

Hermann Lueer

A Better World is Possible!

»We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected.«

United Nations Millennium Declaration

A strange goal. In 15 years, the number of people suffering from hunger was to be only cut in half. Some 300 million people will starve to death in miserable conditions by the time the goal is reached, and then only 18 million a year.

»That we are in the midst of crisis is now well understood ... Homes have been lost; jobs shed; businesses shuttered ... Our workers are no less productive than when this crisis began. Our minds are no less inventive, our goods and services no less needed than they were last week or last month or last year. Our capacity remains undiminished.«

U.S. President Barack Obama

A strange crisis. Apparently there is too much of everything. The economic supply in a country is too large for demand; there is not too little, but too much capacity. What to do with all the useful objects that are being produced? Employees are fired and thus have no more money because too much was produced. Useful objects are stockpiled and functioning production sites are closed because of low demand and the same time widespread poverty. What funny kind of riches is that, which to an increasing extent is not available for a majority of the population – although the material production conditions are unchanged, although food, accommodation and all other possible consumer items are still available?

Despite the wonders of technology in the 21st century, global hunger, no access to clean water for one sixth of humanity, bitter poverty, and miserable working conditions are a normal part of the global market economy. Not only in the so-called developing countries, but in the successful industrial nations as well, the official poverty reports point up the growing discrepancy between what is shown as the »*wealth of the nation*« in the gross national product and calculated as per capita income and that what the majority of the population gets from this. For more than 200 years, the labor movement has tried in vain to tame capitalism; it's time to demand it be eliminated! The alternative is quite simple in principle. Instead of accepting the objective of individual profit on the basis of private ownership of the means of production, the purpose should become satisfying individual need. The autonomy of the producers to decide over the question *how* their work should take part in the satisfaction of *which* social demands means that the planned direct

corporative production, and with it the direct distribution of the communally produced goods, should remove the basis of the market economical way of production. Private property of the means of production (no matter if privately, cooperative or state owned) and therewith the exchange of commodities according to the rules of the market would be replaced with an organisation for the production of goods and services according to a deliberate plan. The effects of modified objectives are anything but trivial, which can easily be studied by looking at how differently the decision-making process, working conditions and needs in capitalism are handled in comparison with those in a society beyond commodities, money, capital and wage labour.¹

The decision-making process.

In a market economy, the money that someone has for whatever reason decides which needs are relevant in order to satisfy them in a social production process. The size of one's wallet again results from the capitalist relations of production, in which a minority uses the private ownership of the means of production by getting others to work for them and by the use of the difference between the price of labour power and the value created by its use. It constantly increase their wealth, whilst the majority of the population without means must once again every day offer their own labour power on the market. What is produced (quality), how it is produced (labor and environmental conditions), for whom it is produced (distribution), where it is produced (separation between centre and periphery), and whether anything is produced at all (crisis), is decided by the market under capitalism. If there is sufficient »solvent demand« and it is *profitable* for the owner of the means of production, almost anything is possible – from high quality luxury goods to junk food. Then overtime and night shifts are necessary and work cannot be long and intensive enough, with no regard to health and private interests. When it is not lucrative for the private owner to have other people work, millions of people go hungry in the market economy next to existing resources and means of production. By contrast, the starting point for production based on common means of production is determining the needs of the population in relation to the labor to be provided. In a cooperation of equals (peer economy), production is driven by need, not by profit. The means of production are controlled by the producers, not by individual private owners. »In peer production, things are produced and services

¹ The alternative to capitalism, the question as to how a society beyond market and capital can be organized, was only briefly addressed by Karl Marx with his example of the »association of free human beings« (Karl Marx, Capital, Vol. 1, p. 171f and the Critique of the Gotha Programme part 1) The issue of how the decision-making process regarding goods and services to be produced could be organized without private property and market, how it can be ensured that the necessary tasks are carried out in a form of society based on common property, and how a satisfactory coupling of give and take with respect to the distribution of the results of production can be achieved, are analyzed in detail by: W. Paul Cockshott/Allin Cottrell, Towards a new socialism, 1993, Christian Siefkes, From Exchange to Contributions. Generalizing Peer Production into the Physical World, 2008.

