huge military force is not"* that *"of the people, but that of the privileged class; the class which robs and exploits the masses, and controls their lives from the cradle to the grave."* [**Red Emma Speaks**, p. 352 and p. 348]

The second, as noted in the section on imperialism, is that a strong military is necessary in order for a ruling class to pursue an aggressive and expansionist foreign policy in order to defend its interests globally. For most developed capitalist nations, this kind of foreign policy becomes more and more important because of economic forces, i.e. in order to provide outlets for its goods and capital to prevent the system from collapsing by expanding the market continually outward. This outward expansion of, and so competition between, capital needs military force to protect its interests (particularly those

through which *"these ideas were pushed on reluctant poor countries."* Their policies were *"based on an ideology — market fundamentalism — that required little, if any, consideration of a country's particular circumstances and immediate problems. IMF economists could ignore the short-term effects their policies might have on [a] country, content in the belief* ***in the long run*** *the country would be better off"* — a position which many working class people there rejected by rioting and protest. In summary, globalisation *"as it has been practised has not lived up to what its advocates promised it would accomplish ... In some cases it has not even resulted in growth, but when it has, it has not brought benefits to all; the net effect of the policies set by the Washington Consensus had all too often been to benefit the few at the expense of the many, the well-off at the expense of the poor."* [**Globalisation and Its Discontents**, p. 17, p. 20, p. 13, p. 36 and p. 20]

While transnational companies are, perhaps, the most well-known representatives of this process of globalisation, the power and mobility of modern capitalism can be seen from the following figures. From 1986 to 1990, foreign exchange transactions rose from under $300 billion to $700 billion daily and were expected to exceed $1.3 trillion in 1994. The World Bank estimates that the total resources of international financial institutions at about $14 trillion. To put some kind of perspective on these figures, the Balse-based Bank for International Settlement estimated that the aggregate daily turnover in the foreign exchange markets at nearly $900 billion in April 1992, equal to 13 times the Gross Domestic Product of the OECD group of countries on an annualised basis [**Financial Times**, 23/9/93]. In Britain, some $200–300 billion a day flows through London's foreign exchange markets. This is the equivalent of the UK's annual Gross National Product in two or three days. Needless to say, since the early 1990s, these amounts have grown to even higher levels (daily currency transactions have risen from a mere $80 billion in 1980 to $1.26 billion in 1995. In proportion

to world trade, this trading in foreign exchange rose from a ration of 10:1 to nearly 70:1 [Mark Weisbrot, **Globalisation for Whom?**]).

Little wonder that a **Financial Times** special supplement on the IMF stated that *"Wise governments realise that the only intelligent response to the challenge of globalisation is to make their economies more acceptable."* [**Op. Cit.**] More acceptable to business, that is, not their populations. As Chomsky put it, *"free capital flow creates what's sometimes called a 'virtual parliament' of global capital, which can exercise veto power over government policies that it considers irrational. That means things like labour rights, or educational programmes, or health, or efforts to stimulate the economy, or, in fact, anything that might help people and not profits (and therefore irrational in the technical sense)."* [**Rogue States**, pp. 212–3]

This means that under globalisation, states will compete with each other to offer the best deals to investors and transnational companies — such as tax breaks, union busting, no pollution controls, and so forth. The effects on the countries' ordinary people will be ignored in the name of future benefits (not so much pie in the sky when you die, more like pie in the future, maybe, if you are nice and do what you are told). For example, such an "acceptable" business climate was created in Britain, where *"market forces have deprived workers of rights in the name of competition."* [**Scotland on Sunday**, 9/1/95] Unsurprisingly. number of people with less than half the average income rose from 9% of the population in 1979 to 25% in 1993. The share of national wealth held by the poorer half of the population has fallen from one third to one quarter. However, as would be expected, the number of millionaires has increased, as has the welfare state for the rich, with the public's tax money being used to enrich the few via military Keynesianism, privatisation and funding for Research and Development. Like any religion, the free-market ideology is marked by the hypocrisy of those

masses are and want to be Polish, it ends where, renouncing all particular links with Poland, the masses wish to establish other national links." [quoted by Jean Caroline Cahm, **Op. Cit.**, p. 43]

> *have no use for it, and that they consciously aspire to a libertarian society. We thus declare that all political power … is to be regarded … as an enemy and counter-revolutionary. To the very last drop of their blood they will wage a ferocious struggle against it, in defence of their entitlement to self-organisation."* [quoted by Alexandre Skirda, **Nestor Makhno Anarchy's Cossack**, pp. 377–8]

So while anarchists unmask nationalism for what it is, we do not disdain the basic struggle for identity and self-management which nationalism diverts. We encourage direct action and the spirit of revolt against all forms of oppression — social, economic, political, racial, sexual, religious and national. By this method, we aim to turn national liberation struggles into ***human*** liberation struggles. And while fighting against oppression, we struggle for anarchy, a free confederation of communes based on workplace and community assemblies. A confederation which will place the nation-state, all nation-states, into the dust-bin of history where it belongs. This struggle for popular self-determination is, as such, considered to be part of a wider, international movement for *"a social revolution cannot be confined to a single isolated country, it is by its very nature international in scope"* and so popular movements must *"link their aspirations and forces with the aspirations and forces of all other countries"* and so the *"only way of arriving at emancipation lies in the fraternity of oppressed peoples in an international alliance of all countries."* [Bakunin, quoted by Cahm, **Op. Cit.**, p. 40 and p. 36]

And as far as "national" identity within an anarchist society is concerned, our position is clear and simple. As Bakunin noted with respect to the Polish struggle for national liberation during the last century, anarchists, as *"adversaries of every State, … reject the rights and frontiers called historic. For us Poland only begins, only truly exists there where the labouring*

at the top and the sacrifices required from the majority at the bottom.

In addition, the globalisation of capital allows it to play one work force against another. For example, General Motors plans to close two dozen plants in the United States and Canada, but it has become the largest employer in Mexico. Why? Because an *"economic miracle"* has driven wages down. Labour's share of personal income in Mexico has *"declined from 36 percent in the mid-1970's to 23 percent by 1992."* Elsewhere, General Motors opened a $690 million assembly plant in the former East Germany. Why? Because there workers are willing to *"work longer hours than their pampered colleagues in western Germany"* (as the **Financial Times** put it) at 40% of the wage and with few benefits. [Noam Chomsky, **World Orders, Old and New**, p. 160]

This mobility is a useful tool in the class war. There has been *"a significant impact of NAFTA on strikebreaking. About half of union organising efforts are disrupted by employer threats to transfer production abroad, for example … The threats are not idle. When such organising drives succeed, employers close the plant in whole or in part at triple the pre-NAFTA rate (about 15 percent of the time). Plant-closing threats are almost twice as high in more mobile industries (e.g. manufacturing vs. construction)."* [**Rogue States**, pp. 139–40] This process is hardly unique to America, and takes place all across the world (including in the "developing" world itself). This process has increased the bargaining power of employers and has helped to hold wages down (while productivity has increased). In the US, the share of national income going to corporate profits increased by 3.2 percentage points between 1989 and 1998. This represents a significant redistribution of the economic pie. [Mark Weisbrot, **Op. Cit.**] Hence the need for **international** workers' organisation and solidarity (as anarchists have been arguing since Bakunin [**The Political Philosophy of Bakunin**, pp. 305–8]).

This means that such agreements such as NAFTA and the Multilateral Agreement on Investment (shelved due to popular protest and outrage but definitely not forgotten) considerably weaken the governments of nation-states — but only in one area, the regulation of business. Such agreements restrict the ability of governments to check capital flight, restrict currency trading, eliminate environment and labour protection laws, ease the repatriation of profits and anything else that might impede the flow of profits or reduce business power. Indeed, under NAFTA, corporations can sue governments if they think the government is hindering its freedom on the market. Disagreements are settled by unelected panels outside the control of democratic governments. Such agreements represent an increase in corporate power and ensure that states can only intervene when it suits corporations, not the general public.

The ability of corporations to sue governments was enshrined in chapter 11 of NAFTA. In a small town in the Mexican state of San Luis Potosi, a California firm — Metalclad — a commercial purveyor of hazardous wastes, bought an abandoned dump site nearby. It proposed to expand on the dumpsite and use it to dump toxic waste material. The people in the neighbourhood of the dump site protested. The municipality, using powers delegated to it by the state, rezoned the site and forbid Metalclad to extend its land holdings. Metalclad, under Chapter 11 of NAFTA, then sued the Mexican government for damage to its profit margins and balance sheet as a result of being treated unequally by the people of San Luis Potosi. A trade panel, convened in Washington, agreed with the company. [Naomi Klein, **Fences and Windows**, pp. 56–59] In Canada, the Ethyl corporation sued when the government banned its gasoline additive as a health hazard. The government settled "out of court" to prevent a public spectacle of a corporation overruling the nation's Parliament.

NAFTA and other Free Trade agreements are designed for corporations and corporate rule. Chapter 11 was not enshrined

Russian Revolution and Civil War. The Ukraine at the time was a very diverse country, with many distinct national and ethnic groups living within it which made this issue particularly complex:

> *"Clearly, each national group has a natural and indisputable entitlement to speak its language, live in accordance with its customs, retain its beliefs and rituals ... in short, to maintain and develop its national culture in every sphere. It is obvious that this clear and specific stance has absolutely nothing to do with narrow nationalism of the 'separatist' variety which pits nation against nation and substitutes an artificial and harmful separation for the struggle to achieve a natural social union of toilers in one shared social communion.*
>
> *"In our view, national aspirations of a natural, wholesome character (language, customs, culture, etc.) can achieve full and fruitful satisfaction only in the union of nationalities rather than in their antagonism ...*
>
> *"The speedy construction of a new life on [libertarian] socialist foundations will ineluctably lead to development of the culture peculiar to each nationality. Whenever we Makhnovist insurgents speak of independence of the Ukraine, we ground it in the social and economic plane of the toilers. We proclaim the right of the Ukrainian people (and every other nation) to self-determination, not in the narrow, nationalist sense ... but in the sense of the toilers' right to self-determination. We declare that the toiling folk of the Ukraine's towns and countryside have shown everyone through their heroic fight that they do not wish any longer to suffer political power and*

ing class members/leaders. The leadership will always resolve this conflict in favour of the future ruling class, at best paying lip-service to social issues by always stressing that addressing them must be postponed to **after** the foreign power has left the country. That makes it possible for individual members of these struggles to realise the limited nature of nationalism and break from these politics towards anarchism. At times of major struggle and conflict this contradiction will become very apparent and at this stage it is possible that large numbers may break from nationalism in practice, if not in theory, by pushing the revolt into social struggles and changes. In such circumstances, theory may catch up with practice and nationalist ideology rejected in favour of a wider concept of freedom, particularly **if** an alternative that addresses these concerns exists. Providing that anarchists do not compromise our ideals such movements against foreign domination can be wonderful opportunities to spread our politics, ideals and ideas — and to show up the limitations and dangers of nationalism itself and present a viable alternative.

For anarchists, the key question is whether freedom is for abstract concepts like "the nation" or for the individuals who make up the nationality and give it life. Oppression must be fought on all fronts, within nations and internationally, in order for working-class people to gain the fruits of freedom. Any national liberation struggle which bases itself on nationalism is doomed to failure as a movement for extending human freedom. Thus anarchists *"refuse to participate in national liberation fronts; they participate in class fronts which may or may not be involved in national liberation struggles. The struggle must spread to establish economic, political and social structures in the liberated territories, based on federalist and libertarian organisations."* [Alfredo M. Bonanno, **Anarchism and the National Liberation Struggle**, p. 12]

The Makhnovist movement in the Ukraine expressed this perspective well when it was fighting for freedom during the

in the NAFTA in order to make a better world for the people of Canada, any more than for the people of San Luis Potosi but, instead, for the capitalist elite. This is an inherently imperialist situation, which will "justify" further intervention in the "developing" nations by the US and other imperialist nations, either through indirect military aid to client regimes or through outright invasion, depending on the nature of the *"crisis of democracy"* (a term used by the Trilateral Commission to characterise popular uprisings and a politicising of the general public).

However, force is always required to protect private capital. Even a globalised capitalist company still requires a defender. After all, *"[a]t the international level, U.S. corporations need the government to insure that target countries are 'safe for investment' (no movements for freedom and democracy), that loans will be repaid, contracts kept, and international law respected (but only when it is useful to do so)."* [Henry Rosemont, Jr., **Op. Cit.**, p. 18] For the foreseeable future, America seems to be the global rent-a-cop of choice — particularly as many of the largest corporations are based there.

It makes sense for corporations to pick and choose between states for the best protection, blackmailing their citizens to pay for the armed forces via taxes. It is, in other words, similar to the process at work within the US when companies moved to states which promised the most favourable laws. For example, New Jersey repealed its anti-trust law in 1891–2 and amended its corporation law in 1896 to allow companies to be as large as they liked, to operate anywhere and to own other corporations. This drew corporations to it until Delaware offered even more freedoms to corporate power until other states offered similar laws. In other words, competed for revenue by writing laws to sell to corporations and the mobility of corporations meant that they bargained from a superior position. Globalisation is simply this process on a larger scale, as capital will move to countries whose governments supply what it demands

(and punish those which do not). Therefore, far from ending imperialism, globalisation will see it continue, but with one major difference: the citizens in the imperialist countries will see even fewer benefits from imperialism than before, while, as ever, still having to carry the costs.

So, in spite of claims that governments are powerless in the face of global capital, we should never forget that state power has increased drastically in one area — in state repression against its own citizens. No matter how mobile capital is, it still needs to take concrete form to generate surplus value. Without wage salves, capital would not survive. As such, it can never permanently escape from its own contradictions — wherever it goes, it has to create workers who have a tendency to disobey and do problematic things like demand higher wages, better working conditions, go on strike and so on (indeed, this fact has seen companies based in "developing" nations move to less "developed" to find more compliant labour).

This, of course, necessitates a strengthening of the state in its role as protector of property and as a defence against any unrest provoked by the inequalities, impoverishment and despair caused by globalisation (and, of course, the hope, solidarity and direct action generated by that unrest within the working class). Hence the rise of the neo-liberal consensus in both Britain and the USA saw an increase in state centralisation as well as the number of police, police powers and in laws directed against the labour and radical movements.

As such, it would be a mistake (as many in the anti-globalisation movement do) to contrast the market to the state. State and capital are not opposed to each other — in fact, the opposite is the case. The modern state exists to protect capitalist rule, just as every state exists to defend minority rule, and it is essential for nation states to attract and retain capital within their borders to ensure their revenue by having a suitably strong economy to tax. Globalisation is a state-led initiative whose primary aim is to keep the economically dominant

chains that enslave us. To leave the solution of our problems to the educated and the rich classes is to voluntarily put ourselves in the grasp of their claws." For *"a simple change of rulers is not a fount of liberty"* and *"any revolutionary program that doesn't contain a clause concerning the taking of the lands [and workplaces] by the people is a program of the ruling classes, who will never struggle against their own interests."* [**Dreams of Freedom**, p. 142 and p. 293] As Kropotkin stressed, the *"failure of all nationalist movements ... lies in this curse ... that the economic question ... remains on the side ... In a word, it seems to me that in each national movement we have a major task: to set forth the question [of nationalism] on an economic basis and carry out agitation against serfdom [and other forms of exploitation] at one with the struggle against [oppression by] foreign nationality."* [quoted by Martin A. Miller, **Kropotkin**, p. 230]

Moreover, we should point out that Anarchists in imperialist countries have also opposed national oppression by both words and deeds. For example, the prominent Japanese Anarchist Kotoku Shusi was framed and executed in 1910 after campaigning against Japanese expansionism. In Italy, the anarchist movement opposed Italian expansionism into Eritrea and Ethiopia in the 1880s and 1890s, and organised a massive anti-war movement against the 1911 invasion of Libya. In 1909, the Spanish Anarchists organised a mass strike against intervention in Morocco. More recently, anarchists in France struggled against two colonial wars (in Indochina and Algeria) in the late 50's and early 60's, anarchists world-wide opposed US aggression in Latin America and Vietnam (without, we must note, supporting the Cuban and Vietnamese Stalinist regimes), opposed the Gulf War (during which most anarchists raised the call of *"No war but the class war"*) as well as opposing Soviet imperialism.

In practice national liberation movements are full of contradictions between the way the rank and file sees progress being made (and their hopes and dreams) and the wishes of their rul-

cating the creation of a capitalist nation-state, which will be oppressive to its own population (and, perhaps, eventually become imperialistic itself as it develops to a certain point and has to seek foreign outlets for its products and capital). The fate of all former colonies provides ample support for this conclusion.

As Bakunin stressed, nationalists do not understand that *"the spontaneous and free union of the living forces of a nation has nothing in common with their artificial concentration at once mechanistic and forced in the political centralisation of the unitary state; and because [they] confused and identified these two very opposing things [they have] not only been the promoter of the independence of [their] country [they have] become at the same time ... the promoter of its present slavery."* [quoted by Jean Caroline Cahm, *"Bakunin"*, pp. 22–49, Eric Cahm and Vladimir Claude Fisera (eds), **Socialism and Nationalism**, vol. 1, p. 36]

In response to national liberation struggles, anarchists stress the self-liberation of the working class, which can be only achieved by its members' own efforts, creating and using their own organisations. In this process there can be no separation of political, social and economic goals. The struggle against imperialism cannot be separated from the struggle against capitalism. This has been the approach of most, if not all, anarchist movements in the face of foreign domination — the combination of the struggle against foreign domination with the class struggle against native oppressors. In many different countries (including Bulgaria, Mexico, Cuba and Korea) anarchists have tried, by their *"propaganda, and above all **action**, [to] encourage the masses to turn the struggle for political independence into the struggle for the Social Revolution."* [Sam Dolgoff, **Op. Cit.**, p. 41] In other words, a people will free only *"by the general uprising of the labouring masses."* [Bakunin, quoted by Cahm, **Op. Cit.**, p. 36]

History has shown the validity of this argument, as well as the fears of Mexican anarchist Ricardo Flores Magon that it is *"the duty of all the poor to work and to struggle to break the*

happy. The states which are being "undermined" by globalisation are not horrified by this process as certain protestors are, which should give pause for thought. States are complicit in the process of globalisation — unsurprisingly, as they represent the ruling elites who favour and benefit from globalisation. Moreover, with the advent of a "global market" under GATT, corporations still need politicians to act for them in creating a "free" market which best suits their interests. Therefore, by backing powerful states, corporate elites can increase their bargaining powers and help shape the "New World Order" in their own image.

