

Non-Market Socialism: What is it? How will it work?

**Two papers from the Socialist and Anarchist Utopias Panel
11.30am, 20 May at the The Great Transition: Setting the Stage for a Post-Capitalist Society
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In these papers Anitra Nelson and Terry Leahy offer various arguments, visions and strategies to achieve a decentralised, self-managing, anarcho-ecosocialist utopia that would facilitate direct democracy and use alternative, appropriate technologies and commons — avoiding both centralised and hierarchical planning and the market. Our vision and associated transitional strategies fall into a tradition called ‘non-market socialism’.

Non-Market Socialism: Where People and Planet Are Central

Anitra Nelson

When I was active in the women’s movement in the early 1970s, I first started to think about money: about how monetary values and relationships disrupt, dominate and contort social and environmental values and relationships. It was a big issue from the perspective of whether and how we argued for women to play a greater role in the workforce, especially once some feminists started to argue for wages for housework.

How, I thought, can we address the challenge patriarchy poses by becoming more like men, joining MANagement, the repugnant world of work and monetising care of one another and the planet? We might change women’s status in capitalism but how would that contribute, or (more likely) detract from, working towards a socialist future?

For me ‘socialism’ always meant treating others with justice, responding to their needs in the framework of a fair distribution of effort and benefits of collective activity, and participatory direct governance. It was a different type of socialism than the existing communisms of the 1960s, in Russia, China and Cuba. It incorporated women’s liberation.

As the 1970s wore on, my perspective on socialism necessarily included environmental sustainability, ecosocialism. However, in the environmental movement, I confronted a familiar pattern and challenge as in the feminist movement and noticed a similar response. Again and again leftist, socialist and ‘radicals’ accepted economic structures — even as they criticised them — by treating monetary means as malleable to their ends. Water and carbon trading schemes and evaluating ecological systems in monetary terms are examples.

In many instances leftists criticised the capitalist system using social and environmental values but conceived and implemented their struggles in monetary terms. The common defence was ‘we can win them over and beat them using their own language and by keeping a stake in the system’. I was always suspicious of this logic and would ask: ‘How can we change the world without changing our practices, values and relationships? Don’t we need to be proud of social and environmental values instead of cloaking them in inappropriate monetary ones?’

‘Doesn’t capitalism run on a monetary logic?’ I’d ask. ‘How can you separate capital and money; aren’t they chicken and egg?’ ‘Is it this monetary structure — not just the capitalist structure — that accounted for the weaknesses, contradictions and collapse of the twentieth century attempts at communism in Russia, China and Cuba?’

As a result of my long-felt suspicions, I embarked on a doctoral thesis on Marx’s concept of money in the 1980s — resulting in a book (Nelson 1999) still used in university courses today — and discovered a tradition of political and philosophical ‘non-market socialist’ thought to which my thinking was aligned (Rubel and Crump 1987). Consequently, I co-edited a collection on such approaches: *Life Without Money: Building Fair and Sustainable Economies* was published by Pluto Press in 2011 and incorporates chapters by me and a great one by Terry Leahy. We’ve both written and discussed this direction of thought, which radically dispenses with money and state structures.

In short, in capitalism money is the supreme value, akin to a god — prices, credits and debts rule. Price formation obliterates social and environmental values making it impossible for prices to accord with ecological or humane values. Instead, prices evolve according to anthropocentric dynamics between suppliers and demand from those with money, and access to credit. The social and environmental values necessary to address the environmental crisis we face requires that we replace investment and prices with direct control of localised production and exchange in order to meet everyone’s basic needs and ensure Earth regenerates sustainably. There is no place for money.

To conclude this introduction, I just want to point out that in the past few decades we have not seen progress in global leftist action in eroding the global capitalist system but, rather, much alarm, confusion and feelings of overwhelming defeat. Many feel that they have little power. If their vision is mainstream, they are increasingly demanding and protesting within (rather than against and beyond) centralised and hierarchical economic and governmental structures.

