

TOWARDS A NEW DISTRIBUTIVE PRINCIPLE OF WEALTH BEYOND THE CAPITALIST MARKET, THE STATE AND LABOR

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Abstract: High unemployment and falls in working class incomes are affecting billions of people around the world: they are being pauperized. Neoliberals and Keynesians consider it possible to achieve full employment by means of applying labor flexibility policies and economic growth. However, surpassing the chimera that is full employment, the rampant poverty is attributable to the principle that regulates the distribution of wealth within capitalism. The socialists of every guild have proposed the principle “to each according to his work.” Nevertheless, there is an irrefutable fact that calls this principle into question: technological development. Therefore, only a new distributive principle of wealth—one that goes beyond the capitalist market, the State and labor itself—will bring a global economy without poverty.

Key words: unemployment; wealth distribution; socialism; principle

The current levels of global poverty would not exist if everyone around the world who is part of the so-called Economically Active Population had a job and remunerations that would guarantee both them and their families “an existence worthy of human dignity”—as it is stated in *The Universal Declaration of Human Rights*. In that case then, there would be no reason to question either the capitalist market or the State; not even labor as a means of wealth distribution.

Nonetheless, there is no place for subterfuges if we know the direction in which unemployment and income poverty in the global society are heading. Nowadays the figures break records. The European Union unemployment rate was 10.9

percent in February 2013, that is, 26.3 million men and women were without work. The unemployment rate across the Eurozone reached 12 percent, the highest level since the introduction of the single currency in 1999, Spain being the nation with the highest rate at 27 percent, followed by Greece at 26.4 percent—both countries have youth unemployment at over 50 percent. Meanwhile, the official United States unemployment rate surged to 10.2 percent in October 2009, reaching double digits for the first time in 26 years. According to the US Bureau of Labor Statistics, in March 2012 the unemployment rate decreased to 8.2 percent. However, the figures could be higher. The American Enterprise Institute suggests that a better measure of the real jobless rate—the U-6—stands at 15.6 percent. In fact, if the current unemployment rate were calculated as it was 80 years ago it would be close to 20 percent. On the other hand, according to the *Global Employment Trends 2012* report, the International Labor Organization (ILO) estimates that “there is a backlog of global unemployment of 200 million” and “900 million workers living with their families below the US\$2 a day poverty line.” Besides the increasing exclusion attributable to the unemployment, there has been a drop in wages due to labor precariousness—a higher number of part-time and temporary jobs, and a greater amount of junk jobs in the fourth sector of informal economy. In Latin America, for example, seven out of ten jobs are informal and more than 50 percent of workers do not have insurance. In Mexico, according to a study made by the Universidad Nacional Autónoma de México, 26.4 million people work in the informal sector—55.3 percent of the employed population.

The current economic crisis that began in 2008 has undoubtedly contributed to this social disaster, but such a disaster cannot be explained by the crisis alone. According to the *Global Employment Trends 2007* report, before this crisis, the number of jobless people around the world was 195.2 million, practically the same as it is today. In some countries, the unemployment rate was higher even before this crisis. To give an example, in Japan, at the time the second biggest economy in the world, the unemployment rate increased to 5.6 percent in December 2001, the highest registered by official statistics since the Japanese government started to measure this variable in 1953. Before this crisis, in its *World Development Report 2000/2001—Attacking Poverty*, the World Bank admitted: “The world has deep poverty amid plenty. Of the world’s 6 billion people, 2.8 billion—almost half—live on less than \$2 a day, and 1.2 billion—a fifth—live on less than \$1 a day” (World Bank 2001: 3). In 2005, according to the World Bank itself, 1.4 billion people in the global society survived with less than US\$1.25 per day. According to estimates by the Food and Agriculture Organization, before this crisis there were almost a billion hungry people in the world. In short, even without the Great Recession, there was already a crisis of exclusion, poverty, and unemployment of great proportions.

In this somber world in which we live in, it has been proved that there is no full employment of the available labor force, and that incomes are insufficient to satisfy the material needs of even the “privileged” workers. Either because they are unemployed and they have no income at all or because they labor in exchange for miserable salaries, billions of men and women suffer the daily anguish of not being able to meet the most fundamental necessities for themselves, or for their families. Growing asymmetries, galloping poverty and the exclusion of the vast majority from social wealth are expressions of this endemic labor-economic insecurity as a consequence of unemployment and low incomes.

