

"New times are coming": building a communal system

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In the title, I quoted Olga Tokarczuk who wrote in her piece for the *Frankfurter Allgemeine Zeitung*, "We believe we are staying home, reading books and watching television, but, in fact, we are readying ourselves for a battle over a new reality that we cannot even imagine, slowly coming to understand that nothing will ever be the same." [1]

Although we have theoretical and conceptual tools, intellectual apparatus, as well as certain research habits, when analysing existing propositions from mainstream

economists [2] I do not see them really preparing for degrowth[3], i.e. the inevitable drop in Gross Domestic Product by even 30% which will result from the crisis following the COVID-19 pandemic. The economy will undoubtedly shrink. The longer we stay at homes – we cook ourselves, we do not purchase, we do not consume as many physical goods as before (e.g. clothes, furniture, cars, and other luxury items), and we do not travel – the more we develop new habits and awareness of the fact that we really can do without certain things. (At this point we should take Bruno Latour's test [4] to make sure that when the pandemic is under control, not everything will go back to its previous state). Economists, however, believe that "the economy will bounce back"[5]. If only governments pump billions of dollars into corporate bailout packages, then – right after the "state of emergency" is over [6] – everything will simply restart. People will rush into consumption to make up for the lockdown.

If the economy does not restart

And what happens if the economy does not restart? What if it never goes back to the size from before the collapse? After all, people lose jobs and incomes, so a lot of them will not be able to afford the living standard similar or at least approximating what they were used to before (to soften this hit aimed at the least privileged, we wrote our propositions down in the manifesto *Regeneration instead of a shield* [7]). After the last financial crisis of 2008–2012, even though global finances went back to their pre-crisis size, the employment and the quality of life did not [8]...

What can we do? It would be best to start preparing for such a situation today. First of all, it does not have to be a dystopian scenario. There will be less work, but perhaps we should start sharing production work? Perhaps instead of 40 hours a week (how much of that time are we *actually* productive? Half? Two-thirds?) we should rather work 20–30 hours? (New Economics Foundation recommends 21 hours a week [9]). Meanwhile, our quality of life will increase: we will feel less work-related stress (and stress caused by our drive to earn money), and we will devote more time to reading, building cultural and social capital, or walking in the woods. Today, we must ponder the question: how do we want to live? What income is entirely sufficient? Can we forego the entirety or part of the consumption that has the most negative impact on our natural environment? Are we able to still consume, but primarily non-material goods? Listen to music, learn foreign languages, go to the theatre, the cinema, or for walks, and enjoy creating something with other people? How would we like our future economy to look – in a year, in five years, in a decade? The crisis might also become an opportunity. A chance to create new economic framework, based on the ethics of care [10] for people, other species and the natural environment. Such a framework will be more just, it will be actively counteracting poverty and help societies become more equal and inclusive, and as a result – more diverse.

The way to a communal system

The first step in that direction would be the final rejection of the myth of *homo economicus*, a rational man who cares only for his own interests and always maximizes his profits [11]. What myth can replace it? Now, in the time of crisis, we have the opportunity to outline a beautiful, solidarity-driven myth of a human being who is connected to others, generous, responsible and cooperative, who is driven by care for people and other species, who plans for the long term, even for future generations, who learns, but at the same time is aware of their own faults. After Walter Mignolo [12], we could call it a **communal system**.

In our scenario for the economy of the future, we could employ three tools:

universal basic income [13] – it is most crucial to those who lost all sources of income due to the crisis. Germany already pays out a similar benefit to the self-employed, small business owners, artists and carers, in the amount of up to 15,000 euro for three months. [14] Similarly, Spain plans to give benefits to the least affluent citizens – so these would not be entirely unconditional. [15] In Poland, in response to the crisis, people who are self-employed or work on the basis of contracts of mandate or contracts for specific work, were given a one-off, tax-free idle-time benefit in the amount of 80% of the minimum wage. However, for the self-employed it depends on the level of their previous earnings, and contractors can apply for the benefit exclusively through the contracting party which, in many cases, can prove to be very difficult or even impossible to achieve. Perhaps it would be feasible to pay a similar benefit long-term and to a broader group of recipients, and in future, after the pandemic – provide a guaranteed benefit in the amount of the social minimum [17];

universal basic services [18] – with universal access not only for the citizens, but all residents who, as they live in the country, pay taxes, e.g. via everyday consumption (VAT). These would include services like healthcare, education, independent courts and other democratic institutions, affordable housing (not necessarily owned), public transport (inexpensive, preferably free), communications (phone, Internet), and access to high-quality food that everyone can afford. Such services would guarantee our day-to-day security and lower the level of existential fears, related for instance to the fact that the income is too low to pay for children's education or medical treatment (uninsured Americans are charged approx. 35,000 dollars for a COVID-19-related hospital stay [19]). It would be a solidarity-based system – even if we do not want to do that for others, let us do that for ourselves – after all, we could find ourselves in a bad way, have an accident, or fall ill with a rare disease. Above all, such services would provide equal opportunities for a good life to every member of society;

job guarantee [20] – for those who want to work and who give meaning to their lives through work. For such people, governments could develop programmes creating socially useful jobs, e.g. carers for children, elderly and dependent people, jobs in the construction business, work related to supervision or additional teaching, or planting trees. The multiplier effect of creating new jobs can reach even 2.0, which means that employing one person will translate into two new jobs for the economy, because other, dependent sectors will create positions linked to that investment (as indicated also by input-output tables [21]).

