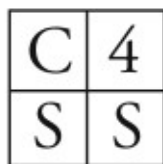


RETHINKING MARKETS: ANARCHISM, CAPITALISM AND THE STATE

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ABSTRACT

This article examines markets as structures independent of capitalist socio-economic organisation. It rethinks markets as economic tools that can be placed in radically different economic systems far removed from the normalities of capitalism. By examining how markets are shaped by five monopolies created by state intervention and artificial economies of scale that rely on massive subsidisation, I see how some of the fundamentals of capitalism, the factor markets and capital-labour relations, are reshaped in a conception of free markets that are not influenced by capitalist agency. I go on to see how the Austrian School's subject of the individual as an agent of subjective economic desires is changed when placed within structures of free, or freed, markets. The institutions of markets, the surplus value distribution and the multiple social relations that present themselves as possible under a regime of rethought markets shows this subject as instituted in a diverse economy of possibilities and existences. I then examine how, even under capitalism, such a diverse economy already exists on the peripheries and in the interstices of the modern economy.

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INTRODUCTION

Markets are generally conceived as the bulwark of capitalism. It is what greases the wheels of capital accumulation and mobilisation, and creates the class relations characteristic of modern capitalism due to its creating winners and losers, and displacing workers and firm owners through the mechanisms of creative destruction¹ and competition². This re-circulates ownership into increasingly fewer hands, placing the winners at the top as the owners of the means of production and capital and the losers as wage labourers or the lumpenproletariat, open to exploitation and domination.

This picture ignores the potential of markets. Markets need not be structures of organisation bound in capitalism or statism, but rather systems that can be shaped and determined by those within them, voluntarily controlled and distributed. In other words, bound in the collectivities and heterogeneities of an anarchist social order. By anarchism, I mean "a definite trend in the historic development of mankind, which, in contrast with the intellectual guardianship of all clerical and governmental institutions, strives for the free unhindered unfolding of all the individual and social forces in life"³. From this, I see markets as simply one example of an anarchist setting, allowing for free, equal actors to determine outcomes and achieve goals and values. But this definition inherently removes markets from the bounds of the state and capitalism. Both prompt their understandings as relative to that of the governmental and clerical respectively. The institution of the state encompasses the realm of law and order, the monopoly on violence, from which the institution of private property and the power relations of capitalism are maintained. Capitalism, as that of the clerical, creates consciences, pathologies and ideologies that allow for the maintenance of capitalist organisation⁴. The two together comprise the modern socio-economic structure.

In understanding the historic development of anarchist organisation, I see this investigation into non-capitalist and non-statist markets as looking at the peripheries and interstices of modern capitalism, understanding the theoretical and existential underpinnings of modern capitalism and how such a structure would change, taking from it radically different

1 Olin Wright, E. 2009, 29

2 Olin Wright, E. 2009, 31

3 Chomsky, N. 2013, 2-3

4 Benjamin, W. 1921

institutional and market-based systems that have existed successfully or have only failed due to the outside intervention of states and monopolistic actors.

I want to illustrate how markets can be thought of outside capitalocentric structures⁵, with the ability for them be shaped overtly by human activity. We live in a diverse economy, an "economic landscape...represented as populated by a myriad of contingent forms and interactions"⁶, with markets placed within anarchist economic administration. From understanding an economy as diverse, we see that non-capitalist functions have an important role, shaping the potentials for a new form of economy.

From here, I want to take an Austrian school approach to understanding markets within the realm of praxeology and subjectivism⁷, making the point "that people act, that they employ means to try to attain chosen ends". However I don't take this to mean that man is a homo economicus and that all purposive action and value creation is in the pursuit of narrowly defined economic interests, such as profit maximisation. Instead, I see subjectivism as a way of viewing humans as heterogonous beings who engage in multiple forms of economic and social action. What's important are the multiple forms of value maximisation that are shaped by institutions, norms and the breadth of economic activity found within different settings

I'll look into the institutions that underpin modern capitalism and what they may look like under conditions of anarchism. I will also investigate examples that provide an idea of what institutions would underpin such a different system, using them as a theoretical springboard for an investigation into freed markets. Specifically I want to show how markets could theoretically exist removed from the five monopolies and economies of scale characteristic of modern capitalism. Further, I will look into factor markets and how they would fundamentally change at an economic and social level. This is mainly an engagement in understanding the fundamentals of the state-capitalism through the major areas of its organisation.

Then I will explore the radical potential of such market structures, citing examples that already exist that show the potential of different socio-economic conceptions. I'll also look at new theoretical considerations that come about from looking at these examples. Both the real-world examples and theoretical conceptions that will be developed here come from an idea of envisioning real utopias, whereby the exigencies of social power come to the fore of socio-economic institutions⁸.

Finally, I'll investigate the possibilities that come from such ideas, represented in a milieu of current alternative economies that illustrate a move away from capitalist organisation in

5 Gibson-Graham, J.K. 2006, 55

6 Gibson-Graham, J.K. 2006, 54

7 Horwitz, S. 2012

8 Olin Wright, E. 2009

different forms. These examples continue the idea of envisioning real utopias, and demonstrate the variety of alternatives that can be exploited when thinking of anti-capitalist organisation.

The modern world, with its bureaucratic, centralised governments that wield vast amounts of power is a recent phenomenon. From my analysis, I hope to see some of the pathways which can change this system, moving from exploitation toward a system of voluntary collaboration and an economy embedded in the realm of the social. One that is heterogeneous and decentralised. As Paul Mason states, "It is entirely possible to build the elements of the new system molecularly within the old. In the cooperatives, the credit unions, the peer-networks, the unmanaged enterprises and the parallel, subcultural economies, these elements already exist"⁹.

⁹ Carson, K. Artificial Abundance and Artificial Scarcity 2016

LITERATURE REVIEW

The main works I'll be using to understand and frame my thesis are Carson's *The Homebrew Industrial Revolution*, the compendium *Markets Not Capitalism*, Gibson-Graham's *A Postcapitalist Politics*, Olin Wright's *Envisioning Real Utopias* and Mason's *Postcapitalism*. These works have a major focus on envisioning alternatives to modern capitalism. Carson's book provides a multitude of examples of market-based alternatives, ranging from large cooperative systems with markets in goods to clustered, small-scale alternatives that exist in the niches of the black economy. Similarly, *Markets Not Capitalism* provides a wide range of criticisms of modern capitalism from a market-supportive position, as well as presenting many theoretical alternatives that are based around markets. Gibson-Graham's work comes from a different perspective, looking at the idea that capitalocentric discourse provides a distorted picture of what actually constitutes an economy. Thus the idea of a diverse economies perspective, which fits into my thesis in showing the markets can be theorised as an alternative to capitalism. Olin Wright comes from a Marxist perspective in examining the possibilities of real alternatives to capitalism. While he doesn't focus on markets in the book, the alternatives he presents have concepts and ideas similar to conceptions of what markets can produce and what value systems may exist within them. Finally, Mason's book focuses on value and knowledge creation. While not directly related to market alternatives, he does present ideas of alternative economies that exist or are theoretically possible, showing how they can come into existence.

As well as these main sources, I use a variety of journal articles and academic articles to understand alternatives to capitalism that include markets as a primary mover of such change. In particular, I use a wide variety of sources and authors from the Center for a Stateless Society, such as Kevin Carson and Sheldon Richman. Much of their work has shown the possibility for market-based alternatives that are radically different from capitalist organisation. I will also cite some of my own works in this area where I have written about capitalism from the five monopolies perspective and where I've written on global social movements creating alternative spaces against capitalism. Other evidence comes from studies of things like intellectual property and the efficacy of worker ownership in firms. However, the majority of this thesis is based around the five books I've identified. They provide the basis of my understanding of what markets can and cannot do in presenting an alternative economy.