Responses from Neoliberals and Keynesians

In the meantime, economists cannot agree on defining the causes and the appropriate actions to take in order to overcome the chronic unemployment. The two schools of economic thought with major influence within the *realpolitik* are still stuck in an ideological battle that dates back to the first half of the twentieth century.

The neoliberals maintain that both the Interventionist State and the unions are first to be held responsible for the unemployment, because by their understanding the free market itself guarantees full employment. For them, the state policies for full employment and for labor protection are the source of unemployment; they share the same opinion towards formation of labor unions. From their point of view, interventionism generates rigidities in salaries which distorts the free operation of the labor market. In Milton Friedman’s words: “If the unions raise the salaries in a solid occupation or industry, the amount of employment available in such occupation or industry must necessarily decrease—just as an increase of a price makes the acquired quantity decrease” (1966: 161–162). Based on the idea that wage cuts favor new jobs, vintage economists such as Pigou and Cannan and the modern economists of the International Monetary Fund, even various Nobel Prize winners, have made an apology for the freedom in the labor market; which is a defense of the labor flexibility—now so in fashion among the governments of the right, like that of the Spaniard Mariano Rajoy.

The Keynesian economists claim instead that the free market is unable to guarantee full employment, which is why the State should intervene in the economy to reduce unemployment. Questioning the Walrasian general equilibrium theory according to which there is no such thing as involuntary unemployment, the theoretical Mecca of the neoliberal approach, Keynes considered that the normal situation of *laissez-faire* capitalism was a level of employment quite far from full employment. In his *General Theory of Employment, Interest and Money*, Keynes argued that involuntary unemployment is due to an insufficiency of the effective demand; unemployment that can be reduced through new investments. But since

the amounts of investment are determined by the relation between the “marginal efficiency of capital” and interest rates, then the level of employment becomes erratic, leaning towards chronic unemployment, because the marginal efficiency of capital is characterized by short term instability and by a tendency to decrease in the long term. Even when the last decision is in the hands of private investors, Keynes thought that the Interventionist State can stimulate the investment incentive for achieving full employment, by implementing a monetary policy oriented to reduce interest rates. At the same time, Keynes (2003: 353) pointed out that the State can also “produce a guiding influence about the propensity to consume” aiming to reach full employment, “through its tax system, determining the interest rate and, perhaps, by other means.” Still, as Mattick (1985: 24) points out, the State in the Keynesian perspective can lead to full employment “through useful public works.” In general, based on the idea that by increasing investment, consumption, or public expenditure, employment levels tend to rise as a consequence, Keynesian economists have made an apology of the State’s intervention in the economy; translated as a defense of the economic growth.

Neoliberals and Keynesians, aside from the criticism made to their theoretical formulations (Hinkelammert 2000), propose actions to eliminate unemployment that go beyond the limits of what is possible in the real world. There is a level of incomes below which it is impossible to reduce salaries further without having workers starve to death. In spite of this, *conditio humana* aside, neoliberals propose reductions of salaries in a world where working class incomes are barely at the survival level—it seems they are unaware of the fact that almost 3 billion people live on less than US\$2 a day (World Bank 2001: 3). There is also a tipping point from which it is impossible to even increase production more without depleting the world’s nonrenewable resources and destroying ecosystems (Alvarez 2012). In spite of this, making an abstraction of the contingencies in nature, the Keynesians propose increases in production growth rates in a world where global economic growth is very close to causing an environmental collapse—it seems they have no knowledge of “peak everything” (Heinberg 2010) and global warming (Hansen 2008).

In any case, the facts unveil the fallacious character of the cause-and-effect relationships proposed by neoliberals and Keynesians. Before the current Great Recession, Juan Somavia, then Director-General of the ILO, admitted that: “The strong economic growth of the last half decade has only had a slight impact on the reduction of the number of workers who live with their families in poverty and this was only true in a handful of countries. In addition, growth failed to reduce global unemployment” (ILO 2007). On the other hand, there are research studies that “endorse the existence of a solid link between temporary work and poverty among

women and older men related to permanent employment” (Amuedo-Dorantes and Serrano-Padial 2010: 641).

Hence, neither the labor flexibility nor the growth policies are realistic measures to eradicate unemployment and the poverty derived from it—in fact, labor flexibility and economic growth within capitalism are just euphemisms for more profits.

Nevertheless, this is not about finding economic formulas that will lead to full employment—as presented in the discussion paper *Global Prospects for Full Employment* (Jacobs and Slaus 2011). The poverty that is haunting the world goes beyond that: it has at its base the principle (socially accepted) that rules the distribution of wealth in capitalism as part of a set of principles upon which the capitalist system is constituted as a whole. That is why, to my understanding, it is unavoidable to analyze the validity of the *capitalist principle of wealth distribution* and the contradictions derived from it.

