

**Chapter 3**  
**Varieties of Anti-capitalism**

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Most social change in human history operates behind the backs of people as the cumulative effect the unintended consequences of human action. To be able to have a “strategy” for social change, in contrast, it must be possible to produce desirable social transformation through deliberate, intentional action. There are undoubtedly desirable goals of social transformation for which no strategy is possible, either because the goal itself is not viable – it just wouldn’t work – or because there is no way to get there. It therefore may simply be impossible to have a coherent strategy for the emancipatory transformation of something as complex as a social system. This is what Frederick Hayek claimed in his strident attack on socialism, *The Fatal Conceit*. Intellectuals, he argued, believed in the fantasy that they could imagine an alternative to the existing social system and bring it about through deliberate political action. This was a fantasy because, Hayek argued, the negative unintended consequences of such massive social engineering inevitably would overwhelm the intended outcomes. If Hayek is right, the answer to the question “What is to be Done?” to create a democratic, egalitarian alternative to capitalism is “nothing.”

Hayek’s criticism should not be dismissed out of hand simply because he used it in defense of conservative political positions. Any project of deep social change has to worry about unintended consequences. And yet, it remains the case that capitalism is immensely destructive, obstructing the prospects for broad human flourishing. What we need is an understanding of anti-capitalist strategies that avoids both the false optimism of wishful thinking and the disabling pessimism that emancipatory social transformation is beyond strategic reach. Clarifying this possibility is the objective of this chapter.

## Strategic Logics

Five different kinds of strategies – which I will call “strategic logics” -- have historically been particularly important in anti-capitalist struggles: *smashing capitalism*, *dismantling capitalism*, *taming capitalism*, *resisting capitalism*, and *escaping capitalism*. Even though in practice these strategies intermingle, each of them constitutes a distinct way of responding to the harms of capitalism. We will begin by examining each of these in turn. I will then introduce a conceptual map of these strategies that will facilitate our understanding how they can be combined in specific ways. I will argue that one way of combining these strategies – which I will refer to as *eroding capitalism* -- offers the most plausible strategic vision for transcending capitalism in the 21<sup>st</sup> century.

### *Smashing Capitalism*

This is the classic strategic logic of revolutionaries. The rationale goes something like this:

The system is rotten. All efforts to make life tolerable within capitalism will eventually fail. From time to time small reforms that improve the lives of people may be possible when popular forces are strong, but such improvements will always be fragile, vulnerable to attack and reversible. Ultimately, it is an illusion that capitalism can be rendered a benign social order in which ordinary people can live flourishing, meaningful lives. At its core, capitalism is unreformable. The only hope is to destroy it, sweep away the rubble and then build an alternative. As the closing words of the early twentieth century song *Solidarity Forever* proclaim, “We can bring to birth a new world from the ashes of the old.” The full realization of the emancipatory alternative may be gradual, but the necessary condition for such a gradual transition is a decisive, ruptural break in the existing system of power.

But how to do this? How is it possible for anti-capitalist forces to amass sufficient power to destroy capitalism and replace it with a better alternative? This is indeed a daunting task, for the power of dominant classes that makes reform an illusion also blocks the revolutionary goal of a rupture in the system. Anti-capitalist revolutionary theory, informed by the writings of Marx and extended by Lenin, Gramsci and others, offered an attractive argument about how this could take place:

While it is true that much of the time capitalism seems unassailable, it is also a deeply contradictory system, prone to disruptions and crises. Sometimes those crises reach an intensity that makes the system as a whole fragile, vulnerable to challenge. In the strongest versions of the theory, there are even underlying tendencies in the “laws of motion” of capitalism for the intensity of such system-weakening crises to increase over time, so that in the long-term capitalism becomes unsustainable; it destroys its own conditions of existence. But even if there is no systematic tendency for crises to become ever-worse, what can be predicted is that periodically there will be intense capitalist economic crises in which the system becomes vulnerable, ruptures become possible, and the ruling class can be overthrown. The problem for a revolutionary party, therefore, is to be in a position to take advantage of the opportunity created by such system-level crises to lead a mass mobilization to seize state power, either through elections or through an insurrectionary overthrow of the existing regime. Once in control of the state, the first task is to rapidly refashion the state itself to make it a suitable weapon of ruptural transformation, and then use that power to repress the opposition of the dominant classes and their allies, destroyed the pivotal power structures of capitalism, and build the necessary institutions for the long-term development of an alternative economic system.

