Prosperity through self-management

REVIEW ESSAY BY BRIAN MARTIN

In their pioneering book *Why Nations Fail,* Daron Acemoglu and James A. Robinson argue that the key to economic prosperity is inclusive political and economic institutions.[1] They challenge the dominant view that economic stagnation is due to incorrect policies, geography, genetics or culture. Instead, they say that political pluralism and an open competitive economy make the difference, at least in the long run.

This argument seems on the surface to be an endorsement of current systems of representative government and regulated markets. However, the basic ideas in *Why Nations Fail* can be readily extended in a radical direction, leading directly to participatory democracy and worker self-management.

Why Nations Fail is an impressive work of scholarly synthesis. To back up their claims about what fosters poverty and prosperity, Acemoglu and Robinson tell story after story about societies across the globe, from millennia ago to recent events. They tell about ancient Rome, the Mayan era, the colonization of Botswana and Australia, China before and after the Cultural Revolution, and much else. Not only are these stories highly engaging, they all support the authors' basic thesis.

They distinguish between two types of economic and political institutions: extractive and inclusive. Extractive institutions operate to serve the rulers, who exploit subjects for their own benefit. Examples include Mayan cities, the former Soviet Union, and numerous African dictatorships. Economic growth under such institutions is possible, as occurred in the Soviet Union, but it is limited because rulers do not want to disturb the systems that give them wealth and power. In particular, they do not want to allow innovation that might threaten their power.

Inclusive institutions, in contrast, involve several different groups whose interactions lead to decisions about the way society operates. In England, the power of the monarch was constrained by the nobles and, later, by parliament, with a gradually expanding franchise serving to involve more groups in affecting decision-making. The compromises involved in this sharing of power meant that innovation could occur, even though it hurt the interests of some groups.

Another example is slavery, a feature of extractive institutions. Ending slavery in the southern United States opened the door to a more dynamic economy like the U.S. north, except that segregationists regained power after the Civil War and blacks were subordinated. Following the civil rights movement in the 1950s and 1960s, political and economic institutions in the south became more inclusive and the persistent economic stagnation was reversed.

Acemoglu and Robinson regularly use the expression "creative destruction" coined by economist Joseph Schumpeter. This refers to the breaking down of previous economic relationships to open opportunities for new ones. If slaves pick cotton, there is no incentive to introduce machinery. Destroying the slave system allows greater prosperity overall, but threatens slave-owners with a stake in the system. The authors give numerous examples of rulers who prevented the introduction of labor-saving innovations because they threatened extractive institutions.

Acemoglu and Robinson argue that institutions tend to reproduce themselves. When the Spanish arrived in the Americas, they took over existing extractive institutions and used them to serve their own purposes. The extractive nature of the resulting systems then persisted for hundreds of years, including after independence. Acemoglu and Robinson call this a vicious circle.

Inclusive institutions also tend to reproduce themselves, in a virtuous circle. When inclusive political institutions exist, with some level of diverse representation or participation, this provides a restraint on economic exploitation – and vice versa.

However, these persistent patterns can be broken. Acemoglu and Robinson acknowledge the important role of chance, via circumstances and events that sometimes shift a trajectory from extractive to inclusive or the opposite.

When the Spanish conquistadores conquered vast areas of the Americas, they adapted the existing exploitative systems to serve their own ends. However, when English colonists arrived in North America, they encountered an indigenous population organized in a much more independent fashion. Unable to use the native people as slaves or laborers to do their bidding, the English settlers were forced to rely on their own capacities to survive, which meant enabling a degree of individual economic enterprise. A similar sort of development occurred in Australia after white settlement in 1788, because the indigenous population provided no ready-made system for exploitative labor.

Why Nations Fail is a frontal challenge to conventional

From Theory to Practice (New York: Monthly Review Press, 1970), 97. Weissman buries this in a endnote (*Serge* 284), referencing Sedgwick's quoting of Guérin in his "Unhappy Elitist"! **36.** *The Challenge of the Left Opposition (1926-7)* (New York: Pathfinder, 1980) 395, 441

37. Bureaucracy afflicted the Bolshevik regime from the start, for "in the soviets and in economic management the embryo of centralised and bureaucratic state forms had already emerged by mid-1918." In Moscow, by August 1918, state officials comprised 30% of the workforce. For the Bolsheviks "the development of a bureaucracy" was a puzzle "whose emergence and properties mystified them" while Lenin "had argued that centralisation was the only way to combat bureaucratism." (Richard Sakwa, *Soviet Communists in Power: a study of Moscow during the Civil War, 1918-21* [Basingstoke: Macmillan, 1987], pp. 96-7, 191, 182, 196)