Capitalist Principle of Wealth Distribution

In capitalism, wealth distribution is governed by the *principle* “to each according to what he and the instruments he owns produces” (Friedman 1962: 161). This means that, according to law, every adult has access to goods and services that are socially produced, either (1) because each of them *works* for wages or (2) because they are an *owner* of bonds, real estate or a business from which they get dividends. According to this principle, the CEOs of transnational corporations in rich countries earn in a minute the same as most people in poor countries earn in their entire lives. Inequalities in the distribution of wealth are broader when it comes to capital income. For example, the wealth of Carlos Slim, owner of multiple companies, increased by US\$15.5 billion in 2010, that is, at US\$42.466 million per day; while the average wage of a worker in Mexico was US\$14 per day, equivalent to 0.000003 percent of what Mr. Slim accumulated. Such a laborer would have to work for 3,033,268 years in order to obtain the US\$15.5 billion that the world’s richest man achieved in only one year. Capitalist ownership makes it possible for the ten richest people in the world to possess assets totaling US\$395.4 billion, while 900 million workers around the world earn less than US\$2 per day, and 200 million unemployed earn even less than that. Thus, in relation to the distribution of wealth in capitalism, unless he has property from which he gets dividends, “a man who doesn’t work, doesn’t eat.” In their daily lives, the vast majority must work to make a living. However, “To the single individual distribution naturally appears as a social law,” said Marx (1985: 11). Indeed, this “social law” which regulates the economic life of millions of workers is simultaneously a *constitutive principle* of the capitalist system as a whole.

But this distributive principle is one of a set of *constitutive principles* upon which is structured the capitalist mode of production (Alvarez 2011), with the relentless pursuit of profit and its reinvestment for the accumulation of capital being the most important principle of this set. Because of this principle, the production of social wealth is not geared to meeting human needs but to satisfying the greedy accumulation of large capitals. For example, rather than using land to grow grain for the purpose of feeding millions of hungry people in the world, the agribusiness monopolies produce biofuels for the sake of making a profit. This is the principle that determines the dynamics of the entire system. Not only the production, but the processes of distribution, exchange and consumption in the capitalist system also follow the guidelines of capital accumulation. Therefore, according to the original meaning of the word, capitalism is not an economy in the sense of the stewardship of “storable resources necessary for life and useful to the civilian community or home” (Aristóteles 1997: 15). In essence, it is what the ancient Greeks termed commercial chrematistic. This, according to Aristotle, “has as its set aim the making of money, because money is the element and term of exchange; and the wealth resulting from this chrematistic is unlimited” (Aristóteles 1997: 17).

In turn, following the approach of Searle (1995) and Dussel (2009), above the set of *constitutive principles* of our chrematistic, the institutions, laws and practices of capitalism are structured. That is to say, those principles are institutionalized and codified in positive law, and recreated in every aspect of our daily life. The framework for action, both of the bourgeois State and the capitalist market, for example, is clearly defined by the *constitutive principles of capitalism*. The bourgeois State, for example, will never support the idea of giving the workers undiminished proceeds of their labor; instead, it will always guarantee to the fullest extent of the law the transference of economic surplus in favor of the rentier class, owners of bonds, of real estate or business. The capitalist market, for example, will never propose solidarity among nations; but in turn, it will always promote vicious competition among transnational corporations for the sake of profit, and at the expense of both human beings and nature. “The great transformation,” viewed as the tendency where social relations are subordinated to sheer market relations, that, as Karl Polanyi (2001) once mentioned, makes Nature and human beings mere commodities, belongs to this process in which the social and natural reality is adequate to the dynamic of capital accumulation, which is governed by the *constitutive principles of capitalism* as well. Therefore, besides other *constitutive principles*, the *distributive principle* “to each according to what he and the instruments he owns produces” ensures the reproduction of the capitalist system and, consequently, the widening gap between rich and poor.

Because they never question the *constitutive principles of the capitalist chrematistic* upon which the Interventionist State or the free market are structured, the authors of neoliberal policies on labor flexibility or of Keynesian policies for economic growth in order to attain full employment and reduce poverty achieve nothing more than the job of Sisyphus. The general equilibrium theory and *The General Theory of Employment, Interest and Money* are nothing more than intellectual tricks that overlap the *status quo* of the enrichment of a few at the expense of the impoverishment of many. Hence, it is legitimate to say that within the arsenal of the capitalist establishment, the fictional constructions on labor flexibility of Friedman and the economic growth of Keynes share closely with the myth of Smith's invisible hand and Ricardo's comparative advantages, the notable title of dangerous ideological weapons of death.