In the 20<sup>th</sup> century, various versions of this general line of reasoning animated the imagination of revolutionaries around the world. Revolutionary Marxism infused struggles with hope and optimism, for it not only provided a potent indictment of the world as it existed, but also provided a plausible scenario for how an emancipatory alternative could be realized. This gave people courage, sustaining the belief that they were on the side of history and that the enormous commitment and sacrifices they were called upon to make in their struggles against capitalism had real prospects of eventually succeeding. And sometimes, if rarely, such struggles did culminate in the revolutionary seizure of state power.

The results of such revolutionary seizures of power, however, were never the creation of a democratic, egalitarian, emancipatory alternative to capitalism. While revolutions in the name of socialism and communism did demonstrate that it was possible “to build a new world from the ashes of the old,” and in certain specific ways they may have improved the material conditions of life of most people for a period of time, the evidence of the heroic attempts at rupture in the 20<sup>th</sup> century is that they do not produce the kind of new world envisioned in revolutionary ideology. It is one thing to burn down old institutions and social structures; it is quite another to build emancipatory new institutions from the ashes.

Why the revolutions of the 20<sup>th</sup> century never resulted in robust, sustainable human emancipation is, of course, a hotly debated matter. Some people argue that this was just because of the historically specific, unfavorable circumstances of the attempts at system-wide ruptures. Revolutions occurred in economically backward societies, surrounded by powerful enemies. Some argue it was because of strategic errors of the leadership of those revolutions. Others indict the motives of leadership: the leaders that triumphed in the course of these revolutions were motivated by desires for status and power rather than the empowerment and wellbeing of the masses. And still others argue that failure is intrinsic to any attempt at radical rupture in a social system. There are too many moving parts, too much complexity and too many unintended consequences. As a result, attempts at system-rupture will inevitably tend to unravel into such chaos that revolutionary elites, regardless of their motives, will be

compelled to resort to pervasive violence and repression to sustain social order. Such violence, in turn, destroys the possibility for a genuinely democratic, participatory process of building a new society.

Regardless of which (if any) of these explanations are correct, the evidence from the revolutionary tragedies of the 20<sup>th</sup> century is that system-level rupture doesn't work as a strategy for social emancipation. This doesn't imply rejecting the idea of an emancipatory alternative to capitalism, organized around qualitatively different principles, as the fundamental goal of social transformation; what it calls into question is the plausibility of a strategy that attempts to destroy in a ruptural manner the dominance of capitalism.

Nevertheless, the idea of a revolutionary rupture with capitalism has not completely disappeared. Even if rupture no longer constitutes a coherent strategy of any significant political force, it speaks to the frustration and anger of living in a world of such sharp inequalities and unrealized potentials for human flourishing, and in a political system that seems increasingly undemocratic and unresponsive. If, however, one wants to actually transform capitalism in an emancipatory direction, visions that resonate with anger are not enough; what is needed is a strategic logic that has some chance of working in practice.

### *Dismantling Capitalism*

From the beginning of anti-capitalist movements there were people who shared the critique of capitalism and the fundamental goals of revolutionaries, but who did not share the belief that a ruptural break with capitalism was plausible. This skepticism in the possibility of a revolutionary overthrow of capitalism, however, did not imply abandoning the idea of socialism:

While a ruptural overthrow of capitalism, at least in mature capitalist countries, will not create conditions conducive to a democratic, egalitarian alternative, a transition to democratic socialism can be accomplished through state-directed reforms that piece-by-piece introduce elements of a socialist alternative from above. This implies an extended period in which both capitalist and socialist relations coexist in a mixed economy: there would be private capitalist banks alongside state-run banks; private capitalist firms alongside state enterprises, especially in transportation, utilities, healthcare, and certain branches of heavy industry; there would be capitalist labor markets alongside state employment; state-directed planning for allocations of investment alongside private profit-maximizing investment. In this scenario, there would be no simple moment of rupture in which one system replaced another. Rather, there would be a gradual dismantling of capitalism and the building up of the alternative through the sustained action of the state.

The critical preconditions for this strategy to be viable were first, a stable electoral democracy, and second, a broad, mass-based socialist party capable of winning elections and staying in power for a sufficiently long time that these new state-run economic structures could be robustly institutionalized. Of course, there would be opposition and resistance, but the belief was that these state organized socialist economic institutions would demonstrate their value and thus be able to sustain the support of the masses.

The idea of the gradual introduction of socialism from above through state-directed reform had considerable support among anti-capitalists in the first half of the twentieth century. And, immediately after the Second World War this strategy seemed to be gaining ground in certain places with the nationalization of railroads in Britain, the creation of socialized healthcare systems in a number of countries, the expansion of state-owned utilities in many places, and even the state ownership of some industries in a few developed capitalist countries. There was much talk of the potentials of a "mixed

economy”, and some anti-capitalists believed that this could constitute the core around which a more dynamic socialist sector might be built.

