

Andrew Kliman, Sept. 14, 2016

Stockholm Freedom Debate -- opening remarks

I work with Marxist-Humanist Initiative, an organization rooted in Marxist-Humanist philosophy of Raya Dunayevskaya. In her 1st major book, *Marxism and Freedom*, published in the middle of the Cold War, Dunayevskaya wrote that, “on both sides of the Iron Curtain, there is a veritable conspiracy to identify Marxism, a theory of liberation, with its opposite, Communism, the theory and practice of enslavement. This book aims to re-establish Marxism in its original form, which Marx called ‘a thoroughgoing Naturalism, or Humanism.’”

In Marx’s view, “Freedom is so much the essence of man that even its opponents realize it No man fights freedom; he fights at most the freedom of others. Every kind of freedom has therefore always existed, only at one time as a special privilege, another time as a universal right.”

I think that’s right. So what we’re debating this evening isn’t whether we want freedom, but freedom for whom? Marx stood for “a society in which the full and free development of every individual forms the ruling principle”; “an association, in which the free development of each is the condition for the free development of all.”

This evening’s debate is also about what kinds of freedom we are talking about. Libertarians such as Tibor Machan, who recently passed away, often seek to define freedom as “absence of restraints imposed by other people.” And that’s an important aspect of freedom. But there’s also freedom from being dominated by the laws of nature, because we don’t understand them and can’t cope well with them.

There’s been a great deal of progress, especially during the last several centuries, in human beings freeing ourselves from domination by nature. And capitalism has also weakened restraints imposed by other people.

The problem is that there’s yet another important kind of freedom--freedom from being dominated by economic laws over which we have no control. In *Marxism and Freedom*, Dunayevskaya quoted a coal miner. Coal mining is life-threatening work. The miner said, “I can’t word it like [Marx] but I know exactly what he means. I lay there this morning about a quarter of six. ... I said to myself, ‘You’ve just got to get up there and do down’ into the mine “whether you feel like it or not. ... I just said to myself, ‘Now you call that a free man?’”

Capitalism more or less replaced unfreedom imposed by other people—imposed on the slave by the slave-owner, on the serf by the landowner—with unfreedom imposed by the economic laws of capitalism. You don’t have to work under this particular slaveowner or that particular feudal lord. No one is holding a gun to your head. And you’re free to starve to death. But if they don’t choose to starve to death, the vast majority of people have to work under the domination of some capitalist. If they disobey, or don’t live up to the boss’s expectations, or get laid off in a recession, they’re “free” to find another master to toil under. It’s like being transferred from one prison to another, except that the worker rather than the state has to pay the transportation cost.

This isn't really the fault of any particular individual capitalist or capitalist corporation. They are just agents of the system who are also dominated by its laws. If they continue to employ people who have become expendable in a recession, or people who don't generate enough profit for the company, they'll likely go out of business. The capitalists that remain capitalists are the ones that dutifully obey the economic laws of capitalism. The system is what is at fault.

Now, it's not as if classical liberals like Hayek and Mises didn't understand the capitalist work process or labor market. In *The Road to Serfdom*, there is a rather chilling passage in which Hayek writes that "the manager of any plant" needs to be given "considerable" power, and approvingly quotes an engineer on the importance of economic spontaneity versus planning: "there ought to be surrounding the work a comparatively large area of unplanned economic action. There should be a place from which workers can be drawn, and when a worker is fired he should vanish from the job and from the pay-roll. In the absence of such a free reservoir[,] discipline cannot be maintained without corporal punishment, as with slave labour."

In other words, the role of workers is to obey the discipline imposed from above. And the great advantage of a "free" labor market and a "free" reservoir of people who will starve if they don't obey, is that this discipline can be imposed on them in an impersonal way. We don't have to beat them with our fist. We let the invisible fist beat them.

In his book *Human Action*, Mises noted that people in "a contractual society" depend on other people, but argued that many writers have "misrepresent[ed] and distort[ed] this ... state of affairs. The workers, they said, are at the mercy of their employers."

OK, so we're all geared up to learn how it misrepresents and distorts things to say that workers are at the mercy of their employers.

But what Mises then writes is, "Now, it is true that the employer has the right to fire the employee. But"

OK, now we're finally going to learn what the misrepresentation and distortion are, right?

Mises continues: "... But, if he [the employer] makes use of this right [to fire workers] in order to indulge in his whims, he hurts his own interests. It is to his own disadvantage if he discharges a better man in order to hire a less efficient one."

The end; Mises then starts talking about shopkeepers and consumers.

So what have we learned? The capitalists who succeed as capitalists only get rid of workers when it is in their interests to get rid of them. Therefore, workers are not really at the mercy of their employers.