38. *Writings of Leon Trotsky 1936-37* (New York: Pathfinder Press, 1978), 513-4. Weissman later qualifies this by noting "it was not until the second half of the 1930s that Trotsky wrote of political pluralism and a multi-party system in the USSR. (*Serge* 119)

39. "The Moralists and Sycophants against Marxism," *Their Morals and Ours* (New York: Pathfinder, 1973), 59. **40.** *Leon Trotsky Speaks* (New York: Pathfinder Press, 1972), 158.

41. The editors of a Trotskyist journal pointed its readers to Serge's own *Year One of the Russian Revolution* in 1938 when he suggested that the Bolshevik leaders had made some "serious mistakes from the beginning of the revolution." They suggested that his earlier work refuted his own "reflections of a recent date" and "need re-reading, not rewriting." ("Exchange of Views on Kronstadt," Lenin and Trotsky, *Kronstadt* [New York: Pathfinder Press, 1986], 140-1)

42. See section H.2.5 of *An Anarchist FAQ* volume 2.

theories of development. The usual framework used by development agencies such as the World Bank is that countries are poor because their governments have the wrong policies. The implication is that when government leaders understand what is required and make suitable policy decisions, prosperity will follow. Acemoglu and Robinson say this won't work, because government leaders do not want to change practices that allow them to remain rich and powerful, so they maintain existing policies or make nominal changes that are undermined in their implementation. The authors argue that institutional change is fundamental to prosperity whereas policy changes are superficial. They thus challenge the entire basis of the neoliberal prescription for economic development.

Acemoglu and Robinson also challenge the view that geographic or climatic differences significantly shape development. They provide several telling examples – for example the adjacent towns of Nogales, Mexico, and Nogales, Texas – noting that the climate is the same, yet there is poverty south of the border and prosperity to the north, a result of different institutions with different incentives for economic initiative. North and South Korea provide another revealing comparison.

Why Nations Fail is a grand theory of economic development. It has received praise from many quarters, but also significant criticisms, as might be expected of such an ambitious enterprise.[2] I do not propose to examine all the arguments for and against the book's claims, but rather to look at its relevance for anarchist analysis and initiatives. The framework in *Why Nations Fail* contains many affinities with the anarchist project. Even those who question the argument about the driving forces behind economic development may find the book's focus on inclusive institutions worthy of attention.

Synergies with self-management

Why Nations Fail is a powerful argument for inclusive economic and political institutions. But what exactly is meant by "inclusive"? "Inclusive" means that enough sectors of the population are involved so that no single sector – such as a monarch, dictator, ruling dynasty, monopolist or political party – can prevent others from having an input into decision-making or from taking economic initiatives. Even small steps towards inclusiveness, such as allowing a few percent of the population to vote, can make a big difference, preventing the sort of exploitative system that causes poverty and stagnation.

Acemoglu and Robinson give only limited attention to possibilities for inclusiveness greater than what is found in current-day systems with representative government and market economies. However, the logic of their argument suggests that self-management in economic and political spheres – people collectively organizing their lives, without bosses or rulers – would enable even greater productivity. Furthermore, inclusiveness in other spheres might have similar benefits. The feminist movement, in challenging male domination, including its exploitative economic features, can be seen as a force for greater prosperity.

In the economic sphere, Acemoglu and Robinson look primarily at the level of the firm, seeing inclusiveness as enabling new firms to compete. When governments or monopolies stymie or crush innovators and competitors, the economy may stagnate.

Participatory organizations

However, there is another realm to consider: life inside a firm. Notoriously, large corporations are undemocratic, with subordinates having little or no capacity to exercise civil liberties such as free speech or freedom from arbitrary surveillance. Freedom of assembly is usually restricted to official unions, and many employers seek to marginalize them. The same attributes are found in nearly all large bureaucratic organizations, including government bodies, corporations and private organizations such as churches. All in all, bureaucratic organizations can be likened to authoritarian states in all but the authority to exercise violence.[3]

Furthermore, most bureaucratic organizations have extractive features. Significant portions of the work of subordinates are skimmed off to enrich others, especially top management and owners. The ratio of the remuneration of top executives to entry-level staff can be huge, sometimes exceeding 100, indicating an extractive dynamic. In white-collar occupations, creative contributions by staff are officially owned by the organization as intellectual property; in other words, the intellectual work of employees is appropriated by the firm and used to enrich those at the top.

