

Define Your Terms And Stop Being Intellectually Lazy ("Left", "Right", "Socialist", "Capitalist")

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Introduction

Political economic history and thought has been intentionally warped and mangled to such a degree that most discussion and "analysis" is an incoherent mess of undefined terms and contradictory generalisations. People often find themselves in disagreement not by their stance but due to a lack of semantic clarity and the mistaken assumption that political terms are universally agreed upon; their understanding commonly shared. Undefined, short-forms like "left", "right", "progressive", "populist" are generalisations so vague as to be practically devoid of meaning. This lack of clarity and definition in political language helps maintain often illusory barriers between groups of people who would seem to have far more in common than they have differences.

The purpose of this outline is to set-out some basic definitions and provide a concise and uncontroversial framework in the hope that, should people disagree with one another, they at least will have the tools to pinpoint the exact nature of their disagreement. At present, in the Anglophone west, and likely everywhere else (such has been the reach of neo-liberalism and its suffocating effect on political thought) wild generalisations, ill-defined terms, confusion and false division reign supreme and the only people who benefit from this intellectual morass are those whose power would be threatened by an accurate and sober accounting of the political and economic institutions through which their power and influence is expressed.

In the US, as far as I can gather, socialism has come to mean "centrally planned, nationalised, anti-free market, anti-choice and anti-personal liberty" and capitalism refers to some kind of idealistic dream of (early stage) laissez-faire, free market capitalism conflated with individual liberty and political democracy. Though, in recent years (catalysed by the 2008 financial crisis) the realities of late-stage crony/state capitalism have initiated a marked re-assessment. One attempt to get ahead of this is the World Economic Forum's "Great Reset" (an old plan re-branded) whereby the cause of the disease promotes its remedy (in this case a banal, technocratic eugenics-based tyranny with fluffy "sustainable" and "inclusive" language to round off some of the sharp fascistic edges).

There are different forms of socialism and different forms of capitalism and to understand why they are all so different from one another one needs to pull apart two fundamental concepts, define them and then put them back together.

Two Simple Concepts

Concept #1: The Entity

By "entity" I mean an organisation responsible for the production of goods and/or services.

Socialist

If the entity is owned and controlled by the workers, then it is by definition a socialist enterprise (the workers own the means of production) and there is no employer-employee relation and thus no wage exploiting the surplus value of the employee, rather there is a profit dividend shared among the workers. These entities are democratic by nature and often bottom-up in terms of control (though this is highly dependent on concept #2, introduced below).

Capitalist

If the entity is owned by private interests and it employs workers and distributes the surplus value of their labour among the owners (directors, private shareholders etc.), then it is capitalist. Capitalism is by definition the private ownership of the means of production. These entities (corporations in the main) are authoritarian by nature and the control is most definitely top-down.

Concept #2: The Environment

By "environment" I'm referring to:

1. the commercial / transactional context in which goods and services are bought and sold, and
2. external influences (such as legislation, state mandates etc.) that significantly transform the entity's "native" structure.

State Controlled

Controlled centrally by a state, whereby the state apparatus decides how much is produced and at what price it is sold ("central planning"). There is no organic "price discovery" via market competition. Here, the state has a central and deterministic role in the operations of the "entity".

Participant Determined

Prices are determined transactionally by participants (via offer and acceptance), often referred to as "price discovery". This is called a "free market" and has been wrongly conflated with capitalism (primarily because capitalists want you to believe it's exclusive to and inextricably linked with private enterprise - it is not). Here, the participants are the determining factor and the state (where it exists) has a "hands-off" or profoundly limited role in the functioning of the "entity".

Entity + Environment: 4 Approximate Outcomes

Now let's combine the "environment" with the "entity" and see what we get ...