Socialist Principles of Wealth Distribution

In reply to the *distributive principle of the capitalist chrematistic* and its negative effects within the population, already by the nineteenth century, both the Left Ricardians (Thompson, Hodgskin, Bray) and the first socialists (Saint-Simon, Owen, Fourier, Cabet, Proudhon) demanded for the workers the undiminished proceeds of labor, because they saw in the "*Das Prinzip der Ungleichheit*" (principle of inequality) or non-equivalence "the substance and soul of the prevailing social order" (Francis Bray, quoted by Peters 1996: 72). This approach to equivalent retribution as an act of economic justice is as old and as current as is the chrematistic.

It was the philosophical genius of one of the most transcendental cultures, and a mentor of Alexander the Great, who warned about this more than two thousand years ago. In his *History of the Economic Analysis*, Professor Schumpeter points out that: "Aristotle undoubtedly searched for a justice criteria in the pricing, and he found it in the 'equivalence' that must exist between what a man gives and receives" (1984: 74). In modern times, the economists Paul Cockshott and Allin Cottrell have revived these ideas. In *Towards a New Socialism*, they suggest that "a just society can only be established under the principle that those who work are entitled to full proceeds of their labour" (1993: 27). Economist Arno Peters shares the same opinion. The proposal of this prestigious historian and cartographer, outlined in his *Das Äquivalenz-Prinzip als Grundlage der Global-Ökonomie* and in his *Computer Sozialismus*, is based on the idea that "salary corresponds directly and absolutely to the time worked (*Der Lohn entspricht der Arbeitszeit direkt und absolut*)" (1996: 92). It can be said that Peters' "equivalence principle" at the moment of the wealth distribution says: *to each according to his time worked*—aside from age, gender, civil state, skin color, nationality, type of

work, physical effort, academic education, physical wear and tear, ability, and professional experience.

Under this approach, nowadays we are refusing to acknowledge the economic equivalence; in the same way as the conquistadores refused to acknowledge that equivalence, in terms of rights, for the American peoples five hundred years ago. For the Spaniards, Portuguese, Dutch or British, the “savage and barbaric” of America did not have any rights. It was only on European lands that a treatment as *aequales* existed. In the same way, with a certain conquistador spirit, we are used to accepting that the minorities of qualified specialists have greater perceptions than the masses of non-qualified savages and barbarians. A bricklayer or a street cleaner cannot have the same income as a doctor or an engineer. Only in the land of the specialists, there is a decent treatment. However, in an economy oriented to meet the needs of humans, we ought to overcome such a situation, because “what cannot be justified in front of a justice that respects all persons equally (race, gender or occupation aside) is the difference of incomes and standard of living systematically linked to the difference of professions. Man’s infinite dignity cannot depend on a profession, just as it cannot depend on race or gender. There will not be justice as long as the incomes are depending on the type of job” (Miranda 1996: 131).

The strongest criticism and with greater political repercussions regarding the validity of the *capitalist principle of distribution* was made by Karl Marx and Friedrich Engels. In *Manifest der Kommunistischen Partei* they stated that in order to end “the system of producing and appropriating products that is based on... the exploitation of the many by the few,” the proletariat would have to “gradually take all the capital away from the bourgeoisie” and “to centralize all instruments of production in the hands of the state, i.e., of the proletariat organized as the ruling class” (1987: 59). They did not accept the approach of dogmatic socialism that makes an apology for the equivalence as a norm of distributive justice. To disprove Lassalle’s position, Karl Marx in *Critique of the Gotha Programme* ratified his position in the following terms: “Any distribution whatever of the means of consumption is only a consequence of the distribution of the conditions of production themselves” (Marx 1979: 20). According to the German philosopher, the end of the capitalist distribution of wealth would come when capital is converted into “common property.” The socialist political economy and the really existing socialism—in the ex USSR, in the former countries of East Europe, in China and in Cuba after the socialist-inspired revolution, and others—put into practice such doctrines through the expropriation of the means of production and the implementation of the *socialist principle of distribution: to each according to the quality and quantity of his work*.