Bureaucratic organizations thus exhibit most of the features that Acemoglu and Robinson cite concerning extractive institutions that inhibit economic growth. Following their logic, more inclusive organizations would stimulate growth. This can be interpreted as a recommendation for industrial democracy and workers' control. Back in the 1950s, Seymour Melman discovered that greater worker participation led to greater productivity.[4] However, findings such as this did not lead top managers to emancipate workers from hierarchical controls. The resistance of owners and managers to workers' control replicates Acemoglu and Robinson's stories of governments that have opposed innovations, such as new technology, even when they would greatly increase productivity.

In the political sphere, the parallel to workers' control is participatory democracy, including such possibilities as referenda, town meetings, community forums, consensus decision-making and much else, about which there is considerable writing and practice.[5] However, these sorts of initiatives mainly operate at the margins, as supplements to electoral politics.

The system of representative government – of electing a small number of individuals to make decisions for the whole population – can be a liberating force, undermining absolutist rule. This remains so in many parts of the world, as shown by the people-power revolutions in the Philippines, Serbia, Ukraine and other countries where popular mobilizations have challenged corrupt election outcomes.[6] Nevertheless, electoral politics can also operate as a brake on further democratization, giving the appearance of legitimacy to a system that enriches the few at the expense of the many.[7] As bemoaned by numerous commentators, electorates can be disempowered through lack of genuine choice and through sophisticated processes of opinion management.

One way to increase participation is through random selection of decision makers, as is done with juries in the legal system. Numerous experiments have been carried out with what are called citizens juries, showing that ordinary citizens take decision-making responsibility very seriously, collectively arrive at sensible decisions that have credibility with the wider community, and find the experience deeply moving.[8] Random selection is radically inclusive, because it invites citizens into decision-making roles who would never volunteer. Despite the impressive track record of citizens juries over several decades, few governments have shown any sign of stepping aside to enable this participatory alternative.

Acemoglu and Robinson repeatedly refer to the value of creative destruction in the economic sphere, but it can also have value in the political sphere. In order to move to systems of greater participation, previous systems need to be disrupted and displaced. Representative government, where it is long established, often becomes part of a system interacting with neoliberal economics to reproduce inequality through extraction, with politicians and corporate bosses supporting each other against challenges from below, such as the Occupy movement. The next stage of democratization thus could be political-economic institutions that supersede representation and incorporate various methods of directly involving a true cross-section of the population in decision-making.

Intellectual monopolies

So-called intellectual property – copyright, patents and other laws concerning the use of ideas – has become a contemporary extractive institution. The rationale for intellectual property is to stimulate creative endeavor by protecting returns for a period of time. However, the protection has been so widely extended that creativity is hindered rather than fostered. Copyright now lasts 70 years after an author's death, far more than needed to stimulate an author's urge to create. The real consequence is that corporate owners of copyright for others' works use their monopolies to extract profits and restrict others from creative adaptations of the author's work. Walt Disney himself is long dead and cannot be stimulated to be creative by a further extension of copyright over his creations (or those of his employees), but copyright enables the Disney Corporation to continue its monopoly over creations involving Mickey Mouse and other Disney favorites.

A better name for intellectual property would be "monopoly privilege."[9] As such, one implication of Acemoglu and Robinson's argument is that economic prosperity could be fostered by the "creative destruction" of industries — including Hollywood, software and pharmaceuticals — that hold monopolies over intellectual products.[10]

One of the major challenges to intellectual property is the open source movement. Software and other products can now be created in a cooperative fashion, with little or no pay for most contributors, with the resulting goods being freely accessible to everyone. As is well known, Linux and many other free software products are superior to proprietary software, because the source code is public and can be scrutinized and improved by numerous skilled programmers. The open-source approach is far more participatory than proprietary operations and thus has all the attributes of an inclusive economic institution, a worthy challenger and successor to extractive proprietary approaches.