1. Socialist / Participant Determined

If you imagine many worker-owned and controlled enterprises, syndicates, co-operatives (as per anarcho-syndicalism, e.g. the Mondragon Corporation) competing with one another in a free market - this would, by definition be Libertarian Socialism. Some simple examples: an array of farming co-operatives offering their produce for sale in an open farmers' market; a tech start-up where ownership is shared among its coding entrepreneurs; a law firm where everyone is a partner. The Mondragon syndicate illustrates quite clearly that whatever a traditional corporation can do, its worker-owned facsimile can do too; there are no theoretical limitations but there are practical ones that need to be addressed (which I'll discuss below). Finally, this model negates the need for unions since the binary dynamic of "worker versus owner" becomes a unitary one; the worker is the owner and vice versa (there is no other side to collectively bargain with).

2. Socialist / State Controlled

If you had a similar setup but instead the state determined how much each enterprise would make and at what price they would sell, this would be called State Socialism or State Communism (and these worker co-ops or nationalised industries wouldn't be independently working for themselves - they'd be working for the centralised state). In terms of state-owned / nationalised entities the workers don't really own the means of production, instead the general public do via a proxy called the state (how much control the public have over the state or vice-versa, then becomes a central issue). In such institutions the worker is largely disenfranchised, becoming a servant of the state (as per the Soviet Union) often with minimal to zero direct control over the entity's operations.

3. Capitalist / State Controlled

If the state controls capitalist enterprises (think China), or if an agglomeration of capitalist enterprises control the state (think USA / UK) then you have "State Capitalism" (sometimes referred to as Crony Capitalism) or what Mussolini termed Fascism.

A brief side-note to illustrate:

If we look at two recent methods of social control, in China they have a "social credit system" which acts as a carrot and stick citizen management system governed via the state's surveillance apparatus.

In the US, UK and much of the west a similar system is being introduced via consortia of large corporations (from big tech/social media, banking/fin-tech, big pharma, bio-security, big data/surveillance etc) promoting a purely digital (cashless) financial architecture, digital IDs, vaccine passports and the like, where ones ability to engage in society and function in the economy is in the hands of private actors (who may or may not have connections to the state). In this way, behaviour can be controlled remotely via the ever-present threat of being "de-platformed" socially, silenced politically (even if you're the president) and "disconnected" financially; i.e. if we don't like your behaviour ... you're cut off from the transactional infrastructure (like Wikileaks were with PayPal, Mastercard et al)" The suffocating effect of these two systems of citizen control will feel similar, the difference however is that in the latter "western" form, it's often harder to pinpoint who exactly is orchestrating what.

There are real differences between China and much of the west, but the tendency is to overstate them. China represents a more classical form of fascism, whereas in the west we've become accustomed to a form of soft fascism (that is hardening rapidly) with its

adjunct party-political pantomimes offering the public the illusion of participatory democracy; the sense that they are constituents of import, when the empirical reality shows the actual constituency (and true masters of the political class) are: 1) large (often multinational) corporate interests; 2) the activist NGOs, foundations and think-tanks they patronise; and 3) "global systemically important financial institutions" (and the central banks that represent them).

4. Capitalist / Participant Determined

If you have privately owned enterprises (corporations etc.) competing with one another in a free market - this would be called Laissez-faire (or Free Market) Capitalism. The enterprise operates freely but is by definition an authoritarian one which exploits the work-force. Early stage capitalism may start like this but will tend toward fascism as successful enterprises gain sufficient wealth to buy other companies, bribe the political establishment and become increasingly monopolistic and corrupting (what John Titus aptly refers to as "Mafiocracy", currently playing out in the US and most developed western economies).