Governments may be, as Malatesta put it, the property owners **gendarme**, but they can be influenced by their subjects, unlike multinationals. NAFTA was designed to reduce this influence even more. Changes in government policy reflect the changing needs of business, modified, of course, by fear of the working population and its strength. Which explains globalisation — the need for capital to strengthen its position vis-à-vis labour by pitting one labour force against — and our next step, namely to strengthen and globalise working class resistance. Only when it is clear that the costs of globalisation — in terms of strikes, protests, boycotts, occupations, economic instability and so on — is higher than potential profits will business turn away from it. Only international working class direct action and solidarity will get results. Until that happens, we will see governments co-operating in the process of globalisation.

So, for better or for worse, globalisation has become the latest buzz word to describe the current stage of capitalism and so we shall use it here. It use does have two positive side effects though. Firstly, it draws attention to the increased size and power of transnational corporations and their impact on global structures of governance **and** the nation state. Secondly, it allows anarchists and other protesters to raise the issue of international solidarity and a globalisation from below which respects diversity and is based on people's needs, not profit.

After all, as Rebecca DeWitt stresses, anarchism and the WTO *"are well suited opponents and anarchism is benefiting from this fight. The WTO is practically the epitome of an authoritarian structure of power to be fought against. People came to Seattle because they knew that it was wrong to let a secret body of officials make policies unaccountable to anyone except themselves. A non-elected body, the WTO is attempting to become more powerful than any national government ... For anarchism, the focus of global capitalism couldn't be more ideal."* [*"An Anarchist Response to Seattle,"* pp. 5–12, **Social Anarchism**, no. 29, p. 6]

To sum up, globalisation will see imperialism change as capitalism itself changes. The need for imperialism remains, as the interests of private capital still need to be defended against the dispossessed. All that changes is that the governments of the imperialistic nations become even more accountable to capital and even less to their populations.

D.5.4 What is the relationship between imperialism and the social classes within capitalism?

The two main classes within capitalist society are, as we indicated in section B.7, the ruling class and the working class. The grey area between these two classes is sometimes called the middle class. As would be expected, different classes have different positions in society and, therefore, different relationships with imperialism. Moreover, we have to also take into account the differences resulting from the relative positions of the nations in question in the world economic and political systems. The ruling class in imperialist nations will not have identical interests as those in the dominated ones, for example. As such, our discussion will have indicate these differences as well.

the oppressed nations affairs). Nor does it mean we are uncritical of specific expressions of nationality and popular cultures. Just as we are against sexist, racist and homophobic individuals and seek to help them change their attitudes, we are also opposed to such traits within peoples and cultures and urge those who are subject to such popular prejudices to change them by their own efforts with the practical and moral solidarity of others (any attempt to use state force to end such discrimination rarely works and is often counter-productive as it entrenches such opinions). Needless to say, justifying foreign intervention or occupation by appeals to end such backward cultural traits is usually hypocritical in the extreme and masks more basic interests. An obvious example is the Christian and Republican right and its use of the position of women in Afghanistan to bolster support for the invasion of 2001 (the sight of the American Taliban discovering the importance of feminism — in other countries, of course — was surreal but not unexpected given the needs of the moment and their basis in *"reasons of state"*).

The reason for this critical attitude to national liberation struggles is that they usually counterpoise the common interests of "the nation" to those of a (foreign) oppressor and assume that **class** and social hierarchies (i.e. internal oppression) are irrelevant. Although nationalist movements often cut across classes, they in practice seek to increase autonomy for certain parts of society (namely the local elites) while ignoring that of other parts (namely the working class who are expected to continue being subject to class and state oppression). For anarchists, a new national state would not bring any fundamental change in the lives of most people, who would still be powerless both economically and socially. Looking around the world at all the many nation-states in existence, we see the same gross disparities in power, influence and wealth restricting self-determination for working-class people, even if they are free "nationally." It seems hypocritical for nationalist leaders to talk of liberating their own nation from imperialism while advo-

tance." This means that *"[e]very people, like every person, is involuntarily that which it is and therefore has a right to be itself. Therein lies the so-called national rights."* Nationality, Bakunin stressed, *"is not a principle; it is a legitimate fact, just as individuality is. Every nationality, great or small, has the incontestable right to be itself, to live according to its own nature. This right is simply the corollary of the general principal of freedom."* [**Op. Cit**. p. 325]

More recently Murray Bookchin has expressed similar sentiments. *"No left libertarian,"* he argued, *"can oppose the* ***right*** *of a subjugated people to establish itself as an autonomous entity — be it in a [libertarian] confederation ... or as a nation-state based in hierarchical and class inequities."* Even so, anarchists do not elevate the idea of national liberation *"into a mindless article of faith,"* as much of the Leninist-influenced left has done. We do not call for support for the oppressed nation without first inquiring into *"****what kind of society*** *a given 'national liberation' movement would likely produce."* To do so, as Bookchin points out, would be to *"support national liberation struggles for instrumental purposes, merely as a means of 'weakening' imperialism,"* which leads to *"a condition of moral bankruptcy"* as socialist ideas become associated with the authoritarian and statist goals of the "anti-imperialist" dictatorships in "liberated" nations. *"But to oppose an oppressor is not equivalent to calling for* ***support*** *for everything formerly colonised nation-states do."* [*"Nationalism and the 'National Question'"*, pp. 8–36, **Society and Nature**, No. 5, p. 31, p. 25, p. 29 and p. 31]

This means that anarchists oppose foreign oppression and are usually sympathetic to attempts by those who suffer it to end it. This does not mean that we necessarily support national liberation movements as such (after all, they usually desire to create a new state) but we cannot sit back and watch one nation oppress another and so act to stop that oppression (by, for example, protesting against the oppressing nation and trying to get them to change their policies and withdraw from

The relationship between the ruling class and imperialism is quite simple: It is in favour of it when it supports its interests and when the benefits outweigh the costs. Therefore, for imperialist countries, the ruling class will always be in favour of expanding their influence and power as long as it pays. If the costs outweigh the benefits, of course, sections of the ruling class will argue against imperialist adventures and wars (as, for example, elements of the US elite did when it was clear that they would lose both the Vietnam war and, perhaps, the class war at home by continuing it).

There are strong economic forces at work as well. Due to capital's need to grow in order to survive and compete on the market, find new markets and raw materials, it needs to expand (as we discussed in section D.5). Consequently, it needs to conquer foreign markets and gain access to cheap raw materials and labour. As such, a nation with a powerful capitalist economy will need an aggressive and expansionist foreign policy, which it achieves by buying politicians, initiating media propaganda campaigns, funding right-wing think tanks, and so on, as previously described.

Thus the ruling class benefits from, and so usually supports, imperialism — only, we stress, when the costs out-weight the benefits will we see members of the elite oppose it. Which, of course, explains the elites support for what is termed "globalisation." Needless to say, the ruling class has done **very** well over the last few decades. For example, in the US, the gaps between rich and poor **and** between the rich and middle income reaching their widest point on record in 1997 (from the **Congressional Budget Office** study on Historic Effective Tax Rates 1979–1997). The top 1% saw their after-tax incomes rise by $414,200 between 1979–97, the middle fifth by $3,400 and the bottom fifth fell by -$100. The benefits of globalisation are concentrated at the top, as is to be expected (indeed, almost all of the income gains from economic growth between 1989 and 1998 accrued to the top 5% of American families).

Needless to say, the local ruling classes of the dominated nations may not see it that way. While, of course, local ruling classes do extremely well from imperialism, they need not **like** the position of dependence and subordination they are placed in. Moreover, the steady stream of profits leaving the country for foreign corporations cannot be used to enrich local elites even more. Just as the capitalist dislikes the state or a union limiting their power or taxing/reducing their profits, so the dominated nation's ruling class dislikes imperialist domination and will seek to ignore or escape it whenever possible. This is because *"every State, in so far as it wants to live not only on paper and not merely by sufferance of its neighbours, but to enjoy real independence — inevitably must become a conquering State."* [Bakunin, **Op. Cit.**, p. 211] So the local ruling class, while benefiting from imperialism, may dislike its dependent position and, if it feels strong enough, may contest their position and gain more independence for themselves.

Many of the post-war imperialist conflicts were of this nature, with local elites trying to disentangle themselves from an imperialist power. Similarly, many conflicts (either fought directly by imperialist powers or funded indirectly by them) were the direct result of ensuring that a nation trying to free itself from imperialist domination did not serve as a positive example for other satellite nations. Which means that local ruling classes can come into conflict with imperialist ones. These can express themselves as wars of national liberation, for example, or just as normal conflicts (such as the first Gulf War). As competition is at the heart of capitalism, we should not be surprised that sections of the international ruling class disagree and fight each other.

The relationship between the working class and imperialism is more complex. In traditional imperialism, foreign trade and the export of capital often make it possible to import cheap goods from abroad and increase profits for the capitalist class, and in this sense, workers can gain because they can improve

can ensure that production meets the needs of all rather than the profits of a few.

Moreover, anarchists also recognise that economic imperialism is the parent of cultural and social imperialism. As Takis Fotopoulos argues, *"the marketisation of culture and the recent liberalisation and deregulation of markets have contributed significantly to the present cultural homogenisation, with traditional communities and their cultures disappearing all over the world and people converted to consumers of a mass culture produced in the advanced capitalist countries and particularly the USA."* [**Towards an Inclusive Democracy**, p. 40] Equally, we are aware, to quote Chomsky, that racism *"is inherent in imperial rule"* and that it is *"inherent in the relation of domination"* that imperialism is based on. [**Imperial Ambitions**, p. 48]

It is this context which explains the anarchist position on national liberation struggles. While we are internationalists, we are against all forms of domination and oppression — including national ones. This means that we are not indifferent to national liberation struggles. Quite the opposite. In the words of Bakunin:

> *"Fatherland and nationality are, like individuality, each a natural and social fact, physiological and historical at the same time; neither of them is a principle. Only that can be called a human principle which is universal and common to all men; and nationality separates men ... What is a principle is the respect which everyone should have for natural facts, real or social. Nationality, like individuality, is one of those facts ... To violate it is to commit a crime ... And that is why I feel myself always the patriot of all oppressed fatherlands."* [**The Political Philosophy of Bakunin**, p. 324]

This is because nationality *"is a historic, local fact which, like all real and harmless facts, has the right to claim general accep-*

another. The Cuban anarchists spoke for all of us when they stated that they were *"against all forms of imperialism and colonialism; against the economic domination of peoples ... against military pressure to impose upon peoples political and economic system foreign to their national cultures, customs and social systems ... We believe that among the nations of the world, the small are as worthy as the big. Just as we remain enemies of national states because each of them hold its own people in subjection; so also are we opposed to the super-states that utilise their political, economic and military power to impose their rapacious systems of exploitation on weaker countries. As against all forms of imperialism, we declare for revolutionary internationalism; for the creation of great confederations of free peoples for their mutual interests; for solidarity and mutual aid."* [quoted by Sam Dolgoff, **The Cuban Revolution: A Critical Perspective**, p. 138]

It is impossible to be free while dependent on the power of another. If the capital one uses is owned by another country, one is in no position to resist the demands of that country. If you are dependent on foreign corporations and international finance to invest in your nation, then you have to do what they want (and so the ruling class will suppress political and social opposition to please their backers as well as maintain themselves in power). To be self-governing under capitalism, a community or nation must be economically independent. The centralisation of capital implied by imperialism means that power rests in the hands of a few others, not with those directly affected by the decisions made by that power. This power allows them to define and impose the rules and guidelines of the global market, forcing the many to follow the laws the few make. Thus capitalism soon makes a decentralised economy, and so a free society, impossible. As such, anarchists stress decentralisation of industry and its integration with agriculture (see section I.3.8) within the context of socialisation of property and workers' self-management of production. Only this

their standard of living without necessarily coming into system threatening conflict with their employers (i.e. struggle can win reforms which otherwise would be strongly resisted by the capitalist class). Thus living standard may be improved by low wage imports while rising profits may mean rising wages for some key workers (CEOs giving themselves higher wages because they control their own pay rises does not, of course, count!). Therefore, in imperialistic nations during economic boom times, one finds a tendency among the working class (particularly the unorganised sector) to support foreign military adventurism and an aggressive foreign policy. This is part of what is often called the "embourgeoisement" of the proletariat, or the co-optation of labour by capitalist ideology and "patriotic" propaganda. Needless to say, those workers made redundant by these cheap imports may not consider this as a benefit and, by increasing the pool of unemployment and the threat of companies outsourcing work and moving plants to other countries, help hold or drive down wages for most of the working population (as has happened in various degrees in Western countries since the 1970s).

However, as soon as international rivalry between imperialist powers becomes too intense, capitalists will attempt to maintain their profit rates by depressing wages and laying people off in their own country. Workers' real wages will also suffer if military spending goes beyond a certain point. Moreover, if militarism leads to actual war, the working class has much more to lose than to gain as they will be fighting it and making the necessary sacrifices on the "home front" in order to win it. In addition, while imperialism can improve living conditions (for a time), it cannot remove the hierarchical nature of capitalism and therefore cannot stop the class struggle, the spirit of revolt and the instinct for freedom. So, while workers in the developed nations may sometimes benefit from imperialism, such periods cannot last long and cannot end the class struggle.

Rudolf Rocker was correct to stress the contradictory (and self-defeating) nature of working class support for imperialism:

> *"No doubt some small comforts may sometimes fall to the share of the workers when the bourgeoisie of their country attain some advantage over that of another country; but this always happens at the cost of their own freedom and the economic oppression of other peoples. The worker ... participates to some extent in the profits which, without effort on their part, fall into the laps of the bourgeoisie of his country from the unrestrained exploitation of colonial peoples; but sooner or later there comes the time when these people too, wake up, and he has to pay all the more dearly for the small advantages he has enjoyed... Small gains arising from increased opportunity of employment and higher wages may accrue to the workers in a successful state from the carving out of new markets at the cost of others; but at the same time their brothers on the other side of the border have to pay for them by unemployment and the lowering of the standards of labour. The result is an ever widening rift in the international labour movement ... By this rift the liberation of the workers from the yoke of wage-slavery is pushed further and further into the distance. As long as the worker ties up his interests with those of the bourgeoisie of his country instead of with his class, he must logically also take in his stride all the results of that relationship. He must stand ready to fight the wars of the possessing classes for the retention and extension of their markets, and to defend any injustice they may perpetrate on other people ... Only when the workers in every country shall come to understand clearly that their*

D.7 Are anarchists opposed to National Liberation struggles?

Obviously, given the anarchist analysis of imperialism discussed in section D.5, anarchists are opposed to imperialism and wars it inevitably causes. Likewise, as noted in the last section, we are against any form of nationalism. Anarchists oppose nationalism just as much as they oppose imperialism — neither offer a way to a free society. While we oppose imperialism and foreign domination and support decentralisation, it does not mean that anarchists blindly support national liberation movements. In this section we explain the anarchist position on such movements.

Anarchists, it should be stressed, are not against globalisation or international links and ties as such. Far from it, we have always been internationalists and are in favour of ***"globalisation from below,"*** one that respects and encourages diversity and difference while sharing the world. However, we have no desire to live in a world turned bland by corporate power and economic imperialism. As such, we are opposed to capitalist trends which commodify culture as it commodifies social relationships. We want to make the world an interesting place to live in and that means opposing both actual (i.e. physical, political and economic) imperialism as well as the cultural and social forms of it.

However, this does not mean that anarchists are indifferent to the national oppression inherent within imperialism. Far from it. Being opposed to all forms of hierarchy, anarchists cannot be in favour of a system in which a country dominates

pects of specific cultures justify another state imposing its will on it in the name of "civilising" it. As history shows, such "humanitarian" intervention is just a mask for justifying imperialist conquest and exploitation and it rarely works as cultural change has to flow from below, by the actions of the oppressed themselves, in order to be successful.

In opposition to nationalism, Anarchists are *"proud of being internationalists."* We seek *"the end of all oppression and of all exploitation,"* and so aim *"to awaken a consciousness of the antagonism of interests between dominators and dominated, between exploiters and workers, and to develop the class struggle inside each country, and the solidarity among all workers across the frontiers, as against any prejudice and any passion of either race or nationality."* [Malatesta, **Op. Cit.**, p. 244]

We must stress that anarchists, being opposed to all forms of exploitation and oppression, are against a situation of external domination where the one country dominates the people and territory of another country (i.e., imperialism — see section D.5). This flows from our basic principles as *"[t]rue internationalism will never be attained except by the independence of each nationality, little or large, compact or disunited — just as anarchy is in the independence of each individual. If we say no government of man over man, how can [we] permit the government of conquered nationalities by the conquering nationalities?"* [Kropotkin, quoted by Martin A. Miller, **Kropotkin**, p. 231] As we discuss in the next section, while rejecting Nationalism anarchists do not necessarily oppose national liberation struggles against foreign domination.

> *interests are everywhere the same, and out of this understanding learn to act together, will the effective basis be laid for the international liberation of the working class."* [**Anarcho-Syndicalism**, p. 71]

Ultimately, any *"collaboration of workers and employers ... can only result in the workers being condemned to ... eat the crumbs that fall from the rich man's table."* [Rocker, **Op. Cit.**, pp. 70–1] This applies to both the imperialist and the satellite state, of course. Moreover, as imperialism needs to have a strong military force available for it and as a consequence it required militarism at home. This has an impact at home in that resources which could be used to improve the quality of life for all are funnelled towards producing weapons (and profits for corporations). Moreover, militarism is directed not only at external enemies, but also against those who threaten elite role at home. We discuss militarism in more detail in section D.8.