Yes, there are some great initiatives, which I think are furthering our cause but even, say with Occupy style politics, upsurges tend to hit invisible or controversial blockages. So, I put it to you: now, at a point in history where the need for system change is more acute and, with greater monetisation accompanying neoliberalism with destructive results, aren’t concerns regarding money more relevant and potent?

If we, leftists, are beating our heads against a brick wall, I suggest that brick wall is monetary values and relationships, production for trade, and state governance that supports and relies on monetary power. Capitalism is a complex politico-economic mode of production in which money is like blood in the body or letters in a language. Indeed, financial institutions act with the state as our social system’s cerebral cortex. If we denied the legitimacy of money, we would be denying capitalists seat of power.

Post-capitalism

Consequently, I see post-capitalism in terms of a distinctively new mode of production that aims to achieve collective sufficiency and environmental sustainability through flat, horizontal, forms of direct and substantive governance. I envisage bioregional locales (sub-sub-bioregions) operating on the principle of subsidiarity and largely collectively sufficient in basic needs. At the same time, they would exchange and network specialised production in regional layers based on environmental and social criteria. Similarly, each small unit would contribute to global collaboration where environmental and social areas of concern require global actions, areas such as diminishing carbon emissions, combating climate changes and regional conflict resolution.

Uruguayan writer Eduardo Galeano has referred to a ‘community-based mode of production’, which I truncate to a ‘community mode of production’ to refer to the type of non-market socialism that I believe is appropriate. In *We Say No*, Galeano (1992) wrote:

It’s out of hope, not nostalgia, that we must recover a community-based mode of production and way of life, founded not on greed, but on solidarity, age-old freedoms and identity between human beings and nature. I believe there is no better way to honour the Indians, the first Americans, who from the Arctic to Tierra del Fuego have kept their identity and message alive through successive campaigns of extermination...

I am not one to believe in traditions simply because they are traditions. I believe in the legacies that multiply human freedom, and not in those that cage it...

... the past tells us things that are important to the future. A system lethal to the world and its inhabitants, that putrefies the water, annihilates the land, and poisons the air and the soil, is in violent contradiction with cultures that hold the earth to be sacred because we, its children, are sacred. Those cultures, scorned and denied, treat the earth as their mother and not as a raw material and source of income. Against the capitalist law of profit, they propose the life of sharing, reciprocity, mutual aid, that earlier inspired Thomas More’s *Utopia* and today helped us discover the American face of socialism, whose deepest roots lie in the tradition of community ...

I propose such a community mode of production. Beyond a simple human community, it is an ecological community within which humans consciously and conscientiously acknowledge that they spring from and return to Earth. As such, members recognise their obligations of environmental stewardship as the obverse of their right to gain their subsistence from Earth.

How will we get there?

This is a conference about the post-capitalist transition, a transition that encompasses a collective vision and coordinated movements towards realising such a vision. In such discussion it is extremely important to highlight that, at this juncture, it is abundantly clear that capitalist activities are the primary source and ongoing contributor to rising carbon emissions and global warming, and that this dynamic is making Earth more and more uninhabitable for the human species, i.e. spells the end of humanity. This circumstance — rising carbon emissions being just the tip of the iceberg of multiple environmental crises — makes our deliberation urgent and the clarity and accuracy of our jointly decided direction critical.

The other most significant aspect of our current situation is the range of anti-capitalist activity, say within political squats, degrowth, permaculture, and certain Indigenous, intentional and artistic communities, that support many aspects of a direction towards a community mode of production through attempts to apply principles of horizontal organisation, commons, production for use and fair share. All these movements are experimenting and expanding knowledge and skills to apply in various environmental and social contexts.

At the same time these actions are challenged, limited and threatened by market drivers and monetary values and relationships. On the ground, activists argue with one another and decide case-by-case (rather than in an organising way) over use of money, production for trade, and negotiating, indeed compromising, with state power and private property. Having been part of these discourses, *I argue that we need to work towards establishing social and environmental values that will be*

expressed every day in socially fair and environmentally sustainable practices by consciously and conscientiously developing social and environmental structures that resist and transparently oppose both monetary values, relationships and structures and state power.

