



The Social Commons

Rethinking Social Justice in Post-Neoliberal Societies

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Francine Mestrum

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Endorsements

Is a universal social protection for all possible? Francine Mestrum has been, for many years, at the forefront of international mobilisations of civil society in favour of effective forms of a universal social protection for all. Her book shows that what is at stake is the question of whether we want change, because change is indeed possible.

— **Riccardo Petrella**, Professor Emeritus, Catholic University of Louvain, Belgium

Now, more than ever, activists, progressive researchers and policy-makers need not only the arguments against neoliberalism, they need the tools to articulate alternatives. In this inspiring book Francine Mestrum sets out a framework based on local and global struggles that transforms social protection into an argument for the social commons based on the solidarity of the common good.

— **Fiona Williams**, Emeritus Professor of Social Policy, University of Leeds, United Kingdom

This book is timely. And it faces up powerfully to current challenges. The incredible accumulation of wealth in the world has resulted in an explosion of inequalities, exclusions, insecurities, discrimination, poverty. Francine Mestrum was one of first to offer a strategic response – that of universal social protection based on fundamental rights. She has now deepened her approach with the idea of the social commons, which defines an alternative to neoliberal globalisation.

— **Gustave Massiah**, former President, Centre de recherche et d'information sur le développement (CRID), France

Francine Mestrum is a researcher and activist working on social development, poverty and inequalities, globalisation and European policies. She worked at the universities of Brussels (ULB – Université Libre de Bruxelles), Antwerp and Ghent (Belgium) and at the institutions of the European Union. She has published several books on her research topics in Dutch, French and English. She lives in Brussels and Mexico City. She is a member of the board of Centre Tricontinental (CETRI), which she represents in the International Council of the World Social Forum. She coordinates the global network of Global Social Justice (www.globalsocialjustice.eu). For more information on social commons, see www.socialcommons.eu

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Abbreviations and Acronyms

AIDS	acquired immunodeficiency syndrome
BancoSur	Banco del Sur [Bank of the South]
BRIC	Brazil, Russia, India and China
CEO	chief executive officer
CGD	Center for Global Development
CTT	currency transaction tax
ECLAC	Economic Commission for Latin America and the Caribbean (United Nations)
EU	European Union
FTT	financial transaction tax
G20	Group of Twenty
GDP	gross domestic product
GFI	Global Financial Integrity
HIV	human immunodeficiency virus
HNWI	high-net-worth individual
ICIJ	International Consortium of Investigative Journalists
IDS	Institute of Development Studies
ILO	International Labour Organisation
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
LuxLeaks	Luxembourg Leaks
MDG	millennium development goals
NGO	non-governmental organisation
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development
P2P	peer-to-peer
PPP	purchasing power parity
REDD	reducing emissions from deforestation and forest degradation
Rio+20	United Nations Conference on Sustainable Development
SDG	sustainable development goals
SPF	social protection floor

SSE	social and solidarity economy
Sucre	Sistema Único de Compensación Regional [Unified System for Regional Compensation]
UN	United Nations
UNDP	United Nations Development Programme
Unicef	United Nations Children’s Fund
UNRISD	United Nations Research Institute for Social Development
WTO	World Trade Organisation

Preface

The existence of poverty in the first city of the nation fifty years after the great Mexican revolution raises serious questions about the extent to which the Revolution has achieved its social objectives. Judging from the Sanchez family, their friends, neighbours and relatives, the essential promise of the Revolution has yet to be fulfilled.

This assertion is made in the full knowledge of the impressive and far-reaching changes which have been brought about by the Mexican revolution – the transformation of a semi-feudal economy, the distribution of land to the peasants, the emancipation of the Indian, the strengthening of labor's position, the spread of public education, the nationalisation of oil and the railroads, and the emergence of a new middle class. Since 1940 the economy has been expanding and the country has become acutely production conscious. Leading newspapers report daily in their headlines record-breaking achievements in agriculture and industry and proudly announce huge gold reserves in the national treasury. A boom spirit has been created which is reminiscent of the great expansion in the United States at the turn of the century.

Despite the increased production and the apparent prosperity, the uneven distribution of the growing national wealth has made the disparity between the incomes of the rich and the poor more striking than ever before. And despite some rise in the standard of living for the general population, in 1955 over 60 % of the population were still ill fed, ill housed, and ill clothed, 40 % were illiterate, and 46 % of the nation's children were not going to school. A chronic inflation since 1940 has squeezed the real income of the poor, and the cost of living for workers in Mexico City has risen over five times since 1939.... It is common knowledge that the Mexican economy cannot give jobs to all of its people. From 1942 to 1955 about a million and a half Mexicans came to the US as braceros or temporary agricultural labourers and this figure does not include 'wetbacks' or other illegal immigrants. Were the US suddenly to close its borders to the braceros, a major crisis would probably occur in Mexico.

Oscar Lewis, *The Children of Sanchez*

The Children of Sanchez is a brilliantly realised anthropological study of a poor Mexican family, written by Oscar Lewis in the 1950s and published in 1961. In 1964 it was translated into Spanish and published in Mexico, almost exactly 50 years ago. The reactions were all but positive. There was outrage because poor people spoke openly about their daily lives, about their joys and their pains, about their loves and their sexuality. But most of all because it was a US scholar, a foreigner, who spoke about the

existence of dire poverty in the capital city of this then ‘emerging’ country. This was unacceptable!

I have chosen this book to accompany my reasoning on social protection and social commons because I worked in Mexico City in the winter of 2014/2015. It is amazing how many situations described in Lewis’s book remain exactly the same today, the poverty as well as the ‘emerging’ nature of the Mexican economy and democracy.

But most of all, I guess that all the problems described by Jesus, the father of four (official) children (Manuel, Roberto, Consuelo and Marta), are typical problems of poor people, wherever they live, from Latin America to Asia and to Africa. The ‘culture’ of poverty, a way of life developed as a consequence of unmet needs and deprivations, the frustrated aspirations, but also the hopes and joys of a life with little dignity, will be recognised by poor people all over the world.

* * *

Two years ago I published an e-book, *Rethinking Social Protection*. It was ‘work in progress’, the first expression of my thoughts about the need for better protection for people in times of crisis. Since then many things have happened. In western Europe a lively debate is going on about the basic income, an idea I do not share though I have taken its most interesting elements into my concept of social commons; in Asia a strong demand for a state-driven social protection is being expressed; in Africa the debate is very timidly starting; and in Latin America, where structural adjustment in the 1980s caused havoc in social policies, most attention goes to the ecological question. Social expenditures have gone up in the past decade, though mainly for the poor. The middle classes are suffering.

This book on the social commons hopes to be an answer to the growing doubts and questions about what to do against the consequences of neoliberal policies and how to prepare a better future. To my own great frustration, the left is very reluctant to discuss social protection. They will have good reasons for it, but it is my conviction that a political promise of social protection will not only strongly help the process of building new power relations and left-wing majorities in all countries but will also contribute to systemic change. Let us be very clear about this: there is no future for this world’s populations if our economies will not fundamentally change and take into account the consequences of the social and ecological crisis.

What I explain in this book is how a better and stronger social protection, for people and for societies, taking into account all human rights as well as environmental rights, is a necessary first step that will inevitably lead to different economic and political thinking. I call it social commons because the self-organisation, the role of people in deciding what they want and need is essential in order to prepare for a better democracy and a healthy environment. What it is about is the sustainability of life, of people and of nature.

But then, what is your alternative? Social protection is something of the past; please look at the future. These are but some of the standard objections one hears when criticising the loss of solidarity in our societies. Having started my research on poverty and globalisation some 20 years ago, I automatically ended up with questions around inequality and finally social protection. Poverty will never be eradicated without a broad and general worldwide solidarity movement. Many people have influenced my thinking in the past years, negatively and positively. Some have helped me in terms of content, others shocked me, while still others helped with a glass of wine in a difficult moment. I have to thank them all, since they contributed to the coming about of my reflections on social commons. Some may be surprised to find their name in this list, but they are surely aware that we are all interdependent and no one can work without the willing, the unwilling or even unconscious contributions of others. They are Ginette Bauwens, Michel Bauwens, Stephen Bouquin, Sandeep Chachra, Leonor Aída Concha, Sarah Cook, Maris de la Cruz, Priti Darooka, Bob Deacon, Chantal Delmas, Tina Ebro, Eric Goeman, Ian Gough, François Houtart, Bruno Jetin, Rajesh Makwana, Gus Massiah, Meena Mennon, Armando de Negri, Melik Özden, Wolfgang Pape, Philippe Van Parijs, Freddy De Pauw, Riccardo Petrella, Geoffrey Pleyers, Marjolijn Prior, Aziz Rhali, Belgacem Sabri, Claudio Schuftan, Amit Sengupta, Paul Sinnappan, Paul Stubbs, Nicholas Taylor, Garance Upham, Leen Vander Vorst, Linus Vanhellemont, Dominique Willaert, Fiona Williams, Ilcheong Yi and the many others I may have forgotten. And of course I have to thank Gareth Richards very warmly for his patient editing work that makes it all possible.

I hope you will enjoy the book.

Francine Mestrum

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Introduction

On the Sustainability of Life

That is why I don't worry myself about anything but my work. I don't know potatoes about politics. I read one or two paragraphs in the newspapers, but I don't take it seriously. Nothing in the news is important to me. A few days ago I read something about the leftists. But I don't know what is the left or what is the right, or what is communism. I am interested in only one thing ... to get money to cover my expenses and to see my family is more or less well. The worker should only see that his family has what it needs, that there should be food at home. Politics is very complicated and let those who were born to it take care of it. If there is a third world war, the gentlemen who provoked it will go to the grave with millions of others. I don't worry much about it. (Jesus)

Down deep, I felt a strong hurt and anger, but it was better that these were not aroused for I was capable of taking terrible vengeance against those who had damaged me. I really did not wish to harm anyone, least of all my father, and I would rather quietly suffer the pain that slept inside me. It was enough that I could again look with defiance at anyone who insulted or humiliated me. I felt I could assert myself and reject what did me harm. It was enough that I could face the world without fear. (Consuelo)

When I think of how close death is to us, and that only God knows which of us will wake up the next morning. I say why don't we do everything possible to make life happy for others? For example, my aunt is not going to last much longer on this earth and I would like to do something for her, but all my good intentions turn out bad because the very thought that I too may cease to exist from one moment to the other, prevents me from doing anything. (Marta)

While I am writing these first lines of what I hope will become a new book on social protection, converted into social commons, I hear the anger, the hope, the demands of tens of thousands of Mexicans, walking through the centre of Mexico City in one more march against their government. More than two months ago, 43 young male students of Iguala, a small city south of the capital, were disappeared. They have not been heard of again, there is no evidence of their murder though it is almost sure. 'Alive they have been taken. Alive we want them back'.

What are 43 young people, among the more than 20,000 that disappeared in Mexico during the past eight years? What are 43 possibly murdered young men next to the about

80,000 people that were killed in the same period of time? With total impunity. The government blames the drug cartels and organised crime. These groups have links with police forces, with local and national politicians and with the army. People are oppressed, blackmailed, robbed of their livelihoods, scared to death. The 43 students were taken by the local police and transferred to a criminal gang. It is said the military were involved. 'It was the State' is what the people shout.

It was the crime that changed resistance. Mexico is used to popular resistance, strikes, occupations, rebellions. Most of these movements are short-lived. Today, the fear has gone, people now fully understand there is no democracy in their country, their president cannot deliver on his promises, the violence is widespread and can hardly be stopped anymore. All people, or should we say the 99 per cent, want change. They want their students back, they want to live and work in dignity. They want a future.

Two years ago, the media were full of praise for this 'emerging economy', member of the Organisation for Economic Cooperation and Development (OECD), when the old party, which had been in power for more than 70 years, was back after an oppositional period of 12 years. The young, dynamic president, Enrique Peña Nieto, was going to change the country, so it was said.

Two years later, the nation's pride, its nationalised oil industry has been opened to foreign investment. The media have been regulated. The educational system has been reformed. Labour rights have been flexibilised. And more than half of the population remains poor. Economic growth did not recover. 'We are not the same anymore', people say.

Mexico may be an extreme example. But it has nothing very special, just more of everything that can be seen in other countries under neoliberal rule. The national economy is sold to foreign corporate interests. If there is growth it is captured by the one per cent. The state has abandoned what was once its core mission, respect for the social pact, the protection of its people. Those who resist the impoverishment process are blamed for being terrorists and imprisoned, if they were not killed before. There are hundreds of political prisoners. The judicial system becomes irrelevant for normal people. The formal democratic political system has become a mere procedural question. The president has all the symbols of power but has lost all legitimacy. The state was eroded, because a state that only cares for markets will fall victim to these markets.

This is the context in which new forms of resistance are flourishing, all over the world. Where formerly almost all protests were centred on labour and the survival of

workers, the new resistance has overcome these limits and now concerns the whole of society with demands going beyond economic and social rights. Today the protests concern poverty and inequality, security and, most of all, ecology. People protest against the building of dams and against extractivism, against land grabbing and genetically modified organisms, in favour of food sovereignty and food security, against illicit capital flows, tax evasion and corruption, against cyber spies and the violation of privacy, against the lack of democracy and the violation of human rights.

What this means is that people today not only fight for their proper survival within the system. They realise the system itself is broken and cannot solve the problems they face. But they also reject the ‘old-fashioned’ hierarchical way of doing politics, the way of working of institutionalised social movements and of political parties. ‘*Que se vayan todos*’ is a rallying cry heard all over the world. People do not trust the system any more and do not trust its representatives any more. They experiment with new forms of organising – horizontalism – and reject many of the old ways of thinking in terms of left and right, or capitalism versus socialism.

There are good reasons to have some doubts on the sustainability of these new forms of thinking if we want to win the struggles we are faced with. Because there *is* a difference between left and right and the changes that are needed concern also the left itself. There are also good reasons to question the old way of organising, the old ideological dichotomies, the lack of internal democracy of many organisations, the patriarchy. The new may not have been born yet, but the old is surely dying. And, most probably, the future will not be new white against old black, but some ‘shade of grey’ with hopefully some touches of pink and blue.

A new political culture, as the World Social Forum has preached since 2001, is not there yet, but it is badly needed. From ‘another world is possible’ we have now arrived at the moment where people realise they have to make this new world themselves. They know history is in their hands and they will make it happen. If not tomorrow, then the day after.

Beyond Modernity

This book is not meant to analyse the many failures of capitalism, nor the shortcomings of socialism, nor the emergence of new social movements. In today’s world, it is easy to see the crimes of an economic system that leaves hundreds of millions of people

extremely poor and hungry, that gives half of all wealth to just one per cent of the population that destroys nature and fights war against the enemies it created.

The alternative for capitalism is socialism. But what does it mean? And is there a majority of people who want it?

The problem is that capitalism and socialism are two sides of one single coin called modernity. And we have to thank the Latin American left who were the first to point to the many shortcomings of this modernity, the belief in endless progress, the need for growth, the opposition of humankind to nature. I am not among those that want to reject modernity, on the contrary. Because it has also given us a belief in individual capacity, in universal human rights, in the equality between all human beings and in the necessary separation of state and church. But it cannot be denied that the West has for a very long time and very cautiously been monopolising these values for its own male population, while only slowly giving in to women and flatly refusing them for other populations. While universal human rights were preached in Europe, people in America, Africa and Asia were colonised, enslaved and murdered.

Furthermore, today's ecological crisis shows that we cannot endlessly have economic growth and, most of all, that we have to be aware of the fact that humankind is part of nature, and that we have to re-examine the relationship between the two.

These are but some basic principles that oblige us to rethink our ideological framework. Rejecting capitalism is one thing, but do we really have to develop productive forces endlessly? There is a severe class conflict going on, but do we have to eliminate the dominant class, as happened all too often in the past? And where does it start? Do we not also have to seriously analyse the existence of a huge middle class in many of our societies? Twenty-five years after the fall of the Berlin Wall socialism has not been redefined yet. Will it, can it, ever?

These reflections make me think that yes, we have to look for something new. Modernity has reached its limits, capitalism is faced with its own contradictions, but socialism, as it was understood in the twentieth century cannot be the answer. The 'socialism of the twenty-first century' as Venezuela's Hugo Chávez or Ecuador's Rafael Correa preached it is not sustainable either. In Europe, several left-wing forces are trying out a formula of 'eco-socialism' without being very clear on what it means. Adding an ecological dimension to existing socialist theories cannot be enough and may never work out.

The painful finding is that all socialist countries that exist or have existed were excellent in socially protecting their people against markets, but were unable to put into place a sustainable economic system. This was true for the Soviet Union, where planning reached absurd proportions, as it is true for today's Venezuela where, in spite of high oil prices, it was not possible to diversify the economy.

If we want to fight for socialism, we will first have to redefine it.

The Commons

An interesting new strand of thinking concerns a return to the 'commons', even if, here again, thoughts are not very clear yet. But it is a promising avenue and Global Social Justice, my organisation, has been working on it for a couple of years. This is what this book is about.

'Commons' refer in the first instance to natural resources accessible to all members of society, such as air, water, mountains, forests and land. Commons are the things we all share and which should not be privatised and/or commoditised. The concept of commons is also used for cultural goods, such as our cultural heritage, literature, music, knowledge and digital commons like software. In other words, what commons are about is all the things we need and can share, without impoverishing anyone and which, for obvious ethical reasons, cannot be appropriated by anyone. It is the planet, the air we breathe, the food we eat, the knowledge we have. If we apply this reasoning to our social needs, the points of departure are these.

First, people are social beings, living in society. Individuals emerge from societies and societies are much more than contractual arrangements for satisfying material needs. In fact, they are constitutive of the individual and also serve immaterial needs. This is why we need in the very first place to consider our societies as commons, as a collective and dynamic arrangement that needs to be preserved, while, at the same time, we need to preserve and promote individual rights. We are interdependent. Neoliberalism wants to deny this reality and focuses on individuals and individual responsibility. That is why societies, as such, are threatened and need protection.

Second, all people, wherever they live and in whatever political regime, need protection. Basically, this protection can be given in two different ways. The first is state protection of the physical integrity of people by means of armies and police forces. This means going to war with external enemies and eliminating – killing, imprisoning – internal enemies, today called terrorists. The second protection is by way of economic,

social and cultural rights: allowing all people to live in dignity, and thus peace, preserving their livelihoods.

Both types of protection are needed, though the former may be reduced to a minimum by the latter. Going to war is more difficult in relative wealthy societies and internal dissent has little chance to survive when all people's rights are fulfilled. Today the legitimacy of the state is founded on a social pact, though this is seriously threatened. As we will see in the following chapters, this is more easily said than done. Today's systems of social protection are, in many ways, insufficient or, in many countries, even non-existent. According to the International Labour Organisation (ILO), only around 23 per cent of the world's population enjoys some decent protection of its livelihood.¹

But everywhere, from Brussels, London and Paris to Ouagadougou, Kinshasa, Mexico or Kathmandu, people do want this protection. What they care about is their future and that of their children; they want jobs, a decent wage, old age protection, healthcare and schools. This is what progressive forces all over the world should then also care about. Social protection is a major element of social justice and should be a priority. Conceptualising it as a commons may allow for democratising and expanding it.

Third, as will be explained in Chapter Six, commons can only exist if there are commoners and if there is a commoning process. In other words, it will be a participative endeavour with people deciding what exactly they want, whereas the state will have to guarantee their rights and their choices. Today's dominant system cannot and will not give this, monopolised as it is by economic thinking of rationality, profits and growth.

Social protection, alas, has also too often been a reformist correction mechanism, strengthening more than transforming the capitalist system. It is what Claus Offe called 'the contradictions of the welfare state'.² Capitalism does not want any social protection, while at the same time it cannot survive without it. Social policies emerged with democracy when the political order of 'equality' had to be made credible in order to maintain the stability of the social order.³ The governability of societies had to be

¹ International Labour Organization, *Social Protection Report 2014/15*, Geneva: International Labour Organization, 2014, p. xix.

² Claus Offe, *Contradictions of the Welfare State*, ed. John Keane, London: Hutchinson, 1984.

³ Jacques Donzelot, *L'invention du social: essai sur le déclin des passions politiques*, Paris: Fayard, 1984, p. 25.

guaranteed. This means that if we want to get rid of the current system, we will have to think of solutions that avoid the pitfalls of capitalism and that cannot be recuperated by it. On the contrary, the protective system I am looking for will be a tool for systemic change.

The new social protection system will have to introduce the societal dimension and will have to be socially, economically and ecologically sustainable, which also means it will have to take into account environmental rights. We then truly have to look for something new. This book hopes to be a contribution to this search.

The social commons, as I want to call them, will have to contribute to changes in other sectors. By this I mean we cannot and should not wait for another economic system to start a transformational process in the social sector. Nor should we expect a new economic system to spontaneously lead to better social protection, respect for the environment or more democracy. Work has to be done at these different levels, preferably simultaneously, but all change at any level will have repercussions on the other levels. The fragmentation of different political priorities has to be left behind. Small steps in one sector can lead to more small steps in other sectors. The opposition between the productive and the reproductive systems will have to be overcome, both being equally important.

Interlinkages

It has often been emphasised that social justice and climate justice are interlinked. There is a lot of scholarly work that shows how poor people are the first and major victims of environmental degradation. Also, environmental solutions have been designed in such a way that they first of all benefit the most vulnerable members of societies.⁴ Even the World Bank treats the social and the environmental at the same level, seeing both as ‘assets’ in governments’ portfolios. They should be taken care of, since overexploitation leads to social conflict.⁵

The Latin American thinking on ‘*buen vivir*’ makes very clear what is at stake and where different threads do come together.⁶ Social protection is about social

⁴ Ian Gough, ‘The challenge of climate change for social policy’, plenary lecture delivered at the Social Policy Association Annual Conference, Sheffield University, 10 July 2013, at: www.Personal.lse.ac.uk/goughi/research.htm.

⁵ World Bank, *World Development Report 2003: Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and Quality of Life*, Washington, DC: World Bank, 2003.

⁶ Irene León, coord., *Sumak Kawsay: buen vivir y cambios civilizatorios*, Quito: Fundación de Estudios, Acción y Participación Social, 2010.

reproduction like environmental protection is about preserving the possibility of nature to regenerate. We should care for nature as we should care for people. ‘Care’ is at the centre of feminist economic theory, which rejects the rationality of economic thinking around the *homo economicus* and the self-interested man. The dominant economic thinking not only externalised the care for human life but also externalised nature. Reproduction is only possible as long as women do the unpaid care work and nature can be exploited. That situation has now come to an end. Etymologically, ‘economy’ is the household management, whereas ‘ecology’ is the science of the household of nature. Economy should be about life and the preservation of life, in the same way as ecology. The economy, social protection and climate justice, then, are all about the sustainability of life. This should be the major objective. It is the point where they converge and should strengthen each other.

This is what social commons are about. This is how they can be transformative and how it can help to reshape our thinking, find new definitions, make new alliances, promote change. It can help to make a conceptual renewal.

It will require a long series of small steps at the economic, the social and the environmental levels. There is no need to leave behind our old beliefs, but it is necessary to carefully question them, to see what is useful and what is not, what will bring us closer to a better future and what will not. This is particularly true of modernity and Marxism, which have taught us very important lessons but which have too many shortcomings for preparing a better world.

That is why we have to speak of a civilisational crisis, more than of financial, economic, ecological or social crises. Today our economy is at war with life on earth. Unfettered markets are not compatible with the contraction in humanity’s use of resources.⁷ One way or another, the planet will survive, but it is not sure that humanity will. We need to radically change our thinking if we want to have a future.

⁷ Naomi Klein, *This Changes Everything: Capitalism vs. the Climate*, New York, Simon & Schuster, 2014.

Democracy and the State

Capitalism and neoliberalism, social protection and climate justice: these are the urgent points to be tackled. But they are not alone, since they cannot be dissociated from our political system, from the way our democracy functions and the missions our states want to fulfil. Our democracies already have been seriously eroded by neoliberalism. The economy is no longer part of it. Rules have been defined and are being imposed by international organisations or in trade agreements without citizens even being informed.⁸

The neoliberal state, as Francis Fukuyama explained, has much strength but little scope.⁹ It does not have to intervene in the productive process but has only to create an enabling environment for markets and investors. It has to promote competitiveness and protect property rights. It has to be accountable and install the rule of law. It does not have to offer public services or social protection, since the market can do these things better. It only has to care for its (extremely) poor people so as not to let them die on the streets. What should at any rate be avoided is that people attempt to subordinate markets. If need be, social movements have to be repressed, they have to be criminalised.

In neoliberalism, governability means that governments should not get entangled in managing the social needs of various constituencies.¹⁰ And this is precisely what has changed since the 1980s. Social protection is formally not seen as a government task anymore, whereas the continuous failings of global environment conferences show that governments hardly care for our survival. 'Better China than the welfare state'.¹¹ Extreme wealth and authoritarian rule can be a perfect couple.

Add to this the growing strength of multinational corporations demanding special treatment at the level of taxes, social and environmental standards. The cuts in public expenditures also mean states have difficulties in respecting their international commitments, so corporations come in and help with funding international

⁸ John Williamson, *The Progress of Policy Reform in Latin America*, Washington: Institute for International Economics, 1990.

⁹ Francis Fukuyama, *State-Building: Governance and World Order in the 21st Century*, New York: Cornell University Press, 2004.

¹⁰ Richard Seymour, *Against Austerity: How We Can Fix the Crisis They Made*, London: Pluto Press, 2014, p. 76.

¹¹ Cited in Bernard Maris, *Marx, ô Marx, pourquoi m'as-tu abandonné?* Paris: Flammarion, 2012, p. 121.

organisations or even development cooperation. States are ‘captured’ and can hardly make any meaningful difference in politics anymore. Democracy is shrinking rapidly.

The state has no essence and has only a relative autonomy. It should mirror the power relations in society, but today it is clear the 99 per cent have no power. They should reclaim the state, after having reclaimed the streets. It is not enough to claim state power, but it is equally dangerous to abandon the state. We need it to guarantee our rights; we need the state as a partner in the initiatives society wants to take. We need, in other words, an emancipatory state as a result of democratic choices. What we need is a state that is a public service.¹²

Poverty, Inequality and Labour

In today’s world, most problems are interlinked and cannot be solved separately. This does not mean we are powerless. Whatever perspective one takes, whether it is the economy, the social problems or the ecology, all solutions will have consequences on the other dimensions.

This book will take the perspective of the enormous social problems the world is faced with. The reason is that even international organisations are today either promoting poverty reduction or social protection. In reality, however, little is happening and there is little hope this will improve – because, paradoxically, at the same time, welfare states in western Europe are being dismantled. In fact, we are witnessing a fundamental change of the social paradigm. The real objectives of almost all international initiatives are a further neoliberalisation of policies with the objective of protecting markets and growth. This has serious consequences since many well-intentioned social movements want to support international actions and fully support the ‘poor’ and ‘social protection’ all over the world, consciously or unconsciously strengthening an economic system that creates more poverty than it can solve.

But there is a second reason that is extremely worrying. Even progressive movements that know we have no reason to help the World Bank are very reluctant to promote a better social policy. They have various reasons, from seeing social protection as a capitalist reformist measure to ignorance about its past or confidence in its survival. While the right thinks solidarity will hinder growth, the left fears it will make the

¹² Léon Duguit, quoted in Donzelot, *L'invention du social*, p. 93.

revolution impossible.¹³ I think these reasons are totally misplaced, since the demand for protection is at the heart of all popular needs. Moreover, these needs are growing, not only because social protection is being dismantled in the countries where it exists but also because the precariat is growing, because more and more people migrate, because the informal sector is growing and, quite simply, because poverty and inequality are growing. Even where social protection exists, many people have no access to it.

This book can give no blueprint of what social protection, converted into social commons, will have to look like. What it can do is explain the problems we have to solve, point to the false solutions that are now being promoted and explain the shortcomings of our current social systems. It then will explain what a translation in terms of social commons means, to finally give an outline of possible solutions.

It should be clear that all societies will have to make their own choices. They can start with the international initiatives, if they so want, or maybe the social protection floor of the ILO, which could be an excellent starting point. But if they really want to break away from neoliberalism, protect society and integrate the ecological dimension, they can turn to social commons and contribute to the sustainability of life.

The book starts with three chapters that give an overview of the severe social problems our world is faced with: poverty, inequality and working conditions. The main barriers for eradicating *poverty* are the ideological bias with which it is looked at, and the unreliability of poverty statistics. It is 25 years now since poverty was ‘discovered’ by the World Bank and five years later declared a priority for development cooperation. An analysis of the knowledge building done by the World Bank and other United Nations (UN) organisations in the 1990s reveals that in fact this ‘poverty’ preference had nothing to do with social policies. It was a way of giving neoliberal globalisation a human face and the policies proposed did not change anything at the level of the Washington Consensus. In fact poverty reduction was perfectly compatible with neoliberalism. And most importantly, while promoting poverty policies, the World Bank and United Nations Development Programme (UNDP) were dismissing social protection. This was not a state mission, according to the Bank, and reducing poverty

¹³ *Ibid.*, p. 25.

had more to do with economic growth than with redistribution. If people wanted social insurances, they only had to buy them on the marketplace.¹⁴

If we really want to fight poverty or, even better, to ban poverty, we need another analysis of the structural causes of poverty. But this ideological debate never takes place. Poverty cannot be eradicated within capitalism; it cannot be solved only with growth. Poverty is not a problem of poor people but is the consequence of a bias in the distribution of incomes and production in society. It is thus a problem of the whole of society and that is the level at which it has to be tackled. It is the mainstream economic paradigm that has to be questioned. It is the impoverishment process that has to be stopped.

The second huge social problem we are faced with is *inequality*. Here, research has been prolific in the last few years. While inequality was totally ignored at the global level for years, we now have annual reports on the world's wealthy people;¹⁵ we have an excellent analysis by Thomas Piketty who explains how capitalism necessarily induces inequality;¹⁶ and we have a wonderful study by Richard Wilkinson and Kate Pickett on the negative consequences of inequality for the whole of society.¹⁷ Neoliberals have no problem with inequality. As long as all prosper, and even as the ones at the top prosper much more than the ones at the bottom, everyone is happy. It can partly be a matter of talents, but mostly it will be a consequence of efforts. Distributive justice, Friedrich Hayek said, is the road to serfdom.¹⁸ Today we know that inequality hinders growth and is a cause of poverty.

The third problem we will have to look at is *labour*. Here again, we can only say the problem has worsened. Unemployment keeps growing, especially among young people. Wages remain low and the precariat is growing as well. Migrant workers, 'illegal' residents, the growing group of informal sector workers, the workers in Northern rich countries who lose their rights and are often forced to accept 'mini-jobs' or 'voluntary' community work – this is the growing army that is not even a 'reserve

¹⁴ Francine Mestrum, *Mondialisation et pauvreté: de l'utilité de la pauvreté dans le nouvel ordre mondial*, Paris: L'Harmattan, 2002.

¹⁵ See, for example, the yearly *World Wealth Reports* published by CapGemini and Merrill Lynch.

¹⁶ Thomas Piketty, *Le capital au XXIème siècle*, Paris: Seuil, 2013; and in English as Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer, Cambridge, MA: Harvard University Press, 2014.

¹⁷ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger*, New York: Bloomsbury, 2009.

¹⁸ F.A. Hayek, *The Road to Serfdom*, 2nd ed., London: Routledge & Kegan Paul, 1976 [1944].

army'. These are the people capitalism does not need anymore; they become economically useless in capitalist terms.

Add to this the growing 'on demand' economy where people are not recruited anymore with fixed contracts but work as freelancers, being available most of the time and being called upon to go and work for a couple of hours, a whole day or a whole week. This may indeed have advantages for students or housewives, but can never be a way for people to build their futures.¹⁹ Today this labour market is totally unregulated. Moreover, what has also become clear in the past two years is that the emerging robotisation and the innovations in the production process – such as 3D printing – will destroy many more jobs.

These urgent social problems are not the only ones we are faced with. As a consequence of worsening living conditions in most countries migration is growing. Thousands of people die every year trying to enter the European Union (EU) or the United States. Those who succeed have to live and work in misery. But even migration from so-called rich countries, like Spain and Portugal, is growing. What the European Union has done to these countries has led to a massive brain drain to Germany as well as to Angola or Brazil.

What Then?

Faced with these problems, and the impossibility of capitalism solving them, what are the alternatives?

Chapter Four gives an overview of two solutions that, in my view, are not satisfactory. One is 'post-development' and, linked to it, the basic income. Although its criticism of modernity has inspired the '*buen vivir*' philosophy, it is to my eyes too drastic in its rejection of it. We may refuse the concept of development, but social change and modernisation are necessary in many countries if we want to give people a chance for building a future. Anti-modernism can lead to fundamentalism, as the evidence in the Middle East and elsewhere today shows. As for the basic income, it is a drastic and at first sight attractive idea for eradicating poverty without any stigmatisation of the poor: give all people, rich and poor, a basic income. This is a fundamental liberal and individualistic proposal that rejects the collective solidarity of social protection. Moreover, it is based on the erroneous idea that equality can be

¹⁹ *The Economist*, 'The on-demand economy: workers on tap', 3 January 2015.

achieved by treating unequal people equally. But as Amartya Sen has brilliantly demonstrated, equality can only be achieved by treating unequal people unequally.²⁰ We all have the same rights, but some of us will need more help than others. Just think of disabled or chronically ill people. Diversity is the main characteristic of all our societies. Moreover, wasting huge sums of money, paid to people who do not need it, at the cost of the social protection mechanisms, does not seem the best solution. Advocates of the basic income ignore the revolutionary changes social protection has brought about in the past. This has now become a very difficult discussion in many western European countries, so I will explain in detail why this ‘solution’ is incompatible with social security. It is indeed social security and labour law that allowed the ILO to claim that ‘labour is not a commodity’ because it fundamentally changed the power relations between labour and capital.

The second solution is called the ‘social protection floor’ and comes from the ILO. This is certainly very interesting and, if implemented as the ILO proposes, would mean tremendous progress for the world’s population. However, some ambiguities remain and the social protection floor is not meant to change the economic system. As a starting point for social commons, however, it certainly has to be supported.

Chapter Five then turns to the limits of the existing welfare states and why they have to be fundamentally reformed. These reasons have to do with their history as well as with the changing economic and social circumstances: the massive arrival of women in the labour market, the migration flows, the technological changes. The difficulties in rethinking the welfare states are linked to the failing theoretical base, though some authors can help us to redefine the needs for the future. There is a need to repoliticise social protection and to stop seeing it as a mere management technique. The chapter also shows why we have to look beyond human rights because these do not challenge the social structure itself.²¹ The social commons we want to propose will also take into account the immaterial needs of people.

Chapter Six explains what commons and social commons can mean. It delineates their major characteristics, their differences with the current social protection and the different ways in which they go beyond human rights and redistribution. The challenge for social commons is to combine the protection of society with the protection and

²⁰ Amartya Sen, *Inequality Reexamined*, Oxford: Clarendon Press, 1992.

²¹ Fiona Williams, *Social Policy: A Critical Introduction: Issues of Race, Gender and Class*, Cambridge: Polity Press, 1989, p. 43.

promotion of individual rights, as well as to overcome old ways of dichotomic thinking. They have to link social protection to the economy and to the environment. Social commons can be truly emancipatory if they also combine the democratic and participatory approach with a partner state that guarantees the rights on which it is based. But in the end, social commons are nothing other than a conceptual framework in which we can expand and improve our social protection and link up the social movements with climate justice movements. As I noted earlier, it is about the sustainability of life. Chapter Six also explains the links with feminist economic theory and with different economic alternatives that are now emerging, such as the sharing economy, peer-to-peer production, and social and solidarity economy.

Chapter Seven is needed to clarify that, obviously, no serious changes will be possible if we do not transform our democracies with a redefinition of states, reform our tax systems, introduce international taxes and solidarity, and if we do not rethink globalisation. Today not one single country is able to find solutions just for itself. Our world has indeed become a global village. In the same way as our economies and our environment, our social policies will need to be 'multilevel', with some rules being defined, democratically, at the local level, while others will come about, just as democratically, at the national, the continental or the global levels.

Having all the elements, then, to build the social commons, Chapter Eight outlines in 20 points what they may consist of. Again, this is not a blueprint, just a series of ideas that might usefully be used by social movements who want to move in this direction.

The conclusion repeats the need for a total reshaping of our thinking and for repoliticising the discussion on social protection. This should be a priority for progressive social movements. Trade unions should come out of their defensive position and take the lead for a progressive renewal of our social paradigm. Social justice has always been the major asset for the left.

This is not meant to be an academic book, by which I mean that the ideas matter more than their theoretical justification. I have tried to write a convincing story, in plain language, in order to try and stimulate people to experiment with new concepts, new policies, new alliances. I sincerely hope it can become an element of strategy for social movements and progressive parties who need to build strong majorities. And I hope it contributes to the building of a better world.

Words, Words, Words ... What Are We Talking About?

A brief clarification of *terminology* can help to see and understand what different concepts mean.

Social protection is usually the overarching/umbrella concept for different social policies. It includes social security, social assistance, public services and labour law. Today, for some international organisations, social protection is more or less synonymous with poverty reduction policies.

Social security is a system based on collective insurances against economic and social hazards, such as sickness, unemployment, labour accidents, etc. It usually also includes collective saving systems for old age pensions, child and family allowances, help for disabled people, etc. It is linked to formal labour relations and usually paid for by contributions of workers and employers.

Social insurance is the private version of social security. Instead of collectively and publicly insuring all people, individuals and families can buy insurance on the private market. This will inevitably influence the fees to be paid, since they will be based on individual characteristics and risk factors.

Social assistance is, in western Europe and Scandinavia, a residual system for those who are not active in the labour market and do not receive unemployment allowances or pensions. It is a kind of anti-poverty system that gives beneficiaries an amount of money close to the poverty line. In Third World countries, social assistance is very often limited to some kind of cash transfer, a limited amount of money that is usually linked to certain conditions. These cash transfers are paid out of tax money and are thus non-contributory, contrary to social security.

Welfare states is the name given to the rather complete systems of social protection developed in some western European and Scandinavian countries, where almost all of the people were covered and labour markets provided almost full employment.

Social protection floors (SPF) is the name given by the ILO to basic social protection that could and should be introduced in all countries for all people rendered poor and vulnerable. It should include essential healthcare, basic income security for children, giving access to food, education, healthcare and other necessary goods and

services, basic income security for those in active age unable to earn sufficient income, as well as basic social pensions.

Millennium development goals' (MDG) and post-2015 agenda: at the UN Millennium Summit of 2000, the general assembly adopted a declaration from which, afterwards, eight objectives were taken linked to social policies, environmental protection and commitments from the rich countries. The first and main objective was the halving of extreme poverty between 1990 and 2015. Very few objectives have been met and negotiations are now going on in order to prepare a new agenda for after 2015. Social protection, the fight against inequality and sustainable development are among the major demands for the new agenda.

Poverty reduction policies: Poverty was put on the international agenda in 1990 by the World Bank. In 1999 it adopted, together with the IMF, its new poverty reduction agenda, obliging poor countries to introduce a poverty reduction strategy paper (PRSP) if they wanted concessional lending or debt rescheduling. While focusing on extreme poverty, healthcare and education, the main thrust of these PRSPs was macroeconomic and institutional structural reform.

Safety nets are the typical mechanisms promoted by the World Bank in order to help poor people suffering from 'shocks'. They are temporary anti-poverty measures.

Workfare is another anti-poverty measure promoted by the World Bank. Instead of giving cash transfers, poor people are asked to engage in public work and will receive (mostly very low) wages.