are organized if there are people who want to have them and who are willing to jointly spend the amount of labor that is necessary to get them.«²

Determining needs is simple. If we for one moment disregard the variety of brands necessary in the market economy due to competition, the basic quantitative and qualitative need for food, clothing, living space, and infrastructure such as water, heating, power, telecommunication, public transport, education, medical care, child care, care for the aged and incapacitated is simple to determine. Furthermore, the social planning efforts for procurement, production, and logistics are considerably lower based on common means of production compared to the market economy. In a market economy planning is conducted down to the last detail in companies parallel and in competition with one another due to their opposing interests and depending on their success, the investments made in production, logistics, and sales facilities, must be constantly reviewed and adjusted. Production facilities are built up to compete worldwide against each other and, if the competitor was quicker, then they are closed again. With respect to the aim of satisfying needs, this is not at all efficient.

In production based on cooperation the multiplication of planning is eliminated. That one had better not rely on the »anarchy of the market« for the suitable production of various goods, but rather on a well organised planning, is demonstrated by worldwide successful corporations themselves. Companies such as Siemens, Procter & Gamble, Volkswagen, Shell or Toyota have good reason to not organise their employees as private entities competing against each other on internal commodity markets. There is no departmental property but only »collective firm property«. The personnel department, the accounting department or the production don't have to successfully internally sell services, possibly competing against other departments with even the same products, to be then able to receive services by purchase, electronic data processing or the financial controlling department. In the market economy the companies proceed internally absolutely following the concept of a planned economy for the production of goods necessary for their purpose of profit realisation. In exactly the same way as in a socialist society planning, herein the strategic principle decisions with centralised and decentralised yearly, monthly, weekly or daily plans complement each other.

In the market economy, fundamental socio-political decisions are made in democratic competition between parties in that the people cast their vote generally every four years. The votes authorize the representatives of the elected party to implement the necessary measures for the »wealth of the nation«. »No possibility of any kind to influence the later decisions of state authority is associated with the voter's declaration of sympathy for the party of his choice. The election produces representatives who are bound only to their own conscience, are not bound to mandates and instructions, and are thus expressly released from the obligation to

² Christian Siefkes, From exchange to contributions, p. 78

the will of the voters. ... The voter's »Yes« to a party eliminates any individual consideration or expectation that may have moved the voter to cast his vote and he is thus reduced to accepting to political sovereignty over him, separate from his interests and demands on policy.«³

A cooperation of equals offers various forms of grass-roots or direct democratic processes for making fundamental decisions, in which – starting with grass-root bodies at the local community and company level up to organizations for overarching social planning and regulating affairs – the representatives are bound to basic instructions and can be recalled at any time. As it is naturally neither possible nor useful for everyone to be involved in every decision, a »rough consensus« must be sufficient in many cases to leave details to responsible representatives or experts.⁴ In contrast to the market economy, in which individual gain is the maxim, in a society based on common means of production, the unifying factor even in the face of differences of opinion is the mutual interest of effectively organizing the labor necessary to fulfil the needs of society.

The necessary labor

»The peer economy works by distributing the effort necessary to produce goods among the people who want to have them.«⁵ The basic principle of the market economy is having others work for you by buying labor power in order to increase one's own private wealth from the difference between the price of labor power and the value it creates. In the market economy, the interest of the private owner of the means of production is to have the labor power work as long, as intensively, and as cheaply as possible. In production based on common means of production, the individual effort to be expended relativizes the benefit of the goods and services produced. In a society based on cooperation and the purpose of supplying needs it is therefore helpful to automate unpleasant tasks away, make the necessary work more fun (more agreeable, more interesting, safer, easier) or to shorten working hours as much as possible.