This did not happen. The dynamism of capitalism in the decades following World War II, along with the ideological offensive against the idea of socialism in many countries, most notably the United States, pushed the expansion of the nationalized sectors of mixed-economies off the agenda. The military overthrow of the democratically-elected socialist government in Chile in 1973 along with other set-backs to efforts at democratic socialism, further eroded any belief that democratic elections could lead to a reformist path to dismantling capitalism. By the last quarter of the twentieth century far from becoming the vanguard of a new kind of economy, the state-directed sectors of capitalist economies became increasingly vulnerable to attack. Under the banner of neoliberalism, privatization rather than nationalization was at the center of the political agenda even by some prominent political parties traditionally identified with the left.

### *Taming capitalism*

Both smashing and dismantling capitalism envision the ultimate possibility of replacing capitalism with a fundamentally different kind of economic structure, socialism. In this sense, they both have revolutionary aspirations, even if they differ in their understanding of the necessary means for accomplishing their goals.

It is possible, however, to see capitalism as a source of systematic harms in society without attempting to replace it. Instead, the goal is to neutralize those harms. This became the dominant strategic idea of social democratic parties and non-revolutionary socialist parties in the second half of the twentieth century. Here is the basic argument:

Capitalism, when left to its own devices, creates great harms. It generates levels of inequality that are destructive to social cohesion; it destroys traditional jobs and leaves people to fend for themselves; it creates uncertainty and risk in the lives of individuals and whole communities; it harms the environment. These are all consequences of the inherent dynamics of a capitalist economy. Nevertheless, it is possible to build counteracting institutions capable of significantly neutralizing these harms. Capitalism does not need to be left to its own devices; it can be tamed by well-crafted state policies. To be sure, this may involve sharp struggles since it involves reducing the autonomy and power of the capitalist class, and there are no guarantees of success in such struggles. The capitalist class and its political allies will claim that the regulations and redistribution designed to neutralize these “alleged” harms of capitalism will destroy its dynamism, cripple competitiveness, and undermine incentives. Such arguments, however, are simply self-serving rationalizations for privilege and power. Capitalism can be subjected to significant regulation and redistribution to counteract its harms and still provide adequate profits for it to function. To accomplish this requires popular mobilization and political will; one can never rely on the enlightened benevolence of elites. But in the right circumstances, it is possible to win these battles and impose the constraints needed for a more benign form of capitalism. The result is capitalism with significantly modified rules of the game.

The idea of taming capitalism does not eliminate the underlying tendency for capitalism to generate harms; it simply counteracts their effects. This is like a medicine that effectively deals with symptoms rather than with the underlying causes of a health problem. Sometimes that is good enough. Parents of newborn babies are often sleep-deprived and prone to headaches. One solution is to take an aspirin and cope; another is to get rid of the baby. Sometimes neutralizing the symptom is better than trying to get rid of the underlying cause.

Of course, not every reform of the rules governing capitalism, even those that are intended to neutralize some of the harms of capitalism, can be thought of as anti-capitalist. Banking regulation that is designed to prevent system-disrupting speculative risk-taking and regulation of stock-markets designed to prevent insider-trading are better thought of as simply helping to stabilize capitalism, protecting capitalism from its own internal self-destructive tendencies. Regulation of fishing to prevent to collapse of fishing stocks simply solves a collective action problem faced by large-scale capitalist fishing. Anti-capitalist reforms are reforms that introduce in one way or another egalitarian, democratic and solidaristic values and principles into the operation of capitalism. Such reforms may also help stabilize capitalism – indeed, this is partially what makes them possible – but they do so in ways that also make the system as a whole function in a less purely capitalistic way.

In what is sometimes called the “Golden Age of Capitalism” – roughly the three decades following World War II – social democratic policies, especially in those places where they were most thoroughly implemented, did a fairly good job at moving in the direction of a more humane economic system. More specifically, three clusters of state policies created new rules in which capitalism operated that counteracted some of the harms of capitalism and, to a variable degree, embodied egalitarian, democratic and solidaristic values:

1. Some of the most serious risks people experience in their lives – especially around health, employment, and income – were reduced through a fairly comprehensive system of publicly mandated and funded social insurance.
2. The state assumed responsibility for the provision of an expansive set of public goods paid for through a robust system of relatively high taxation. These public goods included basic and higher education, vocational skill formation, public transportation, cultural activities, recreational facilities, research and development. Some of these mostly benefited capitalists, but many provided for broad benefits for people in general.
3. The state also created a regulatory regime designed to deal with the most serious negative externalities of the behavior of investors and firms in capitalist markets: pollution, product and workplace hazards, predatory market behavior, asset market volatility, etc. Again, some of these regulations were strictly in the service of the interests of capitalists, but some also protected the welfare of workers and the broader population.