Part I
The Problems

Chapter One

Poverty

Those gentlemen who rule over us have expensive cars and many millions in the bank, but they don't see what is underneath where the poor people live.... There is not enough money, not enough work and everything is so expensive, prices went up again today. The cost of living has gone up a great deal within a few days. For example, take a family with eight, or six mouths to feed. How are you going to support them on a wage of eleven pesos a day? True, they've raised the minimum wage a peso a day. What does a peso amount to if the stuff you buy has gone up three or four times? Well, that's the way it is. We need different rulers who can make a better study of Mexico's problem and do something for the people, for the worker and the peasant, because they are the ones who most need help.... For mothers, and the kids half naked! You see kids five and ten years old with tuberculosis. What do you think is the reason? (Jesus)

How do I know what will happen to me in the next world? If I have ten pesos in my pocket, and feel like having a sweet, I'll buy it, even if my other expenses are not taken care of. So that I won't be left with just my desires, eh? I hate to deny myself little things. I have often asked myself, what is worth more at the end of one's life, the things one has accumulated or the satisfactions one has experienced? I believe that human experience is worth more, no? And although I have worked all my life, now, when I want to go somewhere, I go in a taxi. I never travel in a bus.

If I go into a restaurant, I don't order beans. I order a fried steak or a couple of eggs. If I want to sit down, I sit; if I don't feel like getting up in the morning, I sleep. Yes, the best heritage I can leave my children to teach them is how to live. I don't want them to be fools.... I swear by my mother, I won't let them become ordinary workers. (Manuel)

For nearly a quarter of a century, the theme of poverty has occupied a prominent place on the international community's political agenda. The fight against poverty has become the official priority of development cooperation programmes. It has also become a priority for the European Union (EU) and several governments. Such focus and effort are reassuring, obviously, because poverty should not exist in a world that is so immensely rich. The obvious question therefore is why is it apparently so difficult to eradicate poverty?

Many answers can be given to this question, linked to the conceptualisation of poverty and to the strategies that have been put into place. And answers can also be

given in terms of the intentions of those who are promoting poverty reduction policies. This chapter should make clear that poverty is not only a painful reality for far too many people but that it is also a very useful ideology.

What Is Poverty?

I should like to recall a few basic points.¹ First, although poverty certainly existed in Third World countries before and after the decolonisation process, there was never any reference to it in the early documents of international organisations. The UN wrote reports on the ‘social situation’ in the world, including in ‘underdeveloped countries’ but never spoke of ‘poverty’. Problems such as healthcare, education, housing and so on were mentioned. Poverty was put on the agenda at the beginning of the 1970s, but rapidly disappeared again, after the World Bank chairman Robert McNamara declared that extreme poverty would be eradicated by 2000.² It came back in full force in 1990 with the World Bank’s major publication, *World Development Report: Poverty*.³

Second, at that time the World Bank had no statistics on world poverty. It had studies on barely 22 countries and was working with estimations, extrapolations and generalisations.⁴ Since then it has recalculated its estimates many times, giving rise to serious doubts about the reliability of its statistics.

Third, poverty is a multidisciplinary topic, with economists, sociologists, historians, anthropologists and psychologists organising their research, with each group operating in a different theoretical framework. There is no common definition and no consensus on what poverty really is.

Fourth, this leads to a very biased ‘global consensus’, namely that poverty is a ‘multidimensional’ problem, by which is meant that it is more than, or something rather different to, an income deficit. However, if the causes and consequences are included in the definition of poverty – lack of healthcare, education, adequate housing,

¹ For a full analysis of the poverty discourse of the 1990s see Francine Mestrum, *Mondialisation et pauvreté: de l'utilité de la pauvreté dans le nouvel ordre mondial*, Paris: L'Harmattan, 2002; and for a brief summary see Francine Mestrum and Melik Özden, *The Fight against Poverty and Human Rights*, Geneva: Centre Europe – Tiers Monde (CETIM), 2012, available at: http://www.cetim.ch/en/documents/report_11.pdf.

² Robert McNamara, *Address to the Board of Governors (Nairobi)*, Washington, DC: International Bank for Reconstruction and Development, 1973.

³ World Bank, *World Development Report 1990: Poverty*, Washington, DC: World Bank, 1990.

⁴ The ILO published what statistics were available on poverty in the Third World. See Hamid Tabatabai, *Statistics on Poverty and Income Distribution: An ILO Compendium of Data*, Geneva: International Labour Organization, 1996.

empowerment and so on – there is no longer any need to research the real causes of poverty. It seems obvious that – in a market economy – a decent income would make many of these ‘multidimensional problems’ vanish like snow in the sun. Clearly, anti-poverty policies can and should be multidimensional, but their goal should be to give poor people an income enabling them to live in dignity.

Fifth, this already points to a research problem. Much very serious work has been done in the past two decades, though mostly on measuring and multidimensionality. Only recently did the World Bank recommend looking into the relationship between poverty and jobs,⁵ though two years later it published a report in which poverty became a ‘cognitive tax’, a behavioural matter.⁶

Sixth, many of the questions can be answered by referring to historical research that shows how poverty has never been put on the political agenda because of poor people.⁷ It is usually linked to a search for legitimacy or the need to hide other policy objectives. According to Georg Simmel, the father of poverty sociology, poverty reduction policies are never in the first place aimed at poor people. The poor are only, at best, ‘collateral beneficiaries’.⁸

Finally, poverty is always presented as a ‘neutral’ or ‘apolitical’ problem. It is a consensus topic: all agree we have to fight it. In this way, the deep underlying ideological differences disappear, whereas they should perhaps be recalled.

For neoliberals, poverty is, above all, a natural occurrence, an individual problem and a matter of exclusion from markets. The fight against poverty should thus be limited to absolute and extreme poverty, up to the level where individuals can fend for themselves. For (neo)conservatives, poverty is a cultural and moral problem linked to a marginal existence. If people are poor, they above all have to blame themselves. To

⁵ World Bank, *World Development Report 2013: Jobs*, Washington, DC: World Bank, 2013, p. 34.

⁶ World Bank, *World Development Report 2015: Mind, Society, and Behavior*, Washington, DC: World Bank, 2014. See also Francine Mestrum, ‘The psychology of the World Bank’, *Global Social Justice*, 6 December 2014, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=818:the-psychology-of-the-world-bank&catid=5:analysis&Itemid=6; Paul Cammack, ‘The World Development Report 2015: programming the poor’, *The Multilateral Development Banks and the Global Financial Crisis Working Paper Series*, no. 7, Southeast Asian Research Centre, City University of Hong Kong, December 2014, available at: <http://ssrn.com/abstract=2542586>.

⁷ Bronisław Geremek, *La potence ou la pitié: L’Europe et les pauvres du moyen âge à nos jours*, Paris: Gallimard, 1987; Philippe Sassier, *Du bon usage des pauvres: histoire d’un thème politique XVIème–XXème siècle*, Paris: Fayard, 1990.

⁸ Georg Simmel, *Les pauvres*, Paris : Presses Universitaires de France, 1998 [1908].

help the poor is unproductive since, as Charles Murray puts it, ‘we made it profitable to be poor’.⁹

For the left, poverty is a social relationship, indeed a social construction and a problem that cannot exist without its opposite: the accumulation of wealth and power in the hands of a minority. The fight against poverty should not only concern overall poverty (absolute and relative) but also inequality.

It is obvious that these choices have considerable consequences for social and economic policies. What is to be measured? Income? Consumption? Health? Literacy? Vulnerability? Inequality? What strategy should be developed to fight poverty? A respect for human rights? A social protection policy? Basic or minimum income? A workfare policy, putting people to work? What economic policies are to be promoted? A policy orientated to the domestic market or to exports? A policy based on everybody’s essential needs or a consumer policy benefiting the interests of transnational corporations? The defence of a balanced budget or a policy of public service development? These questions are rarely discussed.

The documents of the international organisations, just like those of the European Union and certain governments, often remain vague so that their deep meaning is not immediately discernible. In fact, this semantic fog has real advantages. It makes it possible to mask the intentions of the advocates of the fight against poverty, and it facilitates the building of a consensus on the matter. It is true that it is difficult to oppose the fight against poverty. But this initial position should warn us to be vigilant, to avoid being channelled into a course of action that is the opposite to what we really want.

An earlier analysis showed that the poverty discourse of the 1990s helped to displace the development discourse.¹⁰ Economic development disappeared from the agenda, and there was a shift from countries to individuals. Anti-poverty policies were not an improvement of the social development agenda either, as the international organisations explicitly condemned social security. It was in fact a neoliberal agenda intended to complete the Washington Consensus,¹¹ to give it a human face, and aimed at macroeconomic and institutional structural reforms.

⁹ Charles Murray, *Losing Ground: American Social Policy, 1950–1980*, New York: Basic Books, 1984.

¹⁰ Mestrum, *Mondialisation et pauvreté*.

¹¹ John Williamson, *The Progress of Policy Reform in Latin America*, Washington: Institute for International Economics, 1990.

What this teaches us is that poverty is not only a hard reality for too many people, but that it is also an ideology that helps the dominant powers to impose their agenda. Poverty then is never considered in and of itself. It is always viewed in relation to other problems and specific social groups. It is as if poverty, as such, does not exist, as if there were an obstinate refusal to name it, define it correctly and deal with it properly.

This is part of the explanation for why poverty may have diminished during the past 20 years, but why the poverty problem itself did not disappear.

The Game of Numbers

For the World Bank, poverty is a problem of individuals and it is measured in absolute numbers. The ‘extremely poor’ are people living on less than \$1.25 a day, while the ‘poor’ live on less than \$2 a day. It should also be mentioned that while the World Bank is the only institution working on global poverty statistics some regional organisations use their own benchmarks. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) works with nationally defined poverty lines which are far higher than those of the World Bank. The European Union has a relative poverty line and considers ‘at risk of poverty’ all those living on less than 60 per cent of the median income. Many countries also have their own national poverty statistics.

In 1997 the UNDP calculated a ‘human poverty’ index, excluding income but integrating into it life expectancy, literacy, malnutrition of children under five years, lack of drinking water and healthcare, and maternal mortality levels.¹² In its 2011 report the UNDP proposed a new measurement and a multidimensional poverty index, comprising indicators on education, health and standard of living. For the first time, researchers also made comparisons with monetary poverty, though this did not enable clear conclusions to be drawn.¹³

Since 2000 two main anti-poverty strategies have been implemented in parallel by international organisations. The World Bank and the International Monetary Fund (IMF) introduced Poverty Reduction Strategy Papers. These policy documents, ‘owned’ by the governments of poor countries – but mostly written with the

¹² United Nations Development Programme, *Human Development Report 1997*, New York: Oxford University Press, 1997, p. 18.

¹³ Sabina Alkire and Maria Emma Santos, ‘Acute multidimensional poverty: a new index for developing countries’, *Oxford Poverty and Human Development Initiative Working Paper*, no. 38, July 2010; United Nations Development Programme [UNDP], *Human Development Report 2010: The Real Wealth of Nations: Pathways to Human Development*, New York: Palgrave Macmillan, 2010.

collaboration of the Bretton Woods institutions – have to be adopted by the joint staff of the World Bank and IMF. They are said to have been produced in a participatory way, although many problems have arisen concerning the credibility of the documents. At any rate, they are not mainly concerned with poverty and the poor, but with the whole series of structural reforms needed to get funding from Washington.

The second strategy is the series of millennium development goals (MDGs) derived from the Millennium Declaration of the General Assembly of the UN in September 2000. The first goal aims at reducing extreme poverty by half between 1990 and 2015. As we will see, at the global level this goal has been met, though only thanks to the sharp reduction in poverty in China and India. As Table 1.1 shows, poverty hardly diminished in Sub-Saharan Africa. In 2015 these goals will be replaced by sustainable development goals (SDGs), based on the old MDGs and the results of the UN Conference on Sustainable Development (Rio+20), held in Brazil in 2012.¹⁴

Table 1.1: **Extreme poverty in developing countries (less than \$1.25/day)**

Regions	1981		1990		2010	
	%	Popn.	%	Popn.	%	Popn.
East Asia and the Pacific	77.18	1,096.50	56.24	926.42	10.30	207.10
East Europe and Central Asia	1.91	8.21	1.86	8.64	0.60	2.90
Latin America	11.89	43.33	12.24	53.43	4.80	28.30
Middle East and North Africa	9.56	16.48	5.75	12.96	1.70	5.50
South Asia	61.14	568.38	53.81	617.26	29.0	465.30
Sub-Saharan Africa	51.45	204.93	56.53	289.68	48.20	416.40
Average/Total	52.16	1,937.38	43.05	1,908.45	19.10	1,125.50

Note: Measurement in percentage of total population and in number of people (millions).

Source: World Bank, *Global Monitoring Report*, Washington, DC: World Bank, 2014.

¹⁴ United Nations, *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet*, Synthesis Report of the Secretary-General on the Post-2015 Agenda, New York: United Nations, December 2014; *Transforming our world*, http://www.un.org/ga/search/view_doc.asp?symbol=A/69/L.85&Lang=E

In this game of numbers two problems should be mentioned. There are considerable doubts about the reliability of World Bank statistics. Poor countries are unable to carry out regular and very expensive statistical exercises. There is, consequently, a huge problem of missing data, which also concerns the MDGs. Today about half of the figures that do exist are estimates or models, not census data.¹⁵ Furthermore, the World Bank has constantly adapted its methodology. This has led to the very worrying fact that whereas in 1981 extreme poverty was estimated at 800 million people, in 2008 extreme poverty in 1981 was estimated at 1,908 billion people! The main problem concerns the purchasing power parity (PPP) amounts – the conversion rate taking into account the differences in price levels among countries. As simple as this may seem, it is very difficult to put into practice with any precision. The World Bank does not have data for all the countries that it integrates into its statistics. This explains, for example, why it had to ‘correct’ its statistics for China for 2007, admitting that it had overestimated the country’s economy by 40 per cent. And the same happened in 2014. Again the results are sharply different from what was expected, though now in the other direction. PPPs for Africa and Asia, so we are told, were overstated by 20 to 30 per cent! This means that poverty in India will fall by 300 million, in China by 50 million, Nigeria 30 million.... In total, extreme poverty comes down to 571 million people or 8.9 per cent of the population in developing countries.¹⁶ Thus a slight variation in terms of PPP can considerably influence poverty statistics.¹⁷

And even supposing poverty has really been reduced in the world, this has certainly not led to a decent world for the six billion people living above the poverty line, and it is certainly not the case that they are now ‘middle class’. Most people who escape poverty, according to the statistics, do not escape ‘vulnerability’, but remain just above the poverty line with a constant risk of falling back into poverty. In order to be middle

¹⁵ *The Economist*, ‘Off the map’, 15 November 2014, p. 52.

¹⁶ Sarah Dykstra, Charles Kenny and Justin Sandefur, ‘Global absolute poverty fell by almost half on Tuesday’, Center for Global Development, 5 February 2014, available at: <http://www.cgdev.org/blog/global-absolute-poverty-fell-almost-half-tuesday>. These new data are not yet integrated into the formal World Bank statistics.

¹⁷ For some criticisms of the World Bank methodology, see Sanjay G. Reddy and Thomas W. Pogge, ‘How *not* to count the poor, version 6.2’ 29 October 2005, available at: <http://www.columbia.edu/~sr793/count.pdf>; Robert Went, ‘How (not) to measure global poverty and inequality’, paper presented at the International Network for Economic Method (INEM) Conference, Amsterdam, 19–21 August 2004; United Nations, *Re-thinking Poverty: Report on the World Social Situation 2010*, New York: United Nations, Department of Economic and Social Affairs, 2009, p. 45; Sarah Dykstra, Benjamin Dykstra and Justin Sandefur, ‘We just ran twenty-three million queries on the World Bank’s website’, *Center for Global Development Working Paper*, no. 362, April 2014.

class, one should not be vulnerable, which is certainly not the case for many people.¹⁸ Thus there are concrete reasons to question the UNDP's claim that 'the world is a much better place to live in 2010 than it was in 1970'.¹⁹

New Strategies

The fact must be faced that such as they are presently conceived, as part of Washington Consensus policies, poverty reduction policies cannot succeed, and this in spite of the well-intentioned efforts of thousands of social workers and volunteers. How can one claim to fight poverty if, at the same time, one is carrying out policies that create poverty? By privatising public services and charging those who use them, by laying off workers and reducing unemployment compensation, by maintaining social assistance below the poverty level, by privatising pensions, the numbers of the poor can only increase.

By the same token, poverty in the Third World can only be perpetuated by the selling off of immense tracts of land and chasing away the smallholders, thereby opening the way to powerful transnational corporations under no obligation to respect any social, environmental, fiscal or human rights policies, and which underpay workers. The only countries that have succeeded in drastically reducing poverty – China and India – are those that did not have to follow the recipes of the Bretton Woods institutions and which carried out proactive national development strategies. Other successful countries are those that did have to follow Washington Consensus policies, but departed from them by implementing social policies, particularly through monetary transfers, such as Brazil and its Programa Bolsa Família allowances. In western Europe the austerity policies have the same consequence as everywhere else: growing poverty.²⁰

Nevertheless, the World Bank has changed its strategy, once again, and now aims to end extreme poverty or to at least reduce it to 3 per cent by 2030. Furthermore, it wants to promote shared prosperity, by fostering the income growth of the bottom 40 per cent

¹⁸ Andy Sumner, 'The buoyant billions: how 'middle class' are the new middle classes in developing countries (and why does it matter?)', *Center for Global Development Working Paper*, no. 309, October 2012.

¹⁹ George Gray Molina and Mark Purser, 'Human development trends since 1970: a social convergence story', *Human Development Research Paper 2010/02*, United Nations Development Programme, June 2010; UNDP, *Human Development Report 2010*.

²⁰ European Commission, *European Employment and Social Situation: Quarterly Review*, Luxembourg: Publications Office of the European Union, September 2014.

of the population in every country.²¹ This objective has been integrated into the draft SDGs. Its latest *Global Monitoring Report*, however, already states that the prospects do not look good.²²

African people remain very poor and most of the world's poor people live in middle-income countries. This raises two interrelated problems. Countries like India and Bangladesh have high growth figures, as have an increasing number of African countries. This means what many development experts have known for a very long time: growth is not development. Moreover, without adequate policies, growth is not evenly distributed within the population at large. Many Latin American countries, such as Chile and Peru, have had high growth figures for long periods, though without any impact on their poverty rates. Growth can be produced, but also captured by a small proportion of the population and not 'trickle down' to the rural poor, for example. Or the poor may indeed produce growth, such as in textile manufacturing in Bangladesh. But as long as wages and labour conditions remain as low and as bad as they are, the women working in the factories will remain poor – and ill. As for Africa, its growth mainly comes from commodity exports, involving only a small number of workers and not leading to better tax and redistribution policies. In other words, large groups of the population are excluded from growth and development.

But this in turn leads to another problem. Saying people are 'excluded' or maybe even 'discriminated' against means that they are an exception to the rule and that the rule is indeed growth and wealth. More and more development experts question such an assertion. Extreme poverty certainly is unacceptable and can be seen as a consequence of 'accumulation by dispossession' as David Harvey puts it.²³ But can wealth be seen as the 'normal' situation and, above all, can wealth be generalised over the whole world population? Can the billions of poor people really be seen as the 'exception' that has to be integrated into the economic mainstream? Or should we also question that mainstream in order to take into account the ecological limits and the problems of inequality?

The answers to these questions are not easy. But some initial conclusions can be drawn. First, within the current so-called development paradigm, poverty cannot be

²¹ IMF Development Committee, 'World Bank Group strategy', Development Committee, Report no. DC2013-0009, Washington, DC, 18 September 2013.

²² World Bank, *Ending Poverty and Sharing Prosperity: Global Monitoring Report 2014/2015*, Washington, DC: World Bank, 2014, p. 10.

²³ David Harvey, *The New Imperialism*, Oxford: Oxford University Press, 2003.

reduced. Programmes such as the millennium development goals or sustainable development goals do not help. The present trend rate of decline in poverty is no greater since the MDGs were ratified.²⁴ Poverty reduction policies are end-of-the-pipe solutions that can never be adequate when poverty is being created by taking away the livelihood opportunities of farmers, or by imposing low wages and bad labour conditions on workers. If poverty is really to be tackled, these problems will first have to be solved.

Second, the mainstream economic paradigm will have to be questioned. Growth does not lead to development and the wealth it produces cannot be generalised to everyone. Again, this means the poverty problem has to be looked at in a broader context, and poverty must not be considered merely a question of ‘exclusion’ or ‘discrimination’.

Third, however hard the reality for poor people may be, and however urgent serious anti-poverty policies are, poverty may be a less important problem than inequality. Poverty is not a problem of individual people, but it is a social problem that has to be tackled in its social context. Therefore, the whole conceptualisation of poverty will also have to be studied.

Poverty then is not a problem of poor people. It is the consequence of policies that permit the immoral concentration of wealth, the dispossession of livelihood opportunities, the commodification of life, bad labour market policies, lack of adequate tax policies and redistribution and so on. These are the issues that will have to be looked at if we really want to eradicate poverty. These are the issues that will be examined in the following chapters.

The only real solution to poverty is to put an end to the *impoverishment* process. That means setting up an economic and social system subject to democratic control, which will correct inequalities and rectify injustices, an economic system respectful of decent labour standards, the environment and human rights. That will also mean creating a system of social protection and social services, of the kind that has existed in western Europe and did indeed *prevent* poverty. Today the ILO is proposing a social protection floor which could possibly play a similar role (see Chapter 5).

But these are precisely the issues that are absent from the poverty strategies of international financial organisations. The social protection that is proposed today is

²⁴ Martin Ravallion, ‘Benchmarking global poverty reduction’, *World Bank Policy Research Working Paper*, no. 6205, September 2012.

very different from what it was in the past and is now compatible with neoliberal policies. So maybe the purpose of existing strategies was and is not to eliminate poverty. Maybe it was indeed only to legitimate those organisations, to avoid major social conflicts and to give a human face to globalisation and structural adjustment, while delegitimising rather than promoting social security policies. In that case those who think that ‘the more we focus on poverty, the less likely we are to be successful in poverty reduction’ are right.²⁵

These are the reasons why we have to look carefully at the new proposals for social protection. Good concepts are sometimes completely derailed because of the political context in which they are put into practice.

²⁵ Jimi O. Adesina, ‘Rethinking the social protection paradigm: social policies in Africa’s development’, paper prepared for the Promoting Resilience through Social Protection in Sub-Saharan Africa conference, Dakar, Senegal, 28–30 June 2010, available at: <http://erd.eui.eu/media/BackgroundPapers/Adesina.pdf>.

Chapter Two

Inequality

The thing is, there is no equality here. Everything is disproportionate. The rich are very rich, and the poor are infamously poor. There are women with babies in their arms and a few more hanging on their skirts, going from door to door to beg for food. There are plenty like my uncle Ignacio, who give their women three pesos a day for expenses, and others who don't know where the next meal is coming from, with nobody to give a thought to them. If the rich people knew how the poor managed to exist, it would seem like a miracle to them.

Look, when a rich man throws an orgy, one of those fiestas or receptions those millionaires in Lomas make, in one night they spend enough to support a whole orphan asylum for a month. If they would come down off their pedestals to share the lives of their countrymen and see their misery, I believe that out of their own pockets they would install electricity, sewage, and do something to help. If I were rich, I would ease the pain of the poor, at least some of those closest to me, and let them have a few necessities. But who knows? Maybe if I were a rich guy sailing in my boat or travelling in airplanes, I wouldn't remember any more, eh? The poor stick to the poor ... they know their place ... and the rich, well they go to the Hilton. The day I dare go to the Hilton Hotel, I'll know there has been another revolution!

I don't know about political things ... the first time I voted was in the last election ... but I don't think there is much hope there. We can't have any kind of social welfare for the working people, because it would be used only to make the teachers rich. The men in the government always end up rich and the poor are just as badly off. I have never belonged to a union, but my friends who do say they can be fired at any time without indemnification, because the union leaders and the bosses make agreements among themselves. Yes, we have a long way to go down here. I tell you, progress is a difficult thing. (Manuel)

When the World Bank launched its poverty reduction strategy in 1990, it did not think that inequality had anything to do with it. It was seen as a different problem and that is all that was said about it. This is quite extraordinary, as the 'income gap' between 'developed' and 'underdeveloped' countries was precisely what generated the development project after the Second World War. The first UN documents of the 1950s, as well as the first UN resolutions on the 'development decades' do not mention poverty

but do refer to the huge inequalities between the rich and the poor world.¹ The World Bank first mentioned poverty at the beginning of the 1970s, when McNamara tried to shift attention from inequalities between countries to inequalities within countries. This gave rise to a first – unsuccessful – poverty agenda, with a focus on people instead of countries. For several decades, inequality remained a blind spot. Today it is back on the agenda with numerous publications from scholars and international organisations.

The reason for the past ignorance was the dominant neoliberal ideology. As was well explained in an article in the *Economist* in 2001,² only ‘*unjustified*’ inequalities have to be acted upon. The past decade was said to have been the most exuberant period of wealth creation in human history and inequality had risen. A dynamic economy needs inequality, but acting for the truly poor is ‘a much worthier goal than merely narrowing inequalities’. Lifting people out of poverty is good for society, as is having profitable companies. ‘Squeezing the rich too much is in nobody’s interest’.

There was nothing new in this reasoning. According to Hayek, distributive justice is the road to serfdom;³ it necessarily leads to the destruction of the rule of law that is coterminous with equal rules for all. Inequality is more readily borne if it is determined by impersonal (market) forces than when it is due to (political) design. The poor can be helped with a minimum of food, shelter and clothing, sufficient to preserve health and the capacity to work. Any step beyond this destroys freedom. ‘A universal potlatch would make a civilized world impossible’ stated Milton Friedman⁴. Poverty reduction, then, is desirable; inequality reduction is not.

This started to change with the first publications of UNDP’s *Human Development Reports*. From 1990 onwards the UNDP gave statistics on the growing inequality at the world level. In 1992 it published the now famous ‘champagne glass’ showing how the richest 20 per cent of the world’s population possessed 82.7 per cent of global income, while the poorest 20 per cent had to share 1.5 per cent of global income (see Figure 2.1). Whereas the UNDP proposed to change this glass of champagne into a glass of milk, in fact it actually became more like a tray (see Figure 2.2). However, despite these shocking illustrations, the UNDP never put forward political proposals to reduce income inequalities.

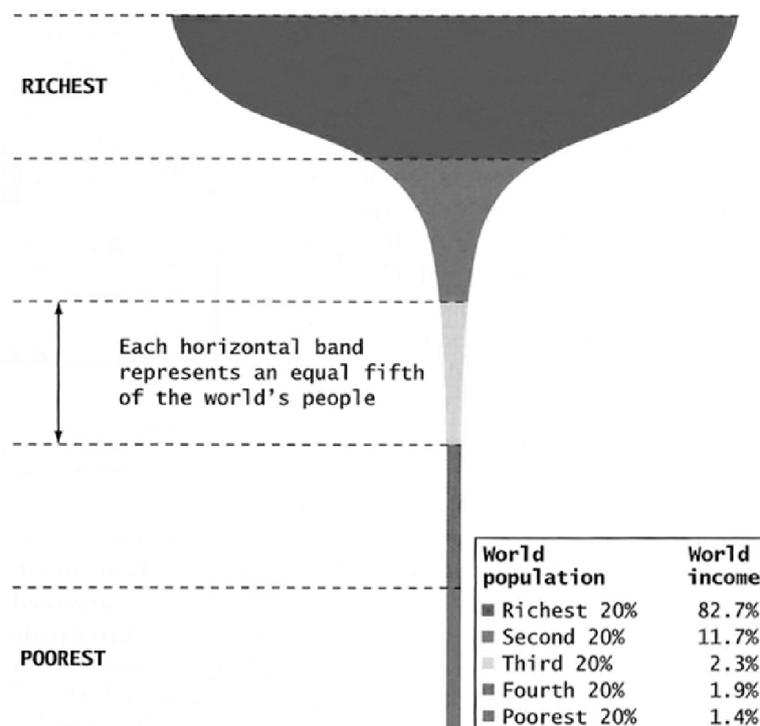
¹ United Nations, General Assembly, Resolutions 3362 (S-VII), 1710 (XVI), 2626 (XXV).

² *The Economist*, ‘Does inequality matter?’ 16–22 June 2001, pp. 11–22.

³ F.A. Hayek, *The Road to Serfdom*, 2nd ed., London: Routledge & Kegan Paul, 1976 [1944].

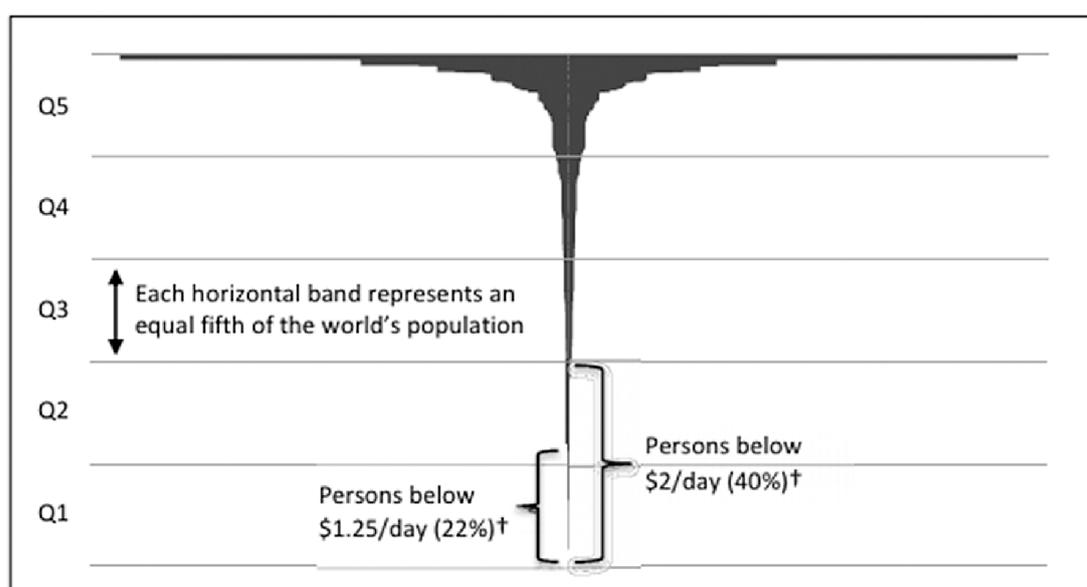
⁴ Milton Friedman, *Capitalism and Freedom*, Chicago: University of Chicago Press, 1962.

Figure 2.1: **Global economic disparities**



Source: United Nations Development Programme, *Human Development Report*, New York: Oxford University Press, 1992, p. 35.

Figure 2.2: **Global income distributed by percentiles of the population in 2007 (or latest available) in PPP constant 2005 international dollars***



* According to the inter-country accounting model.
 Source: Isabel Ortiz and Matthew Cummins, 'Global inequality: beyond the bottom billion – a rapid review of income distribution in 141 countries', *Social and Economic Policy Working Paper*, New York: United Nations Children's Fund, April 2011, p. 21.

A Cautious Shift in Thinking

By the end of the 1990s some doubts were clearly developing at the World Bank. In preparing its second major poverty report of 2000, some articles were published on the new data and on the reasons why inequality should be back on the agenda. Equity and efficiency are not separable phenomena, the authors noted, because markets are never perfect. Even if inequality does not change greatly over time, the task is to find the combination of instruments that will deliver both growth and equity. The world seemed to be converging towards two clubs: a rich one and a poor one. The neoclassical model was not correct, the authors concluded. Policy did matter, and a country's evolution can be altered by intervention. Going back to the ideas of the 1970s, they stressed that the inequality between nations is not independent of the inequality within each nation.

One of the World Bank's most important researchers on poverty, Martin Ravallion, demonstrated that inequality can be an impediment for pro-poor growth and that in countries with high inequality it is perfectly possible that growth has no impact at all on poor people.⁵ These findings were confirmed in other articles and formally integrated into the World Bank's thinking. 'High levels of inequality and deprivation can be harmful to efficiency and growth', stated the *World Development Report* of 2003.⁶

In 2006 the World Bank dedicated its *World Development Report* to equity.⁷ 'Equity and equality overlap quite extensively', stated one of the outlines of the report in which both concepts were used without ever making a clear distinction. While this focus on equity was a major achievement for the World Bank, the final report focused exclusively on equity and ignored equality.⁸ The policy aim was not equality of outcomes. Outcomes matter, but mainly for their influence on absolute deprivation and their role in shaping opportunities. Individual incentives should not be blunted by income redistribution schemes because that could lead to less growth. 'The history of

⁵ Martin Ravallion, 'Growth, inequality and poverty: looking beyond averages', *Policy Research Working Papers*, World Bank, 2001, available at: <http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2558>.

⁶ World Bank, *World Development Report 2003: Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and Quality of Life*, Washington, DC: World Bank, 2003, p. 53.

⁷ World Bank, *World Development Report 2006: Equity and Development*, Washington, DC: World Bank, 2005.

⁸ The UN gives the following definitions: equity is when equals are treated equally to arrive at an equitable outcome; an equal outcome can be arrived at when unequal interventions are required in unequal situations. United Nations, Department of Economic and Social Affairs, *Report on the World Social Situation 2001*, New York: United Nations, 2001, p. 3.

the twentieth century is littered with examples of ill-designed policies pursued in the name of equity that seriously harmed ... growth processes.... A balance must be sought'.⁹ The report constituted a real shift in World Bank thinking by mentioning social protection as opportunity enhancing: minimum wages, human rights and core labour standards, even taxes, although all these elements were felt to involve considerable trade-offs. In fact, the report was not concerned with income inequality but merely inequality of opportunity, and it provided no statistics on income inequality. Moreover, this seemingly positive shift at the World Bank was contradicted by another series of its reports that classified countries positively when they have little or no labour market regulations, and if they do have them they are given a negative note.¹⁰

In its *World Social Situation Report 2005* the United Nations states that there had probably been a modest improvement in the overall world distribution of income in the past two decades, although most of it came from the rapid changes in China and India.¹¹ When China and India are not factored into the analysis, the UN notes a rise in income inequality. And the share of the richest 10 per cent of the population had increased from 51.6 to 53.6 per cent of total world income.

In the past years, many different studies have been published on inequality, from ILO, the Organisation for Economic Cooperation and Development (OECD), the United Nations Children's Fund (Unicef), the IMF, the Asian Development Bank and so on. All speak of growing inequality. According to Credit Suisse, 'taken together, the bottom half of the global population own less than 1% of total wealth. In sharp contrast, the richest decile hold 87% of the world's wealth, and the top percentile alone account for 48.2% of global assets'.¹²

In its well-known *World Wealth Report*, CapGemini notes that the ranks of high-net-worth individuals (HNWI), people with minimum \$1 million of investable wealth, expanded by nearly 2 million individuals in 2013, marking a 15 per cent growth rate and the second largest increase since 2000. There are now 12.4 million HNWIs whose wealth grew by almost 14 per cent to reach \$52.62 trillion in 2013. Since 2008 their wealth has been boosted by 61 per cent. Ultra-HNWIs (those with more than \$30

⁹ World Bank, *World Development Report 2006*, p. 3.

¹⁰ World Bank, *Doing Business in 2006: Creating Jobs*, Washington, DC: World Bank, 2006.

¹¹ United Nations, Department of Economic and Social Affairs, *The Inequality Predicament: Report on the World Social Situation 2005*, New York: United Nations, 2005.

¹² Credit Suisse Research Institute, *Global Wealth Report 2014*, Zurich: Credit Suisse Research Institute, 2014, p. 11.

million of investable wealth, make up 0.9 per cent of this population, while they possess a third of total HNWI wealth. Their numbers increased by 15.6 per cent in 2013 and their wealth by a ‘modest’ 12 per cent.¹³

From 1990 to 2008 the Gini coefficient or index trends¹⁴ have witnessed the largest increases in eastern Europe, the former Soviet Union and Asia, according to Unicef.¹⁵ Though in many Latin American countries inequality is slowly declining, the continent is still the most unequal. In the past two decades, 20 per cent of humankind enjoyed 83 per cent of global incomes, whereas the poorest 20 per cent had only 1 per cent of total incomes. The share of the poorest 40 per cent increased by less than 1 per cent!¹⁶ The global Gini coefficient stood at 0.43 in 1820, rose to 0.56 in 1850, to 0.61 in 1913, to 0.64 in 1950, to 0.657 in 1980 and up to 0.707 in 2002.¹⁷ Asia is the continent with the highest growth figures, but it is not growth ‘with equity’. Income inequality widened in 11 of the 28 economies with comparable data, including China, India and Indonesia. In China the Gini coefficient worsened from 0.32 in the early 1990s to 0.43 in the late 2000s. In the whole of Asia, the Gini coefficient went from 0.39 to 0.46 in the same period.¹⁸ However shocking these figures may be, in terms of wealth, inequality is even worse. The Gini coefficient of wealth is estimated between 55 and 80 per cent in a sample of 26 countries in 2000, and global wealth has more or less doubled since then.¹⁹

Massive quantities of assets are held offshore and in opaque and anonymous structures. This is not factored properly into any calculations, which means that statistics underestimate the scale of the inequality problem.²⁰ A conservative estimate of the missing wealth shows that between \$21 trillion and \$32 trillion remain unrecorded.²¹ Thanks to organisations like the Tax Justice Network and Global Financial Integrity we are finally starting to learn something about the hidden wealth.

¹³ CapGemini, *World Wealth Report 2014*, Capgemini and RBC Wealth Management, 2014.

¹⁴ The Gini coefficient or index is one of the most common indicators for measuring income inequality. It ranges from 0 (perfect equality) to 1 (perfect inequality).

¹⁵ Isabel Ortiz and Matthew Cummins, ‘Global inequality: beyond the bottom billion – a rapid review of income distribution in 141 countries’, *Social and Economic Policy Working Paper*, New York: United Nations Children’s Fund, April 2011.

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ Asian Development Bank, *Asian Development Outlook 2012: Confronting Rising Inequality*, Mandaluyong City: Asian Development Bank, 2012, p. xix.

¹⁹ United Nations, Department of Economic and Social Affairs, *Inequality Matters: Report on World Social Situation 2013*, New York: United Nations, 2013, p. 33.

²⁰ Nicholas Shaxson, John Christensen and Nick Mathiason, ‘Inequality: you don’t know the half of it’, Tax Justice Network, 19 July 2012, p. 1, available at: http://www.taxjustice.net/cms/upload/pdf/Inequality_120722_You_dont_know_the_half_of_it.pdf.

²¹ *Ibid.*, p. 5.

Ideological Differences

With all the new interest in inequality the unanswered question remains: What to do about it? And why should we do something about it? Different documents from international organisations reveal this to be very problematic. ‘Growing inequality breeds social resentment and generates political instability, it fuels populist, protectionist and anti-globalization sentiment’, says the OECD.²² In 2011 the IMF dedicated an issue of its journal *Financing and Development* to inequality. But, like the World Bank in 2006, it focused entirely on equality of opportunities, so that little can be learned from it. Most authors simply emphasised the role of growing inequality for slowing growth. ‘More inequality is associated with less sustained growth’.²³

Slowly, slowly, the mindset is changing. In 2014 the IMF published a Staff Discussion Note²⁴ in which the authors point to the link between rising inequality and the fragility of growth. How can a society’s distributional objectives be achieved in the most efficient manner, the authors ask. Interestingly they point to the need to look at tax policies and even mention capital income tax and taxes on wealth, though they have to be ‘carefully designed’. And most importantly, their conclusion is that ‘redistribution appears generally benign in terms of its impact on growth’. There is no big trade-off between redistribution and growth.

As with poverty, until now most research concerns the measuring of inequality and the doubts between inequality of income and of opportunities. And the problems are the same as with growth: measurement bias and ideological choices.

