

# We really can afford it! Or how to harness the economy for building social prosperity

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"The economy cannot handle a longer quarantine," "We must prepare for budget cuts," "Can we afford so much spending?" – headlines have been fearmongering in the recent weeks, supported by opinions of resident experts. The omnipotent and usually dynamic capitalist economy turns out to be fragile when confronted with the unfamiliar and in a way external predicament of a virus [1]. From what we are being told, with over

a dozen million working people in Poland, we are not capable of employing tens of thousands to perform various tasks within the healthcare sector. One additional per cent of our rapidly and constantly growing GDP allocated to medication and remuneration for healthcare professionals turns out to be a ball and chain. So let's postpone all reforms for later and for now, let's focus on securing lifelines for companies.

Even though similar voices are easy to mock as they ignore the importance of the pandemic problem, they are also reflecting the spirit of economies accustomed to constant circulation of money and production growth, all incredibly vulnerable to even the slightest decrease in the rate of profit. Let us, therefore, try and understand what economic mechanisms are behind them, so that we can develop a roadmap to genuine social prosperity.

### **Monopoly capital – a giant with feet of clay**

Contemporary economies are probably the most aptly described by the concept of monopoly capitalism created by Paul A. Baran and Paul M. Sweezy [2], later developed by John Bellamy Foster [3] and the "Monthly Review" circles [4]. Reflecting on Karol Marx's *Capital* in the contemporary context, these authors indicate that the incredible power of private enterprises, with their advanced technologies, modern machine parks and supply chains scattered across the entire world, is at the same time a source of weakness and limitations – which manifest in frequent and profound collapses.

The power of contemporary capital allows for increasing exploitation and inequalities, uncontrollable plunder and pollution of the natural environment. However, reducing employees' salaries and multiplying environmental damage means that the larger the capitalist production apparatus, paradoxically the harder it is to obtain the expected rate of profit and sales volumes. The enormous economic potential, reached thanks to the technical progress and capital accumulation, is therefore wasted in various ways [5] – I would like to mention only a couple of particularly poignant examples.

Global food industry giants who are behind familiar mayonnaise or instant soup brands, try to outdo one another in their spending on advertising, coming up with new flavours and colourful packaging for their products. At the same time, close to 2 billion people worldwide suffer from hunger or lack of food security, and some of families in Poland were able to provide sufficient nutrition for their children only with the help of the 500+ family benefit (providing extra 500 PLN a month for each child).

Hundreds of thousands of people with incredible creative abilities and competences are employed by contemporary corporations to work within peculiar processes of dubious social utility [6]. Instead of educating and paying doctors, teachers, or physical therapists, the potential of an entire generations of public higher education graduates is wasted on filling excel sheets and organizing complex recruitment processes.

Finally, despite its heroic efforts, powerful monopoly capitalism is still not capable of providing jobs for everybody who wants to work. Thus, even though e.g. in Poland we urgently need thousands of nurses, drivers, or farmers, we agree to constant high unemployment. Instead of giving work to thousands of people, the system tells them: "You have to make more effort! You must agree to worse employment contracts and lower pay! Then, perhaps, we will consider your CV".

### **When the system fails... people will manage.**

Massive wastage of human and environmental resources involved in producing gadgets of limited usefulness is an everyday occurrence in monopoly capitalism. Social needs

have long been pushed to the back burner and today nobody has any illusions that economic growth serves anything but business profits. And yet, the economy is still going... I catch myself sometimes thinking, "How come such an inefficient and barbaric system still functions? Why hasn't it already fallen to pieces?"

The answer is trivial: monopoly capitalism feeds on its entire environment. Starting from the first serious crisis in the 1970s, the system continues to move of its own momentum, always sucking the energy out of new sources – nature, employees in the global South or growing debts of households and governments.

Wherever the system definitely does not work, people (usually women), families, or local communities will help out. After all, there is someone in our societies who cares for the elderly, helps the sick, delivers food. In the epidemic crisis, we can see it quite plainly: parents – apart from their regular work – care for their children, neighbour groups organise themselves to help elderly residents, volunteers sew masks and suits, and volunteer fire departments keep order in between their turns in extinguishing burning Biebrza marshes. It is similar with adjustments to the climate catastrophe – numerous local communities, cities, or entire regions for years have been changing their energy and consumption practices despite the lack of adequate interventions in national and global policies.