Where I think these works are limited is in bringing the totality of alternatives into a collated whole that shows a vibrant alternative economy, both realistically and theoretically. This is where my work on this subject attempts to come in. By viewing markets from two perspectives, the Austrian praxeological view of understanding economic action as a part of human's drive to use resources and the diverse economies perspective which shows an economy comprised of different reasoning's, values and governance. In doing this, I attempt to show markets as a form

of real utopia, with actual capabilities to transform capitalist practices and produce alternatives that grow and network into a conceptual whole against modern state capitalism.

RECONCEPTUALISING MARKETS

In rethinking markets, we have to see the structures that currently make them what they are. Markets are organisational tools, with constituent institutions and structures being major components of how markets function and how power and resources are distributed therein. The fundamental structures that I identify are ownership models, factor markets and the position and importance of capital for the creation of entrepreneurial activity. From these fundamentals we can see a dichotomy of what markets are. Modern markets are infected with reams of statism and capitalism. The cash nexus, centralising production systems and employment hierarchies and wage relations coming from controlled competition are dominant mechanisms in capitalism¹⁰. Subsidies make up for the contradictions and failures, resulting in a fragile system reliant on those subsidies. However, on the other side we see a conception of "a society of people interacting with each other, who have needs to meet and skills to offer, and the arrangements they work out among themselves to bring those things together"¹¹. From this idea, the basics of markets can be free from the distortions of capitalism, with ground-up institutions shaping market and transactional activity.

The fundamental structures of markets are extremely distorted and subsidised, leading to forms of planned and unplanned outcomes that are removed from competitive impetuses and market relations. Sheldon Richman points out that with the creation of a national transport infrastructure in America, centralised production and distribution became possible while in their place, more decentralised, autonomous alternatives may have developed¹². Further, it seems that this form of state planning is becoming more tenuous. Streeck has identified five destructive elements to capitalism, "stagnation, oligarchic redistribution, the plundering of the public domain, corruption and global anarchy"¹³. This is alongside a fiscal crisis of the state, where the costs of the continued socialisation of private debt and production are leading to higher state debt and destructive austerity measures¹⁴. This "imposed stability usually benefits those who cannot maintain their position without outside help"¹⁵, specifically large corporations and vested interests.

This is a corporatised economy, where benefits are privatised and costs are socialised. The fundamentals of such an economy are the five monopolies identified by Tucker and Carson¹⁶, centralised economies of scale at an international level and factor markets with power relations skewed in favour of the interests of capital. The entrepreneurial and labouring classes are

10 Carson, K. Why Market Exchange Doesn't Have to Lead to Capitalism, 2014

11 Carson, K. Why Market Exchange Doesn't Have to Lead to Capitalism, 2014

12 Richman, S. 2015

13 Streeck, W. 2014

14 Carson, K. The Homebrew Industrial Revolution 2010, 105-106

15 Weiland, J. Markets Not Capitalism 2011, 308

16 Shaw, C. 2015

restricted from the freedom brought by the potentialities of free markets, and locked in a Weberian iron cage. Capitalist rationalities and logics are attendant toward continued centralisation and thus crises¹⁷. The power of markets freed from such conditions means that the structures of modern capitalism can be changed by social activism and decentralised, distributed market activity. Instead of hacking away at the tail, freed markets allow individuals to cut the head off the snake.

The Five Monopolies

One of the main elements that has underpinned capitalism has been the maintenance of five major monopolies that allow for economic centralisation and capital accumulation. These are the land monopoly, money monopoly, tariffs, intellectual property and transport and communication infrastructure subsidies¹⁸. These monopolies underpin the capability of accumulation for capitalist means, guaranteeing capital access and subsidisation of gargantuan firm organisation, and the soaking up of excess productive capacity. This is in effect an assurance of market success, maintaining power for certain firms and actors. Thus modern markets are born, used as a tool not of economic or social action but rather a means to a certain end.

Looking at the monopoly on land, we see a form of primitive accumulation to allow for the maintenance of certain capitalist economic practices. The forcible removal of communities from their land via forms of repression and terrorism¹⁹ has been seen as one the primary means to achieve the socio-economic relations inherent to capitalism. The enclosures of Britain were seen by many industrialists as securing the means to wage labour, as without the economic independence brought by free holding and common land, large populaces of agricultural workers would become reliant on wages found in the industrialised cities instead.²⁰ These enclosures allowed for the centralisation of land into the hands of the landed aristocracy, who relied on rents and land values to maintain a privileged position both politically and economically²¹, which allowed for the development of capital during the early industrial era.

These actions still occur today. To take one example in Bangladesh, land-grabbing away from peasant communities through government has created a landless class. Much of the land taken is sold onto large conglomerates looking for a cheap labour supply. This class of landless peasants relies either on tenancy, which is becoming untenable due to further land-grabbing practices, or becomes part of the milieu of the cities, finding wage work in poor conditions, i.e. sweatshop labour²².

17 Marx, K. 1847, 28

18 Shaw, C. 2015

19 Federici, S. 2004, 219

20 Carson, K. *The Subsidy of History*, 2008

21 Carson, K. *The Subsidy of History*, 2008

22 Richman, S. 2013

We then end in the situation of today, where much of the nominal private property which is used by capitalists and governments as a means of investment, valuation and capital is actually land stolen through means of state coercion and repression²³. Enclosures trap resources into a type of economic organisation, as seen "in the patenting of genes and lifeforms, the use of copyrights to lock up creativity and culture, the privatization of water and land, and attempts to transform the open Internet into a closed, proprietary marketplace"²⁴. Rentierism becomes the norm, with wages reflecting the capability to raise rents on workers rather than the maintenance of one's surplus value²⁵. A form of "feudalism or land monopoly"²⁶ develops which helps create the conditions of modern wage labour.

The money monopoly has a similar effect of maintaining capital access to certain firms or sectors. Credit is restricted to those who are well placed within networks of wealth and power to access it. This can be seen in the history of central banks, which relied on the backing of large banking interests²⁷, particularly for the creation of things like the Federal Reserve. With centralised credit and inflation, which invariably goes toward financial firms and investors first²⁸, we see an unnatural favouring of certain interests that would not occur under alternative arrangements in freed market conditions. Similar advantages granted in the way of restricted credit can be seen with the expansion of the dollar into European markets. "The US government created incentives for US banks to set up foreign subsidiaries in order to exercise control over domestic monetary policy while providing reserve currency for international trade"²⁹, allowing for the dominance of the dollar within markets and networks of investors and venture capitalists. The entry barriers and regulations that develop also engender not only credit's centralisation but its movement to unproductive, inflated investments which increase profit yet not productivity. The Basel Accords for example encourage investment in land and real estate, instead of productive investment within business and value creation³⁰ by valuing the former as a safe investment. The siphoning of credit simply allows expansion and accumulation at unprecedented levels. Yet with it comes inherent instability, with capital funnelled into increasingly unproductive areas. Via state intervention, these crises can be dampened, yet the underlying structure remains.

The last three monopolies, intellectual property, tariffs and transport subsidies, maintain the scale and size of the corporate oligopoly economy that has been structured by land centralisation and credit restriction. Economies of scale are developed that allow for unequal

23 Hess, K. 2011, 289

24 Bollier, D. 2011

25 Goeller, C.L. 1928

26 Rothbard, M. 1998, 66

27 Paul, R. 2010, 15

28 Shaw, C. 2015

29 Cafruny, A. & Ryner, J. 2007, 147

30 Rangeley, M. 2015

transaction costs for large firms and the effective subsidisation of externalities. Incentives come about that encourage overproduction and limit the competitive impetuses of markets. Intellectual property, which in the globalised world has taken over the role of national tariffs, allow for the locking up of technology and resources into complex legal regimes. In effect, they allow large, incumbent companies to block further innovation that might negatively affect their profit margins and competitive position in a market³¹. Oligopolies are created that hold economic power in the hands of established firms and the state. Transport subsidies serve a similar purpose, creating artificially large distribution chains that benefit larger businesses. Costs of operation and transport are externalised, when in a free market such costs would need to be internalised, potentially jeopardising the capability of companies to use such large transportation networks without significantly raising their prices.