These policies did not mean that the economy ceased to be capitalist: capitalists were still left free to allocate capital on the basis of profit-making opportunities in the market, and aside from taxes, they appropriated the profits generated by those investments to use as they wished. What had changed was that the state took responsibility for partially correcting the three principle failures of capitalist markets: individual vulnerability to risks, under-provision of public goods, and negative externalities of private profit-maximizing economic activity. The result was a reasonably well-functioning form of capitalism with muted inequalities and muted conflicts. Capitalists may not have preferred this, but it worked well enough. Capitalism had, in critical ways, been tamed. Capitalism continued to exist, but as a less rapacious form of capitalism.

That was the Golden Age. The world in the first decades of the 21<sup>st</sup> century looks very different. Everywhere, even in the strongholds of social democracy in Northern Europe, there have been calls for rollbacks of the “entitlements” connected to social insurance, reductions of taxes and the associated provision of public goods, deregulation of many aspects of capitalist production and markets, and the privatization of many state services. Taken as a whole, these transformations go under the name of “neoliberalism.”

A variety of forces have contributed to this reduction of the willingness and apparent capacity of the state to neutralize the harms of capitalism. The globalization of capitalism has made it much easier for capitalist firms to move investments to places in the world with less regulation and cheaper labor. The threat of such movement of capital, along with a variety of technological and demographic changes, has fragmented and weakened the labor movement, making it less capable of resistance and political mobilization. Combined with globalization, the financialization of capital has led to massive increases in wealth and income inequality, which in turn has increased the political leverage of opponents of the social democratic state. Instead of being tamed, capitalism has been unleashed.

Perhaps the three decades or so of the Golden Age were just an historical anomaly, a brief period in which favorable structural conditions and robust popular power opened up the possibility for the relatively egalitarian, social democratic model. Before that time capitalism was a rapacious system, and under neoliberalism it has become rapacious once again, returning to the normal state of affairs for capitalist systems. Perhaps in the long run capitalism is not tamable. Defenders of the idea of revolutionary ruptures with capitalism have always claimed that taming capitalism was an illusion, a diversion from the task of building a political movement to overthrow capitalism.

But perhaps things are not so dire. The claim that globalization imposes powerful constraints on the capacity of states to raise taxes, regulate capitalism and redistribute income is a politically effective claim in part because people believe it, not because the constraints are actually that narrow. After all, a significant part of the capacity of a state to raise taxes comes from the willingness of wage-earners to have their earnings taxed – not the willingness of capitalists to move their capital to avoid taxation – and the willingness of wage-earners to be taxed depends to a significant extent on their level of collective solidarity. In politics, the limits of possibility are always in part created by beliefs in the limits of possibility. Neoliberalism is an ideology, backed by powerful political forces, rather than a scientifically accurate account of the actual limits we face in making the world a better place. While it may be the case that the specific policies that constituted the menu of social democracy in the Golden Age have become less effective and need rethinking, taming capitalism through rules that neutralize some of the worst harms of capitalism remains a viable expression of anti-capitalism. The political obstacles to a reinvigorated progressive social democracy may be considerable, but this does not mean that the nature of capitalism no longer makes it possible for its harms to be mitigated by state action.

### *Resisting capitalism*

Both taming and dismantling capitalism require high levels of sustained collective action by coherent organizations, especially political parties, attempting to exercise state power. Taming capitalism hopes to use state power to neutralize the harms of capitalism; dismantling capitalism imagines turning state power against capitalism itself. A third strategy, *resisting* capitalism, operates outside of the state:

*Resisting capitalism* seeks to alleviate the harms of the system, but does not attempt to capture state power. Rather, it seeks to affect the behavior of capitalists and political elites through protest and other forms of resistance outside of the state. We may not be able to transform capitalism, but we can defend ourselves from its harms by causing trouble, protesting, raising the costs to elites of their actions. This is the strategy of many grass-roots activists of various sorts: environmentalists who protest toxic dumps and environmentally destructive development; consumer movements that organize boycotts of predatory corporations; activist lawyers who defend the rights of immigrants, the poor, sexual minorities. It is also the basic strategic logic of unions that organize strikes for better pay and working conditions.