All these activities demonstrate that it is not "people" in general who are the problem, but the system in which we live and work. But there is also hope for a better future. Social creativity and readiness for selfless action, for sacrifice in the name of solidarity, and protection of life and health, have an amazing potential for social change. This change has already begun and it dialectically undermines the foundations of the system.

### **Let's allow ourselves to be prosperous!**

We can see that the mantra "we can't afford it" to which the title alludes, functions only in particular conditions that are imposed on societies. They stem from relationships of production: a very concentrated ownership of capital and technology, the obligation to perform hired work, and finally, from the privatized coordination of economic decisions. The current system, as dysfunctional as it may be, will remain with us for a long time to come. Let us consider then how to start pushing it in the right direction toward social and environmental sustainability.

There are several propositions concerning the system change on the table, conceived by acclaimed economists and research centres, from Kate Raworth's "doughnut economics" [7], to Tim Jackson's "prosperity without growth" and work of the Foundational Economy team [8], to the eco-socialist vision of John Bellamy Foster [9]. What they all have in common is the affinity for the idea of de-growth, i.e. foregoing business policies and strategies focused on further wealth accumulation and profits in favour of concentrating on actual social and environmental needs. Enormous human and technological potential of contemporary economies must work for jointly determined shared needs, with a significantly limited level of production, material and energy consumption.

Authors (myself among them) of the Polish manifesto titled *Regeneration instead of a shield!* make a statement to a similar effect. We believe that unprecedented political and budgetary mobilization in response to the COVID-19 pandemic should be used for transforming the structure of Polish economy. This could be done for instance through:

– The development of the universally accessible public services (healthcare, care

services, transportation) of high quality, financed from taxes imposed on the revenue of big businesses and certain industries harmful for the environment (aviation, tourism, automotive industry).

– Development of environmentally sustainable social production (in cooperatives, social and state enterprises) in areas crucial to provide for the needs of the population – including agriculture, housing and energy.

– Raising salaries in the public sector, funded from the taxation of the highest revenues and biggest assets in the economy.

– Developing programmes of social benefits for people of various ages, to value unpaid housework and decrease the scope of employment in superfluous and harmful industries.

We really can't afford *not* to do it. Seriously.

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[1] Although for many companies and economies the pandemic constitutes an "external shock," from the perspective of the capitalist system, it is a very endogenous element indeed, caused among others by reduced immunity in animal populations or intense international trade relations (cf. Rob Wallace et al., *COVID-19 and Circuits of Capital*, "Monthly Review" 2020, vol. 72).

[2] Paul A. Baran, Paul M. Sweezy, *Monopoly Capital: An Essay on the American Economic and Social Order*, New York University Press, New York 1966.

[3] John Bellamy Foster, *The Theory of Monopoly Capitalism*, New York University Press, New York 2014.

[4] István Mészáros, *The Challenge of Sustainable Development and the Culture of Substantive Equality*, "Monthly Review" 2001, vol. 53, no. 7; <https://monthlyreview.org/2001/12/01/the-challenge-of-sustainable-development-and-the-culture-of-substantive-equality> (accessed 8 May 2020).

[5] Grzegorz Konat, Przemysław Wielgosz (eds.), *Realny kapitalizm. Wokół teorii kapitału monopolistycznego*, Książka i Prasa, Warsaw 2018.

[6] It is described, among others, by David Graeber's concept of *bullshit jobs*.

[7] Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*, Chelsea Green Publishing, White River Junction 2017.

[8] <https://foundationaleconomy.com> (accessed 8 May 2020).

[9] John Bellamy Foster, Brett Clark, Richard York, *The Ecological Rift: Capitalism's War on the Earth*, New York University Press, New York 2011.

[10] *Regeneracja zamiast tarczy! Manifest środowiska naukowego badań nad gospodarką*, [www.regeneracjamanifest.wordpress.com](http://www.regeneracjamanifest.wordpress.com) (accessed 8 May 2020).