What's created are a large range of entry barriers that limit the ability for competition to be engaged in. New forms of business model and alternative arrangements are discriminated against in economic relations as credit isn't accessible, and land speculation raises property values, limiting firm creation. Power is vested in the interests of the wealthy. The Piqueteros of Argentina found this when establishing worker-owned enterprises. Banks wouldn't lend to them, and the government took a hostile reaction to them, favouring other shareholders and business owners over the worker-owners. Fundamentally, this suggests that markets free of such constraints and monopolies would not look the same as today. By removing subsidisation of the economies of scale created by these structural monopolies, ownership models may well look radically different, with more local economic activity and competition eroding the capability of maintained capital accumulation that allows for better use of dispersed knowledge and capital by entrepreneurs. The state, which "violently appropriates resources, either directly, such as the enclosure movement in the UK or oil in Iraq, by proxy companies, as in East India Company in colonial India, or through international organizations, like the World Bank or the IMF"³² and "violently enforces these seized privileges through accumulating rent, patents, subsidies, and generally policing private property"³³ could not engage in such activities. The instabilities that plague it and the corporations it subsidises would be swallowed up by competition and the proper privatisation/re-socialisation of structural monopolies.

In its stead there would be decentralised economies of scale which would mean an end to subsidised inputs and externalised costs which favour large corporations and the maintenance of artificial constructs such as stock exchanges and mass production. The use of large-scale transport and distribution chains would need to be internalised, inevitability crippling the business models that rely on it. It would mean an end to land centralisation, in its place being commonly-owned resources, local distribution chains and the capability of accessing cheap land by limiting the ability to land bank and maintain stolen property without recourse by the

31 Boldrin, M. & Levine, D. *The Case Against Patents*, 2013, 20

32 Church, W. 2016

33 Church, W. 2016

victims³⁴. The centralisation and restriction of credit would also be untenable. Multiple forms of financial arrangements could develop. Mutual credit clearing systems and free banking systems would be able to compete with national currencies³⁵. Business models can be opened up as finance isn't held away from worker-owned firms and other alternatives. A Hayekian denationalisation of money means a reduction in the use of financialisation to aid in capital accumulation³⁶ and capital being able to reach productive investments, as well as an end to monopoly credit as legal tender laws are no longer enforceable in an anarchist economic system. The ending of intellectual property would allow for more domestic production and consumption of products, as well as unlocking technology and ideas. We would see a potential re-homing of industrial production due to the removal of these internal tariff mechanisms. A proper model of privatisation would develop, with government-based 'private property' being treated as unowned and subject to appropriation by those who own it i.e. those who mix their labour with it³⁷. This means "government-owned utilities would become consumer cooperatives owned by ratepayers, and state-owned factories would be handed over to the work force and reorganized as worker cooperatives"³⁸. The economies of scale that have developed from the five structural monopolies are artificial and increasingly reliant on state subsidy. Without these, business models would be smaller, flatter and with more variability in ownership and surplus distribution.

Economies of Scale

Kropotkin noted the natural tendency of economies to decentralise³⁹, both at the level of the general economy and the internal organisation of the firm. This trend was constant throughout the 19th century. Even in industries such as American rail where the original inputs were provided by government, competition and decentralisation ate away at profits and destroyed the capacity to develop private cartels⁴⁰. However, the effect of the five structural monopolies has prevented this tendency from continuing. Entry barriers that flow from the monopolies lead to centralisation and control. A form of political capitalism develops where "the accumulation of private capital and fortunes via booty connected with politics"⁴¹ is a major part of corporate economies. Due to the disequilibrium and diseconomies of scale that are built up, there is an increasing dependence on state grants to allow for product development and capital acquisition. Knowledge problems increase, and states subsidise the shortfall.

At the macro level, the combined effects of intellectual property, transport subsidies and the

34 Carson, K. *Artificial Abundance and Artificial Scarcity*, 2016

35 Carson, K. *Artificial Abundance and Artificial Scarcity*, 2016

36 Mason, P. 2015, 53

37 Carson, K. *The Subsidy of History*, 2008

38 Carson, K. *The Subsidy of History*, 2008

39 Kropotkin, P. 1901

40 Childs, R. 1971

41 Hales, D. 2008

inability of local labour forces to organise or access dispersed capital allows for the domination of large-scale international trade. At the level of the firm, the range of monopolies subsidise inputs and outputs and means mass production systems are given artificial stimulus, allowing them to continue to churn out goods. Without such assistance and underwriting, the economies of scale that flow from this would be very difficult to maintain, instead seeing a re-localisation of economies. That doesn't mean an end to international trade where feasible. Rather, reimagined forms of trade and firm organisation grow, with multiple companies and communities pooling their capital and working through Coasean bargaining to develop a system that takes into account the demands of consumers and workers.

The large corporations of today have a significant separation of ownership from control. With this comes a knowledge problem relative to the actual production process, pushing down decisions that bear little reality to the costs and benefits that such decisions cause when applied⁴². As such, planned obsolescence and mass-produced, low quality products become the norm within markets⁴³. Quality production and distributed, demand-pull production are put into niche market positions, despite having better capacities to understand and use dispersed knowledge. Paul Goodman notes that local economies of scale allow for the maintained connection between production and consumption meaning that "prices and the value of labor will not be so subject to the fluctuations of the vast general market"⁴⁴. The closer the economy holds that connection, the more goods and services are produced for needs in a local market setting rather than in systems of mass production, where there is a necessity for states to soak up the waste via military Keynesianism and R&D investment⁴⁵.

These economies of scale are unnatural. They are a combination of the Wal-Mart model of distribution and retail⁴⁶ and the Taylorist/Fordist methods of intensive division of labour and the control of the production process by levels of managers⁴⁷ further removed from the process of actual production and consumption. In systems of freed markets, firms would be more multiplicitous, disorganised and crowded. Without the myriad licenses and trademarks⁴⁸, and without the monopoly on land and credit, small entrepreneurs would prosper at the expense of large business. As Roderick Long notes "in a free market, firms would be smaller and less hierarchical, more local and more numerous (and many would probably be employee-owned); prices would be lower and wages higher; and corporate power would be in shambles"⁴⁹. The vast energy wasted in "hauling, handling, transferring, interest paying, brokerage, etc"⁵⁰ would be

42 Carson, K. *Economic Calculation in the Corporate Commonwealth*, 2007

43 Sale, K. 2005

44 Carson, K. *The Homebrew Industrial Revolution*, 2010, 255

45 Carson, K. *The Homebrew Industrial Revolution*, 2010

46 Long, R. *Markets Not Capitalism*, 2011, 205

47 Carson, K. *Economic Calculation in the Corporate Commonwealth*, 2007

48 Long, R. 2008

49 Long, R. *Markets Not Capitalism* 2011, 205

50 Addis, H. 2012

very difficult to maintain if firms are smaller and distribution chains local and various. The competition inherent in such a system would break the back of largesse.

