

## INTRODUCTION

### *General Idea of the Revolution in the 21<sup>st</sup> Century*

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## INTRODUCTION

### *General Idea of the Revolution in the 21<sup>st</sup> Century*

But then came Proudhon: the son of a peasant, and, by his works and instinct, a hundred times more revolutionary than all the doctrinaire and bourgeois Socialists, he equipped himself with a critical point of view, as ruthless as it was profound and penetrating, in order to destroy all their systems. Opposing liberty to authority, he boldly proclaimed himself an Anarchist by way of setting forth his ideas in contradistinction to those of the State Socialists.

– Michael Bakunin<sup>1</sup>

In 1840, two short expressions, a mere seven words, transformed socialist politics forever. One, only four words long, put a name to a tendency within the working class movement: “I am an Anarchist.” The other, only three words long, presented a critique and a protest against inequality which still rings: “Property is Theft!”

Their author, Pierre-Joseph Proudhon (1809-1865), was a self-educated son of a peasant family and his work, *What Is Property?*, ensured he became one of the leading socialist thinkers of the nineteenth century. From his works and activity, the libertarian<sup>2</sup> movement was born: that form of socialism based on “the denial of Government and of Property.”<sup>3</sup> It would be no exaggeration to state that if you do not consider property as “theft” and “despotism” and oppose it along with the state then you are not a libertarian. As George Woodcock summarised:

“*What is Property?* embraces the core of nineteenth century anarchism... all the rest of later anarchism is there, spoken or implied: the conception of a free society united by association, of workers controlling the means of production. Later Proudhon was to elaborate other aspects: the working class political struggle as a thing of its own, federalism and decentralism as a means of re-shaping society, the commune and the industrial association as the important units of human intercourse, the end of frontiers and nations. But *What is Property?*... remains the foundation on which the whole edifice of nineteenth century anarchist theory was to be constructed.”<sup>4</sup>

Michael Bakunin, who considered the “illustrious and heroic socialist”<sup>5</sup> as a friend, proclaimed that “Proudhon is the master of us all.”<sup>6</sup> For Peter Kropotkin, the

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<sup>1</sup> *The Political Philosophy of Bakunin* (New York: Free Press, 1953), 278

<sup>2</sup> Sadly, it is necessary to explain what we mean by “libertarian” as this term has been appropriated by the free-market capitalist right. Socialist use of libertarian dates from 1858 when it was first used by communist-anarchist Joseph Déjacque as a synonym for anarchist for his paper *La Libertaire, Journal du Mouvement Social*. This usage became more commonplace in the 1880s and 1895 saw leading anarchists Sébastien Faure and Louise Michel publish *La Libertaire* in France. (Max Nettlau, *A Short History of Anarchism* [London: Freedom Press, 1995], 75-6, 145, 162) By the end of the 19<sup>th</sup> century libertarian was used as an alternative for anarchist internationally. The right-wing appropriation of the term dates from the 1950s and, in wider society, from the 1970s. Given that property is at its root and, significantly, property always trumps liberty in that ideology, anarchists suggest a far more accurate term would be “propertarian” (See my “150 Years of Libertarian”, *Freedom* 69: 23-24 [2008]). We will use the term *libertarian* in its original, correct, usage as an alternative for anti-state socialist.

<sup>3</sup> Proudhon, *General Idea of the Revolution in the Nineteenth Century* (London: Pluto Press, 1989), 100

<sup>4</sup> “On Proudhon’s ‘What is Property?’” (*The Raven* 31 [Autumn 1995]), 21

<sup>5</sup> *The Basic Bakunin: Writings 1869-1871* (Buffalo, NY: Prometheus Books, 1992), Robert M. Cutler (ed.), 105

leading theoretician of communist-anarchism of his day, Proudhon laid “the foundations of Anarchism”<sup>7</sup> and became a socialist after reading his work. Benjamin Tucker, America’s foremost individualist anarchist thinker, considered Proudhon as both “the father of the Anarchistic school of socialism” and “the Anarchist *par excellence*.”<sup>8</sup> Alexander Herzen, leading populist thinker and father of Russian socialism, praised Proudhon’s “powerful and vigorous thought” and stated his “works constitute a revolution in the history not only of socialism but also French logic.”<sup>9</sup> Leo Tolstoy greatly admired and was heavily influenced by Proudhon, considering his “property is theft” as “an absolute truth” which would “survive as long as humanity.”<sup>10</sup> For leading anarcho-syndicalist thinker Rudolf Rocker, Proudhon was “one of the most intellectually gifted and certainly the most many-sided writer of whom modern socialism can boast.”<sup>11</sup>

Historian Robert Tomes notes that Proudhon was “the greatest intellectual influence on French socialism” whose “ideas had durable influence on the working-class elite”<sup>12</sup> while Julian P. W. Archer considered him “the pre-eminent socialist of mid-nineteenth century France.”<sup>13</sup> Sharif Gemie recounts that for many workers in France “Proudhon was the living symbol of working class self-emancipation.”<sup>14</sup> His ideas “anticipated all those later movements in France which, like the revolutionary syndicalists during the late nineteenth century and the students of 1968, demanded *l’autogestion ouvrière*. Their joint demand was that the economy be controlled neither by private enterprise nor by the state (whether democratic or totalitarian), but by the producers.”<sup>15</sup> Even Friedrich Engels had to admit that Proudhon had “a preponderating place among the French Socialists of his epoch.”<sup>16</sup>

The aim of this anthology is to show why Proudhon influenced so many radicals and revolutionaries, why Proudhon should be read today. His work marks the beginning of anarchism as a named socio-economic theory and the libertarian ideas Proudhon championed (such as anti-statism, anti-capitalism, self-management, possession, socialisation, communal-economic federalism, decentralisation, and so forth) are as important today as they were in the 19<sup>th</sup> century.

## PROUDHON’S IDEAS

Anarchism did not spring ready-made from Proudhon’s head in 1840. Nor, for that matter, did Proudhon’s own ideas! This is to be expected: he was breaking new

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<sup>6</sup> quoted in George Woodcock, *Anarchism: A History of Libertarian Ideas and Movements* (Harmondsworth: Penguin Books, 1986), 127

<sup>7</sup> “Modern Science and Anarchism” in *Evolution and Environment* (Montréal: Black Rose, 1995), 27

<sup>8</sup> *Instead of a Book: By a Man Too Busy to Write One* (New York: Haskell House Publishers, 1969), 391

<sup>9</sup> *My Past and Thoughts: The Memoirs of Alexander Herzen* (Berkeley, California: University of California Press, 1982), 416, 417

<sup>10</sup> quoted in Jack Hayward, *After the French Revolution: Six Critics of Democracy and Nationalism* (Hemel Hempstead: Harvester Wheatsheaf, 1991), 213

<sup>11</sup> *Anarcho-Syndicalism: Theory and Practice* (Edinburgh/Oakland: AK Press, 2004), 4-5

<sup>12</sup> *The Paris Commune 1871* (Harlow/New York: Addison Wesley Longman, 1999), 91, 73

<sup>13</sup> *The First International in France, 1864-1872: Its Origins, Theories, and Impact* (Lanham/Oxford: University Press of America, Inc, 1997), 23

<sup>14</sup> *French Revolutions, 1815-1914: An Introduction* (Edinburgh: Edinburgh University Press, 1999), 196

<sup>15</sup> K. Steven Vincent, *Pierre-Joseph Proudhon and the Rise of French Republican Socialism* (Oxford: Oxford University Press, 1984), 165

<sup>16</sup> “Preface”, Karl Marx, *The Poverty of Philosophy* (Amherst, NY: Prometheus Books, 1995), 9

ground in terms of theory, creating the foundations upon which other anarchists would build.

His ideas developed and evolved as he thought through the implications of his previous insights. Certain ideas mentioned in passing in earlier works (such as workers' self-management) come to the fore later, while others (such as federalism) are discussed years after *What Is Property?*. His ideas also reflected, developed and changed with the social and political context (most notably, the 1848 revolution and its aftermath). However, "contrary to persistent legend, Proudhon was not the egregious eccentric who continually contradicted himself... Proudhon had a consistent vision of society and its need... which revolves around his desire to instil a federal arrangement of workers' associations and to instil a public regard for republican virtue."<sup>17</sup>

Regardless of the attempts by both the propertarian right and the authoritarian left to reduce it simply to opposition to the state, anarchism has always presented a critique of state *and* property as well as other forms of oppression.<sup>18</sup> All are interrelated and cannot be separated without making a mockery of libertarian analysis and history:

*Capital... in the political field is analogous to government... The economic idea of capitalism, the politics of government or of authority, and the theological idea of the Church are three identical ideas, linked in various ways. To attack one of them is equivalent to attacking all of them... What capital does to labour, and the State to liberty, the Church does to the spirit. This trinity of absolutism is as baneful in practice as it is in philosophy. The most effective means for oppressing the people would be simultaneously to enslave its body, its will and its reason.*<sup>19</sup>

Proudhon's two key economic ideas are free credit and workers associations. To quote economist John Kenneth Galbraith's excellent summary:

Scholars have regularly assigned Proudhon a position of importance in the history of socialism, syndicalism and anarchism but not in the history of economic theory. It is a distinction without merit. Two ideas of influence can be found in the modern residue of Proudhon's theories. One is the belief, perhaps the instinct, that there is a certain moral superiority in the institution of the co-operative. Or the worker-owned plant. When farmers unite to supply themselves with fertilisers, oil or other farm supplies, and consumers to provide themselves with groceries, the ideas of Proudhon are heard in praise. So also when steel workers come together to take over and run a senescent mill... And Proudhon is one among many parents of the continuing faith in monetary magic – of the belief that great reforms can be accomplished by hitherto undiscovered designs for financial or monetary innovation or manipulation.<sup>20</sup>

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<sup>17</sup> Vincent, 3-4

<sup>18</sup> This can be seen from Proudhon's defining work of 1840, entitled *What Is Property?* not *What Is the State?*

<sup>19</sup> quoted in Nettlau, 43-44

<sup>20</sup> *A History of Economics: The Past As The Present* (London: Hamilton, 1987), 99

In terms of politics, his vision was one of federations of self-governing communities. He repeatedly stressed the importance of decentralisation and autonomy to ensure effective liberty for the people. “Among these liberties,” Proudhon argued, “one of the most important is that of the commune.” A country “by its *federations*, by municipal and provincial independence... attested its local liberties, corollary and complement of the liberty of the citizen. Without the liberty of the commune, the individual is only half free, the feudal yoke is only half broken, public right is equivocal, public integrity is comprised.”<sup>21</sup>

This socio-economic vision he called “mutualism,” a term Proudhon did not invent.<sup>22</sup> The workers organisations in Lyon, where Proudhon stayed in 1843, were described as *mutuellisme* and *mutuelliste* in the 1830s. There is “close similarity between the associational ideal of Proudhon... and the program of the Lyon Mutualists” and it is “likely that Proudhon was able to articulate his positive program more coherently because of the example of the silk workers of Lyon. The socialist ideal that he championed was already being realised, to a certain extent, by such workers.”<sup>23</sup>

In short, Proudhon “was working actively to replace capitalist statism with an anti-state socialism in which workers manage their own affairs without exploitation or subordination by a ‘revolution from below.’”<sup>24</sup>

### *ON PROPERTY*

Proudhon’s analysis of property was seminal. The distinction he made between use rights and property rights, possession and property, laid the ground for both libertarian and Marxist communist perspectives. It also underlay his analysis of exploitation and his vision of a libertarian society. Even Marx admitted its power:

Proudhon makes a critical investigation – the first resolute, ruthless, and at the same time scientific investigation – of the basis of political economy, private property. This is the great scientific advance he made, an advance which revolutionises political economy and for the first time makes a real science of political economy possible.<sup>25</sup>

Proudhon’s critique rested on two key concepts. Firstly, property allowed the owner to exploit its user (“property is theft”<sup>26</sup>). Secondly, that property created authoritarian and oppressive social relationships between the two (“property is despotism”). These are interrelated, as it is the relations of oppression that property creates which allows exploitation to happen and the appropriation of our common

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<sup>21</sup> quoted in Vincent, 212-3

<sup>22</sup> Mutualism was first used by Fourier, the French utopian socialist, in 1822 while “mutualist” was coined by a follower of Robert Owen in America four years later. (Arthur E. Bestor, Jr., “The Evolution of the Socialist Vocabulary”, *Journal of the History of Ideas* 9:3 [1948]: 272-3) Proudhon first used the term in 1846’s *System of Economic Contradictions*.

<sup>23</sup> Vincent, 164

<sup>24</sup> Hayward, 191

<sup>25</sup> *Marx-Engels Collected Works*, 4: 32. Moreover: “Not only does Proudhon write in the interest of the proletarians, he is himself a proletarian, an *ouvrier*. His work is a scientific manifesto of the French proletariat.” (41)

<sup>26</sup> Louis Blanc’s claim, repeated by Marx, that Proudhon took this phrase from J.P. Brissot de Warville, a Girondin during the Great French Revolution, is thoroughly debunked by Robert L. Hoffman (*Revolutionary Justice: The Social and Political Theory of P-J Proudhon* [Urbana: University of Illinois, 1969], 46-48)

heritage by the few gives the rest little alternative but to agree to such domination and let the owner appropriate the fruits of their labour.

Proudhon's genius and the power of his critique was that he took all the defences of, and apologies for, property and showed that, logically, they could be used to attack that institution. By treating them as absolute and universal as its apologists treated property itself, he showed that they undermined property rather than supported it.<sup>27</sup>

To claims that property was a natural right, he explained that the essence of such rights was their universality and that private property ensured that this right could not be extended to all. To those who argued that property was required to secure liberty, Proudhon rightly objected that "if the liberty of man is sacred, it is equally sacred in all individuals; that, if it needs property for its objective action, that is, for its life, the appropriation of material is equally necessary for all."<sup>28</sup> To claims that labour created property, he noted that most people have no property to labour on and the product of such labour was owned by capitalists and landlords rather than the workers who created it. As for occupancy, he argued that most owners do not occupy all the property they own while those who do use and occupy it do not own it.

Proudhon showed that the defenders of property had to choose between self-interest and principle, between hypocrisy and logic. If it is right for the initial appropriation of resources to be made (by whatever preferred rationale) then, by that very same reason, it is right for others in the same and subsequent generations to abolish private property in favour of a system which respects the liberty of all rather than a few ("If the right of life is equal, the right of labour is equal, and so is the right of occupancy.") This means that "those who do not possess today are proprietors by the same title as those who do possess; but instead of inferring therefrom that property should be shared by all, I demand, in the name of general security, its entire abolition."<sup>29</sup>

For Proudhon, the notion that workers are free when capitalism forces them to seek employment was demonstrably false. He was well aware that in such circumstances property "violates equality by the rights of exclusion and increase, and freedom by despotism." It has "perfect identity with robbery" and the worker "has sold and surrendered his liberty" to the proprietor. Anarchy was "the absence of a master, of a sovereign" while proprietor was "synonymous" with "sovereign" for he "imposes his will as law, and suffers neither contradiction nor control." Thus "property is despotism" as "each proprietor is sovereign lord within the sphere of his property"<sup>30</sup> and so freedom and property were incompatible:

The civilised labourer who bakes a loaf that he may eat a slice of bread, who builds a palace that he may sleep in a stable, who weaves rich fabrics that he may dress in rags, who produces every thing that he may dispense with every thing, — is not free. His employer, not

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<sup>27</sup> In addition, following the best traditions of French rationalism Proudhon also tried to prove that it was contradictory (and so "impossible").

<sup>28</sup> *What Is Property?* (London: William Reeves Bookseller Ltd., 1969), 84-5

<sup>29</sup> *What is Property?*, 77, 66

<sup>30</sup> *What is Property?*, 251, 130, 264, 266, 259, 267

becoming his associate in the exchange of salaries or services which takes place between them, is his enemy.<sup>31</sup>

Hence the pressing need, if we really seek liberty for all, to abolish property and the authoritarian social relationships it generates. With wage-workers and tenants, property is “the right to use [something] by his neighbour’s labour” and so resulted in “the exploitation of man by man” for to “live as a proprietor, or to consume without producing, it is necessary, then, to live upon the labour of another.”<sup>32</sup>

### ON EXPLOITATION

Proudhon’s aim “was to rescue the working masses from capitalist exploitation.”<sup>33</sup> However, his analysis of exploitation has been misunderstood and, in the case of Marxists, distorted. J.E. King’s summary is sadly typical:

Marx’s main priority was to confront those ‘utopian’ socialists (especially... Proudhon in France) who saw inequality of exchange as the *only* source of exploitation, and believed that the establishment of equal exchange in isolation from changes in production relations was sufficient in itself to eliminate all sources of income other than the performance of labour... [Marx proved that] exploitation in production was sufficient to explain the existence of non-wage incomes.<sup>34</sup>

Yet anyone familiar with Proudhon’s ideas would know that he was well aware that exploitation occurred at the point of production. Like Marx, but long before him, Proudhon argued that workers produced more value than they received in wages:

Whoever labours becomes a proprietor... And when I say proprietor, I do not mean simply (as do our hypocritical economists) proprietor of his allowance, his salary, his wages, – I mean proprietor of the value he creates, and by which the master alone profits... *The labourer retains, even after he has received his wages, a natural right in the thing he has produced.*<sup>35</sup>

Property meant “another shall perform the labour while [the proprietor] receives the product.” Thus the “free worker produces ten; for me, thinks the proprietor, he will produce twelve” and thus to “satisfy property, the labourer must first produce beyond his needs.”<sup>36</sup> This is why “property is theft!”<sup>37</sup> Proudhon linked rising inequality to the hierarchical relationship of the capitalist workplace:

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<sup>31</sup> *What is Property?*, 142

<sup>32</sup> *What is Property?*, 395, 129, 293

<sup>33</sup> *Selected Writings of Pierre-Joseph Proudhon* (London: MacMillan, 1969), Stewart Edwards (ed.), 80

<sup>34</sup> “Value and Exploitation: Some Recent Debates,” *Classical and Marxian Political Economy: Essays In Honour of Ronald L. Meek* (London: Macmillan Press, 1982), Ian Bradley and Michael Howard (eds.), 180. Ironically, Marx was not above invoking unequal exchange to explain exploitation: “Capital is concentrated social force, while the workman has only to dispose of his working force. The contract between capital and labour can therefore never be struck on equitable terms, equitable even in the sense of a society which places the ownership of the material means of life and labour on one side and the vital productive energies on the opposite side.” (*The First International and After: Political Writings Volume 3* [London: Penguin Books, 1992], 91)

<sup>35</sup> *What is Property?*, 123-4

<sup>36</sup> *What is Property?*, 98, 184-5

<sup>37</sup> Compare this to Engels’ explanation that the “value of the labour-power, and the value which that labour-power creates in the labour-process, are two different magnitudes” and so if “the labourer each

I have shown the contractor, at the birth of industry, negotiating on equal terms with his comrades, who have since become *his workmen*. It is plain, in fact, that this original equality was bound to disappear through the advantageous position of the master and the dependence of the wage-workers.<sup>38</sup>

Thus unequal exchange did not explain exploitation, rather the hierarchical relationship produced by wage-labour does. This can be seen from another key aspect of Proudhon's analysis, what he termed "collective force." This was "[o]ne of the reasons Proudhon gave for rejecting 'property' [and] was to become an important motif of subsequent socialist thought", namely that "collective endeavours produced an additional value" which was "unjustly appropriated by the *proprietaire*."<sup>39</sup> To quote Proudhon:

It is an economic power of which I was, I believe, the first to accentuate the importance, in my first memoir upon *Property* [in 1840]. A hundred men, uniting or combining their forces, produce, in certain cases, not a hundred times, but two hundred, three hundred, a thousand times as much. This is what I have called *collective force*. I even drew from this an argument... that it is not sufficient to pay merely the wages of a given number of workmen, in order to acquire their product legitimately; that they must be paid twice, thrice or ten times their wages, or an equivalent service rendered to each one of them.<sup>40</sup>

Proudhon's "position that property is theft locates a fundamental antagonism between producers and owners at the heart of modern society. If the direct producers are the sole source of social value which the owners of capital are expropriating, then exploitation must be the root cause of... inequality." He "located the 'power to produce without working' at the heart of the system's exploitation and difficulties very early, anticipating what Marx and Engels were later to call the appropriation of surplus value."<sup>41</sup>

So even a basic awareness of Proudhon's ideas would be sufficient to recognise as nonsense Marxist claims that he thought exploitation "did not occur in the labour process" and so "must come from outside of the commercial or capitalist relations, through force and fraud" or that Marx "had a very different analysis which located exploitation at the very heart of the capitalist production process."<sup>42</sup> Proudhon

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day costs the owner of money the value of the product of six hours' labour" and works twelve, he "hands over" to the capitalist "each day the value of the product of twelve hours' labour." The difference in favour of the owner is "unpaid surplus-labour, a surplus-product." He gushes that the "solution of this problem was the most epoch-making achievement of Marx's work. It spread the clear light of day through economic domains in which socialists no less than bourgeois economists previously groped in utter darkness. Scientific socialism dates from the discovery of this solution and has been built up around it." (*Marx-Engels Collected Works* 25: 189-90)

<sup>38</sup> *System of Economical Contradictions* (Boston: Benjamin Tucker, 1888), 202

<sup>39</sup> Vincent, 64-5

<sup>40</sup> *General Idea of the Revolution*, 81-2.

<sup>41</sup> John Ehrenberg, *Proudhon and His Age* (New York: Humanity Books, 1996), 56, 55

<sup>42</sup> Donny Gluckstein, *The Paris Commune: A Revolutionary Democracy* (London: Bookmarks, 2006), 72. Gluckstein does, implicitly, acknowledge Proudhon's real position by noting that big capitalists "could be excluded from commodity production through mutualism, or workers' co-operatives." (75) If Proudhon *really* thought that exploitation did not occur within the workplace then why did he advocate co-operatives? Why did he consistently argue for the abolition of wage labour?

thought exploitation was inherent in wage-labour and occurred at the point of production.<sup>43</sup> Unsurprisingly, he sought a solution there.

### ON ASSOCIATION

Given an analysis of property that showed that it produced exploitation (“theft”) and oppression (“despotism”), the question of how to end it arises. There are two options: Either abolish collective labour and return to small-scale production or find a new form of economic organisation which ensures that collective labour is neither exploited nor oppressed.

The notion that Proudhon advocated the first solution, a return to pre-capitalist forms of economy, is sadly all too common. Beginning with Marx, this notion has been vigorously propagated by Marxists with Engels in 1891 proclaiming Proudhon “the socialist of the small peasant or master craftsman.”<sup>44</sup> The reality is different:

On this issue, it is necessary to emphasise that, contrary to the general image given in the secondary literature, Proudhon was not hostile to large industry. Clearly, he objected to many aspects of what these large enterprises had introduced into society... But he was not opposed in principle to large-scale production. What he desired was to humanise such production, to socialise it so that the worker would not be the mere appendage to a machine. Such a humanisation of large industries would result, according to Proudhon, from the introduction of strong workers’ associations. These associations would enable the workers to determine jointly by election how the enterprise was to be directed and operated on a day-to-day basis.<sup>45</sup>

To quote Proudhon: “Large industry and high culture come to us by big monopoly and big property: it is necessary in the future to make them rise from the association.”<sup>46</sup> He did not ignore the economic conditions around him, including industrialisation, and noted in 1851, of a population of 36 million, 24 million were peasants and 6 million were artisans. The remaining 6 million included wage-workers for whom “workmen’s associations” would be essential as “a protest against the wage system,” the “denial of the rule of capitalists” and for “the management of large instruments of labour.”<sup>47</sup> Rather than seeking to turn back the clock, Proudhon was simply reflecting and incorporating the aspirations of *all* workers in his society – an extremely sensible position to take.<sup>48</sup>

This support for workers’ self-management of production was raised in 1840 at the same time Proudhon proclaimed himself an anarchist. As “every industry needs... leaders, instructors, superintendents” they “must be chosen from the labourers

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<sup>43</sup> This is *not* to suggest that Proudhon thought that exploitation *only* occurred in the workplace. Far from it! His analysis of rent and interest showed that it did, and could, occur when workers’ were not toiling for bosses. Usury can exist in non-capitalist economies. However, to suggest that Proudhon argued that exploitation did not happen in production is to make a travesty of his thought.