Inequality

As neoliberalism has become dominant across the globe, economic inequality within countries is increasing.[11] In some places, most of the gains in economic growth go to the top 10 percent or even 1% of wealthiest people. This is a sign of exploitation: the economy extracts wealth from the majority and channels it to those who are richest. So this may be a new sort of extractive institution, built on the extractive features within corporations, supplemented by a transfer mechanism from poor sectors to rich ones. Needless to say, the institutions involved in maintaining inequality nationally and globally are not inclusive; although the system has no formal rulers, there is limited formal capacity for ordinary citizens to be involved except as workers and consumers.

The primary challenge to inequality-fostering institutions comes from civil society, such as trade unions defending the pay and conditions of workers, citizen movements opposing trade agreements that privilege dominant groups, and movements for participatory budgeting.[12]

A standard feature of extractive institutions is systemic corruption, including bribery, embezzlement and forced payments. The most notorious perpetrators are rulers who skim off billions of dollars to foreign bank accounts. Corrupt practices can become standard throughout societies, discouraging enterprise and initiative. International agencies try to oppose corruption using rules and transparency, but there is another approach: local communities mobilizing to expose and oppose corrupt practices and to monitor public officials and projects. This approach basically involves building inclusive grassroots movements to challenge corrupt practices.[13]

The role of the state

Acemoglu and Robinson present two polar opposite scenarios for economic stagnation and collapse. One is extractive institutions, as already described. The other is economic and political instability and chaos, with lack of any central authority to maintain order, as found today in Somalia and Afghanistan. In such places, individuals and groups are reluctant to make serious investments in productive facilities because their efforts could be confiscated or destroyed by marauders. Acemoglu and Robinson argue that sustained economic growth depends on a central authority (the state), law and order, and property rights.

Anarchist alternatives reject the state and its repressive apparatus for enforcing order and protecting property. So how can an anarchist model of inclusive institutions be squared with Acemoglu and Robinson's analysis?

The first thing to note is that the state is just one of several ways to establish authority. Self-management is another approach, creating collective authority through cooperation.

Law and order are typically seen as products of state power. However, law can be created collectively. In some countries, laws have resulted from people's movements, for example the Ficha Limpa or clean slate law in Brazil.[14] More importantly, order can occur without law, and maintained through cooperative processes.[15] This is what happens in commons. The land used as commons in various societies was maintained collectively for the good of all; today, the creative commons of intellectual products is maintained similarly.

The world economic system is built on the domination of nature, extracting wealth for the benefit of humans at the expense of the environment...

Acemoglu and Robinson see property rights as essential to economic growth. In capitalist systems, private property is regulated and protected using the law, backed by the force of the state if necessary. Individual property rights can serve as protection against rapacious demands of extractive regimes.

However, property itself can be monopolized and become a brake on innovation. Acemoglu and Robinson emphasize the need to prevent the rise of monopolies, saying that prosperity requires a level playing field. Arguably, a level playing field is not compatible with corporate ownership of factories, farms and much else. This suggests that the key to unleashing initiative is not private property *per se*, but protection of individual and small-group initiative against depredations by governments and corporations.

Thus it can be argued that Acemoglu and Robinson's requirements for authority, order and ownership can be superseded by self-management. However, this remains to be demonstrated by large-scale, long-lasting systems.

The stories in *Why Nations Fail* testify to the importance of long-term trends for creating new systems. They point to differences in outcomes depending on institutional arrangements in different countries. At the same time, there are patterns of influence and learning, for example due to the French and Russian revolutions. To forecast a positive future for self-managing alternatives, this need not follow the same pattern of state-centered transformation. As shown by the example of open source software, innovation can occur in a distributed fashion, without any need to seize power in a particular location. Suffice it to say that much more remains to be learned about the theory and practice of promoting anarchist alternatives.

Prosperity and beyond

Why Nations Fail tackles a crucial problem: societies in the thrall of extractive political and economic institutions, in which poverty and exploitation are perpetuated in a vicious cycle that deters initiative, innovation and social improvement. The alternative to failure in this sense is institutions allowing a wider range of groups to participate politically and economically, unleashing enterprise and creating prosperity in a virtuous cycle. What more could one ask?

Although economic prosperity is certainly better than exploitation and stagnation, it is not the only goal worth considering. One of the major issues to be addressed is limits to growth. Resources and the environment have a finite capacity; it is well known that unconstrained growth threatens the capacity of the earth to support an expanding population with ever-expanding material consumption. The problem of climate change is only the most prominent of many challenges caused by economic growth.