In one form or another, resisting capitalism is probably the most ubiquitous response to the harms of capitalism. It is rooted in civil society, connected to solidarities of work and community. Often the agenda of resistance to capitalism is animated by a diverse range of identities beyond class: ethnicity, religion, race, gender. In its more organized forms, resisting capitalism is largely carried out by social movements and the labor movement. But even when unions are weak and a hostile political environment makes collective social protest difficult, workers on the shop floor resist the oppression of the capitalist labor process and the exploitation of capitalist class relations. An intrinsic feature of exploitation is that exploiters depend on the effort of the exploited. And since human beings are not robots, this means that in one way or another people are able to withhold their maximum effort and diligence. This is the most basic form of resisting capitalism.

### *Escaping Capitalism*

One of the oldest responses to the depredations of capitalism has been escape. Escaping capitalism may not have generally been crystallized into systematic anti-capitalist ideologies, but nevertheless it has a coherent logic:

Capitalism is too powerful a system to destroy. Truly taming capitalism, let alone dismantling capitalism, would require a level of sustained collective action that is unrealistic, and anyway, the system as a whole is too large and complex to control effectively. The powers-that-be are too strong to dislodge and they will always co-opt opposition and defend their privileges. You can't fight city hall. *Le plus ça change le plus c'est le même chose*. The best we can do is to try to insulate ourselves from the damaging effects of capitalism, and perhaps escape altogether its ravages in some sheltered environment. We may not be able to change the world at large, but we can remove ourselves as much as possible from its web of domination and create our own micro-alternative in which to live and flourish.

This impulse to escape is reflected in many familiar responses to the harms of capitalism. The movement of poor farmers to the western frontier in 19<sup>th</sup> century United States was, for many, an aspiration for stable, self-sufficient subsistence farming rather than production mainly for the market. The utopian communities of the 19<sup>th</sup> century attempted to create largely self-sufficient communities that would function on principles of equality and reciprocity. Workers cooperatives attempt to create workplaces organized around principles of democracy, solidarity and equality, free of the alienation and exploitation of capitalist firms. Escaping capitalism is implicit in the hippie motto of the 1960s, "turn on, tune in, drop out." The efforts by certain religious communities, such as the Amish, to create strong barriers between themselves and the rest of the society involves removing themselves as much as possible from the pressures of the capitalist market. The characterization of the family as a "haven in a heartless world" expresses the ideal of family as a noncompetitive social space of reciprocity and caring in which one can find refuge from the heartless competitive world of capitalism.

Escaping capitalism typically involves an avoidance of political engagement and certainly of collectively organized efforts at changing the world. Especially in the world today, escape is often an individualistic lifestyle strategy. And sometimes it is an individualistic strategy dependent on capitalist wealth, as in the stereotype of the successful Wall Street banker who decides to "give up the rat race" and move to Vermont to embrace a life of voluntary simplicity while living off of a trust fund amassed from capitalist investments.

Because of the absence of politics, it is easy to dismiss escaping capitalism as a form of anti-capitalism, especially when it reflects privileges achieved within capitalism itself. It is hard to treat the wilderness hiker who flies into a remote region with expensive hiking gear in order "to get away from it



all,” as a meaningful expression of opposition to capitalism. Still, there are many examples of escaping capitalism which do bear on the broader problem of anti-capitalism. Intentional communities may be motivated by the desire to escape the pressures of capitalism, but sometimes they can also serve as models for more collective, egalitarian and democratic ways of living. Certainly, cooperatives, which are often motivated mainly by a desire to escape the authoritarian workplaces and exploitation of capitalist firms, can also become elements of a broader challenge to capitalism and building blocks of an alternative form of economy. The D.I.Y. (Do It Yourself) movement may be motivated by stagnant individual incomes during a period of economic austerity, but it can also point to ways of organizing economic activity that is less dependent on market exchange. And more generally, the “life style” of voluntary simplicity can contribute to broader rejection of the consumerism and preoccupation with economic growth in capitalism.

### Strategic Configurations

The five strategic logics we have been examining vary along two dimensions. The first is straightforward: is the primary objective of the strategy to *neutralize harms* or to *transcend structures*. Taming capitalism and resisting capitalism both try to neutralize harms. Smashing, dismantling, and escaping capitalism all attempt to transcend the structures of capitalism.

The second dimension is more complex. It concerns the way a strategy is oriented towards what might be called the “level” of a social system. Let me explain this by using the metaphor of a game.