<sup>44</sup> *The Marx-Engels Reader* (London: W.W. Norton & Co, 1978), 2nd Edition, 626

<sup>45</sup> Vincent, 156

<sup>46</sup> quoted in Vincent, 156

<sup>47</sup> *General Idea of the Revolution*, 97-8

<sup>48</sup> Donny Gluckstein asserts that “Proudhon wanted to return society to an earlier golden age” after admitting that, in 1871, “[o]lder forms of production predominated” and conceding “the prevalence of artisans and handicraft production” in France! (73, 69) How you “return” to something that dominates your surroundings is not explained.

by the labourers themselves, and must fulfil the conditions of eligibility” for “all accumulated capital being social property, no one can be its exclusive proprietor.”<sup>49</sup>

In subsequent works Proudhon expanded upon this core libertarian position of “the complete emancipation of the workers... the abolition of the wage worker”<sup>50</sup> by self-management (“In democratising us,” he argued, “revolution has launched us on the path of industrial democracy”<sup>51</sup>). Co-operatives<sup>52</sup> ended the exploitation and oppression of wage-labour as “every individual employed in the association” has “an undivided share in the property of the company,” “all positions are elective, and the by-laws subject to the approval of the members” and “the collective force, which is a product of the community, ceases to be a source of profit to a small number of managers and speculators: It becomes the property of all the workers.”<sup>53</sup>

“Mutuality, reciprocity exists,” Proudhon stressed, “when all the workers in an industry, instead of working for an *entrepreneur* who pays them and keeps their products, work for one another and thus collaborate in the making of a common product whose profits they share amongst themselves. Extend the principle of reciprocity as uniting the work of every group, to the Workers’ Societies as units, and you have created a form of civilisation which from all points of view – political, economic and aesthetic – is radically different from all earlier civilisations.” In short: “All associated and all free”<sup>54</sup>

Thus “the means of production should be publicly owned, production itself should be organised by workers companies.”<sup>55</sup> As Daniel Guérin summarised:

Proudhon and Bakunin were ‘collectivists,’ which is to say they declared themselves without equivocation in favour of the common exploitation, not by the State but by associated workers of the large-scale means of production and of the public services. Proudhon has been quite wrongly presented as an exclusive enthusiast of private property.<sup>56</sup>

It is important to stress that Proudhon’s ideas on association as part of the solution of the social question were not invented by him. Rather, he generalised and developed what working class people were *already* doing.<sup>57</sup> As Proudhon put it in 1848, “the proof” of his mutualist ideas lay in the “current practice, revolutionary practice” of “those labour associations... which have spontaneously... been formed in Paris and Lyon.”<sup>58</sup> These hopes were well justified as the “evidence is strong that both worker participation in management and profit sharing tend to enhance productivity

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<sup>49</sup> *What is Property?*, 137, 130

<sup>50</sup> quoted in Vincent, 222

<sup>51</sup> *Selected Writings*, 63

<sup>52</sup> Proudhon called these worker-managed firms various names including workers associations, workers companies and corporations. The latter should not be confused with modern corporations but rather referenced the producer organisations in medieval France (i.e., like a Guild in Britain).

<sup>53</sup> *General Idea of the Revolution*, 222-3.

<sup>54</sup> quoted in Martin Buber, *Paths in Utopia* (London: RKP, 1949), 29-30

<sup>55</sup> Hayward, 201

<sup>56</sup> “From Proudhon to Bakunin”, *The Radical Papers* (Montréal: Black Rose, 1987), Dimitrios I. Roussopoulos (ed.), 32

<sup>57</sup> “Associationism” was born during the waves of strikes and protests in the 1830s, with co-operatives being seen by many workers as a method of emancipation from wage labour.

<sup>58</sup> *No Gods, No Masters: An Anthology of Anarchism* (Edinburgh/Oakland: AK Press, 1005), 75

and that worker-run enterprises often are more productive than their capitalist counterparts.”<sup>59</sup>

Finally, a few words on why this fundamental position of Proudhon is not better known, indeed (at best) ignored or (at worse) denied by some commentators on his ideas. This is because state socialists like Louis Blanc advocated forms of association which Proudhon rejected as just as oppressive and exploitative as capitalism: what Proudhon termed “the principle of Association.” Blanc came “under attack by Proudhon for eliminating all competition, and for fostering state centralisation of initiative and direction at the expense of local and corporative powers and intermediate associations. But the term association could also refer to the mutualist associations that Proudhon favoured, that is, those initiated and controlled from below.”<sup>60</sup> If Blanc advocated *Association*, Proudhon supported *associations*. This is an important distinction lost on some.

### ON CREDIT

While Proudhon’s views of workers associations are often overlooked, the same cannot be said of his views on credit. For some reform of credit was all he advocated! However, for Proudhon, the socialisation and democratisation of credit was seen as one of the key means of reforming capitalism out of existence and of producing a self-employed society of artisans, farmers and co-operatives.

The People’s Bank “embodies the financial and economic aspects of modern democracy, that is, the sovereignty of the People, and of the republican motto, *Liberty, Equality, Fraternity*.” Like the desired workplace associations, it also had a democratic nature with a “committee of thirty representatives” seeing “to the management of the Bank” and “chosen by the General Meeting” made up of “nominees of the general body of associates” (“elected according to industrial categories and in proportion to the number... there are in each category.”)<sup>61</sup>

Proudhon rightly mocked the notion that interest was a payment for abstinence<sup>62</sup> noting, in his exchange with the laissez-faire economist Frédéric Bastiat, that the capitalist lends “because he has no use for it himself, being sufficiently provided with capital without it.” There is no sacrifice and so “it is society’s duty to procure Gratuitous Credit for all; that, failing to do this, it will not be a society, but a conspiracy of Capitalists against Workers, a compact for purposes of robbery and murder.”<sup>63</sup> The obvious correctness of this analysis is reflected in Keynes’ admission that interest “rewards no genuine sacrifice, any more than does the rent of land. The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of capital.”<sup>64</sup>

As is clear from his exchange with Bastiat, Proudhon took care to base his arguments not on abstract ideology but on the actual practices he saw around him. He

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<sup>59</sup> David Schweickart, *Against Capitalism* (Cambridge: Cambridge University Press, 1993), 100. For a fuller discussion of co-operatives see section I.3 of *An Anarchist FAQ*.

<sup>60</sup> Vincent, 224-5

<sup>61</sup> *Selected Writings*, 75, 79

<sup>62</sup> This mutated into a “waiting” theory although the argument is identical. The economist Alfred Marshall who popularised the change in terminology did so as the rich obviously did not abstain from anything. (see section C.2.7 of *An Anarchist FAQ*)

<sup>63</sup> *Oeuvres Complètes* (Lacroix edition) 19: 197, 219

<sup>64</sup> *The General Theory of Employment, Interest and Money* (London: MacMillan Press, 1974), 376

was well aware that banks issued credit and so increased the money supply in response to market demand. As such, he was an early exponent of the endogenous theory of the money supply.<sup>65</sup> His argument against metallic money was rooted in the fact that this legacy of the past ensured that interest remained as the supply of money, while dynamic due to credit creation, was ultimately limited by the available gold and silver deposits monopolised by capitalist banks.

In other words, Proudhon was pointing out that a money economy, one with an extensive banking and credit system, operates in a fundamentally different way than the barter economy assumed by most economics (then and now). He recognised that income from property violated the axiom that products exchanged for products. As interest rates within capitalism did not reflect any real cost and credit creation by banks violated any notion that they reflected savings, these facts suggested that interest could be eliminated as it was already an arbitrary value.

The availability of cheap credit would, Proudhon hoped, lead to the end of landlordism and capitalism. Artisans would not be crushed by interest payments and so be able to survive on the market, proletarians would be able to buy their own workplaces and peasants would be able to buy their land. To aid this process he also recommended that the state decree that all rent should be turned into part-payment for the property used and workers' associations run public works.

While these notions are generally dismissed as utopian, the reality is somewhat different. As Proudhon's ideas were shaped by the society he lived in, one where the bulk of the working class were artisans and peasants, the notion of free credit provided by mutual banks as the means of securing working class people access to the means of production was perfectly feasible. Today, economies world-wide manage to work without having money tied to specie. Proudhon's desire "to abolish the royalty of gold"<sup>66</sup> was no mere utopian dream – capitalism itself has done so.

Perhaps this correspondence between Proudhon's ideas on money and modern practice is not so surprising. Keynes' desire for "the euthanasia of the rentier, and, consequently, the euthanasia of the cumulative oppressive power of the capitalist to exploit the scarcity-value of capital"<sup>67</sup> has distinctly Proudhonian elements to it while he praised Proudhon's follower Silvio Gesell.<sup>68</sup> Sadly, only the economist Dudley Dillard's essay "Keynes and Proudhon"<sup>69</sup> addresses any overlap between the two thinkers and even this is incomplete (it fails to discuss Proudhon's ideas on co-operatives and falsely suggests that his critique of capitalism was limited to finance capital<sup>70</sup>). Another area of overlap was their shared concern over reducing uncertainty

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<sup>65</sup> An endogenous money supply analysis recognises that money arises from within the economy in response to its needs rather than being determined from outside by the state or gold. So the emergence of bank notes, fractional reserve banking and credit was a spontaneous process, not planned or imposed by the state, but rather came from the profit needs of banks which, in turn, reflected the real needs of the economy. This analysis is championed by the post-Keynesian school today.

<sup>66</sup> *Oeuvres Complètes* 6: 90

<sup>67</sup> Keynes, 376

<sup>68</sup> Gesell produced "an anti-Marxian socialism" which the "future will learn more from" than Marx. (Keynes, 355)

<sup>69</sup> *The Journal of Economic History* 2: 1 (1942).

<sup>70</sup> Libertarian Marxist Paul Mattick noted in passing that Keynes shared the Frenchman's "attack upon the payment of interest" and wished to see the end of the rentier. Mattick, however, acknowledged that Keynes did not subscribe to Proudhon's desire to use free credit to fund "independent producers and workers' syndicates" as a means to create an economic system "without exploitation." (*Marx and Keynes: The Limits of the Mixed Economy* [London: Merlin Press, 1971], 5-6)

in the market and stabilising the economy (by the state, in the case of Keynes, by mutualist associations for Proudhon). Both, needless to say, under-estimated the power of *rentier* interests as well as their willingness to wither away...

This abolition of gold-backed money has not led to the other reforms Proudhon had hoped for. This is unsurprising, as this policy has been implemented to keep capitalism going and not as a wider reform strategy as expounded by the Frenchman.<sup>71</sup> So while the banks may issue credit and central banks accommodate it with non-specie money, they are still capitalist enterprises working within a capitalist environment – they have not been turned into a *People's Bank*. Interest was not abolished nor was there a social movement, as in the 19<sup>th</sup> century, aiming to create workers' associations. Nationalisation, not socialisation, was the preferred social reform of the post-World War II years.

The notion that a mutual bank should fund investment is also hardly utopian. The stock market is not the means by which capital is actually raised within capitalism and is largely of symbolic value (the overwhelming bulk of transactions are in shares of existing firms). Small and medium sized firms are hardly inefficient because they lack equity shares. Moreover, there is good reason to think that the stock market *hinders* economic efficiency by generating a perverse set of incentives and “the signals emitted by the stock market are either irrelevant or harmful to real economic activity.” As “the stock market itself counts little or nothing as a source of finance,” shareholders “have no useful role.” Moreover, if the experience of capitalism is anything to go by, mutual banks will also reduce the business cycle for those countries in which banks provide more outside finance than markets have “greater growth in and stability of investment over time than the market-centred ones.”<sup>72</sup>

All of which confirms Proudhon's arguments for mutual credit and attacks on *rentiers*. There is no need for capital markets in a system based on mutual banks and networks of co-operatives. New investments would be financed partly from internal funds (i.e., retained income) and partly from external loans from mutual banks.

The standard argument against mutual credit is that it would simply generate inflation. This misunderstands the nature of money and inflation in a capitalist economy. The notion that inflation is caused simply by there being too much money chasing too few goods and that the state simply needs to stop printing money to control it was proven completely false by the Monetarist experiments of Thatcher and Reagan. Not only could the state *not* control the money supply, changes in it were *not* reflected in subsequent changes in inflation.<sup>73</sup>

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<sup>71</sup> “Proudhon viewed monetary reforms in the context of the institution of producers' associations” and so he “was not promoting a simple ‘bankism’, but rather advancing this as one element in a larger social transformation.” (Vincent, 172-3). As such it was misleading for Marx to suggest in 1865 that “to consider interest-bearing capital as the principal form of capital, and to wish to make of a particular application of credit – the pretended abolition of the rate of interest – to think to make that the basis of the social transformation – that was indeed a petty chandler's fantasy.” Proudhon's perspective was wider than this. It is ironic, though, to read Marx admit that there was “no doubt, there is indeed evidence to show, that the development of credit... might... serve, in certain political and economic conditions, to accelerate the emancipation of the working class.” (*The Poverty of Philosophy*, 200-1)

<sup>72</sup> Doug Henwood, *Wall Street: How It Works and For Whom* (London: Verso, 1998), 292, 174-5

<sup>73</sup> See section C.8.3 of *An Anarchist FAQ*

In a real capitalist economy credit is offered based on an analysis of whether the bank thinks it will get it back.<sup>74</sup> In a mutualist economy, credit will likewise be extended to those whom the bank thinks will increase the amount of goods and services available.<sup>75</sup> The People's Bank would not just print money and hand it out in the streets,<sup>76</sup> it would ration credit and aim to fund investment in the real economy. This would create money and lead to debt but it adds to the goods and services in the economy as well as the capacity to service that debt. Moreover, the reduction of interest to zero would ensure more people repaid their loans as servicing debt would be easier.<sup>77</sup>

Finally, John Ehrenberg's assertion that 1848 saw a "subtle and important shift" in Proudhon's ideas is simply untenable. He asserts that whereas Proudhon "formerly placed primary importance on the organisation of work, he was now thinking of the organisation of credit and exchange; where he had previously made an attempt to articulate the needs of the proletariat, he was now demanding help for the petty bourgeois."<sup>78</sup> Yet "the organisation of credit" in Proudhon's eyes did not exclude "the organisation of labour." If anything, Proudhon's arguments for workers associations and against wage-labour became *more*, not less, pronounced! Proudhon started to discuss "the organisation of credit" more because it reflected a shift from goals to means, from critique to practical attempts to solve the social question in the revolution of 1848.

Proudhon's letter to Louis Blanc in April 1848 suggested that "the Exchange Bank is the organisation of labour's greatest asset" and allowed "the new form of society to be defined and created among the workers."<sup>79</sup> Another, written two days later, reiterated this point: "To organise credit and circulation is to increase production, to determine the new shapes of industrial society."<sup>80</sup> His second election manifesto of 1848 argued that workers "have organised credit among themselves" and "labour associations" have grasped "spontaneously" that the "organisation of credit and organisation of labour amount to one and the same." By organising both, the workers "would soon have wrested alienated capital back again, through their organisation and competition."<sup>81</sup> This was reiterated in a letter to socialist Pierre Leroux in December 1849, with credit being seen as the means to form workers' associations.<sup>82</sup>

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<sup>74</sup> In a capitalist economy, with banks seeking profits, there is a systemic pressure on them to get caught up in waves of lending euphoria during upswings. This leads to periodic periods of financial fragility which, in turn, lead to crisis (see section C.8 of *An Anarchist FAQ*). Similarly, loans are generally made to capitalist firms and their need for profits adds an extra level of uncertainty and fragility, also provoking crisis. Such forces would be lacking in a mutualist system based on labour-income.

<sup>75</sup> "Since money as well as other merchandise is subject to the law of proportionality, if its quantity increases and if at the same time other products do not increase in proportion, money loses its value, and nothing, in the last analysis, is added to the social wealth" (*Oeuvres Complètes* 5: 89)

<sup>76</sup> To explain how the state printing money ended up in people's pockets and so caused inflation Milton Friedman, founder of Monetarism, imagined government helicopters dropping money from the skies. . .

<sup>77</sup> See section G.3.6 of *An Anarchist FAQ*. A useful post-Keynesian introduction and analysis of banking and interest can be found in Hugh Stretton's *Economics: A New Introduction* (London: Pluto Press, 2000).

<sup>78</sup> Ehrenberg, 88

<sup>79</sup> *Correspondance* 2: 307, 308

<sup>80</sup> *Correspondance* 6: 372

<sup>81</sup> *No Gods, No Masters*, 75

<sup>82</sup> *Correspondance* 14: 295

Moreover, the necessity to differentiate his ideas from other socialists who advocated “the organisation of labour” (such as Louis Blanc) must also have played its part in Proudhon’s use of “the organisation of credit.” Given his opposition to centralised state-based systems of labour organisation it made little sense to use the same expression to describe his vision of a self-managed and decentralised socialism.

### *ON THE STATE*

Proudhon subjected the state to withering criticism. For some, this has become the defining aspect of his theories (not to mention anarchism in general). This false. This opposition to the state flowed naturally from the critique of property and so anarchist anti-statism cannot be abstracted from its anti-capitalism. While recognising that the state and its bureaucracy had exploitative and oppressive interests of its own, he analysed its role as an instrument of class rule:

In a society based on the principle of inequality of conditions, government, whatever it is, feudal, theocratic, bourgeois, imperial, is reduced, in last analysis, to a system of insurance for the class which exploits and owns against that which is exploited and owns nothing.<sup>83</sup>

He repeatedly pointed to its function of “protecting the nobility and upper class against the lower classes.”<sup>84</sup> This analysis was consistent throughout his political career. In 1846 he had argued that the state “finds itself inevitably enchained to capital and directed against the proletariat.”<sup>85</sup>

So what was the state? For Proudhon, the state was a body above society, it was “the EXTERNAL constitution of the social power” by which the people delegate “its power and sovereignty” and so “does not govern itself; now one individual, now several, by a title either elective or hereditary, are charged with governing it, with managing its affairs, with negotiating and compromising in its name.” Anarchists “deny government and the State, because we affirm that which the founders of States have never believed in, the personality and autonomy of the masses.” Ultimately, “the only way to organise democratic government is to abolish government.”<sup>86</sup>

His attacks on “Direct Legislation” and “Direct Government” in *General Idea of the Revolution* refer to using elections and referenda in a centralised state on a national scale rather than decentralised communal self-government. For Proudhon democracy could not be limited to a nation as one unit periodically picking its rulers (“nothing resembles a monarchy more than a *république unitaire*”<sup>87</sup>). Its real meaning was much deeper: “politicians, whatever their colours, are insurmountably repelled by anarchy which they construe as disorder: as if democracy could be achieved other

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<sup>83</sup> *Oeuvres Complètes* 21: 121

<sup>84</sup> *General Idea of the Revolution*, 286

<sup>85</sup> *System of Economical Contradictions*, 399. Which makes a mockery of Engels claims that Proudhon had, in 1851, appropriated, without acknowledgement, Marx’s ideas as his own. In a letter to Marx, Engels proclaimed that he was “convinced” that the Frenchman had read *The Communist Manifesto* and Marx’s *The Class Struggles in France* as “our premises on the decisive historical initiative of material production, class struggle, etc., largely adopted”: “A number of points were indubitably lifted from them – e.g., that a *gouvernement* is nothing but the power of one class to repress the other, and will disappear with the disappearance of the contradictions between classes.” (*Marx-Engels Collected Works* 38: 434-5). In reality, Proudhon had concluded that the state was an instrument of class power long before Marxism was invented.

<sup>86</sup> *Oeuvres Complètes* 19: 11, 12, 15

<sup>87</sup> quoted in Vincent, 211

than by distribution of authority and as if the true meaning of the word ‘democracy’ was not dismissal of government.”<sup>88</sup>

Given this analysis, it becomes unsurprising that Proudhon did not seek political power to reform society. This was confirmed when, for a period, he was elected to the National Assembly in 1848: “As soon as I set foot in the parliamentary Sinai, I ceased to be in touch with the masses; because I was absorbed by my legislative work, I entirely lost sight of the current events... One must have lived in that isolator which is called a National Assembly to realise how the men who are most completely ignorant of the state of the country are almost always those who represent it.” There was “ignorance of daily facts” and “fear of the people” (“the sickness of all those who belong to authority”) for “the people, for those in power, are the enemy.”<sup>89</sup>

Real change must come from “outside the sphere of parliamentarism, as sterile as it is absorbing.”<sup>90</sup> Unsurprisingly, then, the “social revolution is seriously compromised if it comes through a political revolution”<sup>91</sup> and “to be in politics was to wash one’s hands in shit.”<sup>92</sup>

Thus, rather than having some idealistic opposition to the state,<sup>93</sup> Proudhon viewed it as an instrument of class rule which could not be captured for social reform. As David Berry suggests, “repeated evidence of the willingness of supposedly progressive republican bourgeoisie to resort to violent repression of the working classes had led Proudhon, like many of his class and generation, to lose faith in politics and the state and to put the emphasis on working-class autonomy and on the question of socio-economic organisation. For Proudhon and the mutualists, the lessons of the workers’ uprising of 1830 and 1848 were that the powers of the state were merely another aspect of the powers of capital, and both were to be resisted equally strongly.”<sup>94</sup>

### *ON STATE SOCIALISM*

Like other libertarians, Proudhon was extremely critical of state socialist schemes which he opposed just as much as he did capitalism: “The entire animus of his opposition to what he termed ‘community’ was to avoid the central ownership of property and the central control of economic and social decision-making.”<sup>95</sup>

He particularly attacked the ideas of Jacobin socialist Louis Blanc whose *Organisation of Work* argued that social ills resulted from competition and they could be solved by eliminating it. “The Government”, argued Blanc, “should be regarded as the supreme director of production, and invested with great strength to accomplish its task.” The government would “raise a loan” to create social workplaces, “provide” them “with Statues” which “would have the force and form of laws” and “regulate the

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<sup>88</sup> *No Gods, No Masters*, 57

<sup>89</sup> quoted in George Woodcock, *Pierre-Joseph Proudhon: A Biography* (Montréal: Black Rose, 1987), 129 (*Proudhon*)

<sup>90</sup> *General Idea of the Revolution*, 45-6

<sup>91</sup> quoted in Woodcock, *Proudhon*, 75

<sup>92</sup> quoted in Vincent, 208

<sup>93</sup> As suggested by Marx in “Political Indifferentism” (*Marx-Engels Collected Works* 23: 392-7)

<sup>94</sup> *A History of the French Anarchist Movement, 1917-1945* (Westport: Greenwood Press, 2002), 16

<sup>95</sup> Vincent, 141. Proudhon usually termed such systems community (*la communauté*) or communism and had in mind such socialists as Henri de Saint-Simon, Charles Fourier, Robert Owen, Louis Blanc and Pierre Leroux. These are usually termed, following Marx, Utopian Socialists and generally thought of socialism as being organised around (usually highly regulated and hierarchical) communities or implemented by means of the state.

hierarchy of workers” (after the first year “the hierarchy would be appointed on the elective principle” by the workers in the associations). Capitalists would “receive interest for their capital” while workers would keep the remaining income. They would “destroy competition” by “availing itself of competition” as their higher efficiency would force capitalist firms to become social workplaces.<sup>96</sup>

Proudhon objected to this scheme on many levels. Blanc appealed “to the state for its silent partnership; that is, he gets down on his knees before the capitalists and recognises the sovereignty of monopoly.” As it was run by the state, the system of workshops would hardly be libertarian as “hierarchy would result from the elective principle... as in constitutional politics... Who will make the law? The government.”<sup>97</sup> This was because of the perspective of state socialists:

As you cannot conceive of society without hierarchy, you have made yourselves the apostles of authority; worshippers of power, you think only of strengthening it and muzzling liberty; your favourite maxim is that the welfare of the people must be achieved in spite of the people; instead of proceeding to social reform by the extermination of power and politics, you insist on a reconstruction of power and politics.<sup>98</sup>

Proudhon questioned whether any regime based on “from each according to their abilities, to each according to their needs” could avoid conflict due to individuals and society disagreeing over what these were. This would result in either oppression (“What difference is there then between fraternity and the wage system?”) or the society’s “end from lack of associates.”<sup>99</sup> He was also doubtful that state monopolies could efficiently allocate resources.<sup>100</sup> Ultimately, the problem was that reform by means of the state violated basic socialist principles:

M. Blanc is never tired of appealing to authority, and socialism loudly declares itself anarchistic; M. Blanc places power above society, and socialism tends to subordinate it to society; M. Blanc makes social life descend from above, and socialism maintains that it springs up and grows from below; M. Blanc runs after politics, and socialism is in quest of science. No more hypocrisy, let me say to M. Blanc: you desire neither Catholicism nor monarchy nor nobility, but you must have a God, a religion, a dictatorship, a censorship, a hierarchy, distinctions, and ranks. For my part, I deny your God, your authority, your sovereignty, your judicial State, and all your representative mystifications.<sup>101</sup>

Proudhon continually stressed that state control of the means of production was a danger to the liberty of the worker and simply the continuation of capitalism with the state as the new boss. He rejected the call of “certain utopians” that “the Government seize trade, industry and agriculture, to add them to its attributes and to

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<sup>96</sup> *Revolution from 1789 to 1906* (New York: Harper Torchbooks, 1962), P.W. Postgate (ed.), 186-7

<sup>97</sup> *System of Economical Contradictions*, 313, 269

<sup>98</sup> *System of Economical Contradictions*, 397

<sup>99</sup> *General Idea of the Revolution*, 96-7

<sup>100</sup> “How much does [a product] sold by the [state] administration cost? How much is it worth? You can answer the first of these questions: you need only call at the first... shop you see. But you can tell me nothing about the second, because you have no standard of comparison and are forbidden to verify by experiment ... business, made into a monopoly, necessarily costs society more than it brings in.”

