

Wage and Employment without the State

Anti-capitalists and anti-socialists make the same charge against each other: “your economic system wouldn’t exist without the state.” What do they base this charge on? Historic evidence of state capitalism and state socialism. All the popular charges against either economic system is rooted in the statist varieties, not the inherent economic qualities; given, neither system as we know them today has existed in a stateless society.

Private property, which is a whole different conversation, anti-socialists charge require the state to back up claims. The problem is the free market already backs up claims in many situations that are respected without a state – that’s why contracts exist. They argue capitalists wouldn’t be able to force workers and consumers otherwise.

No force is required if people voluntarily choose to work for or do business with a company. Just like no force is used if people voluntarily choose to start a co-op.

First, let’s address renting a place to dwell (may it be an apartment, house, or otherwise). Anti-capitalists argue without the state, capitalists wouldn’t be able to collect rent. In the premise where landlords fail to provide legitimacy to owning the dwelling in question, tenants would then have to pay for the expenses directly – such as water, electricity, and other services.

Not to mention maintenance on the dwelling itself. Of houses, the residents could easily hire people for those services. But in complexes, such as apartments, the plumbing system, wiring, etc. thereof would have to be owned collectively. The residents would have to come up with a system to: first, make decisions, and second, to maintain the building. But then, after this one step that residents of houses wouldn’t have to fool with, they still have to pay for the expenses.

Second, speaking of payments, let’s address wage labor. Karl Marx defined wages, in his pamphlet *Wage Labour and Capital*, as “the amount of money which the capitalist pays for a certain period of work or for a certain amount of work.” Capitalists understand and embrace this definition; furthermore, Marx acknowledges wage labor exists so the worker can earn a living.

Wage labor, or wage slavery as some anti-capitalists call it with glee, is the process where a capitalist hires a worker for his labor in exchange for compensation, usually monetary. The anti-capitalist argument is that a worker mixes his labor to finish the job he was hired to do and thus shares ownership in the final product. This argument forgets that without the capital (land, buildings, tools, wages themselves, etc.) the worker wouldn’t be able to labor.

The socialist belief is that without a state, workers would own their labor and what they produce. This belief is sound, but anti-capitalists assume this is mutually exclusive. In the economic system of capitalism, co-ops could be formed (and without government regulations, it would be a common, affordable choice), where workers would pool their resources and obtain the capital to do so. Since slavery is both illegal and immoral, they can't force construction workers to build a building, or plumbers or electricians to give them power, etc. They would have to negotiate for such services with others. Managers, which are staples in capitalism, are more competent to negotiate.

But, given the laziness and known ignorance of some in society, that doesn't mean every worker will want this much responsibility. Some workers just want the 9-to-5 grind where they go to work for eight hours a day, five days a week and labor on a schedule for a wage. If in a stateless society, workers choose this, would anti-capitalists use force to prevent this? If so, they're not anarchists. If so, then it makes no sense they're adamant about being against this.

This demand isn't miniscule, so there'd be more than one employer. This alone is an effective check against an employer choosing to let workers work in bad conditions. Productive workers would receive better offers, either by his current employer or a competing one. Competition wouldn't just help in working conditions, better wages, and such, but also prices and overall product or service quality.

Third, let's address how corporations would exist. In *Man, Economy, and State*, Murray Rothbard states "Corporations are not at all monopolistic privileges; they are free associations of individuals pooling their capital." Not unlike co-ops in form. However, what makes corporations under government coercive is the lack of rule of law. Limited liability, contractually-speaking, ought to apply only to those who signed the contract for corporatehood. Not anyone else. Corporations wouldn't be that common anyway, given there'd be so many other, affordable options for people to choose.

Not for nothing, but there is the other side of the coin. Without a government – including state capitalism and state socialism – there wouldn't be so many regulations preventing not just jobs growth, but entrepreneurship. David Friedman declared in *The Machinery of Freedom*, "instead of corporations there are large groups of entrepreneurs related by trade, not authority. Each sells not his time, but what his time produces."

Starting a business, or even running one, requires knowledge in business administration (not just via education). The average worker doesn't know to do either one. These workers would either be content with wage labor with an employer, or save compensation under wage labor with an employer to start their own business or learn management and climb the ladder. Throwing the average worker today into a society without employers would be akin to sending a typical video gamer naked into the wilderness to survive for a month.

One has to learn to run a business, such as accounting, marketing, administration, pricing, distribution, etc., depending on the business.

Incorporating, much like wage labor, is a convenient way to utilize resources and labor. If a worker is unable or unwilling to work for himself, it would be beneficial to sell his labor power for a period of time in return for a wage from an employer. Without the government, it wouldn't be coercive under duress.

Fourth, let's address the capitalists' claims and legitimacy. Anti-capitalists argue without a state, landlords, employers, and other capitalists wouldn't be able to enforce their claims of private property. Violent anti-capitalists, under the guise of "self defense" argue they'd fight back if capitalists sent private defense agents to defend their property. Peaceful anti-capitalists either don't know how they'd react or they'd go through the polycentric legal system.

Addressing the former is wasteful since violent people hold a metaphorical (sometimes literal) gun to your head. The latter can be addressed since they're open to peaceful solutions. For example, workers could pool their resources and buy the capital from the owner. If the capitalist refuses, then the workers could quit en masse and start a co-op with their own capital. Or workers individually or in partnerships could start their own businesses. Legitimacy lies in ownership itself, where owners of capital use their capital. White-collar work is as labor-fueled as blue-collar work.

"Your economic system wouldn't exist without the state." It's very possible anti-capitalists and anti-socialists who make this argument do so with having little to no knowledge about real-world, free-market economics. Marx, et. al were anti-capitalists who grew up in privilege and took advantage of the pathos appeal in their writings. An anarchist who understands economics are neither anti-capitalist nor anti-socialist. Economic systems are not dependent on political systems. Anarcho-capitalism is as credible a theory as anarcho-socialism is. The question is: would you use force to prevent an economic system you disapprove of?

- Kenny Kelly