However, under globalisation things are somewhat different. With the increase in world trade and the signing of "free trade" agreements like NAFTA, the position of workers in the imperialist nations need not improve. For example, since the 1970s, the wages — adjusted for inflation — of the typical American employee have actually fallen, even as the economy has grown. In other words, the majority of Americans are no longer sharing in the gains from economic growth. This is very different from the previous era, for example 1946–73, when the real wages of the typical worker rose by about 80 percent. Not that this globalisation has aided the working class in the "developing" nations. In Latin America, for example, GDP per capita grew by 75 percent from 1960–1980, whereas between 1981 and 1998 it has only risen 6 percent. [Mark Weisbrot, Dean Baker, Robert Naiman, and Gila Neta, **Growth May Be Good for the Poor — But are IMF and World Bank Policies Good for Growth?**]

As Chomsky noted, *"[t]o the credit of the **Wall Street Journal**, it points out that there's a 'but.' Mexico has 'a stellar reputation,' and it's an economic miracle, but the population is being devastated. There's been a 40 percent drop in purchasing power since 1994. The poverty rate is going up and is in fact rising fast. The economic miracle wiped out, they say, a generation of progress; most Mexicans are poorer than their parents. Other sources reveal that agriculture is being wiped out by US-subsidised agricultural imports, manufacturing wages have declines about 20 percent, general wages even more. In fact, NAFTA is a remarkable success: it's the first trade agreement in history that's succeeded in harming the populations of all three countries involved. That's quite an achievement."* In the U.S., *"the medium income (half above, half below) for families has gotten back now to what it was in 1989, which is below what it was in the 1970s."* [**Rogue States**, pp. 98–9 and p. 213]

An achievement which was predicted. But, of course, while occasionally admitting that globalisation may harm the wages of workers in developed countries, it is argued that it will benefit those in the "developing" world. It is amazing how open to socialist arguments capitalists and their supporters are, as long as its not their income being redistributed! As can be seen from NAFTA, this did not happen. Faced with cheap imports, agriculture and local industry would be undermined, increasing the number of workers seeking work, so forcing down wages as the bargaining power of labour is decreased. Combine this with governments which act in the interests of capital (as always) and force the poor to accept the costs of economic austerity and back business attempts to break unions and workers resistance then we have a situation where productivity can increase dramatically while wages fall behind (either relatively or absolutely). As has been the case in both the USA and Mexico, for example.

This reversal has had much to do with changes in the global "rules of the game," which have greatly favoured corpora-

Order" pp. 1–7, **Society and Nature**, No. 5, pp. 4–5] However, independent nationalism is like social democracy in imperialist countries in that it may, at best, reduce the evils of the class system and social hierarchies but it never gets rid of them (at worse, it creates new classes and hierarchies clustered around the state bureaucracy).

Anarchists oppose nationalism in all its forms as harmful to the interests of those who make up a given nation and their cultural identities. As Rocker put it, peoples and groups of peoples have *"existed long before the state put in its appearance"* and *"develop without the assistance of the state. They are only hindered in their natural development when some external power interferes by violence with their life and forces it into patterns which it has not known before."* A nation, in contrast, *"encompasses a whole array of different peoples and groups of peoples who have by more or less violent means been pressed together into the frame of a common state."* In other words, the *"nation is, then, unthinkable without the state."* [**Op. Cit.**, p. 201]

Given this, we do support nationality and cultural difference, diversity and self-determination as a natural expression of our love of freedom and support for decentralisation. This should not, however, be confused with supporting nationalism. In addition, it goes without saying that a nationality that take on notions of racial, cultural or ethnic "superiority" or "purity" or believe that cultural differences are somehow rooted in biology get no support from anarchists. Equally unsurprisingly, anarchists have been the most consistent foes of that particularly extreme form of nationalism, fascism (*"a politico-economic state where the ruling class of each country behaves towards its own people as ... it has behaved to the colonial peoples under its heel."* [Bart de Ligt, **The Conquest of Violence**, p. 74]). Moreover, we do not support those aspects of specific cultures which reflect social hierarchies (for example, many traditional cultures have sexist and homophobic tendencies). By supporting nationality, we do not advocate tolerating these. Nor do the negative as-

their schemes for political power from the eyes of the world." [Rocker, **Op. Cit.**, pp. 252–3]

Hence we see the all too familiar sight of successful "national liberation" movements replacing foreign oppression with a home-based one. Nationalist governments introduce *"the worse features of the very empires from which oppressed peoples have tried to shake loose. Not only do they typically reproduce state machines that are as oppressive as the ones that colonial powers imposed on them, but they reinforce those machines with cultural, religious, ethnic, and xenophobic traits that are often used to foster regional and even domestic hatreds and sub-imperialisms."* [Bookchin, **Op. Cit.**, p. 30] This is unsurprising as nationalism delivers power to local ruling classes as it relies on taking state power. As a result, nationalism can never deliver freedom to the working class (the vast majority of a given "nation") as its function is to build a mass support base for local elites angry with imperialism for blocking their ambitions to rule and exploit "their" nation and fellow country people.

In fact, nationalism is no threat to capitalism or even to imperialism. It replaces imperialist domination with local elite and foreign oppression and exploitation with native versions. That sometimes the local elites, like imperial ones, introduce reforms which benefit the majority does not change the nature of the new regimes although this does potentially bring them into conflict with imperialist powers. As Chomsky notes, for imperialism the *"threat is not nationalism, but independent nationalism, which focuses on the needs of the population, not merely the wealthy sectors and the foreign investors to whom they are linked. Subservient nationalism that does not succumb to these heresies is quite welcome"* and it is *"quite willing to deal with them if they are willing to sell the country to the foreign master, as Third World elites (including now those in much of Eastern Europe) are often quite willing to do, since they may greatly benefit even as their countries are destroyed."* [*"Nationalism and the New World*

tions and weakened labour. Unsurprisingly, the North American union movement has opposed NAFTA and other treaties which empower business over labour. Therefore, the position of labour within both imperialist and dominated nations can be harmed under globalisation, so ensuring international solidarity and organisation have a stronger reason to be embraced by both sides. This should not come as a surprise, however, as the process towards globalisation was accelerated by intensive class struggle across the world and was used as a tool against the working class (see last section).

It is difficult to generalise about the effects of imperialism on the "middle class" (i.e. professionals, self-employed, small business people, peasants and so on — **not** middle income groups, who are usually working class). Some groups within this strata stand to gain, others to lose (in particular, peasants who are impoverished by cheap imports of food). This lack of common interests and a common organisational base makes the middle class unstable and susceptible to patriotic sloganeering, vague theories of national or racial superiority, or fascist scapegoating of minorities for society's problems. For this reason, the ruling class finds it relatively easy to recruit large sectors of the middle class to an aggressive and expansionist foreign policy, through media propaganda campaigns. Since many in organised labour tends to perceive imperialism as being against its overall best interests, and thus usually opposes it, the ruling class is able to intensify the hostility of the middle class to the organised working class by portraying the latter as "unpatriotic" and "unwilling to sacrifice" for the "national interest." Sadly, the trade union bureaucracy usually accepts the "patriotic" message, particularly at times of war, and often collaborates with the state to further imperialistic interests. This eventually brings them into conflict with the rank-and-file, whose interests are ignored even more than usual when this occurs.

To summarise, the ruling class is usually pro-imperialism — as long as it is in their interests (i.e. the benefits outweigh the

costs). The working class, regardless of any short term benefit its members may gain, end up paying the costs of imperialism by having to fight its wars and pay for the militarism it produces. So, under imperialism, like any form of capitalism, the working class will pay the bill required to maintain it. This means that we have a real interest in ending it — particularly as under globalisation the few benefits that used to accrue to us are much less.

they become furious enemies of the masses if the people, tried of sacrificing themselves, of being used as a passive footstool by the government, revolt against it. If the bourgeoisie had to choose between the masses who rebel against the State" and a foreign invader, *"they would surely choose the latter."* [**Bakunin on Anarchism**, pp. 185–6] Given this, Bakunin would have not been surprised by either the rise of Fascism in Italy nor when the Allies in post-fascist Italy *"crush[ed] revolutionary movements"* and gave *"their support to fascists who made good by becoming Allied Quislings."* [Marie-Louise Berneri, **Neither East Nor West**, p. 97]

In addition, nationalism is often used to justify the most horrific crimes, with the Nation effectively replacing God in terms of justifying injustice and oppression and allowing individuals to wash their hands of their own actions. For *"under cover of the nation everything can be hid"* argues Rocker (echoing Bakunin, we must note). *"The national flag covers every injustice, every inhumanity, every lie, every outrage, every crime. The collective responsibility of the nation kills the sense of justice of the individual and brings man to the point where he overlooks injustice done; where, indeed, it may appear to him a meritorious act if committed in the interests of the nation."* [**Op. Cit.**, p. 252] So when discussing nationalism:

> *"we must not forget that we are always dealing with the organised selfishness of privileged minorities which hide behind the skirts of the nation, hide behind the credulity of the masses. We speak of national interests, national capital, national spheres of interest, national honour, and national spirit; but we forget that behind all this there are hidden merely the selfish interests of power-loving politicians and money-loving business men for whom the nation is a convenient cover to hide their personal greed and*

submitting them to its own political and economical domination." Thus anarchists have *"always fought against patriotism, which is a survival of the past, and serves well the interests of the oppressors."* [**Errico Malatesta: His Life and Ideas**, p. 244]

Thus nationalism is a key means of obscuring class differences and getting those subject to hierarchies to accept them as "natural." As such, it plays an important role in keeping the current class system going (unsurprisingly, the nation-state and its nationalism arose at the same time as capitalism). As well dividing the working class internationally, it is also used within a nation state to turn working class people born in a specific nation against immigrants. By getting native-born workers to blame newcomers, the capitalist class weakens the resistance to their power as well as turning economic issues into racial/nationalist ones. In practice, however, nationalism is a *"state ideology"* which boils down to saying it is *"'our country' as opposed to **theirs**, meaning **we** were the serfs of the government first."* [Christie and Meltzer, **Op. Cit.**, p. 71] It tries to confuse love of where you grow up or live with *"love of the State"* and so nationalism is *"not the faithful expression"* of this natural feeling but rather *"an expression distorted by means of a false abstraction, always for the benefit of an exploiting minority."* [Bakunin, **Op. Cit.**, p. 324]

Needless to say, the nationalism of the bourgeoisie often comes into direct conflict with the people who make up the nation it claims to love. Bakunin simply stated a truism when he noted that the capitalist class *"would rather submit"* to a *"foreign yoke than renounce its social privileges and accept economic equality."* This does not mean that the *"bourgeoisie is unpatriotic; on the contrary patriotism, in the narrowest sense, is its essential virtue. But the bourgeoisie love their country only because, for them, the country, represented by the State, safeguards their economic, political, and social privileges. Any nation withdrawing their protection would be disowned by them, Therefore, for the bourgeoisie, the country **is** the State. Patriots of the State,*

D.6 Are anarchists against Nationalism?

Yes, anarchists are opposed to nationalism in all its forms. British anarchists Stuart Christie and Albert Meltzer simply point out the obvious: *"As a nation implies a state, it is not possible to be a nationalist and an anarchist."* [**The Floodgates of Anarchy**, p. 59fn]

To understand this position, we must first define what anarchists mean by nationalism. For many people, it is just the natural attachment to home, the place one grew up. Nationality, as Bakunin noted, is a *"natural and social fact,"* as *"every people and the smallest folk-unit has its own character, its own specific mode of existence, its own way of speaking, feeling, thinking, and acting; and it is this idiosyncrasy that constitutes the essence of nationality."* [**The Political Philosophy of Bakunin**, p. 325] These feelings, however, obviously do not exist in a social vacuum. They cannot be discussed without also discussing the nature of these groups and what classes and other social hierarchies they contain. Once we do this, the anarchist opposition to nationalism becomes clear.

This means that anarchists distinguish between **nationality** (that is, cultural affinity) and **nationalism** (confined to the state and government itself). This allows us to define what we support and oppose — nationalism, at root, is destructive and reactionary, whereas cultural difference and affinity is a source of community, social diversity and vitality.

Such diversity is to be celebrated and allowed to express it itself on its own terms. Or, as Murray Bookchin puts it, *"[t]hat*

specific peoples should be free to fully develop their own cultural capacities is not merely a right but a desideratum. The world would be a drab place indeed if a magnificent mosaic of different cultures does not replace the largely decultured and homogenised world created by modern capitalism." [*"Nationalism and the 'National Question'"*, pp. 8–36. **Society and Nature**, No. 5, pp. 28–29] But, as he also warns, such cultural freedom and variety should **not** be confused with nationalism. The latter is far more (and ethically, a lot less) than simple recognition of cultural uniqueness and love of home. Nationalism is the love of, or the desire to create, a nation-state and for this reason anarchists are opposed to it, in all its forms.

This means that nationalism cannot and must not be confused with nationality. The later is a product of social processes while the former to a product of state action and elite rule. Social evolution cannot be squeezed into the narrow, restricting borders of the nation state without harming the individuals whose lives **make** that social development happen in the first place.

The state, as we have seen, is a centralised body invested with power and a social monopoly of force. As such it preempts the autonomy of localities and peoples, and in the name of the "nation" crushes the living, breathing reality of "nations" (i.e. peoples and their cultures) with one law, one culture and one "official" history. Unlike most nationalists, anarchists recognise that almost all "nations" are in fact not homogeneous, and so consider nationality to be far wider in application than just lines on maps, created by conquest. Hence we think that recreating the centralised state in a slightly smaller area, as nationalist movements generally advocate, cannot solve what is called the "national question."

Ultimately, as Rudolf Rocker argued, the ***"nation is not the cause, but the result of the state. It is the state that creates the nation, not the nation the state."*** Every state *"is an artificial mechanism imposed upon [people] from above by some ruler, and it never pursues any other ends but to defend and make secure the interests of privileged minorities within society."* Nationalism *"has never been anything but the political religion of the modern state."* [**Nationalism and Culture**, p. 200 and p. 201] It was created to reinforce the state by providing it with the loyalty of a people of shared linguistic, ethnic, and cultural affinities. And if these shared affinities do not exist, the state will create them by centralising education in its own hands, imposing an "official" language and attempting to crush cultural differences from the peoples within its borders.

This is because it treats groups of people not as unique individuals but rather *"as if they were individuals with definite traits of character and peculiar psychic properties or intellectual qualities"* which *"must irrevocably lead to the most monstrously deceptive conclusions."* [Rocker, **Op. Cit.**, p. 437] This creates the theoretical justification for authoritarianism, as it allows the stamping out of all forms of individuality and local customs and cultures which do not concur with the abstract standard. In addition, nationalism hides class differences within the "nation" by arguing that all people must unite around their supposedly common interests (as members of the same "nation"), when in fact they have nothing in common due to the existence of hierarchies and classes.

Malatesta recognised this when he noted that you cannot talk about states like they were *"homogeneous ethnographic units, each having its proper interests, aspirations, and mission, in opposition to the interests, aspirations, and mission of rival units. This may be true relatively, as long as the oppressed, and chiefly the workers, have no self-consciousness, fail to recognise the injustice of their inferior position, and make themselves the docile tools of the oppressors."* In that case, it is *"the dominating class only that counts"* and this *"owning to its desire to conserve and to enlarge its power … may excite racial ambitions and hatred, and send its nation, its flock, against 'foreign' countries, with a view to releasing them from their present oppressors, and*

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pendent on it). As Chomsky notes, *"democracy reduces to empty form"* when the votes of the general public votes no impact or role in determining economic and social development. In other words, *"neoliberal reforms are antithetical to promotion of democracy. They are not designed to shrink the state, as often asserted, but to strengthen state institutions to serve even more than before the needs of the substantial people."* This has seen *"extensive gerrymandering to prevent competition for seats in the House, the most democratic of government institutions and therefore the most worrisome,"* while congress has been *"geared to implementing the pro-business policies"* and the White House has been reconstructed into top-down systems, in a similar way to that of a corporation (*"In structure, the political counterpart to a corporation is a totalitarian state."*) [**Op. Cit.**, p. 218, p. 237 and p. 238]

The aim is to exclude the general politic from civil society, creating Locke's system of rule by property owners only. As one expert (and critic) on Locke argues in his scheme, the *"labouring class, being without estate, are subject to, but not full members of civil society"* and the *"right to rule (more accurately, the right to control any government) is given to men of estate only."* The working class will be in but not part of civil society in the same way that they are in but not part of a company. The labouring class may do the actual work in a capitalist firm, but they *"cannot take part in the operation of the company at the same level as the owners."* Thus the ideal (classical) "liberal" state is a *"joint-stock company of owners whose majority decision binds not only themselves but also their employees."* [C. B. MacPherson, **The Political Theory of Possessive Individualism**, p. 248, p. 249 and p. 251] The aim of significant sections of the right and the ruling class is to achieve this goal within the context of a nominally democratic state which, on paper, allows significant civil liberties but which, in practice, operates like a corporation. Liberty for the many will be reduced to market forms, the ability to buy and sell, within the rules de-

signed by and for the property owners. Centralised state power within an overall authoritarian social culture is the best way to achieve this aim.

It should be stressed that the rise of inequality and centralised state power has came about by design, not by accident. Both trends delight the rich and the right, whose aim has always been to exclude the general population from the public sphere, eliminate taxation on wealth and income derived from owning it and roll back the limited reforms the general population have won over the years. In his book **Post-Conservative America** Kevin Phillips, one of the most knowledgeable and serious conservative ideologues, discusses the possibility of fundamental alterations that he regards as desirable in the US government. His proposals leave no doubt about the direction in which the Right wishes to proceed. *"Governmental power is too diffused to make difficult and necessary economic and technical decisions,"* Phillips maintains. *"[A]ccordingly, the nature of that power must be re-thought. Power at the federal level must be augmented, and lodged for the most part in the executive branch."* [p. 218] He assures us that all the changes he envisions can be accomplished without altering the Constitution.