Acemoglu and Robinson's attention is on growth; they do not address the transition to a steady-state economy. However, their framework can be adapted to this task. Currently there is a massive struggle between government-corporate leaders fixated on economic growth at any expense and citizen campaigners seeking controls over growth to protect the environment. It is reasonable to suppose that political institutions responsive to popular demands would be more likely to address environmental challenges.

The more general point is that inclusive institutions are a means of addressing the problems created by prosperity itself. However, this means going beyond the level of inclusiveness addressed by Acemoglu and Robinson, which occurs mostly within states, and developing processes that allow significant citizen input into global issues.

The world economic system can be conceived of as built on the domination of nature, extracting wealth for the benefit of humans at the expense of the environment. The concept of inclusive institutions can be expanded by thinking of nature as a partner rather than a resource to be exploited, with the environmental movement representing the interests of nature against the extractive elements of the economic system.

The extractive military system

Another crucial global issue is nuclear war, which surely would constitute a severe brake on prosperity, not to mention horrific human and environmental consequences. The modern war system, including nuclear weapons and much else, can be seen as an outgrowth of the modern state system involving monopolies over organized violence. One of the crucial tasks of these monopolies is defending private property. Military systems also oppress populations and threaten people's lives.

Militaries are prime examples of extractive institutions. They produce little or nothing of productive value while demanding significant resources from their host societies, with the threat of harm to the population if this tribute is not forthcoming. Not for nothing have militaries been called protection rackets.[16] Military systems are notoriously closed. Under the presumption of national security, secrecy and surveillance are standard. Militaries thus are the opposite of inclusive. However, Acemoglu and Robinson do not address the issue of military systems as extractive institutions, although many of the extractive institutions they describe are ruled or dominated by armies.

How can militaries and, more generally, the warfare system, be challenged? In a parallel to Acemoglu and Robinson's analysis of the institutional basis for prosperity, one could argue that greater citizen participation is a road to a world without war. Lawrence Wittner, in his comprehensive documentation of struggles over nuclear weapons, argues that citizen protest is the primary reason why nuclear weapons have not been used in war since 1945.[17]

One proposed alternative to the military is social defense, otherwise called civilian-based defence, nonviolent defense or defense by civil resistance.[18] In this model, people are prepared to use rallies, strikes, boycotts, occupations and other forms of unarmed action to resist an aggressor. Although no country has set up a social defense system, its potential is indicated by the people power revolutions across the world in recent decades. By its nature, social defense is participatory: women, children, elderly and people with disabilities can be involved, unlike military forces, which are dominated by young fit men. Social defense requires

willing participation to succeed; this creates pressure to involve different sectors of the population in decisions about how to operate the system. Again, this is quite unlike the military, which is the epitome of a command system.

The logic of Acemoglu and Robinson's case for inclusive institutions as the basis of prosperity thus can be used to argue against closed hierarchical military systems and in favor of arming the people, as in Switzerland,[19] or, more radically, of moving toward social defense.

What about happiness?

Acemoglu and Robinson take it for granted that economic growth is good. They regularly use the word "prosperity," a word whose connotations nicely capture the assumption that economic growth is beneficial, bringing people out of poverty into a better life. Furthermore, the synergy between inclusive political and economic institutions means that economic growth is likely to be tied to greater political freedoms, at least in the long term. Extractive institutions can create growth for a while – perhaps decades – but eventually stagnate, because those in power are unwilling to allow creative destruction.

However, the goal of economic growth has been questioned not only because it is unsustainable due to resource and environmental limits, but because it is not a reliable path to greater human wellbeing. Researchers have found that above a modest income, additional income contributes relatively little to happiness. In countries such as Britain, Japan and U.S., surveys over several decades show that despite dramatic increases in per capita income, average happiness levels have hardly changed.[20]

The reason that more money and more material possessions have only a small impact on happiness is adaptation: people soon become accustomed to their new conditions. Happiness is more reliably improved by a range of practices involving thoughts and behaviors, including expressing gratitude, exercising, being optimistic and helping others.[21] Market economies actually reduce happiness in various ways, perhaps most significantly by breaking up families and communities and commercializing much human interaction, given that personal relationships are crucial for most people's wellbeing. Furthermore, modern advertising promotes dissatisfaction and a misleading solution to it, namely consumption of products and services.

There is no doubt that what Acemoglu and Robinson call "prosperity" does improve human happiness when it brings people out of poverty and exploitation. Extractive institutions are barriers to greater happiness when they cause suffering and deprivation. Above poverty level, however, economic growth is often at cross-purposes with growth in human wellbeing. This suggests that a focus on prosperity, while a reasonable goal when people are poor and exploited, can distract from a wider and deeper search for a meaningful life.