(*System of Economical Contradictions*, 232-3)

<sup>101</sup> *System of Economical Contradictions*, 263

make the French nation a nation of wage-workers.”<sup>102</sup> Nationalisation would simply be “more wage slavery.”<sup>103</sup>

The net result of state socialism would be “a compact democracy, seemingly rooted in dictatorship of the masses, but wherein the masses merely have the opportunity to consolidate universal slavery in accordance with formulas and guidelines borrowed from the former absolutism”: “Indivisibility of power”; “Voracious centralisation”; “Systematic demolition of all individual, corporative and local thought, these being deemed sources of discord”; and “Inquisitorial policing.”<sup>104</sup>

Proudhon’s fears on the inefficiency of state socialism and that it would be little more than state capitalist tyranny became all too real under Leninism. His prediction that reformist socialism would simply postpone the abolition of exploitation indefinitely while paying capitalists interest and dividends was also proven all too correct (as can be seen with the British Labour Party’s post-war nationalisations).

Proudhon’s polemics against state socialists have often been taken to suggest that he considered his mutualism as non-socialist (this is often generalised into anarchism as well, with a contrast often being made between it and the wider socialist movement). Occasionally (most notably in *System of Economic Contradictions*) Proudhon used the term “socialism” to solely describe the state socialist schemes he opposed.<sup>105</sup> Usually, however, he described himself as a socialist<sup>106</sup> and publicly embraced the Red Flag at the start of the 1848 revolution,<sup>107</sup> considering it “the federal standard of humanity, the symbol of universal fraternity” signifying the “Abolition of the proletariat and of servitude” and “Equality of political rights: universal suffrage.”<sup>108</sup>

Socialism, for Proudhon, was “the final term, the complete expression of the Republic.”<sup>109</sup> So although he criticised both centralised democracy and state socialism, he still considered himself a democrat and socialist: “We are also democracy and socialism; we may at times laugh at both the names and the personnel, but what those words cover and what those people stand for belong to us also; we must be careful of them!”<sup>110</sup> Proudhon stated the obvious: “Modern Socialism was not founded as a sect or church; it has seen a number of different schools.”<sup>111</sup> Like Bakunin and Kropotkin, he argued against state socialism and called for a decentralised, self-managed, federal, bottom-up socialism: anarchism.

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<sup>102</sup> *Oeuvres Complètes* 6: 12

<sup>103</sup> *No Gods, No Masters*, 77-8

<sup>104</sup> *No Gods, No Masters*, 125

<sup>105</sup> “As critic, having sought social laws through the negation of property, I belong to socialist protest... In seeking to achieve practical improvements, I repudiate socialism with all my strength.” (quoted in Hayward, 183).

<sup>106</sup> “I am a socialist.” (*Selected Writings*, 195) He also considered his critique of property as a “socialist polemic.” (*Oeuvres Complètes* 20: 50)

<sup>107</sup> *Oeuvres Complètes* 6: 20-1

<sup>108</sup> *Carnets* (Paris: Marcel Riviere, 1968) 3: 289

<sup>109</sup> quoted in Vincent, 189

<sup>110</sup> quoted in Henri de Lubac, *The Un-Marxian Socialist: A Study of Proudhon* (New York: Octagon Books, 1978), 29-30

<sup>111</sup> *Selected Writings*, 177

## ON TRANSITION

While Proudhon repeatedly called himself a revolutionary and urged a “revolution from below”, he also rejected violence and insurrection. While later anarchists like Bakunin and Kropotkin embraced the class struggle, including strikes, unions and revolts, Proudhon opposed such means and preferred peaceful reform: “through Political Economy we must turn the theory of Property against Property in such a way as to create... *liberty*.”<sup>112</sup>

Unsurprisingly, as he considered the state as being dominated by capital, the “problem before the labouring classes... consists not in capturing, but in subduing both power and monopoly, – that is, in generating from the bowels of the people, from the depths of labour, a greater authority, a more potent fact, which shall envelop capital and the state and subjugate them.” For, “to combat and reduce power, to put it in its proper place in society, it is of no use to change the holders of power or introduce some variation into its workings: an agricultural and industrial combination must be found by means of which power, today the ruler of society, shall become its slave.”<sup>113</sup>

The 1848 revolution gave Proudhon the chance to implement this strategy. On May 4<sup>th</sup> he “propose[d] that a provisional committee be set up to orchestrate exchange, credit and commerce amongst the workers” and this would “liaise with similar committees” elsewhere in France. This would be “a body representative of the proletariat..., a state within the state, in opposition to the bourgeois representatives.” He urged that “a new society be founded in the centre of the old society” by the working class for “the government can do nothing for you. But you can do everything for yourselves”<sup>114</sup>

Proudhon also pointed to the clubs, directly democratic neighbourhood associations grouped around political tendencies, seeing them “as the beginning for a true popular democracy, sensitive to the needs of the people.”<sup>115</sup> As Peter Henry Aman describes it, a “newspaper close to the club movement, Proudhon’s *Le Représentant du Peuple*, suggested a division of labour between clubs and National Assembly... By shedding light on social questions, the daily club discussions would prepare the National Assembly’s legislative debates as ‘the indispensable corollary.’ This flattering vision of a dual power, with clubs representing ‘the poorest and most numerous parts of the population,’ apparently proved seductive.”<sup>116</sup> In 1849 Proudhon argued that clubs “had to be organised. The organisation of popular societies was the fulcrum of democracy, the corner-stone of the republican order.” These were “the one institution that democratic authorities should have respected, and not just respected but also fostered and organised.”<sup>117</sup> As Daniel Guérin summarised, “in the midst of the 1848 Revolution”, Proudhon “sketched out a minimum libertarian program: progressive reduction in the power of the State, parallel development of the power of

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<sup>112</sup> *Selected Writings*, 151

<sup>113</sup> *System of Economical Contradictions*, 398, 397

<sup>114</sup> *Oeuvres Complètes* 17: 25

<sup>115</sup> *Gemie*, 129

<sup>116</sup> *Revolution and Mass Democracy: The Paris Club Movement in 1848* (Princeton: Princeton University Press, 1975), 200-1

<sup>117</sup> *No Gods, No Masters*, 63

the people from below, through what he called clubs” which today we “would call councils.”<sup>118</sup>

These organisations would be the means of exercising popular pressure and influence onto the state to force it into implementing appropriate reforms for government “can only turn into something and do the work of the revolution insofar as it will be so invited, provoked or compelled by some power outside of itself that seizes the initiative and sets things rolling.”<sup>119</sup> This would be combined with the creation of organisations for mutual credit and production in order to create the framework by which capitalism and the state would disappear. Proudhon “believed fervently... in the salvation of working men, by their own efforts, through economic and social action alone” and “advocated, and to a considerable extent inspired, the undercutting of this terrain [of the state] from without by means of autonomous working-class associations.”<sup>120</sup> He hoped that the “proletariat, gradually dejacobinised” would seek “its share not only of direct suffrage in the affairs of society but of direct action.”<sup>121</sup>

Over a decade later Proudhon noted that in 1848 he had “called upon the state to intervene in establishing” various “major public utilities” but “once the state had completed its task of creation” then these should not be left in its hands.<sup>122</sup> Rather than “fatten certain contractors,” the state should create “a new kind of property” by “granting the privilege of running” public utilities “to responsible companies, not of capitalists, but of *workmen*.” Municipalities and their federations would take the initiative in setting up public works but actual control would rest with workers’ co-operatives for “it becomes necessary for the workers to form themselves into democratic societies, with equal conditions for all members, on pain of a relapse into feudalism.”<sup>123</sup> As he summarised in his notebooks:

the abolition of the State is the last term of a series, which consists of an incessant diminution, by political and administrative simplification the number of public functionaries and to put into the care of responsible workers societies the works and services confided to the state.<sup>124</sup>

Thus “the most decisive result of the Revolution is, after having organised labour and property, to do away with political centralisation, in a word, with the State.”<sup>125</sup>

This may, for some, appear as a contradiction in Proudhon’s ideas for, as an anarchist, he was against the state. This would be a superficial analysis as it confuses

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<sup>118</sup> *Anarchism: From Theory to Practice* (New York: Monthly Review Press, 1970), 152-3. Proudhon “demanded that a network of proletarian committees – Soviets, we might say – should be constituted to fight” the National Assembly. (Postgate, 205)

<sup>119</sup> *Oeuvres Complètes* 17: 28. Interestingly, given Proudhon’s opposition to economic strikes, during his discussion of “legal resistance” to oppressive governments in Chapter XVIII of *Confessions of a Revolutionary* he pointed to when the plebs walked out of Rome during their struggle with the aristocratic patricians in 494 B.C. In effect a general strike it left the patricians rulers of an empty city. He was sure that if this were repeated centralisation would soon be replaced by federalism.

<sup>120</sup> Paul Thomas, *Karl Marx and the Anarchists* (London: Routledge & Kegan Paul plc, 1985), 177-8  
<sup>121</sup> quoted in Hayward, 201

<sup>122</sup> *The Principle of Federation* (Toronto: University of Toronto Press, 1980), 46

<sup>123</sup> *General Idea of the Revolution*, 151, 276-7

<sup>124</sup> *Carnets* 3: 293

<sup>125</sup> *General Idea of the Revolution*, 286

short-term reforms and long-term social transformation. Moreover, anarchism is not purely anti-state. It is also anti-capitalist and so advocating capitalist banking or the privatisation of utilities and industries would be anti-anarchist. Proudhon was *not* advocating nationalisation (or state socialism). He simply considered limited state action to create the correct environment to allow co-operatives to flourish and to run public services and utilities as being more consistent with libertarian goals than supporting wage-labour by turning more parts of the economy over to the capitalist class.

In the grim days of the Second Empire, when the hopes and self-activity of 1848 appeared to be crushed, Proudhon suggested encouraging investors to fund co-operatives rather than capitalist companies, seeking to encourage the industrial democracy he wished to replace the industrial feudalism of capitalism by means of the institutions of capitalism itself. In return for funds, the capitalists would receive dividends until such time as the initial loan was repaid and then the company would revert into a proper co-operative (i.e., one owned as well as operated by its workers).<sup>126</sup> So the optimism produced by February revolution that drove his more obviously anarchist works that climaxed in 1851's *General Idea of the Revolution* gave way more cautious reforms. Significantly, in the 1860s, "Proudhon's renewed interest in socialism was precipitated... by the renewed activity of workers themselves."<sup>127</sup>

So, in general, Proudhon placed his hopes for introducing socialism in alternative institutions created by working class people themselves and "insisted that the revolution could only come from below, through the action of the workers themselves."<sup>128</sup> Joining the government to achieve that goal was, for Proudhon, contradictory and unlikely to work. The state was a centralised, top-down structure and so unable to take into account the real needs of society:

experience testifies and philosophy demonstrates... that any revolution, to be effective, must be spontaneous and emanate, not from the heads of the authorities but from the bowels of the people: that government is reactionary rather than revolutionary: that it could not have any expertise in revolutions, given that society, to which that secret is alone revealed, does not show itself through legislative decree but rather through the spontaneity of its manifestations: that, ultimately, the only connection between government and labour is that labour, in organising itself, has the abrogation of government as its mission.<sup>129</sup>

This suggested a bottom-up approach, socialism *from below* rather than a socialism imposed by the state:

The Revolution *from above* is the intervention of power in everything; it is the absolutist initiative of the State, the pure governmentalism of... Louis Blanc. The Revolution *from above* is the negation of collective activity, of popular spontaneity... What serious and lasting Revolution was not made *from below*, by the people? How did the Revolution of 1789 come about? How was that of February made? The Revolution

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<sup>126</sup> Letter to Villiamé, 24th January 1856 (*Correspondance* 7: 8-21)

<sup>127</sup> Vincent, 220

<sup>128</sup> Vincent, 157

<sup>129</sup> *No Gods, No Masters*, 67

*from above* has never been other than the oppression of the wills of those below.<sup>130</sup>

Ultimately: “No authority is compatible with the principle of mutuality, but no authority can help bring about reform. For all authority is antithetical to equality and justice.”<sup>131</sup>

Proudhon’s overarching perspective was to avoid violence and so as well as encouraging working class self-activity he also sought to persuade the capitalist class that social reform, as well as benefiting the working class, would also benefit them in terms of a general improved standard of living and freedom and so they had no reason to oppose it.<sup>132</sup> The bourgeoisie were not convinced and after the experience of the Second Republic his calls upon them ceased. Instead, he completely directed his hopes for reform towards the activities of working class people themselves, in their ability to act for themselves and build just and free associations and federations. This perspective was hardly new, though. As he put it in 1842’s *Warning to Proprietors*:

Workers, labourers, men of the people, whoever you may be, the initiative of reform is yours. It is you who will accomplish that synthesis of social composition which will be the masterpiece of creation, and you alone can accomplish it.<sup>133</sup>

For “revolutionary power... is no longer in the government or the National Assembly, it is in you. Only the people, acting directly, without intermediaries, can bring about the economic revolution.”<sup>134</sup> It was Proudhon “who first drew to the attention of the wider public of Europe the fact that socialism would henceforward become identified, not with the plans of utopian dreamers, but with the concrete and daily struggles of the working class.”<sup>135</sup> It is this vision which was taken up and expanded upon by subsequent generations of libertarians.

As he refused to suggest that socialists should take state power themselves but, instead, organise outside political structures to create a socialist society Proudhon’s various schemes of social change, while reformist, were ultimately anarchistic in nature. This became clear in his final work, *The Political Capacity of the Working Classes*, where he advocated a radical separation of the working class from bourgeois institutions, urging that they should organise themselves autonomously and reject all participation in bourgeois politics.<sup>136</sup> Such an alliance between the proletariat, artisans and peasantry (the plural working *classes* of the title<sup>137</sup>) would replace the bourgeois regime with a mutualist one as the workers became increasingly conscious of themselves as a class and of their growing political capacity. This perspective “is

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<sup>130</sup> quoted in Woodcock, *Proudhon*, 143

<sup>131</sup> quoted in Alan Ritter, *The Political Thought Of Pierre-Joseph Proudhon* (Princeton: Princeton University Press, 1969), 163

<sup>132</sup> See, for example, “Résumé de la Question Sociale” (*Oeuvres Complètes* 17: 29-30)

<sup>133</sup> quoted in Woodcock, *Proudhon*, 64

<sup>134</sup> quoted in Hayward, 186

<sup>135</sup> George Woodcock, *Anarchism and Anarchists: Essays* (Kingston, Ontario: Quarry Press, 1992), 150

<sup>136</sup> Proudhon’s arguments for electoral abstention can be found in his lengthy 1864 “Letter to Workers” (*No Gods, No Masters*, 110-122)

<sup>137</sup> “Proudhon always wished to separate the *haute bourgeoisie* from the *petite bourgeoisie*, and to reconcile the latter with salaried workers... all the works have the same fundamental message: cooperation between the proletariat and the *petite bourgeoisie* (or ‘middle-class’), exclusion of the *haute bourgeoisie* of *propriétaires-capitalistes-entrepreneurs*.” (Vincent, 293)

nothing less than the dispute which would later split Marxists from anarchists, and... socialists from syndicalists.”<sup>138</sup>

### *ON MUTUALIST SOCIETY*

In place of capitalism and the state, Proudhon suggested a socio-economic federal system, a decentralised federation of self-managed associations.<sup>139</sup>

This federation’s delegates would be mandated and subject to recall by their electors: “we can follow [our deputies] step by step in their legislative acts and their votes; we shall make them transmit our arguments and our documents; we shall indicate our will to them, and when we are discontented, we will revoke them... the imperative mandate [*mandat impératif*], permanent revocability, are the most immediate, undeniable, consequences of the electoral principle. It is the inevitable program of all democracy.”<sup>140</sup> Moreover, the “legislative power is not distinguished from the executive power.”<sup>141</sup>

This system would be based on free association and would reject the “unity that tends to absorb the sovereignty of the villages, cantons, and provinces, into a central authority. Leave to each its sentiments, its affections, its beliefs, its languages and its customs” “The first effect of centralisation,” Proudhon stressed, “is to bring about the disappearance, in the diverse localities of the country, of all types of indigenous character; while one imagines that by this means to exalt the political life among the masses, one in fact destroys it... The fusion that is to say the annihilation, of particular nationalities where citizens live and distinguish themselves, into an abstract nationality where one can neither breathe nor recognise oneself: there is unity.”<sup>142</sup>

He based his federalism on functional groups, in both society and economy. As his discussion of “collective force” in “*Petit Catéchisme Politique*” shows,<sup>143</sup> Proudhon was no individualist. He was well aware that groups were greater than the sum of their parts and viewed federalism as the best means of allowing this potential to be generated and expressed. Only that could ensure a meaningful democracy (what anarchists call self-management) rather than the current system of centralised, statist, democracy in which people elect their rulers every 4 years. Thus “universal suffrage provides us,... in an embryonic state, with the complete system of future society. If it is reduced to the people nominating a few hundred deputies who have no initiative... social sovereignty becomes a mere fiction and the Revolution is strangled at birth.”<sup>144</sup> By contrast, his mutualist society was fundamentally democratic:

We have, then, not an abstract sovereignty of the people, as in the Constitution of 1793 and subsequent constitutions, or as in Rousseau’s Social Contract, but an effective sovereignty of the working, reigning, governing masses... how could it be otherwise if they are in charge of

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<sup>138</sup> Vincent, 222

<sup>139</sup> “If political right is inherent in man and citizen, consequently if suffrage ought to be direct, the same right is inherent as well, so much the more so, for each corporation [see note 52], for each commune or city, and the suffrage in each of these groups, ought to be equally direct.” (quoted in Vincent, 219)

<sup>140</sup> *Oeuvres Complètes* 6: 58. “My opinion is that the mandate should be imperative and at any moment revocable.” (*Carnets* 3: 45)

<sup>141</sup> *Oeuvres Complètes* 22: 125

<sup>142</sup> quoted in Vincent, 211, 219

<sup>143</sup> *De La Justice dans La Révolution et dans L’Église*, 4<sup>th</sup> Study.

<sup>144</sup> *Selected Writings*, 123

the whole economic system including labour, capital, credit, property and wealth?<sup>145</sup>

Initially, Proudhon focused on economic federalism. In his *Programme révolutionnaire* of early 1848 he “had spoken of organising society into democratically controlled groups of workers and professionals. These would form a congress which would determine how to deal with those issues of a national scope beyond the competency of any one category.”<sup>146</sup> However, three years later, in *General Idea of the Revolution*, he placed communes at the heart of his agricultural reforms as well as for public works. After 1852 he became more explicit, adding a geographical federalism to economic federalism. The two cannot be considered in isolation:

Proudhon placed socioeconomic relations on as high a level (or higher) than political ones. Proudhon’s... federalism... was to apply to all public dimensions of society. A just society required the autonomy of workshops *and* of communes: advancement on one level alone had little chance of success. Without political federalism, he warned, economic federalism would be politically impotent... Workers’ associations would be ineffective in a political environment which encouraged meddling by the central administration. Conversely, without economic mutualism, political federalism would remain impotent and precarious... and would degenerate back into centralism. In short, it was necessary that federalism be both professional and regional, both social and political.<sup>147</sup>

There were three alternatives: capitalism (“monopoly and what follows”), state socialism (“exploitation by the State”) or “a solution based on equality, – in other words, the organisation of labour, which involves the negation of political economy and the end of property.”<sup>148</sup> Rejecting the first two, Proudhon favoured *socialisation*,<sup>149</sup> genuine common-ownership and free access of the means of production and land.<sup>150</sup> The “land is indispensable to our existence, consequently a common thing, consequently insusceptible of appropriation” and “all capital, whether material or mental, being the result of collective labour, is, in consequence, collective property”<sup>151</sup> Self-managed workers’ associations would run industry. In short:

Under the law of association, transmission of wealth does not apply to the instruments of labour, so cannot become a cause of inequality... We are socialists... under universal association, ownership of the land and of the instruments of labour is *social* ownership... We want the mines, canals, railways handed over to democratically organised workers’

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<sup>145</sup> *Selected Writings*, 116-7

<sup>146</sup> Vincent, 210. Specifically: “it is when the representative of the people will be the expression of organised labour that the people will have a true representation... Outside of that, one had nothing but deception, impotence, waste, corruption, despotism.” Moreover: “The State, in a well organised society, must be reduced... to nothing.” (*Oeuvres Complètes* 17: 73)

<sup>147</sup> Vincent, 216

<sup>148</sup> *System of Economical Contradictions*, 253

<sup>149</sup> This should not be confused with *nationalisation*. See section I.3.3 of *An Anarchist FAQ*.

<sup>150</sup> As Proudhon stressed in a letter to Pierre Leroux: “it does not follow at all... that I want to see individual ownership and non-organisation of the instruments of labour endure for all eternity. I have never penned nor uttered any such thing: and have argued the opposite a hundred times over.”

(*Correspondance*, 14: 293)

<sup>151</sup> *What is Property?*, 107, 153

associations... We want these associations to be models for agriculture, industry and trade, the pioneering core of that vast federation of companies and societies, joined together in the common bond of the democratic and social Republic.<sup>152</sup>

Against property, Proudhon argued for possession. This meant free access to the resources required to live and the inability to bar access to resources you claimed to own but did not use. Those who used a resource (land, tools, dwelling, workplace) should control both it and the product of their labour. Such possession allowed people to live and prosper and was the cornerstone of liberty. Whether on the land or in industry, Proudhon's aim was to create a society of "possessors without masters."<sup>153</sup>

Only self-governing producers associations could be the basis for a society in which concentration of political, economic and social power can be avoided and individual freedom protected: "Because the right to live and to develop oneself fully is equal for all, inequality of conditions is an obstacle to the exercise of this right."<sup>154</sup>

So "political right had to be buttressed by economic right" for if society became "divided into two classes, one of landlords, capitalists, and entrepreneurs, the other of wage-earning proletarians" then "the political order will still be unstable." To avoid this outcome an "agro-industrial federation" was required which would "provide reciprocal security in commerce and industry" and "protect the citizens... from capitalist and financial exploitation." In this way, the agro-industrial federation "will tend to foster increasing equality... through mutualism in credit and insurance... guaranteeing the right to work and to education, and an organisation of work which allows each labourer to become a skilled worker and an artist, each wage-earner to become his own master." Mutualism recognises that "industries are sisters" and so "should therefore federate, not in order to be absorbed and confused together, but in order to guarantee mutually the conditions of common prosperity, upon which no one has exclusive claim."<sup>155</sup>

The empirical evidence for economic federalism is supportive of it. In negative terms, it is clear that isolated co-operatives dependent on funding from capitalist banks find it hard to survive and grow. In positive terms, it is no coincidence that the Mondragon co-operative complex in the Basque region of Spain has a credit union and mutual support networks between its co-operatives and is by far the most successful co-operative system in the world. Other successful clusters of co-operation within capitalism also have support networks.<sup>156</sup> Clear evidence for Proudhon's argument that all industries are related and need to support each other.