As one moderate British Conservative MP has documented, the "free-market" Conservative Thatcher government of the 1980s increased centralisation of power and led a sustained *"assault on local government."* One key reason was *"dislike of opposition"* which applied to *"intermediate institutions"* between the individual and the state. These *"were despised and disliked because they got in the way of 'free-market forces' ... and were liable to disagree with Thatcherite policies."* Indeed, they simply abolished elected local governments (like the Greater London Council) which were opposed to the policies of the central government. They controlled the rest by removing their power to raise their own funds, which destroyed their local autonomy. The net effect of neo-liberal reforms was that Britain became *"ever more centralised"* and local government was *"fragment-*

change the status quo in ways that the military and economic elites did not approve of. This does not mean, of course, that the Chilean people are not resisting oppression and exploitation and rebuilding their organisations, simply that using free speech, striking and other forms of social action is more difficult. That is protects and increases the power, wealth and authority of the employer and state over their wage slaves goes without sating — it was what was intended. As Kropotkin pointed out years ago, *"freedom of press ... and all the rest, are only respected if the people do not make use of them against the privileged classes. But the day the people begin to take advantage of them to undermine those privileges, then the so-called liberties will be cast overboard."* [**Op. Cit.**, p. 42] Chile is a classic example of this, a bloody example which helps deter genuine democracy in that country decades later.

ing and weakening." [**Dancing with Dogma**, p. 261, p. 262 and p. 269]

This reversal of what, traditionally, conservatives and even liberals had argued had its roots in the "free market" capitalist ideology. For *"[n]othing is to stand in the way of the free market, and no such fripperies as democratic votes are to be allowed to upset it. The unadulterated free market is unalterable, and those who dislike it or suffer from it must learn to put up with it. In Rousseau's language, they must be forced to be free."* as such there was *"no paradox"* to the *"Thatcherite devotion to both the free market and a strong state"* as the *"establishment of individualism and a free-market state is an unbending if not dictatorial venture which demands the prevention of collective action and the submission of dissenting institutions and individuals."* Thus rhetoric about "liberty" and rolling back the state can easily be *"combined in practice with centralisation and the expansion of the state's frontiers."* [**Op. Cit.**, pp. 273–4 and p. 273] A similar process occurred under Reagan in America.

As Chomsky stresses, the *"antidemocratic thrust has precedents, of course, but is reaching new heights"* under the current set of *"reactionary statists"* who *"are dedicated warriors. With consistency and passion that approach caricature, their policies serve the serve the substantial people — in fact, an unusually narrow sector of them — and disregard or harm the underlying population and future generations. They are also seeking to use their current opportunities to institutionalise these arrangements, so that it will be no small task to reconstruct a more humane and democratic society."* [**Op. Cit.**, p. 238 and p. 236] As we noted in section D.1, the likes of Reagan, Thatcher and Bush do not appear by accident. They and the policies they implement reflect the interests of significant sectors of the ruling elite and their desires. These will not disappear if different, more progressive sounding, politicians are elected. Nor will the nature of the state machine and its bureaucracy, nor will the workings and needs of the capitalist economy.

This helps explains why the distinctions between the two major parties in the US have been, to a large extent, virtually obliterated. Each is controlled by the corporate elite, albeit by different factions within it. Despite many tactical and verbal disagreements, virtually all members of this elite share a basic set of principles, attitudes, ideals, and values. Whether Democrat or Republican, most of them have graduated from the same Ivy League schools, belong to the same exclusive social clubs, serve on the same interlocking boards of directors of the same major corporations, and send their children to the same private boarding schools (see G. William Domhoff, **Who Rules America Now?** and C. Wright Mills, **The Power Elite**). Perhaps most importantly, they share the same psychology, which means that they have the same priorities and interests: namely, those of corporate America. That the Democrats are somewhat more dependent and responsive to progressive working class people while the Republicans are beholden to the rich and sections of the religious right come election time should not make us confuse rhetoric with the reality of policies pursued and underlying common assumptions and interests.

This means that in the USA there is really only one party — the Business Party — which wears two different masks to hide its real face from the public. Similar remarks apply to the liberal democratic regimes in the rest of the advanced capitalist states. In the UK, Blair's "New Labour" has taken over the mantle of Thatcherism and have implemented policies based on its assumptions. Unsurprisingly, it received the backing of numerous right-wing newspapers as well as funding from wealthy individuals. In other words, the UK system has mutated into a more US style one of two Business parties one of which gets more trade union support than the other (needless to say, it is unlikely that Labour will be changing its name to "Capital" unless forced to by the trading standards office nor does it look likely that the trade union bureaucracy will reconsider their funding in spite of the fact New Labour simply ignored them

ensure that the ruling class will have little to fear from "political liberty" being used by politicians to curb their power and wealth.

Then there is the social legacy of 17 years of dictatorship. As one expert on Latin America, Cathy Scheider, noted in 1993, *"the transformation of the economic and political system"* under Pinochet *"has had a profound impact on the world view of the typical Chilean,"* with most having *"little contact with other workers or with their neighbours, and only limited time with their family. Their exposure to political or labour organisations is minimal... they lack either the political resources or the disposition to confront the state. The fragmentation of opposition communities has accomplished what brute military repression could not. It has transformed Chile, both culturally and politically, from a country of active participatory grassroots communities, to a land of disconnected, apolitical individuals. The cumulative impact of this change is such that we are unlikely to see any concerted challenge to the current ideology in the near future."* [quoted by Noam Chomsky, **World Orders, Old and New**, p. 184]

In such circumstances, political liberty can be re-introduced, as no one is in a position to effectively use it. In addition, Chileans live with the memory that challenging the state in the near past resulted in a fascist dictatorship murdering thousands of people as well as repeated and persistent violations of human rights by the junta, not to mention the existence of "anti-Marxist" death squads — for example in 1986 *"Amnesty International accused the Chilean government of employing death squads."* [P. Gunson, A. Thompson, G. Chamberlain, **Op. Cit.**, p. 86] According to one Human Rights group, the Pinochet regime was responsible for 11,536 human rights violations between 1984 and 1988 alone. [Calculation of *"Comite Nacional de Defensa do los Derechos del Pueblo,"* reported in **Fortin**, September 23, 1988]

These facts that would have a strongly deterrent effect on people contemplating the use of political liberty to actually

tained an army 'shadow cabinet' that acted as a political pressure group." Unsurprisingly, the first post-Pinochet government *"often backed down in practice for the sake of social peace — or out of fear of endangering the transition to democracy. As a result, Aylwin was unable to fulfil his promises of constitutional and institutional reforms that would reverse Pinochet's authoritarian legacy."* This was because the new government thought that the coup and dictatorship *"reflected the decision of business elites to call in the military, because they could not protect their core interests under Chile's radicalised democracy. The lesson that ... [they] drew ... was that to avoid its repetition in the 1990s it was necessary to reassure business that its interests would be protected."* [Winn, **Op. Cit.**, p. 50 and p. 53]

The limited nature of Chile's democracy was seen in 1998, when Pinochet was arrested in Britain in regard of a warrant issued by a Spanish Judge for the murders of Spanish citizens during his regime. Commentators, particularly those on the right, stressed that Pinochet's arrest could undermine Chile's "fragile democracy" by provoking the military. In other words, Chile is only a democracy in-so-far as the military let it be. Of course, few commentators acknowledged the fact that this meant that Chile was not, in fact, a democracy after all.

All of which explains why subsequent governments have only tinkered with the free-market policies introduced by Pinochet. They have dared not reverse them not due to their popular nature but to the obvious fact that recent Chilean history shows that progressive politicians and their supporters have something to fear besides losing an election. Unsurprisingly, workers *"socio-economic aspirations were postponed in the interest of not jeopardising the transition and their expectations of labour law reform were sacrificed on the same alter."* [Winn, *"Introduction"*, Winn (ed.), **Op. Cit.**, p. 10] While 2002 saw the election of the first socialist president since Allende, it is unlikely that Chile will experience anything beyond minor reforms — the legacy of fear and political restrictions will

when not actually attacking them!). The absence of a true opposition party, which itself is a main characteristic of authoritarian regimes, is thus an accomplished fact already, and has been so for many years.

Besides the reasons noted above, another cause of increasing political centralisation under capitalism is that industrialisation forces masses of people into alienated wage slavery, breaking their bonds to other people, to the land, and to tradition, which in turn encourages strong central governments to assume the role of surrogate parent and to provide direction for their citizens in political, intellectual, moral, and even spiritual matters. (see Hannah Arendt, **The Origins of Totalitarianism**). And as Marilyn French emphasises in **Beyond Power**, the growing concentration of political power in the capitalist state can also be attributed to the form of the corporation, which is a microcosm of the authoritarian state, since it is based on centralised authority, bureaucratic hierarchy, antidemocratic controls, and lack of individual initiative and autonomy. Thus the millions of people who work for large corporations tend automatically to develop the psychological traits needed to survive and "succeed" under authoritarian rule: notably, obedience, conformity, efficiency, subservience, and fear of responsibility. The political system naturally tends to reflect the psychological conditions created at the workplace, where most people spend about half their time.

Reviewing such trends, Marxist Ralph Miliband concludes that *"it points in the direction of a regime in which democratic forms have ceased to provide effective constraints upon state power."* The *"distribution of power"* will become *"more unequal"* and so *"[h]owever strident the rhetoric of democracy and popular sovereignty may be, and despite the 'populist' overtones which politics must now incorporate, the trend is toward the ever-greater appropriation of power at the top."* [**Divided Societies**, p. 166 and p. 204] As such, this reduction in genuine liberty, democracy and growth in executive power does not flow simply from the

intentions of a few bad apples. Rather, they reflect economic developments, the needs of the system as a whole plus the pressures associated with the way specific institutions are structured and operate as well as the need to exclude, control and marginalise the general population. Thus while we can struggle and resist specific manifestations of this process, we need to fight and eliminate their root causes within capitalism and statism themselves if we want to turn them back and, eventually, end them.

This increase in centralised and authoritarian rule may not result in obvious elimination of such basic rights as freedom of speech. However, this is due to the success of the project to reduce genuine freedom and democracy rather than its failure. If the general population are successfully marginalised and excluded from the public sphere (i.e. turned into Locke's system of being within but not part of a society) then a legal framework which recognises civil liberties would still be maintained. That most basic liberties would remain relatively intact and that most radicals will remain unmolested would be a testimony to the lack of power possessed by the public at large in the existing system. That is, countercultural movements need not be a concern to the government until they become broader-based and capable of challenging the existing socio-economic order — only then is it "necessary" for the repressive, authoritarian forces to work on undermining the movement. So long as there is no effective organising and no threat to the interests of the ruling elite, people are permitted to say whatever they want. This creates the illusion that the system is open to all ideas, when, in fact, it is not. But, as the decimation of the Wobblies and anarchist movement after the First World War first illustrated, the government will seek to eradicate any movement that poses a significant threat.

and so *"Pinochet's 'designated senators' and undemocratic electoral law continued to frustrate the popular will and limit Chile's restored democracy."* The majority could not *"pass laws without the consent of its rightist opponents."* Pinochet used *"final months as president to decree laws that would hamstring his opponents, even if a majority of the electorate supported them."* In addition, any new government was *"confronted by a judiciary and government bureaucracy packed by Pinochet with his own adherents. Moreover, the Right enjoyed a near monopoly of the press and media that grew as the decade advanced."* [Winn, *"The Pinochet Era"*, **Op. Cit.**, p. 64 and p. 49]

Thus Chile is lumbered with Pinochet's legacy, *"the authoritarian constitution of 1980, which sought to create a 'protected democracy' under military tutelage. It was written so as to be difficult to amend and designed to handcuff a future opposition government and frustrate popular will."* It *"removed the military from civilian control, while submitting future elected governments to a military-dominated National Security Council with a vague but broad purview."* It also *"banned measures against private property."* With some *"relative minor modifications of some of its most egregious features during the transition to democracy"* it remained *"in effect for the rest of the century"* and in 2004 was *"still Chile's fundamental charter."* [Winn, **Op. Cit.**, p. 30] This constitution built upon the work of right-"libertarian" Friedrich von Hayek and, unsurprisingly aimed to insulate "economic liberty" from popular pressures, i.e. to limit and reduce democracy to secure the freedom of capitalism (and, of course, the capitalist class).

In addition, the threat of military intervention is always at the forefront of political discussions. For example, on 11 September 1990, Pinochet *"warned that he would lead another coup is conditions warranted it. In 1993, when investigations into an arms procurement scandal implicated his son, Pinochet ordered combat-ready troops and tanks onto the streets for an 'exercise' … Throughout the Aylwin presidency, Pinochet main-*

servatives and right-wing ("classical") liberals who supported fascism or fascist-like regimes shows that giving them an ideological prop to justify it is unnecessary, it is hardly wise.

Then there is the question of whether Chile does, in fact, have genuine political liberty (i.e. a democratic government). The answer is, not quite. Chile's democracy is a "managed" one, constrained both by the political legacy of Pinochet's constitution and the threat of military intervention. Significantly, Friedman seems unconcerned about the quality of the post-Pinochet democracy Chile experiences. Simply put, the existence of an electoral regime cannot be confused with democracy or "political liberty."

It is clear that Pinochet went into the 1988 plebiscite expecting to win (particularly as he tried to rig it like the 1980 one). According to many reports from members of his cabinet and staff, he was absolutely furious and wanted to annul the results. The popular backlash this would have created ensured he abided by the result. Instead, he ensured that the new governments had to accept his authoritarian constitution and decree-laws. In other words, knowing he would be replaced he immediately took steps to limit the subsequent democratically elected governments as well as remaining as the head of the armed forces (as we discuss below, this obviously ensures the threat of a coup hung over the new governments).

This means that post-Pinochet Chile is not your typical "democracy." Pinochet became an unelected senator for life after his retirement as armed forces commander in March 1998 and 28% of the Senate is *"designated,"* including four retired military officers named by the National Security Council. Pinochet also imposed a *"unique binomial electoral law, [in] which to elect two deputies or senators from the same district, a party or electoral alliance needed to double its opponent's vote — a difficult feat — or else the opponent received an equal number of seats in congress."* This ensured rightist control of the Senate despite a decade of majority victories by the centre-left in elections

D.9.1 What is the relationship between wealth polarisation and authoritarian government?

We have previously noted the recent increase in the rate of wealth polarisation, with its erosion of working-class living standards (see section B.7). This process has been referred to by Noam Chomsky as "Third-Worldisation." It is appearing in a particularly acute form in the US — the "richest" industrialised nation which also has the highest level of poverty, since it is the most polarised — but the process can be seen in other "advanced" industrial nations as well, particularly in the UK. As neo-liberalism has spread, so has inequality soared.

Third World governments are typically authoritarian, since harsh measures are required to suppress rebellions among their impoverished and discontented masses. Hence "Third-Worldisation" implies not only economic polarisation but also increasingly authoritarian governments. As Philip Slater puts it, a large, educated, and alert "middle class" (i.e. average income earners) has always been the backbone of democracy, and anything that concentrates wealth tends to weaken democratic institutions. [**A Dream Deferred**, p. 68] This analysis is echoed by left-liberal economist James K. Galbraith:

> *"As polarisation of wages, incomes and wealth develops, the common interests and common social programs of society fall into decline. We have seen this too, in this country over thirty years, beginning with the erosion of public services and public investments, particularly in the cities, with the assault on the poor and on immigrants and the disabled that led to the welfare bill of 1996, and continuing now manufactured crises of Medicare and the social security system. The haves are on the march. With growing inequality, so grows their power. And so also diminish*

the voices of solidarity and mutual reinforcement, the voices of civil society, the voices of a democratic and egalitarian middle class." [**Created Unequal: The Crisis in American Pay**, p. 265]

If this is true, then along with increasing wealth polarisation in the US we should expect to see signs of growing authoritarianism. This hypothesis is confirmed by numerous facts, including the following: continuing growth of an *"imperial presidency"* (concentration of political power); extralegal operations by the executive branch (e.g. the Iran-Contra scandal, the Grenada and Panama invasions); skyrocketing incarceration rates; more official secrecy and censorship; the rise of the Far Right; more police and prisons; FBI requests for massive wiretapping capability; and so on. Public support for draconian measures to deal with crime reflect the increasingly authoritarian mood of citizens beginning to panic in the face of an ongoing social breakdown, which has been brought about, quite simply, by ruling-class greed that has gotten out of hand — a fact that is carefully obscured by the media. The 911 attacks have been used to bolster these authoritarian trends, as would be expected.

One might think that representative democracy and constitutionally guaranteed freedoms would make an authoritarian government impossible in the United States and other liberal democratic nations with similar constitutional "protections" for civil rights. In reality, however, the declaration of a "national emergency" would allow the central government to ignore constitutional guarantees with impunity and set up what Hannah Arendt calls *"invisible government"* — mechanisms allowing an administration to circumvent constitutional structures while leaving them nominally in place. The erosion of civil liberties and increase in state powers post-911 in both the US and UK should show that such concerns are extremely valid.

tarian regimes. At best, this position ensures that you will be indifferent to the destruction of political freedom as long as "economic liberty" (i.e. capitalism) was secured. At worse, it ensures that you would actively support such a destruction as you can justify it in terms of a return to "democracy" in the long run. Friedman and the "Chicago Boys" express both ends of that spectrum. That he can comment on *"the paradox that economic freedom produces political freedom but political freedom may destroy economic freedom"* in the context of Chile is staggering, as it was the destruction of "political freedom" that allowed "economic freedom" (for the rich) to be imposed. [**Op. Cit.**] In reality, Chile provides evidence to support the alternative argument that the introduction of free market capitalism requires the elimination or, at best, the reduction of "political liberty."