Without the business licences and unitary, imposed health and safety codes and planning laws (which inhibit competition and socialise the losses of corporatisation without actually regulating effectively) we could see a turn toward a radically different economy. Household production unleashed due to the removal of business licences. Local social economies that provide mutual aid and public services as their non-reliant on shipped in, marked-up goods. Colin Ward's idea of the community workshop hedged in local economies of scale, with production decisions made by workers and consumers in democratic dialogue⁵¹ and held in sway by varied forms of market competition and organisation. "The greater the share of consumption needs met through informal (barter, household and gift) economies, the less vulnerable individuals are to the vagaries of the business cycle, and the less dependent on wage labor as well"⁵². We already see local repairing in workshops when it comes to cars and computers. Thus there already exists the necessary skill and will to create and work with such products. But it's been put to me before that without our international economies of scale, one couldn't maintain the lifestyle we've become accustomed to. Could they for example still have an iPhone? Well the question is not whether an iPhone could be built under such conditions but whether an individual working in a community workshop or hackerspace could conceivably create something superior for those around them. With the proliferation of hackers and technophiles in all walks of life, connected to multiple economies of scale, I think it's not just possible, its natural. The only thing stopping it are the mesh of patents and licences which effectively outlaw such practices.

Factor Markets Under Freed Conditions

The capability for individuals to construct subjective preferences is thus limited by the restrictions placed upon them by state-capitalist monopoly. The diversity of a market is hammered down into a construction of economy surrounded by capitalocentric discourses⁵³. Looking into the factor markets in capital, labour and resources, we see preferences shaped by processes of commodification and fictionality⁵⁴, with state planning of input prices and production outcomes. Freed markets radically change this. A reconceptualisation of markets and wages means a transformation in the definition of work, moving away from the predominant idea of wage labour to self-production, worker ownership, community work and a refiguring of employment hierarchies.

The means to entrepreneurship, like the means of production, are held out of hand to the

51 Ward, C. 2012

52 Carson, K. *The Homebrew Industrial Revolution*, 2010, 255

53 Gibson-Graham, J.K. 2006

54 Polanyi, K. 2001

majority of people due to the level of entry barriers present in a capitalist economy. As Pat Devine notes "a major weakness...of the market process is that participation is restricted to those with access to capital, thus ignoring the tacit knowledge of the majority of people"⁵⁵. However, this is not an inherent function of free markets themselves. Chartier's theory of markets undermining privilege suggests that under free conditions, the capability to limit one's use of dispersed knowledge via capital constraints (as in the form of occupational licensure and zoning laws which raise overhead and capital costs) is limited by their reliance on state privilege⁵⁶. Societal wealth would be widely distributed through small, flat firms and individual producers in networks of production and consumption. This is "because a free society wouldn't feature a government with the supposed right, much less the capacity, to interfere with personal property rights and voluntary exchange"⁵⁷.

The writing is on the wall when it comes to hierarchical firm ownership. The incentives for those who actually do the work is to minimise their activity due to their inability to access the surplus value produced by the workforce, as it's taken by management in a highwayman-type situation⁵⁸. Contrary to capitalist assumptions, productivity and workplace happiness are better found under conditions of worker autonomy, where the ability to have freedom of direction and control in a workplace is a major determinant in job selection⁵⁹. Equally, Colin Ward has shown that under the gang systems of worker autonomy in some of the car factories in Coventry, productivity levels were equivalent to and in some cases higher than the major capitalist and state-owned companies of the time⁶⁰.

Under freed markets, with decentralised economies of scale and local market structures, the collection and interpretation of dispersed knowledge is easier, expanding the means of entrepreneurial activity to a larger degree of individuals who can interpret price signals. Networks can be seen as a spontaneous reaction to such dispersed knowledge⁶¹, allowing for multiple actors to aggregate it for different purposes in a freed economy. Large firms already do this, such as Tesco, who rely on aggregated consumer knowledge to price products⁶². However, if real competition were brought to the surface, the inherent knowledge problem of large firms would be competed out of existence by smaller, networked firms who understand local consumer needs and have greater access to dispersed capital.

If we take Hayek's knowledge problem, that of "the knowledge of the circumstances of which

55 Devine, P. 2002, 75

56 Chartier, G. 2010, 3

57 Chartier, G. 2010, 4

58 Carson, K. Governance, Agency and Autonomy, 2013, 9

59 Coad, A. & Binder, M. 2014, 13

60 Ward, C. 2012

61 Mason, P. 2015, 112

62 Mason, P. 2015, 132

we must make use"⁶³, we see radically transformed capital-labour relations and the capability of small economic actors to act on local knowledge and capital sources in a more productive way than the gargantuan firms of today. Alternatives that come about are David Friedman's idea of an economy where "almost everyone is self employed. Instead of corporations there are large groups of entrepreneurs related by trade, not authority"⁶⁴; a peer economy based around local production where dispersed capital can be aggregated without the need for a financial intermediary⁶⁵; or simply a return to something like simple commodity production in communities and local market places, where surplus value is maintained communally and individually as artisans and guild members⁶⁶. "Unpredictability and risk would skyrocket, which is a much more favourable environment for the small-time entrepreneur than the big, clumsy, bureaucratic corporation"⁶⁷, limiting the need for controlling capital markets with their input chaos and short-termism⁶⁸ which benefit profit-motivated corporations.

We see the potential of decentralised markets controlled by social regulations, demand-pull production and networked factor markets and distribution chains, such as those in the Fairtrade movement and the Mondragon cooperatives. It can also mean community controlled public goods, a move toward a "messy, decentralized, diverse, informal, flexible" market system "pervaded by haggling, and kept together by the spontaneous order of countless small-time independent operators"⁶⁹ and the capability of decentralised and non-market production and consumption where "peer-produced free stuff drives out commercially produced commodities"⁷⁰. Markets are simply hedged within institutionally diverse and messy economies characterised by diversity and heterogeneity. Such economies already exist, on the peripheries and interstices of modern capitalism. It is these that I will be exploring next.

63 Hayek, F. 1945

64 Friedman, D. 1989, 77

65 Carson, K. *The Homebrew Industrial Revolution*, 2010, 215-216

66 Marx, K. 1999, 608

67 Weiland, J. *Markets Not Capitalism*, 2011, 304

68 Carson, K. *Markets Not Capitalism*, 2011, 216

69 Johnson, C. *Markets Not Capitalism*, 2011, 384

70 Mason, P. 2015, 143

THEIR RADICAL POTENTIAL

Now I move onto look into the radical potential that free markets entail. Firstly I will look at the institutional and organisational parameters that may exist within structures of freed markets, looking at specific examples identified by Ostrom in terms of common ownership and markets, as well as investigating internet-based commons and the development of networks in trade and ownership models. Fundamentally I try to understand how markets will be organised. The marketplace is simply a form of economic organisation that is shaped by institutions and actors, as Carson has shown in the decentralised, local alternative of demand-pull production systems based in regional market settings with heterogeneous ownership and control⁷¹.

Secondly, I look through the frame of Thomas Hodgskin's identification of rent, profit and interest as the extraction of value from workers. This section then understands both how surplus is used and distributed by market actors and firms, and how value is created under the multiplicitous conditions of freed markets. Capital as a means of production and ownership can be seen as more distributed, placed in new conceptions of capital ownership.

Finally, I understand markets as embedded within structures of a diverse economy. Markets are transactional systems with characteristics that will vary radically from place to place and situation to situation. Rather than understanding an economy through the capitalist frames of productivity and GDP growth, different economic contexts and arrangements can be developed that "fulfil need equitably, develop humanity, sustain ecosystems and lead to cooperation"⁷².

I'm looking into the peripheries and interstices of capitalism, understanding how such a wide diversity of examples constitutes the grounds for envisioning real utopias, as seen in counter-economics and alternative market systems that provide the grounds for an alternative economy⁷³. This is anti-power, the act of doing against capitalism and creating spaces of resistance and revolt without taking power⁷⁴. Freed markets act as grounds of radical social creation and experimentation, taking multiple forms with power vested away from the corporate-state nexus and into the hands of individuals and communities.

71 Carson, K. *The Distorting Effects of Transportation Subsidies*, 2010

72 Wall, D. 2005, 177

73 Konkin, S.E. 1983

74 Holloway, J. & Fernandez-Savater, A. 2014

Institutions and Organisations

"It is a dispute as to whether planning is to be done centrally, by one authority for the whole economic system, or is to be divided among many individuals"⁷⁵.