In the market economy, investments are made in machinery and equipment to facilitate or automate work if the ratio of investment to surplus makes it cost-effective for the owner in comparison with alternative investments. If wages for the labor power competing against each other on the labor market are less than investments in machinery, automation is not profitable for the company. Its production costs would rise compared with cheap labor power and it would risk losing out to the competition that did not invest in automation. In the market

³ Albert Krölls, *Das Grundgesetz – ein Grund zum Feiern? [The Constitution – Cause for Celebration?]*, 2009, p. 189f

⁴ On the concept of »rough consensus« and examples for decision-making in current major peer projects in the IT sector, see Christian Siefkes, p. 72ff

⁵ Christian Siefkes, *From exchange to contributions*, p. 120ff

economy, hard work and physical wear and tear are not economically relevant with respect to the decision of how the work process is organized.

»Shared production is very different in this regard – if all the members of a peer project want to avoid a specific task, they might spend considerable effort to get rid of it (or at least to reduce the amount or unpleasantness of the necessary work) ... There are many possibilities here that depend on the nature of the task: unsafe working conditions can be made safer; obnoxious work schedules can be abandoned ... generally, many tasks can be made more fun, more interesting, more challenging than they are now – especially when those who do the task decide on how to do it, as is normal for peer projects.«⁶ Moreover, in a peer economy, unpleasant tasks that cannot be made easier or shortened by improved methods can be »reduced« by giving them more weight. »An unpleasant task gets more pleasant if it takes a shorter amount of somebody's time, giving them more time to pursue other interesting projects ... If I have to decide whether I prefer spending the same amount of time on a task I like more (say, writing software) or one I like less (say, removing garbage), it won't take me long to choose the former. But if the question is whether I spend 20 hours a week writing software or five hours a week removing garbage, I'm likely to have second thoughts.«⁷ For the purpose of harmonizing the consumer perspective of the members of society (certain tasks have to be done) with the producer perspective (some tasks are more popular than others), a task auctioning mechanism can be arranged in a peer production system. »A peer project can set up a task auctioning system where the participants can choose the tasks they prefer doing among all available tasks. Tasks that don't attract sufficient volunteers are then weighted higher (i.e., people picking them up will have to do less work for the project) until there are enough people willing to accept the time/task trade-off. Similarly, tasks which are more popular than necessary are weighted lower, so the people who want to do them will have to reconsider whether they prefer spending more time with this task or whether there isn't another task they also like doing that gives them more time for other activities. Thus, a weighted hour of labor could be used as unit for measuring contributions. ... Such a task auctioning mechanism is a way to ensure that all relevant tasks are handled, while at the same time allowing everybody to freely choose the activities they prefer; nobody is forced into doing or not doing certain things.«⁸

In capitalism as well, with respect to the labor market, no one is directly forced to do or not do anything. In the market economy, the necessary work is distributed by having the poor laborers compete for jobs in the job market. Those who for whatever reason do not land one of the attractive, well-paid jobs have to do less pleasant work for less money. Since access to education – like everything in the market economy – depends on how much money one has, the capitalist economic

⁶ Christian Siefkes, From exchange to contributions, p.26f

⁷ Christian Siefkes, From exchange to contributions, p.28f

⁸ Christian Siefkes, From exchange to contributions, p.29f.

order generates and manifests a division of the population into qualified and less qualified, cheap labor power in line with the business interests of capital. Those who are unlucky and find no profitable employment live without work at the subsistence level next to the wealth of the society and, outside the richest industrial countries of the world, even under the minimum. In the peer economy in which the effort required to produce goods is shared among the people who want the goods, unemployment simply means that the required labor to be shared by all has been completed and leisure time has begun.

The coupling between giving and taking

In the globalized market economy, the coupling between giving and taking is organized on the basis of private ownership of the means of production so that the approx. 10% of the world's population that owns 90% of the wealth use their private capital to have others work for them and thus steadily increase their wealth. As all goods produced are the private property of the owners of the means of production, the amount of money that a person possesses divides the population into poor and rich. In the market economy, even things that could be shared at no additional effort are protected from being used by others for the purpose of commercial exploitation (company secrets, patents, copyright for electronic media, software, etc.). In a society based on the purpose of satisfying needs it would be stupid to keep ideas and know-how secret instead of sharing them. Here resources and means of production are common property just as are the goods produced by them that are used and that, in contrast to property, can be handed over to others if they are not used.