In other words, fascism was an ideal political environment to introduce "economic liberty" **because** it had destroyed political liberty. Perhaps we should conclude that the denial of political liberty is both necessary and sufficient in order to create (and preserve) "free market" capitalism? After all, the history of capitalism has been marked by the ruling class overthrowing "political liberty" when their power was threatened by popular movements. In other words, that Malatesta was right to argue that the *"capitalists can maintain the struggle in the economic field so long as workers demand small ... improvements; but as soon as they see their profits seriously diminished and the very existence of their privileges threatened, they appeal to government and if it is not sufficiently understanding and not strong enough to defend them ... they use their own wealth to finance new repressive forces and to set up a new government which will serve them better."* [**Op. Cit.**, p. 131]

Friedman's argument implies that "economic liberty" is more important than "political liberty," so making people less concerned about dictatorships as long as they support the interests of the capitalist class. While the long list of capitalists, con-

(against the working class) and international markets (against foreign competitors). As we discuss in section F.8, they actively intervened to create the pre-conditions for generalised wage slavery before becoming a handicap to the rising bourgeoisie. These regimes were generally replaced by liberal states with limited voting rights which generally lifted the burden of state regulation from the capitalist class. The working class had to fight long and hard to win basic civil liberties and the vote. As Chomsky notes, such progress *"didn't just happen; it happened through the struggles of the labour movement, and the Civil Rights Movement, and the women's movement, and everything else. It's the popular movements which expanded the domain of freedom of speech [and other liberties] until it began to be meaningful."* [**Understanding Power**, pp. 268–9]

Once these rights were won, the ruling elite has always turned to fascism to control them once they started to threaten their power and wealth. This obviously applies to Chile. Until the coup of 11 September 1973, Chile had been seen increasing participation of the working class in economic and social decision making. The coup was, simply, a massive class revenge of the wealthy against a working class which had dared to imagine that another world was possible. Unsurprisingly, given the key role of working class people in the struggle for freedom, *"Worker leaders and activists ... were central targets of the military regime's state terror, whose goal was to intimidate them into passivity, in large part so that neoliberal policies could be imposed."* [Peter Winn, *"Introduction"*, **Op. Cit.**, p. 12] Equally unsurprising, those who had taken to the streets aimed for political freedom in order to **end** the "economic liberty" imposed by the regime.

This means that Friedman's maxim that economic liberty is required to produce political liberty is a deeply flawed position to take. Not only does it ignore the popular struggles which have always had to be fought to end minority government, it also allows its advocates to justify and work with authori-

In response to social breakdown or "terrorism," voters may turn to martial-style leaders (aided by the media). Once elected, and with the support of willing legislatures and courts, administrations could easily create much more extensive mechanisms of authoritarian government than already exist, giving the executive branch virtually dictatorial powers. Such administrations could escalate foreign militarism, further expand the funding and scope of the police, national guard units, secret police and foreign intelligence agencies, and authorise more widespread surveillance of citizens as well as the infiltration of dissident political groups (all of which happened in post-911 America). There would be a corresponding rise of government secrecy (as *"popular understanding of the workings of government is not conducive to instilling proper reverence for powerful leaders and their nobility."* [Chomsky, **Failed States**, p.238]). These developments would not occur all at once, but so gradually, imperceptibly, and logically — given the need to maintain "law and order" — that most people would not even be aware that an authoritarian take-over was underway. Indeed, there is substantial evidence that this is already underway in the US (see **Friendly Fascism** by Bertram Gross for details).

We will examine some of the symptoms of growing authoritarianism listed above, again referring primarily to the example of the United States. The general trend has been a hollowing out of even the limited democratic structures associated with representative states in favour of a purely formal appearance of elections which are used to justify ignoring the popular will, authoritarianism and "top-down" rule by the executive. While these have always been a feature of the state (and must be, if it is to do its function as we discussed in section B.2) the tendencies are increasing and should be of concern for all those who seek to protect, never mind, expand what human rights and civil liberties we have. While anarchists have no illusions about the nature of even so-called democratic states, we are

not indifferent to the form of state we have to endure and how it changes. As Malatesta put it:

> *"there is no doubt that the worst of democracies is always preferable, if only from an educational point of view, than the best of dictatorships. Of course democracy, so-called government of the people, is a lie; but the lie always slightly binds the liar and limits the extent of his arbitrary power … Democracy is a lie, it is oppression and is in reality, oligarchy; that is, government by the few to the advantage of a privileged class. But we can still fight it in the name of freedom and equality, unlike those who have replaced it or want to replace it with something worse."* [**The Anarchist Revolution**, p. 77]

We must stress that as long as governments exist, then this struggle against authoritarianism will continue. As Kropotkin argued, these tendencies *"do not depend on individuals; they are inherent in the institution."* We must always remember that *"[o]f its own accord, representative government does not offer real liberties, and it can accommodate itself remarkably well to despotism. Freedoms have to be seized from it, as much as they do from absolute kings; and once they have been gained they must be defended against parliament as much as they were against a king."* [**Words of a Rebel**, p. 137 and p. 123]

So we cannot assume that legal rights against and restrictions on state or economic power are enough in themselves. Liberty needs to be continually defended by the mass of the population who cannot leave it to others to act for them. *"If we want … to leave the gates wide open to reaction,"* Kropotkin put it, *"we have only to confide our affairs to a representative government."* Only *"extra-parliamentary agitation"* will stop the state *"imping[ing] continually on the country's political rights"* or *"suppress[ing] them with a strike of the pen."* The state must

to extreme state repression (one demonstration saw Pinochet send 18,000 troops onto the streets, who shot 129 people, 29 fatally, and tortured some of the 1,000 arrested). [**Shantytown protest in Pinochet's Chile**, p. 194 and p. 165] Peter Winn, for example, notes *"the resistance of workers to both the dictatorship and its neoliberal policies, often against great odds and at great risks."* In fact, *"during the Pinochet era, with its repression and restrictions on union activism, Chile's workers displayed great creativity in devising new ways to resist … Nor was this resistance confined to the workplace or workers' issues … it was Chile's workers who first raised the flag of political resistance against the dictatorship in the 1970s and sustained it during the years when political parties were banned. And it was the copper miners who mobilised the social protests and political opposition to the military regime in the 1980s to demand an end to Pinochet's dictatorship and the restoration of democracy and civil liberties."* [*"Introduction"*, Winn (ed.), **Op. Cit.**, p. 11] This is confirmed by John Lear and Joseph Collins, who note that *"[d]uring the mid-1980s, unions were fundamental to organising the national protests that led eventually to the negotiations of the 1988 plebiscite."* [**Op. Cit.**, p. 20]

This, it should be noted, has always been the case. Political freedoms have **never** been given by the powers that be but rather won by long struggles by working class people. This has always been the case, as Kropotkin stressed basic political liberties were *"extorted from parliament by force, by agitations that threatened to become rebellions. It was by establishing trade unions and practising strike action despite the edicts of Parliament and the hangings"* that workers *"won the right to associate and strike"* in Britain for example. [**Words of a Rebel**, pp. 123–4] To ignore that often heroic struggle shows an ignorance about history which only matches an ignorance about liberty. The history of capitalism is important in this regard. It first developed under Absolutist states which used its power to bolster the position of their capitalist class within both national

> *will continue to be an interesting experiment to watch to see whether it can keep all three or whether, now that it has political freedom, that political freedom will tend to be used to destroy or reduce economic freedom."* [**Op. Cit.**]

It is hard to find an account so skewed by ideological blindness as this. The notion that Chile's "free market" capitalism provided the base for eliminating Pinochet's dictatorship is hard to defend. If it were true then we would expect Pinochet's rule to be substantially shorter than other military dictatorships in the region. However, this is **not** the case. For example, Argentina's Military Junta lasted from 1976 to 1983, 7 years; Peru's 12 years (1968 to 1980); Uruguay's 12 years (1973 to 1985); Bolivia's 18 years (1964 to 1982). Pinochet's lasted 17 years, exceeded by Brazil's 21 years (1964 to 1985). If Friedman's argument were valid then Pinochet would have fallen long before the rest. In fact, Chile was one of the last Latin American countries to return to democracy.

Nor can it be said that ending of the Pinochet regime was an automatic outcome of economic forces. Rather, it was a product of struggle by ordinary people who took to the streets in the early 1980s to protest in the face of state repression. The regime was subject to popular pressures from below and these, not capitalism, were the key factor. After all, it was not "economic liberty" which produced the desire for "political freedom." Working class people could remember what political freedom was before it was destroyed in order to create Friedman's "economic liberty" and tried to recreate it.

In the face of state terror, political activists and trade unionists fought the regime. The 1988 referendum Friedman alludes to was the product of this heroic activity, not some abstract economic force. As Cathy Schneider points out, the 1983–86 *"cycle of protests had set the stage for a negotiated transition to democracy in 1990."* These protests, it should be noted, were subject

always *"find itself faced by a mass of people ready to rebel."* [**Op. Cit.** p. 129 and p. 124]

D.9.2 Why is government surveillance of citizens on the increase?

Authoritarian governments are characterised by fully developed secret police forces, extensive government surveillance of civilians, a high level of official secrecy and censorship, and an elaborate system of state coercion to intimidate and silence dissenters. All of these phenomena have existed in the US since suppression of the anarchist inspired No-Conscription League and the IWW for its unionising and anti-war activity. The post-World War I Red Scare and Palmer raids continued this process of wartime jailings and intimidation, combined with the deportation of aliens (the arrest, trial and subsequent deportation of Alexander Berkman and Emma Goldman is but one example of this war on radicals). [Howard Zinn, **A People's History of America**, pp. 363–7]

However, since World War II these systems have taken more extreme forms, especially during the 1980s and 2000s. Indeed, one of the most disturbing revelations to emerge from the Iran-Contra affair was the Reagan administration's contingency plan for imposing martial law. Alfonso Chardy, a reporter for the Miami Herald, revealed in July 1987 that Lt. Col. Oliver North, while serving on the National Security Council's staff, had worked with the Federal Emergency Management Agency on a plan to suspend the Bill of Rights by imposing martial law in the event of *"national opposition to a US military invasion abroad."* [Richard O. Curry (ed.), **Freedom at Risk: Secrecy, Censorship, and Repression in the 1980s**] However, this rise in authoritarian-style government policies is not limited to just possibilities and so in this section we will examine the operations of the secret police in the USA since the 1950s. First, how-

ever, we must stress that these tendencies are hardly US specific. For example, the secret services in the UK have regularly spied on left-wing groups as well as being heavily involved in undermining the 1984–5 Miners strike. [S. Milne, **The Enemy Within**]

The creation of an elaborate US "national security" apparatus has come about gradually since 1945 through congressional enactments, numerous executive orders and national security directives, and a series of Supreme Court decisions that have eroded First Amendment rights. The policies of the Reagan administration, however, reflected radical departures from the past, as revealed not only by their comprehensive scope but by their institutionalisation of secrecy, censorship, and repression in ways that will be difficult, if not impossible, to eradicate. As Richard Curry points out, the Reagan administration's success stems *"from major structural and technological changes that have occurred in American society during the twentieth century — especially the emergence of the modern bureaucratic State and the invention of sophisticated electronic devices that make surveillance possible in new and insidious ways."* [**Op. Cit.**, p. 4]

The FBI has used *"countersubversive"* surveillance techniques and kept lists of people and groups judged to be potential national security threats since the days of the Red Scare in the 1920s. Such activities were expanded in the late 1930s when Franklin Roosevelt instructed the FBI to gather information about Fascist and Communist activities in the US and to conduct investigations into possible espionage and sabotage (although for most of the 1920s and 1930s, fascists and fascist sympathisers were, at best, ignored and, at worse, publicly praised while anti-fascists like anarchist Carol Tresca were spied on and harassed by the authorities. [Nunzio Pernicone, **Carlo Tresca**]). FBI chief J. Edgar Hoover interpreted these directives as authorising open-ended inquiries into a very broad category of potential "subversives"; and by repeatedly misinforming a succession of careless or indifferent presidents and

sition was not the *"success"* of policies which had impoverished the working class and enriched the elite but, rather, the expectation of a visit by the secret police. Given that Pinochet had sent murder squads to kill prominent dissidents abroad, Friedman's comments are incredulous — particularly as Allende's former foreign minister, Orlando Letelier, was assassinated in Washington in 1976 by a car bomb.

The state terror, the violation of human rights and drastic control and suppression of every form of meaningful dissent is discussed (and often condemned) as something only indirectly linked, or indeed entirely unrelated, to the economic policies that the military imposed. To publicly praise and support the economic policies adopted by the dictatorship while regretting its political regime is simply illogical hypocrisy. However, it does expose the limited nature of the right's concept of liberty as well as its priorities and values.

D.11.2 But surely Chile proves that "economic freedom" creates political freedom?

As noted above, Friedman defended his praise for the Pinochet regime by arguing that its "economic liberty" helped produce the end of the dictatorship. In the words of Friedman:

> *"The economic development and the recovery produced by economic freedom in turn promoted the public's desire for a greater degree of political freedom ... In Chile, the drive for political freedom, that was generated by economic freedom and the resulting economic success, ultimately resulted in a referendum that introduced political democracy. Now, at long last, Chile has all three things: political freedom, human freedom and economic freedom. Chile*

he failed to mention the *"spectacular"* recession of 1982 which wiped out the gains of 1976 to 1981. As indicated in section C.11, looking over the whole of the Pinochet period the results were hardly *"spectacular"* (unless you were rich) and the moderate gains were paid for by the working class in terms of longer hours, lower pay and political and economic oppression.

In other words, Friedman and the 'Chicago boys' provided an appearance of technical respectability to the dreams, greed and power of the landlords and capitalists who made up the Chilean oligarchy. The military simply applied the brutal force required to achieve those goals. As such, there is only an apparent contradiction between political tyranny and "economic liberty," not a real one. Repression for the working class and "economic liberty" for the elite are two sides of the same coin.

This should be common-sense and, as such, it is nonsensical for the likes of Friedman to support an economic policy while pretending to reject the system of terror it required to implement. After all, economic policies do not occur in a social and political vacuum. They are conditioned by, and at the same time modify, the social and political situation where they are put into practice. Thus there cannot be "economic liberty" for workers if they expect a visit from the secret police if they talk back to their boss. Yet for Friedman and those like him, there seems to be a lack of awareness of such basic and obvious facts. There is a necessary connection between economic policy (and its outcome) and the socio-political setting in which it is implemented.

Friedman exposes the utter hypocrisy of the supporters of capitalism. His myopia about the reality of the regime was expressed in articles which amount to little more than apologetics for the dictatorship. For example, in 1982 he noted in response to the economic problems of the previous year *"the opposition to the free-market policies that had been largely silence by success is being given full voice."* [quoted by Rayack, **Op. Cit.**, p. p. 63] No mention that the real cause of the *"silence"* of the oppo-

attorneys general about the precise scope of Roosevelt's directives, Hoover managed for more than 30 years to elicit tacit executive approval for continuous FBI investigations into an ever-expanding class of political dissidents. [Geoffrey R. Stone, *"The Reagan Administration, the First Amendment, and FBI Domestic Security Investigations,"* Curry (ed.), **Op. Cit.**]

The advent of the Cold War, ongoing conflicts with the Soviet Union, and fears of the "international Communist conspiracy" provided justification not only for covert CIA operations and American military intervention in countries all over the globe, but also contributed to the FBI's rationale for expanding its domestic surveillance activities. Thus in 1957, without authorisation from Congress or any president, Hoover launched a highly secret operation called COINTELPRO:

> *"From 1957 to 1974, the bureau opened investigative files on more than half a million 'subversive' Americans. In the course of these investigations, the bureau, in the name of 'national security,' engaged in widespread wire-tapping, bugging, mail-openings, and break-ins. Even more insidious was the bureau's extensive use of informers and undercover operative to infiltrate and report on the activities and membership of 'subversive' political associations ranging from the Socialist Workers Party to the NAACP to the Medical Committee for Human Rights to a Milwaukee Boy Scout troop."* [Stone, **Op. Cit.**, p. 274]

But COINTELPRO involved much more than just investigation and surveillance. As Chomsky notes, it was *"one of its major programs of repression"* and was used to discredit, weaken, and ultimately destroy the New Left and Black radical movements of the sixties and early seventies, i.e. to silence the major sources of political dissent and opposition. It's aim was to *"disrupt"* a wide range of popular movements *"by instigating*

violence in the ghetto, direct participation in police assassination of a Black Panther organiser, burglaries and harassment of the Socialist Workers Party over many years, and other methods of defamation and disruption." [**Necessary Illusions**, p. 189]

The FBI fomented violence through the use of agents provocateurs and destroyed the credibility of movement leaders by framing them, bringing false charges against them, distributing offensive materials published in their name, spreading false rumours, sabotaging equipment, stealing money, and other dirty tricks. By such means the Bureau exacerbated internal frictions within movements, turning members against each other as well as other groups. For example, during the civil rights movement, while the government was making concessions and verbally supporting the movement, the FBI was harassing and breaking up black groups. Between 1956 and 1971, the FBI took 295 actions against black groups as part of COLINTELPRO. [Zinn, **Op. Cit.**, p. 455]

Government documents show the FBI and police involved in creating acrimonious disputes which ultimately led to the break-up of such groups as Students for a Democratic Society, the Black Panther Party, and the Liberation News Service. The Bureau also played a part in the failure of such groups to form alliances across racial, class, and regional lines. The FBI is implicated in the assassination of Malcolm X, who was killed in a "factional dispute" that the Bureau bragged of having "developed" in the Nation of Islam. Martin Luther King, Jr., was the target of an elaborate FBI plot to drive him to suicide before he was conveniently killed by a lone sniper. Other radicals were portrayed as "Communists", criminals, adulterers, or government agents, while still others were murdered in phoney "shoot-outs" where the only shooting was done by the police.

