

Capitalism: What It Is and What We Can Do About It

John Courtneidge

13 North Road Hertford Herts SG14 1LN courtj@globalnet.co.uk

I am going to describe a view of capitalism: what it is and what we can do about it. I suggest that :

- 1) capitalism is the problem, not the solution.
- 2) capitalism is a social, political, economic and philosophical system that relies upon:
 - a) the private ownership of the means of production (ie the means of human survival and of our inter-action with the creation / the commonweal / the whole global ecology), and
 - b) the use of those resources for private profit (accumulation)
- 3) Neither of these bases (ownership and/or use for profit) has any moral justification whatsoever, nor any desirable net outcomes.
- 4) The 'means of production' ('capital assets') are;
 - a) land (which deliver, from its use, profits in the form of rent, and profits - usually distributed as company dividends, see b) below - on the sale of energy, raw materials, including water, and food.)
 - b) knowledge (the work of previous generations, in the forms of the hardware and software of 'wealth production' - machinery, patents, workplace 'know how' and, indeed, any tangible or intangible holding of any form of knowledge or information: musical scores, 'captured' images, and so on). The profits from the use of these resources are usually distributed to 'owners' as dividends (and as the proceeds of sales of these assets after 'market inflation' of their 'values'.), and
 - c) money (and/or artificially created credit resulting from, for example, Fractional Reserve Banking), which delivers distributed profit as interest.

Put diagrammatically this production involves:

raw materials + energy ---> 'wealth' (or added value) + pollution

This can also be represented as:

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-----  
I      I  
I      I  
I      I  
I      I  
I      I } 'added value'  
I      I  
I      I  
I      I  
I      I  
I      I  
I-----I  
I      I } the cost of raw materials and energy  
I-----I
```

This 'added value' gets distributed as follows:

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-----  
I      I  
I wages I  
I ---  I  
I salaries I  
I ---  I } the three forms of return 'to labour'  
I perks  I  
I-----I  
I interest I  
I ---  I  
I dividends I } the three forms of return to 'capital'  
I ---  I          (along with the sale proceeds of materials and energy,  
I rent  I          shown below)  
I      I  
I-----I  
I      I } the cost of raw materials and energy  
I-----I
```

(This step-wise analysis allows many other features of capitalism to be discerned, such as the inevitable drive, downwards, of wages and salaries, along with ever-increasing drive, upwards, of pollution, violence and insecurity.)

5) So, the solution to getting rid of capitalism is to have strategies to deal with:

- a) inequitable ownership of the knowledge and land resources held in the ownership of 'workplaces'
- b) exploitation in the use of money and credit necessary to lubricate production (in a money economy)
- c) inequality in the 'returns to labour' : the inequalities in income form wages, salaries and 'perks' along with inequalities in income from those 'in paid work' and those not 'in paid work' (carers, home parents, the elderly, students, those 'unable' to join in 'paid work' and so on)

6) This suggests that the route to the eradication of capitalism require:

- a) conversion of 'workplaces' into appropriate co-operatives, each having stewardship (rather than ownership) of land and knowledge resources,
- b) financing of those co-operatives by community banking systems which, also, recoup annual 'co-operative surpluses' (profits): for distribution back to the communities (and the wider world) and to cover the working costs of these not-for-profit community banking systems (this will enable the abolition of private money-landing and credit-creation for profit),
- c) the guarantee of guaranteed, fair incomes for all, within a band (a narrow band) between a minimum guaranteed income and a maximum guaranteed income. This will enable the increasing funding of public services on a 'free at the point of use' basis and render redundant the whole structure of personal taxation (income tax, sales tax etc),
- d) the conversion, therefore, of an 'economic' system based on 'ownership' and 'use for profit' ('capitalism') into one based on responsible stewardship of the commonweal ('local co-operative socialism' as one possible name?) and of use, only, for that end.

Accordingly, I hope that individuals and groups will reflect upon this analysis, find ones that are better and, then, use this (evolving?) approach to deal with;

- the essence and details of capitalism,
- to address all ecological concerns,
- to eliminate the exploitation of 'the one by the other',

and, so, help create:

A Fair, Safe and Peaceful World:

- a world based upon peace, equality, co-operation and practical, respectful, local, stewardship of the planet.

In practical terms, this thinking is evolving into The Fair World Action Plan :

***To Create A Fair, Safe and Peaceful World ***

To do so, it seems that we need to transform the economic system in which we live, so that:

- people, together, are in control of their lives,
- where all work for the long-lived benefit of all: caring for the long-lived benefit of the whole global ecology, and all its inhabitants.

To find the way forward, we need to have strategies for the three core features of present-day economics:

- ownership of workplaces and knowledge used for profit,
- ownership of land and natural resources, and their use for profit,

and

- the practices of money-lending and credit-creation for profit.

To deal with these three, core aspects, we must, first, return money to its proper use - as a lubricant of human activity, created by, and flowing through, nationally-owned, democratic, public service banking and financial systems.

With them in place, we can, then convert workplaces into appropriate co-operative enterprises, such that each has respectful stewardship of land and knowledge resources:

- ensuring that everyone receives a fair, guaranteed income,
- ensuring that proper stewardship of the planet is our central task,

This suggests the following 'Seven Point Action Plan':

The Co-operative Way - A Seven Point Action Plan

For equality and ecology, peace and co-operation

1) Convert competitive, market-based activities into workplace co-operative partnerships and remodel monopoly activities as stakeholder co-operatives

(see points two and five for the funding mechanism to achieve this);

2) Redistribute the added-value wealth from the workplace co-ops through nationally collected corporate taxation, distributed into local, democratically controlled, Community Banks: and, so, make money and credit available for responsible wealth creation and community development

(and the conversions referred to above!);

3) Maximise necessary service provision (health, education, libraries, transport, communications, insulation and so on) on a free-at-the-point-of-use basis, (retaining money only as a mechanism for access to discretionary purchases).

4) Introduce guaranteed income for all, within upper and lower brackets and, so, do away with personal taxation;

5) Abolish money-lending for profit and, so, operate banking as a public service (see point two above);

6) Reintroduce international exchange controls as necessary;

7) Make capital grants (not loans) to developing countries.

We hope this action plan gives us all a good basis for a practical, moral, sustainable and co-operative economics.

Your Friends in peace, co-operation and equality:

The Fair World Project 13 North Road Hertford SG14 1LN (UK)

courtj@globalnet.co.uk (+44) 01992 501854

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(The Fair World Project, once implemented, will ensure that they can be!)