***Note:** Most societies are a weighted mix of all 4 of the above. In the US for example, the military is a mix of #2 and #3, the markets are largely a mix of #3 and #4. A major element of the Russian Revolution was Lenin's Bolsheviks crushing #1 to consolidate #2 (see "The Third Revolution"). However, the overall balance is really what determines how a society functions, the degree of corruption, the style of authoritarianism etc. (see Epilogue below).*

Political Economic Limbo: The Case of the Sole Trader

An interesting way to get this across is to consider the sole trader who has their own business. They are in a kind of political-economic limbo. They are neither capitalist nor socialist or they are both at the same time. They own and control the means of production, but no one else is involved. What Marx understood is that it's all about the relationship between the owner and the worker, when you are both at once, there is no relationship and so Marx would likely have little to say. Where it gets interesting is when the business grows to the point where an additional worker is required. At this juncture the nature of the entity is defined.

If the entrepreneur decides to make the additional worker a partner (co-owner) and shares a degree of ownership and control with the co-worker then this will be a socialist entity. If however, the entrepreneur decides simply to employ the co-worker and pay them a wage, then the entity becomes a capitalist enterprise.

The Confusion Around the Terms "Property" and "Capital"

The following quote contains a very common falsehood (though I agree with the bulk of the author's analysis in this piece):

Klaus and his billionaire buddies have big plans, and this faux pandemic crisis was the perfect "opportunity" to achieve their globalist corporate Marxist dreams. [...] Marxism is based upon the abolition of private property, so their (the World Economic Forum's) "you will own nothing, and be happy" slogan tells you all you need to know.

What does the author mean by "corporate Marxist"? A corporation is a privately owned entity involved in the production of goods and/or services; it is by definition capitalist (the private ownership of the means of production). Marx spent his life critiquing capitalism. Are we to believe that the giant corporations (and their shareholders) represented by the World Economic Forum (and others) are going to hand over their capital, their power and their control to the workers of the world or a global council of workers? No, rather the author (whether by ignorance or by choice) has misunderstood the term "property" as it was used by Marx and other 19th century critics of capitalism.

When libertarians like Proudhon or authoritarians like Marx used the term "property" they were referring to what most would now call capital (wealth generating assets).

For example, if you buy a house and live in it, you own a depreciating asset (whose price is as much a function of currency devaluation as it is market forces), likewise owning a guitar, a car or a gold watch, it is your private property and neither Marx nor Proudhon would condemn you for your ownership. If you then buy a second house for the purpose of letting it (providing a revenue stream) then that "property" becomes a wealth generating asset, i.e. "capital" (which Marx referred to as "bourgeois property" - a misleading term in my opinion). It is this, latter form of "property" that critics of capitalism in the 19th and 20th century were attending to.

Property was also scrutinised when its provenance was colonial theft; the act of conquest, the partitioning and staking out of native land (that either belonged to the native population or was regarded by them as belonging to no one), and the concomitant drawing up of deeds under the colonist's legal framework to provide outright theft a sense of legitimacy. This is the other "property" that many critics of the time were concerned with. They were not concerned with the everyday items (whether large or small) that we would today call "private property".

It is thus wrong and highly misleading to call the World Economic Forum's vision that "you will own nothing, and be happy" a "globalist corporate Marxist dream". Actually, it's the dream of state-capitalists (China would seem to be their approximate model) who wish to own everything (something they forgot to disclose) and rent to you, on demand those goods deemed necessary for your prescribed and pre-determined "happiness".

This is more the dystopian wet dream of a neo-feudal, corporate plantation owner; a kind of technocratic serfdom. At its root however, is global, centralised state-capitalism (i.e. global fascism).

An Oxymoron Called "Anarcho-Capitalism"

A quick word on the oxymoron that is Anarcho-Capitalism (a favourite among elements of the so-called "libertarian right" in America).