At the measurement level, official data published by the World Bank are not comparable. Gini indexes are measured in some countries on the basis of incomes, in others on the basis of expenditure. In some countries net incomes are used, others work with gross incomes. This leads to very wide gaps, such as for Belgium, where the net income Gini coefficient is 25.32 compared to a gross income Gini coefficient of 45.39, evidence of an efficient tax and social protection system. For India, the most recent official Gini coefficient of the World Bank is 33.9, but it is based on expenditures. Measured in terms of income, it rises to 50.13, as high as the level in many Latin

²² Quoted by Jeremy Clift, ‘Haves and have less’, *Financing and Development*, vol. 48, no. 3, 2011.

²³ Andrew G. Berg and Jonathan D. Ostry, ‘Equality and efficiency’, *Financing and Development*, vol. 48, no. 3, 2011.

²⁴ Andrew G. Berg and Jonathan D. Ostry, ‘Inequality and unsustainable growth: two sides of the same coin?’, *IMF Staff Discussion Note*, International Monetary Fund, SDN/11/088, April 2011; Jonathan D. Ostry, Andrew Berg and Charalambos G. Tsangarides, ‘Redistribution, inequality, and growth’, *IMF Staff Discussion Note*, International Monetary Fund, SDN/14/02, April 2014.

American countries.²⁵ Many authors now use a different measurement and look at the rate between, for instance, the poorest 10 per cent and the richest 10 per cent of society.²⁶

At the ideological level, one of the problems concerns the distinction between two very different concepts of inequality, one of which depends solely on proportionate differences in incomes while the other depends on the absolute differences.²⁷ Critics of globalisation will use mainly the second kind of inequality in order to point to the ‘income gap between rich and poor’. If the incomes of the poor and the rich double in size the relative income gap remains the same whereas the absolute income gap rises sharply because the income gain is greater for the high-income household.

Another relates to the question whether one can focus solely on how the average gains from growth vary with income. Defenders of globalisation tend to focus on aggregates, while opponents will emphasise the losers among the poor. Growth tends to reduce absolute poverty on average, but that does not imply that growth is always good for the poor. If one person loses and another one gains, the impact will not be seen in the statistics. In a recent World Bank research paper the authors found that inequality can be very bad for growth of the poor, whereas it can be very good for growth of the rich. Or, in other words, the type of growth that inequality stimulates is the type that further advances inequality.²⁸

One of the leading researchers on inequality, Branko Milanović, works with three different inequality concepts.²⁹ The first is unweighted international inequality, using income or gross domestic product (GDP) per capita and disregarding population. This inequality has clearly been rising in the past decades. His second concept is population-weighted international inequality where it is assumed that everyone in a country receives the same income but the number of representative individuals from each country reflects its population size. It assumes that within-country distribution is perfectly equal. Measured in such a way, inequality has decreased in the past 20 years, though it has increased if India and China are excluded. Since growth has been higher

²⁵ United Nations, *Inequality Matters*, p. 40; see also the Standardized World Income Inequality Database (SWIID), available at: <http://www.myweb.uiowa.edu/fsolt/swiid.html>.

²⁶ United Nations, *Inequality Matters*, p. 40.

²⁷ Martin Ravallion, ‘Competing concepts of inequality in the globalization debate’, *World Bank Policy Research Paper*, no. 3243, March 2004.

²⁸ Roy van der Weide and Branko Milanović, ‘Inequality is bad for growth of the poor (but not for that of the rich)’, *World Bank Policy Research Paper*, no. 6963, July 2014.

²⁹ Branko Milanović, *Worlds Apart: Measuring International and Global Inequality*, Princeton, NJ: Princeton University Press, 2005.

in developing countries than it has been in advanced economies, there is indeed a certain convergence and it has accelerated since the start of the crisis. The third concept treats everyone the same in principle, regardless of the country they live in. This is no longer an international measurement of inequality, but a global one. What Milanović finds is that for the 20 years between 1988 and 2008 the ‘winners’ in the inequality race were the higher middle classes, whereas the losers were the poor and lower middle classes. The most successful groups come from China and India, whereas the ‘mature economies’ are more on the losing side. The big winners, however, are the top deciles in almost all countries. And the biggest losers are to be found in sub-Saharan Africa, followed by Latin America and eastern Europe.³⁰

Today the income levels of poor individuals in poor countries are much lower than the income levels of poor individuals in rich countries. Those who are considered nationally poor in the United States or the European Union have incomes which are many times greater than the incomes of poor people in poor countries and, moreover, often greater than the incomes of the middle class in poor countries. Poverty is relative, but do these people still have a common interest? Has the global proletariat disappeared? The enormous inequality can mostly be explained by location, much more than by class. ‘People are poor because they live in poor countries’.³¹ In the same way, people are rich because they live in rich countries. But does that give them rights?

Income or Opportunity?

Finally, one of the major questions about inequality is whether the focus should be on income or on opportunities. Clearly, inequality is strongly influenced by all kinds of discrimination, whether it is against women, blacks, Hispanics or Arab migrants, and whether it is to be found in the labour market, in schools or in society in general. These discriminations should at all times be a matter of policies, as they directly threaten equality, which is a basic value of citizenship and democracy. Equality in this sense is a political concept and has been introduced with our theories on citizenship, precisely because we are all different. Equality is not the same as ‘sameness’.

³⁰ Christoph Lakner and Branko Milanović, ‘Global income distribution: from the fall of the Berlin Wall to the great recession’, *World Bank Policy Research Paper*, no. 6719, December 2013.

³¹ Branko Milanović and Shlomo Yitzhaki, ‘Decomposing world income distribution: does the world have a middle class?’, *Review of Income and Wealth*, series 48, no. 2, 2002.

So, yes, inequality of opportunity should at all times be fought against. It is not a matter of ‘or’ but a matter of ‘and’. Both inequality of income and inequality of opportunity are threatening citizenship and democracy. But it will not help to give all children equal access to education, if there are schools for the rich and schools for the poor. It will not help to give all children access to healthcare if poor families are living in unhealthy housing conditions. It will not help to give migrants equal access to the labour market, if bonuses for the 1 per cent remain at the present obscene levels.

Why Should Inequality Be Back on the Agenda?

The economic reasons mentioned by the World Bank and the IMF on why inequality is back on the agenda are rather limited though not unimportant. In fact, their reasoning on the links with the poverty reducing potential of growth could lead to a kind of ‘optimal inequality’: small enough not to hinder poverty reduction, large enough not to hinder growth. It is then not a matter of social justice, but again a question of how best to promote growth. The ‘sharing prosperity’ strategy, crucially, only marginally speaks of ‘inequality’.³²

More important and interesting are the statements on the role of inequality in the current crisis. Several researchers note sharp increases in income and wealth inequality and in debt-to-income ratios before the crisis. These were perceived as being unsustainable and they did indeed trigger the crisis.³³

There are several other reasons for tackling inequality.³⁴ The first is moral indignation, not only because of the magnitude of inequality but also the profound feeling of injustice felt by many people. This becomes all the more important when newspapers have daily stories on the bonuses of Wall Street, on the huge wealth accumulation of chief executive officers (CEOs) and on mass lay-offs by companies that are making profits.

A second reason is also linked to globalisation and the paradoxical need for borders linked to growing inequalities. If a one world community is held to be desirable, one in

³² IMF Development Committee, ‘World Bank Group strategy’, Development Committee, Report no. DC2013-0009, Washington, DC, 18 September 2013.

³³ Michael Kumhof and Roman Rancière, ‘Unequal = indebted’, *Finance and Development*, vol. 48, no. 3, 2011, pp. 25–27; Joseph E. Stiglitz, *The Price of Inequality: How Today’s Divided Society Endangers Our Future*, New York: W.W. Norton, 2012; Stewart Lansley, *The Cost of Inequality: Why Equality is Essential for Recovery*, London: Gibson Square, 2012.

³⁴ For more details on these ‘political’ reasons, see Matti Kohonen and Francine Mestrum, *Tax Justice: Putting Global Inequalities on the Agenda*, London: Pluto Press, 2008.

which not only goods and capital but also people can move freely, inequality is clearly a major problem. The gap between rich and poor countries, as well as the lack of prospects in large parts of the world, compels people to migrate in search of better opportunities. However, rich countries lack the social basis for mass immigration and welfare states are under severe pressure. And it is one of the reasons why right-wing, populist and often racist or xenophobic political forces gain momentum in most rich countries and threaten democracy.

A third reason is also linked to political instability. There is no evidence at all that extremely poor people are a root cause of political instability or terrorism. Extremely poor people, living on less than one dollar a day, have to spend all their time and energy in trying to survive. In contrast, middle classes are threatened by impoverishment, young graduates have no employment prospects, professionals are frustrated by unfulfilled promises of development, so while they are all subjected to a constant barrage of Western good news shows about globalisation they may well have reasons to resist and revolt. The Arab Spring and the different Occupy movements are good examples. Growing inequalities can only worsen this situation. The best ‘war on terror’ is not a ‘war on poverty’ as a former World Bank president, James Wolfensohn, declared, but a war on inequality.

A fourth reason is political, but also ethical. Social and economic rights came into being in order to give meaning to political citizenship. Citizenship is based on equality. However, the current growing inequalities undermine the political citizenship of individuals. In poor countries it is not too difficult to ‘buy’ the votes of poor people. Also, economic differences between countries imply asymmetric power relations and the domination of some over others. At the United Nations, poor countries are often obliged to vote with the rich countries, in order to maintain their development aid.

A fifth reason can be found in the remarkable book by Richard Wilkinson and Kate Pickett, two epidemiologists who studied the correlation between inequality and a whole series of social problems.³⁵ They found that results concerning public health, education, violence, suicides and justice were all better in more equal societies. In other words, less inequality has advantages for the whole of society, and not only for the poor. In fact, as Joseph Stiglitz explains so well in his most recent book, inequality

³⁵ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Greater Equality Makes Societies Stronger*, New York: Bloomsbury, 2009.

undermines democracy. The ‘1 per cent’ of rich people dictate their policies to governments and parliaments, and if these cannot deliver to the ‘99 per cent’, their legitimacy dwindles. What remains is a game of power and money, far from one person one vote – much closer to ‘one dollar one vote’.³⁶

‘Growing inequality is neither a destiny nor a necessary price for economic growth’, as the UN states in *World Social Situation 2013*.³⁷ It is a daunting task however to reduce it, as Thomas Piketty has brilliantly explained in his now famous book *Capital in the Twenty-First Century*.³⁸ What he suggests is that when the return on capital is sustainably higher than growth, capitalism inevitably leads to unsustainable inequalities. This is not economic determinism, but a highly political matter.

From 1700 to around 2012 the average annual growth globally was 1.6 per cent, of which half was the consequence of population growth. Even in the past 30 years in advanced economies, growth has not been higher than 1–1.5 per cent yearly. Higher rates of growth, above 1–1.5 per cent, are not sustainable and quickly become destabilising, whereas lower growth rates lead to higher rates of return on capital. Growth of 1 per cent a year is in fact very high, since it means an accumulated growth of 35 per cent in 30 years. The only solution, then, is to tax capital and capital incomes.

Inequality, therefore, is not the consequence of meritocracy and differences in talents, but is of a structural nature. Inequality is just unfair. Inequality can be rising while poverty is declining, as is happening in China. They are different phenomena, but they are closely linked. Today’s ‘1 per cent’ are not just creating more and more wealth for themselves, but are in fact robbing the ‘99 per cent’.³⁹ Inequality is also expected to grow further due to technical innovation and robotisation of the production process. It could make up to 50 per cent of middle class jobs redundant. And this will necessarily have fundamental consequences for the economic and social fabric.⁴⁰

It will not be an easy task, though the rich are starting to understand something very fundamental will have to change. Inequality delegitimises their wealth. Of course, they prefer to help the poor, preferably with philanthropic actions. In a recent issue of the

³⁶ Stiglitz, *The Price of Inequality*, p. 361.

³⁷ United Nations, *Inequality Matters*, p. 23.

³⁸ Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer, Cambridge, MA: Harvard University Press, 2014.

³⁹ Stiglitz, *The Price of Inequality*, p. 6.

⁴⁰ Henning Meyer, ‘Inequality and work in the second machine age’, *SE Journal*, no. 4, The Worker Institute, Friedrich Ebert Stiftung, December 2014.

Economist on inequality,⁴¹ they do admit inequality is a problem, but only say that it has to be ‘mitigated without hurting growth’. That means there should not be more taxes or social spending, but ‘true progressivism’. Some measure of inequality is good for the economy, so they say, but now it has reached a stage where it can be inefficient and bad for growth. However, ‘misdirected welfare spending’ must be avoided, while ‘vested interests’ and distortions, such as labour laws, should be eliminated. The major target for reform, so they say, is the welfare states in the rich world. In other words, the rich think that with more of the same the solution will finally drop from the sky.

That will not work. We inevitably have to think of taxation, at the national and the international level, as well as of a broad-based redistribution and a new kind of economy, giving opportunities to all. As Piketty rightly notes, it is a political matter and the study of the economy should not be left to economists.⁴²

What is at stake are the three choices Milanović presented for a world without a global proletariat.⁴³ In order to reduce inequality one can promote faster growth in poor countries, one can promote global redistribution or poor people can migrate to rich countries. The first solution is ecologically unsustainable. The second solution is promoted in this book, but it will not be for tomorrow. Migration is the only remaining solution, but it is socially and hence democratically unsustainable in most rich countries. The battle that has to be fought will be an ideological battle.

⁴¹ Zanny Minton Beddoes, ‘For richer, for poorer’, Special Report: The World Economy, *The Economist*, 13 October 2012.

⁴² Piketty, *Capital in the Twenty-First Century*.

⁴³ Branko Milanović, ‘Global income inequality by the numbers: in history and now: an overview’, *World Bank Policy Research Paper*, no. 6259, November 2012.

Chapter Three

Labour

By the time I was thirteen I had been a stevedore, a locker boy, a glass worker, a baker and a mason. The next thing I tried was varnishing furniture. When I took that job everyone warned me that the maestro was very tricky, especially on payday. And it was true. I really had to chase that man down the street on Saturdays, or look behind the furniture or in all the wardrobes, to get him to pay me the lousy eighteen pesos I earned for the week. I ran after him like he was a thief. I followed him to his house and saw him go in and then the señora would have the face to tell me he wasn't home. And when I caught him he would never give me my full pay.

We did all the work by hand, cutting the crystal, shaping it and polishing. I was good enough to be a maestro, but I never wanted to be anything but a worker, so as not to be over people or to have responsibility. I just wanted to do what I was told and to have a definite salary per week, and that would be the end of it. One of the good things about being a humble worker is having a clear conscience, being able to eat and sleep in tranquillity, with no one and nothing to bother you and no reason to reproach yourself for your behaviour. And perhaps, because one is humble, one doesn't get ambitious and covetous. One is satisfied with the hope that some day, through honest and productive labor, one can get out of the hole one is in. (Roberto)

Rising inequality, according to ILO, can be a sign of robust economic growth but it can also have inefficient social and economic outcomes when those at the bottom claim their share of national income and thus create a more unstable macroeconomic environment.¹ On the other hand, wealthy groups may try to block pro-growth policies if they fear that opportunities may be widely redistributed. They will certainly not be against growth, but they may be against growth that is not entirely available for themselves. These are just some of the characteristics of inequality discussed in the previous chapter, as seen from the perspective of labour markets. They are linked to social conflict and the demands of workers for a fair share of the wealth produced.

This fair share has not been provided in the past two decades. We have witnessed a search for ever higher profits, a shift away from the real economy towards the financial

¹ International Labour Organization, *World of Work Report 2008: Income Inequalities in the Age of Financial Globalization*, Geneva: International Labour Office, 2008, p. 22.

sector and short-term objectives conflicting with longer-term aims. Inevitably, this has severe consequences on the world of work.

As a start, the global employment rate is at an all-time low: in 2012 it stood at 60.3 per cent, which is 0.9 per cent lower than before the crisis.² Labour market participation continues to fall. More than a third of job seekers in advanced economies have been without work for over a year. The share of informal work remains high and stands at more than 40 per cent in two-thirds of the emerging and developing countries. Jobs also tend to be on a short-term basis. In countries like India informal jobs count for more than 75 per cent of non-agricultural work, in Mexico and Brazil for 45 per cent.³ The ILO expects unemployment to grow. The world has already lost 61 million jobs since the beginning of the crisis in 2008.⁴ The informal economy is very diverse now but, according to the ILO, more than half of workers in developing countries, that is over 1.5 billion people, are in vulnerable employment. This figure rises to above 50 per cent in Southeast Asia and the Pacific and reaches 75 per cent in sub-Saharan Africa.⁵

In advanced economies the informal economy is called ‘precarious’ work and it is on the rise, from 15 per cent in countries like Belgium to up to 50 per cent in Bulgaria. In Italy it grew from 35 per cent to more than 45 per cent in 2010; in Greece from 44 per cent to over 50 per cent.⁶ Part-time work and temporary work have been rising for more than two decades, very often on an involuntary basis. In Belgium and Spain this is the case for 80 per cent of temporary workers, in France for over 50 per cent.⁷

The hardest hit are young people. Many have been unemployed for a long time and are ready to leave the labour market.⁸ Globally, they are three times as likely as adults to be unemployed.⁹ Those who are at work will most probably be in part-time work, with temporary contracts. They are also disproportionately present among the working poor. Regionally, the highest youth unemployment is found in the Middle East and North Africa where nearly one in three young people in the labour force is unable to

² International Labour Organization, *World of Work Report 2012: Better Jobs for a Better Economy*, Geneva: International Labour Organization, 2012, p. 1.

³ *Ibid.*, p. 9.

⁴ International Labour Organization, *World Employment Social Outlook: Trends 2015*, Geneva: International Labour Organization, 2015.

⁵ International Labour Organization, *World of Work Report 2014: Developing with Jobs*, Geneva: International Labour Organization, 2014, p. 12.

⁶ ILO, *World of Work Report 2012*, p. 8.

⁷ *Ibid.*

⁸ *Ibid.*, p. 4.

⁹ International Labour Organization, *Global Employment Trends for Youth 2013: A Generation at Risk*, Geneva: International Labour Organization, 2013, p. 9.

find work.¹⁰ The crisis has also worsened the gender gap in the labour market, whether for unemployment, employment rates, labour force participation, vulnerability or occupational segregation.¹¹

All this means there is a tremendous ‘employment gap’. And the ILO estimates that about 200 million jobs will have to be created in the next five years to keep pace with the growing working age population.

More Work, Less Rights

But there is also good news. Many developing countries have experienced a policy shift with many innovations, such as employment guarantee schemes, promotion of formal enterprises, employment regulation, minimum wages and cash transfers, as well as a clear trend to introduce and improve social protection systems. One of the consequences is a remarkable decline in the number of working poor. Whereas more than half of workers were poor in 2000, this number has declined to about a third. The extremely poor (with less than \$1.25 a day) declined from 39 per cent in 1994 to 13 per cent in 2014. People earning less than \$2 a day declined from 23.6 per cent in 1994 to 16.9 per cent today.¹²

Worldwide, the informal economy and precarious or vulnerable work are a bigger problem than unemployment, except in the European Union. There, unemployment remains very high though there has been a moderate improvement since mid-2013. It is still very far from the levels of the pre-crisis years though.¹³ Since 2008 unemployment has more than doubled. Overall precariousness is now affecting more than 25 million people, representing 10.5 per cent of the labour force and over 11 per cent in the eurozone. Since the start of the crisis the number of lost jobs totals about 5 million in the European Union and 3 million in the eurozone. There is a persistently low rate of job creation and a risk that workers leave the labour market.¹⁴ Pessimism increases, especially as youth unemployment amounts to 22.8 per cent, with peaks of over 50 per cent in countries like Spain and Greece. This might become a lost generation. Prospects

¹⁰ ILO, *World of Work Report 2014*, p. 12.

¹¹ International Labour Organization, *Global Employment Trends for Women 2012*, Geneva: International Labour Organization, 2012.

¹² ILO, *World of Work Report 2014*, p. 6.

¹³ European Commission, *European Employment and Social Situation: Quarterly Review*, Luxembourg: Publications Office of the European Union, September 2014.

¹⁴ European Commission, *Labour Market Developments in Europe 2012*, Brussels: European Commission, Directorate-General for Economic and Financial Affairs, 2012.

are bleak for the near future. Long-term unemployment is alarmingly high, amounting to 44 per cent of the labour force being out of work for more than 12 months.¹⁵

In general, then, the global crisis has had significant negative repercussions on labour markets and labour rights. At the global level, average wages rose by 2.2 per cent in 2013 but at lower rates than before the crisis and with major geographical differences. If China is omitted, the average rise is only 1.1 per cent. In developed economies there has been a double dip in wages: real average wages fell in 2008 and again in 2011, and they remained flat in 2012–13. In emerging countries wages have been more resilient. Real monthly average wages have almost doubled in Asia since 2000 and have risen by 18 per cent in Africa, 15 per cent in Latin America but hardly 5 per cent in advanced economies. In eastern and central Europe wages have tripled, though they started from a very low base.¹⁶

In European countries, and in spite of the crisis, labour productivity was still on the rise from 2008 to 2011, including in Germany. An exception has to be made for Britain where productivity is rising but average wages are falling sharply. In Greece and the new European Union countries average wages declined more than productivity and cumulatively fell by nearly 15 per cent in 2010–11.¹⁷ Overall, real wages are still below their 2007 levels. It is part-time work that is driving the very moderate recovery, which leads to a problem of the quality of jobs.¹⁸

Across the world, an ever smaller share of the cake goes to workers. From 1999 to 2011 average labour productivity in advanced economies rose more than twice as fast as average wages. In the US the real hourly labour productivity in non-farm business rose by 85 per cent since 1980, although the real hourly wage only rose by 35 per cent.¹⁹ In Germany labour productivity surged by almost a quarter over the past two decades, while real monthly wages remained flat. If the top 1 per cent of income earners were excluded from the calculation, the drop of labour shares would be even greater.²⁰

While workers' share kept decreasing, capital income share increased in a large majority of countries. This was the case even in China, where wages have tripled in the

¹⁵ European Commission, 'Labour market fact sheet', Brussels: European Commission, Directorate-General for Employment, Social Affairs and Inclusion, November 2012.

¹⁶ International Labour Organization, *Global Wage Report 2012/13: Wages and Equitable Growth*, Geneva: International Labour Organization, 2013, preface and p. xiii.

¹⁷ *Ibid.*, p. 15.

¹⁸ European Commission, *European Employment and Social Situation*.

¹⁹ ILO, *Global Wage Report 2012/13*, p. xiv.

²⁰ *Ibid.*, p. 44.

past 10 years. The reason for this negative evolution is not only technological progress but also the erosion of the bargaining power of workers and especially the expansion of financial globalisation.

Less Income, Less Demand

Falling workers' income necessarily leads to a fall in aggregate demand that can only be compensated by rising exports. However, it is not possible for all countries to have a current account surplus at the same time. If some countries can export, others will have to import. One country's surplus is another country's deficit. In the end, this leads to cutting unit labour costs, depressing domestic demand and a race to the bottom. The only way households can maintain their standard of living is through mounting debt, and this is precisely what led to the crisis.

The impact of the crisis on poverty and equality is clear. While poverty is traditionally associated with self-employed workers and subsistence agriculture, it is now also hitting urban wage earners. But some 68 per cent of the working poor are indeed in agriculture. In Madagascar more than 80 per cent of the waged and salaried workers were poor in 2005, while in Mozambique, Burundi and Tajikistan poverty concerns more than 60 per cent of workers, and in Cambodia, the Republic of Congo and Pakistan more than 50 per cent.²¹

In the European Union 13 per cent of young people are not in education, employment or training programmes. Almost 9 per cent of people in the labour market earn less than the poverty threshold. This percentage has significantly increased in rich countries like Germany, Denmark and the Netherlands.²² In a rich country like Belgium, one-third of the more than 15 per cent of poor people are working and more than 5 per cent of the working population are poor.²³

The erosion of bargaining power through weakened trade union membership is part of the explanation for this very negative situation. While trade unions have never been particularly strong in most developing countries, the rise of special export zones in a context of globalisation has made it very difficult to fight for higher wages and better

²¹ *Ibid.*, p. 38.

²² European Commission, *European Employment and Social Developments in Europe 2012*, Brussels: European Commission, Directorate-General for Employment, Social Affairs and Inclusion, 2012, p. 43.

²³ Danielle Dierckx, Stijn Oosterlynck, Jill Coene and An Van Haarlem, *Armoede en sociale uitsluiting: jaarboek 2012*, Leuven: Acco, 2012, pp. 52, 142.

working conditions. As for the European Union, in only eight of 27 member states is union membership higher than 50 per cent.²⁴

The labour market is extremely important for determining poverty and inequality. Wages are the major source of household incomes. Jobs are necessary, not only because of the incomes they provide and for the threatening political instability but mostly because people need to have a useful role in society, and while this is not exclusively linked to waged labour it does have an important contribution to make.

In its *World Development Report 2013* the World Bank does recognise that jobs are the most important determinant of living standards. Work as such is not enough, so it says, people also need earnings. And jobs also affect the mental and physical health of people. If people believe that job opportunities are available to them, their trust in others and their confidence in institutions increase.²⁵ Nevertheless, the World Bank sticks to its recommendations of the last decades. Jobs have to be created by the private sector, and governments should do everything in their power to create a favourable environment for business. That means reducing red tape, protecting property rights, having a ‘reasonable’ tax rate and ‘attractive’ social and environmental rules. It stresses the ‘mixed results’ of active labour market policies. This becomes particularly clear in its annual reports on ‘doing business’. Though its measurements of employment and labour market regulations are not integrated in the rankings anymore (due to pressure from the trade unions), they are still published. And the questions indicate clearly what the World Bank’s preference is. Are fixed term contracts prohibited? Is a 50-hour working week allowed? Are there restrictions on night work?²⁶

A second problem with the World Bank’s approach is that jobs now seem to take the place that poverty reduction used to have in the past. The Bank is not only searching for growth that will favour job creation but it says jobs are also needed in order to create growth. In the same way that poor people were supposed to produce the growth that was needed to help them, working people now have to promote growth. From ‘pro-jobs growth’ to ‘pro-growth jobs’!

Finally, and very positively, there is the reference made in the Bank’s report to the Universal Declaration on Human Rights and to the ILO conventions. It even mentions

²⁴ Federation of International Employers, ‘Trades unions across the world’, Federation of International Employers, 2014, available at: <http://www.fedee.com/labour-relations/trade-unions-across-the-world/>.

²⁵ World Bank, *World Development Report 2013: Jobs*, Washington, DC: World Bank, 2013, pp. 9, 14.

²⁶ World Bank, *Doing Business 2015: Going Beyond Efficiency*, Washington, DC: World Bank, 2014.

the ILO's core labour standards, collective bargaining and trade union work. They come with a caveat, however, as in some points it is contradictory with its *Doing Business* report of 2013. But its 'conventional wisdom does not always hold',²⁷ as it says, which is an observation that can be applied to its own rules. 'There is little evidence on the impact of unions on poverty';²⁸ 'labour regulation may not be the biggest obstacle to tackle informalization';²⁹ and 'collective bargaining does not have a major impact'.³⁰

Decent Work and Wages

The ILO is taking more positive steps in unambiguously defending its decent work agenda,³¹ its core labour standards,³² stronger institutions for wage setting, the need for global macroeconomic coordination, regulation of the financial sector and the extension of unemployment benefits. In 2012 it adopted a recommendation on 'social protection floors' (see Chapter Four). The decent work agenda was adopted in 1999 with four major dimensions: the promotion of rights at work, employment, social protection and social dialogue. The so-called core labour standards were taken from some of the most basic ILO conventions and concern freedom of association, the right to collective bargaining and the elimination of forced labour, child labour and all discrimination in the labour market. As can be seen, wages are not part of this agenda, although collective bargaining is.

As for the European Union, it wants 'more reforms' favourable to jobs, more dynamic markets, improved competition and the structural bottlenecks to growth to be addressed. It wants to 'revise' unemployment income support as a key driver for reviving job creation in sclerotic labour markets, although it should surely realise that this can only increase poverty. It admits these are 'politically costly' measures,³³ yet it continues to promote 'active ageing', 'social innovation' and so on. Its new proposals for 'social investment' also continue to aim at more growth.

The 'activation agenda' was first made formal in the Lisbon process of 2000 with the aim of making the European Union the 'most competitive knowledge economy' in

²⁷ World Bank, *World Development Report 2013*, p. 35.

²⁸ *Ibid.*, p. 263.

²⁹ *Ibid.*, p. 211.

³⁰ *Ibid.*, p. 26.

³¹ International Labour Organization, *Decent Work*, Report of the Director-General to the 87th International Labour Conference, Geneva: International Labour Organization, June 1999.

³² International Labour Organization, *Declaration on Fundamental Principles and Rights at Work and Its Follow-Up*, Geneva: International Labour Organization, June 1998.

³³ European Commission, *Labour Market Developments in Europe 2012*, p. 4.

the world. Here the concept of 'employability' was introduced and from it were derived many documents calling for 'structural reforms'. Workers are suspected of not wanting to search for new jobs when they become jobless, and they are therefore increasingly required to prove their availability, to take up training and to have regular contact with labour services. There are sanctions for non-compliance. However, it is a fact that there are not enough jobs available, so the next step has been to promote 'entrepreneurship'. More and more people want to be their own boss, it is said, and so conditions must be improved so that they can start their own businesses. The question is whether, in a market with falling demand, there will be enough room for the thousands of young people now desperately looking for a job. With the growing robotisation of production processes, tackling this problem becomes very urgent.

Finally, at the international level, much hope is put on a 'green new deal'. This would be a shift to new products and services useful in avoiding ecological catastrophe, such as the building of energy-friendly houses, the production and installation of wind and solar energy, waste processing and so on.

From Precariousness to a New Internationalism?

There are two disturbing trends in this global crisis situation. One is the declining interest in social protection, in spite of it being high on the international agenda today. The World Bank briefly joined the different initiatives that were taken by international organisations, but it also rapidly turned its back on them and redefined its strategy towards eradicating poverty and 'sharing prosperity'. When it now (rarely) speaks about social protection, it in fact means poverty reduction.

I will discuss the ILO proposals in the next chapter. Let me state here that even if it is right to claim fundamental changes to the social protection systems as they exist in western Europe, the solution cannot be a more economically or growth-orientated policy. Social protection today is seen as an 'automatic stabiliser', which means it helps to balance the business cycle. This is certainly important, although the objective of social protection cannot be limited to the business world and should first of all protect people.

In most OECD countries social spending has been rising, even if this statistical effect is partially due to the fall in GDP.³⁴ In more than one-third of European Union member states, social protection expenditures decreased in 2009–2010.³⁵ Most importantly, austerity policies are still (or are back) on the agenda and the IMF continues to recommend blocking wages, targeting the poor, reforming pensions and health sectors, and flexibilising labour markets.³⁶

Another worrying trend is the declining interest in trade unions. As Guy Standing rightly notes, many young people bitterly reject unions.³⁷ There are some good reasons for this, because of their corporatism, hierarchical structures, lack of flexibility, absence of a clear gender dimension and so on. Trade unions, once the strongest and most hopeful of workers' organisations, are losing legitimacy. Above all, trade unions have not yet taken on the new realities of the labour market and they continue to defend the status quo of Fordism, which will never return. The social pacts that characterised the social situation of many Western countries after the Second World War have virtually broken down. In the meantime, globalisation has given rise to a growing 'precariat' of migrant workers without rights, working poor, informal workers and precarious workers of all kinds. They obviously are not unionised and most unions have no answers to their problems.

This 'precariat' is not part of the 'working class', according to Standing, but is a class-in-the-making with new demands and new identities, delinked from community. Like their wealthy counterparts, they are no longer national citizens and their working place is the global labour market. They are 'denizens'.³⁸ This denizenship becomes painfully clear in the case of factories in countries with very low wages, such as Bangladesh, where young women work very long hours for a pittance, and can just as easily perish in a fire or in the collapse of their factory building, as happened in April 2013. More than one thousand people died in a garment factory because of failing security mechanisms. The owners were not arrested and the surviving workers have to

³⁴ Organisation for Economic Cooperation and Development, 'Social spending after the crisis: social expenditure (SOCX) data update 2012', Paris: Organisation for Economic Cooperation and Development, 2012, available at: www.oecd.org/els/social/expenditure.

³⁵ European Commission, *Labour Market Developments in Europe 2012*, p. 212.

³⁶ Isabel Ortiz and Matthew Cummins, 'The age of austerity: a review of public expenditures and adjustment measures in 181 countries', Working Paper, Initiative for Policy Dialogue and the South Centre, South Center, March 2013, available at: http://policydialogue.org/files/publications/Age_of_Austerity_Ortiz_and_Cummins.pdf.

³⁷ Guy Standing, *The Precariat: The New Dangerous Class*, London: Bloomsbury, 2011, p. 78.

³⁸ *Ibid.*, p. 13.

fight for medical treatment and compensation. In other cases, women have to provide sexual services to contractors and overseers in order to get or retain their jobs. These women are not treated as humans, they have no rights at all and the state barely recognises their existence.

Another type of very vulnerable worker, who usually have no kind of legal protection at all, are domestic workers. More than 80 per cent of them are women. They are very difficult to count as they work behind the closed doors of private households. The ILO estimates their numbers at some 53 million across the world, while more than 15 million are children. These workers remain invisible and are excluded from the scope of labour laws. Over half have no statutory weekly working hours, more than two out of five are not entitled to receive a minimum wage, although they are among the lowest-paid workers. Over a third of them have no right to take maternity leave.³⁹

The world of work is changing dramatically. Offshoring and reshoring, the ‘on demand’ economy, as well as technological innovations such as 3D printing and robotisation will further challenge the way labour is organised today. Trade unions will have to adapt, since they are badly needed for defending the interests of workers.

If poverty reduction policies are no answer to the growing social disaster, if no real solutions are given to growing inequality and if labour market problems are only tackled with a watered down version of a growth-orientated social protection, then, indeed, we do need new solutions. Poverty reduction policies can never succeed if poverty is seen as an individual problem of discrimination and market access and if they do not take into account the political, economic and social context in which poverty occurs. Poverty cannot be eradicated if the impoverishment process continues. Inequality has to be reduced in order to allow for economic development, but most of all for democracy and political stability. Labour markets must be reformed in order to take into account basic human rights and give concrete meaning to civil rights and political citizenship.

³⁹ International Labour Organization, *Domestic Workers across the World: Global and Regional Statistics and the Extent of Legal Protection*, Geneva: International Labour Office, 2013. The ILO adopted the Domestic Workers Convention (No. 189) and the accompanying Recommendation (No. 201) in 2011. Discussions on the subject started in 1936.

New solutions can be inspired by the old. What best protected workers in the past, what limited inequality and what prevented poverty was a broad system of social protection, based on social and economic rights, aimed at giving universal protection and coupled to an extensive system of decommodified services and taxes. But it should also be clear that the old welfare states cannot be the answer. They were based on a principle of full employment, which today is only a far-off dream; they were based on a male breadwinner model, while women are now present in the labour market; they were based on a stable national working class, which is today in the minority. Our economies and our societies have changed, and new social protection systems will have to take this into account.

While labour market reforms may be desirable, they will have to be linked to reforms of the economic system itself, with a better share of socially necessary labour, surpassing the unfriendly gender divide between productive and unproductive labour, and a sharp reduction in working time. Added to these there are three more problems that cannot easily be solved.

First, the need for social services which in the old welfare state were national public services, such as healthcare, education, postal services, water, electricity and public transport. In addition to these, there is an expanding care sector. All these services remain essential, but they have been commoditised and are open to competition. How to combine efficiency and supranational markets with the protection of citizens and guaranteed access to these services?

Second, the environment is becoming an increasingly urgent issue. It will necessarily have consequences for the present economic model and for the way we organise and regulate markets. While much has been said and written on how poor people will be the first victims of climate change, there has been little attention given to how the new needs of people can be taken into account in social policies.

Third, democracy itself will have to be re-examined. People want to be heard, they have a voice and they want to use it. Our representative democracies are losing their legitimacy, young people do not believe any more in the traditional way of doing politics. They want direct participation in order to be sure that their needs will be met. Democracy will also have to be organised in different sectors, such as the economy, and beyond national borders, everywhere where decisions are being taken that affect people's lives.

Many proposals have recently been made to tackle these different problems. I will discuss two of them: the post-development solution with *buen vivir* and basic income, on the one hand, and the new institutional proposals with the social protection floor on the other. I also will discuss in more detail the shortcomings of the current social protection systems. Finally, I shall present my own perspective on a new concept of social protection. Research done in the European Union will be most helpful in this respect, since it shows that social protection is the best tool for preventing poverty, and that countries with the best fiscal position are also the countries with high social expenditure. Countries with larger welfare states are also countries with higher employment rates.

In other words, we shall see many arguments in favour of better protection, less poverty, less inequality and better working labour markets. Reforms may be needed, but not in order to dismantle the social models that have been created over such a long time and with such effort. We need a new kind of social protection that further transforms the power relations between labour and capital. I call it the social commons.

Part II
The Need for Change

Chapter Four

The Basic Income and the Social Protection Floor

Gilberto and his wife Carolina were my closest friends. He was a first-class printer and a union member, and she ran the cafe. I tried to get him to work in Tepito, but he preferred his wage of fifty pesos a day, social security and a pension later. (Manuel)

I thought about what a serious thing a career was. I did want very much to study. Vera, a neighbour, was talking to Antonia and me one afternoon and told us the Instituto Maria del Lago, where she was taking a commercial course, was very good and not expensive. A ‘commercial course!’ I thought she must be studying a very important career. Antonia, with her arms crossed, listened, smiling. ‘Well, I’ll tell my papa. Let’s see if he wants to,’ she said. Tonia told my papa and he agreed.

Antonia took the course that my father liked, dressmaking and dress design. I thought, ‘What a bore to be at a machine all day long, and then there are people who are such a nuisance – ‘that pleat isn’t right, and that button!’ I told my father, ‘I like literature and books better.’ He agreed, and I entered classes in shorthand, typing, Spanish, filing, commercial documents, bookkeeping, correspondence, and arithmetic.

There in the Instituto I began to guess that I wasn’t such an insignificant person after all. There I could express my dream to my classmates without being afraid that they would turn their backs or make fun of me. I worked hard the first year and took to heart the precepts we typed in class exercises, ‘Perseverance wins’ or ‘Choose the right path and you will triumph’. (Consuelo)

Poverty, inequality and the world of work: these three major social problems are of utmost importance for people all over the world. They certainly are not the only problems – just think of public services, the dismal situation of our democracy, climate change and the lack of environmental rights. But they certainly touch people directly in their daily lives. And they are the problems that will have to be solved urgently, although the others must not be ignored.

What the overview in the three preceding chapters has shown is the inadequacy of the current development model. With its objectives of growth and productivity, it cannot procure a decent way of living for everyone. Aiming for ever higher profits, it cannot but concentrate the wealth in the hands of a maximum of 1 per cent of the world population. It clearly shows there is an urgent need for ‘another world’, and whatever type of ‘other world’ we may want, we shall have to rethink our economic model.

It is also clear that people need protection, always and everywhere, under whatever economic and political regime they are living. Poverty, inequality and labour conditions cannot improve without good regulations to protect labour rights, decent wages, a guaranteed income to prevent people dying from hunger or curable diseases, access to a modicum of services and the good things in life that can be shared by everyone. If we really want to eradicate poverty, huge inequalities and harmful labour conditions, we need social protection. This is what left-wing governments have done or are trying to do, for good reasons. And it is what Western democracies used to do, but are now undoing.