Meanwhile, a lot of post-capitalist discourse reverts to monetary and state structures to a greater or lesser extent as if they might be useful and unproblematic in a post-capitalist future. A few examples follow.

Australian ‘Simpler Way’ theorist and activist Ted Trainer (forthcoming) suggests that those of us in the Global North consume around 10 times more than our fair share of the regenerative potential of our planet and, therefore, we need social control of the economy. Yet, in his utopia, ‘there could be a large sector of a satisfactory economy left to market forces and private firms, so long as it was under the control of local assemblies, thus ensuring that it was geared to the welfare of the town.’ He does not spell out how one overcomes the fundamental contradictions between how ‘market forces and private firms’ operate with the institutional power of money as a decision-making tool, and democratic decision-making by local assemblies, contradictions apparent in histories of actually existing market socialism and colonialism that disintegrated localised production and markets. These histories suggest incompatibility and the market trumps.

Similarly, mainstream socialist and anarchist works concentrate on democratic centralised planning in which money is repurposed in hazy ways. For instance, ecosocialist Löwy (2015, 30–31) criticises Michael Albert’s supposedly money-free ‘participatory economy’ — the ‘Parecon’ system co-originated with Hahnel — specifically for falling back on logarithms and pricing in economistic ways. Yet Löwy neither clarifies nor details how money will or will not be used in his highly political discussion of democratic (vs elitist and bureaucratic) socialist planning.

Post-capitalist icon Paul Mason (2015, 275–76) falls into the same trap by talking on the one hand about a transition with ‘a decisive turn to collaborative business models’ and, on the other hand about a post-capitalist cooperative that ‘would try to expand non-market, non-managed, non-money-based activity against the baseline of market activity it starts from’. A hybrid market/nonmarket, monetary/non-monetary system describes, in fact, the very morass we live in yet somehow Mason imagines forces of good to prevail when our experience tells us otherwise.

Even the detailed and passionate work of David Graeber (2011) does not unpack the dilemma we face right now and need to address with urgency about dispensing with monetary values and relationships in order to achieve post-capitalism. This widespread confusion makes me very disturbed. Meanwhile, the capitalist market and state win. In support, Galeano (1992) writes:

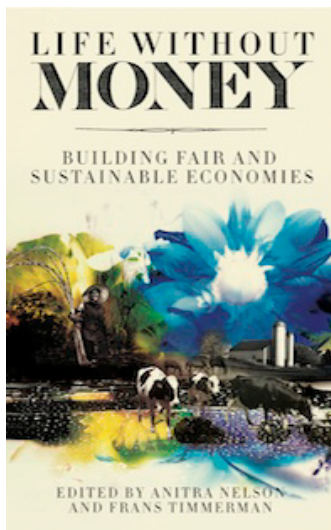
We say no to the praise of money and of death. We say no to a system that assigns prices to people and things... By saying no to the freedom of money, we are saying yes to the freedom of the people.

Conclusion

In conclusion, I iterate that *we need to work towards a non-market, non-monetary, non-state community mode of production — establishing social and environmental values that will be expressed in mundane socially fair and environmentally sustainable practices. We can only do this by consciously and conscientiously developing social and environmental structures that resist and transparently oppose monetary values, relationships and structures and state power, i.e. by proudly instituting and defending a post-capitalist community mode of production.*

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How to save the environment without ‘planning’

Terry Leahy

This talk is to introduce the ‘non-market socialist’ model of a post-capitalist future. To begin with, let us outline our basic departures from the frameworks currently being proposed by other leftists. Most scenarios for post-capitalism envisage the continuation of a monetary economy. They propose a continuation of alienated labour to this extent. The population will depend on incomes earned through their work. This work will either be paid for by the state or be earned through the sale of their production on the market. While the proposal for a guaranteed adequate income (GAI) may seem to contradict this assertion, provision through the GAI is not meant to replace earned employment income, but to supplement that system of provisioning as an enlarged welfare payment, for a minority of the population.¹

On money, wage labour and markets

We believe that we need to transition past wage labour, money and markets. Non-market socialists believe that the market and money are not ‘neutral implements’. We believe that wage labour is an oppressive alienation of people’s work. We believe that all uses of money imply alienated labour. Alienated labour is also one of the key drivers of over-consumption — the demand for consumer goods as compensation for forced labour.