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<sup>152</sup> *Oeuvres Complètes* 17: 188-9

<sup>153</sup> *What is Property?*, 167

<sup>154</sup> quoted in Ehrenberg, 48-9

<sup>155</sup> *The Principle of Federation*, 67, 70-1, 72

<sup>156</sup> One argument against co-operatives is that they do not allow the diversification of risk (all the worker's eggs are placed in one basket). Ignoring the obvious point that most workers today do not own shares and are dependent on their job to survive, this objection can be addressed, as David Ellerman points out, by means of "the *horizontal association* or grouping of enterprises to pool their business risk. The Mondragon co-operatives are associated together in a number of regional groups that pool their profits in varying degrees. Instead of a worker diversifying his or her capital in six companies, six companies partially pool their profits in a group or federation and accomplish the same risk-reduction purpose without transferable equity capital." Thus "risk-pooling in federations of co-operatives" ensure that "transferable equity capital is not necessary to obtain risk diversification in the

Proudhon was an early advocate of what is now termed market socialism – an economy of competing co-operatives and self-employed workers. Some incorrectly argue that market socialism is not socialist.<sup>157</sup> Donny Gluckstein, for instance, suggests with casual abandon that Proudhon’s ideas are “easily recognisable as the precursor of neo-liberal economics today” but “were located in a different context and so took a far more radical form when adopted by the male artisan class.”<sup>158</sup>

Such claims are premised on a basic misunderstanding, namely that markets equate to capitalism. Yet this hides the key defining feature of capitalism: wage-labour.<sup>159</sup> Thus capitalism is uniquely marked by wage-labour, not markets (which pre-date it by centuries) and so it is possible to support markets while being a socialist. In a mutualist society, based on workers’ self-management and socialisation, wage-labour would not exist. Rather workers would be seeking out democratic associations to join and, once a member, have the same rights and duties as others within it.<sup>160</sup> In short, as K. Steven Vincent argues, “Proudhon consistently advanced a program of industrial democracy which would return control and direction of the economy to the workers. And he envisaged such a socialist program to be possible only within the framework of a society which encouraged just social relationships and which structured itself on federal lines.”<sup>161</sup>

It is also fair to ponder when has an advocate of neo-liberal economics ever argued that the idol of laissez-faire capitalism, the law of supply and demand, was a “deceitful law... suitable only for assuring the victory of the strong over the weak, of those who own property over those who own nothing”?<sup>162</sup> Or denounced capitalist firms because they result in the worker being “subordinated, exploited: his permanent

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flow of annual worker income.” (*The Democratic Worker-Owned Firm: A New Model for East and West* [Boston, Mass.: Unwin Hyman, 1990], 104)

<sup>157</sup> Leninist David McNally talks of the “anarcho-socialist Pierre-Joseph Proudhon” and how Marx combated “Proudhonian socialism” before concluding that it was “non-socialism” because it has “wage-labour and exploitation.” (*Against the Market: Political Economy, Market Socialism and the Marxist Critique* [London: Verso, 1993], 139, 169). As Justin Schwartz correctly points out, “McNally is right that even in market socialism, market forces rule workers’ lives” and this is “a serious objection” however “it is not tantamount to capitalism or to wage labour” and it “does not have exploitation in Marx’s sense (i.e., wrongful expropriation of surplus by non-producers).” (*The American Political Science Review* 88: 4 [1994]: 982)

<sup>158</sup> Gluckstein, 72. Interestingly, various Marxists have suggested, but never proven, that neo-classical economics was a response to Marx. This not only ignores the earlier socialists who utilised classical economics to attack capitalism, it also ignores the awkward fact that Léon Walras, one of the founders of that economic theology, wrote a book attacking Proudhon in 1860.

<sup>159</sup> Engels stressed that the “object of production – to produce commodities – *does not import* to the instrument the character of capital” as the “production of commodities is one of the preconditions for the existence of capital... as long as the producer sells only *what he himself* produces, he is not a capitalist; he becomes so only from the moment he makes use of his instrument *to exploit the wage labour of others.*” (*Marx-Engels Collected Works* 47: 179-80) In this he was merely echoing Marx (*Capital: A Critique of Political Economy* [London: Penguin Books, 1976] 1: 270-3, 875, 949-50)

<sup>160</sup> As Ellerman explains, the democratic workplace “is a social community, a community of work rather than a community of residence. It is a republic, or *res publica* of the workplace. The ultimate governance rights are assigned as personal rights... to the people who work in the firm... This analysis shows how a firm can be socialised and yet remain ‘private’ in the sense of not being government-owned.” In such an economy “the labour market would not exist” as labour would “always be the residual claimant.” “There would be a job market in the sense of people looking for firms they could join but it would not be a labour market in the sense of the selling of labour in the employment contract.” (76, 91)

<sup>161</sup> Vincent, 230

<sup>162</sup> quoted in Ritter, 121

condition is one of obedience” and so people are related as “subordinates and superiors” with “two... castes of masters and wage-workers, which is repugnant to a free and democratic society” and urged co-operatives to replace them?<sup>163</sup> Or suggested that we “shall never have real workingmen’s associations until the government learns that public services should neither be operated by itself or handed over to private stock companies; but should be leased on contract to organised and responsible companies of workers”?<sup>164</sup> Nor would an ideologue of laissez-faire capitalism be happy with an agro-industrial federation nor would they advocate regulation of markets:

The advocates of mutualism are as familiar as anyone with the laws of *supply* and *demand* and they will be careful not to infringe them. Detailed and frequently reviewed statistics, precise information about needs and living standards, an honest breakdown of cost prices... the fixing after amicable discussion of a *maximum* and *minimum* profit margin, taking into account the risks involved, the organising of regulating societies; these things, roughly speaking, constitute all the measures by which they hope to regulate the market.<sup>165</sup>

Finally, what neo-liberal would proclaim: “What is the capitalist? Everything! What should he be? Nothing!”?<sup>166</sup> Or that “I belong to the Party of Work against the party of Capital”?<sup>167</sup>

In fact, Proudhon had nothing but contempt for the neo-liberals of his time and they for him.<sup>168</sup> He recognised the class basis of mainstream economic ideology: “Political economy, as taught by MM. Say, Rossi, Blanqui, Wolovski, Chevalier, etc., is only the economy of the property-owners, and its application to society inevitably and organically gives birth to misery.”<sup>169</sup> In short: “The enemies of society are Economists.”<sup>170</sup> Claims that Proudhon was a propertarian or a supporter of neo-liberalism simply misunderstand both capitalism and Proudhon’s ideas.

Unsurprisingly, then, Bakunin wrote of Proudhon’s “socialism, based on individual and collective liberty and upon the spontaneous action of free

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<sup>163</sup> *General Idea of the Revolution*, 215-216

<sup>164</sup> quoted in Dorothy W. Douglas, “Proudhon: A Prophet of 1848: Part II”, *The American Journal of Sociology* 35: 1 (1929): 45

<sup>165</sup> *Selected Writings*, 70

<sup>166</sup> As added to the banner of *Le Représentant du Peuple* in August 1848, joining “What is the Producer? Nothing. What should he be? Everything!” (quoted in Woodcock, *Proudhon*, 136, 123)

<sup>167</sup> quoted in Hayward, 172

<sup>168</sup> “The school of Say,” Proudhon argued, was “the chief focus of counter-revolution” and “has for ten years past seemed to exist only to protect and applaud the execrable work of the monopolists of money and necessities, deepening more and more the obscurity of a science [economics] naturally difficult and full of complications.” (*General Idea of the Revolution*, 225) All of which seems sadly too applicable today!

<sup>169</sup> quoted in de Lubac, 190. Not to mention their role as apologists for the system: “Capitalistic exploitation, despised by the ancients, who certainly were better informed on this subject than we, for they saw it in its origin, was thus established: it was reserved for our century to supply it with defenders and advocates.” (*Oeuvres Complètes* 19: 236)

<sup>170</sup> *Carnets* 3: 209. Proudhon would not have been surprised that neo-classical economics turned political economy into little more than a public relations exercise for the *rentier* classes he criticised: capitalists, landlords and bankers. It was largely to counter such telling criticisms of their unearned wealth that economics was limited to mathematically expounding on unrealistic assumptions that are so blatantly self-serving to the *status quo*.

associations.”<sup>171</sup> Proudhon is placed firmly into the socialist tradition due to his support for workers associations and his belief that “socialism is... the elimination of misery, the abolition of capitalism and of wage-labour, the transformation of property, the decentralisation of government, the organisation of universal suffrage, the effective and direct sovereignty of the workers, the equilibrium of economic forces, the substitution of the contractual regime for the legal regime, etc.”<sup>172</sup> In opposition to various schemes of state socialism and communism, Proudhon argued for a decentralised and federal market socialism based on workers’ self-management of production and community self-government.

## PROUDHON’S LEGACY

As would be expected of the leading French socialist of his time, Proudhon’s impact continued long after his death in 1865. Most immediately was the growth of the *International Working Men’s Association* founded by his followers and the application of many of his ideas by the Paris Commune.<sup>173</sup> His most important contribution to politics was laying the foundations for all the subsequent schools of anarchism.

Another key legacy is his consistent vision of socialism as being rooted in workers’ self-management. Dorothy W. Douglas correctly notes that “the co-operative movement... syndicalism... guild socialism... all bear traces of the kind of self-governing industrial life to which Proudhon looked forward.”<sup>174</sup> This vision was expressed within the First International by both the mutualists and the collectivists around Bakunin. While later eclipsed by schemes of nationalisation, the bankruptcy of such “state capitalism” (to use Kropotkin’s term) has re-enforced the validity of Proudhon’s arguments. Indeed, as Daniel Guérin suggested, when Marxists advocate self-management they “have been reverting... unwittingly and in an unspoken way to the Proudhon school” for “anarchism, ever since Proudhon, has acted as the advocate of... self-management.”<sup>175</sup> No other socialist thinker of his time so consistently advocated workers’ self-management of production or placed it at the core of his socialism.

This is not to say that Proudhon was without flaws, for he had many. He was not consistently libertarian in his ideas, tactics and language. His personal bigotries are disgusting and few modern anarchists would tolerate them.<sup>176</sup> He made some bad decisions and occasionally ranted in his private notebooks (where the worst of his

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<sup>171</sup> *Michael Bakunin: Selected Writings* (London: Jonathan Cape, 1973), 100

<sup>172</sup> quoted in Ehrenberg, 111

<sup>173</sup> There is some irony in knowing that Marx eclipsed Proudhon thanks to these two developments that were dominated by Proudhon’s own followers.

<sup>174</sup> Douglas, 54

<sup>175</sup> “Anarchism Reconsidered”, *Anarchism: A Documentary History of Libertarian Ideas* (Montréal: Black Rose Books, 2009), Vol. 2, Robert Graham (ed.), 280

<sup>176</sup> Namely, racism and sexism. While he did place his defence of the patriarchal family at the core of his ideas, they are in direct contradiction to his own libertarian and egalitarian ideas. In terms of racism, he sometimes reflected the less-than-enlightened assumptions and prejudices of the nineteenth century. While this does appear in his public work, such outbursts are both rare and asides (usually an extremely infrequent passing anti-Semitic remark or caricature). In short, “racism was never the basis of Proudhon’s political thinking” (Gemie, 200-1) and “anti-Semitism formed no part of Proudhon’s revolutionary programme.” (Robert Graham, “Introduction”, *General Idea of the Revolution*, xxxvi) To quote Proudhon: “There will no longer be nationality, no longer fatherland, in the political sense of the words: they will mean only places of birth. Man, of whatever race or colour he may be, is an inhabitant of the universe; citizenship is everywhere an acquired right.” (*General Idea of the Revolution*, 283)

anti-Semitism was expressed). We could go on but to concentrate on these aspects of Proudhon's thought would be to paint a selective, and so false, picture of his ideas and influence. Anarchists seek Proudhon's legacy in those aspects of his ideas that are consistent with the goal of human liberation, not those when he did not rise to the ideals he so eloquently advocated. This is what we discuss here, the positive impact of a lifetime fighting for justice, equality and liberty.

### *INTERNATIONAL WORKINGMEN'S ASSOCIATION*

The *International Workingmen's Association* (IWMA) is usually associated with Marx. In fact, it was created by British trade unionists and "French mutualist workingmen, who in turn were direct followers of Pierre-Joseph Proudhon" ("Contrary to stubborn legend, Karl Marx was not one of its actual founders").<sup>177</sup> The negotiations that lead to its founding began in 1862 when the mutualists (including Henri-Louis Tolain and Eugene Varlin<sup>178</sup>) visited the London International Exhibition.<sup>179</sup>

Like Proudhon, his followers in the IWMA thought workers "should be striving for the abolition of salaried labour and capitalist enterprise" by means of co-operatives for the "manager/employer (patron) was a superfluous element in the production process who was able to deny the worker just compensation for his labour merely by possessing the capital that paid for the workshop, tools, and materials."<sup>180</sup> The French Internationalists were "strongly hostile to centralisation. They were federalists, intent on building up working-class organisations on a local basis and then federating the local federations. The free France they looked forward to was to be a country made up of locally autonomous communes, freely federated for common purposes which required action over larger areas... In this sense they were Anarchists."<sup>181</sup> Thus in 1866 the International officially adopted the Red Flag as its symbol, confirming Proudhon's declaration that "the red flag represents the final revolution... The red flag is the federal standard of humanity!"<sup>182</sup>

Given their role in setting up the International, the mutualists dominated the agenda in its first years. According to the standard, usually Marxist or Marxist-influenced, accounts of the International this initial domination by the mutualists was eclipsed by the rise of a collectivist current (usually identified with Marxism). This is not entirely true. Yes, the Basel Congress of 1869 saw the success of a collectivist motion which was opposed by Tolain and some of his fellow French Internationalists, but this was a debate on the specific issue of agricultural collectivisation rather than a rejection of mutualism as such:

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<sup>177</sup> Woodcock, *Anarchism and Anarchists*, 75. Marx fortuitously turned up to the founding meeting in 1864 after being invited by some German socialist exiles. The IWMA did not become "Marxist" until the gerrymandered Hague Congress of 1872 approved the expulsion of Bakunin and imposed the necessity of "political action" (i.e., standing for elections to capture political power) upon the organisation. It promptly collapsed, although the libertarian sections (such as Belgium, Spain and Italy) successfully organised their own IWMA congresses until 1877.

<sup>178</sup> According to Archer, "the philosophical structure of Tolain's address derived" from Proudhon while the "preponderance of organisers and members of the International in France were Proudhonist." (23) Varlin was "an autodidact bookbinder, labour organiser and leading Proudhonist member of the International." (Tomes, 81)

<sup>179</sup> Woodcock, *Anarchism*, 198-9

<sup>180</sup> Archer, 45

<sup>181</sup> G.D.H. Cole, *A History Of Socialist Thought* (London: Macmillan, 1961), Vol. 2, 140

<sup>182</sup> quoted in Hayward, 246. Proudhon had "predicted in March 1848 the internationalism of the Red Flag." (Hayward, 246)

The endorsement of collectivism by the International at the Basel Congress might appear to be a rejection of the French position on co-operatives. Actually, it was not, for collectivism as it was defined by its proponents meant simply the end of private ownership of agricultural land. Lumped together with this was usually the demand for common ownership of mines and railways.<sup>183</sup>

Thus it was “not a debate over co-operative production in favour of some other model” but rather concerned its extension to agriculture. At the Geneva Congress of 1866 the French mutualists “persuaded the Congress to agree by unanimous vote that there was a higher goal – the suppression of ‘salaried status’ – which... could be done only through co-operatives.” At the Lausanne Congress of 1867, the mutualists around Tolain “acknowledged the necessity of public ownership of canals, roads, and mines” and there was “unanimous accord” on public ownership of “the means of transportation and exchange of goods.” This was Proudhon’s position as well. The proponents of collectivisation at the Lausanne Congress wanted to “extend Tolain’s ideas to all property.”<sup>184</sup>

While the resolution on collectivisation “represents the final decisive defeat of the strict Proudhonist element which, centred in Paris, had dominated in France and had drawn the parameters of the debates at the International’s congresses in the beginning,”<sup>185</sup> this did not automatically mean the end of Proudhonian influences in the International. After all, the main leader of the “collectivist” position was César De Paepe, a self-proclaimed Mutualist and follower of Proudhon. As such, the debate was fundamentally one between followers of Proudhon, not between mutualists and Marxists, and the 1869 resolution was consistent with Proudhon’s ideas. This can be seen from the fact that resolution itself was remarkably Proudhonian in nature, with it urging the collectivisation of roads, canals, railways, mines, quarries, collieries and forests, and these to be “ceded to ‘workers’ companies’ which would guarantee the ‘mutual rights’ of workers and would sell their goods or services at cost.” The land would “be turned over to ‘agricultural companies’ (i.e., agricultural workers) with the same guarantees as those required of the ‘workers’ companies”<sup>186</sup> De Paepe himself clarified the issue: “Collective property would belong to society as a whole, but would be conceded to associations of workers. The State would be no more than a federation of various groups of workers.”<sup>187</sup>

Given that Proudhon had advocated workers’ companies to run publicly owned industries as well as arguing the land was common property and be transferred to communes, the resolution was not the rejection of Proudhon’s ideas that many assume. In fact, it can be considered a logical fusion of his arguments on land ownership and workers’ associations. As Daniel Guérin notes, “in the congresses of the First International the libertarian idea of self-management prevailed over the

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<sup>183</sup> Archer, xxi

<sup>184</sup> Archer, xxi, 69, 101. As an example of the ambiguity of words used at the time, public ownership was to be achieved by means of the state, although the “state” was defined as a “collectivity of individuals” with “no interests apart from society.” (quoted in Archer, 101)

<sup>185</sup> Archer, 171

<sup>186</sup> Archer, 128

<sup>187</sup> quoted in Guérin, *Anarchism*, 47. At the Brussels Congress, De Paepe had “reminded Tolain and other opponents of collective property that they were in favour of collectivising mines, railroads, and canals.” (Archer, 127)

statist concept.”<sup>188</sup> Moreover, at Basel Congress of 1869 “Bakunin emerged as the main champion of collectivism.”<sup>189</sup> As Kropotkin suggested:

As to his economical conceptions, Bakunin described himself, in common with his Federalist comrades of the International (César De Paepe, James Guillaume, Schwitzguébel), a ‘collectivist anarchist’... a state of things in which all necessities for production are owned in common by the labour groups and the free communes, while the ways of retribution of labour, communist or otherwise, would be settled by each group for itself.<sup>190</sup>

So the rise of the collectivists in the IWMA does not represent a defeat for Proudhon’s ideas. Rather, it reflected their development by debates between socialists heavily influenced by the anarchist. This is obscured by the fact that Proudhon’s ideas on workers’ associations are not well known today. Once this is understood, it is easy to see that it was in the IWMA that Proudhon’s mutualist ideas evolved into collectivist and then communist anarchism.

The main areas of change centred on means (reform versus revolution) and the need for strikes, unions and other forms of collective working class direct action and organisation rather than the goal of a federated, associated, self-managed socialist society. As G.D.H. Cole perceptively writes, Varlin “had at bottom a great deal more in common with Proudhon than with Marx” and had a “Syndicalist outlook.”<sup>191</sup> Like Bakunin, Varlin argued that unions have “the enormous advantage of making people accustomed to group life and thus preparing them for a more extended social organisation. They accustom people not only to get along with one another and to understand one another, but also to organise themselves, to discuss, and to reason from a collective perspective.” Again, like Bakunin, Varlin argued that unions also “form the natural elements of the social edifice of the future; it is they who can be easily transformed into producers associations; it is they who can make the social ingredients and the organisation of production work.”<sup>192</sup>

Thus, by 1868 “a transition from mutualism to ‘antistatist’ or ‘antiauthoritarian collectivism’ had began.”<sup>193</sup> This is to be expected. Just as Proudhon developed his ideas in the face of changing circumstances and working class self-activity, so working class people influenced by his ideas developed and changed what they took from Proudhon in light of their own circumstances. However, the core ideas of anti-statism and anti-capitalism remained and so these changes must be viewed as a development of Proudhon’s ideas rather than something completely new or alien to them. Thus the revolutionary anarchism which grew within the IWMA had distinct similarities to that of Proudhon’s reformist kind, even if it diverges on some issues.

### *THE PARIS COMMUNE*

By 1871, the transition from reformist mutualism to revolutionary collectivism as the predominant tendency within anarchism was near complete. Then came the

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<sup>188</sup> *Anarchism*, 47

<sup>189</sup> Archer, 170

<sup>190</sup> *Anarchism and Anarchist Communism* (London: Freedom Press, 1987), 16-7

<sup>191</sup> Cole, 168

<sup>192</sup> quoted in Archer, 196

<sup>193</sup> Berry, 17

Paris Commune. With its ideas on decentralised federations of communes and workers' associations, the Commune applied Proudhon's ideas on a grand scale and, in the process, inspired generations of socialists. Sadly, this revolt, Proudhon's greatest legacy, has been appropriated by Marxism thanks to Marx's passionate defence of the revolt and his and Engels systematic downplaying of its obvious Proudhonian themes.

In reality, while many perspectives were raised in the revolt, what positive themes it expressed were taken from Proudhon as many Communards "were influenced by Proudhon's advocacy of autonomous economic organisation and decentralised self-government." Thus the Commune reflected "a distinctly French variant of socialism, strongly influenced by Proudhon and to a lesser extent by the Russian anarchist Bakunin, which advocated destroying oppressive state structures by devolving power to local democratic communities (federalism) and abolishing exploitation by decentralising economic control to workers' co-operative associations – 'Its apostles are workers, its Christ was Proudhon,' proclaimed Courbet."<sup>194</sup>

So it is that we find the Paris section of the IWMA in 1870 arguing along very Proudhonian lines that "we must accomplish the *Democratic and Social Revolution*." The aim was "the establishment of a new social order; the elimination of classes, the abolition of employers and of the proletariat, the establishment of universal co-operation based upon equality and justice." Thus "it is necessary, citizens, to eliminate wage labour, the last form of servitude," "implement the principles of justice in social relationships" and ensure the "distribution of what is produced by labour, based upon the principles of the value of the work and a mutualist organisation of services." "Has it not always been evident", they asked, "that the art of governing peoples has been the art of exploiting them?"<sup>195</sup>

As Paul Avrich suggested, the "influence of Proudhon – unquestionably greater than that of Marx – was reflected in the title of 'Federalists' by which the Communards were known." The Commune's "social composition... was a mixture of workers and professionals, of tradesmen and artisans... its thrust was overwhelmingly decentralist and libertarian," its ideal society was "a direct democracy of councils, clubs, and communes, an anti-authoritarian commonwealth in which workers, artisans, and peasants might live in peace and contentment, with full economic and political liberty organised from below."<sup>196</sup> "[I]n reality," Thomas concedes, "the Commune owed precious little to Marxism and a great deal more, ironically enough, to the Proudhonists, who had proved themselves thorns in Marx's side during the first four years of the International's existence."<sup>197</sup>

This Proudhonian influence on the Paris Commune was expressed in two main ways: politically in the vision of a France of federated communes; economically in the vision of a socialist society based on workers' associations.

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<sup>194</sup> Tomes, 84, 117-8. Gustave Courbet was one of France's most famous painters, one of the Commune's leading members and Proudhon's close friend.