The ones who backed up these ideas throughout the twentieth century were the apologists of market socialism. Following their ideological guides, the representatives to this socialist movement have proposed the abolition of capitalist exploitation through the socialization of the ownership of the means of production among all citizens. For these socialists there are no capital incomes because there is no private ownership of the means of production; the property of the companies is in the hands of the workers. John Roemer, one of the exponents of this “alternative socialism,” characterized by advocating for a non-planned and market socialist economy, proposes a distribution mechanism of property based on coupons, and a process of decentralized decision making where the profits of all companies are distributed among society after taxation (Wright 2001). For James Yunker, the author of a particular school of thought of technocratic market socialism, all “economic returns that are currently perceived by the private sector within capitalism will be received, in the pragmatic market socialism,” by a Public Property Office, which would revert such economic returns to “the population in concept of social dividend” (quoted by Schweickart 1997: 447). There is also the “economic democracy” proposed by David Schweickart (2001: 145): “Rather than having the shares of a company owned by shareholders as happens in capitalism, why not consider the capital funds of a country as a property of the entire nation?”

By abolishing the private property of the means of production and, as a consequence, the capital income, as is suggested by the authors of market socialism and “economic democracy,” the nations could reduce the obscene economic inequalities related to the capitalist chrematistic. The nations could achieve similar results in terms of a better distribution of the wealth within their economies, if they would put an end to the exploitation of workers by implementing the principle of equivalence of both the pre-Marxist and post-Marxist socialists.

In any case, whether through a struggle for the acknowledgment of the equivalence as economic maxim or based on the expropriation of the means of production, the *capitalist principle of distribution* “to each according to what he and the instruments he owns produces” would be displaced by the *socialist principle* “to each according to (the quality and quantity of) his work.”

Labor as Irrational Social Principle

Nevertheless, there is an irrefutable fact that calls into question the endeavors of socialists to arrange the labor-based distribution of wealth, namely, technological development. Karl Marx in the nineteenth century warned of this development:

In this transformation, it is neither the direct human labor he himself performs, nor the time during which he works, but rather the appropriation of his own general productive

power, his understanding of nature and his mastery over it by virtue of his presence as a social body—it is, in a word, the development of the social individual which appears as the great foundation-stone of production and of wealth. The *theft of alien labor time, on which the present wealth is based*, appears a miserable foundation in face of this new one, created by large-scale industry itself. As soon as labor in the direct form has ceased to be the great well-spring of wealth, labor time ceases and must cease to be its measure, and hence exchange value [must cease to be the measure] of use value. (Marx 1973: 705)

Over time, the ideas of Marx have become observable facts. Coal, oil, natural gas, hydroelectric, solar power, nuclear, wind and geothermal energy, instruments of labor, machine tools, robots, computers, new information technologies of telecommunication and science of life; all of them have replaced human labor as “the great foundation-stone of production and of wealth” to such an extent, that today no one “can seriously maintain any longer that this process can be halted or reversed” (Grupo Krisis 1999: 7). On the one hand, without a doubt technological development has had a determinant role in the capitalist chrematistic. The current technological unemployment is an expression of this replacement of human labor by technology. New jobs are created, but not in the same proportion as those that disappeared. Also the jobless growth is a manifestation of this process of replacement. Economists started to discuss this phenomenon in the United States back in the 1980s, when the economy began to grow but without new jobs. Hinkelammert (2008) considers it better to speak of dynamic stagnation, or rather, dynamic shrinkage. The latter is characterized by positive growth rates in regard to production, and by a reduction in the number of people employed. In Honduras “during the seventies banana production tripled, while the employed labor force in banana production decreased to one third” (Hinkelammert 2008: 70). The German sociologist Ulrich Beck defined the problem: “So the economic growth no longer generates the dismantling of unemployment but exactly the contrary, presupposes the dismantling of jobs, what can be called jobless growth” (2008: 56). On the other hand, it is undeniable that without using vast energy resources, our world as we know it would not be possible. “Several researchers, including the authors, have found that energy use—a factor that had not been used in economists’ production equations—is far more important than capital, labor or technology in explaining the increase in industrial production of the U.S., Japan and Germany” (Hall and Day 2009: 235). In fact, “the 31,894 million barrels of oil (British Petroleum 2011) that are consumed annually (2010) around the world are equivalent to the effort of 39,906,202,135 people working eight hours per day, 365 days a year” (Alvarez 2012: 73–74). In addition to oil, we should also consider the energy produced from coal, natural gas and other energy sources.

In sum, if nowadays “the great well-spring of wealth” is no longer human labor but different energy sources and technology, then it is as irrational to keep valid the *capitalist principle of wealth distribution* “to each according to what he and the instruments he owns produces,” as it is to defend the *socialist principle of wealth distribution* “to each according to his work.” The old principle “A man who doesn’t work, doesn’t eat” is now in the 21st century an *irrational social principle*. The contradictions are obvious.