The usefulness of money and the necessity to earn income are premised on the coercive control of labour in other parts of the economy. Your money can buy things because other people have had to choose an employment that will make them money (regardless of whether it is the employment that they would prefer) and to distribute their production to those who want to pay money for it (even if this is not the distribution of their production that they would prefer). In that way, the usefulness of money, the presence of a market and alienated labour are bound together. Without alienated labour a market could not function.

The functioning of a ‘market’ is never simply the buying and selling of products at a particular price. It always depends upon a hegemonic discourse, which systematically prefers to buy the cheapest products and to sell at the highest price. The hidden hand of the market, the ability of markets to organise production predictably, depend absolutely on the operation of this discourse. The effect of this market process is to sideline other issues in relation to production and consumption as secondary in comparison to exchange value — for example issues of ecology, social justice or worker satisfactions.

In distinction from writers like Gibson-Graham and Olin Wright, we do not believe that alternative cooperative forms of market participation can avoid these consequences or that the market can be a neutral medium for making structural political choices or maintaining deep social and environmental values. All state regulation can do is create floors and ceilings to some of the worst excesses of the market.

The view that cooperatives of workers can overthrow this framework through a cultural decision is naïve. Such a strategy is ultimately impossible in a functioning market economy. As people who depend upon money to live, the members of the cooperative are also impelled, at least for the most part, to operate the discourse of buying cheap and selling dear. The decision of the Mondragon cooperatives to outsource some of their manufacturing work to low wage countries, and to workers who are not part of their collective, is an example of where this kind of politics leads us.

Let us assume that the reader is not convinced by the previous paragraph. Let us conduct a thought experiment in which we have arrived at a social order of which Gibson-Graham and Erik Olin Wright could be proud. Ninety per cent of the economy is the hands of cooperatives. These operate within a market economy, making and selling their production. As ‘ethical’ cooperatives, can they defy market logic if they think it is necessary to do so to pursue ethical goals?

Let us imagine that Firm A is producing and selling steel. They decide to sell this year’s round of production to Firm B, which is going to pay \$2,000 despite the fact that firms C, D, E and F are all prepared to pay \$10,000. Firm A is doing this because Firm B is located in a rural African village and they really need the steel to make their windmill cooperative work. Firm A is not worried to get such a low price. They intend to use the \$2,000 they are getting from the steel to buy guitar amps. They feel sure that Firm X will sell them the guitar amps they want. Firm X

makes guitar amps. They have offers from Firms Y, Z and Q. Each of these firms is ready to buy their latest batch of amps for \$10,000. However what they have decided to do is to sell the amps to Firm A for \$2,000 – the amount that Firm A is able to pay. They are going to do this because the village attached to Firm A is into Heavy Metal, the preferred genre of the workers of Firm X. The workers of Firm X are expressing their creativity by supporting the Heavy Metal musicians associated with Firm A. The workers of Firm X regard this as an ethical imperative.

What could we say about such a scenario? One thing is that it seems like a very random and unpredictable way to run an economy, risking opposition, failure and angst at every turn — an inefficiency that would make the Soviet Union look rational. The other thing is that clearly money and the market is not having much influence on decisions about production and distribution here. What we might suggest is that what these people really need, to make things a bit more predictable, is to negotiate arrangements of distribution and production in advance with other firms, taking into account the various ethical concerns that the parties bring to the table. This would actually be non-market socialism.

In other words, the vision of a market based in ethical cooperatives is an incoherent vision. Any attempt to run such a vision in practice would not actually work — it would be an economic disaster, would end up being just your typical market economy or would in fact propel its participants to non-market socialism.

The effect of the operation of markets is to create winners and losers, even if people start off at the same point — the lesson of the Monopoly game. If this outcome is to be systematically overturned at every point through contra-market decisions, we no longer have a monetary system either — we have play money at most. Better to openly negotiate production and distribution according to use values that take into account consumer needs, worker enjoyments and the environment. This is non-market socialism.