Games are defined by a set of rules, but some of the rules of any kind of game can vary over time without calling the game itself into question. Some rules are clearly more fundamental to determining the very nature of a game; they define what game one is playing. We call these the foundational rules-of-the-game. Others rules simply affect the strategies available to players within the game. Think of this in terms of a sport. Rugby and soccer are two different games. One of the foundational rules that distinguishes these games is whether you are allowed to hold onto the ball and run with it. In Rugby you can; in soccer you can't. If the international body that regulates the game of soccer decided to allow players to hold onto the ball and run with it, the game would no longer be soccer. On the other hand, changes in the offside rule do not have this character: in 1863 an offside rule was introduced to prevent offensive players from hanging around the opponent's goal waiting for an opportunity. The initial rule specified that a player was offside unless there were three opposing players in front of him or her. The number of needed opposing players was reduced to two in 1925. Finally in 1990, the rule changed to its present form: a player is onside so long as he or she is level with the last opposing player (aside from the goal keeper). These changes in the rules certainly affected the possible moves in the game by players, but they did not change the basic nature of the game itself.

Now, think of society as a game: social conflicts can occur over what game to play, over the variable rules of the game, or over moves within a specific set of rules. This is illustrated in Table 1 for conflicts within and over capitalism. Conflicts over what game to play are revolutionary versus counter-revolutionary politics. The stakes are playing the game of capitalism or socialism. Within the game of capitalism, reformist versus reactionary politics constitute conflicts over the variable rules of the game. The stakes are what kind of capitalism shall dominate the economic system, for example: social democratic capitalism with rules that reduce risk and vulnerability and protect the collective organization of workers, or neoliberal capitalism, with rules that protect corporate power, prevent redistributive state interventions in the market, and reduce the production of public goods. Finally, conflicts over the moves in the game are mundane interest group politics in which individuals and collectivities adopt strategies in pursuit of their economic interests, taking the existing rules of the game as fixed.

-- Insert Table 1 here --

Now, back to the five strategic logics of anticapitalism. Smashing capitalism is a strategy defined at the level at what game to play; taming capitalism and dismantling capitalism are defined in terms of the rules of the game; and resisting and escaping capitalism operate the level of moves in the game. Putting the two dimensions together, we get the typology in Table 2.

-- Insert table 2 about here --

Actual historical social and political movements, of course, do not confine themselves to single cells in this typology. In the twentieth century, revolutionary communists explicitly advocated combining resisting capitalism with smashing capitalism. Communist militants were encouraged to participate actively within the labor movement on the belief that this was an essential part of building working class solidarity and transforming working class consciousness. The strategy was still ultimately directed towards a system-rupture organized through the control of state power, but an essential part of the process through which this was thought to become eventually possible “when the time was ripe,” was vigorous Communist Party involvement in militant resistance to capitalism within the labor movement.

Democratic socialism abandoned the idea of smashing capitalism, but still sought a strategy of ultimately transcending its structures by gradually dismantling capitalism. The strategic configuration combined reforms to neutralize harms from capitalism with efforts at building a strong state sector and supporting the labor movement.

Social democracy also involves resisting capitalism, but in this instance combining it with taming capitalism while largely abandoning efforts at dismantling capitalism. Here the labor movement was closely connected organizationally to social democratic parties. Sometimes, indeed, this connection took the form of social democratic parties being in practice the political arm of the labor movement. Much of the progressive reformism of social democracy came from the influence of the labor movement on social democratic politics, and one of the reasons for the decline of anti-capitalism within social democracy is the decay of labor militancy in resisting capitalism.

Anarchist-inflected social movements responding to the harms of capitalism often only resist capitalism in a defensive response to its depredations, but sometimes resistance is combined with practices that attempt to build alternatives to capitalist relations. In the 19<sup>th</sup> century, cooperatives and mutual societies often emerged in the context of resistance to capitalism, and in contemporary times the social and solidarity economy has also often been fostered by social movements. In some cases, such as the landless peasant movement in Brazil, invading unused land and building alternative forms of economic structures becomes the central tool of resistance itself.

These four configurations were the main strategic responses to injustice and oppression in capitalist societies in the twentieth century. By the end of the century, the first two of these had all but disappeared from the political landscape, at least in developed capitalist countries. Revolutionary communism lacked credibility because of the collapse of regimes attempting ruptural strategies for dismantling capitalism, and democratic socialism was marginalized because of the repeated failures to sustain an electoral strategy of building a state socialist sector within capitalist economies. Social democracy in developed capitalist countries too has declined, if not disappeared, and largely lost its connection to labor militancy. The most dynamic form of anti-capitalism in the first decades of the 21<sup>st</sup> century has been anchored in social movements, often with strong anarchist currents, that continue to pronounce that “another world is possible”. Mostly such resistance to capitalism has been disconnected from an overarching political project directed at state power and thus from political parties. However, in at least some of the movements opposing capitalism in Latin America and Southern Europe, the

beginnings of a new strategic idea may be emerging that combines the bottom-up, civil society centered initiatives of resisting and escaping capitalism with the top-down, state-centered strategy of taming and dismantling capitalism. This new strategic configuration, which can be termed *eroding capitalism*, is illustrated in Table 3.