However, starting from a capitalist society that, based on the principle of competition for the power of money, provides permanent reasons for boasting, lying and fraud, robbery and murder, it would be naïve to believe that it is simple to introduce common means of production and by this organize the coupling between giving and taking according to the phrase »from each according to his ability, to each according to his needs«. Even in a society based on common means of production, members of the society who consume the goods and services provided are expected to contribute something to their production. The question is: How can the coupling of giving and taking be organized in a society of equals?

Various sharing models are conceivable depending on the particular characteristics of the goods to be shared:⁹

In the flat-rate model, the total effort of production is distributed to all consumers, independent of individual consumption (infrastructure, health care, food etc.). Just a flat amount of contributions is required and everybody who contributes sufficiently to a common production can choose freely from the results of the pro-

⁹ cf. Christian Siefkes, From Exchange to Contributions, p .32ff

ject. Arguments that this is impossible due to scarceness of resources miss the point for the following reasons:

The Bank of America alone has 20,000 investment advisors working for it. Altogether in the banking world, in rating agencies, insurance companies, lawyers' practices and in the advertising sector, marketing and sales, practically fifty per cent of the employees contribute nothing to physical wealth. If you look at the comprehensive range of goods in a shop for household goods just from the viewpoint of practical use, you could easily reduce the area necessary for the presentation of the competing brand products to a third. From the viewpoint of the supply of goods, not only is the effort made by research and development departments for the protection of company secrets superfluous, but also the effort of product managers in the protection of the design and patent for their own brand. Furthermore, within a capitalist company a considerable effort is made for product differentiation and new product development that can't be explained by differing or additional requirements for use of the consumers. The number of product variants and new models offered by a manufacturer, which requires from the buyer a comprehensive search for product information hidden in the glossy marketing language for products ranging from digital cameras, computer or TVs, cars, food to bathroom articles, can only be explained by the effort to cover the market better than the competition, in order to be able to better siphon off the different solvent customer segments. Hence there can be no question of tight resources, which could be in the way of an immediate social production and direct distribution of goods of a raised base requirement. If fifty percent of those employed in the services of money-making were employed instead in research and development, production and distribution of useful things, the same physical wealth could be created with half the working time or double the wealth with the same working time. Measured in terms of the purpose of supplying the population that would be efficient, measured in terms of the purpose of money-making, extremely inefficient.

Beyond the fulfilment of blanket amount provided for »basic needs«, which with the available scientific-technological knowledge in the 21st century could be realised in a two to three day week, is the kingdom of freedom. With this, of course, every member of society can freely decide whether he wants to take part and how much he wants to take part in the production of goods and services for the fulfilment of general leisure needs. While it should be unproblematic to establish a social consensus regarding the volume of goods and services for satisfying upscaled basic needs, and thus also a consensus about how much socially necessary labour time is required for this by each person, the area of recreational needs of the individual preferences is not directly transferred to a social consensus. The question as to whether or to what extent additional work is required, e.g. for the upgrading of private flights, hotel accommodation, cars, sports bikes, diving gear, sailing boats, pianos, latest electronic equipment, etc, will be answered differently depending on the individual needs.

»The coupling between giving and taking is achieved here through projects that determine the effort required to produce goods and pass this on proportionally to the consumers of the goods. If the proportional allocation model is used, it is expected that consumers »return« their share of the production effort to the pool by performing tasks for the pool to the same extent.«¹⁰ A more sophisticated possibility of coupling giving and taking would be to auction products instead of tasks. »If there is more demand for any given product than can be satisfied, a peer project can raise the relative cost (the amount of required contributions) of this product until sufficiently many of the prospective users get second thoughts (upward auctioning). ... Note that it is the relative cost that is modified – if the relative cost (amount of contributions) for one specific item is increased, the relative costs of all other items will automatically fall. ... If a member of society assumes additional tasks to acquire a product whose relative cost has been increased by upward auctioning, the other members of society have less to do – and more time for other activities ... After all, the whole effort necessary to fulfil the goals of a peer project is just distributed among its members – a project needs to ensure that all tasks are picked up, but, beyond that, "there is nothing left to do" (within the limits of the project), so people can and will spend their remaining time and energy in other ways.«¹¹