Planning is simply the act of decisive action for the procurement and use of resources. In Hayek's idea of individual planning, decisions are decentralised to individuals in their capacity to carry out their decisions. However, this doesn't deny the existence of institutions or organisations that shape and move the market into certain directions. In particular the roles of land ownership and regulation would not go away under a rethinking of markets. The imposition of regulations and ownership models upon an economy, as we see in modern capitalism, gives a great scope for rent-seeking activity by large corporations and vested interests, which moulds regulations in such a way as to create entry barriers to small competitors. Under an anarchist regime of voluntary strategies to common problems and market settings with different actors, governance and law would vary between societies, as would the types of social regulation that might govern markets. Types of governance could include religious law, monarchy, radical democracy, communism, constitutional government or even purely contractual relations.

In the processes of freed markets, planned relations are entirely possible. You could have adhoc democratic bodies creating planned, deliberate relations for some or all economic goods within particular localities. Some of the issues identified with markets, such as negative externalities (the externalisation of costs onto dispersed third parties, as seen with pollution⁷⁶) and the underproduction of public goods, such as "education, health care, public transportation, and parks"⁷⁷, can be dealt with via forms of planning

The capability for individuals to organise for these activities need not fall outside of the jurisdiction of Hayekian organisation however. Charles Johnson identifies areas where instead of ceding full control to the market, goods can be owned in a democratic manner. Some industries created under capitalism could be ceded to full democratic control in a locality with shares owned by citizens in a joint-stock company. This is what Johnson calls the "socialization of the means of production"⁷⁸. These processes shape markets, anchoring them in certain characteristics that are necessary to their maintenance. The Gram Panchayat planned system in Kerala shows how public works and infrastructure can be developed through decentralisation and the use of federative budgets to convene regional economies and create economic development for firms and individuals. The participatory budgets of Porto Alegre also show a

75 Hayek, F. 1945

76 Hahnel, R. 2007, 1142

77 Kotz, D. 2008, 4

78 Johnson, C. Markets Not Capitalism, 2011, 286

similar pathway, with control over municipal issues and programs, ranging from transportation to land planning⁷⁹. We see a greater participation of social movements and associations that represent the poorest, and a greater provisioning of the budget toward the poorest regions of the city⁸⁰.

What these show are that markets are influenced by different modes of organisation. Decentralised control of collective capital in the sense of local taxation and government budgets and the distributed control of utilities and anchor institutions⁸¹ make markets function by producing the positive externalities of educated and healthy persons. In Greece, we already see this development. There is "experimentation with commons-based initiatives across a number of social spheres: 'think of solidarity kitchens, social clinics, self-managed workplaces, mutual aid networks, alternative currencies, and so on'"⁸². Further such experiments are seen in the worker occupations of the national broadcaster and the takeover of the Vio.Me factory⁸³. Overall, it means people are "free collectively to organize the resources of their immediate community or individualistically to organize them"⁸⁴.

Land is an area of an economy that has witnessed a high degree of socialisation and in many cases all out theft away from the peasant and tenant classes toward the feudal and capitalist aristocracies⁸⁵. As alternatives, though, we already see the existence of commonly owned land as a practical norm both historically and in the modern era. There is a wide variety of commons ownership regimes, ranging from crofts in Scotland, Huertas in Spain and food-producing commons in Fiji⁸⁶. These wide varieties of common ownership contribute significantly toward utility maximisation and a solid household income. In India, "common-pool resources...are estimated to contribute 20 to 40 percent of household annual incomes nationwide"⁸⁷. Further, Ostrom has noted that there is a large assortment of rules-based governance, ranging from family-based governance and ownership to complex usufructuary holdings⁸⁸. What this suggests is that an economy can be hedged in a selection of different organisational frameworks. With markets, we see the interplay of common property with a shares market in the Alicante Huertas of Spain, where shares in the right to pump certain quantities of water are sold and traded⁸⁹. Markets are placed within different structures which influence their creation and operation. The retreat of the "state and employer-based safety nets...create a necessity for self-organized mechanisms (like micro-villages, multi-family co-housing units, extended family compounds,

79 Olin Wright, E. 2009, 2

80 Olin Wright, E. 2009, 111

81 Democracy Collaborative, 2014, 7-8

82 Smith, R.C. 2015

83 Karyotis, T. 2015

84 Hess, K. Markets Not Capitalism, 2011, 290

85 Federici, S. 2004, 26

86 Vivero Pol, J. 2015, 8

87 Vivero Pol, J. 2015, 8

88 Ostrom, E. 1990, 89

89 Ostrom, E. 1990

large-scale squats, etc.) for pooling costs, risks and income"⁹⁰. Each of these organisational possibilities change how markets functions and what values and ownership models evolve.

Similarly, the role of regulation holds a similar position. While regulation has been the domain of government, there already exists a wide range of regulatory mechanisms that can regulate markets and the actors within them. Thus market regulation can range from the competitive impetus that regulates firm behaviour by creating products that innovate, ending reliance on state-based inputs that skew this mechanism and allow for planned obsolescence and profiteering at the expense of true innovation to "conscious but non-coercive activism"⁹¹ whereby deliberative action is taken to produce certain outcomes. This can already be seen with social movements producing regulatory instruments that change the way markets function. In particular, things like the World Social Forum and Fairtrade movement create contracts for certain producers and consumers and lobby on things like climate change, attempting to mitigate the externalities caused by state capitalism⁹². They can work within existing markets, changing industry practices, and outside them, producing alternative pathways to industrial production processes⁹³ which take into account different values outside of the profit motive. Global social movements show one direction of market relations. Networked trade relations and global value chains organised by constituent actors and stakeholders. Equally, there are burgeoning elements of internet based regulatory and governance structures. The Blockchain and cryptocurrency algorithms allow for the development of decentralised contracts⁹⁴ and distributed mechanisms of consensus making on governance, laws and public goods (such as a basic income⁹⁵).

Coming out of this is a distributed form of associational democracy that can regulate an economy and market from the ground-up. Where problems of public goods provision and regulation are encountered "associative governance can provide a welcome alternative...because of the distinctive capacity of associations to gather local information, monitor behavior and promote cooperation among private actors"⁹⁶, allowing market actors a democratic say in how regulation is enforced. These forms of governance and regulation shape markets in different ways, creating deliberate outcomes and different forms of ownership and value production. They are, as Mary Douglas has noted, spontaneously ordered control mechanisms⁹⁷. This shows the subjective individual, of Austrian theory, who chooses to maximise their chosen values fitting not only the model of a market actor but also that of a political and social actor, part of both market transactions and governance. The individual participates in both the agora and the

90 Carson, K. *Artificial Abundance and Artificial Scarcity*, 2016

91 Johnson, C. *Markets Not Capitalism*, 2011, 393

92 Shaw, C. 2016

93 Frickel et al. 2011, 522

94 Lujan, S. 2016

95 Nygren, J. 2016

96 Olin Wright, E. 2009, 127

97 Douglas, M. 1970, 121

demos. The two are inseparable.

Hodgskin's Rent, Profit and Interest

"The market abhors profit. If you make a profit you are telling people: here is something you should emulate, to compete away my profits. Profits are temporary and disappear. They are never permanent. They always erode"⁹⁸.

A market of producers, consumers and other actors need not necessitate the creation of profit. Kinsella, an author affiliated with the Mises Institute and a voice on anarcho-capitalist theory, shows how profit is not a natural mechanism of markets, but rather a creation of innovation and value in the short term. The same applies to rent and interest. Hodgskin identified these as the expropriation of the worker's surplus by capital⁹⁹, only allowed to exist due to illicit government intervention that maintained their efficacy. Rent is accrued from a land monopoly which favours the destruction of community-owned land and privatisation. Interest is developed from financialised economies and the banking monopoly which relies on legal tender laws and entry barriers to smaller banks who could feasibly provide low-interest or no-interest money. Profits are generated from the wide-scale limitation of entry into most market sectors, which necessitates winners and losers in a market context and the spread of capitalist economies relative to alternative arrangements.