On the role of the state

The state depends on alienated labour to function. The executors of the will of the state, whether the state is democratic or authoritarian, are meant to carry out orders, regardless of their own views about the matter in question. This implies wage labour, in a generalised context of alienated labour in society at large. They need to get a job and do what their state employers tell them to do.

Moreover, state planning is a form of coercion of the population, even if it implements the will of the majority. In their work, members of society are coerced to behave in particular ways at work to carry out these planning directives. If we are to really exercise collective governance over production, we need to replace the state with horizontal forms of collective governance.

Currently, in capitalism, entrepreneurs, the state and the market plan people's work and we already participate in democratic processes that make the system operate more effectively. There are greater or lesser degrees of workplace consultation and pressure from workers that effectively alter the terrain of work. Nevertheless, and despite all this 'participation', this work is still alienated because market structures dominate decision-making in form and content. Ultimate control is elsewhere. In other words, the state depends on money, money is not possible without a state to enforce or delegate monetary processes. The market makes sense by using money and money implies a market. All three — money, market and state — depend on alienated labour.

Non-market socialism

The post-capitalist future envisaged in non-market socialism has no monetary system. There is no money or anything equivalent to it such as a system based on exchange by barter. There is no state. Labour is not performed to get money. Monetary compensation is unnecessary; goods and services are provided free of charge by a network of voluntary collectives, and by self-provisioning households and communities.

Our present conjunction and the alternative

The system of alienated labour is a central cause of environmental damage, partly because the working class strives to increase consumption as a legitimate compensation for forced labour. The solution is non-market socialism or the gift economy, where people choose work that is interesting and useful. ‘Compacts’ are an authoritative promise to deliver products as ‘gifts’.

Chains of production operate through gifts between different kinds of productive units. For example, steel workers provide steel to be given to those who make rails who, in turn, give the rails to those running the train service. Specialist goods are transferred by sustainable transport.

A lot of provisioning and productive decision-making is at the local level because sufficiency and environmental goals can be best achieved by local production. This local production is supplemented by networks at regional, national, and international scale to produce and distribute specialist goods and to exchange cultural products. For instance, members of largely self-sufficient villages might send representatives to a centralised site of production for goods — such as computers, glass and cement — used by the whole bio-region. Alternatively, members of each village may conduct one part of a coordinated plan for a networked production of something such as a computer or train, which is assembled from parts put together in different villages.

No central authority directs the economy. People are not alienated because they have control over their choice of work; they have local control over work practices; they have control over distribution of their product. They do not require compensation in the form of increasing consumption. Instead, they make compacts to ensure everyone’s basic needs are met.

What motivates people to work in such an economy? Within each ‘collective’, village and household, work can be allocated by meetings and rosters which ensure that everyone involved gets to do something interesting as well as contributing to the mundane but necessary tasks.

In terms of the economy taken as a whole, people are motivated by a hegemonic discourse, which acknowledges the necessity of all to play their part to make life comfortable. Status — the appreciation of others and acclaim — play a part in motivating people to achieve and provide useful services for others, as in stateless societies of the past.

Of course, none of this is fool-proof and people who are regarded as ‘lazy’ may be variously treated for some kind of emotional problem or alternatively frowned upon as under-performing. Stateless societies of the past have often coped quite well with strategies that do not expect a uniform degree of productivity but, nevertheless, allocate uniformly according to need. It seems likely that this is ultimately the best way to motivate people who are going through a period of ‘laziness’.

Planning for sustainable outcomes

The question is not: How does a non-market socialist society ‘plan’ to avoid environmentally damaging consequences? But, rather: What is it about current patriarchal capitalist society and other class-based social orders that produces environmental degradation? Just looking at capitalism as a particular case.