Ron Paul makes clear that he's against coercive force impinging on individual rights. People like Proudhon, Bakunin and Kropotkin might have pointed out to Ron Paul that you cannot have anarchism / libertarianism combined with capitalism, because once you have the private ownership of the means of production, you have an authoritarian and exploitative entity. Your acceptance of a wage (as an "employee") means you've rented yourself out for a certain amount of hours and during this period your labour, time and creativity are the property¹ of the entity (the "employer"); you are thus submitting to the entity's coercive rule (this is called "having a job" or in more honest times, "wage slavery"). You may notice, Ron Paul will happily talk about the "environment" (the free market) but will not talk about the coercive nature of the private "entity" (the capitalist enterprise²); someone like Richard Wolff however, happily will (though may be less keen to discuss the coercive nature of the state). Libertarian proponents of laissez-faire capitalism often proffer the old canard that anyone is free to choose who they work for (just as a prostitute is free to choose their clientele); this implies a peculiar definition of liberty; *the freedom to choose one's master*. Of course, no one is free to choose non-capitalist enterprises if there aren't any.

Ideological Banks Terraforming The Economic Landscape With "Credit"

And this is where the banks come in. Notice that Mondragon has survived largely because it created its own bank. Banks create money out of thin air when they make a loan (private commercial banks create approx. 95% of the money supply) as empirically proven by Richard Werner in his 2013 experiment and follow-up paper called "Can banks individually create money out of nothing?".

The best way to understand banks is like a gardener with a watering hose, where the water is the flow of credit (new money). The banks are like gardeners who favour some flowers (big private corporations) over others (worker-owned and controlled enterprises). If gardeners only water the flowers they favour, the other flowers will not flourish and will instead die. This is why there are so few success stories when it comes to the libertarian socialist co-operative model, they are starved of credit by a profoundly ideological banking system that would be threatened by the existence of a highly efficient and effective co-operative sector. No capitalist wants to see the Mondragon

genie properly escape its Spanish bottle (it's also why the co-operative banking sector in Germany is under heavy assault from the ECB).

So if you want a democratic workplace, owned and controlled by the workers, you need to set up well run co-operative banks that will work with, and provide liquidity (sustenance) to co-operative entities.

Conclusion

Hopefully by now, it's obvious just how meaningless the terms "left", "right", "socialist" and "capitalist" are when they are bandied about in their unqualified monolithic form. Ultimately the qualifiers are related to the distribution and direction of power.

Is the power concentrated and are decisions made from the top-down in a hierarchy? Or is power and control broadly distributed and decision making largely democratic? Are "managers" elected and unelected by the workforce they serve, or are managers simply the sheepdogs to their masters' labouring flock?

There is no reason why both capitalist and socialist libertarian ("participant determined") models can't co-exist and compete with one another in open and free markets (as both demand a minimal and non-coercive role for the state). Yet, there are few examples (Mondragon is an anomalous worker-controlled big-fish swimming in a sea of privately owned corporations); the main reason for this is that private banks act as gatekeepers by restricting credit to economic entities that are owned and controlled by their workers.

Mainstream political discussion has been purposefully limited to what kind of top-down, highly concentrated power system should be imposed on the population (as in China) or offered to the electorate (as per the US / UK): Will they accept powerful corporations as puppet masters of the state (the western capitalist model)? Or would they prefer the state apparatus (the party) to play conductor to its vast corporate orchestra (the Chinese capitalist or "capitalism during wartime" model).

You'll notice that missing from this analysis are the post-modern aberrations of "post-truth", "critical race theory" and "intersectionality" (i.e. "identity politics") which are merely the theoretical underpinnings and ideological by-products of a power elite's divide and rule strategy (an attempt to promote discord, distraction and infighting among the broad base of the population).

Likewise, the terms "left" and "right" have long been used as a divisive technique to prevent the vast majority of working people from acknowledging their commonalities, their common interests and perceiving their common enemy; an enemy that is now waging a war against them on a global scale.

Epilogue: Application (The 4 Outcomes)

So now we've defined some terms and have a simple framework, let's use it to describe some recent history and some present day battles.