In this system, profit is held as the highest attainment of value maximisation. However, this is just one example of what constitutes value. Weber's definitions of value show a much wider variety of forms of value maximisation. While hedged within modes of economic action, Weber makes a distinction between instrumentally rational action and other types of social action such as value-rational action, affectual action and traditional action¹⁰⁰. Each of these constitute practices of value creation, but under capitalism instrumental rationality (the profit motive) is seen as purely economical. But that does not mean that markets as a whole must fall into this ideological construction of rationality.

Returning to the idea of institutional embeddedness in markets, we see that by having fluid institutional characteristics, the actual creation of value in markets doesn't take on the unitary position of profit maximisation seen under capitalism. Rather value becomes subject to those institutional arrangements and the multiple desires of producers and consumers making both indirect and direct choices in different market settings. In terms of work this can mean an end to traditional wage labour, and instead a move to networked work and what Rifkin calls deep

98 Kinsella, S. <https://www.facebook.com/nskinsella/posts/10152487384388181>, 2014

99 Paul, E.F., Miller, F. & Paul, J. 2012, 143

100 Weber, M. 1978, 63-64

play. Instead of work being the rational attainment of the means to higher consumption, the relationships that can come from collaboration are an end in themselves¹⁰¹. "The animal works when deprivation is the mainspring of its activity, and it plays when the fullness of its strength is this mainspring, when superabundant life is its own stimulus to activity"¹⁰². Work becomes play when it is no longer the aim of work to simply attain what is defined as a rational expectation under capitalism. Rather than work and firms being hierarchical and command-oriented, we can see "collaborative behaviour, social networks, and boutique professional and technical workforces"¹⁰³ all under a new guise of lateral power, where relations are horizontal and voluntary rather than commanded and controlled.

The question then becomes how can this develop while still living under the auspices of state capitalism. Well we already see the effect of more distributed technology and knowledge eliminating the need for high capital input and thus destroying Hodgkin's identification of the workers surplus: rent, profit and interest. Modern technology has allowed for the tools of production to become much cheaper. There exists a "generation of open-source tabletop CNC routers, cutting tables, 3D printers, and forth that can be built for under a thousand dollars"¹⁰⁴. This is visible in the job shops of Shanzhai and Emilia Romagna, both alternative models of industrial production. Modern hackerspaces and 3D printing workshops also show the capacity for decentralised production, moving labour and capital closer to Ward's model of the community workshop. Carson notes the extensive amounts of dead capital and resources, in the form of household products, recyclables and small plots of land¹⁰⁵, which can be translated into productive assets for household production and community workshops. This could be a real possibility that decentralises ownership and control and destroys much of modern profit in corporations and interest on capital for venture capitalists and banks.

With capital ownership and creation, peripheral processes are evolving. The rise of cryptocurrencies and the Blockchain show how widespread ownership of capital can become a reality. Equally, small, low interest, internet loans and P2P finance allow for a further distribution of capital and with it the creation of firms and new market activity. Historically, there existed local stock exchanges which showed how smaller businesses could gain access to capital which is now currently locked up in national stock exchanges and modern legal instruments of corporate charters and limited liability laws. As Michael Shuman has noted, this "is because locally owned businesses spend much more of their money locally and thereby pump up the so-called economic multiplier. Other studies suggest that local businesses are critical to tourism, walkable communities, entrepreneurship, social equality, civil society, charitable giving, revitalized downtowns, and even political participation"¹⁰⁶. It allows for diversification of capital

101 Rifkin, J. 2011, 268

102 Black, B. 1985

103 Rifkin, J. 2011, 5

104 Carson, K. Artificial Abundance and Artificial Scarcity, 2016

105 Carson, K. The Homebrew Industrial Revolution, 2010, 282

106 Shuman, M. 2009, 81

investment and stock ownership into local communities and regions, connecting local wealth creation to local ownership.

A radical change then occurs. Models of production and investment are decentralised toward individuals and small collectives of pooled capital, unlocking new market activity. Value creation becomes messy and varied. Rather than profit being pursued as a typical action of market activity, new values come to be important, such as building social networks, cultivating environmental awareness and friendliness and maintaining a political community with local wealth production. Basically, "a society where a normal person, seeing a new need, responds by looking for what to contribute to produce what's needed"¹⁰⁷, where production is kept closer to home in more economical, smaller economies of scale. Profit is not guaranteed, nor even desired. The direct economy and community become important facets for production and consumption, rather than the international market and the need to mass produce. Decentralised markets move value toward genuine use value and into other types of capital such as social or community capital under alternative production models. Modern production systems require large government input and subsidy, showing inefficiency and a lack of capacity to exist under anarchic arrangements. In their place, a wide diversity of production systems, owned in common, in networks or in multiple types of market or social community, become feasible with the unlocking of capital and labour and the redistribution of surplus value.

A Diverse Economy

"There are many forms of alternative market transactions in which goods and services are exchanged and commensurability is socially negotiated and agreed upon. They include the vast number of transactions that take place in the informal and underground markets in which goods and services are traded according to very local and personalized agreements"¹⁰⁸.

While markets are generally defined by a capitalocentric discourse which places them at the forefront of economic life, for many individuals alternative market and non-market transactions are a part of everyday life. Similarly, the multitude of types of labour and firm cannot really be placed purely within capitalist existences. Gibson-Graham's definition of a diverse economy entails freed markets having a relation to non-capitalist modes of production and creation. It moves away from the overarching subjectivities of capitalocentric discourse and creates a definition of economy that is broad and participatory, rather than imposed by capitalist institutions and states.

107 de Ugarte, D. 2015

108 Gibson-Graham, J.K. 2006, 62

This wide variety of economic activity is evident if one looks into the interstices and peripheries of capitalism. In the realm of transactions things range from hunting and gathering and household economies to protected market exchange and alternative credit and barter systems¹⁰⁹. In labour, a wide diversity of arrangements exist that are far removed from the prospects of wage labour. For example, housework and volunteering, significant factors in capitalist economies, constitute non-waged work. Similarly, alternative labour arrangements exist such as self-employment and cooperative work¹¹⁰. While in the realm of the firm, corporations are seen as dominant, yet micro-businesses are a major player, and networked economic organisation and worker-ownership exist as a significant bulwark of activity. As Ostrom pointed out, we see a similarly large variety of arrangements in CPRs. In Japan, commons are organised around families and tight-knit villages, while in Torbel commons are controlled by a complex mixture of village ownership and private property¹¹¹.

Labour in particular has many facets that make it amenable toward decentralised economic activity. The variability of its functions seem to gravitate themselves toward the local, in terms of familial firm ownership, flatter market firms and worker ownership. With changes in the division of labour toward more local production and ownership rather than large distribution chains and minute divisions in ownership, job complexes can become more varied and different types of economic activity can prosper. In the modern context, this means things like technology-based work around machines with shared, available knowledge. Marx's concept of the general intellect, "general social knowledge"¹¹², allows for a conception of play instead of work, entering into voluntary relations of production and consumption¹¹³. We see this developing with the peer economy of production, where one enters a community of producers and creates things for the direct economy rather than pure exchange value. As David de Ugarte showed in his idea of consumers to communards, the patterns of large-scale consumption create alienation and deprivation. In their place can exist an economy of voluntary production done on a demand basis¹¹⁴, that can be firmly placed within the idea of the networked freed market, where value is informed by relations and the capability of voluntary arrangements to create transparency and prevent corruption and fraud¹¹⁵.