These activities finally came to public attention because of the Watergate investigations, congressional hearings, and information obtained under the Freedom of Information Act (FOIA). In response to the revelations of FBI abuse, Attorney

In Pinochet's Chile, the workplace **did** become more like *"a military organisation."* Without effective unions and basic human rights, the bosses acted like the autocrats they are. Discussing the textile industry, Peter Winn notes that *"most mill owners took full advantage of the regime's probusiness Labour Code ... At many mills, sweatshop conditions prevailed, wages were low, and management was authoritarian, even tyrannical ... Workers might resent these conditions, but they often felt powerless to oppose them. Informers and the threat of dismissal kept even alienated and discontented workers in line."* [*"No Miracle for Us"*, Winn (ed.), **Op. Cit.**, p. 132 and pp. 132–3] John Lear and Joseph Collins generalise the picture, noting that *"[i]n wake of the coup, factory owners suddenly had absolute control over their workers and could fire any worker without case. From 1973 through 1978, practically every labour right for organised and unorganised workers was suspended. All tools of collective bargaining, including of course the right to strike, were outlawed."* [**Op. Cit.**, p. 13] The Junta themselves had no illusions about the military-like regime they desired within the workplace, stating in 1974 its intention of *"imposing authority and discipline in production and labour relations."* [quoted by Joseph Collins and John Lear, **Chile's Free-Market Miracle: A Second Look**, p. 27]

The reality of life under Pinochet for working class people should make anyone with sense wary of praising the regime in any way, but Friedman argued that the *"results were spectacular. Inflation came down sharply. After a transitory period of recession and low output that is unavoidable in the course of reversing a strong inflation, output started to expand, and ever since, the Chilean economy has performed better than any other South American economy."* [**Op. Cit.**] Of course, by downplaying the deep recession caused by applying his recommended *"shock-treatment"* policies, Friedman can confuse the high growth resulting from coming out of the boom combined with ready repression on labour with sound economic policies. Strangely

the fear of death squads otherwise they will be oppressed and exploited by their bosses. By denying that freedom, Pinochet's regime could only be considered "free" by the ideologues and savants of capitalism. The only positive thing that can be said is that it provided empirical evidence that the ideal neo-classical labour market would increase inequality and exploitation (see section C.11.3).

The problem with Friedman's argument is that he fails to recognise the hierarchical nature of capitalism and the limited liberty it produces. This can be seen from Friedman's comparison of military dictatorships to capitalism:

> *"Almost all military juntas are adverse to economic freedom for obvious reasons. The military is organised from the top down: the general tells the colonel, the colonel tells the captain, the captain tells the lieutenant, and so on. A market economy is organised from the bottom up: the consumer tells the retailer, the retailer tells the wholesaler, the wholesaler tells the producer, and the producer delivers. The principles underlying a military organisation are precisely the reverse of those underlying a market organisation."* [**Op. Cit.**]

Obviously geometry was not Friedman's strong point. A "market economy" is characterised by **horizontal** links between workplaces and consumers, not vertical ones. However, the key issue is that the dominant *"market organisation"* under capitalism ***is*** marked by the *"principles underlying a military organisation."* To present a more accurate picture than Friedman, in the *"market organisation"* of a capitalist firm the boss tells the worker what to do. It is *"organised from the top down"* just as a military junta is. That Friedman ignores the organisational structure which 90% of the population have to operate within for most of their waking hours is significant. It shows how little he understands of capitalism and "economic freedom."

General Edward Levi in 1976 set forth a set of public guidelines governing the initiation and scope of the bureau's domestic security investigations, severely restricting its ability to investigate political dissidents.

The Levi guidelines, however, proved to be only a temporary reversal of the trend. Although throughout his presidency Ronald Reagan professed to be against the increase of state power in regard to domestic policy, he in fact expanded the power of the national bureaucracy for "national security" purposes in systematic and unprecedented ways. One of the most significant of these was his immediate elimination of the safeguards against FBI abuse that the Levi guidelines had been designed to prevent. This was accomplished through two interrelated executive branch initiatives: Executive Order 12333, issued in 1981, and Attorney General William French Smith's guidelines, which replaced Levi's in 1983. The Smith guidelines permitted the FBI to launch domestic security investigations if the facts *"reasonably indicated"* that groups or individuals were involved in criminal activity. More importantly, however, the new guidelines also authorised the FBI to *"anticipate or prevent crime."* As a result, the FBI could now investigate groups or individuals whose statements *"advocated"* criminal activity or indicated an **apparent intent** to engage in crime, particularly crimes of violence.

As Curry notes, the language of the Smith guidelines provided FBI officials with sufficient interpretative latitude to investigate virtually any group or individual it chose to target, including political activists who opposed the administration's foreign policy. Not surprisingly, under the new guidelines the Bureau immediately began investigating a wide variety of political dissidents, quickly making up for the time it had lost since 1976. Congressional sources show that in 1985 alone the FBI conducted 96 investigations of groups and individuals opposed to the Reagan Administration's Central American policies, in-

cluding religious organisations who expressed solidarity with Central American refugees.

Since the 1980s, the state has used the threat of "terrorism" (both domestic and international) to bolster its means of repression. The aim has been to allow the President, on his own initiative and by his own definition, to declare any person or organisation "terrorist" and so eliminate any rights they may, in theory, have. The 911 attacks were used to pass in effect a "wish-list" (in the form of the PATRIOT act) of measures long sought by both the secret state and the right but which they had difficulty in passing previously due to public scrutiny. Post-911, as after the Oklahoma bombing, much opposition was muted while those that did raise their voices were dismissed as, at best, naive or, at worse, pro-terrorist.

Post-911, presidential rulings are considered as conclusive while the Attorney General was handed new enforcement powers, e.g. suspects would be considered guilty unless proven innocent, and the source or nature of the evidence brought against suspects would not have to be revealed if the Justice Department claimed a *"national security"* interest in suppressing such facts, as of course it would. Security agencies were given massive new powers to gather information on and act against suspected "terrorists" (i.e., any enemy of the state, dissident or critic of capitalism). As intended, the ability to abuse these powers is staggering. They greatly increased the size and funding of the FBI and gave it the power to engage in "anti-terrorist" activities all over the country, without judicial oversight. Unsurprisingly, during the run-up to the Iraq invasion of 2003, the anti-war movement was targeted with these new powers of surveillance. That the secret state, for example, seriously argued that potential "terrorists" could exist within Quaker peace groups says it all. Unsurprisingly, given the history of the secret state the new measures were turned against the Left, as COINTELPRO and similar laws were in the past.

if it exists, is a somewhat unique market. As "labour" cannot be separated from its owner, it means that when you "buy" labour you "buy" the time, and so liberty, of the individual involved. Rather than be bought on the market all at once, as with a slave, the wage slave's life is bought piecemeal. This is the key to understanding Friedman's nonsensical claims for never forget that by "economic freedom" he means capitalism. To understand the difference we need only compare two of Friedman's arguments to the reality of capitalism. Once we do that then his blindness to Chile's neo-liberal dictatorship's impact on genuine economic liberty becomes clear.

The most obvious fallacy within his argument is this assertion:

> *"A characteristic feature of a free private market is that all parties to a transaction believe that they are going to be better off by that transaction. It is not a zero sum game in which some can benefit only at the expense of others. It is a situation in which everybody thinks he is going to be better off."* [**Economic Freedom**, **Human Freedom**, **Political Freedom**]

Who can deny that the worker who sells her liberty to the autocrat of a capitalist firm is *"going to be better off"* than one starving to death? As we noted in section B.4.1, Friedman avoids the obvious fact that a capitalist economy is dependent on there being a class of people who have no means of supporting themselves **except** by selling their labour (i.e. liberty). While full employment will mitigate this dependency (and, as a result, bring the system to crisis), it never goes away. And given that Pinochet's *"free market regime designed by principled believers in a free market"* had substantial unemployment, it is unsurprising that the capitalist was *"better off"* than the worker as a result. As the experience of the *"free private market"* in Chile suggests, workers need to be free to organise without

freedom is impossible and, consequently, both capitalism **and** the state need to be fought and, ultimately, abolished.

D.11.1 What does Chile tell us about the right and its vision of liberty?

The key to understanding how Friedman managed to ignore the obvious lack of "economic liberty" for the bulk of the population under Pinochet lies in remembering that he is a supporter of capitalism. As capitalism is a hierarchical system in which workers sell their liberty to a boss, it comes as no real surprise that Friedman's concern for liberty is selective.

Pinochet did introduce free-market capitalism, but this meant real liberty only for the rich. For the working class, "economic liberty" did not exist, as they did not manage their own work nor control their workplaces and lived under a fascist state. The liberty to take economic (never mind political) action in the forms of forming unions, going on strike, organising go-slows and so on was severely curtailed by the very likely threat of repression. Of course, the supporters of the Chilean "Miracle" and its "economic liberty" did not bother to question how the suppression of political liberty effected the economy or how people acted within it. They maintained that the repression of labour, the death squads, the fear installed in rebel workers could be ignored when looking at the economy. But in the real world, people will put up with a lot more if they face the barrel of a gun than if they do not. So the claim that "economic liberty" existed in Chile makes sense only if we take into account that there was only **real** liberty for one class. The bosses may have been "left alone" but the workers were not, unless they submitted to authority (capitalist or state). Hardly what most people would term as "liberty".

Beyond the ideologues of capitalism who term themselves "economists," it is generally admitted that the "labour market,"

If, as the Bush Administration continually asserted, the terrorists hate the west for our freedoms (rather than their self-proclaimed hatred of US foreign policy) then that government is the greatest appeaser the world has ever seen (not to mention the greatest recruiting agent they ever had). It has done more to undermine freedom and increase state power (along with the threat of terrorism) that the terrorists ever dreamed. However, it would be a mistake to draw the conclusion that it is simply incompetence, arrogance and ignorance which was at work (tempting as that may be). Rather, there are institutional factors at work as well (a fact that becomes obvious when looking at the history of the secret state and its activities). The fact that such draconian measures were even considered says volumes about the direction in which the US — and by implication the other "advanced" capitalist states — are headed.

D.9.3 What causes justifications for racism to appear?

The tendency toward social breakdown which is inherent in the growth of wealth polarisation, as discussed above, is also producing a growth in racism in the countries affected. As we have seen, social breakdown leads to the increasingly authoritarian government prompted by the need of the ruling class to contain protest and civil unrest among those at the bottom of the wealth pyramid. In the US those in the lowest economic strata belong mostly to racial minorities, while in several European countries there are growing populations of impoverished minorities from the Third World, often from former colonies. The desire of the more affluent strata to justify their superior economic positions is, as one would expect, causing racially based theories of privilege to become more popular.

That racist feelings are gaining strength in America is evidenced by the increasing political influence of the right, whose

thinly disguised racism reflects the darkening vision of a growing segment of the conservative community. Further evidence can be seen in the growth of ultraconservative extremist groups preaching avowedly racist philosophies, such as the Ku Klux Klan, the Aryan Nations, the White Aryan Resistance, and others (see James Ridgeway's **Blood in the Face: The Ku Klux Klan, Aryan Nations, Nazi Skinheads, and the Rise of a New White Culture**). Much the same can be said of Europe, with the growth of parties like the BNP in Britain, the FN in France and similar organisations elsewhere.

Most conservative politicians have taken pains to distance themselves officially from the extreme right. Yet they are dependent on getting votes of those influenced by the right-wing media personalities and the extreme right. This means that this racism cannot help seep into their election campaigns and, unsurprisingly, mainstream conservative politicians have used, and continue to use, code words and innuendo ("welfare queens," "quotas," etc.) to convey a thinly veiled racist message. This allows mainstream right-wingers to exploit the budding racism of lower- and middle-class white youths, who must compete for increasingly scarce jobs with desperate minorities who are willing to work at very low wages. As Lorenzo Lom'boa Ervin notes:

> *"Basing themselves on alienated white social forces, the Nazis and Klan are trying to build a mass movement which can hire itself out to the Capitalists at the proper moment and assume state power ... Fascism is the ultimate authoritarian society when in power, even though it has changed its face to a mixture of crude racism and smoother racism in the modern democratic state.*
>
> *"So in addition to the Nazis and the Klan, there are other Right-Wing forces that have been on the rise ... They include ultra-conservative rightist politicians*

of the state and replace control from the top with control from the bottom." [quoted by Rayack, **Not so Free to Choose**, p. 37] Clearly Friedman had no idea what he was talking about. While the *"role of the state"* **was** reduced in terms of welfare for the masses, it was obviously massively **increased** in terms of warfare against them (we will address the *"control from the bottom"* nonsense shortly).

For anarchists, it is simply common-sense that "economic liberty" cannot exist within an authoritarian state for the mass of the population. In reality, the economic and political regime cannot be so easily compartmentalised. As Malatesta noted, *"every economic question of some importance automatically becomes a political question ... Workers' organisations must therefore, of necessity, adopt a line of action in face of present as well as possible future government action."* [**Errico Malatesta: His Life and Ideas**, pp. 130–1] Such common-sense is sadly lacking with Friedman who seriously seems to believe that "economic liberty" could exist without the freedom of workers to take collective action if they so desired. In other words, the "economic miracle" Friedman praises was built on the corpses, fears and backs of working class people. Unlike Friedman, Chile's workers and bosses know that *"employers could count on the backing of the military in any conflict with workers."* [Lear and Collins, **Op. Cit.**, p. 13] As can be seen, Malatesta had a much firmer grasp of the question of liberty that Friedman, as expected as the latter equals it with capitalism and its hierarchies while the former spent much of his live in prison and exile trying to increase the freedom of working class people by fighting the former and the state which maintains them.

As we argued in section D.1.4, laissez-faire capitalism does not end statism. Rather it focuses it on purely defending economic power (i.e. "economic liberty" for the capitalist class). The example of Chile's "economic liberty" proves this beyond doubt and shows that the separation of economic and political

they had achieved under previous governments — as the greatest threat to traditional power structure in Chile … Armed troops went after workers in general and union members and leaders in particular with a virulence that contradicted their claim to be stamping out 'class hatred.'" As for the relationship between "economic" and "political" liberty, the latter was dependent on the end of the former: *"Fear of repression was clearly essential to the implementation of free-market labour policies, but far more pervasive was the fear of unemployment"* generated by the so-called "economic miracle." [John Lear and Joseph Collins, *"Working in Chile's Free Market"*, pp. 10–29, **Latin American Perspectives**, vol. 22, No. 1, pp. 12–3 and p. 14]

Thus the ready police repression made strikes and other forms of protest both impractical and dangerous. When working class people did take to the streets after the economic crash of 1982, they were subject to intense state repression as Pinochet *"cracked down, sending in army troops to curb the demonstrators."* According to a report by the Roman Catholic Church 113 protesters had been killed during social protest, with several thousand detained for political activity and protests between May 1983 and mid-1984. Thousands of strikers were also fired and union leaders jailed. [Rayack, **Op. Cit.**, p. 70] In fact, the *"brutal government repression put even the militant copper miners on the defensive."* [Winn, *"The Pinochet Era"*, Winn (ed.), **Op. Cit.**, p. 43] Workers were aware that the regime *"was likely to use the full rigour of the law against workers who acted in defence of their interests. Moreover, even though the arbitrary actions of the secret police diminished in the last years of the dictatorship, they did not disappear, nor did their internalised legacy. Fear of becoming a target of repression still exercised a chilling effect on both workers and their leaders."* [Winn, *"No Miracle for Us"*, Winn (ed.), **Op. Cit.**, p. 133]

All of which puts into stark light Friedman's 1982 comment that *"Chile is an even more amazing political miracle. A military regime has supported reforms that sharply reduce the role*

> *and Christian fundamentalist preachers, along with the extreme right section of the Capitalist ruling class itself, small business owners, talk show hosts … along with the professors, economists, philosophers and others in academia who are providing the ideological weapons for the Capitalist offensive against the workers and oppresses people. So not all racists wear sheets. These are the 'respectable' racists, the New Right conservatives … The Capitalist class has already shown their willingness to use this conservative movement as a smoke screen for an attack on the Labor movement, Black struggle, and the entire working class."* [**Anarchism and the Black Revolution**, p. 18]

The expanding popularity of such racist groups in the US is matched by a similar phenomenon in Europe, where xenophobia and a weak economy have propelled extreme right-wing politicians into the limelight on promises to deport foreigners. This poisons the whole mainstream political spectrum, with centre and centre-left politicians pandering to racism and introducing aspects of the right's agenda under the rhetoric of "addressing concerns" and raising the prospect that by not doing what the right wants, the right will expand in influence. How legitimising the right by implementing its ideas is meant to undercut their support is never explained, but the "greater evil" argument does have its utility for every opportunistic politician (particularly one under pressure from the right-wing media whipping up scare stories about immigration and such like to advance the interests of their wealthy backers).

What easier way is there to divert people's anger than onto scapegoats? Anger about bad housing, no housing, boring work, no work, bad wages and conditions, job insecurity, no future, and so on. Instead of attacking the real causes of these (and other) problems, people are encouraged to direct their

anger against people who face the same problems just because they have a different skin colour or come from a different part of the world! Little wonder politicians and their rich backers like to play the racist card — it diverts attention away from them and the system they run (i.e. the **real** causes of our problems).