A third necessity is that serious action on the environment cannot wait. The ruthless exploitation of resources, the destruction of biodiversity and the use of fossil fuels threaten our planet. We know that poor people will be the first victims of climate change, and in fact they already are the ones suffering most from the natural catastrophes that occur in small island states and on the coast of the Americas. No social protection can ignore the need of people for shelter.

Our world requires drastic changes. What this means is a new way of thinking and a courageous reversal of values. Our collective life on this planet has to be taken into account, with a fresh look at the accumulated wealth that serves only a small minority. This new way of thinking is what is most urgent. We need a new ideology that will allow us to find new solutions for old and new problems. Solutions have to be new because of the ecological problems that oblige us to avoid the productivist traps of the past, and because of a new awareness of the diversity in which ‘universalism’ will have to be defended. More than ever, in this increasingly small world, universalism is a basic value, as precisely because of our diversity we are all equal. But this can no longer be defined exclusively by Western thinking. What indigenous people and the Arab Spring have taught us is that a broader approach is necessary, with our collective interests being taken more into account.

If we reflect on the kind of social protection required in order to cover these different issues, we can immediately see the linkages between them and with other topics. This is because the ‘social’ has no autonomy, just as the ‘economy’ and the ‘political’ have no autonomy. Only the fiction of the self-regulating market can pretend there is a strict separation. But the way the economy is organised will have consequences for the way our democracy can be organised and for the possibilities created for the social. And vice versa: the way democracy functions will necessarily influence the way the economy

works and social matters can be regulated. How the social will be conceptualised will have consequences for how markets function and for the way that ecology can claim its rights. Taking into account the ‘rights of nature’ necessarily has consequences for the economy, for social policies and for democracy.

Thus different entry points are possible, and whatever choice is made, the reasoning will quickly lead to changes in the other dimensions. If social protection is chosen here, it is because it affects people directly and enables gradual change. A transformative social protection or social commons will necessarily lead to changes in the other dimensions of life. The way I hope to see social commons developing will bring about changes in the economy, in democracy, in ecology, in our collective life. But we do not have to wait for another economic system or an ecological transition. We can start with it today and, if societies so decide, make the objective of systemic change very clear from the outset.

Before explaining how I see this, I would like briefly to review the solutions that have already been proposed by others. Each of them contributes valuable elements that cannot be ignored in the future, but at the same time they are insufficient for really tackling the problems in today’s world. They are, on the one hand, post-development, including basic income and the *buen vivir* philosophy, and, on the other hand, the social protection proposals from international organisations and, more particularly, the social protection floor from the ILO.

Post-Development, Basic Income and *Buen Vivir*

Post-development basically rejects Western thinking on modernity and development. It rejects modernity because of its unilateral origin and its neglect of indigenous cosmovisions that link up with nature, and it emphasises the collective dimensions of our existence. It rejects development because it destroys local communities and traditions and disempowers people. Post-developmental criticism of the welfare state ties in with criticisms of modernity, individualism and material self-interest. Post-developmentalists see a ‘big state’ at work that makes people dependent on it instead of allowing for a solidarity policy leading to more autonomy for communities, families and individuals. They want to promote social relations instead of the pursuit of more material goods (*‘des liens et non des biens’*), and therefore promote reciprocity between people. Individuals, families, households, neighborhoods and communities can look

after each other and so use human more than economic resources¹. Post-developmentalism often defends a basic income, which is – if high enough – an excellent idea for eradicating poverty, but which does not tackle the inequality problem and may also imply a problem for the fair distribution of the socially necessary labour, as well as weaken labour’s collective representation. I would like to briefly expand on this idea as it is quite successful in left-wing circles these days.

First of all, in order to avoid all misunderstandings, a difference has to be made between the original ‘basic income’ idea and a ‘guaranteed minimum income’. The guaranteed minimum income is an amount paid to all people who cannot earn an income in the labour market and who do not receive enough benefits from social insurance or social assistance. It is an amount – minimally at the level of the poverty line – to which everyone is entitled who would otherwise fall into poverty and it should enable a person to lead a decent life. It is a kind of life insurance but it has no influence on wages or on social benefits for unemployment, pensions or other ‘substitute’ incomes. The basic income, by contrast, is an amount that would be paid to all citizens, irrespective of their status in the labour market and independent of their income. It is a citizen’s income, which would make it possible for wages to be diminished and for all fragmented social benefits to be abolished or diminished.

There are several problems with this proposal, some fundamental, some practical. The first problem relates to the underlying philosophy of the basic income. It is fundamentally liberal in that it only looks at individuals and not at society. All individuals have a right to a certain amount of money and this implicitly also limits the responsibility of the state. You spend your money in whatever way you like, but you can’t go and complain if anything goes wrong. The state has fulfilled its duty and there is no right to further solidarity. Horizontal, collective solidarity among social groups and citizens, proper to social protection and welfare states, is not relevant anymore. In these systems all show solidarity towards all the others, and those who need most will receive most. With a basic income, all that is left is a vertical link to the state. If you fail, you fail, because of drinking, gambling or just forgetting to pay your bills. Your only possible way out will have to come from next month’s basic income and from charity.

¹ See, for example, Serge Latouche, *La planète des naufragés: essai sur l’après-développement*, Paris: La Découverte, 1991; Majid Rahnema, *Quand la misère chasse la pauvreté*, Paris: Fayard, 2003 and Majid Rahnema and Jean Robert, *La puissance des pauvres: essai*, Paris: Actes Sud, 2008.

The second problem is the fact that the basic income looks like it enhances freedom but forgets inequality. By giving all individuals the same amount of money existing inequalities are actually confirmed. We have equal rights precisely because we are all different. But in order to realise these equal rights some will need more than others. In enhancing equality, then, people have to be treated unequally. A disabled woman, for instance, will need more than a healthy man. A man of 60 years has more needs than a girl of 18. In contrast to social protection, the basic income does not take these differences into account and this is problematic.

The third problem is the call of advocates of a basic income for an ‘unconditional benefit’. Now this is just impossible, since all societies, everywhere and in all times, are based on reciprocity. One can understand the demand to reform the conditions that are now attached to some basic social assistance mechanisms (mostly linked to the labour market but also a high degree of social control on ‘cohabitants’), but no society will ever agree to just spending money on people who have no further responsibility towards the state or society. Citizenship is basically a relationship between the state and individuals, with reciprocal rights and duties, and this necessarily has to remain. One could argue that the collective wealth existing on this planet, or the return on it, necessarily has to be distributed among all citizens. But do natural resources need to have a return? Do they have to be exploited? And what about citizens of countries that have no natural resources? What could be the basis of someone’s right to claim a part of collectively produced wealth if there has been no contribution to its creation? Moreover, it is easy to see when, inevitably, a first condition will have to be introduced: Who is going to benefit from a basic income? All national citizens? All residents? What about newcomers? Will they receive a basic income from the day of their arrival?

The fourth problem is the utopian idea that people can be free from labour. Advocates of a basic income often preach a kind of ‘right to laziness’. Again, this is hardly conceivable. All societies have a certain amount of necessary labour to do, from producing food to building houses and garbage collection. Workers would be free to refuse the difficult and ‘dirty’ jobs, it is said. Yes, but some dirty jobs may be socially necessary, so who is going to do them? Employers will have to pay much more for these dirty jobs to be done, so it is said. Really? What if migrant labour is imported, with little rights, to do the jobs, in the same way as domestic work is now often done by migrant workers after women entered the labour market? And why should some people be freed from the tasks of undertaking part of socially necessary labour? Again, it is a matter of

reciprocity. If there are no jobs for everyone – and more and more it looks as if this could be the case in the near future – then working time will have to be reduced and labour will have to be shared by all members of society. Labour will have to be redefined, but we certainly cannot do without.

A fifth problem is related to value creation and the sources of funding of a possible basic income. Social contributions are part of the added value produced by labour and all monetary income is produced by current activities, that is, labour, whether it is done by humans, by robots or by nature. There is no monetary income from other sources. Moreover, this labour has to be socially recognised. It is a myth to believe in a miraculous source of income coming from nowhere and validated by no one. Labour, however we define it, is at the heart of income.²

There is also a whole series of practical questions. Social protection is usually managed by the representatives of the labour force – trade unions – of employers and by the state. If the rules have to change, this implies a negotiation between all partners and workers have a right to strike. This may not be the case in all vulnerable labour situations, but the point is that public authorities usually cannot – or should not be allowed to – unilaterally block wages or flexibilise the labour market. The difficulty the IMF has in imposing its flexibility rules on all countries shows that it is indeed not obvious. If the state gives a basic income to all its citizens and it has to resort to austerity measures in order to reach fiscal balance, it is quite easy to just reduce the basic income. This mechanism makes people totally dependent on the goodwill of the state – which is quite different from being dependent on society and social partners – without intermediaries.

The basic income exempts the state from doing anything for people above and beyond the basic income. Even if today's social protection systems are not meant to reduce inequality, they do raise people's incomes and limit inequality. The best tool in the fight against inequality is a fair tax system and this can be maintained when a basic income system is introduced. Taxes could be used to limit the highest incomes and thus provide money for a basic income. But the responsibility of the state stops when the minimum floor of a basic income is reached. Social progress through higher incomes stops being a task of governments and income inequalities can rise. Allowances above

² Jean-Marie Harribey, 'Autour de la protection sociale, de quoi parle-t-on?', *Les Possibles*, no. 1, Attac France, 21 October 2013.

the basic income become impossible because all resources will be needed to pay for it. It can be expected that with a basic income the rich will still be able to amass unlimited wealth, while for middle classes it will be difficult to earn something decent above the basic income.

Basic Income and Labour Markets

More important is the relationship of the basic income to employers in the labour market. Advocates of the basic income rightly stress that it makes the labour market more flexible and that people would not have to accept just any job any longer in order to stay alive. With a basic income, human activities even outside the wage labour market can be paid for. This is indeed a very important advantage though it also explains the resistance of trade unions. The basic income is paid out of taxes and is thus paid by all citizens, even if more by the rich than by the poor. But it means a drastic cut in labour costs, not only because of the disappearance of contributions to social security but also because wages themselves would be cut by at least the amount of the basic income. This leaves the trade unions with very little leverage and might stimulate employers to minimise the wages they are still bound to pay. It would almost certainly lead to a further erosion of the power of trade unions and leave workers in the hands of the state and its fiscal potential. However much some of us may criticise the trade unions, this is not a positive development. It means a shift of labour costs from the world of work to society in general and a serious dent in trade unions' power to decommodify labour.

This reasoning is valid for cases in which the basic income is enough to live a life in dignity, that is at least at the level of the poverty line. If the basic income is lower, it obliges people to enter the labour market, at any rate, and employers will be happy to offer precarious 'mini-jobs' without any advantages of a regulated labour market. In that case the basic income becomes a wage subsidy to employers.

There is also an important gender dimension linked to this proposal. From a feminist perspective, some arguments can be found against, while others are in favour of a basic income. It goes without saying that a basic income would give women economic autonomy. It also might give more value to their care activities. But it might also lower their labour market participation and function as a kind of 'mother's wage'. This is especially a risk for lower-skilled and lower-class women who could lose their social networks, the development of their human capital and the emancipation linked to most

of the jobs. Confirming women in their household and care work cannot be an acceptable feminist solution. At that level, a reformed social protection and a defamiliarised vision of care as well as a better distribution of it within households, seems to be a preferable solution.³

The next problem is also linked to the labour market. Welfare states have become bureaucratic, controlling, humiliating and inflexible, so the advocates of a basic income say.⁴ They no longer ensure against unemployment but only control and activate. This may be true in some cases – and highly exaggerated in others – but there is no reason why welfare states cannot recover their original objectives or why welfare states could not be reformed to become better, something they have never been before. And there is no reason at all why autonomous production and work, outside the wage labour market, could not be paid for. An unconditional income external to the labour market cannot influence that market any more. It will most probably remain very low precisely because employers would not want it to interfere with markets. They would want taxpayers to pay for the basic necessities of everyone and keep wages above that level very low. This could lead to a capitalism without a labour market.

One more point has to be added concerning labour relations. These past thirty years, since the introduction of neoliberalism, gigantic transfers of income and assets have taken place from the public sector to the private sector. It is no coincidence that states are indebted and private actors are accumulating wealth. How to justify a further transfer of billions by asking public authorities to pay for a basic income and lower the wages to be paid by employers?

The advocates of basic income also refer to ecological problems. Welfare states, they say, are only affordable in a context of growth, and growth is the most urgent thing to stop in order to avoid natural catastrophes. But this reasoning totally accepts the ‘redistribution with growth’ philosophy, which implies that only the additionally produced wealth can be redistributed. Obviously, and especially in the light of growing inequalities and the enormous accumulation of wealth of the past decades, a serious capital gains tax can reverse the situation since social protection at any rate is a share of the added value produced by workers or by robots. And as Piketty has shown, it is

³ See also Ingrid Robeyns, ‘Will a basic income do justice to women?’, *Analyse & Kritik*, vo, 22, no. 2, 2001, pp. 88–105, available at: http://analyse-und-kritik.net/2001-1/AK_Robeyns_2001.pdf.

⁴ Kaisu Suopanki, ‘The basic income debate in Finland’, *Transform!* 11/2012, available at: <http://www.transform-network.net/yearbook/journal-112012/news/detail/Journal/the-basic-income-debate-in-finland.html>.

highly improbable that we will go back to the growth rates of the ‘golden years’.⁵ Moreover, it should be reminded that social security is in the very first place an insurance system.

Finally, and probably most importantly, a basic income for all citizens, irrespective of their needs, is a very expensive measure. It can be paid for, in most countries, but if we want it to allow for a life in dignity, which is at least at the level of the poverty line, this means it will not be compatible with a social protection system. A basic income has to be given to all citizens, whether rich or poor, according to its advocates, in order to destigmatise social assistance. But this is an extremely high price to pay. If social assistance is too conditional, it can be reformed and its access be made more flexible, without stigmatisation. At any rate, there can be no doubt about the need for poor people to receive high enough benefits so as to not live a life in poverty. It might be more feasible then to give the poor, those who for one reason or another cannot be active in the labour market, a guaranteed income, while others can earn a living in the labour market and have employers pay for it. Social protection is based on an insurance system and on collective solidarity; you contribute to it and you receive benefits in function of your needs. Some people have children and others do not, some people become old and others do not, some people have illnesses and others do not. The costs are paid and shared by all.

This brings us back to the very first argument against the basic income: it is a solution for individuals, not for society, based on redistribution. It depoliticises social justice and cannot tackle inequality since it treats unequal people equally. A basic income is too crude an instrument to eradicate poverty. It is like using a sledgehammer to crack a nut, while careful reforms and improvements in our social policies could yield much better results, for poor people and for workers. There is no reason at all to see wage labour per definition as slave labour. Labour and labour relations can be highly emancipatory and be useful in a process of social transformation. Welfare states are so much more than insurance and redistribution mechanisms. They have fundamentally changed the power relations between labour and capital and this important achievement should not be undone. There is no reason why social protection should be paternalistic. It is based on solidarity and helps to strengthen social cohesion. Moreover, after 30

⁵ Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer, Cambridge, MA: Harvard University Press, 2014.

years of transfers from the public to the private sector – in money and in assets – is it reasonable to give yet another billion dollar gift to employers, asking the state, and thus taxpayers, to pay for a basic income and thereby lowering wages?

One more idea has to be looked at because it is linked to the basic income: the negative income tax. In this system, it is only people not earning enough in the labour market who will receive a benefit from public authorities. This sounds a lot more reasonable and is a mechanism that requires fewer resources. But the problem here is that it also works as a disincentive for employers to offer for good wages and working conditions. They can keep wages low since workers will at any rate get their benefit to add to their wages. Again, it is in the very first place a wage subsidy for employers. Such a system was excellently described by Polanyi: the Speenhamland system was an form of ‘relief’ for the poor initiated in Britain in 1795 that turned out to be disastrous for workers since it prevented them from constituting themselves as an economic class.⁶ It was indeed capitalism without a labour market.

That so many progressive people in rich countries today are advocates of a basic income is linked, as far as I can see, to two separate things. First of all, they take the welfare state as self-evident; they see the many problems it has but do not remember where it came from and what it means. Social protection certainly was not a gift from governments or employers. It would never have emerged without the fear of socialism, but it would neither have emerged without the struggle of workers. It was the result of a hard-fought deal. Who, in today’s rich world, remembers child labour, the lack of trade unions, the crude exploitation of workers, the lack of pensions, of healthcare, of schools? There are very good arguments to try to reform the current welfare states, but it would be foolish to just abandon them. And it would be foolish to weaken trade unions, the only real or potential counter-hegemonic power at this moment. The reality of the ‘world of work’ in many Third World countries today should remind us of what the consequences could be of seriously changing power relations.

The second reason has to do with the often ignored affinities between some progressive ideas, linked to self-management and citizens’ power, and neoliberalism. ‘Social innovation’ or ‘bottom-up’ community care initiatives can be very positive, though, here again, the volunteering will very often be left to women, while men can

⁶ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Boston: Beacon Press, 1944, p. 97.

go and earn a handsome salary in the labour market. And this is precisely why these initiatives can so easily be taken over by neoliberal philosophy. The European Union now defends ‘social innovation’, which is intended to promote and help these local initiatives. And what people do themselves, unpaid, will not have to be done by governments. In Britain it is therefore called the ‘big society’ in opposition to the paternalistic ‘big state’. Volunteers – women – can replace the work of social services. At the same time, the European Union opens the door to ‘social business’ and the ‘care’ multinationals. All this contributes to the dismantling and/or privatisation/commoditisation of welfare states.

The most important achievement of our welfare states, I argue, is precisely the anonymous, organic solidarity that they introduced. If they are in crisis it is because of their success. They organise horizontal collective solidarity, people caring for people they do not know, giving rights to people unknown to them. Most systems are participative and look far beyond the purely monetary concerns of a basic income. It is true that localised care systems can be excellent, but all communities tend to be hierarchical and exclusion always threatens those who do not conform to community rules. Especially looked at from a gender perspective, this is a very sensitive issue. Local care systems can only work well if they are regulated and monitored by public authorities. Strengthening collective solidarity again is thus a major task for the future. The values on which the basic income approach is founded fit perfectly well within neoliberalism.

It is a fundamental misunderstanding to reduce modernity to the pursuit of material self-interest and to exclude altruism. ‘We have never been modern’, as Latour says.⁷ Every day, at the local, the national and the global levels, people witness their solidarity with others, whether on the basis of rights – contributions to the welfare state – or based on a profound awareness of our common humanity – for example, helping Third World people. Both forms of solidarity can be improved, but it is wrong to assume that altruism is incompatible with modernity.

Where post-developmentalists do have a point, however, is when they stress some theoretical foundations of modernity like the importance of social relationships and immaterial needs. Particularly today, we see the dangers of neoliberal policies for social

⁷ Bruno Latour, *Nous n'avons jamais été modernes: essai d'anthropologie symétrique*, Paris: La Découverte, 1991; and in English as Bruno Latour, *We Have Never Been Modern*, trans. Catherine Porter, Cambridge, MA: Harvard University Press, 1993.

life itself. Neoliberalism only knows individuals – remember Thatcher’s claim ‘there is no such thing as society’ – and promotes competitiveness, the pursuit of self-interest, flexibility and so on. Neoliberal globalisation has given rise to a precariat of denizens, of people who are neither victims nor heroes but who are profoundly disaffiliated; migrants and asylum seekers, but also temporary workers and interns. Not only do these people lack basic rights, they also lack stable relationships, communities, and other people with whom to live and share.

Buen Vivir

There are many reasons then why we should redefine our social justice agenda and also give it a new foundation. There is not only the ambiguous agenda of international organisations but also the threats of neoliberalism and the deficient solutions of post-developmentalism, the changing economic and social environment, the emerging climate agenda and the philosophical questions around modernity and individualism.

Latin America’s ‘*buen vivir*’ (good life) can give us a hint as to where we should go. *Buen vivir* is partially built on post-developmentalism and refers to an economy of life and for life. Its main priority for all forms of life – including nature – changes the way production and the means of production are conceptualised. According to this logic, nature has its rights because it is so important for life. The human rights linked to *buen vivir* are mentioned in the new constitution of Ecuador: a right to water, food and food sovereignty, a clean environment, education, healthcare and so on.⁸

Production and reproduction are major objectives, not profit making. Productive and so-called reproductive work are equivalent. All this work is necessary for the preservation of life. Nature and people are not factors of production but are the objective itself of production and of the economy. This implies mutual recognition of everyone and cooperative alliances in order to achieve more social, economic, democratic and intergenerational justice. It aims at sharing a present and a future.

A central concept in this new economy is the *social and solidarity economy*. It is the state that will have to guarantee rights and social services, but the dynamics of the whole system will come from an economy aimed at solidarity instead of profit and which can be partially demonetised. This means that all men and women, communities and

⁸ Irene León, coord., *Sumak Kawsay: buen vivir y cambios civilizatorios*, Quito: Fundación de Estudios, Acción y Participación Social, 2010.

cooperatives can work autonomously and decide on how they go about their affairs. The state can play a supportive role, not placing itself outside society but being part of it.

It is not easy to achieve these goals and the current conflicts in Ecuador show that it is sometimes very difficult to reconcile divergent objectives. But it is most interesting to see the willingness to try and create a new logic, a new way of viewing the economy and its functions for life. This new discourse also tries to avoid the old dichotomies and makes it possible to escape the socialism versus capitalism contradiction. *Buen vivir* is not socialism and it is not capitalism: it situates both concepts within a new logic so that they lose their relevance. In that way, the *buen vivir* philosophy is both radical and pragmatic.

While post-developmentalism and its rejection of modernity and development is difficult to accept, as is the proposal for a basic income, *buen vivir* thinking can help to overcome some of the objections against welfare states.

New Proposals for Social Protection

‘[T]he narrow preoccupation with poverty may actually work against the broad and long-term efforts that are required to eradicate poverty’.⁹ Based on their criticism of the poverty reduction policies, several UN organisations have started to propose a social protection programme.¹⁰ In 2012 the ILO adopted a recommendation on ‘social protection floors’.¹¹ This sounds very interesting and it could be the beginning of policies that break with the Washington Consensus and tackle not only poverty but also inequality and the labour market.

The question is, however, will these new proposals really go beyond poverty reduction? We should not forget how poverty reduction came about and was presented

⁹ United Nations Research Institute for Social Development, *Combating Poverty and Inequality: Structural Change, Social Policy and Politics*, Geneva: United Nations Research Institute for Social Development, 2010, p. 16.

¹⁰ United Nations Children’s Fund, *Integrated Social Protection Systems: Enhancing Equity for Children*, New York: United Nations Children’s Fund, 2012; United Nations, *Re-thinking Poverty: Report on the World Social Situation 2010*, New York: United Nations, Department of Economic and Social Affairs, 2009; World Bank, *Resilience, Equity and Opportunity: The World Bank’s Social Protection and Labor Strategy 2012–2022*, Washington, DC: World Bank, 2012; European Commission, ‘Social Protection in Development Cooperation’, COM(2012) 446 final, 20 August 2012; Simone Cecchini and Rodrigo Martinez, *Inclusive Social Protection in Latin America: A Comprehensive, Rights-based Approach*, Santiago de Chile: Economic Commission for Latin America and the Caribbean, 2012.

¹¹ International Labour Organization, *Social Protection Floor Recommendation*, 2012 (No. 202).

in the past.¹² In 1990 poverty reduction consisted of providing opportunities, that is, the creation of human capital and increasing the capacity of the poor to take advantage of these opportunities, i.e. making use of acquired human capital. For the World Bank, ‘providing opportunities’ meant encouraging economic growth that makes use of the labour force of the poor, while ‘increasing the capacity of the poor’ consisted of providing basic social services such as education, healthcare and family planning. The UNDP saw things the other way round. Human development was making available basic social services in order to empower individuals to increase their human capital for productive, social and political gains within a context of economic growth. In addition to this dual approach, targeted social programmes were required to help those who could not participate in the market. A safety net was needed to protect those who were exposed to shocks and to take care of the victims of the competitive struggle.¹³

Three remarks can be made on this approach. First, it does not require any changes to the policies of the Washington Consensus. Second, the World Bank as well as the UNDP stress the impossibility and the undesirability of social security/social insurance for poor countries, which is a task for private markets and certainly not for governments.¹⁴ According to the UNDP, it was a ‘diagnostic error to think of poverty in terms of social protection and social expenditure’¹⁵. Third, for both institutions poverty is a multidimensional problem. Although the World Bank has strongly developed its statistical instruments on income and consumption poverty, it has constantly weakened its definitions with ever more subjective approaches. In its second poverty report of 2000,¹⁶ poverty has become a matter of vulnerability, lack of voice and of empowerment. ‘The poor rarely speak of income’ is the more than surprising conclusion of a major and very interesting participatory poverty research.¹⁷ Income is

¹² Francine Mestrum, *Mondialisation et pauvreté: de l'utilité de la pauvreté dans le nouvel ordre mondial*, Paris: L'Harmattan, 2002.

¹³ World Bank, *World Development Report 1990: Poverty*, Washington, DC: World Bank, 1990; United Nations Development Programme, *Human Development Report 1990*, New York: Oxford University Press, 1990.

¹⁴ World Bank, *World Development Report 1997: The State in a Changing World*, New York: Oxford University Press, 1997.

¹⁵ Programme des Nations Unies pour le développement, *Vaincre la pauvreté humaine: rapport du PNUD sur la pauvreté*, New York: United Nations Development Programme, 2000, pp. 8, 42.

¹⁶ World Bank, *World Development Report 2000/2001: Attacking Poverty*, New York: Oxford University Press, 2001.

¹⁷ Deepa Narayan, Robert Chambers, Meera K. Shah and Patti Petesch, *Voices of the Poor: Crying out for Change*, New York: Oxford University Press, 2000.

a ‘stochastic phenomenon’¹⁸ and so it is easily ignored when talking about poverty reduction strategies. Later, poverty became a problem of ‘risk-averse’ people, and today it is even defined as a ‘cognitive tax’, poor people being thought unable to think rationally.¹⁹

At the level of discourse, things are certainly changing. As we have seen in previous chapters, inequality is now seen as a serious problem, even if it is primarily linked to growth. Social protection has emerged as a new objective while the limits of poverty reduction and MDGs are recognised.

Most importantly, the income dimension has finally been integrated. For many years, the only way to talk about monetary income was microcredit. World summits were organised, and after the success of the Grameen Bank in Bangladesh – for which Muhammad Yunus received a Nobel Prize – the formula was exported all over the world. Slowly, slowly criticism began to emerge however and microcredit was described as a mechanism for the financialisation of everyday life. Instead of promoting solidarity, it destroys the traditional mechanisms that people always had. It is antagonistic to sustainable economic development since it has no interest in the activities of small- and medium-sized enterprises, but only in individual or communal activities. Most microcredit systems are not self-sustaining and can only survive with significant subsidies and philanthropic donations. Most of all, many people became entangled in problems because of accumulated debt, and in south Asia this has led to many suicides. But it did lead to profits for big business.²⁰

After almost two decades of structural adjustment President Lula da Silva of Brazil started with a programme of monetary transfers to poor families who promised to send their children to school and to make regular visits to a health centre. These initially very low amounts were a huge success and were followed by a social pension programme and a rise in minimum wages. The government also took all measures needed to have schools and health centres in the neighbourhoods of poor families and access to school

¹⁸ Robert Holzmann and Steen Jørgensen, ‘Social risk management: a new conceptual framework for social protection and beyond’, Social Protection Discussion Paper Series, no. 0006, Washington, DC: World Bank, Social Protection Unit, 2000.

¹⁹ World Bank, *World Development Report 2015: Mind, Society, and Behavior*, Washington, DC: World Bank, 2014.

²⁰ Milford Bateman, *Why Doesn’t Microfinance Work? The Destructive Rise of Local Neoliberalism*, London: Zed Books, 2010.

meals and school buses. Mexico soon followed suit and before long the World Bank began to promote the formula.²¹

All this is not surprising. For the governments it is a rather cheap solution. The Brazilian Programa Bolsa Família costs less than 0.5 per cent of GDP, Mexico's programme costs 0.41 per cent and Bolivia's 0.64 per cent.²² And it is still a targeted and conditional programme that makes a selective social policy possible. While poor families are certainly helped, these programmes do not give rights to people and only in a very limited way do they empower them. The poor remain dependent on the government as 'clients' and the programmes can have a severe gender bias.

For some governments, an extra reason could be to have user fees introduced for social services. When poor families have an income, they can pay for these services and profits can be made. What one hand – the government – gives can be taken by another hand – the market. Cash transfers can be an indirect subsidy to privatised companies delivering social services.

The new proposals of the international organisations certainly have to be welcomed. If the social protection floor were fully implemented as proposed by the ILO, it would mean tremendous progress for the world's workers. But we have to remain cautious. A brief analysis of three international proposals clearly shows what the problems are.

The World Bank, ILO and ECLAC

The first international organisation to propose a new kind of social protection was, once again, the World Bank. In 2000 it published its theoretical framework in which social protection became 'risk management'.²³ Risks cannot be avoided, according to the World Bank; they just happen and we have to do all that is possible to mitigate their consequences. We also have to prepare people so that, when risks happen, they can cope with them and bounce back rapidly. People and communities have to be made resilient. The World Bank does not only think of social risks but also of economic shocks and natural disasters, as well as epidemics. This approach allows for opening up the framework of social protection. Since child labour, selling off assets or microcredit all become social protection, there is in fact no longer any specific policy. In 2012 the

²¹ Ariel Fiszbein and Norbert Schady, *Conditional Cash Transfers: Reducing Present and Future Poverty*, Washington, DC: World Bank, 2009.

²² International Labour Organization, *World of Work Report 2014: Developing with Jobs*, Geneva: International Labour Organization, 2014, p. 116.

²³ Holzmann and Jørgensen, 'Social risk management'.

World Bank published a kind of follow-up report²⁴ and in spring 2014 it adopted its new strategy²⁵ in which it does not talk of social protection anymore. It wants to eradicate extreme poverty by 2030 and ‘share prosperity’ (see Chapter 3). It is very clear that the World Bank only cares about economic advantages. ‘Social protection is central to growth promoting reforms’.²⁶ It has to stabilise the economy, promote productivity and labour mobility, develop human capital and reduce inequality. ‘Growth enhancing reforms are made more politically feasible’.²⁷ Logically, the World Bank does not think of universal policies. It is ‘resilience for the vulnerable, equity for the poor, opportunities for all’.²⁸ And the World Bank does not refer to human rights.

The situation is totally different at the ILO. Its mission is to promote social convergence and to improve labour rights and social protection. In its recommendation on the social protection floors²⁹ it is somewhat influenced by neoliberal philosophy but it is also loyal to its older documents. Social protection is a human right. It is a matter of social justice and the right of everyone to an adequate standard of living. It is an important tool to prevent and to limit poverty, inequality and social exclusion and to promote the shift from the informal to the formal economy.³⁰ Only then are the economic advantages mentioned: investment in people so that they can adjust to the changing economy and labour markets. Social protection is an economic and social stabiliser; it can support demand and makes the economy sustainable.³¹ The social protection floor has to be looked at in a national framework and will allow more and more people to enjoy a better protection.³²

The ILO also provides a complete list of all elements that should be included in a social protection system: essential goods and services such as health, income security for children and people who cannot be active in the labour market because they are ill or cannot find a job, young mothers, disabled people and the elderly.³³ However, the ILO is less clear when it talks about the universal character of its social protection. The

²⁴ World Bank, *Resilience, Equity and Opportunity*.

²⁵ IMF Development Committee, ‘World Bank Group strategy’, Development Committee, Report no. DC2013-0009, Washington, DC, 18 September 2013.

²⁶ World Bank, *Resilience, Equity and Opportunity*, p. x.

²⁷ *Ibid.*, p. xiv.

²⁸ *Ibid.*, p. 1.

²⁹ ILO, Social Protection Floor Recommendation.

³⁰ *Ibid.*, para. 5.

³¹ *Ibid.*

³² *Ibid.*, para. 1.

³³ *Ibid.*, paras 5, 9.

objective is a universal policy, so it says, and therefore its recommendation is linked to its international convention of 1952 on the minimal standards of social security. Nevertheless, it speaks of a social protection floor ‘for the needy’.³⁴ In its preparatory work, it had already mentioned the fact that the resources for universal policies were limited.³⁵ The ILO also shows that social protection floors are perfectly affordable even for the poorest countries.³⁶

A totally different approach is to be found in a very interesting document of UN Economic Commission for Latin America and the Caribbean (ECLAC).³⁷ ECLAC is the only regional organisation making a structural analysis and in this way does not follow the dominant ideology of the international organisations. In the recent past, it certainly had to adapt to the neoliberal thinking, but its structural approach never disappeared. Even when introducing the poverty reduction policies in the 1990s, these were different and adapted to the Latin American context in such a way that ECLAC’s development thinking also survived. This probably explains why its discourse on social protection also is different. The fact that many South American countries now have progressive governments may also have played a role. The objective of social protection remains what it has always been: the protection of a certain income level, with social services and decent work.

ECLAC clearly says it wants to go beyond the UN proposals. Social protection should be proactive and based on economic, social and cultural rights. It does not exclude the market but it emphasises that families and social movements have an important role to play, as well as the state. It does not ignore targeting but looks at it as a tool for achieving universalism. ‘Systems should provide universal coverage. Their funding should be grounded in solidarity. And, above all, the citizens’ rights that they establish should be egalitarian’.³⁸ Social protection will influence income distribution and the development of human capital. Thus social protection is linked to social development and social citizenship. ECLAC also offers an idea of the costs of its proposals.³⁹

³⁴ *Ibid.*, paras 4, 6.

³⁵ International Labour Organization, ‘Social protection floors for social justice and a fair globalization’, Report IV, International Labour Conference, 101st session, doc. ILC2012, 2012, pp. 15, 18.

³⁶ ILO, ‘Can low income countries afford basic social security?’, Social Security Policy Briefing paper 3, Geneva, 2008.

³⁷ Cecchini and Martinez, *Inclusive Social Protection in Latin America*.

³⁸ *Ibid.*, p. 13.

³⁹ *Ibid.*, p. 255.

A Paradigmatic Shift

The history of development and poverty reduction, as well as the new proposals on social protection, gives us a glimpse of what exactly is happening. It also shows that the challenges for the North and the South are very similar, even if the level of their social protection is different.⁴⁰ Social protection continues to be based on human rights, except for the World Bank which never fully accepted economic and social rights. One central task of governments becomes the investment in human capital and the assistance to extremely poor people.

The new social policies, then, are not universal but are targeted at the poor. Social protection, in this new version, is not very different from poverty reduction. Poverty remains a problem of individuals and is not seen as a social problem. The same goes for the reasoning on social protection and risk management. In the nineteenth century the risks of industrialisation in Europe were thought to be collective; today they are again individual risks.⁴¹ Solidarity is limited to poor people, the possible subjects of social investment. In the same way as in the past, there are the ‘deserving poor’ and ‘non-deserving poor’, dependent on their availability for the labour market. The main objective of social protection then becomes the promotion of growth, productivity and stability.

Some organisations do mention the important role the state has to play, though it is clear some – or all – social services can be organised by the private sector. The new social protection can also be seen as an instrument to create new markets in health, education and so on. The new social protection takes into account the importance of the income dimension, contrary to the early poverty reduction policies. However, the combination of a small cash transfer – or, for some, a basic income – with higher fees for (privatised) social services could suggest that the result is meaningless.

The logic of this paradigmatic shift is very clear. Social protection is in fact not very different from poverty reduction and can become, in the same way, totally compatible with neoliberal policies. The opposition that was so strong in the 1990s against social protection has not disappeared. Today social protection does not mean the same thing anymore as it did in the 1950s or 1960s. It does not lead to a welfare state and is

⁴⁰ Francine Mestrum, ‘Global, European and national: on the neoliberalisation of social policies’, *Global Social Justice*, 16 February 2014, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=598:global-european-and-national-on-the-neoliberalisation-of-social-policies&catid=10:research&Itemid=16.

⁴¹ François Ewald, *L'état-providence*, Paris: Grasset, 1986.

basically a redistribution system instead of an insurance mechanism. The way that social protection systems are being dismantled in the North goes in the same direction: they become mainly targeted at the poor.⁴² The deregulation of labour markets, the pressure on wages, the privatisation of pension systems and of social services all point in the same direction. Those who want more protection can buy it in the marketplace. There is a single logic at work in both the North and South.

A status quo is not an alternative, so social movements can usefully try to build on these proposals. It is true that all countries have or had some kind of social security, but with structural adjustment many of them have been dismantled and certainly none has been developed. Western European states still have rather strong social security, but these systems are now also being reshaped, without the left or the trade unions having any real influence. Being on the defensive, they can only defend a status quo. The austerity programmes being carried out by the member states of the European Union do not lead to positive economic changes.

With our knowledge of the problems of poverty, inequality and labour markets, it is necessary to rethink the welfare state and to make systemic changes in the economic system possible. *Buen vivir* and the social protection floors can be good starting points. Some elements of the thinking on the basic income can also inspire us.

⁴² Bart Vanhercke, 'Is the "Social Dimension of Europe 2020" an oxymoron?', in Christophe Degryse and David Natali, eds, *Social Developments in the European Union 2010*, Brussels: European Trade Union Institute and Observatoire social européen, 2011, pp. 141–74.

Chapter Five

Redefining Social Protection

It was the best factory job I ever had and I really liked it. They paid me twelve pesos a day for eight hours of work and gave us three days vacation a year. There were about four hundred men working there and we were all forced to join the CTM. I had never been in a union before and I must say that it was a terrific mockery.... And politics is another gigantic farce, because millions of people are dancing around in it ... millions for this public work and millions for that, but it is only a front to hide the millions which go into the pockets of the bureaucrat. I don't understand politics, but all this business of campaigns and elections is such a farce that I don't know why the people of Mexico are accepting it. Here the elections are not free because they know beforehand who is going to be the President.

I don't claim to know much about freedom, except that I have been free all my life and have done what I always felt like doing. But when I was working in the factory I was no longer free because they forced me to register to vote, and they send around circulars telling us we must vote for the government party. The vote is secret but they threatened us with a three-day no-work punishment if we didn't vote their way. For me this is no longer the principle of free elections. (Roberto)

If post-developmentalism and social protection proposals from the international organisations do not provide fully satisfactory answers, where then do we have to look? What do we have to look for? Can we simply reject these proposals?

It is difficult to supply the answers. First of all, *buen vivir* looks interesting and really opens the door for the emergence of a new paradigm, for new ideas that can usefully be integrated into new projects. The basic income is certainly very attractive, but it does not imply the broad solidarity society needs and it is impossible to pay for in combination with a social protection system. It does have, however, a couple of ingredients that can usually be applied to a new kind of social protection. As for the social protection proposals, they are attractive because they link up with the positive past experience of western Europe in the second half of the twentieth century. It is easy to criticise some of the deficiencies of these different social systems, but it should never be forgotten that at the time they were a real revolution and, for the first time in history, gave people some social and economic security. In fact, it was much more than just social protection it was a 'social state' which was based on four pillars: social

protection, labour relations, public services and economic policies.¹ It was a clever combination of growth, markets, taxes, insurance and redistribution, leading to genuine protection.

Obviously, this was only possible because of specific political, economic and historical circumstances. Without the Cold War, welfare states would not have developed as they did after 1945. Without Keynesian politics which allowed for growth and rising demand, labour relations would not have been so positive. There certainly were deficiencies and criticism started as early as the 1960s.² Other important criticisms came from feminism because the welfare states reproduced the international, racial and social division of labour,³ but feminists were not against solidarity. And it is clear that if welfare states are in crisis today it is not because of a lack of prosperity.