We need solidarity

How to finance such programmes, especially in this precarious situation of an economic collapse? For the time being, we should introduce an emergency solidarity contribution “for equality” – it would mean that everyone who still receives pay (including the entire public administration, with the prime minister leading the way) would give 10% of their earnings to the rescue fund from which the basic income would be paid to those who lost their jobs or became destitute. During the crisis, this benefit would amount to the minimum wage – approx. PLN 1,900 net. [22] Such a solution is discussed right now in Austria. During this difficult time, when we mainly stay at home and spend less money, we can allot some of our remuneration to helping those who have nothing. We should also add that Poles, unfortunately, do not save a lot – in 2016, the gross savings rate was 4.37%, which puts us in the fourth to last place among the European Union states [23]. In the long term, we should reintroduce larger PIT progression, so, e.g. the 40% rate that was lifted in 2009 which resulted in the state budget losing income of close to PLN 3 billion. This is twice as much as the sum allotted in the state budget to culture last year [24]. We need this money, and taxpayers did not previously try to avoid these contributions – they paid them dutifully. A similar rescue fund would be created for companies – it would be fuelled by 10% of income earned by companies that still

generate profit (e.g. from the FMCG sector, providing such products as food, household chemicals, or cosmetics; this also applies to stores, commercial chains, etc.). In the long run, we should also introduce a progressive corporate income tax (three tax rates, as well) that would apply to all profits earned in Poland. Other taxes collected elsewhere in the world, but not in Poland, include a wealth tax (tax on holdings of assets: land, real estate, businesses, securities, with the exemption of loans and liabilities; it is part of fiscal systems in Canada, France, Norway, and Spain, and it varies from 0.2% to 3.75%) and an inheritance tax regardless of the degree of relatedness (after all, it is money which we did not earn ourselves, which we receive as a gift, and the tax on inheritance for the closest relatives was applicable in Poland still in 2007). We should also consider, not only from the viewpoint of acquiring funding for anti-crisis or solidarity programmes, additional taxation on businesses that pollute the environment, and the introduction of more effective mechanisms in this respect, e.g. encouraging real reduction of emissions, instead of just trading quotas. The introduction of a tax on robots and cobots, as proposed by Bill Gates [25], could be an interesting project, as well.

These are all just suggestions which show that with solidarity it is possible to find a way out of any situation, any crisis, and build a communal system in which we would think about others and care for their well being. We would feel better ourselves, too. We can all become heroines and heroes in this new, communal system. Even now, in this COVID pandemic times, many people prove while risking their lives that it is possible to act in solidarity, that it is possible to help one another selflessly. Let us not waste this energy!

[1] *The New Yorker*, transl. by Jennifer Croft <https://www.newyorker.com/books/page-turner/a-new-world-through-my-window> (accessed 20 May 2020).

[2] Jerzy Hausner, Agnieszka Chłoń-Domińczak, Jan Czekaj, Dariusz Filar, Mirosław Gronicki, Janusz Jankowiak, Robert Kowalski, Krzysztof Marczewski, Leszek Pawłowicz, Andrzej Rzońca, Andrzej Sławiński i Małgorzata Starczewska-Krzysztosek, *Alert gospodarczy 1,2,3*, Open Eyes Economy Summit 2020, <https://oees.pl/dobrzewiedziec/> (accessed 7 April 2020); Mateusz Morawiecki, *Tarcza antykryzysowa*, www.gov.pl/web/tarczaantykryzysowa (accessed 7 April 2020); *Manifest środowiska naukowego badań nad gospodarką*, 16 March 2020, www.consilium.europa.eu/pl/press/press-releases/2020/03/16/statement-on-covid-19-economic-policy-response (accessed 7 April 2020).

[3] Giacomo D'Alisa, Federico Demaria and Giorgios Kallis, *Degrowth. A Vocabulary for a New Era*, Routledge, New York 2015.

[4] Bruno Latour, *Jakie środki ochronne można stworzyć, abyśmy nie powrócili do modelu produkcji sprzed kryzysu?*, transl. Franciszek Chwałczyk, Michał Możdżeń and Michał Pałasz, Bruno Latour – official website, 29 March 2020, www.bruno-latour.fr/sites/default/files/downloads/P-202-AOC-POLONAIS_0.pdf (accessed 8 April 2020).