If they were consistent with the socialist spirit of a society without exclusion, intellectuals who claim the *socialist principle of wealth distribution* in close relation to the time worked, would have to guarantee jobs to all human beings who are actively seeking employment. If that were the case, they would have to provide at this very moment decent employment for the 200 million people that are unemployed, and for the 900 million people living in the informal sector. But in just ten years, those labor-advocating socialists would have to create more than 400 million new jobs for young entrants in the labor force (ILO 2012). By 2050, if the world’s population increases to 9,000 million as projected by the United Nations, how many jobs would they have to create?

But that is not all. The well-meaning socialist proposals of wealth distribution “to each according to his work” become more clearly unreasonable when we consider the enormous number of people who will stop working in those absurd jobs that are common to capitalism—the very people who, nonetheless, should be provided with jobs that would enable them to make a living precisely by those who defend labor as a means of wealth distribution. Think of the millions of people all over the world who, working to enrich the rentier class of the financial sector, are doing it in brokerage houses, stock exchanges, commercial and investment banks, insurance, leasing and other financing companies; consider the millions more who work in the advertising industry which induces conspicuous consumption through billboards, commercials and corporate identity; think of the millions who are employed by the police, the army, and the intelligence agencies, which ultimately guarantee the private ownership of big businesses, while cracking down on impoverished people; consider those people who produce military equipment such as weapons, ammunition, aircraft, warships, submarines, missiles, bombs, etc.; and the many others who work indirectly in these sectors: such as teachers who lecture on finance or marketing, and the lawyers who defend white collar robbers and murderers of the repressive apparatus. Those worshippers of labor would have to guarantee socialist jobs for this huge number of people. But they would also have to offer new jobs for the millions of people who work directly or indirectly in industries such as automotive production, that eventually could shrink, in order to protect the environment or people’s health; as well as for the millions that are

enrolled in criminal activities such as kidnapping, robbery, human trafficking, or smuggling of arms and drugs.

If, speaking hypothetically, the world today were under a socialist economy, would not a labor force smaller than the one currently required be enough for providing “what is necessary, convenient and pleasant in life”? (Smith 1990: 31). I believe it would. The high unemployment and absurdness of many jobs common to capitalism are proof of it. Thereupon, does it make any sense to postulate labor as the universal means for the distribution of wealth? No, I do not believe it does. But those who consider the opposite, the socialist advocates of the “labor idol (*Arbeitsgötzen*)” (Grupo Krisis 1999), fail to see the current and future dimensions of global unemployment. Cockshott and Cottrell, for example, assume that in a socialist economy “work is guaranteed for all” and defend the idea that an economy such as proposed by them “can be run at full employment” (1993: 39 and 115). This may be true for some national economies. But, the socialist defenders of labor show their ignorance as well regarding the wretched character of labor in the many activities common to global capitalism. The Grupo Krisis was conclusive in this: “Whoever asks about the content, meaning, and goal of his or her job, will go crazy or becomes a disruptive element in the social machinery designed to function as an end-in-itself” (1999: 18).

Hence, while the cancellation of capital incomes is the virtue of the principle of equivalence and of other socialist proposals that postulate labor as the universal means for the distribution of wealth, the disadvantage of it becomes apparent when human labor stops being “the great foundation-stone of production and of wealth.” In consequence, socialists of every guild have made of labor a fetish incapable of addressing the distribution (*nomos*) of social wealth.

A New Distributive Principle of Wealth

The aim of making world poverty disappear will never be reached, neither through full employment policies—be that labor flexibility or economic growth—nor by the implementation of socialist models of wealth distribution based on their “labor idol.” In the 21st century the only economy capable of guaranteeing “an existence worthy of human dignity” will be one in which the access to wealth is not conditioned by the *irrational principle* of “a man who doesn’t work, doesn’t eat.” At first glance, this does not seem to be an easy task. In fact, distributing social wealth beyond the “labor idol” as an economic principle is one of the biggest challenges that humanity faces.

This is a genuinely big challenge, because it means acting in opposition to the labor society, and especially, because it requires fighting the great myth of labor as the means of distribution of wealth.