It is often said that welfare states were made possible because of colonial exploitation in the Third World. Companies accepted fewer profits in their home countries because they could easily compensate for them in their foreign branches. While there can be no doubt about the exploitation of colonised countries this severely underestimates the struggles of the labour movement. Moreover, even if some companies may have reasoned that way, those that were active in the colonies were only a small minority compared to the overall group of employers who accepted the new labour rules and social security.

Welfare states were not, of course, the exclusive result of labour struggles, nor were they proof of the altruism of employers or of governments. Many arguments were used, different from one country to the other, and some can be compared to what is said today, such as that children need good health so that they become productive workers, literacy on the work floor is required, there is a need for a stable labour force, for strong and healthy soldiers. And of course the fear of socialism remains. All these arguments played a role and many were strengthened after the Second World War.

More importantly, the emergence of welfare states was also linked to a conception of the state that was considered responsible for the welfare of its citizens. The state itself was a kind of public service. The discourse was about social integration, which was much more inclusive than the current idea of social cohesion. It was about

¹ Christophe Ramaux, *L'état social: pour sortir du chaos néolibéral*, Paris: Mille et une nuits, 2012.

² See Richard Titmuss, *Essays on 'the Welfare State'*, London: Allen and Unwin, 1963.

³ Fiona Williams, *Social Policy: A Critical Introduction: Issues of Race, Gender and Class*, Cambridge: Polity Press, 1989.

democracy and the need for solidarity among everyone in order to preserve it. It also was about full employment and, typically, it was not in the first place about fighting poverty. It was a nation-building project, a political construction of collective solidarity.

Another element has to be emphasised today, as many people tend to forget it when the focus is on millennium development goals and extreme poverty: all Third World countries had at least an embryo of social protection, even if it was limited to its civil servants, the military and a small minority of workers in the modern, formal sector. From its inception, when the UN wrote reports on the ‘social situation’ in less developed countries and regions, it did not talk about poverty but about health, education and housing. Its resolution of 1969 on development and social progress shows that the development project that followed decolonisation also had an important social dimension.⁴ Structural adjustment policies and later the poverty reduction strategies dismantled many of these early programmes.

Now, at the beginning of the twenty-first century, it would be useless to try to reproduce the systems that were established 50 years ago. Our economies and our societies have changed, while new risks and needs have emerged. The flows of migrant workers and a growing precariat demonstrate that national welfare states, linked to full employment in a regulated labour market, are not enough. The massive presence of women in the labour market and their need for economic autonomy point to the importance of individual rights and the necessity of reconciling productive and reproductive work.

All the same, the experience of the welfare state was a very positive one. Welfare states were developed within the capitalist system, and even legitimated and strengthened it. But they also benefited everyone. It is very doubtful that the current proposals for change, from activation to investment and innovation, can offer the equivalent of the protection that was provided in the past. Judging by the growing poverty and the inequality in western Europe today it would seem that this is certainly not the case.

For several decades, the welfare states have been eroded, even if their basic structure has been maintained. But ideological discourses have pitted workers against non-workers, autochthonous people against migrants, and even if a large majority of the

⁴ United Nations, General Assembly, Resolution GA 2541 (XXIV), Declaration on Social Progress and Development, 11 December 1969.

people are not ready to give up healthcare, unemployment benefits or free education, the sense of solidarity is becoming lost. In a recent survey for the seventieth anniversary of the Beveridge Report in Britain 62 per cent of the population estimated unemployment benefits to be too generous, 54 per cent thought that people should take care of themselves, 37 per cent suspect that the unemployed cheat. One-third of the British population believe that the welfare state has eroded the capacity of people to help one another.⁵ It appears that neoliberal ideology has delegitimised the welfare state and organic solidarity.

Nevertheless, in spite of all their shortcomings and all the criticisms, most western European welfare states are still going strong. In the last four crisis years, social spending in the European Union has risen by 11 per cent relative to GDP, although GDP has fallen in several countries. However, in major states like France, Germany and the Scandinavia countries social spending is still over 30 per cent of GDP.⁶ It is equally true that the current austerity policies in most countries threaten all budgets and it is high time to organise an offensive in order to protect and improve social protection systems and make them sustainable in the long term.

The Limits of Welfare States

There are many and very good reasons to rethink social protection. As we have seen, today there are no easy solutions for the serious problems of poverty, inequality and failing labour rights. The ways in which economic and social rights have been implemented in most states is very fragmented. Some rights have never been fulfilled, whereas others were but rather imperfectly. In western European countries with a 'Bismarckian model' based on the labour market and funded by contributions from employers and workers, a parallel system of social assistance had to be introduced for those people who could not work any more and had no rights through social security. This second group is growing all the time and the phenomenon leads to social polarisation. The conditionality linked to the system also makes it into a real Via Crucis for poor people. This has to change.

⁵ Sylvie Kauffmann, 'Ces pays émergents qui jouent l'Etat-providence', *Le Monde*, 10 December 2012.

⁶ 'Depuis le début de la crise, les dépenses sociales s'envolent', *Le Monde*, 9 December 2012; Organisation for Economic Cooperation and Development, 'Social spending after the crisis: social expenditure (SOCX) data update 2012', Paris: Organisation for Economic Cooperation and Development, 2012, available at: www.oecd.org/els/social/expenditure.

In many social protection systems employers pay part of the contribution to social security funds. With neoliberal globalisation and growing competition they constantly complain because of the high ‘taxes’ they have to pay. These contributions are not taxes, obviously, but it is a fact that compared to corporations in countries where there are no social contributions to pay they are disadvantaged. Also, in many countries they have to compete with companies in special zones exempted from these contributions by government.

While basic income is a far too individualistic system and while welfare states do organise social solidarity, social assistance could do a lot better in defending individual rights. Most countries have special rules for cohabitants, people who, married or not, share one roof and then lose their right to social benefits. This is particularly problematic for women who lose their economic autonomy. It is not a coincidence that in these countries divorce rates are often much lower compared to others. These kinds of rules have also led to the reputation of welfare states as paternalistic. They do indeed imply social control over people, not only over their willingness to participate in the labour market but also on the question of whether they do indeed live alone. Another problematic element for women is the fact that as long as they are doing care work in the labour market they have the same social security rights as other workers. But as soon as they do this care work within their own families, caring for children or for the elderly, they lose their wages and their rights. The dichotomy between productive and reproductive work will have to be overcome.

Welfare states are particularly exclusive regarding the growing amount of precarious work. In developing countries, the informal economy falls totally outside the social security regulations. Too many people in rich countries, whether they are migrants or refugees or asylum seekers, work in the informal sector. They have no rights. Solutions will have to be found for all the informal workers.

A similar problem exists for self-employed people. Traditionally, in rich countries, these belonged to the better paid and there was no real problem with their lack of social security. Today, the situation is different and more and more people are forced by their employers to work in a ‘self-employed’ status, which means – if they register correctly – they have only limited rights and will face serious difficulties when ill or getting older. We also have to take into account that many young people prefer to have an autonomous status because they do not want to work in a relationship of dependency towards an employer.

And many young people, being self-confident and in good health, having been raised in a neoliberal context, do not see the need for solidarity. Many think that everyone has to take care of him/herself and they see no problem in the market relations that rule their lives.

Globalisation plays an important role as well for the current problems with welfare states. Workers can be active in many different countries, which should mean their rights are transferable and this supposes that countries have made arrangements with one another. But even in the European Union today many problems remain.

Solutions should also be found for the growing number of unemployed people. As of today, it does not look as if full employment will ever be back. The insurance systems we have are not prepared to deal with high unemployment rates. This points in the direction of more bridges between social insurance and social assistance and/or a total reshaping of both of them, coupled with a drastic reduction of working time. These bridges will necessarily involve social contributions and taxes, and here again the globalisation dimension has to be taken into account. The money that is hidden in tax havens and the enormous amounts that illicitly leave developing countries today are totally unacceptable.⁷ International taxes will inevitably have to help fund a global social protection.

Finally, and no less important, are environmental rights that are as significant as labour rights for protecting the health of people. Water has now been recognised as a human right, while the right to a clean environment and the right to land for farmers are all as imperative as social security rights for the health and livelihoods of people.

There are many more other reasons for re-examining social protection. What should be clear by now is that the current social protection systems are not satisfactory any more. Rights are too fragmented and too many people are left behind. Social protection should be about much more than labour markets and redistribution. It should also be about non-working people, about gender, about the crisis, agriculture, access to medicines, globalisation and so on. This is why we need a new perspective and why we will have to take into account the interdependence of people and of issues.

⁷ Dev Kar and Joseph Spanjers, *Illicit Financial Flows from Developing Countries: 2003–2012*, Washington, DC: Global Financial Integrity, December 2014, p. vii. Between 2003 and 2012 the developing world lost \$6.6 trillion in illicit capital flows. After a brief slowdown during the financial crisis, illicit outflows reached a peak of \$999.2 billion in 2012.

The Failing Theoretical Base

Strange as it may seem, it is much easier to find a theoretical basis for poverty reduction policies than it is for social protection and welfare states. Poverty reduction policies usually have an ethical and philosophical basis, referring to the right to life. Neoliberal thinkers such as Friedrich Hayek and Milton Friedman accepted the need to help poor people, even with a kind of minimum income or negative income tax. They could not however accept a ‘distortionary’ minimum wage. Philosophers like John Rawls, Amartya Sen, Martha Nussbaum and Thomas Pogge developed interesting arguments to defend and justify transfers to poor people. But the same is not true for welfare states. Once serious redistribution is at stake, political decisions are needed.

Nevertheless, some noteworthy attempts have been made. I would like briefly to examine three as they continue to play an important role today. The first attempt was by T.H. Marshall and his theory of social citizenship.⁸ According to him social rights are the third generation of rights, after civil liberties (eighteenth century) and political rights (nineteenth century). Social rights allow people to live like civilised human beings and according to the prevailing standards in society. This became possible in the twentieth century because in the previous century there had been a growing social consciousness of equality as social justice and of the concept of equal social worth, not merely equal natural rights. Citizenship is based on equality, but economic inequality undermines political equality. Thanks to social rights it was possible to go beyond poverty reduction and to claim a universal right to real income which was not proportionate to the market value of the claimant. With social citizenship, certain goods are decommodified (public services) and individuals have a right to basic services and a guaranteed income. In that way, inequalities were certainly not eliminated but the market was partially bridled and it was no longer the economic status of individuals that determined their access to social services. Economic inequalities were diminished and made politically ineffective.

Marshall first published his theory in a 1950 essay (then elaborated in a major book, *Class, Citizenship and Social Development*) and it was both very influential and then attracted criticism from various quarters, mainly from feminists and Marxists. Feminists claim that Marshall is historically incorrect: women, in many cases, did have social rights before they obtained political rights. Marxists feel uneasy with any theory

⁸ T.H. Marshall, *Class, Citizenship and Social Development*, New York: Doubleday, 1964.

of citizenship, as it ignores class conflicts that are supposedly the main drivers of progress. Nevertheless, faced with today's threats to social security systems and a new focus on poverty reduction, opponents of social citizenship have qualified their scepticism. However imperfect welfare states may be, they are greatly preferable to any (neo)liberal system. They do not eliminate markets, but they do hinder them from determining people's lives and livelihoods. Welfare states are perfectly compatible with Polanyi's 'embedded markets' and they are a consequence of social and political decisions about where and when markets may play a role.⁹

A second interesting theory is that developed by François Ewald.¹⁰ He explained the emergence of the welfare state at the end of the nineteenth century through a new conception of 'risk'. Industrialisation forced employers to stop blaming individual workers for the many accidents that were occurring in the factories. Risks were not individual facts any longer, but inherently linked to the production system and should be seen as having a collective, social and even societal dimension. This made it possible to introduce social solutions, that is, social insurance. And such insurance was part of a reconceptualisation of social relationships, introducing some solidarity between those who managed and those who suffered from the industrialisation process. This new conception of collectivised risk – with rights and duties – certainly played a role in the emergence of insurance against labour accidents. But it is difficult to see it as the explanation for the emergence of paid holidays or maternity allowances, which are difficult to integrate in a risk framework.

Ewald's theory, however, is interesting because it ties in with current views on risks and on individual responsibilities, more particularly those expressed by the World Bank. In the Bank's first proposals for a new theoretical framework for social protection,¹¹ Robert Holzmann and Steen Jørgensen present a 'risk management' scheme. Oddly enough, it uses some ecological thinking in 'naturalising' the economy and risks. In conformity with Ulrich Beck's reasoning on risks¹² – though this only concerns industrial risks – people are said to be equal, all facing the same risks. It is true that poor people are somewhat more exposed but the risks are basically the same

⁹ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Boston: Beacon Press, 1944, p. 97.

¹⁰ François Ewald, *L'état-providence*, Paris: Grasset, 1986.

¹¹ Robert Holzmann and Steen Jørgensen, 'Social risk management: a new conceptual framework for social protection and beyond', Social Protection Discussion Paper Series, no. 0006, Washington, DC: World Bank, Social Protection Unit, 2000.

¹² Ulrich Beck, *Risk Society: Towards a New Modernity*, London: Sage, 1992.

for all. Moreover, most risks cannot be avoided, they just happen. The only thing people – and states and families – can do is ‘mitigate’ them or ‘cope’ with them. Risk management, then, is never about protecting people against risks but about teaching them how to live with them. They have to be ‘resilient’. Private market solutions fit perfectly within that scheme. Individual responsibility is also back on the agenda, not with regards the emergence of risks but for the way one should react to them. Governments only have to provide the opportunities and the possibilities to do what is necessary: the responsibility remains with the individual and the family.

This risk approach has the advantage of preserving basic – and theoretical – equality, but by amalgamating all different kinds of risks its limits are also evident. Inflation is not the same kind of risk as drought, and an earthquake has to be dealt with differently from an epidemic, even if one can be the consequence of the other. The point is that some risks can perfectly well be avoided while others cannot. Epidemics can be avoided with sound health and sanitation policies – think of the Ebola crisis in west Africa – while floods can be stopped with good ecological management and the construction of dykes. If drought is feared, one can stock up on food and water, instead of waiting and seeking solutions when the catastrophe happens. Many of these solutions existed but were undone by structural adjustment policies. As for economic ‘shocks’, it is obvious they are mostly man-made. It is precisely by ‘equalising’ natural, economic and health risks that the uselessness of prevention is emphasised.

Like poverty, risk is thus part of an ideological social construct. By removing the security of social protection from people and refusing to bear the social consequences of a neoliberal globalisation with its deregulated financial markets, the 1 per cent blame the unavoidable risks we all have to live with. There is nothing to do about it, just cope with it. People are no longer protected against markets but are instead encouraged to participate in them.

The third theory concerns the ‘social state’. Here, Christophe Ramaux¹³ rightly stresses the fact that most attempts to theorise social protection are limited to this one protection system, whereas in fact it is totally embedded in a coherent and larger whole which is the state. The ‘social state’, as he calls it, is based on four pillars: social protection, labour relations, public services and economic policies. This last point is particularly interesting, because it is usually left out of all social protection thinking.

¹³ Ramaux, *L'état social*.

But if we accept the transformative potential of social protection, then economic policies do indeed have to be considered.

Whatever neoliberalism is trying to change in our States and our societies, we still do not live in a market economy, according to Ramaux, but in an economy with a market. In a market economy, markets are everywhere and decide on everything, whereas in western European countries such as France and Germany, public intervention still plays a very important role. Our social state is said to be underestimated, as it did in fact constitute a real revolution in our thinking and in our being. It is not only anti-liberal but also anti-capital with whole sectors of the economy that have been decommmodified. We do not live in mono-capitalistic societies. People do have some degree of economic and social security. Moreover, by including economic policies into the concept of the social state, this reasoning encourages reflection on budgetary, monetary, tax, trade and commercial policies, as well as, obviously, on distributive mechanisms. It allows for thinking on public services and on what can or should be left to the market and what should not be.

These questions are highly political and consequently affect the democratic systems we live in. Democracy gives the basis for the social state. It is governments which, in a democratic way, will have to decide on how to organise the state, on what responsibilities it has and on where and how to restrain the markets. The social state to which Ramaux refers feels responsible for the welfare of its citizens, though this does not mean it has to organise everything itself. Markets and citizens can clearly be involved in designing and organising welfare mechanisms, but this will always be within a context of regulated and institutionalised welfare.

If it is so difficult to see the wonderful construction that social states have built, it is because of the analysis influenced by Marxism that sees states as being necessarily in the hands of the dominant capitalist classes. However, states have no essence. They do play a role in the shaping of class relationships and the working classes are not necessarily excluded from them. It is precisely through democracy and the welfare state that the working classes – represented by trade unions – find ways and instruments to work for their emancipation and to shape states differently, away from capitalism and neoliberalism. If welfare states are in crisis today it is because of their success. They not only played an important economic and social role but also a major political role.

The natural aim of social protection is to destroy a market in which labour has become a commodity.¹⁴ State intervention can then help to solve market failures, promote full employment and ensure macroeconomic stability. Precisely when neoliberalism is failing, as it is today, the importance of social protection is more evident than ever.

As neoliberal attacks continue, constantly demanding more of the same, it is urgent to rethink and rebuild our welfare states, updating our views on their four pillars and also on democracy. This means we shall have to leave the logic of risk aside and return to the logic of solidarity, rejecting the notion that everything is at the service of markets and of the economy. Instead, the economy must be put at the service of society and the collective dimension of our social protection and its links with other aspects of life reaffirmed. These are all eminently political decisions that need to be taken, but they do require a change in our way of thinking. It is unacceptable to leave the monopoly of rethinking the welfare state to neoliberals who only know about markets. Fulfilling the potential of welfare states requires a reconsideration of a whole series of issues concerning the future of our planet and our collective living, for building another world, and this can help us abandon the sterile ways of thinking that more often than not paralyse us. A theoretical basis can sometimes be helpful in contextualising problems but it can also block us from thinking outside the box. In this case, the lack of a theoretical basis should actually help us to renew our ideas for a globalised world with solidarity.

Ramaux helps us to go part of the way. What is less convincing is his insistence on the state, which is too limited – even if all welfare states emerged in the context of national politics. Today we must move on. Maybe the concept of ‘social development’ is better than social state. This would also make it possible to resuscitate development, as meaning progress in situating all communities and all societies within a broad context of humankind which, as a whole, deserves protection. Communities and societies may be organised differently, according to the needs and wishes of peoples, but they should hold the same basic values of the equal value of all people and of all peoples, and of solidarity with them all. But it is also true that development has been so delegitimised that it may be too difficult to recover it.

¹⁴ Polanyi, *The Great Transformation*, p. 177.

It is strange that there is still very little political support for rethinking social protection. The right always had its reservations and does not want to go beyond poverty reduction. They now see inequality as a problem although they feel it should not lead to real redistribution. And if the fight against poverty becomes too expensive it is always possible to blame the poor.

As for the left, it often sees social protection as a ‘reformist’ project and not really anti-capitalist. Social protection is in fact felt to be only the redistribution of the results of exploitation, whereas it is the exploitation itself that has to be stopped. While this argument is fully understandable, one wonders why trade unions are always ready to defend the existing welfare states and do not hesitate to organise strikes as soon as economic and social rights are threatened. They surely do not do it in order to defend capitalism?

All people need protection, under all political and economic regimes, and markets have never been able to provide it. Moreover, redistribution should not be seen as the result of exploitation. It should not be the redistribution of growth but it can also be that of the total wealth produced in a society. This is particularly important in the context of globalisation and international taxes, more particularly capital gains and wealth taxes. Social protection is also more than social policy for ‘those in need’. It is a driver of systemic change and a first condition for eradicating poverty and stopping the impoverishment process. In the European Union the risk of poverty would rise from 17 per cent to 26 per cent if there were no social transfers.¹⁵

The role of welfare states in and for capitalism is very ambiguous. ‘The embarrassing secret of the welfare state is that while its impact upon capitalist accumulation may well become destructive ... its abolition would be plainly disruptive’.¹⁶ The welfare state has never been fully accepted, either by the left or by the right. But it is, clearly, a political project that most people want because it meets their needs. This explains the resistance of trade unions as soon as rights are threatened or dismantled.

¹⁵ European Commission, Eurostat, *Combating Poverty and Social Exclusion: A Statistical Portrait of the European Union 2010*, Luxembourg: Publications Office of the European Union, 2010.

¹⁶ Claus Offe, *Contradictions of the Welfare State*, ed. John Keane, London: Hutchinson, 1984, p. 153.

What Then Are We Looking For?

What we need, then, is a coherent and comprehensive system able to give genuine solutions to the needs of people everywhere. It should be a system based on solidarity, on insurance and on redistribution. It ought also to include the whole of society, from poor to rich, from local to national to global, as well as migrant workers all over the world and the growing precariat. Furthermore, it should include the people who, for one reason or another, cannot be active in the labour market and of course children and elderly people. It should include productive and reproductive work, individual and collective rights and access to services essential for preserving social life. It should include the rights that protect workers against exploitative working conditions, as well as protection against climate change.

This social protection has to take economic conditions into account and it will have consequences for the way in which the economy is organised and regulated. The threatening climate change will also have to be seriously considered and decisions made accordingly on the use of natural resources. Decision-making will be democratic and the principle of universalism respected, even if some targeting, aimed at achieving universalism, can be accepted. It will be based on contributory and non-contributory mechanisms, leading to the promotion of progressive tax systems, both nationally and internationally. This social protection will be a political project and not a management technique. It is closely linked to democracy and social participation in decision-making. Social protection should be the link between collective solidarity and individual freedom.¹⁷

All this will lead to another kind of state in which class relationships will be present, in which there will be a permanent conflict between them, but in which all classes will have a stake and interests to defend. It will be a state with public interventions in favour of popular demands and in favour of the economy. What is intended, then, is not a class compromise. On the contrary, it will be a state in which different interests are present and fight to defend them. Obviously, this cannot be a state of the 1 per cent against the 99 per cent: major inequalities will have to disappear. Nor cannot it be a one dollar one vote system, but a one person one vote system. If protest movements all over the world are shouting today ‘they do not represent us’ there is a very serious problem. Current

¹⁷ Colette Bec, *La sécurité sociale: une institution de la démocratie*, Paris: Gallimard, 2014.

states have in many cases forgotten their core mission of caring for people, socially as well as ecologically.

The social protection system I want to conceptualise is thus not a status quo. It is not a dismantling of social protection but a new way of organising and expanding it. It is based on the old western European model that was introduced into most countries of the world, although never fully realised. It takes into account the new needs as expressed in the *buen vivir* model of Latin America. It can thus lead to systemic change and prepare the other world that is so badly needed. The most important change in this new conceptualisation will be the reintroduction and strengthening of the collective dimension. In the nineteenth century poor people had no political rights because they had no possessions. Citizenship was based on ownership. But by building their collective and mutual funds, they constructed a collective ownership and were able to integrate into the political society. It was the workers' version of ownership which, at that time, at the end of the nineteenth century, was necessary in order to be recognised as citizens.¹⁸

Seen from the perspective of social development, welfare states can be understood as 'a process of planned social change designed to promote the well-being of the population as a whole in conjunction with a dynamic process of economic development'.¹⁹ The social transformation dimension certainly remains valid, while economic development will have to be fundamentally rethought in order to adapt to the climate change requirements. Growth can certainly not be the overarching objective.

In both examples, related to the origins of social protection, the collective dimension was predominant. This is what neoliberalism has tried to undo and what, unfortunately, is often supported by the focus on human rights and by the promotion of basic income. However, there is no reason why that should be so.

¹⁸ Robert Castel, *Les metamorphoses de la question sociale: une chronique du salariat*, Paris: Fayard, 1995.

¹⁹ James Midgley, *Social Development: The Developmental Perspective in Social Welfare*, London: Sage, 1995, p. 25.

Social Protection and Human Rights

The one element that has not yet been touched upon and which requires some further explanation is social protection as it concerns human rights. Existing welfare states are, ultimately, based on human rights. That is why all international organisations concerned today with social protection start by emphasising its nature as a ‘human right’. However, there is a major problem if we also want to expand it and link up with the *buen vivir* philosophy. While it is relatively easy to disagree with *buen vivir*’s rejection of modernity, because of the obviously valuable elements in modernity, it is less easy to disagree with its rejection of individualism. *Buen vivir* does not reject individual rights but claims equivalent importance be given to collective rights and emphasises the importance of our collective being on this earth. Individualism is a ‘value’ which, while it freed people from binding and constraining community life, did indeed ignore the importance of social life and the bonds of human relationships. Those who are conscious of the dangers of exaggerated individualism often blame social protection for having destroyed community relationships and solidarity²⁰ and plead for fewer goods and more bonds. This criticism has to be taken seriously, although we should not forget about rights and their emancipatory potential.

How can social protection take into account this demand for a clear collective dimension? Where does this ‘collective being’ come from and what is its role? How can it be sustained?

The tension between individualism and collective life is not a new one and it is today at the centre of many debates about modernity, *buen vivir* and the so-called civilisational crisis. It is an issue that has to be tackled if some kind of synthesis is to be achieved and if a focus on solidarity is to be maintained. One of the traditional but still valid ways to look at the relativism of individuality is the thesis about the ‘debt’ each individual has to society, not in terms of ‘guilt’ but in terms of heritage. Even a Nobel Prize winner is unable to claim being solely responsible for his or her invention and creativity: we are all building on the work and the knowledge of others, of former generations and of friends and colleagues. Thus we all have a debt to other people, as they made us and our work possible. We are interdependent.

²⁰ Martin Hirsch, ‘La protection sociale a déshumanisé la solidarité’, in Martin Hirsch with Jérôme Cordelier, eds, *Manifeste contre la pauvreté*, Paris: Oh! Editions, 2004, p. 80.

Another way is to look at modernity and the individual human rights that came with it. In modern philosophy it is said that individuals pursue their ‘interests’, while non-Western people rightly stress the importance of collective rights and take into account a fuller range of human sentiments. Often human rights are considered to be the best and universal reference for all those claiming social justice. But human rights are mainly individual rights that ignore human relationships and social life. Surely, economic, social and cultural rights can be seen as collective rights, as argued by Robert Castel.²¹

Moreover, there is also a third generation of rights – the right to development and to a healthy environment – which are also called ‘solidarity rights’ because they take into account the behaviour and interrelationships of individuals. However, their recognition as human rights is still very controversial. Even the second generation of rights is contested by liberals who claim they inevitably destroy the ‘real’ – negative – rights of freedom. Hayek spoke of the ‘mirage’ of social justice and the ‘road to serfdom’.²² But freedom prevails and the common good is totally ignored in this conception of human rights.

The French philosopher and anthropologist François Flahault describes how individual human rights came about and how the foundation of the Universal Declaration of 1948 is in fact seriously flawed.²³ On the one hand, human rights are founded in morality, which can be explained by the Second World War and its atrocities. These moral principles, which involve extending feelings of belonging – of an ‘us’ – to others, beyond one’s own group, can be said to be universal. They are present in most cultures and religions. On the other hand, they are founded on legal principles, and these are indeed Western. The natural law to which they refer is based on the belief that human beings naturally exist for and by themselves – previously they were said to be created by God – and that they have created society. They decided to make a ‘social contract’ in order to satisfy their material needs. In this vision, individuals precede society and, in modernity, individuals can even live without society, like Robinson Crusoe. In this perspective, even human rights are prior to the entry of human beings into society, which means they are conceived of as being exterior to society. They do, however, justify the political power – the state – which is meant to

²¹ Castel, *Les métamorphoses de la question sociale*.

²² F.A. Hayek, *The Road to Serfdom*, 2nd ed., London: Routledge & Kegan Paul, 1976 [1944].

²³ François Flahault, *Où est passé le bien commun?* Paris: Mille et une nuits, 2011.

guarantee the rights inherited from nature once the social contract is made. Modernity also cleared the way for liberal economics. According to this discourse, individuals do not participate in the construction of the common good but are said to pursue their own interests. These interests are supposed to coexist harmoniously with the interests of others: the ‘private vices and public benefits’ of Bernard Mandeville. The pursuit of individual interests will automatically lead to a common good. In actual fact the common good becomes the free market.

These are untenable myths, says Flahault: first of all, because society precedes the individual, and second, because our social life is so much more than a practical arrangement for satisfying material needs. It is an end in itself. Flahault supports his thinking with the results of research in primatology, palaeoanthropology and the psychology of development. This enables him to turn the reasoning around and to state that the individual cannot exist without society. The individual emerges from society, which means it emerges from the bonds that link people to each other and which link each of us to the whole of society. Social relationships are not purely contractual but are constitutive of each one’s individuality.

Flahault takes this reasoning a step further than Marx, then, who never accepted the idea that individuals could exist apart from social arrangements. Sociologically speaking, the individual does not exist. For Marx, the essence of the person is indeed social; it is the product of social and institutional arrangements. He objected to the attempt to divorce the individual from the production relations that determine his or her social nature.²⁴ Consequently, he rejected individual human rights and saw the social contract as being fundamentally needed for satisfying material needs. It is this last point that Flahault finds insufficient for he believes that social life precedes individual life and goes beyond material needs.

The question of who came first, the individual or social life, may seem irrelevant – and it certainly cannot be fully analysed here – if we accept that the individual and society are in fact inseparable, and that society satisfies material and immaterial needs and also that it is an end in itself. Each individual human being refers to the culture in which he or she emerged and social arrangements cannot exist without the individuals that make them work. The social contract cannot be exterior to what constitutes the

²⁴ Karl Marx, ‘Introduction générale à la critique de l’économie politique’, in Karl Marx, *Oeuvres: Economie I*, Paris: Gallimard, 1963 [1857], p. 231.

individual. But the argument of the pre-existence of social life and the multiple purposes that it serves adds a very strong argument that should be kept in mind.

By only seeing individuals and their material needs and interests, needs take the place of desire and of other human sentiments. Interests were also conceived of as being 'natural', as coming from individuals 'as they are'. They were supposed to kill destructive 'passions'. But interests lead to power and power leads to abuse of power. Individual rights and free markets do not spontaneously produce the common good. On the contrary, they lead to conflicts and the abuse of power. Interests have become so overwhelmingly strong that we forget about the feelings of other human beings.²⁵ The current crisis and the greed that led up to it provide clear evidence of this phenomenon.

Social relationships are constitutive of the individual and this implies that rights and duties are inseparable, rights are not prior to duties. Solidarity is so much more than practical and useful: it becomes justified by the fact that existence can only be the result of our relationships with others. Originally, human rights were only conceived for individuals, not for human relations and in that sense they even endanger politics by putting individuals and morality above politics. They do not define social relationships and inter-subjectivity. They make it impossible to think of how each being is questioned in relation to something in social life.

What we have in common is a common good and it is this what makes us both individuals and social beings. This is indeed social life. Even if individuals can become responsible subjects, they only exist as members of society, which is an end in itself.

Neoliberalism threatens this society. It is in fact killing people because atomised individuals cannot survive. The problem with capitalism is its anthropology. The individual is not self-sufficient and, contrary to what Hayek said, the common good is a concrete objective value. The threats against society caused by destroying relationships, communities and bonds, by promoting competitiveness, flexibility and the struggle for life are extremely dangerous. This is precisely what is happening today to the 'precariat' which could indeed become a dangerous class of 'denizens', non-citizens 'freed' from all commitments and all bonds.²⁶ The welfare of the collectivity does not coincide with the welfare of individuals, and neoliberalism finally kills both.

²⁵ Albert O. Hirschman, *Les passions et les intérêts: justifications politiques du capitalisme avant son apogée*, trans. Pierre Andler, Paris: Presses Universitaires de France, 1980.

²⁶ Guy Standing, *The Precariat: The New Dangerous Class*, London: Bloomsbury, 2011.

This is why not only individuals but also society has to be protected, materially and immaterially, first by recognising the primordial role of social life as a condition for the emergence and survival of individuals. It is not nature that can protect us. We need a collective will to protect us against the dominance of individual interests.²⁷

Which is why we need a new and broad concept of social protection that will cover these material and immaterial needs, individual and collective needs. It will have to encompass but also go beyond individual rights, stressing collective rights, the things we share, our interdependence and the links with nature of which we are part. It should entail the third generation of human rights – for solidarity. Going ‘beyond’ human rights does not mean ignoring them. Going ‘beyond’ individual rights does not mean looking exclusively at society. Society and individuals are equally important and cannot exist without each other. They have to be protected simultaneously.

The social-cosmic order of so-called traditional societies can help to understand all this. It is not a question of human willpower. It can be seen either as the historical construction of a specific cosmovision or as a resistance strategy against capitalism and failed development. But it is always a total world order aimed at creating and preserving harmony, maintaining the cohesion of the collective entity. However, harmony is never a given, either harmony with nature or harmony with others. Social protection can be another form of creating and trying to preserve harmony, of resolving unavoidable conflicts: it goes beyond the rituals and the symbolic actions of traditional societies but it is based on the same premises. It produces and reproduces social life, beyond the original communities, in societies of citizens with individual and collective rights and duties.

This is the new conceptualisation that I feel should be given to social protection. I will call it social commons and explain in more detail what I mean by it in the next chapter. The social commons will have three major and equally important objectives:

- To ensure social reproduction: to preserve society and social relationships, at different levels.
- To promote social integration and make relationships among people and with nature as harmonious as possible, knowing conflicts are inherent to progress and full harmony impossible; social protection has to fully integrate the ecological dimension.

²⁷ Tzvetan Todorov, *Les ennemis intimes de la démocratie*, Paris: Laffont, 2011.

- To give individuals economic and social security and an adequate standard of living, through income guarantees, individual and collective rights, equal opportunities and sharply reduced inequalities.

In short, what social commons are about is the sustainability of life in all its dimensions.

Part III
The Solutions

Chapter Six

The Social Commons

One night I had a wonderful dream in colour. It gave me courage. I was inside a very nice house, a boarding house for students. But first it was a sort of sidewalk café, something like a boulevard where people on an excursion go on their way to swim. In that two-story café, the tables were behind me and the roof was of straw. From the roof to the railing on which I was leaning, were woven some very pretty strands of grass, with tiny heart-shaped leaves. I stood looking down at the place where, a short distance from the tree, the pool began, with its border of small stones and clear blue water. Suddenly from somewhere there appeared several pairs of lovers, who walked along the corridor leading to the pool, arm in arm, the boys turning to look at the girls very lovingly. I watched them from above and smiled. (Consuelo)

‘Commons’ is on its way to becoming a buzzword. Its meaning changes as often as the sun rises and goes down again. Some use it to refer to any political community; others use it to speak about the members of such a community, the ‘commoners’. It sometimes is also seen as the result of any activity the commoners or citizens collectively undertake. And still others see it as a concept referring to all that belongs to nature – water, the air, the seas, the forests.

We necessarily have to start then with a semantic clarification. What are social commons and, first of all, what are commons and what are not commons?

The commons have nothing to do with the ‘common good’, a philosophical concept going back to Aristotle and referring to the standards for common and social behaviour. It was later taken over by Christians and it became an ethical concept and the basis for the social doctrine of the Church. Because of these theological connotations, Pierre Dardot and Christophe Laval reject it. According to them, it can be seen as anti-democratic in that it is far from clear who defines this ‘common good’.¹ François Houtart, however, speaks of ‘the common good of humanity’,² a concept that implies a new paradigm with a radical critique of modernity such as developed by capitalism and

¹ Pierre Dardot and Christophe Laval, *Commun: essai sur la révolution au XXIe siècle*, Paris: La Découverte, 2014.

² François Houtart, *From ‘Common Goods’ to the ‘Common Good of Humanity’*, Brussels: Rosa Luxemburg Foundation, 2011, available at: http://rosalux-europa.info/userfiles/file/common_good_of_humanity.pdf.

never really questioned by socialism. He thus introduces a new vocabulary in order to demand a new relationship between humankind and nature, a fresh look at the production of the material necessities of life, based on use value, a general democratisation and interculturality.

Common goods are related to public goods and have a more economic connotation. They are goods and can thus be commoditised, whereas the notion of public goods remains trapped in the dichotomy of state versus market. Some people began to speak about 'common' instead of 'public' goods precisely to avoid this bias and to open the possibility of democratic control. Public goods have been theorised by Paul Samuelson and are usually defined as goods that are 'non-excludable' and 'non-rival'. This means that no one can be prevented from using them and use by one individual does not reduce the availability of the good by someone else. Traffic lights, clean air, public libraries and knowledge are good examples of public goods. They have recently also been discussed in the context of globalisation and the need to provide for 'global public goods'. Clean air is a good example to show that national borders are irrelevant when one tries to provide for them. But the provision of clean air demands collective action, and this is easier said than done at the international level.

The risk here, according to Dardot and Laval, is that this common or public good is reified, by which they mean that they refer to some intrinsic characteristics of some goods. It is not the 'nature' of goods that makes something 'common'. If we see water as a common good, it cannot be because water has specific characteristics that make it a common good. It can only become a common good because people decide to make it their common good, to see it as something they share and have to care for. In other words, it is not the nature of the good that makes it a common good but the institution of the good as a common.

This indeed brings us to this 'common'. In its most simple meaning it usually refers to natural resources accessible to all members of society, such as air, water, mountain, land, forests ... commons are shared by all and cannot/should not be privatised/commoditised. It refers back to the history of Britain and the start of the capitalist accumulation process, which was a process of dispossession and commoditisation. But the concept of commons is also used for cultural goods, such as our knowledge, cultural heritage, literature, music and digital commons like software. Dardot and Laval go back to Aristotle to explain its origins. Commons are all those things that people in a political community or society – at whatever level – decide to

see as a common, because they belong to the whole of the group. This process includes the rules for governing, regulating and monitoring the use of these commons. The common, then, is always the result of some act of ‘bringing together’ (*mise en commun*), which always supposes reciprocity between those who do it and share an activity or a way of living.³ This bringing together of people instituting a ‘we’ is a coactivity, the basic condition for achieving a common. The common will always be the result of a conscious shared activity in order to institute it.

The first question that then comes to mind is: Who can do this? Who can decide water is our common? The answer is a political community, at whatever level – local, national or global. Transnational commons will be more difficult to create because of the lack of transnational institutions and communities. But it should be possible in the future and it is a point we should reflect on. The next question is: Who is part of that political community? Belonging will always be a consequence of participation. Commons cannot exist if people do not work together to create them, and it is this participatory creation that defines the belonging. It is a fundamentally democratic exercise and it can have nothing to do with nationality, gender, race or religion. Instituting commons implies the construction of an inclusive ‘we’. And finally, what does this creation of a common imply? It is the process and the decision to define something as a common plus the rules and institutions needed to make the common available to all. Commons have nothing to do with the unregulated common property or no-property Garrett Hardin was writing about many decades ago.⁴ On the contrary, commons are strictly regulated, but this regulation is the consequence of a democratic political exercise of citizens.

The common, then, is more than just a thing; it is also the process leading to the creation of things as commons and it is the conceptual framework in which we can conceive of the things that we want to share and want the whole community to use.

Thanks to the intrinsic democracy and the sharing, commons have recently become the rallying cry against neoliberalism, capitalism and modernity. The commoning process is the opposite of privatisation and appropriation. But it very often is a kind of grab bag where everyone puts something in or takes something out, without a clear notion of how it should happen. The concept is often used by people who want to act

³ Dardot and Christophe Laval, *Commun*.

⁴ Garrett Hardin, ‘The tragedy of the commons’, *Science*, vol. 162, no. 3859, 1968, pp. 1243–48.

against the state, against the market, against development. It often implies a certain return to the past, to small communities with small-scale production. However, this is not the way Dardot and Laval see it. They do see commons as politicised and socialised resources, at the material and at the immaterial level, but always as the regulated result of participative coactivity. The common is the result of a regime of practices, of struggles, of institutions that can lead to a non-capitalist future. In a similar vein, David Bollier emphasises the emancipatory dimension of commons. He sees them as a social relationship, since you can have no commons without commoners and without a commoning process.⁵ The concept is closely linked to the interdependence of people and of people and nature.