Racism, in other words, tries to turn **class** issues into "race" issues. Little wonder that sections of the ruling elite will turn to it, as and when required. Their class interests (and, often, their personal bigotry) requires them to do so — a divided working class will never challenge their position in society. This means that justifications for racism appear for two reasons. Firstly, to try and justify the existing inequalities within society (for example, the infamous — and highly inaccurate — *"Bell Curve"* and related works). Secondly, to divide the working class and divert anger about living conditions and social problems away from the ruling elite and their system onto scapegoats in our own class. After all, *"for the past fifty years American business has been organising a major class war, and they needed troops — there **are** votes after all, and you can't just come before the electorate and say, 'Vote for me, I'm trying to screw you.' So what they've had to do is appeal to the population on some other grounds. Well, there aren't a lot of other grounds, and everybody picks the same ones ... — jingoism, racism, fear, religious fundamentalism: These are ways of appealing to people if you're trying to organise a mass base of support for policies that are really intended to crush them."* [Chomsky, **Understanding Power**, pp. 294–5]

Part of the right-wing resurgence in the US and elsewhere has been the institutionalisation of the Reagan-Bush brand of conservatism, whose hallmark was the reinstatement, to some degree, of laissez-faire economic policies (and, to an even larger degree, of laissez-faire rhetoric). A "free market," Reagan's economic "experts" argued, necessarily produced inequality; but by allowing unhindered market forces to select the econom-

> *gated the workers one by one, pressing them to inform on each other and then firing those considered to be leftist activists. The dismissals often continued after the mills were returned to their former owners, at first for political reasons or for personal revenge, but, with the recession of 1975, for economic motives as well. The unions, decimated by their leadership losses, intimidated by the repression, and proscribed by military decree from collective bargaining, strikes, or other militant actions, were incapable of defending their members' jobs, wages, or working conditions. With wages frozen and prices rising rapidly, living standards fell precipitously, even for those fortunate enough to keep their jobs."* [*"No Miracle for Us"*, Peter Winn (ed.), **Victims of the Chilean Miracle: Workers and Neoliberalism in the Pinochet Era, 1973–2002**, p. 131]

In the copper mines, *"[h]undreds of leftist activists were fired, and many were arrested and tortured ... the military exercised a firm control over union leaders and activity within the unions remained dormant until the 1980s."* The *"decade following the military coup was defined by intense repression and a generalised climate of terror and fear."* Workers recalled that people who spoke at union meetings were detained and until 1980 police permission was required to hold a meeting, which was held under police supervision. At work, *"supervisors and foremen ruled with an authoritarian discipline"* while miners *"reported that spies denounced workers who talked politics or spoke at union meetings to the company administration and police."* [Thomas Miller Klubock, *"Class, Community, and Neoliberalism in Chile"*, Winn (ed.), **Op. Cit.**, p. 214 p. 216 and p. 217]

Over all, Workers *"bore the brunt of the repression during the military take-over and throughout the Pinochet regime. The armed forces viewed workers — and the level of organisation*

a regime in which the secret police can seize uppity workers, torture them and dump their bodies in a ditch as a warning to others.

For Friedman, the economic and political regimes could be separated. As he put it, *"I have nothing good to say about the political regime that Pinochet imposed. It was a terrible political regime. The real miracle of Chile is not how well it has done economically; the real miracle of Chile is that a military junta was willing to go against its principles and support a free market regime designed by principled believers in a free market."* [**Op. Cit**.] How, exactly, could the political regime **not** impact on the economic one? How is a "free market" possible if people who make up the labour market are repressed and in fear of their lives? True, the Chilean workers could, as workers in Tsarist Russia, *"change their jobs without getting permission from political authorities"* (as Friedman put it [**Capitalism and Freedom**, p. 10]), however this is only a small part of what anarchists consider to be genuine economic liberty.

To see why, it is useful to show a snapshot of what life was like under Friedman's "economic liberty" for working class people. Once this is done, it is easy to see how incredulous Friedman was being. Peter Winn gives a good description of what Chile's "economic liberty" was based on:

> *"In the wake of the coup, most of the 'revolutionary' leaders of the textile workers disappeared, some to unmarked graves, jails, or concentration camps, others to exile or the underground resistance. Moreover, when the textile factories resumed production, it was under military administration and with soldiers patrolling the plants. Authoritarian management and industrial discipline were reimposed at the point of a bayonet, and few workers dared to protest. Some feared for their lives or liberty; many more feared for their jobs. Military intelligence officers interro-*

ically fittest and to weed out the unfit, the economy would become healthy again. The wealth of those who survived and prospered in the harsh new climate would ultimately benefit the less fortunate, through a "trickle-down" effect which was supposed to create millions of new high-paying jobs.

All this would be accomplished by deregulating business, reducing taxes on the wealthy, and dismantling or drastically cutting back federal programmes designed to promote social equality, fairness, and compassion. The aptly named Laffer Curve (although invented without the burden of any empirical research or evidence) alleged to illustrate how cutting taxes actually **raises** government revenue. When this program of pro-business policies was applied the results were, unsurprisingly, the opposite of that proclaimed, with wealth flooding upwards and the creation of low-paying, dead-end jobs (the biggest "Laffers" in this scenario were the ruling class, who saw unprecedented gains in wealth at the expense of the rest of us).

The Reaganites' doctrine of inequality gave the official seal of approval to ideas of racial superiority that right-wing extremists had used for years to rationalise the exploitation of minorities. If, on average, blacks and Hispanics earn only about half as much as whites; if more than a third of all blacks and a quarter of all Hispanics lived below the poverty line; if the economic gap between whites and non-whites was growing — well, that just proved that there was a racial component in the Social-Darwinian selection process, showing that minorities "deserved" their poverty and lower social status because they were "less fit." By focusing on individuals, laissez-faire economics hides the social roots of inequality and the effect that economic institutions and social attitudes have on inequality. In the words of left-liberal economist James K. Galbraith:

> *"What the economists did, in effect, was to reason backward, from the troublesome effect to a cause that would rationalise and justify it ... [I]t is the*

work of the efficient market [they argued], and the fundamental legitimacy of the outcome is not supposed to be questioned.

*"The **apologia** is a dreadful thing. It has distorted our understanding, twisted our perspective, and crabbed our politics. On the right, as one might expect, the winners on the expanded scale of wealth and incomes are given a reason for self-satisfaction and an excuse for gloating. Their gains are due to personal merit, the application of high intelligence, and the smiles of fortune. Those on the loosing side are guilty of sloth, self-indulgence, and whining. Perhaps they have bad culture. Or perhaps they have bad genes. While no serious economist would make that last leap into racist fantasy, the underlying structure of the economists' argument has undoubtedly helped to legitimise, before a larger public, those who promote such ideas."* [**Op. Cit.**, p. 264]

The logical corollary of this social Darwinism is that whites who are "less fit" (i.e., poor) also deserve their poverty. But philosophies of racial hatred are not necessarily consistent. Thus the ranks of white supremacist organisations have been swollen in recent years by undereducated and underemployed white youths frustrated by a declining industrial labour market and a noticeably eroding social status. [Ridgeway, **Op. Cit.**, p.186] Rather than drawing the logical Social-Darwinian conclusion — that they, too, are "inferior" — they have instead blamed blacks, Hispanics, Asians, and Jews for "unfairly" taking their jobs. Thus the neo-Nazi skinheads, for example, have been mostly recruited from disgruntled working-class whites below the age of 30. This has provided leaders of right-wing extremist groups with a growing base of potential storm troopers.

condition for political freedom"). [**Capitalism and Freedom**, p. 8 and p. 10]

So it should first be stressed that by "economic liberty" Friedman meant capitalism and by "political liberty" he meant representative government and a democratic state. Anarchists would disagree that either of those institutions have much to do with genuine liberty. However, we will ignore this for the moment and take his general point. Sadly, such a position makes little sense. In fact, Friedman's separation of "economic" and "political" liberties is simply wrong as well as having authoritarian implications and lacking empirical basis.

The easiest way of showing that statism and capitalism cannot be separated is to look at a country where "economic liberty" (i.e. free market capitalism) existed but "political liberty" (i.e. a democratic government with basic human rights) did not. The most obvious example is Pinochet's Chile, an experiment which Friedman praised as an "economic miracle" shortly before it collapsed. In section C.11 we discussed the Chilean "economic miracle" at face value, refusing to discuss the issue of whether describing the regime as one of "economic liberty" could be justified. Rather, we exposed the results of applying what leading ideologues of capitalism have called "free market" policies on the country. As would be expected, the results were hardly an "economic miracle" if you were working class. Which shows how little our lives are valued by the elite and their "experts."

As to be expected with Friedman, the actual experience of implementing his economic dogmas in Chile refuted them. Much the same can be said of his distinction of "economic" and "political" liberty. Friedman discussed the Chilean regime in 1991, arguing that *"Pinochet and the military in Chile were led to adopt free market principles after they took over only because they did not have any other choice."* [**Economic Freedom, Human Freedom, Political Freedom**] This is an interesting definition of *"free market principles."* It seems to be compatible with

D.11 Can politics and economics be separated from each other?

A key aspect of anarchism is the idea that the political and economic aspects of society cannot be separated. Section D has been an attempt to show how these two aspects of society interact and influence each other. This means that economic liberty cannot be separated from political liberty and vice versa. If working class people are subject to authoritarian political organisations then their economic liberty will likewise be restricted and, conversely, if their economic freedoms are limited then so, too, will their political freedoms. As Proudhon put it, *"industrial liberty is inseparable from political liberty."* [quoted by Alan Ritter, **The Political Thought of Pierre-Joseph Proudhon**, p. 188]

Some disagree, arguing that economic liberty is of primary importance. When Milton Friedman died in 2006, for example, many of his supporters parroted his defence of working with the Pinochet regime and noted that Chile had (eventually) become a democracy. For Friedman, this justified his praise for the "economic liberty" the regime had introduced and rationalised the advice he gave it. For him, Chile provided his earlier assertion that *"economic freedom is an indispensable means toward the achievement of political freedom."* For while Friedman stated that there was *"an intimate connection between economics and politics,"* he meant simply that capitalism was required to produce democracy (to use his words, *"capitalism is a necessary*

Therefore, laissez-faire ideology helps create a social environment in which racist tendencies can increase. Firstly, it does so by increasing poverty, job insecurity, inequality and so on which right-wing groups can use to gather support by creating scapegoats in our own class to blame (for example, by blaming poverty on blacks "taking our jobs" rather than capitalists moving their capital to other, more profitable, countries or them cutting wages and conditions for **all** workers — and as we point out in section B.1.4, racism, by dividing the working class, makes poverty and inequality **worse** and so is self-defeating). Secondly, it abets racists by legitimising the notions that inequalities in pay and wealth are due to racial differences rather than a hierarchical system which harms **all** working class people (and uses racism to divide, and so weaken, the oppressed). By pointing to individuals rather than to institutions, organisations, customs, history and above all power — the relative power between workers and capitalists, citizens and the state, the market power of big business, etc. — laissez-faire ideology points analysis into a dead-end as well as apologetics for the wealthy, apologetics which can be, and are, utilised by racists to justify their evil politics.

D.10 How does capitalism affect technology?

Technology has an obvious effect on individual freedom, in some ways increasing it, in others restricting it. However, since capitalism is a social system based on inequalities of power, it is a truism that technology will reflect those inequalities as it does not develop in a social vacuum. As Bookchin puts it:

> *"Along side its positive aspects, technological advance has a distinctly negative, socially regressive side. If it is true that technological progress enlarges the historical potentiality for freedom, it is also true that the bourgeois control of technology reinforces the established organisation of society and everyday life. Technology and the resources of abundance furnish capitalism with the means for assimilating large sections of society to the established system of hierarchy and authority ... By their centralistic and bureaucratic tendencies, the resource of abundance reinforce the monopolistic, centralistic and bureaucratic tendencies in the political apparatus ... [Technology can be used] for perpetuating hierarchy, exploitation and unfreedom."* [**Post-Scarcity Anarchism**, p. 3]

No technology evolves and spreads unless there are people who benefit from it and have sufficient means to disseminate it. In a capitalist society, technologies useful to the rich and powerful are generally the ones that spread. This can be seen from

are *"completely unaware of how fundamentally the technology of the socialists differs from capitalist technology ... Technology will, in a cultured people, have to be directed to the psychology of free people who want to use it."* This will happen when *"the workers themselves determine under what conditions they want to work,"* step out of *"capitalism mentally and physically"*, and *"cease playing a role in it and begin to be men [and women]."* [*"For Socialism,"* pp. 184–6, **Anarchism**, Robert Graham (ed.), p. 285 and p. 286]

Thus most anarchists would agree with Bookchin's comment that technology *"is necessarily liberatory or consistently beneficial to man's development"* but we *"do not believe that man is destined to be enslaved by technology and technological modes of thought."* A free society *"will not want to negate technology precisely because it is liberated and can strike a balance"* and create a *"technology for life,"* a liberatory technology based on human and ecological needs. [**Op. Cit.**, p. 43 and p. 80] See section I.4.9 for more discussion on technology within an anarchist society.

archical organisation, and machinery" could only serve *"exclusively the interests of the least numerous, the least industrious, and the wealthiest class"* rather than *"be employed for the benefit of all."* [**Op. Cit.**, p. 205]

While resisting technological "progress" which is considered harmful to people or the planet (by means up to and including machine breaking) is essential in the here and now, the issue of technology can only be truly solved when those who use a given technology control its development, introduction and use. (*"The worker will only respect machinery **on the day** when it becomes his friend, shortening his work, rather than as **today**, his enemy, taking away jobs, killing workers,"* in the words of French syndicalist Emile Pouget [quoted by David Noble, **Op. Cit.**, p. 15]). Little wonder, therefore, that anarchists consider workers' self-management as a key means of solving the problems created by technology. Proudhon, for example, argued that the solution to the problems created by the division of labour and technology could only be solved by *"association"*, and *"by a broad education, by the obligation of apprenticeship, and by the co-operation of all who take part in the collective work."* This would ensure that *"the division of labour can no longer be a cause of degradation for the workman [or workwoman]."* [**The General Idea of the Revolution**, p. 223]

While as far as technology goes, it may not be enough to get rid of the boss this is a necessary first step. Unless this is done, it will be impossible to transform existing technologies or create new ones which enhance freedom rather than controlling and shaping the worker (or user in general) and enhancing the power and profits of the capitalist. This means that in an anarchist society, technology would have to be transformed and/or developed which empowered those who used it, so reducing any oppressive aspects of it. In the words of Cornelius Castoriadis, the *"conscious transformation of technology will therefore be a central task of a society of free workers."* [**Op. Cit.**, p. 104] As German anarchist Gustav Landauer stressed, most

capitalist industry, where technology has been implemented specifically to deskill the worker, so replacing the skilled, valued craftsperson with the easily trained and replaced "mass worker." By making trying to make any individual worker dispensable, the capitalist hopes to deprive workers of a means of controlling the relation between their effort on the job and the pay they receive. In Proudhon's words, the *"machine, or the workshop, after having degraded the labourer by giving him a master, completes his degeneracy by reducing him from the rank of artisan to that of common workman."* [**System of Economical Contradictions**, p. 202]

So, unsurprisingly, technology within a hierarchical society will tend to re-enforce hierarchy and domination. Managers/capitalists will select technology that will protect and extend their power (and profits), not weaken it. Thus, while it is often claimed that technology is "neutral" this is not (and can never be) the case. Simply put, "progress" within a hierarchical system will reflect the power structures of that system.

As sociologist George Reitzer notes, technological innovation under a hierarchical system soon results in *"increased control and the replacement of human with non-human technology. In fact, the replacement of human with non-human technology is very often motivated by a desire for greater control, which of course is motivated by the need for profit-maximisation. The great sources of uncertainty and unpredictability in any rationalising system are people ... McDonaldisation involves the search for the means to exert increasing control over both employees and customers."* [**The McDonaldisation of Society**, p. 100] For Reitzer, capitalism is marked by the *"irrationality of rationality,"* in which this process of control results in a system based on crushing the individuality and humanity of those who live within it.

In this process of controlling employees for the purpose of maximising profit, deskilling comes about because skilled labour is more expensive than unskilled or semi-skilled and

skilled workers have more power over their working conditions and work due to the difficulty in replacing them. Unskilled labour makes it easier to "rationalise" the production process with methods like Taylorism, a system of strict production schedules and activities based on the amount of time (as determined by management) that workers "need" to perform various operations in the workplace, thus requiring simple, easily analysed and timed movements. As companies are in competition, each has to copy the most "efficient" (i.e. profit maximising) production techniques introduced by the others in order to remain profitable, no matter how dehumanising this may be for workers. Thus the evil effects of the division of labour and deskilling becoming widespread. Instead of managing their own work, workers are turned into human machines in a labour process they do not control, instead being controlled by those who own the machines they use (see also Harry Braverman, **Labour and Monopoly Capital: The Degradation of Work in the Twentieth Century**).

As Max Stirner noted (echoing Adam Smith), this process of deskilling and controlling work means that *"[w]hen everyone is to cultivate himself into man, condemning a man to **machine-like labour** amounts to the same thing as slavery... Every labour is to have the intent that the man be satisfied. Therefore he must become a **master** in it too, be able to perform it as a totality. He who in a pin-factory only puts on heads, only draws the wire, works, as it were mechanically, like a machine; he remains half-trained, does not become a master: his labour cannot **satisfy** him, it can only **fatigue** him. His labour is nothing by itself, has no object **in itself**, is nothing complete in itself; he labours only into another's hands, and is **used** (exploited) by this other."* [**The Ego and Its Own**, p. 121] Kropotkin makes a similar argument against the division of labour (*"machine-like labour"*) in **The Conquest of Bread** (see chapter XV — *"The Division of Labour"*) as did Proudhon (see chapters III and IV of **System of Economical Contradictions**).

as less important than the profits and power of the capitalists. In other words, they would have agreed with Proudhon's later comment that machinery *"plays the leading role in industry, man is secondary"* **and** they acted to change this relationship. [**Op. Cit.**, p. 204] The Luddites were an example of working people deciding what their interests were and acting to defend them by their own direct action — in this case opposing technology which benefited the ruling class by giving them an edge in the class struggle. Anarchists follow this critical approach to technology, recognising that it is not neutral nor above criticism. That this is simply sensible can be seen from the world around us, where capitalism has, to quote Rocker, made work *"soulless and has lost for the individual the quality of creative joy. By becoming a dreary end-in-itself it has degraded man into an eternal galley slave and robbed him of that which is most precious, the inner joy of accomplished work, the creative urge of the personality. The individual feels himself to be only an insignificant element of a gigantic mechanism in whose dull monotone every personal note dies out."* He has *"became the slave of the tool he created."* There has been a *"growth of technology at the expense of human personality."* [**Nationalism and Culture**, p. 253 and p. 254]

For capital, the source of problems in industry is people. Unlike machines, people can think, feel, dream, hope and act. The "evolution" of technology must, therefore, reflect the class struggle within society and the struggle for liberty against the forces of authority. Technology, far from being neutral, reflects the interests of those with power. Technology will only be truly our friend once we control it ourselves and **modify** to reflect **human** values (this may mean that some forms of technology will have to be written off and replaces by new forms in a free society). Until that happens, most technological processes — regardless of the other advantages they may have — will be used to exploit and control people. Thus Proudhon's comments that *"in the present condition of society, the workshop with its hier-*

spread and co-ordinate information, resistance and struggles is a classic example of this process (see Jason Wehling, *"'Net-wars' and Activists Power on the Internet"*, **Scottish Anarchist** no. 2 for details). There is always a "guerrilla war" associated with technology, with workers and radicals developing their own tactics to gain counter control for themselves. Thus much technological change reflects **our** power and activity to change our own lives and working conditions. We must never forget that.