The UK 1970's to present (#2 + #4 becomes #3)

In the 1970s the UK was a mixture of #4 (Capitalist / Participant Determined) + #2 (Socialist / State Controlled). It ran a largely capitalist free-market economy in combination with a large sector of nationalised industries and utilities and featured a welfare state "safety net". Such systems are often called "mixed economies" and in political parlance "social democracies" (and for our American friends, is what the "revolutionary socialist" pied-piper Bernie Sanders was advocating just prior to dumping his supporters in the lap of neo-liberals who had opposing agendas prescribed by their corporate "donors").

The 1980s saw the rise of neo-liberalism ("global corporatism") and from the 1980's to the present day #4 (Capitalist / Participant Determined) gradually morphed into #3 (Capitalist / State Controlled - of the western corporate controlled flavour) where corporate interests began to manipulate and direct state power (e.g. crony capitalist "Public Private Partnerships", where public money is siphoned off to corporate insiders) to further enrich themselves and accrue ever more power. Having smashed the nationalised industries in the 1980's / 90's, the #3 (Capitalist / State Controlled) system has been dismantling the social welfare element of the old #2 (Socialist / State Controlled) model and is currently transforming these elements into agencies of state oppression (under the guise of "bio-security").

The Sabre Rattling Between China and the United States (two flavours of #3)

China and the US are simply two sides of the same #3 (Capitalist / State Controlled) coin; two super-powered flavours of fascism vying for dominance. The only real ideological difference between the two states is which element holds the reins: private corporate power or state power. The Chinese "Communist" Party is not very different to what people in the US refer to as the "Deep (or Permanent) State" with its adjunct army of legislation-generating think-tanks and revolving-door corporate lobbyists. That said, there is no oppression like state oppression; for its outright violence, its lack of recourse and restitution, and the bleak finality of its judgment.

Note: *People should not be surprised when large multi-national corporations, the Chinese State and the Catholic Church all align (as is the case around the Great Reset). Afterall, in terms of their command structure and top-down control these institutions are practically identical.*

What Trump's "deplorables" and most American working people appear to want: sovereignty / "agency" (craving #4 when #1 is missing)

From this side of the ocean, what most Trump supporters seem to be crying out for is personal sovereignty; the freedom of the individual to be left to their own devices, to get on with their working lives. This manifests itself in a loyalty to the constitution and a distrust and disdain for profound and often overt corporate and state corruption. They would appear to be crying out for model #4 (Capitalist / Participant Determined) and a reining in of coercive and meddlesome corporate and state power.

However, though the reduced role of the state may accrue some personal liberty and "sovereignty" (or "agency") in daily life, unless you're a business owner you have practically zero power as soon as you enter the workplace. If individual ownership and sovereignty are truly the goal, one can make a strong case for model #1 (Socialist / Participant Determined) and this is very likely why this option has been erased from all levels of political education and analysis; why success stories like Mondragon are never mentioned in the media and why this entire quadrant of political theory (libertarian socialism) seems to have calved off the political land-mass and disappeared into a taboo ocean of whisperless quiet.

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1. *"When you sell your product, you retain your person. But when you sell your labour, you sell yourself, losing the rights of free men and becoming vassals of mammoth establishments of a monied aristocracy that threatens annihilation to anyone who questions their right to enslave and oppress. Those who work in the mills ought to own them, not have the status of machines ruled by private despots who are entrenching monarchic principles on democratic soil as they drive downwards freedom and rights, civilization, health, morals and intellectuality in the new commercial feudalism." - 1840's US Labor Press*
 2. *For this reason all anarchists are socialists but not all socialists are anarchists. However, an argument can be made that democracy is the tyranny of the masses (i.e. "democracy is two wolves and a sheep deciding what's for dinner") and thus could be regarded as a form of collective coercion - and I think that's a fair argument, but all I'd say in reply is, I'd rather have the flawed democracy of the workers over the outright tyranny of a board of directors. Ask yourself this, why would workers at Mondragon choose to ship their manufacturing to China and make themselves redundant? They wouldn't and they never did. Did employees of large private corporations in the US and UK ever have such a say when all their jobs were shipped overseas? No, they didn't.*