<sup>195</sup> *The Paris Commune of 1871: The View From the Left* (London: Cape, 1972), Eugene Schulkind (ed.), 68-9. The "socialism of the Commune was almost exclusively the work of individuals with close ties to the International." (Archer, 258)

<sup>196</sup> *Anarchist Portraits* (Princeton: Princeton University Press, 1988), 232, 231

<sup>197</sup> Thomas, 194

Politically, Proudhon “had stressed the commune as the fundamental unit of democratic sovereignty”<sup>198</sup> as well as their federation. All this was reflected in the Commune. Indeed, the “rough sketch of national organisation which the Commune had no time to develop”<sup>199</sup> which Marx praised but did not quote was written by a follower of Proudhon and was “strongly federalist in tone, and it has a marked proudhonian flavour.”<sup>200</sup>

Marx also praised the Communal Council being composed of delegates who would be “at any time revocable and bound by the *mandat impératif* (formal instructions) of his constituents” and the fact that it was a “working, not a parliamentary, body, executive and legislative at the same time” This, he averred, was “the political form at last discovered under which to work out the economical emancipation of labour.”<sup>201</sup> Yet this was not a novel “discovery” as Proudhon had consistently raised these ideas since the 1848 revolution:

It is up to the National Assembly, through organisation of its committees, to exercise executive power, just the way it exercises legislative power... Besides universal suffrage and as a consequence of universal suffrage, we want implementation of the binding mandate. Politicians balk at it! Which means that in their eyes, the people, in electing representatives, do not appoint mandatories but rather abjure their sovereignty! That is assuredly not socialism: it is not even democracy.<sup>202</sup>

During the Commune anarchist James Guillaume pointed out the obvious: “the Paris Revolution is federalist... in the sense given it years ago by the great socialist, Proudhon.” It is “above all the negation of the nation and the State.”<sup>203</sup> It is hard not to concur with K.J. Kenafick:

the programme [the Commune] set out is... the system of Federalism, which Bakunin had been advocating for years, and which had first been enunciated by Proudhon. The Proudhonists... exercised considerable influence in the Commune. This ‘political form’ was therefore not ‘at last’ discovered; it had been discovered years ago; and now it was proven to be correct by the very fact that in the crisis the Paris workers adopted it... as being the form most suitable to express working class aspirations.<sup>204</sup>

Economically, the same can be said. Echoing Proudhon’s calls for workers’ companies, the Communards considered that “the worker-directed workshop... very soon would become the universal mode of production.”<sup>205</sup> A meeting of the Mechanics Union and the Association of Metal Workers argued that “our economic emancipation... can only be obtained through the formation of workers’ associations, which alone can transform our position from that of wage earners to that of

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<sup>198</sup> Tomes, 73

<sup>199</sup> *Marx-Engels Reader*, 633

<sup>200</sup> Vincent, 232. It “might have been written by Proudhon himself.” (Woodcock, *Proudhon*, 276)

<sup>201</sup> *Marx-Engels Reader*, 633, 632, 635

<sup>202</sup> *No Gods, No Masters*, 78-9. Proudhon raised similar demands in his pamphlet *Democracy* earlier that year while Bakunin had been advocating mandated and recallable delegates to federal social organisations for some time before 1871. (*No Gods, No Masters*, 181-2)

<sup>203</sup> Schulkind (ed.), 191

<sup>204</sup> *Michael Bakunin and Karl Marx* (Melbourne: A. Maller, 1948), 212-3

<sup>205</sup> Archer, 260

associates.” They instructed their delegates to the Commune’s Commission on Labour Organisation to aim for the “abolition of the exploitation of man by man, the last vestige of slavery” by means of the “organisation of labour in mutual associations with collective and inalienable capital.” A group of foundry workers wrote that it was “exploitation that we seek to abolish through the right of workers to their work and to form federated producer co-operatives. Their formation would be a great step forward... towards... the federation of peoples.”<sup>206</sup>

Marx praised the efforts made within the Paris Commune to create co-operatives, so “transforming the means of production, land and capital... into mere instruments of free and associated labour.” He argued “what else... would it be but... Communism?”<sup>207</sup> Well, it could be mutualism and Proudhon’s vision of an agro-industrial federation. Had not Varlin, in March 1870, argued that co-operatives were “actively preparing the bases for the future society”? Had he not, like Proudhon, warned that “placing everything in the hands of a highly centralised, authoritarian state... would set up a hierarchic structure from top to bottom of the labour process”? Had he not, like Proudhon, suggested that “the only alternative is for workers themselves to have the free disposition and possession of the tools of production... through co-operative association”?<sup>208</sup>

Engels in 1891 painted a picture of Proudhon being opposed to association (except for large-scale industry) and stated that “to combine all these associations in one great union” was “the direct opposite of the Proudhon doctrine” and so the Commune was its “grave”.<sup>209</sup> Yet, as he most certainly was aware, Proudhon had publicly called for economic federation. In 1863, he termed it the “agro-industrial federation” and fifteen years earlier he had demanded an economy based on a “vast federation” of “democratically organised workers’ associations”<sup>210</sup> so making true his 1846 statement that “to unfold the system of economical contradictions is to lay the foundations of universal association.”<sup>211</sup>

Elsewhere, Engels argued that the “economic measures” of the Commune were driven not by “principles” but by “simple, practical needs.” This meant that “the confiscation of shut-down factories and workshops and handing them over to workers’ associations” had been “not at all in accordance with the spirit of Proudhonism but certainly in accordance with the spirit of German scientific socialism.”<sup>212</sup> This seems unlikely, given Proudhon’s well known and long-standing advocacy of co-operatives as well as Marx’s comment in 1866 that in France the workers (“especially those in Paris”) “are, without realising it [!], strongly implicated in the garbage of the past” and that the “Parisian gentlemen had their heads stuffed full of the most vacuous Proudhonist clichés.”<sup>213</sup> Given that the *Communist Manifesto* stressed state ownership and failed to mention co-operatives, the claim that the Commune had acted in its spirit seems a tad optimistic particularly as this decision

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<sup>206</sup> Schulkind (ed.), 164, 167

<sup>207</sup> *Marx-Engels Reader*, 635

<sup>208</sup> Schulkind (ed.), 63-4

<sup>209</sup> *Marx-Engels Reader*, 626

<sup>210</sup> *No Gods, No Masters*, 78

<sup>211</sup> *System of Economical Contradictions*, p. 132

<sup>212</sup> *Marx-Engels Collected Works* 23: 370

<sup>213</sup> *Marx-Engels Collected Works* 42: 326

“bore the mark of the French socialist tradition, which envisaged workers’ co-operative *association*, not state ownership, as the solution to ‘the social question.’”<sup>214</sup>

The obvious influence of Proudhon in the Commune’s socio-economic vision has been obscured by Marxist revisionism. These links with Proudhon are hardly surprising as “men sympathetic to Proudhon’s ideas were conspicuously present” in the revolt.<sup>215</sup> This is not to suggest that the Paris Commune unfolded precisely as Proudhon would have wished (Bakunin and Kropotkin analysed it and drew conclusions from its failings<sup>216</sup>). However, it is clear that the Commune’s vision of a federated self-managed society and economy owes much to Proudhon’s tireless advocacy of such ideas. As Bakunin suggested, Marx and Engels “proclaim[ing] that [the Commune’s] programme and purpose were their own” flew “in face of the simplest logic” and was “a truly farcical change of costume.”<sup>217</sup>

### ANARCHISM

Proudhon’s lasting legacy is his contribution to anarchism. It is little wonder that he has been termed “the father of anarchism” for while anarchism has evolved since Proudhon’s time it still bases itself on the themes first expounded in a systematic way by the Frenchman. Indeed, it is hard to imagine anarchism without Proudhon.

While Proudhon may not have been the first thinker to suggest a stateless and classless society, he was the first to call himself an anarchist and to influence a movement of that name. This is not to suggest that libertarian ideas and movements had not existed before Proudhon<sup>218</sup> nor that anarchistic ideas did not develop spontaneously after 1840 but these were not a coherent, named, articulate *theory*. While anarchism does not have to be identical to Proudhon’s specific ideas and proposals, it does have to be consistent with the main thrust of his ideas – in other words, anti-state and anti-capitalism. Thus collectivist anarchism built on Proudhon, as did communist-anarchism, anarcho-syndicalism and individualist anarchism. While none of these later developments were identical to Proudhon’s mutualism – each stressed different aspects of his ideas, developing some, changing others – the links and evolution remain clear.

Proudhon straddles both wings of the anarchist movement, social *and* individualist although the former took more of his vision of libertarian socialism.<sup>219</sup> Perhaps this division was inevitable considering Proudhon’s ideas. He was, after all, an advocate of both competition and association, against both capitalism and communism, a reformist who talked constantly of revolution. Suffice to say, though, both wings considered themselves, as did Proudhon, part of the wider socialist movement and hoped to see the end of capitalism while disagreeing on how to do so and the exact nature of a free society. Whether Proudhon would have agreed with

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<sup>214</sup> Tomes, 93

<sup>215</sup> Vincent, 232

<sup>216</sup> Discussion of this important issue is outside the scope of this introduction. Those interested in the anarchist analysis and critique of the Paris Commune, and of Marxist accounts of it, can consult my article “The Paris Commune, Marxism and Anarchism” (*Anarcho-Syndicalist Review* 50 [2008])

<sup>217</sup> *Michael Bakunin: Selected Writings*, 261

<sup>218</sup> Proudhon drew on such movements and ideas, such as the mutualist ideas of the French workers, particularly those in Lyon, as well as libertarian tendencies in the Great French Revolution.

<sup>219</sup> As such mutualism *must* be considered as one of the four main forms of social anarchism alongside collectivism, communism and syndicalism (see section A.3.2 of *An Anarchist FAQ*).

Tucker or Kropotkin is a moot point (probably not!) but he would have recognised elements of his ideas in both.

### *Individualist Anarchism*

Proudhon's ideas found a welcome home in North America where "his impact was greater than has been commonly supposed", with his "views given wide publicity" in "the years preceding the Civil War."<sup>220</sup> This makes sense, given that (like France) the USA was going through the process of industrialisation and proletarianisation with the state intervening in the economy (as it always has) to foster capitalist property rights and social relationships. Radicals in America, facing the same transformation as Proudhon's France, took up his ideas and propagated them.

While Josiah Warren had independently advocated certain ideas usually associated with Proudhon, the first study of Proudhon's work was Charles A. Dana's *Proudhon and His "Bank of the People"* in 1849 followed by William B. Greene's translations from Proudhon's *Organisation du Crédit et de la Circulation et Solution du Problème Social* in his 1850 *Mutual Banking*. Greene was president of the Massachusetts Labour Union and was active in the French-speaking section of the IWMA in Boston although, unlike Proudhon, he "championed the cause of women's rights."<sup>221</sup>

For Greene there was "no device of the political economists so infernal as the one which ranks labour as a commodity, varying in value according to supply and demand... To speak of labour as merchandise is treason; for such speech denies the true dignity of man... Where labour is merchandise in fact... there man is merchandise also, whether in England or South Carolina." The alternative was the "triple formula of practical mutualism": "the associated workshop" for production, the "protective union store" for consumption and "the Mutual Bank" for exchange. All three were required, for "the Associated Workshop cannot exist for a single day without the Mutual Bank and the Protective Union Store." The "Associated Workshop ought to be an organisation of personal credit. For what is its aim and purpose? Is it not the emancipation of the labourer from all dependence upon capital and capitalists?"<sup>222</sup>

Benjamin Tucker took up Greene's work and translated substantial material by Proudhon into English including numerous articles, *What is Property?* and volume one of *System of Economic Contradictions*. In 1881, he proclaimed that his new journal, *Liberty*, was "brought into existence as a direct consequence of the teachings of Proudhon" and "lives principally to emphasise and spread them."<sup>223</sup> Proudhon's maxim from the 1848 revolution that "Liberty, Not the Daughter but the Mother of Order" adorned its masthead. Like Proudhon, his aim was the "emancipation of the workingman from his present slavery to capital."<sup>224</sup>

To achieve this, Tucker looked to Proudhon as well as the radical ideas and movements of his own country. He took Proudhon's reformism, his "occupancy and use" critique of land-ownership, elimination of interest by mutual banking, opposition to the state and defence of competition and markets. Somewhat ironically, while Tucker is often portrayed as being Proudhon's disciple he ignored many of the French

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<sup>220</sup> Avrigh, 137

<sup>221</sup> Avrigh, 140, 139

<sup>222</sup> *Mutual Banking* (West Brookfield: O. S. Cooke, 1850), 49-50, 37, 34

<sup>223</sup> quoted in Avrigh, 141

<sup>224</sup> *Instead of a Book*, 323

anarchist's key ideas. Workers' associations and co-operative production, the agro-industrial federation, communes and their federation find no echo in Tucker, nor did Proudhon's opposition to wage-labour. Somewhat ironically it was Tucker's arch-foe in the movement, the communist-anarchist Johann Most, who echoed the French anarchist on most issues.

Other individualist anarchists were closer to Proudhon's concerns. Dyer Lum "drew from the French anarchist Proudhon... a radical critique of classical political economy and... a set of positive reforms in land tenure and banking... Proudhon paralleled the native labour reform tradition in several ways. Besides suggesting reforms in land and money, Proudhon urged producer cooperation." As with Proudhon's, a key element of "Lum's anarchism was his mutualist economics, an analysis of 'wage slavery' and a set of reforms that would 'abolish the wage system.'" <sup>225</sup> Other individualist anarchists joined Lum in opposing wage-labour. <sup>226</sup>

While individualist anarchism dominated the movement in America before and immediately after the Civil War, by the 1880s the displacement of reformist by revolutionary forms of anarchism which had occurred in Europe was repeated in America. While the repression after the Haymarket police riot in 1886 hindered this, "[b]y the turn of the century, the anarchist movement in America had become predominantly communist in orientation." <sup>227</sup> While individualist anarchism never totally disappeared, to this day it remains very much the minority trend in American anarchism.

### *Revolutionary Anarchism*

Even a cursory glance at revolutionary anarchism shows the debt it has to Proudhon. Bakunin, unsurprisingly, considered his own ideas as "Proudhonism widely developed and pushed right to these, its final consequences." <sup>228</sup> Proudhon's critique of property, state and capitalism, his analysis of exploitation being rooted in wage-labour, his advocacy of a decentralised and federal system of communes and workers' associations, his support for workers' self-management of production, his call for working class autonomy and self-activity as the means of transforming society from below, all these (and more) were taken up and developed by collectivist, communist and syndicalist anarchists.

Just as Proudhon had pointed to the directly democratic clubs of the 1848 Revolution and co-operatives as key institutions of a free society, so Bakunin viewed communes and unions in the same light while, in addition to these, Kropotkin pointed to the directly democratic "sections" of the Great French Revolution. As with Proudhon, the revolutionary anarchists argued that political and social change must occur at the same time. Like Proudhon, they saw the future free society as a dual federation of social and economic organisations. For Kropotkin "*the form that the Social Revolution must take*" was "the independent Commune" and their federations along with "a parallel triumph of the people in the economic field" based on "associations of men and women who would work on the land, in the factories, in the

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<sup>225</sup> Frank H. Brooks, "Ideology, Strategy, and Organization: Dyer Lum and the American Anarchist Movement", *Labor History* 34: 1 (1993): 72, 71

<sup>226</sup> See section G.1.3 of *An Anarchist FAQ*. Sections G.4.1 and G.4.2 discuss the contradictions in supporting wage labour while opposing political authority and supporting "occupancy and use."

<sup>227</sup> Paul Avrich, *Anarchist Voices: An Oral History of Anarchism in America* (Edinburgh/Oakland: AK Press, 2005), 5

<sup>228</sup> *Michael Bakunin: Selected Writings*, 198.

mines, and so on” and so become “themselves the managers of production.”<sup>229</sup> For Bakunin, “socialism is federalist” and “true federalism, the political organisation of socialism, will be attained only” when “popular grass-roots institutions” like “communes, industrial and agricultural associations” are “organised in progressive stages from the bottom up.”<sup>230</sup> The links with Proudhon’s ideas, particularly the agro-industrial federation, are all too clear.

Revolutionary anarchism bases itself on Proudhon’s distinction between property and possession.<sup>231</sup> It shares his vision of an economy based on socialisation of the means of production, use rights and workers’ association. Kropotkin’s co-founder of the newspaper *Freedom*, Charlotte M. Wilson, made the link clear:

Proudhon’s famous dictum, ‘Property is theft’, is the key to the equally famous enigma... ‘From each according to his capacities, to each according to his needs’ ... as long as land and capital are unappropriated, the workers are free, and that, when these have a master, the workers also are slaves... Anarchism proposes, therefore, – 1. That usufruct of instruments of production – land included – should be free to all workers, or groups of workers. 2. That the workers should group themselves, and arrange their work as their reason and inclination prompt... 3. That the necessary connections between the various industries and branches of trade should be managed on the same voluntary principle.<sup>232</sup>

Revolutionary anarchism nevertheless differed from that of Proudhon in three areas.

First, its proponents rejected Proudhon’s support for patriarchy in the family as being inconsistent with the libertarian principles he advocated against capitalism and the state.<sup>233</sup> This was an obvious self-contradiction, which anarchists have critiqued by means of the very principles Proudhon himself used to criticise the state and capitalism. Joseph Déjacque, for example, wrote a critique of Proudhon’s sexist views in 1857, urging him to renounce “this gender aristocracy that would bind us to the old regime.”<sup>234</sup> André Léo, a feminist libertarian and future Commune member, pointed out the obvious contradiction in 1869: “These so-called lovers of liberty, if they are unable to take part in the direction of the state, at least they will be able to have a little monarchy for their personal use, each in his own home... Order in the family without hierarchy seems impossible to them – well then, what about in the state?”<sup>235</sup>

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<sup>229</sup> “Modern Science and Anarchism”, 74, 78

<sup>230</sup> *Bakunin on Anarchism*, 2<sup>nd</sup> edition (Montréal: Black Rose, 1980), 402

<sup>231</sup> As do other forms of socialism. This can be seen from libertarian communist William Morris who classed the French anarchist as “the most noteworthy figure” of a group of “Socialist thinkers who serve as a kind of link between the Utopians and the school of... scientific Socialists.” As far as his critique of property went, Morris argued that in *What is Property?*, Proudhon’s “position is that of a Communist pure and simple.” (*Political Writings: Contributions to Justice and Commonweal 1883-1890* [Bristol: Thoemmes Press, 1994], 569-70)

<sup>232</sup> *Anarchist Essays* (London: Freedom Press, 2000), 20-1

<sup>233</sup> While firmly supporting the patriarchal family, Proudhon also stressed that he did “not mistake the family for the model of society” as he considered it “the rudiment of royalty” while “the model of civil society is the fraternal association.” (*No Gods, No Masters*, 79)

<sup>234</sup> “On Being Human”, *Anarchism: A Documentary History of Libertarian Ideas, Volume 1: From Anarchy to Anarchism (300CE-1939)* (Montréal: Black Rose Books, 2005) Robert Graham (ed.), 68-71

<sup>235</sup> quoted in Carolyn J. Eichner, “‘Vive La Commune!’ Feminism, Socialism, and Revolutionary Revival in the Aftermath of the 1871 Paris Commune”, *Journal of Women’s History* 15: 2 (2003): 75

Second, they rejected Proudhon's reformism and transformed his call for a "revolution from below" into a literal support for a social revolution (insurrections, general strikes and other activities which reflect the popular understanding of "revolution"). Bakunin, while "convinced that the co-operative will be the preponderant form of social organisation in the future" and could "hardly oppose" their creation under capitalism, argued that Proudhon's hope for gradual change by means of mutual banking and the higher efficiency of workers' co-operatives was unlikely to be realised as it did "not take into account the vast advantage that the bourgeoisie enjoys against the proletariat through its monopoly on wealth, science, and secular custom, as well as through the approval – overt or covert but always active – of States and through the whole organisation of modern society. The fight is too unequal for success reasonably to be expected."<sup>236</sup> Thus capitalism "does not fear the competition of workers' associations – neither consumers', producers', nor mutual credit associations – for the simple reason that workers' organisations, left to their own resources, will never be able to accumulate sufficiently strong aggregations of capital capable of waging an effective struggle against bourgeois capital."<sup>237</sup>

Having found reformism insufficient, the revolutionary anarchists stressed the need for what would now be termed a syndicalist approach to social change.<sup>238</sup> Rather than seeing workers co-operatives and mutual banks as the focus for social transformation, unions came to be seen as the means of both fighting capitalism and replacing it. They took Proudhon's dual-power strategy from 1848 and applied it in the labour movement with the long term aim of smashing the state and replacing it with these organs of popular power.<sup>239</sup>

Third, they rejected Proudhon's anti-communism and advocated distribution according to *need* rather than *deed*. That is, the extension of the critique of wage-labour into opposition to the wages-system.<sup>240</sup>

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<sup>236</sup> *The Basic Bakunin*, 153, 152

<sup>237</sup> *The Political Philosophy of Bakunin*, 293. Even a large co-operative sector would be unlikely to reform society. As Emma Goldman noted, after reading Proudhon's *General Idea* in the light of the Spanish Revolution had Proudhon's had been accurate then "the collectivisation of the economy after the start of the civil war "should have weakened the republican government, but as a matter of fact it has not." It only gave the state "a breathing space so that they could reorganise their forces and become the dead weight of the Revolution." (*Vision on Fire* [Edinburgh/Oakland: AK Press, 2006], 275)

<sup>238</sup> see section H.2.8 of *An Anarchist FAQ*.

<sup>239</sup> "As early as the 1860's and 1870's, the followers of Proudhon and Bakunin in the First International were proposing the formation of workers' councils designed both as a weapon of class struggle against capitalists and as the structural basis of the future libertarian society." (Paul Avrich, *The Russian Anarchists* [Edinburgh/Oakland: AK Press, 2005], 73) Echoing Proudhon, leading syndicalist Fernand Pelloutier argued that the aim was "to constitute within the bourgeois State a veritable socialist (economic and anarchic) State." (quoted in Jeremy Jennings, *Syndicalism in France: A Study of Ideas* [London: Macmillan, 1990], 22). The IWW's "we are building a new world in the shell of the old" has obvious similarities to Proudhon's 1848 call that "a new society be founded in the centre of the old society." (*Oeuvres Complètes* 17:25)

<sup>240</sup> Proudhon's anti-communism is well known but there are different schools of communism, just as there are different schools of socialism. As Kropotkin argued "before and in 1848, the theory [of communism] was put forward in such a shape as to fully account for Proudhon's distrust as to its effect upon liberty. The old idea of Communism was the idea of monastic communities under the severe rule of elders or of men of science for directing priests. The last vestiges of liberty and of individual energy would be destroyed, if humanity ever had to go through such a communism." (*Act for Yourself* [London: Freedom Press, 1988], 98) This is *not* to suggest that Proudhon would have agreed with communist-anarchism (after all, he rejected Joseph Déjacque's communistic interpretation of his ideas) merely that Proudhon's opposition to *state* communism does not mean that anarchists cannot be

The rationale behind this change was straightforward. As Kropotkin explained, “this system of remuneration for work done” was contradictory and unjust. Not only do deeds not correlate with needs (most obviously, children, the ill and elderly cannot be expected to work as much as others) it was also “evident that a society cannot be based on two absolutely opposed principles, two principles that contradict one another continually.” How can labour-money be advocated “when we admit that houses, fields, and factories will no longer be private property, and that they will belong to the commune or the nation?” Abolition of property in the means of production cannot co-exist with property in the products of labour created by their use. This suggested that, to be consistent, anarchists must pass from mutualism and collectivism to communism, distribution according to need rather than deed.<sup>241</sup> Most anarchists then, and now, concurred.

Ultimately, though, Proudhon and the likes of Bakunin and Kropotkin had more in common than differences. His ideas were the foundation upon which revolutionary anarchism was built. Bakunin “reaped the harvest sown by Proudhon – the father of anarchism – filtering, enriching and surpassing it”<sup>242</sup> and “Proudhon’s thought found a strong echo in revolutionary syndicalism.”<sup>243</sup>

Finally, it should be noted that revolutionary anarchism developed independently from Proudhon’s mutualism in at least three cases. Joseph Déjacque drew libertarian communist conclusions from Proudhon’s work in the 1850s. Bakunin developed Proudhon’s ideas in a similar direction after 1864 while Eugene Varlin “seems to have moved independently towards his collectivist position.”<sup>244</sup> So while Bakunin’s ideas were quickly adopted by working class militants familiar with Proudhon across Europe, even without him Proudhon’s legacy was evolving in the direction of revolutionary collectivism in the 1860s. Indeed, it could be argued that Bakunin and his ideas became so influential in the IWMA because he was part of a general development within Internationalist circles which he simply helped.