Here, again, inclusive institutions may provide a way forward. Many studies have shown that participation in workplaces and local communities, especially in helping make decisions, can be highly satisfying. The path to greater wellbeing can be through greater inclusiveness, less as a means to greater economic growth than as an experience in itself and as a mechanism for designing institutions that respond to human needs and that provide encouragement for the practices and attitudes known to improve satisfaction with life.[22]

Conclusion

Why Nations Fail is an impressive contribution to understanding social dynamics. It provides an alternative reading of history and an alternative prescription for prosperity. Importantly, it points to processes of empowerment and democratization as keys to overcoming poverty and exploitation.

The evidence and arguments presented in the book suggest the value of inclusive political and economic institutions that do not allow any single individual group to dominate. This is compatible with Lord Acton's saying that "power tends to corrupt and absolute power corrupts absolutely."[23] Inclusive institutions limit the corruptions of power and allow for initiative and innovation.

The arguments presented by Acemoglu and Robinson can be extended in a radical direction. The move to inclusive institutions and a virtuous circle of development does not need to stop at current systems of representative government and market economies, but can be taken to a new level, with participatory governance in workplaces and communities. Evidence of the possibilities is already apparent with experiences of workers' control, production of free software, citizens juries and people power movements.

However, moving in the direction of greater inclusiveness will not be easy, any more than it was in the past, because powerful groups have strong interests in the status quo and benefit from greater inequality. Learning from *Why Nations Fail* may help in providing inspiration and guidance for the next stages in what has been a very long journey to the present.

Notes:

1. Daron Acemoglu and James A. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York: Crown Business, 2012). **2.** *Why Nations Fail* is written for the general reader; it builds on the authors' earlier more technical work. For reviews see http://whynationsfail.com/. **3.** Deena Weinstein, *Bureaucratic Opposition: Challenging Abuses at the Workplace* (New York: Pergamon, 1979). **4.** Seymour Melman, *Decision-making and Productivity* (Oxford: Basil Blackwell, 1958). **5.** C. George Benello and Dimitrios Roussopoulos, eds., *The Case for Participatory Democracy: Some Prospects For a Radical Society* (New York: Grossman, 1971); John Gastil and Peter Levine, eds., *The Deliberative Democracy Handbook: Strategies for Effective Civic Engagement in the Twenty-First Century* (San Francisco: Jossey-Bass, 2005).

6. Adam Roberts and Timothy Garton Ash, eds., *Civil Resistance and Power Politics: The Experience of Non-violent Action from Gandhi to the Present* (New York: Oxford University Press, 2009). **7.** Benjamin Ginsberg, *The Consequences of Consent: Elections, Citizen Control and Popular Acquiescence* (Reading, MA: Addison-Wesley, 1982). **8.** Lyn Carson and Brian Martin, *Random Selection in Politics* (Westport, CT: Praeger, 1999). **9.** Peter Drahos, *A Philosophy of Intellectual Property* (Aldershot: Dartmouth, 1996). On problems with intellectual property, see for example Debora J. Halbert, *Intellectual Property in the Information Age: The Politics of Expanding Ownership Rights* (Westport, CT: Quorum, 1999); Seth Shulman, *Owning the Future* (Boston: Houghton Mifflin, 1999).

10. This point is also made in a review of *Why Nations Fail* by Michele Boldrin, David K. Levine and Salvatore Modica, at http://levine.sscnet.ucla.edu/general/aandrreview.pdf. They cite Boldrin and Levine's book *Against Intellectual Monopoly* (Cambridge University Press, 2008). **11.** Glenn Firebaugh, *The New Geography of Global Income Inequality* (Cambridge, MA: Harvard University Press, 2003); George Irvin, *The Rise of Inequality in Britain and*

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the original single machine, TAO came to operates at least eight boxes, serving the needs of more than 1,000 members, a spread of organizations and individuals who self-manage thousands of lists, hundreds of web pages, as well as databases. Besides basic shell access without advertisements or space quotas, organized TAO workers have provided secure access to web-based e-mail, secure online communications, and more.

In 1999 TAO workers joined the Industrial Workers of the World with the intention of forming a branch amongst telecom workers in the Toronto area. It was believed that this would solidify syndicalist and cooperative structures, help with the rotation of job tasks, improve benefits for TAO workers, and generally raise class consciousness, particularly in the on-line arena where labor is too often made invisible and victimized by speed need.