Similar processes are seen in the social economy. Described as prioritising "people and work over capital in the distribution of revenue and surplus" and basing "its activities on principles of participation, empowerment, and individual and collective responsibility"¹¹⁶, the social economy is a realm of deliberative social power used to further non-economised aims. It places itself in

109 Gibson-Graham, J.K. 2006, 61

110 Gibson-Graham, J.K. 2006, 63

111 Ostrom, E. 1990

112 Mason, P. 2015, 136

113 Mason, P. 2015, 138

114 de Ugarte, D. 2015

115 Carson, K. Governance, Agency and Autonomy, 2013, 14

116 Olin Wright, E. 2009, 136

the area of non-market transactions and firm ownership, as seen in two examples that Olin Wright describes. The first is Wikipedia, which fits the idea of Marx's general intellect as knowledge is freely shared and widely available. Governance is distributed among its participants, with collaboration being the goal. The second is Quebec's diverse social economy, where childcare and elder care services are provided by cooperative and non-profit firms in networks of carers and those in need of care¹¹⁷. Here we see different discourses of what constitutes an economy. Rather than the perfect market scenario of profit-maximising firms, a much more diverse picture is available of firms with different value maximisation ethos, ranging from entrepreneurial spirits to trust-based networks and Weber's conceptions of value.

The crux of the matter is this. Within a diverse economy not only are individual decisions allowed to be decided on the level of subjectivities and choice, but that wider systemic decision-making can also be decided via voluntary means. The Austrian subject of man, that of a praxeological being with many different concepts of what constitutes economic and social wellbeing, can have as much control over what organises markets as he can over what is sold and produced within it. Thus we get to Olin Wright's idea of envisioning real utopias. By looking into the interstices and peripheries of modern capitalism, we can see a burgeoning alternative economy not shaped by capitalocentric discourse but by multiple ideas and disciplines of economy. And within this, markets make up a significant part of that alternative, used in a variety of contexts by individual and collective actors.

117 Olin Wright, E. 2009, 154-155

MULTIPLE POSSIBILITIES

In diverse economies, there is a realisation that markets are not the homogenous workings of capitalism. While a capitalocentric discourse may proffer this, the realities of alternative market systems negate it. The variety of market systems that have existed show a much more radical history of what constitutes a market. Two central areas that demonstrate this point are alternative production systems and different conceptions of price. Carson identifies this variety, being "made up...of local expedients and ad hoc arrangements -- production for consumption within communist primary social units, commons-based peer production, market exchange, producer and consumer cooperatives community enterprise, micro-villages, Ostromite natural resource commons, etc"¹¹⁸.

Production systems have many different characteristics. Fiske's analysis splits these into four types, "Communal Sharing, Authority Ranking, Equality Matching, and Market Pricing"¹¹⁹, with each being present in an economy to varying degrees. Under capitalist organisation market pricing is the dominant mode of production-system organisation. However, the peripheries of capitalism tell a different story, with organisation being reconstituted in diverse ways. The small-scale, demand-pull production systems of Emilia Romagna and Shanzhai, the networked worker ownership of the Piqueteros and the Scott Bader Commonwealth and the wider regional economies of the Salinas and Mondragon cooperatives show some of the seeds for an alternative.

The Emilia-Romagna production system is "a vast network of very small enterprises spread through the villages and small cities"¹²⁰ of central and northern Italy. Multiple products and functions are produced by the range of firms there, but the production system they use is similar in many ways to craft or artisanal production. Production runs are demand-pull, with production done in "small batches" that switches "frequently and quickly from one product line to another as orders come in"¹²¹. Firm ownership is generally small and flat, ranging from medium sized workshops to garage factories. Competition and cooperation proliferate, without a reliance on a major contractor like Toyota's production subcontracting. Products get produced based on local demand, with massive autonomy for each firm to work together or compete in a market. Similarly, there is the Shanzhai economy of Shenzhen, China. Here there is a focus on production of electronics (such as mobile phones), with both copycats of existing phones as well as original designs being produced. Firm control is spread out and extremely flat, with multiple producers, and minimal capital is needed to create a firm in this economy, which produces autonomy and independence from the wider capitalist economy and the necessitation of wage

118 Carson, K. *Anarchists Without Adjectives*, 2016, 30

119 Bauwens, M. 2005

120 Carson, K. *The Homebrew Industrial Revolution*, 2010, 178

121 Carson, K. *The Homebrew Industrial Revolution*, 2010, 179

labour¹²². Local, but intense, economies of scale develop with high demand and fluctuation of price and production, with high-quality goods being produced (such as iPhones with replaceable batteries¹²³).

This gives an idea of what alternative production systems may look like as solidarity and competition are produced simultaneously. Community workshops and the self-employed society show a pathway toward similar systems. Clustered firms with one or two owners, networking for certain production of goods and short production runs for the direct economy, proliferate. The computer can aid in this function, being seen as "an artisan's tool: it is an instrument that responds to and extends the productive capacities of the user"¹²⁴. The "meshworks of small producers interconnected via computer networks could have access to different, yet as intense economies of scale"¹²⁵ as does the modern international corporation. Variable economies of scale can develop with massive competition and the capability to scale up via networks rather than through monopoly pricing and market dominance. 3D printing also shows the capacity to develop small production and alternative systems. The prosumer phenomenon can flourish¹²⁶ in the social technologies of 3D printing, where the connection between production, sale and consumption are held within the local area (as with the Shanzhai economy of production on the second floor and sale on the first floor¹²⁷). Goods can be priced by the producer of the 3D printed product, or they can be shared for free in collaborative commons of production and consumption. Innovation comes from the community involvement in design, with value derived from the process of thought and creation rather than from IP monopoly. Worker ownership and solidarity come to the fore of these economic systems. The possibilities of decentralised, empowered economies becomes much more tangible.

The Piqueteros of Argentina have gone one step further in creating not only an economy of worker-owned enterprises, but an economy of public goods provision within the community. This movement of "worker-run companies involves 15,000 workers in almost 200 democratic workplaces"¹²⁸, controlling workplaces through worker assemblies. It also has deep connections to its surrounding community, building a health clinic that the government wouldn't do and donating some of the goods produced to the local community rather selling or exporting them¹²⁹. In a similar fashion, the Scott Bader Commonwealth had a variety of communally owned workshops¹³⁰ that allowed for independence from wage labour for those involved. A

122 Carson, K. *The Homebrew Industrial Revolution*, 2010, 180

123 Carson, K. *The Homebrew Industrial Revolution*, 2010, 180

124 Carson, K. *The Homebrew Industrial Revolution*, 2010, 197

125 DeLanda, M. 1998

126 Bauwens, M. 2014

127 Carson, K. *The Homebrew Industrial Revolution*, 2010, 180

128 Lewis, A. 2004

129 IWW, 2012

130 Carson, K. *The Homebrew Industrial Revolution*, 2010, 193

shared warehouse of goods where one can pick from and work as Karl Hess described¹³¹. Work can then become similar to free time, with an abundance of firms and mechanisms of production that don't require the worker to be drained and alienated, but rather be creative. A flexible job complex of different tasks and motives can take off from communal ownership, ranging from community production for free to competitive market production by artisans.