While some may dismiss our analysis as "Luddite," to do so is make "technology" an idol to be worshipped rather than something to be critically analysed. Indeed, it would be tempting to argue that worshippers of technological progress are, in effect, urging us **not** to think and to sacrifice ourselves to a new abstraction like the state or capital. Moreover, such attacks misrepresent the ideas of the Luddites themselves — they never actually opposed **all** technology or machinery. Rather, they opposed *"all Machinery hurtful to Commonality"* (as a March 1812 letter to a hated Manufacturer put it). Rather than worship technological progress (or view it uncritically), the Luddites subjected technology to critical analysis and evaluation. They opposed those forms of machinery that harmed themselves or society. Unlike those who smear others as "Luddites," the labourers who broke machines were not intimidated by the modern notion of progress. As John Clark notes, they *"chose to smash the dehumanising machinery being imposed on them, rather than submit to domination and degradation in the name of technical progress."* [**The Anarchist Moment**, p. 102] Their sense of right and wrong was not clouded by the notion that technology was somehow inevitable, neutral or to be worshipped without question.

The Luddites did not think that **human** values (or their own interests) were irrelevant in evaluating the benefits and drawbacks of a given technology and its effects on workers and society as a whole. Nor did they consider their skills and livelihood

Modern industry is set up to ensure that workers do not become "masters" of their work but instead follow the orders of management. The evolution of technology lies in the relations of power within a society. This is because *"the viability of a design is not simply a technical or even economic evaluation but rather a political one. A technology is deemed viable if it conforms to the existing relations of power."* [David Noble, **Progress without People**, p. 63]

This process of controlling, restricting, and de-individualising labour is a key feature of capitalism. Work that is skilled and controlled by workers is empowering to them in two ways. Firstly it gives them pride in their work and themselves. Secondly, it makes it harder to replace them or suck profits out of them. Therefore, in order to remove the "subjective" factor (i.e. individuality and worker control) from the work process, capital needs methods of controlling the workforce to prevent workers from asserting their individuality, thus preventing them from arranging their own lives and work and resisting the authority of the bosses. This need to control workers can be seen from the type of machinery introduced during the Industrial Revolution. According to Andrew Ure (author of **Philosophy of Manufactures**), a consultant for the factory owners at the time:

> *"In the factories for spinning coarse yarn ... the mule-spinners [skilled workers] have abused their powers beyond endurance, domineering in the most arrogant manner ... over their masters. High wages, instead of leading to thankfulness of temper and improvement of mind, have, in too many cases, cherished pride and supplied funds for supporting refractory spirits in strikes ... During a disastrous turmoil of [this] kind ... several of the capitalists ... had recourse to the celebrated machinists ... of Manchester ... [to construct] a self-acting mule ... This inven-*

> *tion confirms the great doctrine already propounded, that when capital enlists science in her service, the refractory hand of labour will always be taught docility."* [quoted by Noble, **Op. Cit.**, p. 125]

Proudhon quotes an English Manufacturer who argues the same point:

> *"The insubordination of our workmen has given us the idea of dispensing with them. We have made and stimulated every imaginable effort to replace the service of men by tools more docile, and we have achieved our object. Machinery has delivered capital from the oppression of labour."* [**System of Economical Contradictions**, p. 189]

It is important to stress that technological innovation was not driven by reasons of economic efficiency as such but rather to break the power of workers at the point of production. Once that was done, initially uneconomic investments could become economically viable. As David Noble summarises, during the Industrial Revolution *"Capital invested in machines that would reinforce the system of domination [in the workplace], and this decision to invest, which might in the long run render the chosen technique economical, was not itself an economical decision but a political one, with cultural sanction."* [**Op. Cit.**, p. 6]

Needless to say, this use of technology within the class war continued. A similar process was at work in the US, where the rise in trade unionism resulted in *"industrial managers bec[oming] even more insistent that skill and initiative not be left on the shop floor, and that, by the same token, shop floor workers not have control over the reproduction of relevant skills through craft-regulated apprenticeship training. Fearful that skilled shop-floor workers would use their scare resources to reduce their effort and increase their pay, management deemed that knowledge of*

sation (a movement inspired by the pre-war syndicalist revolt and which included many syndicalist activists). This movement was partly in response to the reformist TUC unions working with the state during the war to suppress class struggle. In Germany, the 1919 near revolution saw the creation of revolutionary workplace unions and councils (and a large increase in the size of the anarcho-syndicalist union FAU which was organised by industry).

This process was not limited to just libertarian unions. In the USA, the 1930s saw a massive and militant union organising drive by the C.I.O. based on industrial unionism and collective bargaining (inspired, in part, by the example of the I.W.W. and its broad organisation of unskilled workers). More recently, workers in the 1960s and 70s responded to the increasing reformism and bureaucratic nature of such unions as the CIO and TUC by organising themselves directly on the shop floor to control their work and working conditions. This informal movement expressed itself in wildcat strikes against both unions and management, sabotage and unofficial workers' control of production (see John Zerzan's essay *"Organised Labour and the Revolt Against Work"* in **Elements of Refusal**). In the UK, the shop stewards' movement revived itself, organising much of the unofficial strikes and protests which occurred in the 1960s and 70s. A similar tendency was seen in many countries during this period.

So in response to a new developments in technology and workplace organisation, workers' developed new forms of resistance which in turn provokes a response by management. Thus technology and its (ab)uses are very much a product of the class struggle, of the struggle for freedom in the workplace. With a given technology, workers and radicals soon learn to resist it and, sometimes, use it in ways never dreamed of to resist their bosses and the state (which necessitates a transformation of within technology again to try and give the bosses an upper hand!). The use of the Internet, for example, to organise,

power. How and to what extent it does so, however, depends not only on the nature of the technology but also on the nature of the social environment into which it is introduced." Thus the introduction of machinery into the capitalist labour process *"is only a necessary, not sufficient, condition for the displacement of worker control over the relation between effort and pay."* [Lazonick, **Op. Cit.**, p. 52 and p. 63] Needless to say, capitalists have always appealed to the state to help create a suitable social environment.

This analysis applies to both the formal and informal organisation of workers in workplace. Just as the informal structures and practices of working people evolve over time in response to new technology and practices, so does union organisation. In response to Taylorism, factory and other workers created a whole new structure of working class power — a new kind of unionism based on the industrial level. For example, the IWW was formed specifically to create industrial unions arguing that *"[l]abourers are no longer classified by difference in trade skill, but the employer assigns them according to the machine which they are attached. These divisions, far from representing differences in skill or interests among the labourers, are imposed by the employers that workers may be pitted against one another and spurred to greater exertion in the shop, and that all resistance to capitalist tyranny may be weakened by artificial distinctions."* [quoted by Stone, **Op. Cit.**, p. 157]

For this reason, anarchists and syndicalists argued for, and built, industrial unions — one union per workplace and industry — in order to combat these divisions and effectively resist capitalist tyranny. This can be seen in many different countries. In Spain, the C.N.T. (an anarcho-syndicalist union) adopted the **sindicato unico** (one union) in 1918 which united all workers of the same workplace in the same union (by uniting skilled and unskilled in a single organisation, the union increased their fighting power). In the UK, the shop stewards movement arose during the first world war based on workplace organi-

the shop-floor process must reside with the managerial structure." [William Lazonick, **Organisation and Technology in Capitalist Development**, p. 273]

American managers happily embraced Taylorism (aka "scientific management"), according to which the task of the manager was to gather into his possession all available knowledge about the work he oversaw and reorganise it. Taylor himself considered the task for workers was *"to do what they are told to do promptly and without asking questions or making suggestions."* [quoted by David Noble, **American By Design**, p. 268] Taylor also relied exclusively upon incentive-pay schemes which mechanically linked pay to productivity and had no appreciation of the subtleties of psychology or sociology (which would have told him that enjoyment of work and creativity is more important for people than just higher pay). Unsurprisingly, workers responded to his schemes by insubordination, sabotage and strikes and it was *"discovered ... that the 'time and motion' experts frequently knew very little about the proper work activities under their supervision, that often they simply guessed at the optimum rates for given operations ... it meant that the arbitrary authority of management has simply been reintroduced in a less apparent form."* [David Noble, **Op. Cit.**, p. 272] Although, now, the power of management could hide begin the "objectivity" of "science."

Katherine Stone also argues that the *"transfer of skill [from the worker to management] was not a response to the necessities of production, but was, rather, a strategy to rob workers of their power"* by *"tak[ing] knowledge and authority from the skilled workers and creating a management cadre able to direct production."* Stone highlights that this deskilling process was combined by a *"divide and rule"* policy by management based on wage incentives and new promotion policies. This created a reward system in which workers who played by the rules would receive concrete gains in terms of income and status. Over time, such a structure would become to be seen as *"the natural way*

to organise work and one which offered them personal advancement" even though, *"when the system was set up, it was neither obvious nor rational. The job ladders were created just when the skill requirements for jobs in the industry were diminishing as a result of the new technology, and jobs were becoming more and more equal as to the learning time and responsibility involved."* The modern structure of the capitalist workplace was created to break workers resistance to capitalist authority and was deliberately *"aimed at altering workers' ways of thinking and feeling — which they did by making workers' individual 'objective' self-interests congruent with that of the employers and in conflict with workers' collective self-interest."* It was a means of *"labour discipline"* and of *"motivating workers to work for the employers' gain and preventing workers from uniting to take back control of production."* Stone notes that the *"development of the new labour system in the steel industry was repeated throughout the economy in different industries. As in the steel industry, the core of these new labour systems were the creation of artificial job hierarchies and the transfer of skills from workers to the managers."* [*"The Origins of Job Structure in the Steel Industry,"* pp. 123–157, Root & Branch (ed.), **Root and Branch: The Rise of the Workers' Movements**, p. 155, p. 153, p. 152 and pp. 153–4]

This process of deskilling workers was complemented by other factors — state protected markets (in the form of tariffs and government orders — the *"lead in technological innovation came in armaments where assured government orders justified high fixed-cost investments"*); the use of *"both political and economic power [by American Capitalists] to eradicate and diffuse workers' attempts to assert shop-floor control"*; and *"repression, instigated and financed both privately and publicly, to eliminate radical elements [and often not-so-radical elements as well, we must note] in the American labour movement."* [William Lazonick, **Competitive Advantage on the Shop Floor**, p. 218 and p. 303] Thus state action played a key role in destroying craft control within industry, along with the large financial resources of

direct result of our resistance to hierarchy and its tools. For example, capitalists turned to Taylorism and "scientific management" in response to the power of skilled craft workers to control their work and working environment (the famous 1892 Homestead strike, for example, was a direct product of the desire of the company to end the skilled workers' control and power on the shop-floor). Such management schemes never last in the long run nor totally work in the short run either — which explains why hierarchical management continues, as does technological deskilling. Workers always find ways of using new technology to increase their power within the workplace, undermining management decisions to their own advantage). As left-wing economist William Lazonick puts it:

> *"Because it is the workers, not managers, who are actually doing the work, access to information on the effort-saving potential of a machine will be asymmetric, giving workers a distinct advantage in determining the pace of work. In addition, workers through their unions will attempt to exert industry-wide control over the relation between effort and pay on newly diffused technology. The resultant relation between effort and earnings will depend on the exercise of social power, not on abstract 'laws' of proportional change."* [**Competitive Advantage on the Shop Floor**, pp. 66–7]

This means that the *"economic effectiveness of the factory as a mode of work organisation did not occur within a social vacuum but depend[s] on the historical evolution of conditions that determined the relative power of capitalists and workers to structure the relation between effort and pay."* As such, it is important not to overemphasise the *"independent influence of technology as opposed to the relations of production in the determination of work organisation. Because machinery does change the skill content of work, it can potentially serve as an instrument of social*

> *increased 115%, more than double. But during this same period, real earnings for hourly workers … rose only 84%, less than double. Thus, after three decades of automation-based progress, workers are now earning less relative to their output than before. That is, they are producing more for less; working more for their boss and less for themselves."* [**Op. Cit.**, pp. 92–3]

Noble continues:

> *"For if the impact of automation on workers has not been ambiguous, neither has the impact on management and those it serves — labour's loss has been their gain. During the same first thirty years of our age of automation, corporate after tax profits have increased 450%, more than five times the increase in real earnings for workers."* [**Op. Cit.**, p. 95]

But why? Because labour has the ability to produce a flexible amount of output (use value) for a given wage. Unlike coal or steel, a worker can be made to work more intensely during a given working period and so technology can be utilised to maximise that effort as well as increasing the pool of potential replacements for an employee by deskilling their work (so reducing workers' power to get higher wages for their work). Thus technology is a key way of increasing the power of the boss, which in turn can increase output per worker while ensuring that the workers' receive relatively less of that output back in terms of wages — *"Machines,"* argued Proudhon, *"promised us an increase of wealth they have kept their word, but at the same time endowing us with an increase of poverty. They promised us liberty … [but] have brought us slavery."* [**Op. Cit.**, p. 199]

But do not get us wrong, technological progress does not imply that we are victims. Far from it, much innovation is the

capitalists compared to workers. Bringing this sorry story up to date, we find *"many, if not most, American managers are reluctant to develop skills [and initiative] on the shop floor for the fear of losing control of the flow of work."* [William Lazonick, **Organisation and Technology in Capitalist Development**, pp. 279–280] Nor should we forget that many technologies are the product of state aid. For example, in the case of automation *"the state, especially the military, has played a central role. Not only has it subsidised extravagant developments that the market could not or refused to bear but it absorbed excessive costs and thereby kept afloat those competitors who would otherwise have sunk."* [**Op. Cit.**, p. 83]

Given that there is a division of knowledge in society (and, obviously, in the workplace as well) this means that capitalism has selected to introduce a management and technology mix which leads to inefficiency and waste of valuable knowledge, experience and skills. Thus the capitalist workplace is both produced by and is a weapon in the class struggle and reflects the shifting power relations between workers and employers. The creation of artificial job hierarchies, the transfer of skills away from workers to managers and technological development are all products of class struggle. Thus technological progress and workplace organisation within capitalism have little to do with "efficiency" and far more to do with profits and power. *"Capitalism does not utilise a socially nature technology for capitalist ends,"* Cornelius Castoriadis correctly argued. It has *"created a capitalist technology, which is by no means neutral. The real intention of capitalist technology is not to develop production for production's sake: It is to subordinate and dominate the producers"* and *"to eliminate the human element in productive labour."* This means that capitalist technologies will evolve, that there is *"a process of 'natural selection,' affecting technical inventions as they are applied to industry. Some are preferred to others"* and will be *"the ones that fit in with capitalism's basic need to deal with labour power as a measurable, supervisable, and*

interchangeable commodity." Thus technology will be selected "*within the framework of its own class rationality.*" [**Social and Political Writings**, vol. 2, p. 104]

This means that while self-management has consistently proven to be more efficient (and empowering) than hierarchical management structures, capitalism actively selects **against** it. This is because capitalism is motivated purely by increasing the power and profits for the bosses, and both are best done by disempowering workers and empowering bosses (i.e. the maximisation of power) — even though this concentration of power harms efficiency by distorting and restricting information flow and the gathering and use of widely distributed knowledge within the firm (as in any command economy) as well as having a serious impact on the wider economy and social efficiency. Thus the last refuge of the capitalist or technophile (namely that the productivity gains of technology outweigh the human costs or the means used to achieve them) is doubly flawed. Firstly, disempowering technology may maximise profits, but it need not increase efficient utilisation of resources or workers' time, skills or potential. Secondly, "*when investment does in fact generate innovation, does such innovation yield greater productivity? ... After conducting a poll of industry executives on trends in automation,* ***Business Week*** *concluded in 1982 that 'there is a heavy backing for capital investment in a variety of labour-saving technologies that are designed to fatten profits without necessary adding to productive output.'*" David Noble concludes that "*whenever managers are able to use automation to 'fatten profits' and enhance their authority (by eliminating jobs and extorting concessions and obedience from the workers who remain) without at the same time increasing social product, they appear more than ready to do.*" [David Noble, **Progress Without People**, pp. 86–87 and p. 89] As we argue in greater detail later, in section J.5.12, efficiency and profit maximisation are two different things, with such deskilling and management control actually **reducing** efficiency — compared to workers' control

— but as it allows managers to maximise profits the capitalist market selects it.

Of course the claim is that higher wages follow increased investment and technological innovation ("in the long run" — although usually "the long run" has to be helped to arrive by workers' struggle and protest!). Passing aside the question of whether slightly increased consumption really makes up for dehumanising and uncreative work, we must note that it is usually the capitalist who **really** benefits from technological change in money terms. For example, between 1920 and 1927 (a period when unemployment caused by technology became commonplace) the automobile industry (which was at the forefront of technological change) saw wages rise by 23.7%. Thus, claim supporters of capitalism, technology is in all our interests. However, capital surpluses rose by 192.9% during the same period — 8 times faster! Little wonder wages rose! Similarly, over the last 20 years the USA and many other countries have seen companies "down-sizing" and "right-sizing" their workforce and introducing new technologies. The result? Simply put, the 1970s saw the start of "*no-wage growth expansions.*" Before the early 1970s, "*real wage growth tracked the growth of productivity and production in the economy overall. After ..., they ceased to do so... Real wage growth fell sharply below measured productivity growth.*" [James K. Galbraith, **Created Unequal**, p. 79] So while real wages have stagnated, profits have been increasing as productivity rises and the rich have been getting richer — technology yet again showing whose side it is on.

Overall, as David Noble notes (with regards to manufacturing in the early 1990s):

> "*U.S. Manufacturing industry over the last thirty years ... [has seen] the value of capital stock (machinery) relative to labour double, reflecting the trend towards mechanisation and automation. As a consequence ... the absolute output person hour*