## CONCLUSION

Proudhon’s influence was significant during the nineteenth century. Sadly, his ideas are not acknowledged as much as they should be given their impact and how they laid the basis for modern anarchism.

Anarchists, though, are not Proudhonists, Bakuninists, Kropotkinites, or whoever-ists. We reject the idea of calling ourselves after individuals. However, we can and do acknowledge the contributions of outstanding thinkers and activists, people who contribute to the commonwealth of ideas which is anarchism. Seen in this light, Proudhon (for all his faults) should be remembered as the person who laid the foundations of anarchism. His libertarian socialism, his critique of capitalism and the state, his federalism, advocacy of self-management and change from below, defined what anarchism is.

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*libertarian* communists. This was the position often taken by the American Individualist Anarchists around Tucker, with him in the lead. However, as discussed in section G.2.1 of *An Anarchist FAQ*, they also regularly admitted that voluntary communism *was* compatible with anarchism making their strident anti-communism both contradictory and needlessly sectarian.

<sup>241</sup> *The Conquest of Bread* (Edinburgh/Oakland: AK Press, 2008), 189, 191, 188

<sup>242</sup> Guérin, “From Proudhon to Bakunin”, 33

<sup>243</sup> Vincent, 232.

<sup>244</sup> Woodcock, *Anarchism*, 239. Significantly, when Bakunin met him at the International’s Basel Congress and, “once the program of the Alliance was explained to” him, Varlin said he “shared the same ideas and agreed to co-ordinate with their revolutionary plans.” (Archer, 186)

In terms of his critique of capitalism, most of it holds up well. Workers are still exploited at the point of production and this can only be stopped by abolishing wage-labour. Landlords are still parasites, interest still bleeds dry those subject to it. Capitalism has proven itself to be the efficient machine for increasing inequality by exploiting the many that Proudhon analysed. As far as his anti-statism goes, his analysis of the state as an instrument of minority class rule still rings true as does his insights that centralised structures result in rule by the few and are simply not reflexive of, nor accountable to, the public in any meaningful way. His denunciations of executive power and the *unitaire* State as a new form of royalty have been confirmed time and time again. His critique of State socialism, his prediction that it would be just another form of wage-labour with the state replacing the boss, has been more than confirmed, not to mention his fear that it would become little more than a dictatorship by a party rather than a genuine worker democracy.

While we should not slavishly copy Proudhon's ideas, we can take what is useful and, like Bakunin, Kropotkin and others, develop them further in order to inspire social change in the 21<sup>st</sup> century. His vision of a decentralised, self-managed, federal socialist society and economy has obvious relevance today. Centralised political and economic systems have been tried and failed. His continued emphasis on working class autonomy and self-emancipation, of building the new world in the heart of the old, are core libertarian principles.

Proudhon wrote that "the twentieth century will open the age of federations, or else humanity will undergo another purgatory of a thousand years."<sup>245</sup> The 20<sup>th</sup> century, with its centralised states, neo-liberalism and nationalistic irrationalities, reached depths of destruction and misery suggested by purgatory. We can only hope that it is the 21<sup>st</sup> century that inaugurates the libertarian age Proudhon hoped for.

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<sup>245</sup> quoted in Hayward, 211

## PROUDHON: A BIOGRAPHICAL SKETCH

Pierre-Joseph Proudhon was born on 15<sup>th</sup> of January 1809 in the town of Besançon in Franche-Comté, a province in the east of France bordering the Jura region of Switzerland. Almost unique for his time, he was a major socialist thinker who was working class and he declared that his aim was to work “for the complete liberation of [his] brothers and comrades.”<sup>246</sup> He lived in a period of massive social and economic change. The industrialisation of France was beginning (its full flowering came in the 1860s), he grew up surrounded by those who had taken part in the Revolution of 1789, experienced the July Revolution of 1830 and saw the birth of the French labour and socialist movements in the 1830s. All these influenced his ideas.

After a brief period at the college in Besançon he was forced to leave school before completing his baccalaureate in order to support his family. In 1828 he became a working compositor; later he rose to be a corrector for the press. The following year he met utopian socialist Charles Fourier when supervising the printing of his *Le Nouveau Monde Industriel et Sociétaire*. Having several discussions with Fourier, he later recounted that for “six whole weeks” he was “the captive of this bizarre genius.”<sup>247</sup> While rejecting Fourier’s utopian visions of perfect and regulated communities in favour of a “scientific socialism,”<sup>248</sup> he had a lasting influence as can be seen in many of Proudhon’s works.

The turning point in Proudhon’s life came when, in 1838, he was awarded a scholarship to study in Paris by the Besançon Academy. The following year saw him write the treatise *On The Utility of Sunday Observance from the Viewpoints of Public Hygiene, Morality and Civic and Family Relations*. However, 1840 saw him produce the work that ensured his lasting fame: *What is Property? An Inquiry into the Principle of Right and of Government*. This work was to encapsulate the core themes of his life’s work – liberty, social justice, the iniquities of capitalist property rights, the epochal importance of socialism and his theory of anarchism. It caused a sensation and Proudhon was soon recognised as a leading light of the French, indeed international, socialist movement. It also resulted in the public prosecutor sending a recommendation to the Minister of Justice that a case be launched against him. Fortunately for Proudhon, leading economist Jérôme-Adolphe Blanqui was approached by the Minister over the book’s seditious nature. Blanqui had been assigned the book to review and while disagreeing with it, declared it was a philosophical work which would appeal only to “high intelligences and cultivated minds.”<sup>249</sup> This verdict was accepted and Proudhon was spared prosecution.

*What is Property?* was quickly followed by two more works. In 1841 he wrote his *Second Memoir* on property (*Letter to M. Blanqui*) where he developed his ideas in a reply to comments made by Blanqui. His *Third Memoir* (*Warning to Proprietors*) was published in 1842 and answered criticisms by a follower of Fourier. This work was seized by the Besançon public prosecutor and Proudhon was charged with “1, Attacking Property; 2, Troubling the public peace by exciting mistrust or hatred of the citizens against one or more persons; 3, Exciting hatred and mistrust of the King’s

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<sup>246</sup> quoted in Hayward, 172

<sup>247</sup> quoted in Woodcock, *Proudhon*, 13

<sup>248</sup> *What is Property?*, 264. Critiques of utopianism played a large role in *System of Economic Contradictions*.

<sup>249</sup> quoted in Woodcock, 55

Government; 4, Outrage to the Catholic religion.”<sup>250</sup> Proclaiming his work too hard to follow and not wishing to imprison someone due to misunderstanding their ideas, the jury refused to convict Proudhon.

His next major work was published in the following year. *On the Creation of Order in Humanity* adapted Fourier’s “serial method” and was an attempt to develop a comprehensive social science premised on Fourier’s anti-rationalist social theory and Auguste Comte’s philosophy of history. He later admitted that this work was not successful, but it discussed a set of themes he was to return to again and again. Proudhon also moved to Lyons, serving for several years as an office manager for a water transport firm. This allowed him to travel and he frequently stayed in Paris, where Marx, Bakunin, and Herzen visited him to discuss ideas. In Lyons, he became part of the flourishing radical scene and met with its revolutionary silk-weavers who called themselves Mutualists and argued for a form of associational socialism based on producer co-operatives and credit unions. They had a significant influence on Proudhon, reflected by “his preoccupation at this period with the idea of an association of workers.”<sup>251</sup> These influences and thoughts were publicly expressed in 1846 with the publication of the two volume *System of Economic Contradictions, or The Philosophy of Misery* in which he proclaimed his own ideas mutualism.

In October 1847 Proudhon settled in Paris again, hoping to start a newspaper. When the 1848 Revolution broke out, he helped build barricades and set the type for the first republican proclamation. A group of workers, fresh from the barricades and still armed with muskets, visited Proudhon and asked that he resume his plan to publish a newspaper. He agreed and *Le Représentant du Peuple* (*The Representative of the People*) was born, its masthead proclaiming “What is the producer? Nothing! What should he be? Everything!”<sup>252</sup> This was the first of four newspapers Proudhon edited during the revolution, all with “People” in their name and all suppressed by the state.<sup>253</sup>

Fearing, rightly, that the Republicans had “made a revolution without an idea”<sup>254</sup> Proudhon used his articles to comment on events, criticise the policies of the government and stress the need to go beyond mere political reform as this could never solve problems whose roots were primarily economic. Socio-economic change was essential.<sup>255</sup> His first major works after the revolution included an analysis of its causes and meaning and a critique of (statist) democracy, subsequently published as *Solution of the Social Problem*. These were quickly followed by the *Organisation of Credit and Circulation* in which he argued that a Bank of Exchange was required to both solve the economic problems facing France and secure the end of capitalism.

However, it was the various incarnations of his newspapers that Proudhon made his greatest impact on the public and by the end of 1848 he was being read by 40,000 mostly working-class readers.<sup>256</sup> These articles present a libertarian, albeit

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<sup>250</sup> Woodcock, 66

<sup>251</sup> Woodcock, 74

<sup>252</sup> Woodcock, 123

<sup>253</sup> *La Représentant du Peuple* (February to August 1848); *Le Peuple* (September 1848 to June 1849); *La Voix du Peuple* (September 1849 to May 1850); *Le Peuple de 1850* (June to October 1850).

<sup>254</sup> quoted in Woodcock, 119

<sup>255</sup> “Never modest concerning his abilities, Proudhon wrote in his notebooks that the Revolution was doomed without his help.” (Vincent, p. 169)

<sup>256</sup> Ehrenberg, 103

reformist,<sup>257</sup> analysis of the revolution and how to solve its problems. This clarified his own ideas, as it forced him to present positive ideas to change society for the better, as well as enriching anarchist theory for later libertarians to build upon.

In April 1848 he stood as a candidate in the elections for the Constituent Assembly with his name appearing on the ballots in Paris, Lyon, Besançon, and Lille. He proclaimed in his election manifesto that he regarded “Property is theft!” as “the greatest truth of the century” and that “the negation of property is necessary for the abolition of misery, for the emancipation of the proletariat.”<sup>258</sup> Unsuccessful, he was not deterred and ran in the complementary elections held on June 4<sup>th</sup> and was duly elected.<sup>259</sup> He later recalled:

When I think of everything that I have said, written and published over these past ten years regarding the State’s role in society, bringing the authorities to heel and government’s disqualification from revolution, I am tempted to believe that my election in June 1848 was the result of some incomprehension on the part of the people... I may have appeared momentarily to the society which I take for my judge and the authorities with whom I want no truck, as a formidable agitator.<sup>260</sup>

Following the June Days, Proudhon’s paper was temporarily suppressed when he demanded immediate economic relief for the working class and appealed directly to the National Guard for support. Viewed by conservatives as a leading member of the left, his proposals for reform were condemned on the floor of the assembly by Adolphe Thiers. Proudhon responded on July 31<sup>st</sup> with a three-and-a-half-hour speech that stressed “social liquidation” was needed and that the end of property was the real meaning of the revolution. He was defiant in the face of hecklers: “When I say WE, I identify myself with the proletariat; when I say YOU, I identify you with the bourgeois class.”<sup>261</sup> Only one representative, a socialist worker from Lyons, supported Proudhon and a motion of censure was passed (with socialists like Louis Blanc and Pierre Leroux voting for it). Even Marx had to (grudgingly) admit that “his attitude in the National Assembly merits nothing but praise.”<sup>262</sup>

When *La Représentant du Peuple* was allowed to reappear in August and “What is the capitalist? Everything! What should he be? Nothing!” was added to its masthead.<sup>263</sup> The repression did not dull its social criticism, with Proudhon on fine ironic form with the searing *The Malthusians* attacking bourgeois hypocrisy and *laissez-faire* capitalism. It was soon, however, completely suppressed, but Proudhon himself could not be prosecuted because he enjoyed parliamentary immunity.

In October 1848, Proudhon gave a *Toast to the Revolution* at a banquet in Paris. He spoke on the successive manifestation of justice in human life (what he termed a “permanent revolution”) before concluding that revolutionary power lay not with the government, but in the people. Only the people, acting themselves, could

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<sup>257</sup> As Proudhon himself recognised in 1850, he was a “man of polemics, not of the barricades.” (quoted in Vincent, 169)

<sup>258</sup> *Oeuvres Complètes*, 17: 45

<sup>259</sup> “Most of the votes for Proudhon were cast in working-class districts of Paris – a fact which stands in contrast to the claims of some Marxists, who have said he was representative only of the petite bourgeoisie.” (Hoffman, 136)

<sup>260</sup> *No Gods, No Masters*, 68

<sup>261</sup> quoted in Vincent, 186

<sup>262</sup> *The Poverty of Philosophy*, 200

<sup>263</sup> Woodcock, 136

achieve social transformation. That month also saw the launch of *Le Peuple* (*The People*) in which Proudhon argued that the creation of a strong executive elected directly by the people was monarchical and reactionary. Initially, he advocated abstaining in the Presidential election but then supported the candidacy of socialist François-Vincent Raspail. Proudhon's election manifesto was serialised in *Le Peuple* and is a succinct summation of his socio-economic ideas. Very successful, the newspaper turned from a weekly to a daily at the end of November.<sup>264</sup>

A few days later, Louis-Napoléon Bonaparte won the Presidential election in a surprise landslide. Proudhon had strenuously opposed Louis-Napoléon before the election and redoubled his criticism afterwards. He accurately predicted on the 22<sup>nd</sup> of December 1848 that Louis-Napoléon would produce a “monarchical restoration” and “organise the crusade of the exploiters against the exploited.”<sup>265</sup> As well as continued journalism, Proudhon tried to create a bank of exchange, now called the *Bank of the People*. Organised in early 1849 with the participation of workers previously associated with the Luxembourg Commission, it soon had over ten thousand adherents (mostly workers) but its assets were meagre and so was essentially stillborn.

Faced with Proudhon's attacks and attempts at socialist reform, the conservative government responded by getting the assembly to lift Proudhon's immunity from prosecution. Charged with sedition, he was sentenced in March 1849 to three years in prison and fined 3,000 Francs. Proudhon liquidated his *Bank of the People*, ostensibly to prevent it from falling into the hands of the authorities, and went into hiding (although he still wrote articles for *Le Peuple*). On June 5<sup>th</sup> he was finally caught and imprisoned in Sainte-Pélagie.

During his three years in prison he founded and wrote for two newspapers (with the assistance of Alexander Herzen), wrote four books, married Euphrasie Piégard and fathered a child.<sup>266</sup> Two of the books written in prison became classic works of libertarian thought while his polemics with leading representatives of the statist left and laissez-faire right showed the weaknesses of both. Clearly, he spent his time as a political prisoner well.

The first book to appear was *Confessions of a Revolutionary* (1849), Proudhon's personal account of the 1848 revolution and its lessons. It argued that social revolution could not be achieved by means of the state, a structure incapable of being revolutionised or utilised for social transformation. He stressed how his own experiences as a politician confirmed his previous arguments on the impossibility of implementing social reform from above by means of the state. Only a revolution “from below” could achieve change. Then, during the winter of 1849, Proudhon participated in two polemics in *La Voix du Peuple* (*The Voice of the People*). The first was an exchange of letters with *laissez-faire* economist Frédéric Bastiat on the justice of usury. It was subsequently published as a pamphlet entitled *Interest and Principal* (1850). The second was with Blanc and Leroux over the nature of socialism, revolution and the state, clarifying the differences between the two schools of socialism – libertarian and state.

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<sup>264</sup> Ehrenberg, 122

<sup>265</sup> quoted in Vincent, 189

<sup>266</sup> He rejected a Church wedding: “When the Pope becomes a *social democrat* I will allow him to bless my marriage.” (quoted in Hayward, 207) The first of three daughters: Catherine, Marcelle and Stephanie. Sadly, Marcelle died of cholera in the summer of 1854 aged two.

The next book written in prison was *General Idea of the Revolution in the Nineteenth Century* (1851). This summarised Proudhon's ideas on social, economic and political transformation and was his solution to the problems and contradictions of capitalism he had raised in the 1840s, "the scientific and positive conclusion which *System of [Economic] Contradictions* was only the preamble."<sup>267</sup> Broken into seven studies, with a striking epilogue, it sketched his ideas both on the nature of a free socio-economic order, how to create it and the need for anarchy – self-managed social and economic associations bound by free agreements.

Just as Proudhon had warned, Louis-Napoléon seized power in a *coup d'état* on 2<sup>nd</sup> December 1851 to remain head of state. As Proudhon was already a prisoner, he avoided the repression inflicted upon the left by the new regime. He was outraged by the brutality of the army, but the lack of popular resistance to the *coup* and its subsequent approval by an overwhelming majority in a referendum profoundly disillusioned Proudhon.

The third book was published shortly after Proudhon's release from prison in July 1852. Pointing to the regime's popular support, *The Social Revolution Demonstrated by the Coup d'État of Second of December 1851* tried to make the best of a bad situation. Calling the *coup* "the act of a highway robber," he stressed that he was "opposed to dictatorship and any type of *coup d'État*" and was "repelled by dictatorship," considering it "a theocratic and barbarous institution, in every case a menace to liberty." Having "defended universal suffrage," he did "not ask that it be repressed" but rather "that it be organised, and that it lives." Although recognising Louis-Napoléon's support in the bourgeoisie, Proudhon urged him to use the mandate of the referendum to implement economic and political reforms. The choice was either "anarchy or Caesarism... there is no middle course... you are caught between the *Emperor* and the *Social Republic*!"<sup>268</sup> Perhaps unsurprisingly, Louis-Napoléon chose not to abolish his own power and, after another referendum, proclaimed himself Emperor on 2<sup>nd</sup> December 1852.

The fourth book, *Philosophy of Progress* (1853), was more theoretical in nature and comprised of the two lengthy letters sent from prison in 1851. While having little to do with the Revolutions of 1848 or even politics in general, it proved too much for the Imperial Censors. While not banned, the police declared that allowing publication did not guarantee that Proudhon would not be prosecuted. Finally published in Belgium, the police did ban its import into France.

French publishers consistently refused to handle his new works. His next major book, initially published anonymously, was the *Stock Exchange Speculator's Manual* (1853). Its title hid a subversive message – the abolition of wage-labour, the end of the capitalist company and the advocacy of producer and consumer associations. Originally written as a source of much needed income for his family, it took until the enlarged 3<sup>rd</sup> edition of 1856 before Proudhon put his name on it.

Then came the publication of his *magus opus*, the massive *Justice in the Revolution and in the Church*, (1858). This work is divided into twelve studies, on a host of subjects, each relating to the social origin of justice in that area. Arguing against religious claims of revelatory justice and philosophical ideas about

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<sup>267</sup> *Correspondance*, 3: 377

<sup>268</sup> *December 2, 1851: Contemporary Writings on the coup d'état of Louis Napoleon* (Garden City, N.J.; Doubleday, 1972), John B. Halsted (ed.), 253, 276, 283, 261, 307

rationalism, Proudhon argued that justice in areas of philosophy, work, the state, education, and so on, can be determined by the correspondence of social utility, conscience and historical “immanence.” His conclusions range from the radical (“The land to those who cultivate it”; “Capital to those who use it”; “The product to the producer”<sup>269</sup>) to the conservative (patriarchy, marriage and women). The book sold exceptionally well considering it was nearly 2000 pages, but hopes for a second edition were foiled when the police seized the remaining copies and Proudhon was charged by the authorities two days after publication for attacking religion, law, morality and (ironically) the family.

To avoid jail, Proudhon and his family left in July 1858 for indefinite exile in Belgium. There, his focus turned almost exclusively to foreign affairs and in 1861 *War and Peace*<sup>270</sup> was published. A much misrepresented book, this work continued themes developed in *Justice* and sought to discover how war as a historical process shaped norms of social justice as well as to understand the nature and causes of war in order to end it. In the first volume Proudhon extolled the virtues of war in pre-industrial society before denouncing it as barbaric and antiquated in an age where indiscriminate killing was becoming the norm as war was increasingly industrialised. Proudhon argued that war could now be ended because “the Revolution made the public conscience the only interpreter of right, the only judge of the material world and the only sovereign, which constitutes true democracy and marked the end of priesthood and militarism.” Moreover, war was rooted in inequality and “whatever the officially declared reasons” it existed only “for exploitation and property” and “until the constitution of economic right, between nations as well as between individuals, war does not have any other function on earth.” Given this, radical economic reform was required and “[o]nly the toiling masses are able to put an end to war, by creating economic equilibrium, which presupposes a radical revolution in ideas and morals.” It concluded: “HUMANITY DOES NOT WANT ANY MORE WAR.”<sup>271</sup>

Proudhon returned to Paris in September 1862, taking advantage of a general amnesty. This marked a renewed involvement in French politics and in 1863 he began a campaign urging the casting of blank ballots as a protest against the Second Empire. That year also saw the publication of *The Federative Principle* in which he discussed the necessity of a federal social structure as the best alternative to centralised states as well as the required economic reforms needed to maintain a just social order. An “agricultural-industrial federation” would complement and support the federation of communes and stop the degeneration of both the economic and political systems into inequality and tyranny.

In 1864, Henri Tolain published what was to become known as the *Manifesto of the Sixty*. It demanded social reforms and urged standing working class candidates in elections to achieve them. A group of workers wrote to Proudhon, asking his thoughts on this development and in a lengthy *Letter to Workers* he replied that while overjoyed by these public stirrings of the workers’ movement, he was critical of their electoral stand. With his health deteriorating,<sup>272</sup> he composed his last work *The*

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<sup>269</sup> *Oeuvres Complètes*, 22: 264. These are possible because labour is “reconciled by its free nature with capital and property, from which wage-labour banished it, [and so] cannot cause a distinction of classes.” This “makes society, as well as [economic] science, safe from any contradiction.”

<sup>270</sup> Pacifist thinker Leo Tolstoy was so impressed by this work he borrowed its title for his own masterpiece.

<sup>271</sup> *Oeuvres Complètes* 14: 327, 272, 300, 330

<sup>272</sup> In fact, he dictated its last chapters as he lay in bed dying

*Political Capacity of the Working Class* to address the issues raised. His political testament, it summarised his views after 25 years of fighting for socialism. He presented a mutualist analysis of economics, federalism, association, and a host of other issues and urged workers and peasants to reject all participation in bourgeois politics in favour of creating their own self-managed organisations. By so doing, they would become conscious of themselves as a class and their ability to replace the bourgeois regime with a mutualist one based on his three great loves – freedom, equality and justice.

Proudhon died in his wife's arms on January 19<sup>th</sup> 1865 and is buried in Montparnasse cemetery, Paris.<sup>273</sup> Thousands followed the casket and thronged the cemetery, saying a final goodbye to one of the greatest socialist thinkers the world has ever seen.

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<sup>273</sup> Second division, near the Lenoir alley, in the tomb of the Proudhon family.

## FURTHER NOTES

### ON TERMINOLOGY

In terms of the language he used, Proudhon was by no means consistent. Thus we have the strange sight of the first self-proclaimed anarchist often using “anarchy” in the sense of chaos. Then there is the use of the terms property and the state, both of which Proudhon used to describe aspects of the current system which he opposed and the desired future he hoped for.

After 1850, Proudhon started to increasingly use the term “property” to describe the possession he desired. This climaxed in the posthumously published *Theory of Property*<sup>274</sup> in which he apparently proclaimed his whole-hearted support for “property.” Proudhon’s enemies seized on this but a close reading, as Woodcock demonstrates, finds no such thing:

Much has been made of this essay in an attempt to show that it represents a retreat from Proudhon’s original radicalism. Fundamentally, it does not... What Proudhon does is to change his definition of property... he is thinking, not of the usurious property he condemned in his earlier works, but of the property that guarantees the independence of the peasant and artisan... Because of his changes in definition, Proudhon appears more conservative, but the alterations are not radical, since he continues to uphold the basic right of the producer to control his land or his workshop.<sup>275</sup>

This can easily be seen when Proudhon re-iterated his opposition to ownership of land:

I quite agree that the man who first ploughed up the land should receive compensation for his labour. What I cannot accept, regarding land, is that the work put in gives a right to ownership of what has been worked on.<sup>276</sup>

Workers associations continued to play a key role in his theory (with workplaces becoming “little republics of workingmen”<sup>277</sup>). The only difference, as Stewart Edwards notes, was that “Proudhon came to consider that liberty could be guaranteed only if property ownership was not subject to any limitation save that of size.”<sup>278</sup> Proudhon stressed that property “must be spread and consolidated... more equally.” This was because he was still aware of its oppressive nature, arguing that it was “an absolutism within an absolutism,” and “by nature autocratic.” Its “politics could be summed up in a single word,” namely “exploitation.” “Simple justice,” he

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<sup>274</sup> This was prepared by J.A. Langlois, his old friend and follower, and others from the notes Proudhon had been working on during the three last years of his life. Except for the first chapter, it was not completed by Proudhon.