[5] Cf. Goldman Sachs ma dobrą wiadomość o polskiej gospodarce, „Business Insider Polska”, 4 April 2020, <https://businessinsider.com.pl/finanse/makroekonomia/polska-gospodarka-a-koronawirus-kryzys-prognoza-goldman-sachs/3st7c99> (accessed 7 April 2020); *Agencja Fitch obniża prognozy dla Polski. Gospodarka odbije się w 2021 roku*, „Forsal.pl”, 19 March 2020, <https://forsal.pl/artykuly/1461996,koronawirus-polska-wzrost-pkb-prognozy-2020-2021-agencja-fitch-covid-2019.html> (accessed 7 April 2020).

[6] Agamben Giorgio, *Stan wyjątkowy: homo sacer II, 1*, transl. Monika Surma-Gawłowska, Korporacja Ha!art, Kraków 2008.

[7] *Regeneracja zamiast tarczy! Manifest środowiska naukowego badań nad gospodarką*, 25 March 2020, <https://regeneracjamanifest.wordpress.com> (accessed 8 April 2020).

[8] Sylvia Walby, *Crisis*, Polity Press, Cambridge 2015.

[9] Andrew Simms, Anna Coote and Jane Franklin, *21 hours. The case for a shorter working week*, New Economics Foundation, 13 February 2010, <https://neweconomics.org/2010/02/21-hours> (accessed 7 April 2020).

[10] Joan C. Tronto, *Care as a basis for radical political judgements*, „Hypatia” 1995, vol. 10, no. 2, pp. 141–149; Zofia Łapniewska, *Epistemology of Feminist Economics*, [in:] *Co-Designing Economies in Transition: Radical Approaches in Dialogue with Contemplative Social Sciences*, eds. Vincenzo Mario Bruno Giorgino and Zack Walsh, Palgrave Macmillan, Cham 2018, pp. 109–133.

[11] Marilyn Waring, *If Women Counted. A New Feminist Economics*, Harper and Row, San Francisco 1988; *Beyond Economic Man. Feminist Theory and Economics*, eds. Marianne A. Ferber and Julie A. Nelson, The University of Chicago Press, Chicago 1993.

[12] Walter D. Mignolo, *The communal and the decolonial*, „Turbulence” 2009, vol. 5, pp. 29–31.

[13] Cf. Guy Standing, *Why Basic Income Is Needed for a Right to Work*, „Rutgers Journal of Law & Urban Policy” 2005, vol. 2, no. 1, pp. 91–102; Maciej Szlinder, *Bezwarunkowy dochód podstawowy. Rewolucyjna reforma społeczeństwa XXI wieku*, Wydawnictwo Naukowe PWN, Warszawa 2018; Zofia Łapniewska, *Etyka troski a gospodarka przyszłości*, „Praktyka Teoretyczna” 2017, vol. 24, no. 2, pp. 101–122.

[14] *Niemcy: pomoc rządu dla przedsiębiorców*, „Deutsche Welle”, 23 March 2020, www.dw.com/pl/niemcy-pomoc-rz%C4%85du-dla-przedsi%C4%99biorc%C3%B3w/a-52883816 (accessed 7 April 2020).

[15] *Hiszpania wprowadzi dochód podstawowy*, „Bankier.pl”, 6 April 2020, www.bankier.pl/wiadomosc/Hiszpania-wprowadzi-bezwarunkowy-dochod-podstawowy-7856845.html (accessed 7 April 2020).

[16] M. Morawiecki, *Tarcza antykryzysowa*, op. cit.

[17] *Wysokość minimum socjalnego*, Instytut Pracy i Spraw Socjalnych 2019, www.ipiss.com.pl/?zaklady=minimum-socjalne (accessed 7 April 2020).

[18] *Social prosperity for the future: A proposal for Universal Basic Services*. Social Prosperity Network Report, Institute for Global Prosperity Knowledge Network, University College, Institute for Global Prosperity, London 2017.

[19] A. Abrams, *Total Cost of Her COVID-19 Treatment*, op. cit.

[20] Pavlina R. Tcherneva and Randall Wray, *Common Goals – Different Solutions: Can Basic Income and Job Guarantees Deliver Their Own Promises*, „Rutgers Journal of Law & Urban Policy” 2005, vol. 2, no. 1, pp. 125–166.

[21] *Bilans przepływów międzygaleziowych w bieżących cenach bazowych w 2015 roku*, Główny Urząd Statystyczny, 28 June 2019, <https://stat.gov.pl/obszary-tematyczne/rachunki-narodowe/roczne-rachunki-narodowe/bilans-przeplywow-miedzygaleziowych-w-biezacych-cenach-bazowych-w-2015-roku,7,3.html> (accessed 7 April 2020).

[22] *Płaca minimalna w górę*, Polish Ministry of Family, Labour and Social Policy, 2 January 2020, www.gov.pl/web/rodzina/placa-minimalna-w-gore2 (accessed 7 April 2020).

[23] Krzysztof Krzemień, *Dlaczego Polacy nie oszczędzają? Nie mają z czego czy... nie chcą?*, „MySaver.pl”, 23 October 2019, <https://goldenmark.com/pl/mysaver/dlaczego-polacy-nie-oszczedzaja> (accessed 7 April 2020).

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See also