If the concept is on its way to becoming a buzzword it is also because people do not just want to emancipate themselves from poverty but are also looking for a different governance system. As I noted in the introduction, social movements today do not only fight to defend their self-interest but are concerned about the survival of humankind and the planet and also want to make their voices heard. They want to take part in decision-making. Commons can be seen as the foundation of our collective life in our community, in our country and on this planet. Every community will have to define its commons, the framework in which it wants to organise its existence, the rules it wants to follow, the geographical scale at which it wants to exist.

Democracy and participation are central to this exercise, which leads to the question of what the role of governments, states or international organisations should be. The role of states has already fundamentally changed with neoliberalism and they have become more the guardians of the interests of corporations than of those of the people. Yet, formally, they remain the guarantors of people's rights and this task should again become central. As Michel Bauwens states, they should become 'partner states' in order to help people to organise the commons and to safeguard their decisions and rules.⁶ The state in a regime of commons will be different from the old paternalistic state and from the neoliberal market state. Consequently, markets will also be influenced by the decisions citizens can take on the commons.

⁵ David Bollier and Silke Helfrich, eds, *The Wealth of the Commons: A World beyond State and Market*, Amherst, MA: Levellers Press, 2012.

⁶ Michel Bauwens, 'Blueprint for a partner state', Commons Transition, available at: <http://commonstransition.org/blueprint-for-a-partner-state/>.

This all shows how the concept of commons allows for a departure from some of the old dichotomies. It will no longer be an opposition between private and public, or market versus State, but a regime with a market and with a state and with commons governed by citizen-commoners. This also allows us to look differently at property. It is not the status of private or public property that will decide the fate of things but the rules for their use. Think of car sharing, where a car may be owned privately but different people have the right to use it. A good may be in private hands, such as housing, though the owner should not have a monopoly on decisions on how to use the good. Dardot and Laval define commons primarily as ‘non-appropriable’, which means that a private owner, if she exists, cannot appropriate the property and cannot be the single decision-maker. In fact, speaking of housing, this is already the case today; just think of the many rules concerning rent and the protection of tenants. In a regime of commons the status of property, owner and tenant would be better clarified and strengthened. Commons are, in a certain way, outside property. Commoning then is not a mechanism to give all goods or economic activities to the state or to the citizens, but about regulating their use, whoever their owner is. Coactivity does not mean co-ownership. To give an example from the economic sphere, linked to the climate change problem: mining activities may in some cases be allowed, but if we consider the earth as a common these activities should be strictly regulated and not lead to brutal exploitation. What is now called ‘extractivism’ – the domination of humankind over nature – should be stopped and the profits made by mining activities should also benefit the population. In the same way, if land is a common, agricultural activities should never be allowed to divert water sources away from the people who need it to survive.

What matters is not so much the property regime but the possibility of communal use. If this can be regulated, the capitalist accumulation process will be significantly hindered if not stopped. What has happened in the last few decades is indeed the dispossession of common goods, people have been robbed of their water and their lands, and so also from their livelihoods, in the same way as parts of welfare states and public services have been privatised. Most social movements in Third World countries as well as in advanced economies concern themselves precisely with the protection of these goods. And one of the major demands of all these groups is precisely a demand to be allowed to define and to govern them, convert them into real commons. This is the case with actions in Peru against mining activities, in Canada and the United States against the construction of pipelines, and in France against the construction of dams or airports.

The world's new movements, from Occupy to *buen vivir* and Idle No More or the Zadistes, all refuse the old language, though not necessarily the basic ideas concerning power relations. They talk about commons and want to protect their common resources. And they know there is more in this world than the opposition of labour and capital. Gender inequalities are as fundamental and are also based on power relationships. Finally and most importantly, there is the relationship between humankind and nature. Young activists definitely want to leave the straitjacket of the old dichotomies.

But what then can be our commons? One of the very first possibilities that comes to mind is of course the planet itself, the nature we share and of which we are part. It is water, the mountains and the seas, the forests and so many other important things. Converting these into commons would imply a breakaway from modernity which places humans above nature. It is an urgent but difficult task to redefine the relationship between humans and nature. This question is at the heart of our civilisational crisis and will have to be taken into account when proposals are made for geoengineering or genetically modified organisms. This is not about stopping technology and possible progress, but about a precautionary principle and the preservation of life. And most of all, it is about democratic decision-making and monitoring.

A second possibility that comes to mind is the basic things that we share as human beings: our human needs, at the material level – food, clothing, housing – and at the immaterial level – society and our human relationships – threatened as they are by neoliberalism. These needs we all have, though they will never be met in the same way for all people. So again, it is people who will have to decide what precisely they want to see and treat as commons. Even for the immaterial needs there are different ways to meet them, different ways in which coexistence can take form.

Third, what we also share are our human rights. These are not natural; they did not fall out of the sky nor were they God-given, but they are already the result of a political decision that was taken, to consider all people as being equal, with equal rights in order to emphasise our equal value. Equality does not mean sameness. It is precisely because we are all different that we need equal rights. And once again, the choice of which rights and the ways they will be fulfilled differ from society to society, but we can possibly consider them as commons.

Commons should be nothing more than the process of commoning, the result of it and a conceptual framework to conceive of the things we want to protect or promote, we want to govern and use collectively. It is not about domination but about co-

governance, out of an awareness that life itself – of nature and humans – should be protected and cannot be abandoned to exploitative profit making. It is not about a return to the past or small-scale ideology. It is a very pragmatic project that wants and needs the involvement of all. Its advocates know it implies a severe power struggle, but they also know it can become a tool for change at the political, the economic and the social level. If they – we – succeed, the world will be different.

Defining the Social Commons

What are social commons? Is this not a pleonasm, since commons necessarily are the result of co-activity? In a certain way it is, but it points to the dual sense of ‘social’, referring to society as well as to the social needs and rights. In this section I want to make a proposal for conceiving of social protection as social commons, based on the knowledge that

- Current social protection already is a collective property of workers that promoted and enhanced their citizenship;
- The current systems of social protection no longer satisfy all real needs;
- The new international proposals are too limited;
- There is a need for overcoming fragmentation of rights and for linking up with other concerns, in the first place the climate justice movement;
- The need to protect the wonderful achievement of the workers’ movements of the past, today threatened not only by neoliberalism but also by a certain degree of ignorance and disinterest of young people;
- The need to promote equality;
- Therefore, social protection needs to be expanded, strengthened and reconceptualised.

In order to outline a possible new framework for social protection, I first want to stress a couple of theoretical points, then highlight the characteristics of the current social protection system that can be preserved, sketch the context in which social commons can come about and finally make some proposals for what a possible social protection, converted into social commons, might look like.

It should be clear, however, that there can be no blueprint, since at any rate it is people who have to decide on what their commons can be and how to regulate them. The starting point should be that all people – wherever they live and in whatever country

or economic system, in whatever political regime they inhabit – have the same needs: food, shelter, resources to live, clothing, healthcare, education ... and from these needs it follows that all people require some kind of care or protection. They must be able to satisfy these needs and have to be protected against elements that can endanger this satisfaction, such as disease, nature or markets.

As we have seen in the previous chapter, the economic and social rights that were integrated into the Universal Declaration of Human Rights were drafted with this objective in mind. These rights confirm the equality of needs of all people and the basic equality of all people. Social commons should confirm these rights but also take a step beyond them, in order to protect society as such.

Human rights, as I noted, are mainly individual rights, whereas society also needs protection. The definition of the social commons is already part of this protection. It is a collective exercise of defining a ‘we’ and of the commons one wants to share. Other mechanisms are possible, as we will see in the next section, but this is the very first and most important step. The participatory and democratic activity of defining the community – at different levels – is one step beyond human rights and aims to protect the survival of the community. Going beyond human rights, it should be emphasised, is not leaving them behind, but building upon the foundations of human rights in order to strengthen them. The social commons strengthen our coexistence: ‘we are what we share’. The challenge of social commons is indeed to combine the promotion of individual freedoms, collective rights and the protection of the collective being. This is at the heart of the social commons project.

What will be the main characteristics of a social protection system conceived as social commons? First of all, in the same way as human rights, social commons are universal. They can be seen as a specific implementation of human rights, within a limited community. But within that community no one should be excluded; all have to benefit and all have to contribute. Social commons cannot only be for the poor and vulnerable. Social commons mean the existence of a political community, at whatever level, and this means all members have a responsibility – to pay taxes, to do part of the socially necessary work and so on. This does not mean that social commons ignore differences. On the contrary, they have to take into account the structural issues of class, gender, ethnicity, sexuality or age. Social commons should ensure an approach where universal provision meets the articulation and democratic deliberation of people’s diverse needs. All people have the same rights, though in order to make these rights

effective some specific policies may be necessary, respecting diversity. The aim should be equality of outcome. Neither does universalism mean that social commons ignore class conflicts. Conflicts between social groups will always exist and will not disappear, but the objective can never be to eliminate a class. Rather it should be to put currently dominant classes in a minority, reducing their power but respecting their rights. After all, 99 per cent of the population can benefit from social commons, only the 1 per cent can possibly pay for its own transport, healthcare and fire extinguishers. Social commons address the rights of all classes and put into place universal social policies to which all contribute and from which all can benefit, even if some might prefer to relinquish the benefits.

A second characteristic will be the need for multilevel policies. Even if social commons can be decided at different geographical levels – local, national, global – it is clear that no one level can solve all problems on its own. We live in an interdependent world. If social benefits in one community are much higher than in a neighbouring community, this might provoke the mobility of workers and of employers. Globalisation thrives on inequalities and workers have to compete with workers from other areas. If we are serious about building another world, we cannot but promote social convergence at the global level. And that means social commons will have to be looked at from a multilevel perspective. Even if, at the local level for instance, arrangements are made for social protection, these cannot be too divergent from what is agreed at the national level, while some standards will have to be set at the global level. What a lack of social convergence means can easily be seen in the European Union. Free movement of workers has been agreed, but the European Union has almost no social competences. French workers feel threatened by their Polish counterparts who work for far lower wages, whereas British workers feel threatened by their Romanian colleagues. This can only be solved with some minimum rules at the level of the European Union and the active promotion of social convergence. This multilevel approach also plays an important role for the organisation of solidarity, whether it is at North–South or continental levels, in Europe, Asia or the Americas. It also means we will need global rules. The ILO will need more power for making binding rules and have them respected.

Third, social commons face the particular challenge of combining the protection of collectivities with individual rights. The participatory definition of the commons is a first and very important exercise in defining the political community as a collective

entity and an initial step in its protection. Other rules for governing the commons may confirm this. However, this cannot mean that individual rights become subordinate. But neither can there be individual freedom without collective freedom. New social protection systems should confirm the individuality of rights of men and women. It is unacceptable to narrow these rights into family units, since this seriously harms the autonomy of individuals and more particularly women.

Speaking of universality and social commons at different levels, we should also mention solidarity. It is already implied in the ‘we’ that is constructed through the definition of the commons. Solidarity does not only mean people we know and who are members of at least one political community we share. It also signifies organic solidarity with people who we do not know but with whom we share a world. Solidarity is always based on reciprocity, and in this way it contributes to the constitution of communities, again from the local to the global levels. It never can be one-way.

Social commons and social protection are about much more than insurance and redistribution. Redistribution is important in order to fight inequality and to preserve society from polarisation. But at least as important are the democratic procedures for participation and cooperation. Social commons are also about the necessary change in power relations. These are at the heart of social commons and will have a major impact on the way services are provided. Social commons would pay more attention particularly to the care tasks that are now mainly done by women. We will come back to this point in the next section, but fair and equitable distribution is a must. In our ageing societies, care tasks will become ever more important and our economic system should be reorganised accordingly. Moreover, we should not forget the many services that are now provided by nature, be they water or forests or whatever. From a perspective of social commons, looking beyond the traditional tasks of social protection, we can redefine this care work as a matter of social reproduction, or, as Naomi Klein proposes, as a matter of active ‘regeneration’.⁷ That is why environmental rights should also be integrated into a social commons framework – a right to water, to land and so on – all commons necessary to the preservation of life. Giving access to all is a matter of redistribution. In a way, it also confirms the necessary universalism of all arrangements.

⁷ Naomi Klein, *This Changes Everything: Capitalism vs. the Climate*, New York, Simon & Schuster, 2014, pp. 61, 424.

Finally, what is proper to the commons certainly is also proper to the social commons: they should be built from the bottom up in order to meet the needs of the people they are meant for. It is a matter of self-organisation, though states will have to play a role as partners and as guarantors of the rules established. They will also be responsible for the redistribution part implied in every system of social protection.

What makes social commons different from social protection is in the very first place the participatory and democratic construction of it. Social protection should answer the needs of people, but as the existing systems are not really in their hands it is difficult to change and adapt according to these needs. Institutionalised trade unions often make this task even more difficult. In that way social protection can lose its legitimacy and this is the case in parts of western Europe today. A second major difference is the collective dimension social commons emphasise, in constructing them and in governing and monitoring them. Beyond the human rights on which social protection is founded, they also care for society itself and promote social integration. Finally, these participatory and collective dimensions allow for expanding the rights on which they are built. Social commons can and should do more than protect the rights of workers. Their main objective is to enhance the welfare of people and, in doing so, to contribute to the sustainability of life. Talking in terms of social commons gives a direct opportunity to link up with the commons of nature and the problems of climate change. Broadening the concept of social protection to encompass the whole of society – and not only workers – gives an opportunity to take into account the care work, mainly done by women, and, again, to emphasise the sustainability of life.

The Sustainability of Life

In the rest of this chapter I would like to explain the ways that the vantage point of social commons can be transformative and contribute effectively to systemic change, via a transformation of the economy, and how social and climate justice can be made compatible. Two tools will be used: feminist economic theory, on the one hand, in order to point to the necessary redefinition of the economy, and the experiments with the sharing economy, peer-to-peer production (P2P) and social and solidarity economy (SSE) on the other, to show what this can mean in practice.

Social protection is traditionally considered to be an element of social reproduction. Healthcare, education and childcare are elements that directly contribute to the development of ‘human capital’ or, better, the preservation of human life. Pensions are

increasingly seen as a 'luxury' and employers are not willing to pay for them any more. As for domestic work in general, however important it is for the regeneration of the labour force, it is left in the hands of women who are supposed to do this work 'out of love' and unpaid. No wonder the World Bank sees social protection in the first place as having to take place within families. Feminist economic theory has long contested these views but is still not taken seriously. Feminist economic theory expands the notion of economy in order to integrate the non-paid care work of women and to consider gender relations as economically significant. It also breaks with the rationality and self-interest of *homo economicus*.

The conflict between the sustainability of life and the accumulation process of capital has been known all along but has not in the least influenced hegemonic economic thinking and practice. It is as if the world were divided into production and reproduction. When examining the way women are working it becomes clear this is a fiction. Housewives and homeworkers constantly intermingle both activities, caring for their children or cooking while working on their sewing machines. Production and reproduction are totally interdependent and cannot be separated. The care work of women is highly economic, and it is precisely by consciously ignoring this role that social protection can be easily dismantled. Public tasks are shifted to women.

Care work has received a lot of attention these past years, and it is important to point to the fact that it also has changed significantly. As women have entered the labour market in very large numbers, the so-called modernisation of welfare states was instrumental in the commoditisation of care work. Much of the care work was first taken over by public services and later was commoditised. But whatever form it took, it was again mostly women who were in charge of these jobs, though this time with remuneration.

As our societies grow older, much more care work is needed and there is a growing demand for specialised services. In western advanced economies, for reasons of scarcity of available carers but also because of price concerns and the low value attached to care work, more and more migrant women are recruited to do these jobs. The same goes for domestic work, where well-paid and highly qualified women recruit Third World women to do their household work. These Third World women, in turn, have to rely on their parents, older daughters or other family members to take care of their own children while they migrate overseas. This is what is called the global care chain, but the care work remains largely invisible.

The introduction of neoliberalism – started in Latin America in the 1980s with structural adjustment and now at work in western Europe with austerity – has provoked a withdrawal of the state in several social services, from childcare to education and healthcare. The burden has once again fallen on women who were not paid to do the job and who also had to join the labour market to compensate the income loss suffered by their partners. The jobs they found were either in the informal economy or in the special export zones, with particularly bad working conditions. But the international organisations were excited! These women ‘swallowed their pride’ and accepted work that was refused by men. No wonder they were seen as ‘the poorest of the poor’ but always willing to go ahead and keep their families alive.

In fact, looking at the triple burden of women with work in their families, in their communities and in the labour markets, one can say that each time, it is reproductive work: in order to keep their families alive, to maintain the cohesion and stability of their communities and in order to help restructure the capitalist system in its new deterritorialised production units. Poor women, more particularly, are seen as biological, social and symbolic mothers who produce public or common goods the capitalist system cannot or refuses to produce. The reproductive work of women, whether it be in the labour market or in their households or communities, badly or not paid at all, is meant to strengthen and perpetuate the capitalist system and so it does.⁸

This is why the perspective from the feminist economic theory is particularly important in order to put care work at the centre of our analysis, to point to the blurred lines between productive and reproductive work and to make clear there is no such thing as a universal self-interested economic subject. This is all the more important since care work is what links women’s efforts to climate justice. All the protests against extractivism, the destruction of the environment, the search for endless growth and ‘progress’ interrogate the unilateral perspective of productive work that cannot survive for one second without the invisible care work of women and of nature itself. But in the same way as the reproductive capacity of women has limits, so the regenerative capacity of nature is limited.

The answer capitalism has found to avoid the limits of the regenerative capacity of women and nature is, as usual, the market and technology. Carbon emission markets

⁸ Francine Mestrum, *Mondialisation et pauvreté: de l'utilité de la pauvreté dans le nouvel ordre mondial*, Paris: L'Harmattan, 2002, ch. 6.

try to limit carbon dioxide (CO₂) emissions but they are so badly designed they become a profit-making mechanism and utterly fail in their proclaimed objective of reducing emissions. As for the care work, the companies engaged in this activity can only be profitable if they maintain exploitative working conditions for their mostly migrant workers. Some bioengineering experiments can, in the long term, certainly be advantageous. However, many of them may also be dangerous and create more problems than they are expected to solve.

Now that the limits have been reached, a redefinition of the economy becomes indispensable. What is at stake is indeed the survival of humankind, of human civilisation and of nature. By focusing exclusively on production and growth, capitalism ignores the costs of regeneration of humans and of nature. Both women and nature have but limited resources to carry the whole burden of regeneration. Unless regeneration becomes central to our concerns, human life on this planet may be endangered. The exploitation and devaluation of care work and the exploitation and degradation of nature are closely interlinked.

These reflections help us to emphasise the role of commons and social commons: better than social protection, what they are supposed to do is to protect life, nature and humans. The main objective is to preserve the sustainability of life, to make regeneration possible and easy. This goes indeed beyond human rights and redistribution. It is a political and collective project aimed at building another kind of world.

Changing the Economy

The inadequacy of the current economic model is clear. The problems of poverty, inequality and the labour market are evident signs of it. It has externalised its reproduction, be it as care work or as nature which both have reached their limits. We know that the endless search for growth destroys life on earth. Care work cannot be kept outside the economic sphere, while in its capitalist form it is based on the exploitation of its mostly female and/or migrant workers. We should not be surprised that more and more people, especially in Third World countries, reject the very concept of development if it is meant to have these consequences.

The main problem is that no coherent alternative has yet been presented except at the local level. From an economic perspective, all socialist experiences have bitterly failed. The dominant neoliberal paradigm is failing too, even if it is still hegemonic. Its

theoretical flaws have been amply demonstrated, but politically it still is used to continue to concentrate wealth and power in the hands of the 1 per cent. Left-wing academics continue to analyse ‘the crisis’ in order to find the answer to the question of whether capitalism is finally collapsing. But capitalism is a very dynamic and resilient system, always ready to make the necessary compromises in order to perpetuate itself. What might collapse is the financial system based as it is on virtuality. All experts know, but nothing changes.

We know what does not work: the central planning, public production and total elimination of markets in the socialism of the twentieth century, as well as the unregulated and disembedded markets of neoliberalism. These are myths we should forget. They do not allow our economies to sustain the life of humankind and of nature. ‘Everything will have to be reinvented’.⁹

One of the most serious problems to tackle is growth. As endless growth in a finite world is impossible a solution will have to be found. This is not easy since many poor countries still need to develop their productive capacities in order to give people a decent standard of living. In rich countries people fear they will have to reduce their standard of living or that social protection systems will not be affordable anymore. Nothing is further from the truth. Social protection does not have to be financed by growth but can just as well be financed by a better tax system and capital income taxes, a direct way to reduce inequality. After all, social protection is about the share of the added value produced by workers. What people demand, and rightly, is an economy that works for their benefit. This will necessarily be one in which they themselves play the major role and from which they obtain the proceeds.

All this, again, goes in the same direction. The macroeconomy should indeed be part of the social state, as Ramaux calls it, as it will have a direct effect on the daily lives of people. If we are to have genuine social protection, or social commons, we will have to reorganise the economy. Many proposals are worked at today and many real experiments are already going on. A coherent framework and a political willingness to give these experiments a real chance are both necessary. What I am thinking of are the sharing economy, the social and solidarity economy and the peer-to-peer production systems.

⁹ Paul Jorion, *Le capitalisme à l'agonie*, Paris: Fayard, 2011, p. 11.

The process of economic sharing underpins a huge variety of practices, institutions and policies that operate at the local, the national and the international levels. It can concern the use of land in agricultural communities, the right to save and share seeds, but also car or house sharing (couchsurfing), and so on. Many of the existing initiatives are community-led such as cooperatives in the food and retail sectors. The sharing economy does not only concern production or consumption. In fact it concerns the way in which we organise societies and its advocates attach the highest importance to participative democracy. Their concern is an equitable sharing of all scarce resources, whether these are natural resources or the productive and consumptive use of them. Today there are huge imbalances in consumption patterns across the world: 20 per cent of the global population consumes 80 per cent of global resources. Therefore, an international framework will be needed, especially in view of the climate crisis and an equitable sharing of the remaining carbon space. Rich countries will necessarily have to reduce their consumption. But the search for cooperative solutions cannot happen on a voluntary basis. It will have to be driven by governments.

The best-known examples of a sharing economy today are capitalist enterprises: the taxi services of Uber or the room sharing of Airbnb. But lots of other small-scale experiments, such as car sharing, are taking place. The sharing economy, then, is also concerned with small-scale initiatives at the community level as well as global initiatives targeting the use of resources. Both may have diverging organisational logics, however, since local initiatives can be in the hands of citizens, while international sharing necessarily will have to involve governments and international organisations. Local initiatives can remain outside the monetary sphere, while global ones necessarily will imply payments and/or compensations. They will never follow an exclusive market logic.

The starting point for this process is the awareness that sharing is a natural human behaviour. Sharing is central to human civilisation and strengthens the social fabric of societies. It is based on cooperation instead of competition, something to which we are naturally predisposed as reciprocity is the basis of all societies. The sharing economy does not preclude the existence of forms of capitalism or other systems of economic organisation. There certainly is a friction between the principles of sharing and the functioning of free markets, though market mechanisms can certainly continue to play a role. The sharing economy has no ideological motivations, though it does want to promote progressive taxation and public spending on welfare. It participates in

campaigns against debt or in favour of social protection and fair trade. But in the end it is about cooperation and the sharing of political power.¹⁰

The thinking on P2P production is resolutely forward-looking, based on the development of horizontal networks and digital production. P2P means ‘peer-to-peer’ in Michel Bauwens’s definition, ‘a relational dynamic at work in distributed networks’.¹¹ It is not restricted to technology or file sharing, but covers every social process with a peer-to-peer dynamic, whether these peers are humans or computers. It is a way of organising and a way of thinking about organising. It is also a political and social programme for those who believe that in many cases peer-to-peer modes are a preferable option.

According to its advocates, a P2P infrastructure is gradually becoming the general condition of work, economy and society. They consider peer production as ‘a social advancement within capitalism but with various post-capitalistic aspects in need of protection, enforcement, stimulation and connection with progressive social movements’.¹² The P2P economy is mainly a knowledge economy, based on the necessary sharing of this knowledge among peers. The best-known example is Wikipedia, an initiative in which volunteers provide and share knowledge, though at the summit of the organisation some people get paid for the work done. Other examples are Linux and Mozilla Firefox. Material production is also possible within a P2P logic: the Wikispeed project has produced an energy-efficient and modular car at the fraction of the price of a conventional car. Of course, much volunteer work has gone into it, but it can be produced in micro-factories. There are also open source seed sharing networks.

In fact the success of the P2P logic is evidence of a swing of the pendulum from extreme individualism to collective, synergetic well-being. It offers a potential for new modes of social production and organisation. The P2P formula can find its place within a new form of capitalism where the object of accumulation consists mainly of knowledge. Knowledge can thus be kept scarce with legal restrictions (patents) and profit maximisation. An increased amount of voluntary labour can be extracted in the process, leading to hyperexploitation, since the use value creators are totally unrewarded in terms of exchange values.

¹⁰ See the Share the World’s Resources website, available at: www.sharing.org.

¹¹ For an elaboration of Bauwens’s understanding of P2P, see the Common Transition website, available at: <http://commontransition.org/frequently-asked-questions/>.

¹² Vasilis Kostakis and Michel Bauwens, *Network Society and Future Scenarios for a Collaborative Economy*, New York: Palgrave Macmillan, 2014, p. viii.

The P2P Foundation, however, wants to promote a commons-based peer production.¹³ They want to introduce a radical political agenda with brand new institutions, fuelled by the spirit of the commons and aiming to provide a viable global alternative to the capitalist paradigm. Property relations could be replaced by civic relations that define our bonds with each other. They want to produce social well-being based on the people's intrinsic positive motivations. The monetary motive of P2P producers is not absent but is relegated to a peripheral concept. Pools of knowledge would be produced by both paid and unpaid labour. At the organisational level, the P2P Foundation thinks of civic/political institutions in the form of an 'alliance of the commons', a network of commons-orientated networks without economic rationales. Next to that would exist an economic institution, a coalition of commons-orientated, community supportive ethical enterprises which trade and exchange in the market so as to create livelihoods for commoners and peer producers. Finally, the P2P Foundation wants a political-economic institution, a 'chamber of the commons' analogous to chambers of commerce, in order to coordinate the needs of the emergent coalitions of commons-friendly ethical enterprises. Thanks to a partner state the autonomous social production should be facilitated.

There is as yet no universal how-to manual, but the initiative is clearly very attractive and is developing fast. In fact, both the sharing economy and P2P production can be seen as experiments with a social and solidarity economy (SSE). In the words of the United Nations, this refers to

the production of goods and services by a broad range of organisations and enterprises that have explicit social and often environmental objectives, and are guided by principles and practices of cooperation, solidarity, ethics and democratic self-management. The field of SSE includes cooperatives and other forms of social enterprise, self-help groups, community-based organisations, associations of informal economy workers, service-provisioning NGOs, solidarity finance schemes, amongst others.¹⁴

This is a very broad definition, covering a very wide range of activities, but still different from the main/dominant economic model. The objectives are not growth or profit-making (though growth and profit-making are not excluded) but they are geared

¹³ See the P2P Foundation website at: <http://p2pfoundation.net/>.

¹⁴ United Nations Inter-Agency Task Force on Social and Solidarity Economy [TFSSE], 'Social and solidarity economy and the challenge of sustainable development', Position Paper of the United, Geneva: TFSSE, June 2014, p. iv, available at: http://unsse.org/wp-content/uploads/2014/08/Position-Paper_TFSSE_Eng1.pdf.

mainly towards real needs and the welfare of people. In the same way as the sharing economy, democratic decision-making is central and the objectives are also emancipatory, whether at the economic, the social and the environmental levels.

Entities in the SSE sector can contribute to the transition from the informal to the formal economy thanks to a strict respect of the principles of decent work and the non-profit orientated activities; they can contribute to the greening of the economy, to local economic development and so on. SSE companies are often important partners of the state in public service provision, such as healthcare, as well as financial services, often with complementary currencies. They can play an important role in agriculture with a shortening of the food chain and the promotion of local markets.

It is obvious there are as many pitfalls as there are clear advantages to this new type of economy. They are not necessarily above or beyond the markets and, especially when growing, a profit or market logic is dominant. SSE companies are located between the market and the state but in public service provision it can easily and sometimes unconsciously be the case that these associations are taking the place of what is and should remain a state responsibility. Also, in order to remain competitive, these companies often work with volunteers or underpay their workers. Market pressure can dilute the core SSE principles. Instead of real solidarity, a kind of corporate social responsibility thinking can win out. Most of all, an SSE economy can develop in parallel with a capitalist system to which it can become functional.

It is therefore important that the state plays its role in defining the standards and rules for these companies. It is perfectly possible to decide there should never be a distribution of profits, or that all workers should be paid at least the minimum wage, that all labour market rules are respected, and so on. SSE companies should be no 'social economy' in the sense of being meant only for poor and destitute people with lower wages. The SSE sector should not work with a secondhand workforce but should have rules for gender balance and for democratic decision-making. It is open to all kinds of activities and can be compared to self-management initiatives. There is an enormous potential for all kinds of production – renewable energy, food production and retailing, urban renewal, etc. These companies can become an important source for job creation, especially at a time of deindustrialisation, fiscal deficits and massive social demands. What is important is a clear and restricted definition of the objectives of SSE companies. They should contribute to the satisfaction of people's needs, reinvest their

profits, respect all social and environmental standards and ultimately contribute to the sustainability of life.

In spite of all the existing rules, it is always possible that states try to co-opt or influence SSE activities or give support (subsidies) in exchange for pursuing political objectives. One of the best examples of how difficult it may be to escape the logic of power is land reform in Brazil and the way the movement of landless farmers was captured in an outcome that was functional for agribusiness.¹⁵ International organisations such as the World Bank are also specialised in recuperating ideas and ideals. Its ‘community-driven development’ is a perfect example of neoliberal governance.

In order to remain efficient for systemic change the SSE sector has to remain counter-hegemonic, it has to be associated with the constant struggle for economic and social justice. If it works well, it can become a tool for organising hope and creating the future.¹⁶

It will be clear that these examples do not exhaust the issue of systemic change. Much more will be needed to make life sustainable. First, not all economic activities can be hosted into one of these alternatives. To give but one example, I do not see mobile phones and aeroplanes produced by peer-to-peer production or in self-managed solidarity economy. The same goes for steel factories, Coca-Cola and microchips. This means that there is a serious risk of a dualisation of the economy, with a capitalist for-profit economy, continuing to exploit people and nature, on the one hand, and a marginal (even if extended) solidarity economy with respect for ethical, social and ecological standards, on the other.

Second, while citizens and communities can take lots of initiatives and organise their lives in social and environmentally friendly ways, there still is a huge and potentially very dangerous financial sector able to default and able to ruin national as well as local economies. The same goes for the multinationally organised agricultural and extractive sectors. As long as these can continue to grab lands for mining and agribusiness there is little hope for real alternatives.

¹⁵ Ana Cecilia Dinerstein, ‘The hidden Side of social and solidarity economy: social movements and the ‘translation’ of SSE into policy (Latin America)’, *Occasional Paper 9*, Geneva: United National Research Institute for Social Development, August 2014.

¹⁶ *Ibid.*

Here, only the political world can help at the global level. The efforts to regulate the financial sector have remained very limited and, according to experts, the risks are still very real. The only hope at this moment are the initiatives taken by the BRIC (Brazil, Russia, India and China) countries (and especially the Bank of the South [BancoSur] and the China Development Bank) that may make it possible to escape a global financial meltdown. In themselves these initiatives are not alternatives and have to be seen as ‘anti-imperialist’ rather than ‘anti-capitalist’. At the local level, complementary currencies can be a solution.¹⁷

For the agricultural and the extractive sectors we can only hope that one day the international community will be strong enough to impose rules concerning the respect of human rights and of environmental standards. An interesting initiative was taken in 2014 at the UN Human Rights Council with the adoption of a resolution demanding a working group to develop a treaty in order to prevent and address corporate human rights violations.¹⁸

The major problem, however, is that a small number of transnational corporations are now economically stronger than many states, whereas international organisations, funded by cash constrained states, can hardly function any more. This is where the corporations come in and capture states and organisations. Their influence in policy-making can be very important. In order to redress this situation, a lot of pressure from civil society and/or the media will be necessary. Nothing will be possible without a serious change of power relations.

This being said, the economic alternatives I have identified are important. Their common characteristics are precisely what is needed today:

- They can answer the needs of people.
- Their objectives should not be profit-making but the enhancement of welfare and social integration.
- Their basic principle can be solidarity instead of competition.
- Their objective should be the sustainability of life, of humankind and of nature.

They do not work outside of markets or states, but in between and with them. They are not against profit-making but should not be allowed to distribute their profits. In fact, they are totally in line with the principles of the feminist economy: they care for people

¹⁷ Bernard A. Lietaer and Jacqui Dunne, *Rethinking Money: How New Currencies Turn Scarcity into Prosperity*, San Francisco: Berrett-Koehler Publishers, 2013.

¹⁸ For the Global Movement for a Binding Treaty website, see <http://www.treatymovement.com/>.

and for the environment, they care for the sustainability of life, just as the social commons do.

The Sustainability of Nature

Sustainable development has as many meanings as the people who are still using the concept. From the old definition of Gro Harlem Brundtland ('development that meets the needs of the present without compromising the ability of future generations to meet their own needs'),¹⁹ the concept entered into World Bank discourse and has become something like 'sustained growth'. For post-development advocates, the very notion of development is to be rejected, so sustainable development cannot be any better than development itself. As a rallying cry for fundamental change, the concept must be considered as lost.

But the problems are still there and every day finding solutions become more urgent. According to most experts the world is close to irreversible climate change, loss of biodiversity, acidification of oceans, depletion of fresh water and so on.²⁰ The odd, though tragic, thing is that we know what to do about it. At the UN Conference on Environment and Development in Rio in 1992 we already knew and stated that it was necessary to stop unsustainable production and consumption patterns, with common but differentiated responsibilities. Carbon emissions had to be drastically reduced and the 'elusive quest for growth' arrested, which anyway had mostly become unproductive growth, as evinced by the advertising industry or the packaging industry, which is now the third largest sector in the world after food and energy.²¹ We produce as much garbage as useful products, and even if part of the waste can be recycled the heat produced cannot be treated. Wealthy societies waste an enormous amount of food and energy and are thus directly responsible for the unmet needs of the poor and also for the destruction of the planet.

So why do we not start taking the necessary measures? The answer is as hard as it is simple. Less energy use would mean less production, which would mean less growth, which would mean a lower standard of living, which would mean the end of an

¹⁹ United Nations World Commission on Environment and Development, *Our Common Future*, Oxford: Oxford University Press, 1988, p. 43.

²⁰ Intergovernmental Panel on Climate Change [IPCC], *Climate Change 2014: Synthesis Report*, Geneva: IPCC, 2014.

²¹ John Bellamy Foster, Brett Clark and Richard York, *The Ecological Rift: Capitalism's War on the Earth*, New York: Monthly Review Press, 2010.

accumulation process, which would mean – for people in the North – the end of ‘progress’. While it might not make much difference to people in the South, this is clearly unacceptable for the poor as well as for the rich in the North.

The international community does not do what is necessary because what is needed conflicts with deregulated capitalism, the reigning ideology for the entire period we have been struggling to find a way out of this crisis. As Naomi Klein argues: ‘We are stuck because the actions that would give us the best chance of averting catastrophe – and would benefit the vast majority – are extremely threatening to an elite minority that has a stranglehold over our economy, our political process, and most of our major media outlets’.²² The economic system is at war with the planetary system.

This is why there is a frenetic search for technological solutions, from carbon capture and storage, to carbon emissions trade, reducing emissions from deforestation and forest degradation (REDD) initiatives to preserve forests and biodiversity, to the promotion of biofuels and so on. At the same time extractive industries continue to flourish, highly polluting and water-devouring shale oil is being exploited and there is land grabbing in Africa, Asia and Latin America that contributes to anti-ecological monocultures.

There are two issues that are today beyond any discussion. First, the current economic system, capitalism, which was based on an unlimited planet, is now confronting its limit: the earth itself. There are limits to growth, to resources, to progress in its capitalist meaning. Second, in the search for growth and the depletion of resources the North has an overwhelming responsibility. This does not mean that the South or poor people in general have no responsibility at all, but it is disproportionate compared to what the North has done and is doing. Clearly, if China, India and Brazil were to reach the standard of living of Germany or France – let alone the United States – our planet would be absolutely insufficient.

Social Justice and Climate Justice

How then can social justice be made compatible with climate justice? Difficult as it is and will always be, a first condition is to change the current development model of the North. This has already been said but it becomes even more urgent when talking about

²² Klein, *This Changes Everything*, p. 18.

ecology. Poverty, inequality and worsening working conditions can never be solved if the concentration of wealth and the destruction of the planet continue.

But the social dimension of the climate justice agenda can be looked at from two different angles. From the climate justice dimension it is clear that poor people, and especially poor people in the South, are the first victims of climate change. They rightly demand compensation and remedial action, which will require other economic and environmental policies in order to alleviate the climate impact. The measures taken to mitigate the consequences of environmental degradation will have to be distributed fairly.²³

It can also be seen from the perspective of the social justice agenda, to find out how the poor can be protected against climate change and what social policies can contribute to this. Social protection will never be able to take care of environmental problems, but we can redefine and reconceptualise social protection from an ecological perspective. Again, this is one of the objectives of social commons.

However, if rights are to be given to people to protect themselves against climate change, such rights can never become effective if environmental policies themselves do not change. Giving rights, then, and giving people the right to claim their rights – the definition of citizenship according to Hannah Arendt – is also a way to emphasise the need for other economic and environmental policies. Thus environmental rights within a context of social protection do indeed have transformative potential.

Climate justice is, in essence, a matter of social justice. Basically, it is about some people who have power – to pollute and to stop pollution – and others who have no power – to stop pollution. The latter bear the consequences of the behaviour of the former. It then becomes apparent that climate justice is basically a distributive problem and a common good. If Gandhi's statement that 'there is a sufficiency in the world for man's need but not for man's greed' is accepted, one also has to accept that climate justice boils down to what social justice is about: giving everyone a fair share of available resources, both natural resources – like water, land, clean air – and economically created resources – income and social protection. And, as we know that all these resources are limited by nature itself, this cannot be delinked from a broader

²³ Ian Gough, 'The challenge of climate change for social policy', plenary lecture delivered at the Social Policy Association Annual Conference, Sheffield University, 10 July 2013, at www.Personal.lse.ac.uk/goughi/research.htm.

transformative process. Climate justice and social justice are thus inextricably linked, and should be tackled simultaneously in the framework of a new globalisation process.

In this process of change, the South – or the poor – will not only be at the receiving end. New productive practices can also start there and are already doing so: small-scale and ecologically sustainable agriculture, as well as social and solidarity economies aimed at socially useful production rather than profit. Growth will definitely have to disappear as an objective. A steady state economy will have to be pursued, one that allows for the reproduction of natural resources instead of green capitalism, which can certainly provide some short-term answers, especially in the North in sectors such as energy, housing and transport. It can even offer a temporary solution for the unemployment that is facing so many countries. But, in the long term, endless growth is just not possible and a careful analysis will be needed of what is feasible and what is not.

With the knowledge that the industrial civilisation is not sustainable, it is to be fervently hoped that the social movements from the South and the North can come together to resist the continuation of this development model and exert pressure on their respective governments to change course. At the same time I think that what is most urgent is to analyse the flows of natural resources and what can be allowed to grow and what not. New environmental concerns and rights will have to be integrated into the social commons agenda and necessarily they have to be universal rights, for both the poor and the rich. This should lead to policies that go beyond the social agenda, for example on taxation and subsidies that help support sustainability.