In effect, labor has been throughout history the essential vehicle by which peoples have arranged the distribution of wealth; the cases of illicit theft, inheritance and capital incomes being an exception to the rule. In important political and philosophical texts, including some of utopian character, that becomes clearer. Hesiod, for example, considered that labor provided men with wealth and true happiness. In his didactic epic *Works and Days*, a moralistic and stimulating poetry towards justice and labor, we read that: “if your heart desires riches, do as I say and add work to work” (Hesíodo 1995: 102). For Aristotle, by laboring “most men live off the land and cultivated fruits.” The workdays of six hours and four hours, to which all are subjected in order to receive the benefits of the community, are essential principles of, respectively, the *optimo republicae statu* in *Utopia* by Thomas More and in *The City of the Sun* by Tommaso Campanella. Meanwhile John Locke emphasized that: “there must of necessity be a means to appropriate them [fruits of the Earth] some way or other, before they can be of any use, or at all beneficial to any particular man” (1986: 19). That medium is the labor: “Whatsoever then he [man] removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property” (1986: 20). The philosophical genius of Johann Gottlieb Fichte warned that: “everyone should be able to live from their work, as the principle laid down. To live is, therefore, conditioned by work, and there will be no such right, if this condition is not met.” But it is people who best express the link between labor and access to economic wealth, because they suffer the rigors of the capitalist chrematistic: “if you work, you are fine, otherwise you starve.”

In the same manner, one can glimpse the relationship between labor and access to wealth in the diversity of the labor laws, constitutions, declarations and international agreements of modern society. In agreement with law (*De iure*), the employee, for having worked, must receive a wage to ensure his life and the life of his offspring according to certain social and cultural demands. In the second paragraph of section VI of article 123 of the constitution of the United Mexican States, for example, is the mandate that “general minimum wages should be sufficient to meet the normal requirements of a householder in the material, social and cultural aspects, as well as to provide mandatory education for children.” Articles 22, 23 and 24 of *The Universal Declaration of Human Rights* were formulated with the same intention. “Everyone has the right to work... [and] Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.” In sum, full employment and decent wages have already been prescribed within the normative field of political and international public law.

But if humanity does not attempt something that is apparently impossible, that is to say, to distribute social wealth detached from the economic principle of the

“labor idol”, it will never discover what is *possible*. The German philosopher Ernst Bloch (cited in Hinkelammert 2010: 82) urged us to “aim beyond the goal, to hit the target.” I consider that what is *possible* is the planning of a new socialism, within which social wealth distribution is according to the needs of people.

For the higher phase of communist society, Marx prefigured an appropriation principle of wealth different from the merit principle that is linked to labor. In *Critique of the Gotha Programme*, reproaching the Lassallean catchword of the “undiminished proceeds of labour,” Marx says: “after the productive forces have also increased with the all-around development of the individual, and all the springs of co-operative wealth flow more abundantly—only then can... society inscribe on its banners: ...to each according to his needs!” This “after” is happening today. Due to increasing productivity that has brought the use of fossil fuels and technology, nowadays at least half of the world’s population—millions of children, youngsters, elderly people, housewives, philanthropists, etcetera—can live without working.

In an approximation to the tenor of this distributive principle, among others, Van Parijs (1996) and Van Parijs/Vanderborght (2006) have raised the idea of a basic income, universal and unconditional. Their vision is that each citizen should receive a monthly amount of money sufficient to achieve a life style according to certain cultural parameters. The reception of this income would not be “conditioned to the accomplishment of any job or contribution; plus, it is universal” (Wright 2001: 208). Since the end of the 1970s the Green Party in the United Kingdom has proposed to carry this principle out, and recently some Latin American countries have shown the possibility to orchestrate a universal basic income. “The premise is that the citizen, by being such, should have a minimal threshold of subsistence,” explained Martín Hopenhayn (2011), director of the Division of Social Development of the Economic Commission for Latin America and the Caribbean (ECLAC). However, even when this proposal, also called the “democratic subsidy,” unlinks the distribution of wealth from the “labor idol,” it foolishly leaves intact the capital incomes. By leaving the capitalist chrematistic intact, the beneficial motion of a universal basic income would be systematically undermined—we need only remember the systematic attack that neoliberal capitalism has made on salaries in the last three decades.

That is the reason that makes it insufficient to insert a progressive principle in a conservative system, constituted by a set of principles that are oriented to the accumulation of capital. Instead, it is intended that the *new distributive principle of wealth* “to each according to his needs” becomes part of a set of principles that may provide an economy for life, in which the meeting of human needs will be the objective of production; that is, its fundamental *constitutive principle*.