-- Insert Table 3 about here --

### **Eroding Capitalism**

While the strategic idea of eroding capitalism is sometimes implicit in social and political struggles, it is not generally foregrounded as the central organizing principle of a response to social injustice. Here is the underling reasoning:

The strategy of erosion is grounded in a particular understanding of the concept of economic systems. Consider capitalism. No economy has ever been – or ever could be – purely capitalist. Capitalism is defined by the combination of market exchange with private ownership of the means of production and the employment of wage-earners recruited through a labor market. Existing economic systems combine capitalism with a whole host of other ways of organizing the production and distribution of goods and services: directly by states; within the intimate relations of families to meet the needs of its members; through community-based networks and organizations in what is often called the social and solidarity economy; by cooperatives owned and governed democratically by their members; through nonprofit market-oriented organizations; through peer-to-peer networks engaged collaborative production processes; and many other possibilities. Some of these ways of organizing economic activities can be thought of as hybrids, combining capitalist and noncapitalist elements; some are entirely noncapitalist; and some are anti-capitalist. To return to our game metaphor, in real economic systems a variety of different games are being played simultaneously, each with their own rules and moves. We call such a complex economic system “capitalist” when it is the case that capitalism is dominant in determining the economic conditions of life and access to livelihood for most people. That dominance is immensely destructive. One way to challenge capitalism is to build more democratic, egalitarian, participatory economic relations in the spaces and cracks within this complex system where this is possible. The idea of eroding capitalism imagines that these alternatives have the potential, in the long run, of becoming sufficiently prominent in the lives of individuals and communities that capitalism could eventually be displaced from this dominant role in the system as a whole.

A loose analogy with an ecosystem in nature might help clarify this idea. Think of a lake. A lake consists of water in a landscape, with particular kinds of soil, terrain, water sources and climate. An array of fish and other creatures live in its water and various kinds of plants grow in and around it. Collectively, all of these elements constitute the natural ecosystem of the lake. This is a “system” in that everything affects everything else within it, but it is not like the system of a single organism in which all of the parts are functionally connected in a coherent, tightly integrated whole. Social systems, in general, are better thought of as ecosystems of loosely connected interacting parts rather than as organisms in which all of the parts serve a function. In such an ecosystem it is possible to introduce an alien species of fish not “naturally” found in the lake. Some alien species will instantly get gobbled up. Others may survive in some small niche in the lake, but not change much about daily life in the ecosystem. But occasionally an alien species may thrive and eventually displace the dominant species. The strategic vision of eroding capitalism imagines introducing the most vigorous varieties of emancipatory species of noncapitalist economic activity into the ecosystem of capitalism, nurturing their development by protecting their niches, and figuring out ways of expanding their habitats. The ultimate

hope is that eventually these alien species can spill out of their narrow niches and transform the character of the ecosystem as a whole.

This way of thinking about the process of transcending capitalism is rather like the typical stylized story told about the transition from pre-capitalist feudal societies in Europe to capitalism. Within feudal economies in the late medieval period, proto-capitalist relations and practices emerged, especially in the cities. Initially this involved merchant trading, artisanal production under the regulation of guilds, and banking. These forms of economic activity filled niches and were often quite useful for feudal elites. Within those niches, the economic game was played by very different rules from the dominant feudalism. As the scope of these market activities expanded they gradually became more capitalist in character and, in some places, more corrosive of the established feudal domination of the economy as a whole. Through a long, meandering process over several centuries, feudal structures ceased to dominate the economic life of some corners of Europe; feudalism had eroded. This process may have been punctuated by political upheavals and even revolutions, but rather than constituting a rupture in economic structures, these political events generally served more to ratify and rationalize changes that had already taken place within the socioeconomic structure.