A Shared Interest

These universal rights point to one particular characteristic of the environmental problem. Even if poor people are not free from unsustainable behaviour, the responsibility for climate change lies largely with the upper classes. Nevertheless class conflict has its limits, as the rich will not be able to escape the lethal consequences of the problem. It is true that the environmental issue leads to class conflict, but only up to a point. Without clean air to breathe and without fresh water to drink, even the rich cannot survive: humankind is one. This becomes very clear when there are the now regular severe smog alarms in Beijing. This may be one of the very rare topics on which there really is a shared interest.

The whole problem also demonstrates that modernity has its flaws. A new relationship between humankind and nature has to be sought in order to survive. Nature is not just an ‘externality’. Humans are part of nature and they have to live within it and with it. This means that we need to rethink our existence on this planet and more particularly our collective being on this planet.

There is no other sector in which it is so evident that the future of social justice involves sharing, redistribution and universalism. Our world has already overshoot its limits and urgent measures are needed. It is clearer than ever before that the separation between social and economic policies must be overcome in order to link them up with environmental issues. We need to take a new look at participation, democracy and governance. Here, there are no country-level solutions. Globalisation – another globalisation – is a must.

Combining social justice with climate justice shows that it is not only caring for the welfare of the poor but also for the whole of humankind and for the planet. Universalism is required to protect all of us. If we want to avoid planetary disaster, we have indeed to promote new patterns of production, consumption and investment.²⁴ I cannot imagine that people will be ready to abandon air travel or mobile phones completely, but limits should be put to their use and the only acceptable distribution is an equitable one with a fair share of rights for everyone. We should try to look at how we can change consumption patterns for new forms of sharing and solidarity.

The same goes for transport and the need to abandon food production in Third World countries that is destined for consumers in the rich countries. In the recent scandal around horsemeat sold as beef, it was revealed that lorries leave the Netherlands, travel to the south of France and then deliver their goods in Luxembourg. How many empty lorries travel around Europe? Why send shrimps from the Netherlands to Morocco just to be shelled and then sent back to the Netherlands? There are thousands of examples where real economies can be made.

Climate justice is an objective in itself, in the same way as social justice is an objective in itself. It is important to emphasise this. For the World Bank both are necessary in order to promote growth and to avoid social conflicts.²⁵

²⁴ Sarah Cook and Kiah Smith, ‘Introduction: from economic to sustainable development: bringing back the “social”’, *Development*, vol. 55, no. 1, 2012, pp. 5–9.

²⁵ Francine Mestrum, ‘Poverty reduction and sustainable development’, *Environment, Development and Sustainability*, vol. 5, nos. 1–2, 2003, pp. 41–61.

A new paradigm for social commons, including environmental rights, directly leads to other environmental policies, beyond ‘green capitalism’. We need a green society, more than we need green growth. Environmental rights are essentially collective human rights, applicable to all, rich and poor. They will have to be embedded in a broad human rights agenda emphasising solidarity and aimed at producing ‘commons’. Social commons will not of course be enough to change the environmental agenda. Climate justice has to be integrated into the social agenda in order to protect people and societies from the inevitable consequences that are, indeed, already with us. But climate justice will also need a separate political approach to tackle the long-term problems. We must aim at a radical transition to another economy, another way of life, bearing in mind that no political sector stands on its own.²⁶

²⁶ Francine Mestrum, ‘On the social dimension of the climate justice agenda’, *Global Social Justice*, 2 June 2012, p. 14, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=279:on-the-social-dimension-of-the-climate-justice-agenda&catid=10:research&Itemid=13.

Chapter Seven

In the Periphery of the Social Commons

I really felt like somebody in California! Everybody treated me well, both in the hospital and on the job. I like the life there, even though I found its form too abstract, too mechanical, in the sense that the people were like precision machines. They have a day, an hour, a fixed schedule set up for everything. It must be a good method because they have lots of comforts. But the government charges them a tax for food, for shoes, for absolutely everything. If our government tried that tax business here, I believe it might even cause a revolution. A person doesn't like to have what's his taken from him.

The braceros I knew, all agreed on one thing, that the US was 'a toda madre'. That means it's the best. Every once in a while someone complained ... like Alberto said the Texans were lousy sons-of-bitches because they treated Mexicans like dogs. And we looked badly upon the discrimination of negroes.... But we all noticed that even the workers who are not so well off, had their car and refrigerator. When it came to equality of standard of living, well, they'd lynch me for saying this, but I believe that the US is practically communistic ... within capitalism, that is. At least it was in California, because I even heard a worker shout at his boss, and the boss just shut up. The workers there are protected in lots of ways. Here in Mexico, the bosses are tyrants. (Manuel)

Reinventing an economic and social system cannot happen overnight and it will require a long, gradual transition. But it can start right away and many productive and service activities are in fact ready to change from a purely commercial approach to a social approach, from banking and insurance to cooperatives to craftsmanship and small and self-managed enterprises.

Land, labour and money are not commodities, as Polanyi points out, and when they become commodities in a market society this arrangement is not sustainable. To preserve society and social life, fictitious markets have to be reduced because some things must not become commodities. Thus social protection has to include the economy in order to subtract some things from the market, starting with money. As to which goods have to be taken out of the market, again it will be a democratic choice of societies, but they will surely include some of the 'traditional' public services, such as

healthcare and education. The aim of social protection/social commons is to destroy a market in which human labour is a commodity, as Polanyi emphasises.¹

What Polanyi also underlines is that the economy can never be autonomous and if it tries to be so, it destroys society. The development of so-called self-regulated markets is not spontaneous but the consequence of political decisions. This is precisely what is now happening and the consequences – in Europe – could indeed be what Polanyi calls a transition to fascism. Hence, the importance of safeguarding individual and collective interests. Fascism, according to Polanyi, is essentially anti-individualistic; it wants to fight atomised, fragmented societies just as Thatcher wanted to make them. Like socialism, he says, fascism was rooted in a market economy that was unable to function.² Polanyi truly believed in politics and the possibility of humankind making choices. There are no historical necessities. The economy is not autonomous and has no specific laws governing it. There are classes, but not given classes, only social processes.

So-called self-regulating markets destroy societies, but societies do not just let this happen; they resist and react. This is precisely what is happening today. The many social movements coming out on the streets, from the Indignados to Occupy, are linking up with the older ‘Battle of Seattle’ activists and the various social forums at world, national and local levels. The response of the international organisations with their ‘social protection’ is a first, but largely inadequate, solution as it confirms the tendencies of the current economic model and even tries to strengthen them.

So what has to happen is that people take control over their economy and over their societies. They can do so in many different ways, and the previous chapter has outlined some possibilities. If social protection is wanted, we shall have to rethink and reinvent the financial, the productive and the service economies and we shall have to take the ecological constraints into account. And in reappropriating the economy, re-embedding it in society, we shall also have to reinvent social protection, based on rights and commons, redistribution and taxes. We shall have to reconsider labour markets, reduce working time and eliminate the informal sector – for which social protection can be

¹ Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, Boston: Beacon Press, 1944, p. 177.

² *Ibid.*, p. 239.

extremely useful. It will have to be social commons in its most comprehensive meaning, which is to protect society and preserve the sustainability of life.

In this way democracy can also be saved, as it is likewise threatened when the economy tries to become autonomous. After the Second World War social protection saved democracy. The 30 ‘golden years’ were based on a Fordist social pact between states, the economy and workers. It involved a fair share of productivity gains and profits for each of them, improving labour rights and social protection. With the crisis of the 1970s, globalisation and the fall of the Berlin Wall, this period definitively ended and will never come back. But this does not mean that societies cannot make choices, for example deciding on other economic models or demanding a redistribution of wealth – and not only of profits and growth. Today it is also a matter of saving political democracy and introducing economic democracy.

It is governments and people who will have to decide where and which markets they want. It will not be a spontaneous process and it will not put an end to class conflicts. These will always be with us. The question is how societies manage these conflicts and how we can change the present power relations. In fact, the problem is not markets as such but their institutionalisation and their autonomy. The problem is the market economy and the market society because it is they that lead to a situation in which people die of hunger while there is more than enough for everyone to eat.

If we want genuine social commons, we have to discard the market utopia and stop the accumulation process. We must improve social relationships and the potential to create meaning to life so as to make it sustainable. This does not mean we can only work at a small-scale local level. Democracy can be perfectly well organised at a supranational and global level where major changes will have to occur.

An Enabling Environment

From all viewpoints, and given the problems of poverty, inequality, labour conditions and unemployment, extractivism and fossil fuels, and the tensions between the financial and ‘real’ economy, a strong and dynamic civil society is needed to promote solutions that come from society itself. It is a condition for meeting the real needs of people and for avoiding too strong an influence from business lobbying groups. A right balance will be required. Academics will also have to play a major role in shifting the focus of research to topics that provide us with more and useful information about poverty, inequality and the labour market, and their links to the environment, to give just one

example. Sustainable solutions cannot emerge without a broad democratic process so that everyone's interests are taken into account, which is a condition for achieving solidarity.

However much societies and communities can do to help themselves and to organise solidarity, public authorities will be necessary to regulate these activities, to make standards, to monitor and ... to fund. Social initiatives will have the greatest success if they also receive a stimulus from public authorities and if they have the resources for recruiting professionals. We do not need communities with people volunteering to do socially necessary work. We need a professional labour force that is rewarded for the time, the energy and the talents offered to society.

The debate should thus also be about the kind of state we want. And here there should be a real rupture with neoliberalism. No solution is possible within that paradigm. Neoliberalism is less an economic project than a political programme. It believes that there has to be a state if markets are to function well and that it must be strong but limited. It will never provide social protection as this has to be provided by markets. Neoliberal states have only to care for the right to life of the extremely poor. They have to protect competitiveness and property rights and to promote free trade, at whatever cost to the environment and for people. It allows for charity and philanthropy and it can defend civil rights, but not social and economic rights. And as neoliberalism necessarily creates more inequality, more poverty and more exclusion, it cannot but oppress all counter-hegemonic movements and in the end criminalise all social expressions of resistance.

In contrast, the kind of state needed for comprehensive social commons and enabling civil society is one that promotes social integration, not just conflict-avoiding social cohesion. Integration means that everybody can talk to each other because they share a common world, a world with limited inequality. What is also needed is a state that protects people's sovereignty, with governments representing the people instead of the financial interests of money power.³ Today business has too much influence; thanks to their political campaign contributions, corporations can influence votes and legislation, political 'goods' that are bought and sold. In this way they have succeeded not only in creating enormous wealth but also in shifting wealth from the public to the private

³ Stewart Lansley, *The Cost of Inequality: Why Equality is Essential for Recovery*, London: Gibson Square, 2012.

sector. Today, corporate interests have captured states. We do not need a return to a pre-neoliberal state enabling capitalism – including welfare states, among others – to reproduce itself. We need a state that mirrors class relations and gives more influence to the silent majority of today than to the vociferous minority of the population. States indeed are social relationships resulting from past political struggles.⁴ States cannot be the exclusive domain of dominant capitalist powers; they must be in the hands of society at large, reflecting social relationships. They have to play a major role in the protection offered to people, with solidarity schemes instead of social insurance. Organic solidarity with people within the state one lives in and with people in other states is absolutely necessary. Therefore the social commons I want to promote also implies a total reconceptualisation of so-called development cooperation.⁵

States will be required to play their role in international bodies, linking up with other states in trying to organise global democracy and global solidarity. States will also have to look at local-level organisation, which is often more appropriate for helping poor people and for arranging some practical aspects of solidarity, within the guaranteed context of human rights. The challenge will be to organise the right kind of articulation between the different levels. There is a long way to go yet, but it is perfectly possible. What is needed are not states trying to achieve harmony, but attempting to minimise conflicts and ensure a fair balance of social, economic and environmental concerns. People and the planet should have priority, but the economy is needed to provide for people's needs and its limits are necessary to preserve the planet.

What neoliberalism has done is to impoverish states so as to dismantle their integrative functions. But in doing so, neoliberalism is destroying societies and dismantling democracies, making the emergence of a common interest impossible. People need a new imaginary to believe another world is perfectly possible and that in the end it all depends on themselves and on what they are ready to do.⁶ That is why the neoliberal hegemony has to disappear, and make room for other solutions.

It is essential that people are aware that they have rights and that these rights give them the right to reclaim the state and to demand their rights. There is no inevitability in the capturing of states, neither is there an inevitability about democracy. But states

⁴ Nicos Poulantzas, *The Poulantzas Reader: Marxism, Law and the State*, ed. James Martin, London: Verso, 2008.

⁵ Francine Mestrum, *Ontwikkeling en solidariteit*, Berchem: EPO, 2010.

⁶ Heikki Patomäki, *The Great Eurozone Disaster: From Crisis to Global New Deal*, London: Zed Books, 2012.

can be ‘reclaimed’ and be democratised so as to better represent the power relations within society, that is, power for the majority.

When making social demands it is therefore important to take into account their feasibility. Social movements have to decide whether to limit their demands to what they think is feasible for governments or whether they put forward their utopian vision for the future, knowing they may not get satisfaction immediately but creating future possibilities. That is precisely what Ana Cecilia Dinerstein calls ‘the creation of the future’, when talking about SSE. But it does not have to be limited to SSE. The principle is perfectly applicable to social commons. Reality has been reduced to what exists, while we have to open new horizons. Social commons, I would add, is the dimension of the ‘not yet’.⁷

Do Not Demand What Has Already Been Given

When deciding on what to demand, one should be aware of the framework within which demands are being put forward. Governments and international organisations almost always decide on this framework in advance. As soon as poverty was put on the agenda in 1990, only demands to fight poverty were considered legitimate. And it could be said that the whole poverty discourse was precisely intended to frame ‘the order of discourse’,⁸ to decide on what can be said and cannot be said on poverty, on what is considered true and what is not true about poverty. This order of discourse is extremely important for social movements and NGOs because it gives the framework for their demands and projects if they want them to be considered legitimate. It is therefore extremely useful to know what the given framework is and what can be expected. It is the elites who define what is legitimate and what they are ready to concede. They are the ones who shape the demands of the people and decide on how to interpret the demands. The only way they can be convinced to change course is a threat of disruption and of social disorder.⁹

Social movements with social demands should know that the agenda today is ready to concede a form of social protection that hardly goes beyond poverty reduction and

⁷ Ana Cecilia Dinerstein, ‘The hidden Side of social and solidarity economy: social movements and the ‘translation’ of SSE into policy (Latin America)’, *Occasional Paper 9*, Geneva: United National Research Institute for Social Development, August 2014.

⁸ Michel Foucault, *L’ordre du discours*, Paris: Gallimard, 1971.

⁹ Frances Fox Piven and Richard Cloward, *Poor People’s Movements: Why They Succeed, How They Fail*, New York: Knopf, 2012 [1977].

that it has a purely economic objective. Even if the fight for social movements to achieve this will be hard, it could be said that agreement has already been given. This means the struggle that will have to be fought is for something that governments are ready to concede. All demands that go further than this will be rejected today but may help to set the agenda for tomorrow and may contribute to mobilisations for a better world, for another world. The feasibility framework of today certainly does not exclude a utopian demand and actions for systemic change.

It is for social movements to decide on their strategy and to find out what has already been given and if and how far they want to go beyond it. It will require social struggles. And these struggles can be based on social practices that are being developed now. However one wants to advance and promote systemic change, social commons is a particularly good vantage point. Social progress remains possible. Systemic change is necessary.

Tax Justice

Social commons require resources. Healthcare, education, family allowances, income guarantees ... cost money. Where do public authorities get their money? Taxes. According to the Tax Justice Network, the estimates on untaxed private wealth protected and serviced by the global offshore industry constitute an astronomical black hole, a man-made invisibility.¹⁰ The network mentions amounts of \$21–33 trillion that were invested in 2010, virtually tax free, in more than 80 offshore sites with secrecy jurisdictions. These amounts totally delegitimise official statistics on debt as well as on inequality. The source countries of these amounts are indeed net lenders, instead of debtors, whereas the official inequality statistics would look totally different if these huge amounts were taken into account. Above all, these transactions erode the domestic tax base of countries. If global offshore financial wealth is estimated at \$21 trillion, earning a total and modest return of 3 per cent per year and a marginal tax rate of 30 per cent, this would yield revenues of \$189 billion – almost twice the amount of official development assistance (ODA).¹¹ The same can be said of the many different specific measures rich countries have been taking in order to accommodate their wealthy people

¹⁰ James S. Henry, 'The price of offshore revisited: new estimates for "missing" global private wealth, income, inequality, and lost taxes'. Tax Justice Network, July 2012, available at http://www.taxjustice.net/cms/upload/pdf/Price_of_Offshore_Revisited_120722.pdf.

¹¹ *Ibid.*, p. 41.

or investors. The recent so-called Luxembourg Leaks (LuxLeaks) and Swiss Leaks tax evasion scandals, allowing corporations and wealthy people to almost totally avoid taxes on a gigantic scale, and in all legality, say it all.¹² This is one of the most urgent issues that will have to be tackled by those advocating a broad social protection for people. The money is there, but it has to be made available. In a globalised world tax havens can never be justified.

This does not mean that other taxes should not be examined. The domestic tax base in countries should indeed be developed, as taxes are the foundation of any process of state building and democracy.¹³ They are very closely linked to issues that we now call ‘good governance’, ‘accountability’ and ‘public goods’. If citizens have to pay taxes, they can demand accountability and the provision of services. If states want to provide social protection, they can demand that their citizens contribute through taxes. Taxes are an essential part of the policy space that all countries need. And the broadest shoulders should carry the heaviest burden, so citizens need to be sure that the tax burden is equitably shared by all.

What must be obvious by now is that any project to introduce a decent social protection will first have to tackle the financial sector in order to find the necessary resources. This will be hard work, as simple ‘reforms’ may well be insufficient. That is why it is also important to think of alternative forms of financial integration, such as the attempts in Latin America with the Bank of the South (Banco del Sur) and the Unified System for Regional Compensation (Sistema Único de Compensación Regional, Sucre), and in Asia with the recently founded Asian Infrastructure Investment Bank.¹⁴ Even if these initiatives are far from being anti-capitalist, if they can break the hegemony of the Bretton Woods institutions, they will have succeeded. They can make countries less dependent on the global system and give them regional policy space. The

¹² See ‘Swiss Leaks lifts the veil on a secretive banking system’, Global Social Justice, 9 February 2015, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=869:swiss-leaks-lifts-the-veil-on-a-secretive-banking-system&catid=5:analysis&Itemid=6 and ‘Luxembourg Leaks: company’s secret tax deals’, Global Social Justice, 6 November 2014, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=795:luxembourg-leaks-companys-secret-tax-deals&catid=5:analysis&Itemid=6.

¹³ Deborah Bräutigam, Odd-Helge Fjeldstad and Mick Moore, eds, *Taxation and State Building in Developing Countries: Capacity and Consent*, Cambridge: Cambridge University Press, 2008.

¹⁴ Eric Toussaint, *Bank of the South. An Alternative to IMF World Bank*, Liège: Committee for the Abolition of Third World Debt, 2014, available at: <http://cadtm.org/Bank-of-the-South-An-Alternative>.

introduction of alternative local currencies is as important in order to reduce the vulnerability of societies to the global dollar system.¹⁵

Other means of dealing with debt and ending the speculation in food prices are also direct ways of providing resources to countries and people in order to protect them better.¹⁶

This issue is closely linked to the development of globalisation and more particularly financial globalisation. Free capital flows erode sovereignty and the policy space of countries.¹⁷ The financial sector should not take away but provide the resources necessary to improve the welfare of people. Capital has become the most mobile of resources, although this can be no justification for outpricing less mobile factors such as labour. Global financial stability is indeed a global public good but the current system is unable to protect it. In terms of social commons, the role and importance of the financial sector is crystal clear, for it is the sector best able to contribute to the funding of social commons. And it is also closely linked to a conception of a state that is responsible for its people, as well as for a political international architecture responsible for everyone.

Nowhere is the transformative potential of social commons so evident as in the field of finance. In themselves social commons cannot change anything, but if there is a real will to introduce and develop them, this is where the resources are to be found. And nowhere is the need so clear for concrete alternatives and concrete majorities. This implies a drastic change in power relations, bringing the 99.999 per cent to power, instead of having them held hostage by the 0.001 per cent. At the same time, it should be evident that this cannot happen in a vacuum. It is impossible to change the financial system without changing the economic system and democracy. This is indeed a colossal task, but it is a worthy one and very possible.

Tax Havens

Tax havens were the most important actors in precipitating the crisis. And contrary to what many people think, they are not working on the margins of the financial sector but

¹⁵ Bernard A. Lietaer and Jacqui Dunne, *Rethinking Money: How New Currencies Turn Scarcity into Prosperity*, San Francisco: Berrett-Koehler Publishers, 2013.

¹⁶ See several annual reports of the UN Special Rapporteurs on the Right to Food, Olivier De Schutter (2008–2014) and Hilal Elver (2014–), United Nations, Office of the High Commissioner for Human Rights, available at: <http://www.ohchr.org/EN/Issues/Food/Pages/Annual.aspx>

¹⁷ Sacha Dierckx, 'Capital Controls in China, Brazil and India: Towards the End of the Free Movement of Capital as a Global Norm?', PhD thesis, Ghent University, 2015.

are an integral part of modern business practice. They do not work in opposition to states but have been created by them and work closely with them. Modern states have willingly accepted to reduce and abandon part of their sovereignty,¹⁸ for tax havens have been allowed to undermine the regulatory processes of mainstream states.

Tax havens are escape routes from the duties that come with living in and obtaining benefits from society. Companies that use tax havens try to avoid and evade taxes that would otherwise contribute to the development of economies and societies.¹⁹ And tax havens are not only in far-flung islands (like the Bahamas, Bermuda and the Virgin Islands) or mountain resorts (such as Liechtenstein and Andorra). They are also situated right in the heart of the wealthiest states: the City of London, Belgium and the Netherlands. ‘Capitalism’s dirty little secret’ cannot be cured; it has to be eradicated.

The poverty in Third World countries cannot be understood unless it is known exactly how tax havens are contributing to it, and how illicit financial flows constitute a continual impoverishment of peoples who are already very poor. According to a report from Global Financial Integrity (GFI), developing countries lost \$6.6 trillion in illicit outflows between 2003 and 2012. In real terms these flows increased at 9.4 per cent year-on-year. The amount has to be compared with the cumulative total of ODA to developing countries in that same period – \$809.7 billion. It means that for every US dollar entering into developing countries over 10 dollars came out illicitly. Even the amount of foreign direct investment (\$5.7 trillion) is lower than the illicit outflows.²⁰

Asia is responsible for about 40 per cent of this total, but even sub-Saharan Africa has a loss of more than \$500 million or 8 per cent of the total amount. Nearly 80 per cent of these flows are due to trade misinvoicing, which involves manipulating the price, quantity or quality of goods or services on an invoice so as to shift capital illicitly across borders.

In the period from 1970 to 2008 illicit financial flows from African states are estimated at \$854 billion through only one form of trade – mispricing. ‘It is not unreasonable to estimate total illicit outflows from the continent across the 39 years at

¹⁸ Ronen Palan, Richard Murphy and Christian Chavagneux, *Tax Havens: How Globalization Really Works*, Ithaca: Cornell University Press, 2010.

¹⁹ Nicholas Shaxson, *Treasure Islands: Tax Havens and the Men who Stole the World*, London: The Bodley Head, 2011.

²⁰ Dev Kar and Joseph Spanjers, *Illicit Financial Flows from Developing Countries: 2003–2012*, Washington, DC: Global Financial Integrity, December 2014.

some \$1.8 trillion', say the authors of the GFI report.²¹ Not surprisingly, the most important countries are the resource-rich ones, such as Nigeria and the Democratic Republic of Congo. These illicit flows are twice as important as ODA and equal to the total stock of debt of the continent.²² A country like Zambia gets 70 per cent from its export revenues from its copper. It lost \$8.8 billion from 2001 to 2010, of which \$4.9 billion was due to trade misinvoicing. To this should be added the \$2 billion lost due to legal tax avoidance in the mining sector. How many hospitals or schools could be built with this money? How many economic and social rights could be guaranteed?²³ It is no coincidence then that on 1 January 2015 royalties on mining companies were tripled and now reach 20 per cent.²⁴

Innovative Resources

'Innovative resources' for financing development have been on the agenda since the UN Monterrey Conference on Financing for Development of 2002.²⁵ Many different solutions have been examined or are already implemented, such as the 'frontloading' of development aid for the International Finance Facility for Immunisation, a global fund aimed at fighting HIV/AIDS, tuberculosis and malaria, funded by philanthropic foundations and an international airline tax. Other proposals concern ecological taxes. Still others put forward an international reserve asset, based on IMF special drawing rights, or a unitary taxation of multinational corporations.²⁶

The best-known proposal concerns the financial transaction tax (FTT), which emerged from the old proposal for a so-called Tobin tax or currency transaction tax. The FTT should tax all transactions of financial assets, such as equities, bonds, treasury

²¹ Global Financial Integrity, *Illicit Financial Flows from Africa: Hidden Resources for Development*, Washington, DC: Global Financial Integrity, March 2010.

²² *Ibid.*, pp. 19, 22.

²³ Sarah Freitas, S., 'What billions in illicit and licit capital flight means for the people in Zambia', *Global Social Justice*, 18 December 2012, available at: http://www.globalsocialjustice.eu/index.php?option=com_content&view=article&id=361:sarah-freitas&catid=5:analysis&Itemid=6.

²⁴ Sébastien Hervieu, 'En Zambie, les candidats à la présidentielle s'affrontent sur la taxation du cuivre', *Le Monde*, 21 January 2015.

²⁵ United Nations, *Report of the International Conference on the Financing of Development, Monterrey, Mexico, 18–22 March 2002*, New York: United Nations, 2002, available at: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N02/392/67/PDF/N0239267.pdf?OpenElement>.

²⁶ United Nations, Department of Economic and Social Affairs, *World Economic and Social Survey 2012: In Search of New Development Finance*, New York: United Nations, 2012, p. 12; Sol Piciotto, 'Pour une taxation unitaire des multinationales', *Alternatives Economiques*, no. 320, January 2013, p. 20; Jesse Griffiths, *The State of Finance for Developing Countries, 2014: An Assessment of the Scale of All Sources of Finance Available to Developing Countries*, Brussels: European Network on Debt and Development [Eurodad], 2014.

bills and so on, and even derivatives and over-the-counter trading. The objective would be to curb short-term speculation and to stabilise financial markets. At the same time, it could raise substantial revenues, even at the national level.²⁷ In a study from the Institute of Development Studies (IDS) that examined the impact, feasibility and incidence of an FTT and how much money it would mobilise, the authors conclude the results were positive and that the FTT was ‘not a bad idea’.²⁸ At this moment, discussions are taking place between 11 member states of the European Union that have decided on ‘enhanced cooperation’ on introducing a financial transaction tax, following a European Commission proposal. Needless to say, Britain, with its City of London, refuse to participate.

What is interesting about tax havens and international taxes, then, is that most international organisations are aware of the problems and are willing to tackle them. They know that free capital flows in a globalised world erode the sovereignty of countries. They know that labour is the least mobile of production factors and is now paying the full price for the crisis. They know this is unfair. But power within these international organisations, whether the World Bank, the IMF, the World Trade Organisation (WTO), the OECD or indeed the European Union, lies in the hands of the member states that continue to resist regulation. They all defend their own banks and their own industries, at the cost of sacrificing even their own people. They can agree on ‘soft rules’ like corporate social responsibility but are shocked by demands for taxes to be included.

Renewed international cooperation is now emerging with the Group of Twenty (G20) having endorsed an OECD action plan on ‘base erosion and profit shifting’ and automatic exchange of information. Further work is being done on transfer pricing regulation and country-based reporting.²⁹ The third International Conference on Financing for Development, held in Addis Ababa in July 2015 should have confirmed and strengthened these commitments, but was rather disappointing.

²⁷ For the US, see Dean Baker, Robert Pollin, Travis McArthur and Matt Sherman, ‘The potential revenue from financial transaction taxes’, *Working Paper No. 212*, Center for Economic and Policy Research, University of Massachusetts Amherst, December 2009.

²⁸ Neil McCulloch and Grazia Pacillo, ‘The Tobin tax: a review of the evidence’, *Institute of Development Studies Research Reports*, no. 68, 2011.

²⁹ United Nations, General Assembly, Follow-up to and implementation of Monterrey Consensus and Doha Declaration on Financing for Development, Report of the Secretary-General, doc. A/69/358, 27 August 2014, § 5.

A Global Agenda

All social protection systems are rooted in local and national historical, political and social circumstances. While the countries of western Europe have developed their social protection systems in more or less the same period, and if they have indeed common characteristics they also have very local particularities which can only be explained by the processes and actors involved in their emergence. These characteristics are also the most difficult ones to change, because they are the way in which workers and non-workers recognise themselves, what they are accustomed to and how they identify themselves. This is one of the reasons why a harmonisation of social protection systems is impossible. The details with which the compensation of sickness periods, maternity leaves or unemployment benefits are regulated are deeply entrenched and cannot easily be abandoned.

What most welfare states do have in common, globally, is first of all their very existence and this indicates the common vision that used to exist on the role of the state. Today this vision tends to be forgotten, but almost all countries have had some form of social protection, even if in some cases it was very limited. In Latin America, countries like Costa Rica, Argentina, Chile and Uruguay had systems that were very close to the well-developed systems of western Europe. In Africa social security systems were developed after independence with the clear objective of nation building. In Asia welfare states were developmental, based on growth and productivism, selective social investment and authoritarianism.³⁰ The scope of the different systems was also comparable, ranging from labour accident insurance and pensions to sickness insurance and family allowances. Due to the existence of very large informal sectors and of state enterprises, unemployment insurance was often lacking.

It is also interesting to note that international cooperation on social protection is as old as the systems themselves. From the 1850s onwards several transnational networks came into being to discuss the possibility of protecting workers and improving labour conditions. Social liberals, social Christians and socialists discussed the possibilities of paternalism, philanthropy and legislation. Apart from the genuine desire to prepare a better world, these early reformers were also afraid of the growth of communism. Especially after the First World War, the ILO was created and this became part of the

³⁰ Kwon Huck-ju, 'Transforming the developmental welfare state in East Asia', *Social Policy and Development Programme Paper*, No. 22, United Nations Research Institute for Social Development, 2005.

Versailles Treaty. At that time expectations were high for international cooperation and solidarity among nations as a basis for universal peace.³¹ The aim, however, was coordination, not common organisation.

The ILO has remained the main institution for the coordination of worldwide social policies, even if it has become increasingly difficult to reach agreements on international conventions. The conventions in fact have no binding force unless they are ratified and integrated into national legislation. It is interesting to note that the core labour standards that were solemnly adopted in 1998 were directly inspired by principles approved in 1919. In fact, these principles contained even more: the principle of labour inspections and a ‘wage adequate to maintain a reasonable standard of life as this is understood in their time and country’.³² The decent work programme adopted in 1999 does not even refer to wages any more, although it does refer to collective bargaining. But it is difficult to claim that, at the international level, great progress was made in the late twentieth century. The social protection floor adopted in 2012 is only a recommendation and it remains far behind the scope of the ILO Social Security (Minimum Standards) Convention (No. 102) of 1952, although it does refer to it.³³

At the level of the United Nations, most of the work is being done within the framework of the International Covenant for Economic, Social and Cultural Rights, adopted in 1966. In 2008 an Optional Protocol was finally adopted so that the Committee for Economic, Social and Cultural Rights can receive and examine complaints concerning possible violations of these rights.³⁴ The Human Rights Council also has special rapporteurs, for example on housing, water, education, food and extreme poverty. Magdalena Sepúlveda Carmona, the former special rapporteur on extreme poverty and human rights, published a report on the guidelines on extreme poverty and human rights in which she recalls:

³¹ Jasmien Van Daele, ‘Engineering social peace: networks, ideas, and the founding of the International Peace Organization’, *International Review of Social History*, vol. 50, no. 3, 2005, p. 436.

³² International Labour Organization, ILO Constitution, 1919, available at: http://www.ilo.org/dyn/normlex/en/f?p=1000:62:0::NO:62:P62_LIST_ENTRIE_ID:2453907:NO.

³³ International Labour Organization, Convention concerning Minimum Standards of Social Security, C102, 1952, available at: http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:312247.

³⁴ United Nations, General Assembly, Optional Protocol to the International Covenant on Economic, Social and Cultural Rights, resolution A/RES/63/117, 10 December 2008, available at: http://www.ohchr.org/Documents/HRBodies/CESCR/OProtocol_en.pdf.

States should take into account their international human rights obligations when designing and implementing all policies, including international trade, taxation, fiscal, monetary, environmental and investment policies. The international community's commitments to poverty reduction cannot be seen in isolation from international and national policies and decisions, some of which may result in conditions that create, sustain or increase poverty, domestically or extraterritorially. Before adopting any international agreement, or implementing any policy measure, States should assess whether it is compatible with their international human rights obligations.³⁵

In 1994, building on the success of its human development approach and in preparation for the agenda of the World Summit on Social Development, UNDP proposed a Global Social Charter³⁶ based on human security, peace and cooperation. It came to nothing. The 1995 World Summit in Copenhagen did adopt a common agenda, including the fight against poverty, employment and social integration, but once again neoliberalism prevailed and in 1996 the OECD proposed a new agenda for 'shaping the 21st century' with 'international development objectives'.³⁷ In 2000, after the UN Millennium Summit, these became the millennium development goals. They were a very meagre and modest reduction of objectives, watering down the commitments of the many UN conferences of the 1990s. The international community is now working on a new post-2015 agenda on 'sustainable development goals'. It is more ambitious than the MDGs but, once again, it will be more useful in rich countries in order to mobilise a well-intentioned public than it will help poor people.³⁸

In a certain way, though, development cooperation can be seen as a form of *de facto* international solidarity for social policies, more particularly since 1995 with the acceptance of poverty reduction as the major priority of development cooperation. Earlier attempts by the UN to integrate social and economic development have failed.³⁹

³⁵ United Nations, General Assembly, Guiding Principles on Extreme Poverty and Human Rights, submitted by the Special Rapporteur on extreme poverty and human rights, Magdalena Sepúlveda Carmona, doc A/HRC/21/39, 18 July 2012, § 61.

³⁶ United Nations Development Programme, *Human Development Report 1994*, New York: Oxford University Press, 1994, p. 6.

³⁷ Organisation for Economic Cooperation and Development, 'Shaping the 21st century: the contribution of development co-operation', Report of the Development Assistance Committee, May 1996.

³⁸ United Nations, *The Road to Dignity by 2030: Ending Poverty, Transforming All Lives and Protecting the Planet*, Synthesis Report of the Secretary-General on the Post-2015 Agenda, New York: United Nations, December 2014.

³⁹ United Nations, Report of the Secretary-General on the Expert Group Meeting on a Unified Approach to Development Analysis and Planning, doc. E/CN.5/490, January 1973.

The very interesting 1969 UN Declaration on Social Progress and Development,⁴⁰ which certainly gave the impression that developing countries should have welfare states along the model of western countries, had no future.

However difficult it is to maintain development cooperation based on genuine solidarity – in that it depends on numerous conditions, geopolitics and is very often ineffective – it does remain a valid idea. But the promised goal of 0.7 per cent of GDP for official development assistance was never attained, and in 2012 it only amounted to 0.29 per cent of the combined GDP of donors. Moreover, most of the aid money cannot be spent as it is earmarked for debt servicing or for reserves, as the IMF itself has admitted.⁴¹ Compared to the amounts of debt servicing and illicit flows of money, one can only conclude that ‘reverse’ development aid is considerably greater.⁴²

Global Solidarity

Harmonisation of social protection systems is not on the agenda, not in Europe and not at the global level. Nevertheless, there are proposals to have social protection introduced in all countries. And, as stated in the International Covenant for Economic, Social and Cultural Rights, all states have human rights obligations towards each other.

As has been emphasised by the ILO and other organisations, social protection does not have to be very expensive. According to the ILO, a basic social pension in a number of selected countries in Africa and Asia should not cost more than 1 to 1.5 per cent of GDP. Basic child benefits should not cost more than 2.5 to 3.5 per cent of GDP. Essential healthcare is possible for 1.5 to 3 per cent of GDP.⁴³ Obviously, the social commons as proposed in this book will cost more. But it can perfectly well be funded through:

- contributions from workers and employers for all those working in the formal sector;
- domestic taxes for non-contributory benefits;
- international aid, based on a global redistribution and solidarity system, funded by international taxes.

⁴⁰ United Nations, General Assembly, Resolution GA 2541 (XXIV), Declaration on Social Progress and Development, 11 December 1969.

⁴¹ International Monetary Fund, *The IMF and Aid to Sub-Saharan Africa*, Washington, DC: Independent Evaluation Office of the International Monetary Fund, 2007.

⁴² Mestrum, *Ontwikkeling en solidariteit*.

⁴³ International Labour Organization, *World of Work Report 2008: Income Inequalities in the Age of Financial Globalization*, Geneva: International Labour Office, 2008.

The contributory systems that exist in poor countries are often very bureaucratic and many can certainly be made more efficient or be extended to give better protection. I will come back to this point in the next chapter.

Domestic tax systems can be improved in most poor countries, even if the poor themselves will not be able to contribute. But domestic systems can be improved at two levels, both of which are linked to international solidarity:

- development cooperation could focus on help to make domestic tax systems more efficient and enlarge the tax base, making it more progressive. In poor countries an average of only 14 per cent of revenues come from income taxes, whereas it amounts to around 37 per cent in rich countries;⁴⁴
- rich countries could also take measures to block tax havens, make their multinationals pay more royalties for mining concessions and limit their demands for intellectual property rights payments as well as cancel debts.

As mentioned earlier, the Brazilian Programa Bolsa Família costs less than 0.5 per cent of GDP, so it cannot be very difficult to find the necessary money for a decent income for poor people, even for systems that go beyond the purely assistance approach.

Finally, international solidarity is also possible through a direct global redistribution of incomes. If ‘aid’ money now spent in poor countries is added to the income of an international tax, such as the FTT, it would not be too difficult to reach an amount of at least \$500 billion a year. This could be managed by a solidarity fund, at the UN or the ILO,⁴⁵ and it could be used for social commons systems in low- and middle-income countries. There could be a mechanism of drawing rights based on income, population, poverty rate, inequality and so on, which would attribute a fixed share for each country in the solidarity fund. Each country then knows how much it can count on. Monitoring systems by the fund and at the national level will be necessary to avoid all misuse of funds. This is perfectly feasible and can contribute to the international redistribution of incomes and the advent of ‘new public finances’.⁴⁶ The Global Fund to Fight AIDS,

⁴⁴ Odd-Helge Fjeldstad and Mick Moore, ‘Tax reform and state building in a globalized world’, in Deborah Bräutigam, Odd-Helge Fjeldstad and Mick Moore, eds, *Taxation and State Building in Developing Countries: Capacity and Consent*, Cambridge: Cambridge University Press, 2008, p. 242.

⁴⁵ In their joint report ‘Underwriting the poor: a global fund for social protection’, Briefing Note 07, Office of the High Commissioner for Human Rights, October 2012, Olivier De Schutter and Magdalena Sepúlveda Carmona propose to create a global fund for social protection.

⁴⁶ Inge Kaul and Pedro Conceição, eds, *The New Public Finance: Responding to Global Challenges*, Oxford: Oxford University Press, 2006; Isabel Ortiz, ‘Financing for development: international redistribution’ in Katja Hujo and Shea McClanahan, eds, *Financing Social Policy: Mobilizing*

Tuberculosis and Malaria is an example of how this can function, although the fund is still closely following a ‘development cooperation’ logic. A social protection fund would not erode the sovereignty of countries that would be free to organise their social protection as they like, but it would be a concrete signal of international solidarity.