On the other hand, in contrast to the one outlined by Marx, this *new principle* “to each according to his needs” implies establishing limits to the needs. This limit is drawn by the *principle of moderate consumption*. In another article (Alvarez 2012) I have advocated that such a limit in the consumption of goods and services should nowadays be equivalent to an ecological footprint of 1.73 hectares, if the most advanced methodology for the calculation of the environmental impact of human consumption is followed. Due to the fact that during Marx’s times there was no pressure regarding the limits to growth, or any notion of an environmental threat reflected today as global warming, it was therefore not as important as it is today to establish a limit to consumption. But nowadays, the sustainability of life is a public issue of the first order.

Of course within the new socialism, “to each according to his needs” has nothing to do with the unlimited needs artificially induced by the capitalist system. But they are not pre-defined needs by a theory or by a state plan, since “the human being is not a natural being with specific needs, but a needy natural being” (Hinkelammert 2010: 226). It is about the concrete needs of existence, which depend on age, sex, religion, habitat, weather, tastes, and preferences; needs that each one of us must satisfy for the purpose of enjoying life in plenty and with dignity.

However, the limits to consumption anticipate, in the long run, a change in the consumption patterns of today: the quantity depends a lot on the quality. I think that the model of Buddhist economics raised by Ernst Schumacher, author of the famous book *Small is Beautiful*, expresses the essence of this change: “The former [Buddhist economics], in short, tries to maximize human satisfactions by the optimal pattern of consumption, while the latter [modern economics] tries to maximize consumption by the optimal pattern of productive effort” (Schumacher 2001: 49).

In the kibbutz in the middle of the last century there was a reference to the principles of distribution “to each according to his needs” and of moderate consumption. H. Darin-Drabkin said in his extraordinary book *The Other Society*, that the “principles of equality and distribution according to needs, are evidently, of higher relevance in the life of the kibbutz” (1974: 106). This is now important due to the circumstances that mankind shares with the kibbutz today: the scarcity of resources. H. Darin-Drabkin stated: “the resources of the kibbutz are limited, hence the necessity to determine the priorities of the demands that can be satisfied” (1974: 171). Faced with the limits to growth and global warming, humanity must acknowledge there should be limits to consumption, and that decisions should be taken in this regard.

The concept of fullness that Franz Hinkelammert presents (2010: 77–97) is without doubt the philosophical guide to abandon the induced needs related to capitalism and embrace the needs of human beings regarded as subjects in the new

socialist society. The essence of this fullness is the act of sharing in the community the available resources or goods. “Fullness is not quantitative,” says the author, “but it is a result of the fact that everybody shares in a way in which there is enough for everyone” (2010: 77). In the new socialism this fact is established in the act of sharing evenly among every human being the productive bio-capacity of the planet and the socially produced wealth. Therefore, equality in the use of the bio-productive space of the planet for each human and the distribution of wealth according to the needs are two principles which socialism in the 21st century must be built upon. That is the reason why I believe that the *principles of consumption and distribution of wealth* in the new socialism are essential as we head towards this fullness.

Nevertheless, this does not mean that no one has to work in the new socialism. That would be a ridiculous vision of reality. In spite of the extraordinary use of free energy and technology, man will continue to be an active part in the transformation process of Nature into goods. But this does not in itself imply that the life of the people must be conditioned to having a job. Labor will be essential to produce wealth, but it does not have to be a drag in order to distribute it.

The State of new socialism would have to plan the allocation of the labor loads to all those who are of productive age. Here it is not the intention to achieve full employment by means of a blind anachronism, but rather to coordinate the social division of labor according to the requirements of production. I believe that, thanks to our technological development and the use of energy, a fraction of the labor force would be enough to reach global production. The time freed from the heavy labor load that is nowadays suffered by the “privileged” *homo faber* of capitalism would be for living in leisure. All in all, the socialist jobs would be a sort of compulsory service in terms of time and not in terms of activities performed. Everyone who fulfills such labor service has assured his goods quota in the future, which he can choose according to his needs; those who do not fulfill it could be punished by means of a quota reduction to a minimum of subsistence, along with penal sanctions.

Finally, if we want to avoid the neoliberal chrematistic to lead the human species once more towards the galleys of barbarism; but also, if we aspire to live in a world without poverty, then it is not enough to outlaw the capital incomes while asserting the labor incomes. We have to establish in the new socialism of the 21st century a principle that detaches the wealth distribution from the labor idol, just as the production of wealth is nowadays detached from labor. *End “to each according to what he and the instruments he owns produces”! End “to each according to (the quality and quantity of) his work”! Welcome is the principle “to each, according to his needs”!*

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