TAO members, crucially, saw themselves first and foremost as tech workers involved in a specific, if shifting, mode of production, wielding specific means of production, and connected through particular relations of production. Their impetus was a primal (rather than neo) one. It was the impetus of the worker struggling to overcome exploitation, gain or maintain control of one's production, and determine the nature of their work (and livelihood) and the conditions of their communities.

The most significant possibilities of cyber disobedience do not rest with direct action hits on state or corporate targets. There is a potential for real power in the collective actions of hacktivists as tech workers directly, and collectively, at the point of production, as TAO workers suggested almost at the beginning of the popular web. During times of a strike of tech workers everyone can see whose labor makes the wi-fi and internet possible. When that labor is withdrawn the system literally goes offline. With growing areas of states and capital entirely dependent on cyber infrastructures, any collective action by tech workers can have a dramatic impact, threatening the basis of command and profit and starkly posing questions of ownership and control.

Even more than collective strike actions, hacktivists can contribute to the remaking of tech resources for purposes that serve a tech (and social) commons As Squire suggests:

> The potential, though, does not end with bringing IT systems down. Their role as the experts in the configuration and use of IT infrastructure also means that IT workers, organized as part of the working class, have the potential to reshape some of the existing IT infrastructure so that it can be used by, for and in the interests of the working class as a whole – removing copyright restrictions on online data or remodeling for-profit websites so that they are freely accessible to everyone, for example. IT workers can play a role in reclaiming the online commons. (2013, n.p.)

As TAO members argued more than a decade ago, hacktivists must come to see themselves as tech workers who have specific skills that can be used, not only reactively or as activists, but constructively and productively. This is a constructive anarchy involved in the building of infrastructures of resistance (Shantz 2013). The possibilities for organizing on a class basis as tech workers over issues of exploitation and control of labor may expand as tech work becomes more and more deskilled and/or devalued. This is an ongoing process of what some commentators refer to as the "proletarianization" of tech work (Squire 2013).

The possibilities for a better alternative emerging — in place of the authoritarian forms of what might coalesce as neo-fascism or prison-industrial capitalism — are dependent upon rooted material forms of organization and the preparatory building of infrastructures of resistance. Tools and practices of cyber disobedience will be important parts in the day to day work of these infrastructures of resistance and in their construction, but they are not a substitute for the organizations, resources and relationships that make up infrastructures of resistance themselves. This is what the early TAO organizers understood clearly, but which many later generations of cyber activists have lost track of.

Cyber anarchists, and activists more broadly, need to devote more attention to affirming what they want – what they are for rather than what they are against – and preparing conditions, providing means, by which it might actually be realized. Direct action in tech workplaces, and organized efforts toward workers' control can secure these means – indeed, they will not be secured without syndicalist organizing in tech industries.

References:

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Squire, Jo. 2013. "Anonymous and the Future of Hacktivism." *Socialist Alternative* 27. http://sa.org.au/index.php?option=com_k2&view=item&id=7760:anonymous-and-the-future-of-hacktivism&Itemid=543

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the United States (Cambridge: Polity, 2008). **12.** Acemoglu and Robinson briefly discuss participatory budgeting in Brazil. See Leonardo Avritzer, *Participatory Institutions in Democratic Brazil* (Baltimore, MD: Johns Hopkins University Press, 2009); Brian Wampler, *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability* (University Park, PA: Pennsylvania State University Press, 2007). **13.** Shaazka Beyerle, *Curtailing Corruption: People Power to Gain Accountability and Justice* (Boulder, CO: Lynne Rienner, in press). **14.** *Ibid.*

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20. Gregg Easterbrook, *The Progress Paradox: How Life Gets Better while People Feel Worse* (New York: Random House, 2003); Bruno S. Frey and Alois Stutzer, *Happiness and Economics: How the Economy and Institutions Affect Well-being* (Princeton, NJ: Princeton University Press, 2002). **21.** Sonja Lyubomirsky, *The How of Happiness* (New York: Penguin, 2007). **22.** On connecting happiness research with social action, see Robert Biswas-Diener, ed., *Positive Psychology as Social Change* (Dordrecht: Springer, 2011). **23.** For research supporting Acton's observation, see David Kipnis, *The Powerholders* (University of Chicago Press, 1976).

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