<sup>275</sup> Woodcock, *Proudhon*, 239-40. Ironically, Proudhon recognised the confusion this would cause in 1841: “it is proper to call different things by different names, if we keep the name ‘property’ for [individual possession], we must call [the domain of property] robbery, repine, brigandage. If, on the contrary, we reserve the name ‘property’ for the latter, we must designate the former by the term *possession* or some other equivalent; otherwise we should be troubled with an unpleasant synonym.” (*What is Property?*, 373)

<sup>276</sup> *Selected Writings*, 129

<sup>277</sup> quoted in Douglas, 45

<sup>278</sup> *Introduction, Selected Writings*, 33

stressed, “requires that equal division of land shall not only operate at the outset. If there is to be no abuse, it must be maintained from generation to generation.”<sup>279</sup>

Resources were seen as being divided equally throughout a free society, which would be without concentrations and inequalities of wealth and the economic power, exploitation and oppression that they produced. The Proudhon of the 1860s was not so different from the firebrand radical of 1840. This can be seen when he wrote that his works of the 1840s contained “the mutualist and federative theory of property” in his last book, *The Political Capacity of the Working Classes*.<sup>280</sup>

Then there is his use of the term “state” and “government” to describe both the current centralised and top-down regime he opposed as well as the decentralised, bottom-up federation of the social organisation of the future. While these terms were used as synonyms for “social organisation” their use can only breed confusion so raising the possibility that he moved from libertarian to liberal socialism.

Thus we find him discussing States within a confederation while maintaining that “the federal system is the contrary of hierarchy or administrative and governmental centralisation” and that “a confederation is not exactly a state... What is called federal authority, finally, is no longer a government; it is an agency created... for the joint execution of certain functions.”<sup>281</sup> His aim was “to found an order of things wherein the principle of the sovereignty of the people, of man and of the citizen, would be implemented to the letter” and “where every member” of a society, “retaining his independence and continuing to act as sovereign, would be self-governing.” Social organisation “would concern itself solely with collective matters; where as a consequence, there would be certain common matters but no centralisation.” He suggests that “under the democratic constitution... the political and the economic are... one and the same system... based upon a single principle, mutuality... and form this vast humanitarian organism of which nothing previously could give the idea”: “is this not the system of the old society turned upside down... ?” he asks.<sup>282</sup> If so, then why suggest that this new “humanitarian organism” is made up of states as well as communes and confederations?

The confusions that this would provoke are obvious and, unsurprisingly, later anarchists have been more consistent in what they described as a state. Not all forms of social organisation can be equated to the State and more appropriate words are needed to describe a fundamentally new form of socio-political institution.<sup>283</sup>

Moreover, Proudhon saw anarchy as a long term goal and advocated appropriate means to achieve it.<sup>284</sup> If we remember that Proudhon sometimes referred

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<sup>279</sup> *Selected Writings*, 133, 141, 140, 134, 129

<sup>280</sup> *De la Capacité Politique des Classes Ouvrières* (Paris: Lacroix, 1868), 142

<sup>281</sup> *The Principle of Federation*, 41, 40-1

<sup>282</sup> Graham (ed.), Vol. 1, 74-5

<sup>283</sup> “The anarchists soon saw... that it was rather dangerous for them to use the same word as the authoritarians while giving it a quite different meaning. They felt that a new concept called for a new word and that the use of the old term could be dangerously ambiguous; so they ceased to give the name ‘State’ to the social collective of the future.” (Guérin, *Anarchism*, 60-1). While, for some, this may appear to be purely a case of semantics, anarchists would reply that it just shows intellectual confusion to use the same name to describe things that are fundamentally organised in different ways and for different purposes. See section H.2.1 of *An Anarchist FAQ*.

<sup>284</sup> As he put it in the 1860s, “centuries will pass before that ideal may be attained” but he wished to “grow unceasingly nearer to that end, and it is thus that I uphold the principle of federation.” (quoted in Woodcock, *Proudhon*, 249)

to anarchy as a form of government<sup>285</sup> we should not construe his extensive discussion of governments and governmental forms as a rejection of anarchist ideas. Even during his most anarchistic phase in 1849 he suggested that “as the negation of property implies that of authority, I immediately deduced from my definition this no less paradoxical corollary: that the authentic form of government is anarchy.”<sup>286</sup> It should also be remembered that in the 1850s and 1860s Proudhon was, bar a period of exile in Belgium, writing under the watchful eyes of the censors of the Second Empire and so, perhaps, toned down some of his language as a result. Similarly, the reactionary atmosphere of the period and lack of social protest may have played their part (as can be seen from the return to radicalism shown by *The Political Capacity of the Working Classes* written in response to the stirrings of the labour movement in the early 1860s).

Then there is “democracy”, a concept Proudhon eviscerated in his seminal 1848 article of the same name but later he was more than happy to proclaim that the “federative, mutualist republican sentiment” will “bring about the victory of Worker Democracy right around the world.”<sup>287</sup> A close reading shows that his main opposition to democracy in 1848 was that it was, paradoxically, not democratic enough as it referred to the Jacobin notion that the whole nation as one body should elect a government. However, within a decentralised system it was a case of providing “a little philosophy of universal suffrage, in which I show that this great principle of democracy is a corollary of the federal principle or nothing.”<sup>288</sup>

This changing terminology and ambiguous use of terms like government, state, property and so forth can cause problems when interpreting Proudhon. This is not to suggest that he is inconsistent or self-contradictory. In spite of changing from “possession” to “property” between 1840 and 1860 what Proudhon actually advocated was remarkably consistent.<sup>289</sup> This caveat should be borne in mind when reading Proudhon and these ambiguities in terminology should be taken into consideration when evaluating his ideas.

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<sup>285</sup> Anarchy is one of “four forms of government”, government “of each by each” and the phrase “anarchic government” was not “impossible” nor “the idea absurd.” (*The Principle of Federation*, 8-9, 11).

<sup>286</sup> *No Gods, No Masters*, 46

<sup>287</sup> Graham (ed.), Vol. 1, 77

<sup>288</sup> quoted in Woodcock, *Proudhon*, 251

<sup>289</sup> The peasants “desired to own the property they worked” and Proudhon was “quite content to call such ownership ‘proprietary.’” Before ownership limited to what was necessary to earn a living was termed “possession” while “property” was “reserved for onerous seigniorial types of ownership. Proudhon was now perfectly happy to consider possession a form of property. There was a change in terminology, but there was no change in position.” (Vincent, 195)

## PROUDHON AND MARX

No discussion of Proudhon would be complete without mentioning Marx particularly as Marx's discussions of Proudhon's ideas "span almost the entirety of his career"<sup>290</sup> The first public work on Marxism, *The Poverty of Philosophy*, was directed against Proudhon while jabs at him surface in *Capital*, *Theories of Surplus Value* and throughout his correspondence. For most Marxists (and even some anarchists) all they know of Proudhon has been gathered from Marx and Engels.

Suffice to say, the accounts of Marx and Engels are highly distorted and almost always charged with scorn.<sup>291</sup> This is unsurprising given that they considered Proudhon as their main theoretical competitor within the socialist movement. Indeed, at the start of the Franco-Prussian war Marx wrote that the French needed "a good hiding" and that a German victory would "shift the centre of gravity of West European labour movements from France to Germany" which would "mean the predominance of *our* theory over *Proudhon's*."<sup>292</sup>

Be that as it may, and regardless of the misrepresentations that Marx inflicted on Proudhon, it is also fair to say that he developed many of the themes he appropriated from Proudhon ("One of Marx's most important teachers and the one who laid the foundations for his subsequent development."<sup>293</sup>). As Marx suggested:

Proudhon's treatise *Qu'est-ce que la propriété?* is the criticism of political economy from the standpoint of political economy... Proudhon's treatise will therefore be scientifically superseded by a criticism of political economy, including Proudhon's conception of political economy. This work became possible only owing to the work of Proudhon himself.<sup>294</sup>

Marx may well have done this, but in so doing he distorted Proudhon's ideas and claimed many of his insights as his own. To set the record straight is not a call for Marx to be rejected in favour of Proudhon, it is a call for an honest appraisal of both.

The awkward fact is that many key aspects of Marxism were first suggested by Proudhon. For Benjamin Tucker "the tendency and consequences of capitalistic production... were demonstrated to the world time and time again during the twenty years preceding the publication of '*Das Kapital*'" by Proudhon, as were "the historical persistence of class struggles in successive manifestations." "Call Marx, then, the father of State socialism, if you will," Tucker argued, "but we dispute his paternity of the general principles of economy on which all schools of socialism agree."<sup>295</sup> Moreover "Proudhon propounded and proved [the theory of surplus value] long before Marx advanced it."<sup>296</sup>

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<sup>290</sup> Thomas, 193

<sup>291</sup> In response to a comment in Marx's "Political Indifferentism" on Proudhon's attitude to strikes even the editor of a collection of Marx's works had to state "[t]o give Proudhon his due, he was not so much justifying the actions of the French authorities as exposing the 'contradictions' he saw as an inevitable evil of the present social order." (*The First International*, 330)

<sup>292</sup> *Marx-Engels Collected Works* 44: 3-4

<sup>293</sup> Rudolf Rocker, "Marx and Anarchism", *The Poverty of Statism* (Orkney: Cienfuegos Press, 1981), Albert Meltzer (ed.), 77

<sup>294</sup> *Marx-Engels Collected Works* 4: 31

<sup>295</sup> *Liberty* 35 (1883): 2

<sup>296</sup> *Liberty* 92 (1887): 1

Tucker had a point. It was Proudhon, not Marx, who first proclaimed the need for a “scientific socialism.”<sup>297</sup> It was Proudhon who first located surplus value production within the workplace, recognising that the worker was hired by a capitalist who then appropriates their product in return for a less than equivalent amount of wages. Marx, a mere 27 years later, agreed that “property turns out to be the right, on the part of the capitalist, to appropriate the unpaid labour of others or its product, and the impossibility, on the part of the worker, of appropriating his own product” as “the product belongs to the capitalist and not to the worker.”<sup>298</sup> He also repeated Proudhon’s analysis of “collective force” again without acknowledgement.<sup>299</sup> In *The Holy Family* he was more forthcoming:

Proudhon was the first to draw attention to the fact that the sum of the wages of the individual workers, even if each individual labour be paid for completely, does not pay for the collective power objectified in its product, that therefore the worker is not paid as a part of the collective labour power.<sup>300</sup>

Marx mocked that Proudhon “might perhaps have discovered that this right [of free competition] (with capital R) exists only in the Economic Manuals written by the Brothers Ignoramus of bourgeois political economy, in which manuals are contained such pearls as this: ‘Property is the fruit of labour’ (‘of the labour’, they neglect to add, ‘of others’).”<sup>301</sup> This would be the same Proudhon who proclaimed, three decades before, that “Property is the right to enjoy and dispose of another’s goods, – the fruit of another’s labour?”<sup>302</sup> He also ridiculed Proudhon for the axiom that “all labour must leave a surplus” by stating he “attempts to explain this fact” in capitalist production “by reference to some mysterious natural attribute of labour.” Yet Marx points to the “peculiar property” of labour that results in “the value of the labour-power” being “less than the value created by its use during that time”<sup>303</sup> which sounds remarkably like Proudhon’s axiom.

Little wonder Rudolf Rocker argued that we find “the theory of surplus value, that grand ‘scientific discovery’ of which our Marxists are so proud of, in the writings of Proudhon.”<sup>304</sup>

Comparing Proudhon’s critique of property with Marx’s we discover that “Communism deprives no man of the power to appropriate the products of society; all that it does is to deprive him of the power to subjugate the labour of others by means of such appropriation.”<sup>305</sup> Which echoes Proudhon’s argument that possession does not allow the appropriation of the means of life (land and workplaces) as these should be held in common.

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<sup>297</sup> *What is Property?*, 264

<sup>298</sup> *Capital* 1: 730-1

<sup>299</sup> *Capital* 1: 451. Engels in one of his many introductions to *Capital* notes that “passages from economic writers are quoted in order to indicate when, where and by whom a certain proposition was for the first time clearly enunciated.” (111) Clearly Marx could not bring himself to acknowledge that Proudhon had first formulated this part of his critique of capitalism.

<sup>300</sup> *Marx-Engels Collected Works* 4: 52

<sup>301</sup> *The First International*, 331

<sup>302</sup> *What is Property?*, 171

<sup>303</sup> *Capital* 1: 1011-2, 270, 731

<sup>304</sup> “Marx and Anarchism”, 77

<sup>305</sup> *Marx-Engels Reader*, 486

Much the same can be said of the co-operative movement. For Marx it was “one of the transforming forces of the present society based upon class antagonism. Its great merit is to practically show, that the present pauperising, and despotic system of the *subordination of labour* to capital can be superseded by the republican and beneficent system of *the association of free and equal producers*.”<sup>306</sup> In the 1880s, Engels suggested as a reform the putting of public works and state-owned land into the hands of workers’ co-operatives rather than capitalists. Neither he nor Marx “ever doubted that, in the course of transition to a wholly communist economy, widespread use would have to be made of co-operative management as an intermediate stage” although “initially” the State “retains ownership of the means of production.”<sup>307</sup> That these echoed earlier comments by Proudhon goes without saying.

Marx argued that credit system presents “the means for the gradual extension of co-operative enterprises on a more or less national scale” and so the “development of credit” has “the latent abolition of capital ownership contained within it.” It “constitutes the form of transition to a new mode of production” and “there can be no doubt that the credit system will serve as a powerful lever in the course of transition from the capitalist mode of production to the mode of production of associated labour.”<sup>308</sup> Proudhon would hardly have disagreed. For Marx, abolishing interest and interest-bearing capital “means the abolition of capital and of capitalist production itself.”<sup>309</sup> For Proudhon, “reduction of interest rates to vanishing point is itself a revolutionary act, because it is destructive of capitalism.”<sup>310</sup>

Marx asserted that “Proudhon has failed to understand” that “economic forms” and “the social relations corresponding to them” are “*transitory and historical*,” thinking that “the bourgeois form of production” and “bourgeois relations” were “eternal.”<sup>311</sup> Yet Proudhon explicitly argued that the “present form” of organising labour “is inadequate and transitory.”<sup>312</sup> Hence the need to “organise industry, associate labourers and their functions.” Association “is the annihilation of property” and this “non-appropriation of the instruments of production” would be based on “the equality of associates.”<sup>313</sup>

Marx ignored this. He commented upon Proudhon’s exchange with Bastiat many times and in all of them overlooked that Proudhon was discussing a *post-capitalist* economy. Proudhon was well aware that under capitalism “a worker, without property, without capital, without work, is hired by [the capitalist], who gives him employment and takes his product” and his wages fail to equal the price of the commodities he creates. “In mutualist society”, however, “the two functions” of worker and capitalist “become equal and inseparable in the person of every worker” and so he “alone profits by his products” (and the “surplus” he creates).<sup>314</sup> So much for Marx’s assertion that this exchange showed Proudhon “want[ed] to preserve wage-labour and thus the basis of capital.”<sup>315</sup> As he acknowledged elsewhere, when

<sup>306</sup> *The First International*, 90

<sup>307</sup> *Marx-Engels Collected Works* 47: 239, 389

<sup>308</sup> *Capital: A Critique of Political Economy* (London: Penguin Books, 1981) 3: 571-2, 572, 743

<sup>309</sup> *Theories of Surplus Value* (London: Lawrence and Wishart, 1972) 3: 472

<sup>310</sup> quoted in Edward Hyams, *Pierre-Joseph Proudhon: His Revolutionary Life, Mind and Works* (London: John Murray, 1979), 188

<sup>311</sup> *Marx-Engels Collected Works* 38: 97, 103

<sup>312</sup> *System of Economical Contradictions*, 55

<sup>313</sup> *What is Property?*, 310, 363, 372, 365

<sup>314</sup> *Oeuvres Complètes* 19: 295, 305

<sup>315</sup> *Theories of Surplus Value* 3: 525

“the direct producer” is “the possessor of his own means of production” then he is “a non-capitalist producer.” This is “a form of production that does not correspond to the capitalist mode of production” even if “he produces his product as a commodity.”<sup>316</sup>

Marx usually argued that Proudhon was “the scientific exponent of the French petty bourgeoisie, which is a real merit since the petty bourgeoisie will be an integral part of all impeding social revolutions”<sup>317</sup> and wrote *The Philosophy of Poverty* accordingly. Yet when it comes to Proudhon, Marx never expressed *Capital*'s clear distinction between commodity production and capitalism and presents him as advocating wage-labour. Proudhon explicitly did not and argued that while interest was justified in previous societies, it was not in a mutualist one and lambasted Bastiat for refusing to envision anything other than capitalism – a refusal Marx shared in this instance. So when Marx interpreted Proudhon as defending “the productive capitalist in contrast to the lending capitalist” and argued that ending interest “in no way affects the value of the hats, but simply the distribution of the surplus-value already contained in the hats among different people”<sup>318</sup> he utterly missed the point. Marx did, once, vaguely recognise this:

In order that it should be impossible for commodities and money to become capital and therefore be lent as capital *in posse* [in potential but not in actuality], they must not confront wage-labour. If they are... not to confront it as *commodities* and *money*... labour itself is not to become a commodity... this is only possible where the workers are the owners of their means of production... Mr. Proudhon's hatters do not appear to be *capitalists* but journeymen.<sup>319</sup>

Precisely, Herr Marx, precisely...

So Marx, like Proudhon before him, differentiated between possession and private property and argued that co-operatives should replace capitalist firms. Both recognised that capitalism was but a transitory form of economy due to be replaced (as it replaced feudalism) with a new one based on *associated* rather than wage labour. While their specific solutions may have differed (with Proudhon aiming for a market economy consisting of artisans, farmers and co-operatives while Marx aimed, after a lengthy transition period, for centrally planned communism) their analysis of capitalism and private property were identical. Understandably, given the parallels, Marx was keen to hide them.

In terms of politics, Marx also repeated Proudhon. When Marx placed “the emancipation of the working classes must be conquered by the working classes themselves”<sup>320</sup> in the statutes of the IWMA, the mutualist delegates must have remembered Proudhon's exhortation from 1848 that “the proletariat must emancipate itself without the help of the government.”<sup>321</sup>

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<sup>316</sup> *Capital* 3: 735, 1015

<sup>317</sup> *Marx-Engels Collected Works* 38: 105

<sup>318</sup> *Capital* 3: 467

<sup>319</sup> *Theories of Surplus Value* 3:525-6

<sup>320</sup> *The First International*, 82

<sup>321</sup> quoted in Woodcock, *Proudhon*, 125. The expression “the emancipation of the working class is the task of the working class itself” was first used by the remarkable socialist-feminist Flora Tristan in 1843. (Mattick, 333)

Both argued that the state was an instrument of class rule, Proudhon in 1846 and Marx a year later in reply to that work.<sup>322</sup> Then there is Proudhon's call for a dual-power within the state in early 1848 and support for the clubs which Marx subsequently echoed in 1850 in an address to the *Communist League*.<sup>323</sup> With the Paris Commune of 1871, this appropriation became wholesale. Marx eulogised the political vision of the Communards without once mentioning that their decentralised, bottom-up system based on federations of mandated and recallable delegates who combined executive and legislative powers had been publicly urged by Proudhon since 1848.

Not bad for someone dismissed as an advocate of "Conservative, or bourgeois, socialism"!<sup>324</sup> Of course, all this could be just a coincidence and just a case of great minds thinking alike – with one coming to the same conclusions a few years after the other expressed them in print...

### *THE POVERTY OF PHILOSOPHY*

Given all this, we can see the point of Proudhon's comment, scribbled as a marginal note in his copy of Marx's *The Poverty of Philosophy*, that "what Marx's book really means is that he is sorry that everywhere *I* have thought the way *he* does, and said so before he did. Any determined reader can see that it is Marx who, having read me, regrets thinking like me. What a man!" And it is to that book which we need to turn, as no account of Proudhon's ideas would be complete without a discussion of what the Frenchman proclaimed "a tissue of vulgarity, of calumny, of falsification and of plagiarism" written by "the tapeworm of socialism."<sup>325</sup>

*The Poverty of Philosophy*<sup>326</sup> was written in reply to Proudhon's *System of Economic Contradictions*. What to make of it?

First, it must be remembered that this work is not really about Proudhon but Marx. Proudhon's fame is used to get people to read the work of an unknown radical thinker and for that thinker to expound his ideas on various subjects. Second, it is a hatchet-job of epic proportions – although as few Marxists bother to read Proudhon as Marx has pronounced judgment on him, they would not know that and so they contribute to "the perpetuation of a spiteful distortion of his thought" produced by Marx's "desire to denigrate" his "strongest competitors."<sup>327</sup>

While, undoubtedly, Marx makes some valid criticisms of Proudhon, the book is full of distortions. His aim was to dismiss Proudhon as being the ideologist of the petit-bourgeois<sup>328</sup> and he obviously thought all means were applicable to achieve that goal. So we find Marx arbitrarily arranging quotations from Proudhon's book, often out of context and even tampered with, to confirm his own views. This allows him to

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<sup>322</sup> Although Marx, unlike Proudhon, repeatedly stated that universal suffrage gave the working class political power and so could be used to capture the state. See section H.3.10 of *An Anarchist FAQ*.

<sup>323</sup> *Marx-Engels Reader*, 507-8.

<sup>324</sup> *Marx-Engels Reader*, 496

<sup>325</sup> quoted in Thomas, 211

<sup>326</sup> All quotes unless indicated otherwise are from this work.

<sup>327</sup> Vincent, 230

<sup>328</sup> "He wished to soar as a man of science above the bourgeoisie and the proletarians; he is only the petty bourgeois, tossed about constantly between capital and labour, between political economy and communism." (137) If Marx embodied proletarian socialism, regardless of whether the proletariat knew this or not, then Proudhon must, by definition, represent another class. Given the starting assumption, what other conclusion could flow?

impute to Proudhon ideas the Frenchman did not hold (often explicitly rejects!) in order to attack him. Marx even suggests that his own opinion is the opposite of Proudhon's when, in fact, he is simply repeating the Frenchman's thoughts. He takes the Frenchman's sarcastic comments at face value, his metaphors and abstractions literally.<sup>329</sup> And, above all else, Marx seeks to ridicule him.<sup>330</sup>

Here we address a few of the many distortions Marx inflicted on Proudhon and see how his criticism has fared.<sup>331</sup>

Marx quotes Proudhon as stating that the economists "have very well explained the double character of value; but what they have not set out with equal clearness is its *contradictory nature*" and then goes on to state that, for Proudhon, the economists "have neither seen nor known, either the opposition or the contradiction" between use-value and exchange-value. (37-8) Marx then quotes three economists expounding on this contradiction. Except Proudhon had not suggested that economists had "neither seen nor known" this, but that they had "not set out with equal clearness" this contradiction. Presumably Marx hoped that readers would be distracted by his witticism to notice that he had lambasted Proudhon for something he had not actually said. Nor did Proudhon "say that J.B. Say was the *first* to recognise 'that in the division of labour the same cause which produces good engenders evil.'" (140) Rather Proudhon wrote that "Say goes so far as to recognise that in the division of labour the same cause which produces the good engenders the evil."<sup>332</sup> Which makes the subsequent quoting of economists showing that Say was not the first to recognise this fact misleading.