This transnational redistribution is nothing else than an essential element of globalisation that goes far beyond the current trade policies or development cooperation. It also introduces solidarity within such policies. Even if, at first sight, this seems difficult to achieve today, as most countries still focus on neoliberal austerity policies, there is no other choice if the idea of our common humanity is to be maintained. Global collective action is needed in many sectors and it is the only way out of what are now intractable problems, such as hunger and poverty, and also climate change. The unequal world we are living in today is unsustainable, the economic system is exhausted, mass migration destroys societies and climate change threatens the life of all.

Our choice is between trying to prevent major catastrophes and just letting them happen. Global challenges have to be tackled globally with global cooperation. We cannot leave it to the private markets, as they are only interested in profit, even if they are willing to take some social concerns into account. Rich and emerging countries and their international organisations have a major role to play here. However much the world has changed in the past two decades, we still have to work with the instruments and tools that were created after the Second World War. These have many limitations, but also one major advantage. Human rights and democracy are still seen as valid objectives by all, even if they are not respected in practice. But no power dares to challenge them formally. This is what we have to use, because in the end what people need is a voice to speak and claim their rights.

Resources for Social Development, Basingstoke: Palgrave Macmillan for United Nations Research Institute for Social Development, 2009, pp. 53–85.

What To Do?

The consequences of all these reflections are important. First of all, it is clear that the political, the social, the economy and the climate cannot be looked at in an autonomous way. They are necessarily linked to each other and will influence each other. The way we organise our social commons will have consequences for the way we organise the economy and our societies.

Second, it is clear that social commons cannot be looked at solely from the point of view of workers. All people in society should be taken care of, independently of their role in the economy. This means that some parts of social security, such as healthcare, should not be borne exclusively by workers and their employers, but by the whole of society and financed out of taxes. On the other hand, it is clear that workers and employers should also pay for the cost of reproduction. Society should not bear the brunt of these costs that benefit the economy and are badly needed by it.

Third, by integrating some environmental rights into social protection, it should be possible to subtract these commons from the commodity markets and thus to bring the climate justice and social justice movements closer together. Water and land are but two examples of ‘goods’ that cannot be commodities since they are essential for the sustainability of life. The climate justice and social justice movements have some shared objectives.

Further, as I hope this chapter has made clear, a lot of work has to be done to mobilise financial resources and to fundamentally reform the financial sector. And as has already been said, it is clear no country can do this on its own. International cooperation is a must at the continental as well as the global level. Knowing all this, we can now look concretely at how the social commons might look. There will be no blueprint, but rather a serious attempt at stating some principles and outlining some possible and forward-looking solutions.

Chapter Eight

Twenty Ideas for Social Commons

The thing that made me saddest about my brothers and sister was that they did not wish to get out of the situation in which they lived. They were satisfied to have poor clothes and to spend their time fighting. To me, the low roof, which covered us, was insecure, for tomorrow the pillar supporting it could fall. But they didn't think of tomorrow. They all lived in the present. And even if they tried to change, I don't believe they could. None of them, perhaps myself included although I meant to try, seemed to have the right qualities of character. For example, if someone gave Manuel a common stone, he would hold it in his hand and look at it eagerly. In a few seconds, it would begin to shine and he would see that it was made of silver, then of gold, then of the most precious thing imaginable, until the glitter died.

Roberto would hold the same stone and would murmur, 'Mm mm. What is this good for?' But he wouldn't know the answer.

Marta would hold it in her hand for just a moment and without a thought, would throw it carelessly away.

I, Consuelo, would look at it, wonderingly. 'What might this be? Is it, could it, what I have been looking for?'

But my father would take the stone and set it on the ground. He would look for another and put it on top of the first one, than another and another, until no matter how long it took, he had finally turned it into a house. (Consuelo)

We now have all the elements needed for making the idea of social commons more concrete. The overall objective has to go beyond insurance, redistribution and social reproduction; it concerns the very sustainability of life. It should solve the immediate and urgent problems of poverty, inequality and working conditions, but it should also encompass traditional care and environmental rights. It should combine the protection of our collective life and of our individual rights, but go beyond human rights and beyond redistribution. Social commons are necessarily universal and need multilevel politics and solidarity. Commons cannot exist without commoners, so a bottom-up approach, self-organisation and solid cooperation with a partner state are essential. They are about material and immaterial needs, about the sustainability of life.

All these elements show that it is impossible to make a blueprint of what social commons should look like. It will be the result of the participatory work and decision-

making of people, of power relations within society and of the agreements that can be made with governments and employers. Resources will be needed, to be paid by people, employers and the whole of society through taxes. This also means the social commons will be necessarily based on a new social pact. A pact is not a compromise but an agreement between different partners with divergent interests.

Social commons should also look beyond the world of work. It should be more than social security with an insurance system in case of sickness or unemployment. Young children and the elderly should have an income guarantee as well, independently of the status of their parents or the past of their working life. The chronically ill or disabled people need to have the same kind of protection of all other members of society.

In what follows, I want to present 20 general principles that can guide the emergence of social commons, at whatever scale one wants to look at, from the local to the global level. They are principles that can be modulated, be translated into general standards or to be made very concrete in terms of direct benefits. As will be clear, they are inspired by the currently existing social protection systems in western Europe, whether they are based on taxes or on social contributions, by the proposals for a basic income and by the philosophy of *buen vivir*. Social commons is also a conceptual framework within which social protection can be rethought, based on our collective material and immaterial needs and on human rights.

1. *There is no right to laziness.* I know of no people in this world who do not want to work. Everyone wants to be recognised by society for the useful and positive part he or she is playing. Work is and should be emancipatory. What this means is that there is a lot of socially necessary work and that everyone should share this work. No one, except children, aged persons and the chronically ill, should be allowed to totally escape these tasks. Almost all people can work, even if some help may be needed to discover what someone wants to do and what he or she is able to do.

What this means in the very first place is that our definition of work will have to be looked at. Hannah Arendt makes a distinction between labour, work and action.¹

¹ Hannah Arendt, *The Human Condition*, 2nd ed., Chicago: University of Chicago Press, 1998 [1958].

Labour concerns that what is necessary to sustain life, work is needed to build a world fit for human life, whereas action actualises our capacity for freedom. Action is a mode of human togetherness. The three are all equally necessary for a complete human life. When this book speaks of ‘work’ it means any of the three categories proposed by Arendt, irrespective of status. It is the work of the housewife and of the factory worker, the work of the artist and of the political activist. All have equal worth. Work can be anything that society needs, from industrial work to artistic activities, from ‘reproductive’ work to garbage collection, fruit picking and engineering. It implies that full employment should again become an objective.

It also follows from this that all work should be paid for. There is no reason to have women do unpaid care work in their families or communities while paying them as soon as they go to another family. Work is work, in whatever form it is undertaken. In a world with seven billion people and the unavoidable division of labour, the products of it necessarily have to be exchanged. This does not exclude voluntary work though the current trend of integration of volunteers in market-oriented activities should be stopped.

Taking into account the total workforce of this moment, the expected developments in the labour market and the amount of necessary work to be done, there needs to be a drastic reduction of working hours, so that the absurd situation of some overworked people versus frustrated unemployed people can stop. This reduction of working hours should not be accompanied by lower pay. It is immoral to let people work and not pay them enough for their survival. No one, anywhere in the world, should be allowed to live on less than the amount of the national poverty line.

2. *Children* cannot be expected to earn an income for themselves. They depend on their families and it is only fair that in most countries governments pay family allowances, so that children can be raised in ideal conditions, can go to school and grow up without hunger and in good health. All children all over the world have exactly the same needs, though in cases of sickness some may need a little bit more. These identical needs are a perfect argument to introduce a basic income for children, again at the level of the national poverty line for youth. One might also modulate benefits – something more for low-income families, something less for high-income families – according to their standard of living. Children should never

be allowed to take jobs in factories. They may help their parents, which will in most cases be a perfect training and learning programme. All children in each society should have the same benefits, independent of the status of their parents' jobs.

3. All people who, for one reason or another – whether a handicap, illness or age – cannot participate in the labour market should receive a *benefit that allows for a life in dignity*, at least equal with the amount of the national poverty line. This can happen with a minimum of conditions and control so as to avoid abuses. And those who think these benefits should be ‘unconditional’, remember there is no unconditionality and there has never been, anywhere. Also, remember the Greek villages where about 90 per cent of the population were reported to be blind; this is what happens when you have no other benefits available. The proposals for a guaranteed minimum income at the European Union level are aimed at achieving that goal. Age is easy to define. Handicap or illness have to be defined by medical services and should be monitored. These procedures cannot be stigmatising.

4. *The difference between social security and social assistance should be overcome.* Since there should be no income (wage and/or benefits) below the poverty line, and since all people are supposed to work and be paid minimally an amount equal to the national poverty line, it is safe to say that poverty should be eradicated. In fact, it should be declared illegal, as Riccardo Petrella has been promoting for some time.² Whether you live in a rich or poor society, there should always be enough resources to allow all people to live a life in dignity; there is nothing difficult in organising this. What you need is an efficient and accountable government, at national and local level. A civic register and an information system where what people do and what they get are noted. This is perfectly possible, especially in an age where each of our movements, each of our electronic messages is registered. If private companies are able to follow and monitor our consumer behaviour, governments should have no problem in registering people, their work, their incomes and their family situation. In fact, they already do, for the wrong purposes. They work with highly technological solutions like biometrics and iris recognition for targeting poor

² See the website of Banning Poverty 2018, available at: <http://www.banningpoverty.org/>.

people and for migration monitoring.³ This should stop and universal policies should be put in place to register what people are doing and what they are earning. That some poor countries still lack a decent civic register is a shame and can only be attributed to a lack of political will.

5. *Old age benefits or pensions* should be paid on an individual basis, independently from marital or cohousing status. It is an individual right. These pensions will have to be funded from contributions paid during the working life, whether as an employee or as a self-employed person. In a first period, there may be problems with the very large informal sector in many Third World countries, so there should be non-contributory pensions. But again there can be no technical problem whatsoever in having everyone registered and paying for basic insurance such as sickness and old age. Of course, the incomes of self-employed people may not be high enough to live from and to pay social contributions, but this is also something that should be straightened out in the future. People cannot be forced to work, and they should certainly not be forced to work for less than a dignified wage. Again, we have all the technical resources to allow for it without having to resort to a ‘big brother’ state.
6. Insurance against labour accidents and unemployment is closely linked to jobs and work and should be paid out of contributions paid by employers and workers, except in countries that fund all social expenditures out of taxes. Self-employed people should also be made to contribute. If we accept the principle that all people are supposed to work and contribute to social production and reproduction, unemployment will be exceptional and benefits can be limited in time, allowing for retraining or for help with looking for adequate and socially useful activities. In such a context, the concept of social investment is certainly valid.
7. Healthcare is something that concerns the whole of society, in the very same way. There is no reason to organise this with regards to people’s professional or marital status. Healthcare is an urgent need for the whole population and should be paid for by public authorities out of taxes. Broad universal healthcare should be available to

³ *The Economist*, ‘Targeting social spending: casting a wide net’, 10 January 2015.

all and be organised by all governments, free or against a very small symbolic user fee.

8. The costs of 'reproduction' should be borne by those who benefit from it, that is employers and the whole of society. Reproduction cannot be 'free'. I am thinking here of childcare, care for the elderly and for ill or disabled people, education and so on. It cannot be that most of this work is done, unpaid, by women. Systems will have to be developed to have employers either take part of the care work on themselves (organising kindergartens at their premises, offering lunches, offering washing and ironing services, etc.), or to have them pay a contribution for it. If they replace workers with robots, why not tax the use of them?

This is a very old and difficult discussion within feminist groups. One of the best solutions – apart from sharing the care work in the household fairly between men and women – is probably to have as broad as possible public provision of care by public authorities. It can give women an opportunity to leave the often oppressive household environment and be socially active in their communities. The difference with the so-called social innovation approach is that services are organised, funded and monitored by public authorities – with direct participation of citizens in decision-making – and that the people working for them are paid and acquire social and economic rights.

9. The world of work will be in the future, more so than it is today, divided into two different types: wage labour and self-employed workers. In jobs, wages and working conditions will have to be bargained collectively. Labour is not a commodity, so there can be no question of having individuals negotiate directly with their employer over their wages. Tariff agreements should be binding and should be approved by public authorities. What these negotiations are about is not just a dignified wage for workers but a decent share of the surplus value realised by workers and employers. This is the 'old' way of organising labour which was developed all through the twentieth century and which should by all means be preserved. Trade unions play a central role in this. But the 'burden' for employers can be made easier to carry by taking family allowances and healthcare out of the contributions to be paid. It is probably necessary to emphasise once again that social contributions are not taxes but are part of the wage.

10. In the future, more and more people will be self-employed, by choice or by the lack of waged labour. This can lead to a stronger sector of social and solidarity economy, where people create their own jobs, as it can be by the development of the on-demand economy⁴ where people can be asked to be available whenever they want to work and are paid by the task. Here again, abuses are very frequent at this moment, but there is no reason whatsoever why this should be the case in the future. If Airbnb or Uber can have information systems whereby workers, clients and employers know automatically what service has been delivered and what this should cost, there can be no problem to transmit these data just as automatically to public authorities. In this way, taxes and social contributions can be collected and pay can be monitored. Also self-employed people should get organised and trade unions should urgently adapt to this new reality. There are already good examples of ‘community unions’, organisations of home workers, as well as legal instruments that can be used.
11. The current informal economy is very diverse and will have to be tackled carefully and progressively, but social commons can be an excellent tool to promote its transition to the formal economy. Solutions will be different for micro-enterprises and street vendors, home-based workers, subsistence farmers and undeclared wage labourers. The possibilities of people paying contributions should be examined; if this is not possible in the short term then non-contributory healthcare should be made available and pensions and family allowances should be paid. Here again a major organising task is awaiting the trade unions.⁵
12. Another element of the whole discussion on basic income that can inspire a better organisation of social commons is time credit. Maybe this will not be necessary anymore in the future, when working time will have been drastically reduced, but in the meantime women with small children or workers on the edge of a burn out might usefully take a period out, to do whatever they want, to care for a sick parent or to go travelling or go back to university. These systems can easily be organised,

⁴ *The Economist*, ‘The on-demand economy: workers on tap’, 3 January 2015.

⁵ International Labour Organization, *World of Work Report 2014: Developing with Jobs*, Geneva: International Labour Organization, 2014, p. 97

without people losing their economic and social rights while not being in the labour market.

13. Social commons are an initiative of the people: they are the ones who decide what should be considered to be a common and to what degree rights and benefits should be attributed, knowing that no one can be excluded from these rights and benefits. This being said, since contributions are to be paid by workers and employers, the systems should be co-managed and the state should function as a guarantor. The state, through collecting contributions and taxes, is also responsible for redistribution. Commons should thus not be understood as people organising everything among themselves, sidelining public authorities, with the attendant risks of abuse and exclusion. On the contrary, it can be a system where citizens (commoners) share the work with employers and civil servants. One could call it a democratic public-social partnership.
14. Social commons should not be limited to traditional social and economic rights, but should be extended to other elements that are essential needs for survival: a right to water, a right to clean air, a right to land and to seeds for farmers. This dimension of social commons should be further developed but it should be made clear, once more, that social commons are more than social reproduction and enter the sphere of production as well. What falls in this category will have to be decided by the relevant social groups. A good example is to be seen in the new rural reconstruction movement in China where a rural social protection movement tries to prevent the marketisation of social life, guarantees rural sustainability and supports environmentally friendly agriculture.⁶
15. Another element that has to be definitely anchored in the social commons is the whole sphere of social services, from healthcare and education to public transport, financial services, postal services, energy, telecommunication, housing, childcare and so on. The role of citizens in the emergence and functioning of these services is very important, as is the role of public authorities. Many debates have taken place

⁶ Wen Tiejun, *Addressing Rural Crisis in Developing Countries: Lessons from the New Rural Reconstruction Programme in China*, Bangalore: Books for Change, 2015.

these past years on the very negative influence of neoliberal policies of liberalisation, privatisation and deregulation. Today a new discourse is emerging on ‘social innovation’, avoiding politics, as if it were citizens who have to take over the role of public authorities in organising public libraries or maintaining public parks.

Once again citizens will have to decide what they want and what they don’t want. What should be clear, however, is that ideology is a bad counsellor. Many studies have been done on the advantages and inconveniences of private social services, whereas in welfare states in the past they were the primary example of decommodified goods. They were the evidence that people could be real citizens irrespective of their place in the labour market and in society. With privatisation these goods became tradable commodities again, and their objective is no longer to organise solidarity and care as a universal principle but profit-making. Moreover, the progressive shift to two levels of services, a public one for the poor and a private one for the rich, contributes to the dualisation of economies and of societies.

This does not mean that only public authorities can provide services, but the state has to guarantee the availability and affordability of the services, many of which should indeed be free, while others can be provided for a small fee. It all depends on the choices a society makes. What is important is that essential services – and here essential means essential for the survival of individuals, families and societies – cannot be made dependent on markets and profit-making that only know ‘effective’ (i.e. solvent) demands.

In an interesting study examining the efficiency of public services in Latin America, its authors found that efficiency cannot depend only on one organisational principle. They found efficient public services and efficient private services, expensive public services and cheap private services.⁷ There are no simple dividing lines, as some public services have been impregnated by neoliberal ideology, whereas some privatised services work very properly. The main point to look at is whether they work with ‘customers’ or with citizens who have rights. The role of civil society, then, is very important.

⁷ David A. McDonald and Greg Ruiters, eds, *Alternativas a la privatización: la provisión de servicios públicos esenciales en los países del Sur*, Barcelona: Icaria, 2012.

This question takes us to the heart of human rights and more particularly to economic and social rights. All these services are needed, at one time or another, by all members of society, and they all have a right to them. They are all part of social integration and essential for making social solidarity a reality. They are vital to social protection and can be seen as ‘planetary life-support systems’.⁸

Discussions about services are always very ideological, but in fact there is no need for such debate if the very basic principle of human rights for all is accepted. It is obvious, however, that many multinational corporations are eager to take part in this very profitable sector. They use the argument of ‘freedom of choice’, but they cannot guarantee freedom of access and often they cannot even guarantee the quality of services. According to them, quality is not even possible if there is no competition. And it is clear that the crisis of public finances is now working as an incentive for further privatisations. The private sector has great difficulty in fulfilling all its promises on accessibility, affordability and efficiency. Government failure may often be a fact, but there is such a thing as market failure too.

In a study for the Club of Rome,⁹ several sectors in which privatisation had taken place were examined. The results were somewhat meagre. There were almost no successes in the water sector, very varied results in waste disposal, transport, postal services, education, pensions, police and security. There were many, many failures and the only sector where privatisation more or less succeeded was telecommunications. No real competitive markets have been created, and one may well wonder about the advantage of substituting public monopolies by private monopolies. And privatisations often lead to considerable price rises.

Many market failures are due to the lack of regulatory capacities of the state, and this has fuelled corruption. Today investors are often unwilling to take on risky projects, especially as people are becoming increasingly organised to resist privatisations that are not in their interest.

The main criticisms of the privatisation of public services is that they are mostly hurting the poor, they lead to the dismissal of workers and worsening labour

⁸ Ernst von Weizsäcker, Oran Young, Matthias Finger, ‘Preface’, in Ernst von Weizsäcker, Oran Young, Matthias Finger with Marianne Beisheim, eds, *Limits to Privatization: How to Avoid Too Much of a Good Thing*, London: Earthscan, 2005, p. xiv.

⁹ *Ibid.*

conditions,¹⁰ and they have a negative effect on the distribution of wealth, income and power. Ultimately, they seriously affect citizenship and human rights. A solution now often proposed is to give ‘social tariffs’ to the poor. This may sound attractive, but it goes against the necessary principle of solidarity. If it concerns really essential services, such as water, everyone should get a fair share for free. This is necessary if one claims the equality of citizens.

This whole debate is central to the role states and citizens should play in the economy. While one may accept in principle that private companies or local communities can provide essential services, states must always draw up the rules for how the work has to be done, and there needs to be the possibility of penalties if these are not respected. Otherwise, it is the whole principle of social citizenship that is threatened.

16. A major problem that will have to be solved urgently concerns newcomers in any society. Today conflicts and rising inequality are provoking huge migration flows for which there is no carrying capacity in wealthy societies, especially when these societies suffer from austerity policies with rising unemployment. There always is an important willingness to show solidarity, but it often stops the moment one’s own advantages or welfare states are threatened. The first and most important solution for this problem is obviously the development of all poor countries, the peaceful solution of conflicts and a serious fight against inequality. What this implies has already been discussed, and serious tax policies are at the heart of it.

But what about the people who are arriving now and will continue to arrive in the coming years in North America and western Europe? All these people want is a job – they certainly are willing to work – and decent pay. Why should they not be given them? Why should states be so afraid of allowing people into societies that suffer from ageing? There is such an absurd contradiction in asking people to continue working till they are 65 or 70, on the one hand, and refusing young people who are desperately looking for jobs, on the other. Again there are no technical problems to setting up integration policies, language courses, housing, citizenship training and so on, and letting people work in the same conditions as other people,

¹⁰ Christoph Hermann and Jörg Flecker, *Privatization of Public Services and the Impact on Quality, Employment and Productivity (PIQUE): Final Report*, Vienna: PIQUE, 2009, available at: <http://cordis.europa.eu/documents/documentlibrary/122489371EN6.pdf>.

with decent wages and social and economic rights. Many recent migrants and asylum seekers are now working in the informal sector. This is a sector that definitely needs more rules and more inspection. The recent European proposal to introduce a social identity card in the construction industry can be a positive step forward.¹¹

17. This brings us to the international dimension of social commons. It is not sure that newcomers arriving in, let us say, the Netherlands will stay there for the rest of their lives. Maybe they want to go home again after a couple of years or maybe they want to move to another country. It is technically perfectly possible to make the rights they have built up during their period of work transferable to other countries, either in the form of rights or in the form of pay. Within the European Union this has already been done. There is no reason why this should not be possible with other countries.

18. It is obvious that rich nations that now have already well developed welfare states will have more possibilities than poor countries to start reflecting on and organising social commons. As it is equally evident that no country is able to solve all its problems without taking into account the problems of its neighbours and those further away. The search for social convergence is a must if we do not want our social protection to start a competitive struggle with those of other countries. This means two things.

First, there will be a need for social and economic standards at the supranational level, whether in Europe, Africa, Asia or the Americas, and social standards at the global level as well. Here we have an excellent organisation that can do the job, the ILO, though it would be necessary to have better representation of civil society and equally essential to give the ILO sanctioning powers. The IMF, the World Bank and the WTO can all sanction countries that do not abide by the rules, so why could the ILO not have similar powers for matters that directly touch on the livelihoods of billions of people?

¹¹ Werner Buelen, ed., *Social Identity Cards in the European Construction Industry: Final Report*, European Federation of Building and Woodworkers and the European Construction Industry Federation, January 2015.

19. The second thing that is needed at the supranational level is solidarity. The former UN special rapporteurs for food and poverty, as already mentioned, proposed the creation of a global solidarity fund for social protection.¹² The idea is perfectly feasible, as we have already a global fund for healthcare. The UN had itself proposed a solidarity fund some 10 years ago, but it never materialised. This is a perfect alternative solution to development cooperation, with better and more efficient solutions than the fragmented ways of giving help now.
20. Finally, it is also apparent that these beautiful plans can never become true if states do not take up another role once again – at the service of their people. This means they should be able to create jobs, to demand standards for essential services, to monitor jobs and wages, to levy taxes on income and capital, and to engage in international solidarity. The commons we are proposing are thus not something in the hands of the people, away from employers and from the state. The social commons are in the hands of the people, for sure, but in coordination with contributing employers and a partner state. The goals include preserving solidarity, the most important elements of the welfare state, some elements of the basic income, and extending rights to production and the environment. States are indispensable in ensuring the success of social commons. It is clearly a matter of power relations that have to be changed. While the role of citizens themselves in proposing, managing and monitoring the social commons is of crucial importance for building and protecting society as such, states and international organisations have an equally important role in promoting and ensuring social integration.

¹² Olivier De Schutter and Magdalena Sepúlveda Carmona, 'Underwriting the poor: a global fund for social protection', Briefing Note 07, Office of the High Commissioner for Human Rights, October 2012.

Conclusion

It sounds laughable, but if I could find the appropriate words, I would like to write poetry someday. I have always tried to see beauty, even among all the evils I have experienced, so that I wouldn't be completely disillusioned by life. I would like to sing the poetry of life ... great emotions, sublime love, to express the lowest passions in the most beautiful way. Men who can write of these things make the world most habitable; they raise life to a different level.

I know if I am to be constructive I shall have to fight against myself. More than anything, I must win in the fight against myself. (Manuel)

Social commons constitute a conceptual framework that allows us to think about the future of a better and broader social justice system. It is not a blueprint. It can only offer ideas civil society can work with and can reflect on. Its biggest advantage relative to social protection is a focus on the collective dimension and on the immaterial needs of society, the broadening of its scope to environmental rights and to the productive sector, which could foster alliances with other movements for justice, and its participative approach. It overcomes the dichotomies between protection and assistance, between productive and reproductive work. It offers protection to all.

I do not have more than this on offer. From here, it is civil society that has to take its future in its own hands.

But this is the most hopeful element. When the alter-globalisation movement emerged, the general slogan was 'another world is possible'. It looked so simple but it indicated the fallaciousness of the 'there is no alternative' philosophy. Of course there are alternatives, and if they take such a long time to emerge, it is mainly because of the difficulty of moving on from the old ideologies and of thinking through the implications of globalisation. I am not saying old ideologies like socialism have no future. What I am saying is that socialism is but the other side of the coin of capitalism, the coin of modernity. If we want it we should also redefine it, as we also should debate what kind of modernity we want.

Personally, I am very much attached to modernity, because it gave us universalism and individual human rights. But I am also very much aware of its shortcomings. We do need another relationship between humankind and nature. We should stop believing in endless growth and progress. We do need to take into account our societies' needs,

since the individual, however important she is, can only exist if society exists. And we should rethink our states and international relations.

We have to look beyond modernity then, and to look beyond human rights, without abandoning them. We have to make ‘progress’ in such a way that we can ensure the sustainability of life, of humankind and of nature. This requires major changes, and this book only has pointed to one dimension of these changes, social protection, though it has also touched on the parallel transformations that will be inevitable if we want to save humankind. The first of these changes concerns the financial sector that, today, has democracy in its powerful grasp. I honestly do not know how to go about changing this. I guess it will have to collapse, which may happen sooner than later. But it is a fact that democracy has no future if the iron hand of the financial sector over states is not relinquished.

The second major change is of course that power relations will have to fundamentally be transformed. Not one change in the direction of social commons is possible with the captured states of today. But this is where a major advance has been made since the emergence of the alter-globalisation movement. Today the slogan of ‘another world’ is no longer enough. People take to the streets and squares and occupy them, they squat houses and forests to stop harmful projects. They know they have the power. They are the 99 per cent. People make history. If history has to take another turn, it will be people doing it. This is extremely important even if our electoral systems do not yet translate this new reality. ‘They do not represent us’. *‘Que se vayan todos’*. The rallying cries are very clear and cannot be stopped anymore, except by dictatorship. We might be on the way to that, judging from the very repressive policies in many countries, but this can only be for a short period. People do want and will shape their societies. People have understood they have the power and changes only depend on their willingness to implement them. We should hope that in this battle the left regains its strength and unity.

Of course the putting into place of social commons will require a new kind of state, one that takes responsibility for the welfare of its people, and one that is willing to cooperate with other states. It will require a new social pact, at the national and the international levels. This will not be easy to achieve, but we have no other choice if we want to avoid the phantom ships and trains with migrants knocking on the doors of western Europe and the United States. The new social pact will also be necessary to

ensure that poverty is banned, that all people have an income allowing for living a life in dignity. This is the emancipatory dimension of social commons.

Evidently all this requires not only a redistribution of incomes but in the very first place a redistribution of power. Social commons is a political project, not a management technique for governability. It will not be a ‘gift’ from those who are in power now to the have-nots of today. Power will have to be fought for, and this struggle will never end for it is ‘life politics’, as Chantal Mouffe has so beautifully described it. It is not a struggle in an antagonistic way – fighting with an enemy one wants to destroy – but in an agonistic way – against an opponent one wants to overrule. The struggle is between competing hegemonic projects and the conflicting parties have to recognise the legitimacy of their adversaries. Democracy is indeed a contest for power.¹ This power struggle will necessarily need strong alliances between different kinds of movements. In the same way as the fragmentation of people’s rights should be avoided, the fragmentation of the movements should come to an end. Of course we will always have specialised movements defending the rights of children or of disabled people, but there is no reason why the sometimes conflicting interests of all these movements cannot be brought together in a strong alliance for all human rights, from workers to the elderly.

I, along with many others, am convinced of the real potential of societies to shape their own world. It is true that they have to do it in circumstances that they have not created – politically, economically and environmentally – but they can do it. This is not about one social group taking away the power of another social group, but of societies tackling the internal conflicts that will always be there and trying to achieve the best possible solutions for the whole of society. It is about the hegemonic articulation of different struggles, about the logic of the social instead of any historical necessity, about plural and radical democracy in order to broaden the scope of rights.² This is not about ‘harmony’ or ‘compromises’, but about daily struggles and about balanced interests that will have to be constantly examined and negotiated. Solidarity is not about altruism. Solidarity is the result of an awareness that we are all interdependent and that we have to share our commons, the wealth that is given to us by nature, the basic necessities for a decent life, the income produced by some thanks to the contributions of the others.

¹ Chantal Mouffe, *On the Political*, New York: Routledge, 2005, p. 43.

² Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics*, London: Verso, 1985.

Solidarity refers to a common responsibility, to a being and standing together in the awareness of the equal human value of all.

This may sound utopian, but it is in fact extremely pragmatic and realistic. Our world is on the verge of collapse; we are near to the tipping point from which no return will be possible. The concentration of wealth is such that lower and higher amounts of income lose all meaning. Can Carlos Slim, the richest man on earth, living in a country where more than 50 per cent of the population is poor, imagine what it means to live with less than \$1.25 a day? Can the homeless beggar in Kinshasa imagine what it means to owe several billion dollars? Can you?

The new proposals for social protection coming from the international organisations are a very good starting point for reflecting on the world we want. With universal access to healthcare, it is obvious that it will be very difficult to draw a dividing line ethically between what is 'essential' and what is not. Does a slum dweller have a right to diabetes treatment or heart surgery? Why should a civil servant have a right to a pension and peasants not? Why do some have a right to clean drinking water and others not? Why can an Ebola crisis emerge in Sierra Leone but not in Germany?

If poverty and inequality are really to be tackled, we must necessarily look at economic organisation, at the services people need to live decently and how we behave towards the planet. All this requires participation and democracy. It does not require altruism but common sense and acceptance of our equal value, our equal needs and our human rights, individually and collectively. These are not 'natural' but *political*, the result of our common belief that we are all born equal. It is about taking our own basic tenets seriously.

So, starting to work with the new proposals, social movements will soon see where and how – and possibly if – they have to transcend them. This is for peoples to decide and they will all make different choices. Some may think that equality is not really so important. Some may decide that redistribution of incomes has its limits. And some may think that another world is possible, and we should work for it. They may start to decide on social commons, improve democracy and search for contacts and alliances with the climate justice movement. This will not be done all at once. It will need hard work, organisation and mobilisation, patience and negotiations. But it is possible. Even more than social protection, social commons are the property of society, at whatever level we define it. More than social protection, social commons are collectively

organised solidarity, because individuals cannot exist without society. All individuals are interdependent. Social justice is not possible without climate justice, and vice versa.

It will be all the more possible if we succeed in seeing the bigger picture, the world we want to live in. We have to reflect on where we want to go, and the better we know our long-term goals, the better we can defend our short-term objectives and adapt our mindset. We have to shift our thinking in order to shift the world. This means that the social commons we are thinking of also need to be embedded in another imaginary, a way of thinking and looking at our world that will enable systemic changes to take place. The sustainability of life, the care we have to give to others and to nature are very good starting points.

The new imaginary we need will be possible if we succeed in developing a new language and a new discourse enabling people to have hope and to fight. This is particularly true for social policies, since they reflect the norms and values of societies.³ This also implies redefining the objectives of social protection – not to promote growth but to protect people; of the economy – not to make profit and accumulate wealth but to satisfy the real needs of people; of the states – not to protect markets but to care for their populations. Again, in the end, and faced with a serious social and environmental crisis, it is about the sustainability of life.

Ideas cannot change the world. But they play an important role in allowing the change of practices and of material realities. In turn, the changing materiality will strengthen the emerging discourses. The emerging discourse on commons, however dispersed and confusing it still looks, already influences the way people think and see their potential. It stimulates new initiatives, like the many experiments going on in the transition and urban movements. What is still lacking in many initiatives that citizens take though is an awareness of the need to regulate and to take into account the global dimension. Local change is important, but will never succeed in stopping the harm of the financial sector. At the same time, the myth of homogeneous and communities living harmoniously is just that, a myth.⁴ In the super diverse societies most of us are living in it is a fact to bear in mind.

³ Anton Hemerijck, *Changing Welfare States*, Oxford: Oxford University Press, 2012, p. 102.

⁴ Irene Guijt and Meera Kaul Shah, eds, *The Myth of Community: Gender Issues in Participatory Development*, London: Intermediate Technology Publications, 1998.

The Common Good of Humanity

Reflecting on the current deep planetary crisis and on the proposals for a *buen vivir* philosophy, François Houtart, co-founder and member of the World Forum for Alternatives, proposes a Universal Declaration on the Common Good of Humanity.⁵ This could become a kind of new framework for an alternative paradigm in which our social commons proposals find a place, linked to ecology, economy, democracy and intercultural relationships. It is born out of the resistance to the generalised commoditisation process and aims at introducing another logic. It considers the common good to be the very foundation of the collective life of humanity, that which is shared by all human beings. It goes beyond the ‘collective patrimony’ and refers to a state of well-being, encompassing the production and reproduction of life in its broadest sense. It attempts to answer the question of what kind of society, what kind of world we should try to build.

A first element in this new paradigm is the redefinition of the relationship between humanity and nature. Nature is the source of all life and a utilitarian approach to it must be excluded. Nature is not just an ‘externality’ to be ignored. On the contrary, we should give ‘rights’ to nature, meaning that human beings are responsible for its preservation. And that means, in turn, that everything that is necessary for the reproduction of life cannot be commoditised. The second element concerns the economy and production for life’s necessities. Here the basic paradigm of the economy has to be changed and exchange value replaced by use value. In that way the economy can serve human needs and basic needs for all can easily be guaranteed. Productive forces will have to be developed with nature in mind. Growth will thus not be an objective of the productive process. The third element concerns the generalisation of democracy at all different territorial and societal levels. This means that democracy will have to exist not only in politics, but also in the economy, in social movements, in trade unions, in the media and in religious institutions. Fourth and finally, we should be aware that there is no ‘superior’ knowledge and that all knowledge, cultures, philosophies and religions can contribute to the common good of humanity. This means that cultural monopolies have to be avoided and that world visions, the understanding and analysis of reality, the ethics of social and political construction are all essential constituents for civilisation

⁵ François Houtart, *From ‘Common Goods’ to the ‘Common Good of Humanity’*, Brussels: Rosa Luxemburg Foundation, 2011, p. 37, available at: http://rosalux-europa.info/userfiles/file/common_good_of_humanity.pdf.

alternatives. They are needed for contributing to the change that is necessary for the survival of humanity and the planet.

The common good of humanity will be the result of achieving all four goals. This will necessarily imply a long-term dialectical process and will also imply many social struggles. The common good of humanity thus seeks to present a coherent theoretical basis enabling each movement and each social and political initiative to find its place in the whole.

Banning Poverty

The proposal to ban poverty was first made by the University for the Common Good, founded by Riccardo Petrella, and it aims at having its first results by 2018 with a UN resolution declaring poverty illegal. That year will mark the seventieth anniversary of the Universal Declaration of Human Rights. Global Social Justice wants to support it. The initiative is based on 12 principles:

1. No one is born poor and no one chooses to be poor.
2. Poverty is the result of an impoverishment process; it is a social construct.
3. It is not only – and most often it is not – poor societies that produce poverty.
4. Social exclusion creates impoverishment.
5. Impoverishment processes are collective processes.
6. Impoverishment happens in societies that do not believe in the right to life and to citizenship for all, or in the collective political responsibility for guaranteeing these rights to all inhabitants of this planet.
7. Impoverishment processes happen in unjust societies.
8. Fighting poverty (and impoverishment) is fighting unequal, unjust and predatory wealth (enrichment processes).
9. The ‘planet of the impoverished’ is overpopulated as a consequence of the erosion and the commoditisation of common goods, starting in the 1970s.
10. Poverty reduction and eradication policies of the past 40 years have failed because they were only aimed at the symptoms (remedial) and not at the causes (solution) of poverty.
11. Today poverty has become one of the worst forms of slavery because it is based on a deprivation of life and of future.

12. In order to save society from impoverishment it is necessary to declare illegal laws, institutions and collective social practices that create and nurture impoverishment processes.

It should be clear that in order to achieve a system of social commons, we should look beyond social policies and cannot allow processes that continue to produce poverty, which can only disappear if we tackle these impoverishment processes. So the idea is to look for legislation, institutions and practices that will have to be changed or abandoned in order to ban poverty definitively and declare it illegal. Again, it is the transformative potential of social commons, changing other policies, that has to be counted on.

It is not necessary to embrace the whole programme and people can quietly try to implement a social protection floor at the local or the national level. If they succeed, it will mean progress. But for those who do want to go further and break with neoliberal capitalism, the path has been prepared, and everyone can take the place they want. It is societies and people who will have to decide. Implementation will need the help of governments. Whatever choice is made, solidarity should be established to help them.

Social commons can contribute to the construction of the common good of humanity, to a new way of life, a *buen vivir* which combines the best of traditional and modern systems, which transforms our current way of social and economic thinking, which looks at life from another perspective and which can indeed be a new paradigm. This does not only mean we go beyond individual rights to embed them in collective rights. It also means we go beyond material needs to embed them in immaterial social needs. It is about the production and reproduction, the sustainability of life. It is about bread, but also about roses.

It is the poor who emerge as the true heroes of contemporary Mexico, for they are paying the cost of the industrial progress of the nation. Indeed, the political stability of Mexico is grim testimony to the great capacity for misery and suffering of the ordinary Mexican. But even the Mexican capacity for suffering has its limits, and unless ways are found to achieve a more equitable distribution of the growing national wealth and a greater equality of sacrifice during the difficult period of industrialization, we may expect social upheavals, sooner or later. (Oscar Lewis)

Mexico City, three months later. No sign yet of the 43 students. The marches and protest actions continue. A delegation of family members of the disappeared were received at the UN Committee on Enforced Disappearances in Geneva and at the European Parliament in Brussels. The Mexican government wants to close the legal investigations, claiming the ‘historical truth’ that the students were abducted, killed and burnt in a nearby village, and their ashes thrown into a river. Academic experts proved this answer to be unsatisfactory. In the meantime, family members and other citizens have started their own search. Near Iguala, several mass graves were discovered with tens of corpses of people who were disappeared in the past years. In the last two years, an average of 13 people are disappeared in Mexico each day.

As for poverty, a recent study revealed that in spite of several anti-poverty programmes with huge budgets, the poverty rate in 2012 was exactly the same as in 1992 – more than half of the total population – though the total number of poor people has risen. But Mexicans have \$417 billion stashed in tax havens, twice the amount of the country’s international reserves.

It looks as if the Mexican capacity for suffering has no limits ...

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