- Competition between firms for profit. The growth economy as consequence.
- The market/money determination of production decisions, rather than use values.
- Externalisation of environmental damage unless it impacts on exchange value.
- Alienated labour. Consumption as compensation.
- Punitive childcare regimes. Cutting off demands for feeding, competition over toys, isolation, regimes of punishment.
- A repression of basic desires leading to disgust and rejection of the natural world as messy and out of control.
- Patriarchy as a model of control and hierarchy exported to provide the psychological basis for denial of our dependency on nature.
- Patriarchy as model for and psychological basis for the control of nature and the lower classes *as-if-women*.

Without all these drivers of environmental damage, local decision-making through chains of overlapping compacts and a genuine respect for nature as the source of our life and regeneration would tend to avoid environmental damage. Decision-making at every point would consider the environment as a use value to be protected, along with people’s pleasure at work and their desires for particular products.

Networks and coordinated meetings would come to agreements on how to manage common resources, where environmental effects were impacting on one region and community but caused by others. These planning devices would mean agreements reached by consultations between communities already connected through a variety of non-market exchange relationships.

Environmental research would take different forms from in capitalism. There would need to be a common culture of love of the natural world. Particular groups would take it as their passion to look after and develop commonly shared knowledge about other species. As in many Indigenous cultures, there would be ceremonies and rituals to link humans to the natural world and to celebrate the environment.

There would be status and acclaim for actions that looked after the natural world. People would avoid production that damaged their local environment, as members of their own community, knowing that others in their community would condemn them for any behaviour of this kind.

Decisions that had international impact — for example seeding the oceans with iron filings to stimulate algae and take up carbon dioxide — would be reached after international consultation

and scientific study. They would be implemented locally by voluntary working bodies tasked with particular roles in carrying out such an international plan. The intervention would be tried out and fine-tuned as it proceeded. If particular groups abstained from carrying out their role, conflict resolution and new plans would address these frustrations.

In extreme cases, environmental vandalism would be called out as such; enforcement by voluntary bodies backed by the broader community could be the outcome. The principle of this kind of enforcement would be no different from that lying behind the revolution itself – seizure of the means of production from the ruling class, with the rationale that these people cannot be trusted with this resource.

In conclusion

Labour is alienated for a reason — to enable control, whether through statist processes or through the market and private ownership. It is no accident that societies based in alienated labour have not enabled popular control of production. It is no accident that such societies produce and depend upon competitive hierarchies in which the products of alienated labour are the prizes for which elites compete. These issues have become critical at the present time because alienated labour is always being bought off with promises of increased consumer pleasures. Likewise, the competitive market place is a guarantee of expansion and growth.

We do not think it is any accident that socialist (and anarchist) revolutions of the past have failed. We do not believe that the basic problem has been the failure of these revolutions to be sufficiently democratic in their political structures. We do not think that their failures have come about through insufficient scope being given for competitive market efficiency in their economic structures. Instead we believe that the failure to get rid of monetary and market coercion has burdened these revolutions with the problems of alienated labour, which also weigh down current capitalism.

Non-market socialists are often accused of having no plan. Ironically, our model incorporates planning in a more direct and efficient way than in either capitalism as we know it or what we know of productivist socialist states of the twentieth century. Non-market socialism is a strong model for a post-capitalist future.

ⁱ In any case, from our perspective, the GAI is an unworkable policy. Pushed far enough to work, it undermines the capitalist market place. Not pushed that far, it cannot really deal with the capitalist problems of the present. The GAI is intended to deal with a situation in which zero growth means there is increasing unemployment as production and consumption decline, and as productivity increases with new technologies. It is meant to attract people out of the work force to pursue their hobbies and have the money to live comfortably. The problem is that, if it realises those goals, it will undermine the willingness of the population at large to work for employers and run the market side of the economy. At the very least such a proposal will undermine work discipline to the point of collapse. People will only work at the tasks that they think are interesting and worthwhile in a manner that they think respects their rights to control their creative production – as obtains in that part of the economy running with the GAI meaning both a collapse of the market and of central planning. Let us assume that it is not pushed that far. The GAI is less than the going wage and there is an incentive to get a job to live comfortably. In that case, it does not deal with the political problem of increasing numbers of unemployed people, bitter that they are unable to get a job and frustrated by an impoverished and meaningless existence.