Marx repeatedly accused Proudhon of advocating ideas which he rejected in his book. We find Proudhon discussing the suggestion of an economist, M. Blanqui, who argued for "an increase of wages resulting from the co-partnership, or at least from the interest in the business, which he confers upon the labourers." Proudhon then asked: "What, then, is the value to the labourer of a participation in the profits?" He replied by providing an example of a mill, whose profit amounts to "annual dividend of twenty thousand francs." If this were divided by the number of employees and "by three hundred, the number of working days, I find an increase... of eighteen centimes, just a morsel of bread." He concluded that this would be "a poor prospect to offer the working class."<sup>333</sup> All of which makes this comment by Marx incredulous and misleading:

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<sup>329</sup> Thus we find Marx ignoring Proudhon's analysis of classes in capitalism in favour of this assertion: "What... is this Prometheus resuscitated by M. Proudhon? It is society, it is the social relations based on the antagonism of classes... Efface these relations and you have extinguished the whole of society, and your Prometheus is nothing more than a phantom." (109) It is almost redundant to note that Proudhon analysed the class nature of capitalist society in *System of Economic Contradictions*. His discussion of machinery, for example, shows that he was well aware that capitalists introduce it to increase their profits at the expense of the workers.

<sup>330</sup> Somewhat ironically, Marx himself has suffered from being subject to the approach he inflicted on Proudhon. Just as Marx mocked Proudhon for his high-level of abstraction when the Frenchman used the notion of a consuming and producing Prometheus to illustrate some of his points, so the German has been subject to similar abuse by bourgeois economists for his high level abstractions in Volume 1 of *Capital* which they stress are unrealistic. Poetic Justice, some would say.

<sup>331</sup> We have taken the liberty of adding footnotes to the extracts of *System of Economic Contradictions* we provide to show what Marx claimed and what Proudhon actually wrote.

<sup>332</sup> *System of Economical Contradictions*, 134

<sup>333</sup> *System of Economical Contradictions*, 145

If then, in theory, it suffices to interpret, as M. Proudhon does, the formula of the surplus of labour in the sense of equality without taking account of the actual relations of production, it must suffice, in practice, to make among the workers an equal distribution of wealth without changing anything in the actual conditions of production. This distribution would not assure a great degree of comfort to each of the participants. (109-10)

Moreover Proudhon was well aware of the actual relations of production. He indicated that with “machinery and the workshop, divine right – that is, the principle of authority – makes its entrance into political economy. Capital... Property... are, in economic language, the various names of... Power, Authority.” Thus, under capitalism, the workplace has a “hierarchical organisation.”<sup>334</sup> He was well aware of the oppressive nature of wage labour. As Proudhon argued in volume 2 of *Système des Contradictions Économiques*:

Do you know what it is to be a wage-worker? It is to labour under a master, watchful for his prejudices even more than for his orders... It is to have no mind of your own... to know no stimulus save your daily bread and the fear of losing your job.

The wage-worker is a man to whom the property owner who hires him says: What you have to make is none of your business; you do not control it.<sup>335</sup>

Which raises the question of what Marx had in mind if not those relations *within* the workplace? Proudhon was well aware that exploitation occurred there as workers had “parted with their liberty” and “have sold their arms” to a boss who appropriated their product and “collective force.”<sup>336</sup> To suggest that Proudhon was blind to what happened in production under capitalism is false.

Then there is the perennial Marxist assertion that Proudhon wished to return to pre-industrial forms of economy.<sup>337</sup> Marx suggests “[t]hose who, like Sismondi, would return to the just proportion of production, while conserving the existing bases of society, are reactionary, since, to be consistent, they must also desire to re-establish all the other conditions of past times.” (73) Yet Proudhon explicitly rejected such an option, using almost the same words as Marx did.<sup>338</sup> Unsurprisingly, given that Proudhon argued that workers’ co-operatives were essential to ensure the application of large-scale technology.

Marx then goes on to argue that either you have “just proportions of past centuries, with the means of production of our epoch, in which case you are at once a reactionary and a utopian” or “you have progress without anarchy: In which case, in

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<sup>334</sup> *System of Economical Contradictions*, 203-4

<sup>335</sup> *Oeuvres Complètes* 5: 230-1. So much for the assertion by Marxist Paul Thomas that “Proudhon had no real conception of alienation in the labour process.” (243)

<sup>336</sup> *System of Economical Contradictions*, 301-2

<sup>337</sup> “M. Proudhon has not got beyond the ideal of the petty bourgeois. And in order to realise this ideal he thinks of nothing better than to bring us back to the companion, or at most the master, workman of the Middle Ages.” (157)

<sup>338</sup> “M. de Sismondi, like all men of patriarchal ideas, would like the division of labour, with machinery and manufactures, to be abandoned, and each family to return to the system of primitive indivision, – that is, to *each one by himself, each one for himself*, in the most literal meaning of the words. That would be to retrograde; it is impossible.” (*System of Economical Contradictions*, 206)

order to conserve productive forces, you must abandon individual exchanges.” (73)  
This comes from the extreme technological determinism Marx expounds:

The social relations are intimately attached to the productive forces. In acquiring new productive forces men change their mode of production; and in changing their mode of production, their manner of gaining a living, they change all their social relations. The windmill gives you society with the feudal lord; the steam-mill, society with the industrial capitalist. (119)

This is nonsense, with Marx himself subsequently acknowledging that co-operatives show “[b]y deed instead of by argument” that “production on a large scale... may be carried on without the existence of a class of masters employing a class of hands.”<sup>339</sup> In them “the opposition between capital and labour is abolished,” they are “a new mode of production” which “develops and is formed naturally out of the old.”<sup>340</sup> So the steam-mill *can* be run without the industrial capitalist, by a workers association. Which was *precisely* what Proudhon did advocate:

it is necessary to destroy or modify the predominance of capital over labour, to change the relations between employer and worker, to solve, in a word, the antinomy of division and that of machinery; it is necessary to ORGANISE LABOUR.<sup>341</sup>

Marx’s comments were related to his dismissal of Proudhon’s “constituted value” which he asserted was incompatible with an advanced economy. Commodities “produced in such proportions that they can be sold at an honest price” was “only possible in the epoch in which the means of production were limited, and in which exchange only took place within very narrow limits.” (72-3) Yet Proudhon has had the last laugh for, as capitalism has developed, the market price of goods has been replaced to a large degree with administered prices. Empirical research has concluded that a significant proportion of goods have prices based on mark-up, normal cost and target rate of return pricing procedures and “the existence of stable, administered market prices implies that the markets in which they exist are not organised like auction markets or like the early retail markets and oriental bazaars” as imagined in mainstream economic ideology.<sup>342</sup> Proudhon’s notion of an economy based on the “just price”, one which reflects costs, has become *more* possible over time rather than less as Marx had asserted.

Another area where Marx’s critique has proven to be lacking was his argument in favour of central planning. Given the actual experience of planned economies, it is amusing to read him suggest that “[i]f the division of labour in a modern factory, were taken as a model to be applied to an entire society, the best organised for the production of wealth would be incontestably that which had but one single master distributing the work, according to a regulation arranged beforehand, to the various members of the community.” (147) In reality, such a centralised system would be, and was, swamped by the task of gathering and processing the information required to plan well. Proudhon’s decentralised system would be the best organised simply

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<sup>339</sup> *The First International*, 79

<sup>340</sup> *Capital* 3: 571

<sup>341</sup> *System of Economical Contradictions*, 244

<sup>342</sup> Frederic S. Lee, *Post Keynesian Price Theory* (Cambridge: Cambridge University Press, 1998), 212

because it can access and communicate the necessary information to make informed decisions on what, when and how to produce goods.<sup>343</sup>

The core of Marx's critique rested on a massive confusion of commodity production (the market) and capitalism. Yet in 1867 he was clear that wage-labour was the necessary pre-condition for capitalism, not commodity production, as "the means of production and subsistence, while they remain the property of the immediate producer, are not capital. They only become capital under circumstances in which they serve at the same time as means of exploitation of, and domination over, the worker." When the producer owns his "conditions of labour" and "employs that labour to enrich himself instead of the capitalist" then it is an economic system "diametrically opposed" to capitalism.<sup>344</sup>

While Proudhon was in favour of commodity production, he was against wage-labour, that is labour as a commodity. Yet this did not stop Marx asserting that in Proudhon's system labour was "itself a commodity." (55) Marx did let that awkward fact slip into his diatribe:

[Proudhon] has a misgiving that it is to make of the minimum wage the natural and normal price of direct labour, that it is to accept the existing state of society. So, to escape from this fatal consequence he performs a *volte-face* and pretends that labour is not a commodity, that it could not have a value... He forgets that his whole system rests on the labour commodity, on labour which is trafficked, bought and sold, exchanged for products... He forgets all. (62-3)

Or, conversely, Marx *remembers* that Proudhon's whole system rests on abolishing labour as a commodity...

In short, the future Marx, with his comments on artisan production and co-operative workplaces, shows how wrong he was in 1847 to assert against Proudhon that the "mode of exchange of products depends upon the mode of production... Individual exchange also corresponds to a determined method production, which itself corresponds to the antagonism of classes. Thus there is no individual exchange without the antagonism of classes." (84)

This is not the only area in which the Marx of 1847 is in direct contradiction to his more mature future self. Marx proclaims against Proudhon that "relative value, measured by labour-time, is fatally the formula of the modern slavery of the worker. Instead of being, as M. Proudhon would have it, the 'revolutionary theory' of the emancipation of the proletariat." (55) Come 1875, Marx-the-older proclaims in his *Critique of the Gotha Programme* the use of labour-notes in the period of transition to communism.<sup>345</sup>

Key aspects of Marx's later analysis of capitalism can be found in Proudhon's work. Marx mocks the suggestion that labour "is said to *have value*, not as

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<sup>343</sup> See section I.1.2 of *An Anarchist FAQ*.

<sup>344</sup> *Capital* 1: 938, 931

<sup>345</sup> Discussing communism as "it *emerges* from capitalist society" Marx argued that "the individual producer... receives a certificate from society that he has furnished such-and-such an amount of labour" and "draws from the social stock of means of consumption as much as the same amount of labour cost." So ("obviously"!)" "the same principle prevails as that which regulates the exchange of commodities, as far as this is exchange of equal values. Content and form are changed" as "nothing can pass to the ownership of individuals, except individual means of consumption" (*Marx-Engels Reader*, 529-30)

merchandise itself, but in view of the values supposed to be contained in it potentially. The *value of labour* is a figurative expression, an anticipation of effect from cause” which “becomes a reality through its product.”<sup>346</sup> Marx argues:

All the reasonings of M. Proudhon confine themselves to this: We do not purchase labour as an instrument of immediate consumption. No, we buy it as an instrument of production... Merely as a commodity labour is worth nothing and produces nothing. M. Proudhon might as well have said that there are no commodities in existence at all, seeing that every commodity is only acquired for some use and never merely as a commodity. (62)

Marx-the-older, however, argued that the “purchaser of labour-power consumes it by setting the seller of it to work” and so “becomes in actuality what previously he only was potentially,” a worker who produces “a specific article.”<sup>347</sup> Thus Proudhon “anticipated an idea that Marx was to develop as one of the key elements in the concept of *labour power*, viz. that *as a commodity*, labour produces nothing and it exists independently of and prior to the exercise of its potential to produce value as *active labour*.”<sup>348</sup> Marx-the-older used this insight to argue that labour-power “is purchased for the production of commodities which contain more labour than [is] paid for” and so “surplus-value is nothing but objectified surplus labour.”<sup>349</sup> In this he repeated Proudhon who argued that non-labour incomes are “but the materialisation of the aphorism, *All labour should leave an excess*.” As “all value is born of labour” it meant “that no wealth has its origin in privilege” and so “labour alone is the source of revenue among men.”<sup>350</sup> Thus profit, interest and rent came from the capitalist appropriating the surplus-labour and collective force of workers:

the worker... create[s], on top of his subsistence, a capital always greater. Under the regime of property, the surplus of labour, essentially collective, passes entirely, like the revenue, to the proprietor: now, between that disguised appropriation and the fraudulent usurpation of a communal good, where is the difference?

The consequence of that usurpation is that the worker, whose share of the collective product is constantly confiscated by the entrepreneur, is always on his uppers, while the capitalist is always in profit... and that political economy, that upholds and advocates that regime, is the theory of theft.<sup>351</sup>

This analysis of exploitation occurring in production feeds into Proudhon’s few tantalising glimpses of his vision of a free society.<sup>352</sup> Thus we discover that as “all labour must leave a surplus, all wages [must] be equal to product.” To achieve

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<sup>346</sup> *System of Economical Contradictions*, 101

<sup>347</sup> *Capital* 1: 283

<sup>348</sup> Allen Oakley, *Marx’s Critique of Political Economy: intellectual sources and evolution, 1844 to 1860* Vol. 1, (London: Routledge & Kegan Paul, 1984), 118

<sup>349</sup> *Capital* 1: 769, 325

<sup>350</sup> *System of Economical Contradictions*, 56-7

<sup>351</sup> *Oeuvres Complètes* 5:246-7

<sup>352</sup> While Marx suggests that Proudhon’s work was presenting a panacea to society’s ills, it was primarily a work of critique: “We will reserve this subject [the organisation of labour] for the time when, the theory of economic contradictions being finished, we shall have found in their general equation the programme of association, which we shall then publish in contrast with the practice and conceptions of our predecessors.” (*System of Economical Contradictions*, 311)

this, the workplace must be democratic for “[b]y virtue of the principle of collective force, labourers are the equals and associates of their leaders” and to ensure “that association may be real, he who participates in it must do so” as “an active factor” with “a deliberative voice in the council” with everything “regulated in accordance with equality.” These “conditions are precisely those of the organisation of labour.” This requires free access and so all workers “straightway enjoy the rights and prerogatives of associates and even managers” when they join a workplace. This would ensure “equality of fortunes, voluntary and free association, universal solidarity, material comfort and luxury, and public order without prisons, courts, police, or hangmen.”<sup>353</sup>

Needless to say, Marx ignores all this. Once acknowledged, it is incredulous to assert that Proudhon “borrows from the economists the necessity of eternal relations” and to end its troubles society has “only to eliminate all the ill-sounding terms. Let it change the language” and that such “activities form an essential part of the argument of M. Proudhon.” (137, 61) In reality, Proudhon denounced “the radical vice of political economy” of “affirming as a definitive state a transitory condition – namely, the division of society into patricians and proletaires.” He noted that the “period through which we are now passing” is “distinguished by a special characteristic: WAGE-LABOUR.”<sup>354</sup> His arguments for socialisation and self-management prove that he sought to end bourgeois relations *within production*. As Marx-the-older admitted, capital’s “existence” is “by no means given with the mere circulation of money and commodities.” This “new epoch” in social production requires the proprietor finding “in the market” the worker “as seller of his own labour-power.”<sup>355</sup> So “if one eliminates the capitalists, the means of production cease to be *capital*”<sup>356</sup> and when “the workers are themselves in possession of their respective means of production and exchange their commodities with one another” then these commodities “would not be products of capital.”<sup>357</sup>

This is not to suggest that Marx’s diatribe did not make some valid points. Far from it. Revolutionary anarchists would agree with Marx on unions being “a rampart for the workers in their struggle with the capitalists” and that “the determination of value by labour time, that is to say the formula which M. Proudhon has given us as the regenerating formula of the future, is... only the scientific expression of the economic relations of existing society”. (187, 74) Such valid points should not blind us to the distortions that work contains, distortions which ultimately undermine Marx’s case.

Significantly, while Marx’s 1847 work has become considered by Marxists as a key document in the development of his ideas, at the time its impact was null. Proudhon remained one of Europe’s foremost socialist thinkers and Marx’s attack “sank into obscurity” and “by 1864 his name meant nothing to the new generation of working-class leaders” in France.<sup>358</sup> It is only after the eclipse of Proudhon by social democracy that it became better known. It undoubtedly helped that, unlike when it was written, few would have read Proudhon’s two volumes.

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<sup>353</sup> *System of Economical Contradictions*, 340, 411, 312, 307, 37

<sup>354</sup> *System of Economical Contradictions*, 67, 198 (translation corrected)

<sup>355</sup> *Capital* 1: 274

<sup>356</sup> *Theories of Surplus Value* 3: 296

<sup>357</sup> *Capital* 3: 276

<sup>358</sup> Archer, 50

Proudhon carefully read and annotated his copy of *The Poverty of Philosophy*. Sadly a family crisis followed swiftly by the outbreak of the February Revolution of 1848 stopped a reply being written. Proudhon, rightly, thought social transformation more pressing than bothering with an obscure German communist. That he never did so is one of the great lost opportunities of socialism as it would have clarified some of the issues raised by Marx and allowed Proudhon to extend his critique of state socialism to Marxism.

Finally, given how many people think Marx was extremely witty in reversing the sub-title of Proudhon's book, it should be pointed out that even in this he was plagiarising Proudhon:

Modern philosophers, after collecting and classifying their annals, have been led by the nature of their labours to deal also with history: then it was that they saw, not without surprise, that the *history of philosophy* was the same thing at bottom as the *philosophy of history*.<sup>359</sup>

All in all, it is hard not to disagree with Edward Hyams summation: "since [*The Poverty of Philosophy*] no good Marxists have had to think about Proudhon. They have what is mother's milk to them, an *ex cathedra* judgement."<sup>360</sup>

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<sup>359</sup> *System of Economical Contradictions*, 171

<sup>360</sup> Hyams, 92

## FURTHER READING

Sadly, very little of Proudhon's voluminous writings has been translated into English. Benjamin Tucker translated the First and Second Memoirs of *What is Property?* and volume 1 of *System of Economic Contradictions* and both are available on-line. He also translated numerous other shorter pieces. The First Memoir of *What is Property?* in a new translation is also available from Cambridge University Press. *General Idea of the Revolution in the Nineteenth Century* was translated in 1923 by John Beverley Robinson (available on-line). The First Part and chapter one of the Second Part of *Du Principe Fédératif* was translated by Richard Vernon under the title *The Principle of Federation*. Other selections (mostly related to his Bank of Exchange, extracts from his exchange with Bastiat and a few parts of volume 2 of *System of Economic Contradictions*) have appeared in Clarence L. Swartz's *Proudhon's Solution to the Social Question. Selected Writings of Pierre-Joseph Proudhon* edited by Stewart Edwards has a comprehensive selection of short extracts on various subjects.

Most anthologies of anarchism have selections from Proudhon's works. George Woodcock's *The Anarchist Reader* has a few short extracts, while Daniel Guérin's essential *No Gods, No Masters: An Anthology of Anarchism* has a comprehensive section on Proudhon. Robert Graham's excellent anthology *Anarchism: A Documentary History of Libertarian Ideas, Volume 1: From Anarchy to Anarchism (300CE-1939)* has selections from Proudhon's major works.

The best introduction to Proudhon's ideas is K. Steven Vincent's *Pierre-Joseph Proudhon and the Rise of French Republican Socialism*, which places his ideas within the context of the wider working class and socialist movements.<sup>361</sup> George Woodcock's *Pierre-Joseph Proudhon: A Biography* is the best available and is essential reading. Other studies include Robert L. Hoffman's *Revolutionary Justice: The Social and Political Theory of P-J Proudhon*, Alan Ritter's *The Political Thought of Pierre-Joseph Proudhon* and *Pierre-Joseph Proudhon: His Revolution Life, Mind and Works* by Edward Hyman. J. Hampden Jackson's *Marx, Proudhon and European socialism* is a good short overview of the Proudhon's life, ideas and influence. Henri de Lubac's *The Un-Marxian Socialist: A Study of Proudhon* is more concerned about Proudhon's relationship with Christianity. *Political Economy From Below: Economic Thought in Communitarian Anarchism, 1840-1914* by Rob Knowles presents a useful extended discussion of Proudhon's economic ideas.

Shorter accounts of Proudhon and his ideas include Robert Graham's excellent introduction to the 1989 Pluto Press edition of *General Idea*. Jack Hayward has a comprehensive chapter entitled "Proudhon and Libertarian Socialism" in his *After the French Revolution: Six Critics of Democracy and Nationalism*. Martin Buber's *Paths in Utopia* contains a useful account of Proudhon's ideas. Other useful short pieces on Proudhon include George Woodcock's "Pierre-Joseph Proudhon; An Appreciation" (in the anthology *Anarchism and Anarchists*) and "On Proudhon's 'What is Property?'" (*The Raven* 31). Daniel Guérin's "From Proudhon to Bakunin" (*The Radical Papers*, Dimitrios I. Roussopoulos (ed.)) is a good introduction to the links between the French Anarchist and revolutionary anarchism. Charles A. Dana's

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<sup>361</sup> It is only marred by Vincent considering anarchism as being incompatible with social organisation and, as such, Proudhon's theory "conflicts with the traditional concept of anarchism" and so he was not an anarchist in the "popular meaning"! (269, 234)

*Proudhon and his "Bank of the People"* is a contemporary (1849) account of his economic ideas.

George Woodcock's *Anarchism: A History of Libertarian Ideas and Movements* and Peter Marshall's *Demanding the Impossible: A History of Anarchism*, both have chapters on Proudhon's life and ideas. Daniel Guérin's *Anarchism: From Theory to Practice* is an excellent short introduction to anarchism which places Proudhon, with Bakunin, at its centre. Max Nettlau's *A Short History of Anarchism* should also be consulted.

For those Marxists keen to read a generally accurate and sympathetic account of Proudhon, albeit one still rooted in Marxist dogmas and dubious assumptions, then John Ehrenberg's *Proudhon and His Age* would be of interest.<sup>362</sup>

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A special note of thanks for Jesse Cohn who not only helped me work out two particularly puzzling translation issues but also did a wonderful job in proof-editing the manuscript. Many of the footnotes, for example, are his work.

In addition, I would like to thank Robert Graham for providing me with the full version of Chapter XV of *The Political Capacity of the Working Classes* which had previously appeared in an edited form in volume 1 of his anthology *Anarchism: A Documentary History of Libertarian Ideas*.

Finally, I would like to thank my partner for her knowledge, experience and patience in answering my numerous questions on issues related to translating from French.

#### A NOTE ON THE TEXTS

The texts are presented in chronological order, so that readers can get a feel for how Proudhon's ideas and ways of expressing himself changed over time. We have aimed to present newly translated material in full and have edited those which are available in English already. Any edits are indicated by bracketed ellipses and any additions are surrounded by brackets. We have tried to reproduce Proudhon's own stresses and capitalisations.

For those interested in reading the full versions of the material we present here, then please visit Shawn Wilbur's *New Proudhon Library* ([www.proudhonlibrary.org](http://www.proudhonlibrary.org)). A complete translation of *The Philosophy of Progress* is there, along with other material.

This is but a small part of Proudhon's works and there are many key works, such as *Confessions of a Revolutionary* and *The Political Capacity of the Working Classes*, which should be made available to the English-speaking world in full. This

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<sup>362</sup> For a short critique of Ehrenberg's Marxist assumptions, see K. Steven Vincent's review (*The American Historical Review* 102: 4 [1997]).

anthology should hopefully show why such a task would be worthwhile. For those interested in such a project, please visit the translation project at *Collective Reason* ([www.collectivereason.org](http://www.collectivereason.org)).

Lastly, the material in this book will be available on-line at [www.property-is-theft.org](http://www.property-is-theft.org). We plan to add new translations as and when they become available as well as supplementary material on Proudhon. In addition, the site will have links to complete versions of works we have provided extracts from.

#### *A NOTE ON THE TRANSLATIONS*

All the texts have been translated in British English rather than American English.

In addition, certain parts of previous translations have been corrected to bring their meaning more in line with the original French (as such consistently translating “salarial” as wage-labour or wage-worker, “entrepreneur” rather than “contractor”, etc.), popular usage (such as replacing Tucker’s “property is robbery” with “property is theft”), or to bring them up-to-date (such as “worker” rather than “labourer”). Workman, working men, etc., have been changed to worker, workers, etc. This is because they sound antiquated, are unnecessarily gendered in English and using workman simply reflects the unthinking cultural sexism of translators from previous generations. In addition, it reads better and fits in with the new translations which render it as worker. We have used the original “Commune” in the translation of *General Idea of the Revolution* while words Tucker did not translate, like *proletaire*, have been translated.

Finally, I have revised and edited all the translations and, as a consequence, I take full responsibility for any errors that may occur in the texts.