The labor time is used as a gauge of the individual producer's share of the common task and therefore of the individual consumable portion of the common product as well. The producer »receives a certificate from society that he has furnished such-and-such an amount of labour (after deducting his labour for the common funds); and with this certificate, he draws from the social stock of means of consumption as much as the same amount of labour cost. The same amount of labour which he has given to society in one form, he receives back in another.«¹² The similarity to the commodity trading is misleading, for »content and form are changed, because under the altered circumstances no one can give anything except his labour, and because, on the other hand, nothing can pass to the ownership of individuals, except individual means of consumption.«¹³ Certificates which simply represent a sum of hours of labour performed are not »money« in any recognizably capitalist sense. Money implies a socially violent relationship, in which private property owners exclude other society members from access to the means of production and thus the produced goods. Where it only emerges on the market, if the work privately spent by independent producers is recognised as a social work or not. Where the social interrelations of the people only results principally from the exchange value of their work products. »Where labour is communal, and its

¹⁰ Christian Siefkes, *Ist Commonismus Kommunismus?* in: *Prokla, Zeitschrift für kritische Sozialwissenschaft*, Heft 155, 39. Jg., 2009, No. 2, p. 255

¹¹ Christian Siefkes, *From exchange to contributions*, p.36

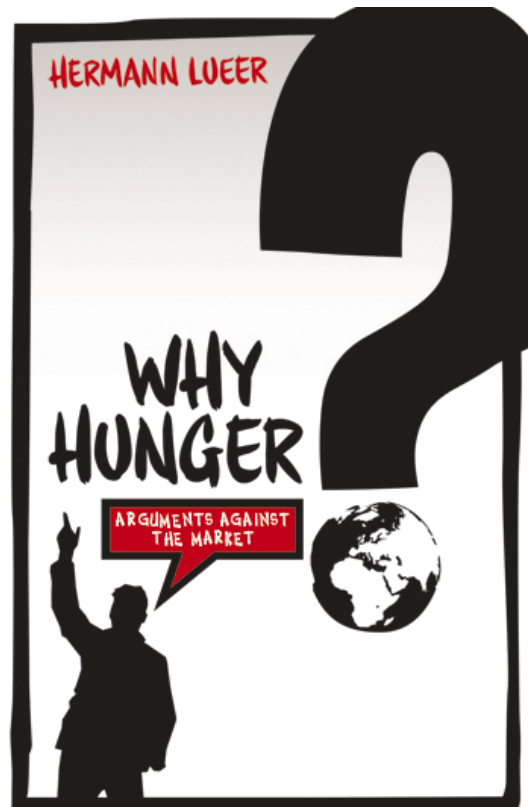
¹² Karl Marx, *Critique of the Gotha Programme part 1*, Marx/Engels Collected Works Vol. 24, <http://www.marxists.org/archive/marx/works/1875/gotha/ch01.htm>

¹³ Karl Marx, *Critique of the Gotha Programme part 1*, Marx/Engels Collected Works Vol. 24

allocation determined in advance, a certificate or voucher is not money; it is not the mechanism which validates the social character of individual labour, nor does it transform the latter into the former. While such certificates represent a means of exchange, they do not perform the function of informing the producers of the social value of their private labour. Labour certificates would merely establish a basis on which a given expenditure of labour could be exchanged for a share of the general stock of the products of social labour. But this is not *commodity exchange* since the 'value' of labour, its entitlement to share of social wealth, is established prior to production. As a result, 'the communal character of production would make the product into a communal, general product from the outset'.¹⁴

When the contradiction between seller and buyer, between employer and employee is abolished when common means of production is introduced, when a society of equals has been developed on the basis of the common purpose of producing common goods, that is, after »the enslaving subordination of the individual to the division of labour, and therewith also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want; 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 the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!¹⁵

19.10.2011



Kindle ebook \$ 5,42

¹⁴ David McNally, *Against the Market. Political Economy, Market Socialism and the Marxist Critique*, Verso 1993, S. 195f

¹⁵ Karl Marx, *Critique of the Gotha Programme part 1*, Marx/Engels Collected Works Vol. 24