Finally, the Mondragon and Salinas cooperative systems demonstrate the capability of adding these things together into a networked system capable of taking on the dominant capitalist economic structures. The Salinas cooperative system in Ecuador shows how networked cooperative production can exist, with a market/commons mixture to create real use value in production. The system started out as a credit union, funding other cooperative businesses as time went on, eventually creating an autonomous economic area of cooperative firms¹³². A significant social safety net based around a gift economy exists, and economic surpluses are ploughed back into the local community through infrastructure projects and community funds. Further, members of the community can engage in community work (such "as road maintenance, water irrigation, planting"¹³³, etc.) through time banks, being paid in hours of labour contributed. Multiple value systems come out of this, such as cooperation, care and economic dynamism. The Mondragon cooperative system operates in a similar manner. Its surplus is distributed back into wider projects and other businesses through the Caja Laboral¹³⁴. Decisions made at either the intra firm or inter-firm level are democratic, with decisions over pay, restitution and the movement from one workplace to another decided by the constituent members. These highly networked, transnational systems break the dichotomy of planning and markets. While markets exist within these organisations, actual intra-firm planning is put into the hands of the workers, unlike corporations where that is left to management. Better outcomes are developed in terms of efficiency and productivity as the knowledge problem is beaten by networked connections and long-term strategies for maintaining existence.

However, there are criticisms that these models, due to their size, have capitulated toward capitalist forms of coercion. With Mondragon, they've hired people who are not part of the democratic process of the cooperative community¹³⁵. It is claimed they are falling into the social relations of classical wage labour, and giving up on their policies of equilibrium and solidarity in the name of expansion and growth. But these seem to be more the side effects of capitalist economies of scale and the corporate state which Mondragon has to respond to due to competitiveness. In more locally-g geared economies with reduced economies of scale (as I've described), the negative effects may well be dampened if not entirely eliminated.

131 Carson, K. *The Homebrew Industrial Revolution*, 2010, 193

132 Carson, K. *The Homebrew Industrial Revolution*, 2010, 285

133 Carson, K. *The Homebrew Industrial Revolution*, 2010, 286

134 Gibson-Graham, J.K. 2006, 116

135 Gibson-Graham, J.K. 2006, 122

In effect, these systems are socio-economic federalism via contract¹³⁶. The capability to create industrial democracy, with the individualising tendency of industry and the economy to decentralise toward the workers (and entrepreneurs) allowing for their maintained control of their surplus value, becomes a possibility that is unknown under capitalism.

Price systems represent another area for significant transformation under freed markets. The current price system is informed endogenously by planned outcomes and inputs (i.e. monopoly pricing¹³⁷) through intellectual property regimes and supply-push production systems which require supply chain control due to overproduction, overaccumulation and a lack of a demand basis for products. Thus planning occurs within markets, meaning they aren't dichotomous. Within freed markets, we could see networked production systems with independent, small shops involved in planned chains of a production process. We could also see factories produce partly for use and partly for monetary gain, as the Piqueteros already do.

Other concepts of endogenous pricing could develop, as with Hahnel and Albert's model of planned price formation through decentralised plans of consumption and production. Further, exogenous price creation can occur when a producer agrees to supply products at a set price for varied uses of consumption. Such price formation is seen in areas of the black economy, as with drug production and consumption. Gibson-Graham noted how different transactions produce different ideas of price¹³⁸, as seen with agreements set by producers and consumers for a minimum base price. Fair trade contracts represent one example of this. Equally, mutual credit systems and barter networks show another example of this, where prices are set based on perceived value relative to the local community's judging of its value. Similarly, time banks and labour notes are an example of exogenous pricing, with "the natural wage of labor" being "its product"¹³⁹. Things like the labour theory of value, time-based currencies, community currencies and cooperative wage systems come with this decentralised, heterogeneous price system.

Spontaneous price creation also becomes more messy, with individual economic actors negotiating prices for different transactions, as seen on EBay and other auction sites, as well as in bazaar-type markets. Price formation becomes a genuine conception of subjectivity, and socially necessary labour and economies of scale play a major role. Thus surplus value becomes difficult to expropriate due to smaller economies of scale and easier access to multiple forms of capital. Gibson-Graham already note different types of price formation in alternative market and non-market transactions. In a diverse economy, price formation is informed by social as well as economic characteristics.

Overall, a decentralised society will mean more home production and the development of new

136 McKay, I. 2011

137 DeLanda, M. 1998

138 Gibson-Graham, J.K. 2006, 61

139 Tucker, B. 1926

firm and market models based on collaboration, with a move away from capitalist wage labour. The "networked economy"¹⁴⁰ destroys the hubs of capitalism, with banks and capital becoming cogs that need not turn anymore. In its stead stands different ideas of what constitutes value and labour. A diverse economy of multiple possibilities, with markets acting as a conduit between ones desires and the means to achieve them. By breaking down capitalism and moving towards a voluntary, anarchic system with no entry barriers, one can re-appropriate one's surplus and end a reliance on wage labour as the means to a healthy, free life.

140 Carson, K. *The Homebrew Industrial Revolution*, 2010, 199

CONCLUSION

In rethinking markets, we need remove them from their capitalocentric discourses and from the power implanted via the state and its mechanisms. The logics intoned in capitalism, that of wage labour, hierarchical firm structure, centralised land ownership and a wide range of entry barriers and monopolies that make capital inaccessible to a large majority of actors, are not the totality of markets, either in actuality or theory. With a similar voice, many thinkers present the same logics as innate economic traits that push the world forward, with the caveat that any transgressions along the way are either unfortunate by-products that will be eventually corrected or the action of the state in warping the theory of the market.

The latter, to an extent, I would actually agree with. The Austrian School, whose theories of praxeology and economic subjectivism I've used as framing devices in this thesis, regularly make this claim, that the state distorts the market mechanism to varying degrees. But where some go wrong is in assuming that the degree of state intervention is within basic regulatory apparatuses, and that without such constructions the market would accrue profit, maintain wage labour and allow for corporate dominance. However what I have shown is that this is not the case. The five monopolies engendered by the state on behalf of vested interests distort the economy, and without them something much more radical and empowering than any sort of non-statist capitalism develops.

Technology and information is unleashed without patents and tariffs. Land is set free from speculation and open to historical claims of theft. Capital is removed from the hands of privileged banks and able to be placed in different institutions whether they be cryptocurrencies, mutual credit clearing systems or P2P finance structures. Without transport and infrastructure subsidies paid for by general taxation, the cost of transportation and large distribution chains creates massive diseconomies of scale which make many Fortune 500 companies uncompetitive in any sort of freed market. Economies of scale are reduced, favouring smaller, flatter firms with less internal transaction costs and minimal knowledge and calculational problems. Altogether, we see the potential for a radical reimagining of capital-labour relations, with wage labour empowered through higher wages and better command of their human capital, while the classes of capital are saddled with reduced profits from massive competition and the move to genuine entrepreneurialism instead of monopoly power.

Looking on the peripheries and interstices of capitalism, there are a wide range of examples that are not part of the privileged markets of capitalism. Institutional relations and organisational structures change, moving toward more common ownership as described by Ostrom as well as other structures of ownership and use. Decentralised planning becomes more feasible in the realm of public goods. The Gram Panchayat of India and the participatory

budgets of Porto Alegre show how such relations have already developed, empowering citizens. The capability of sky-high profits are destroyed by mass competition and the removal of entry barriers. Thus value creation and capital ownership become messy and varied, ranging from local production outfits for the direct economy to internet-based economies hedged in cryptocurrencies and decentralised platforms like the Blockchain and Ethereum. What all of this means is a diverse economy of different possibilities and outcomes. It is not ruled by the market but neither is the market ruled out. Rather it is simply one of many different economic arrangements that exists under a world of voluntary anarchy.

We see the multiple possibilities that can come out of this. Two main areas of capitalism, the production systems and the price systems, become radically different as evidenced by decentralised manufacturing outfits and clustered local economies throughout the world. Equally, pricing and the capability of price determination becomes much like the bazaar. Negotiated and auctioned on, as in eBay or modern local markets where prices aren't simply determined but found.

Markets then are not the constituent element that makes capitalism what it is. By understanding this, markets can be placed within radical alternatives to modern capitalism, that allow change from within through social regulation and contractual bargaining, and from without through creating new markets with different functions and values that have the capability to challenge capitalist institutions. Markets can be a tool for radical social action.

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