Huh? A successful totalitarian state only executes dissidents when it is in the state's interests to execute them. Therefore the dissidents are not really at the mercy of the state. Make sense of this if you can.

Now, it is true that the labor-market transaction, the transaction between the company and the worker, is a “voluntary” transaction--in a certain, very peculiar sense of “voluntary.” As I said, no one is holding a gun to the worker’s head in the market.

And there’s a concept in economics—the concept of a “Pareto improvement”—that is often used to claim that any voluntary transaction between two parties is good for society. Since it’s a voluntary transaction, it obviously makes both parties—the company and the worker—better off in their own estimation, and no third party is hurt. So on the basis of individualist, libertarian ethics, it seems that one can say that the voluntary transaction is unambiguously good for society. ... Or so the story goes.

To his credit, Professor Bylund doesn’t believe this story. He is aware that the starting point, before the transaction, matters a lot. If you have to sell your house for \$5000 or else starve, you’re better off after you sell the house than you were before. But given a different starting point, one where you had enough to eat without selling your house, you might be better off not selling it. And this second situation is clearly better for you than the first one.

And so Professor Bylund has written that “if we take the Pareto criterion without thinking about it and apply it on an empirical situation akin to the ones we find in the developing world, then it appears rather outrageous. There’s nothing ‘natural’ or equal or just” about “the starting point, which means the Pareto criterion only cements this situation” but “radical change may be more just.” This is exactly right.

The key point here is that a “voluntary” transaction “only cements”—reinforces and perpetuates—the starting point. If the starting point before the trade is bad, then the end point after the trade is almost as bad. Garbage in, garbage out.

So when we look at the transaction between a company and a worker, *we can’t really talk about good or bad in abstraction from the starting point.* So let’s consider the starting point.

What is the starting point that makes the great majority of the population have to choose between starvation and working under the domination of one or another capitalist? And is there any other possible starting point? Even more to the point: was there, at one time, a different starting point? And was it better for working people?

The starting point of capitalist-dominated production is what Marx, following Adam Smith, called “previous accumulation.” It is now generally called “primitive accumulation” of capital. But there was nothing primitive about it. It basically began in Britain in about 1500.

Before that point, the working people were no longer serfs. The large majority of them were free peasants who engaged in subsistence farming, farming for themselves and their families. In practice, if not in the written law, the land they farmed belonged to them. Even as late as the 1690s, there were more of these independent peasants than there were capitalist farmers. But by about 1750, they had disappeared.

What happened? Where did they go? A large part of the answer is that the landlord decided to capitalize on the rising price of wool by driving the peasants off the land and turning the land into sheep farms. Somewhat later, peasants who had farmed land that had been owned by the Catholic Church were likewise evicted. And there were other events, too, but the upshot is that people who had been free peasants who worked for themselves were forcibly driven off the land.

That, by itself, wasn't enough to turn them into employees of capitalists. They instead became beggars and vagabonds--wanderers--or robbers. So harsh laws not only against robbery, but also against begging and wandering, were enacted and imposed. Punishments included whipping, imprisonment, and slavery, and the slaves who ran away or rebelled could be put to death.

So forcible expropriation, violence, and repressive state action are what created a new starting point, in which the great majority of the population has to choose between starvation and working under the domination of one or another capitalist. And so, given this new starting point that that they did not voluntarily choose, working people began to "voluntarily" work under the domination of capitalists. And these "voluntary" labor-market transactions "only cement[] this situation," reinforce and perpetuate this new and much-less-free starting point.

A genuinely free society requires that we undo—reverse--this expropriation. We need to return to individual property, in the sense that the direct producers—the folks who do the work--have ownership and control over the means of production--land, tools, raw materials, and so forth--that they need to make a living.

If you are for reversing the forcible expropriation and re-establishing individual property in this sense, you and Marx are on the same side. This is exactly what he envisioned in the culminating chapter of his book, *Capital*:

“The expropriators are expropriated.

“... capitalist private property ... is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation. This does not re-establish private property for the producer, but gives him individual property based on the acquisition of the capitalist era: *i.e.*, on cooperation and the possession in common of the land and of the means of production.”

Now, it's conceivable that when individual property is returned to the great mass of people, some of them may want to work under the domination of others, in return for a wage. I find that bizarre, but I admit that it is conceivable—just barely. So what I recommend is--if you're an absolutist about freedom of exchange: support the expropriation of the expropriators. Then, after that's been accomplished, advocate that people who possess individual property should be allowed to work under the domination of others--if they so choose. ... But don't hold your breath waiting for them to choose that.