The strategic vision of eroding capitalism sees the process of displacing capitalism from its dominant role in the economy in a similar way. Alternative, noncapitalist economic activities, embodying democratic and egalitarian relations, emerge in the niches where this is possible within an economy dominated by capitalism. These activities grow over time, both spontaneously and as a result of deliberate strategy. Some of these emerge as adaptations and initiatives from below within communities. Others are actively organized or sponsored by the state from above to solve practical problems. These alternative economic relations constitute the building blocks of an economic structure whose relations of production are characterized by democracy, equality, and solidarity. Struggles involving the state take place, sometimes to protect these spaces, other times to facilitate new possibilities. Periodically what seems to be structural “limits of possibility” are encountered, and to go beyond such limits may require more intense political mobilization directed at changing critical features of the “rules of the game” within which capitalism functions. Often such mobilizations fail, but at least sometimes conditions are ripe for such changes, and the limits of possibility expand. Eventually, the cumulative effect of this interplay between changes from above and initiatives from below may reach a point where the socialist relations created within the economic ecosystem become sufficiently prominent in the lives of individuals and communities that capitalism can no longer be said to dominate the system as a whole.

This strategic complex combines the progressive social democratic and democratic socialist vision of changing, from above, the rules of the game within which capitalism operates in order to neutralize its worst harms and create alternatives anchored in the state, with more anarchist visions of creating, from below, new economic relations that embody emancipatory aspirations. No political movement explicitly embraces this strategic complex of resisting, taming, dismantling and escaping capitalism in order to erode, in the long term, its dominance. But impulses in this direction can be found in political parties that have close ties to progressive social movements, such as Syriza in Greece and Podemos in Spain. Eroding capitalism might also resonate with youthful currents within some established center-left parties -- for example, Bernie Sanders supporters in the Democratic Party within the 2016 American presidential election or the Corbyn forces within the British Labor Party.

As a strategic vision, eroding capitalism is both enticing and far-fetched. It is enticing because it suggests that even when the state seems quite uncongenial for advances in social justice and emancipatory social change, there is still much that can be done. We can get on with the business of building a new world, not from the ashes of the old, but within the interstices of the old. It is far-fetched

because it seems wildly implausible that the accumulation of emancipatory economic spaces within an economy dominated by capitalism could ever really erode and displace capitalism, given the immense power and wealth of large capitalist corporations and the dependency of most people's livelihoods on the well-functioning of the capitalist market. Surely if noncapitalist emancipatory forms of economic activities and relations ever grew to the point of threatening the dominance of capitalism, they would simply be crushed.

In order to show that eroding capitalism is not simply a fantasy, the following chapters will address three issues.

First, we need to put more substance into the idea of an emancipatory alternative to capitalism. It is not enough to just invoke the values we want to see embodied in alternatives; we also need to have a clear-headed idea of the building blocks of the alternative. Chapter 4 discusses the basic contours of an emancipatory destination beyond capitalism.

Second, we need to contend with the problem of the state. As a strategic idea, eroding capitalism uses the state in ways that sustain spaces for building emancipatory alternatives with a wide range of initiatives from below to fill those spaces. But if the capitalist state is designed in such a way as to systematically protect capitalism from any threats, how is this possible? Chapter 5 examines how, in spite of its in-built class biases, it is possible to create new rules of the game through the capitalist state that can facilitate the expansion of emancipatory noncapitalist relations that point beyond capitalism.

Third, eroding capitalism, like any strategy, needs collective actors. Strategies don't just happen; they are adopted by the people in organizations, parties, and movements. Where are the collective actors for eroding capitalism? In classical Marxism "the working class" was seen as the collective actor capable of challenging capitalism. Is there a plausible scenario through which the social forces needed pursue a strategy of eroding capitalism can be constructed? Chapter 6 will explore this problem.

**Table 1. A game metaphor for political conflicts within and over capitalism**

<i>Game metaphor</i>	<i>Political form of conflict</i>	<i>Stakes in the conflict</i>
What game to play	Revolutionary versus counter-revolutionary	Capitalism versus socialism
Rules of the game	Reformist versus reactionary	Varieties of capitalism
Moves in the game	Interest group politics	Immediate economic interests

Source: adapted from Robert Alford and Roger Friedland, *The Powers of Theory* (Cambridge University Press, 1985), pp. 6-11.

**Table 2. Typology of Anti-capitalist Strategies**

		Objective of Struggle	
		Neutralizing harms	Transcending structures
Level of the System	The game itself		<i>Smashing</i>
	Rules of the game	<i>Taming</i>	<i>Dismantling</i>
	Moves in the game	<i>Resisting</i>	<i>Escaping</i>

**Table 3. Eroding capitalism**

		Objective of Struggle	
		Neutralizing harms	Transcending structures
Level of the System	The game itself		<i>Smashing</i>
	Rules of the game	<i>Taming</i>	<i>Dismantling</i>
	Moves in the game	<i>Resisting</i>	<i>Escaping</i>

**Eroding Capitalism**