

**Humans
On
Planet
Earth**

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BEYOND THE PRESENT
For a Human Civilisation

SECTION II
Analytical-systematic approach

Where we are
The 'economic' dimension

21st century AD

Humans
On
Planet
Earth

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BEYOND THE PRESENT

For a Human Civilisation

PRESENTATION

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in
progress

To all people who do not recognise themselves in *this* world

In the
present
we
have
no
alternat
ive as
long as
we
think
there
can be
none

"We are so dazzled by power and prestige that we forget our essential fragility: we come to terms with power, willingly or unwillingly, forgetting that we are all in the ghetto, that the ghetto is fenced in, that outside the fence are the lords of death, and that the train waits nearby.
(Primo Levi: 'The Drowned and the Saved')

"Many ecologists are beginning to ask a disturbing question about the relationship between humans and the environment: what if development as such, as it is organised in contemporary economic systems, is itself 'unsustainable'?" (Telmo Pievani 'Homo sapiens and other catastrophes' Ed Meltemi)

Where we are

The 'economic' dimension

Perhaps we believe we live in reality. We do not. We live in a reality. The result of a historical process. Result of human choices and actions. More or less conscious. One of many that could have been determined. Or that could be in the future. Every human society is configured as a complex system resulting from the interweaving of many dimensions. The economic one constitutes the framework within which all the others -social, political, cultural, philosophical and even personal- move. What we call 'economy', however, has become the trap in which the whole of humanity lives today. The devastating effects it has produced - at this point- on the lives of human beings, the landscape and even the planetary ecosystem are visible to everyone on a daily basis. Wherever they look.

The 'economic' trap was triggered a few millennia ago when Homo Sapiens had to invent productive work in order not to succumb. Then it was gradually perfected until it took the particular form of today. Whether living standards have really improved with this 'invention' is highly controversial and increasingly doubtful. That they are systematically invoked in defence of the present is 'proof' that, even if only vaguely, something is wrong.

Nevertheless, we continue to act as if we live in the best of all possible worlds. Without asking ourselves what the problem is and where it comes from. Even denying and/or removing it.

Sacrosanct denunciations follow one another to the point of boredom. Just and vibrant protests with no or limited outlets explode everywhere. Pathetic, childish denials are stubbornly re-proposed. Heartfelt appeals to great moral values are reiterated. Continuous incitements to 'salvific' individual 'virtuous' practices are wasted. Great efforts are, in some cases, made in the laudable, but substantially ineffective, attempt to stem execrable effects.

One can even devote oneself, with talent, taste, aesthetic sensitivity and creative commitment to beautifying the walls of the trap. To make it a little less oppressive. A little more 'liveable'. Or 'exploit' the sad realities that surround us on all sides to make a spectacle and entertainment out of them. One can even go so far as to preach the possibility of being free, happy and fulfilled but remaining inside the trap.

Nothing changes. And nothing will change. Because nothing really substantial can change unless the mechanism that determines the existence of the trap is neutralised. Which is the trap.

Either we will understand, and to the full, what 'economic' mechanism our lives are captive to and how it works, or we will have to helplessly surrender to what is continually re-presented to us as an inevitable fatality with no way out.

Or, worse, the best of all possible worlds.

"Economic" rationality
and
Rational Eco-Nomics

Rational' absurdity 1 (partial)

"Michal Kalecki ()..... ironically asked what should be done to increase the profitability of an underused railway line, and answered: a new railway line should be built alongside the first one. Many workers would find employment there; the old railway would enable them to travel to work, and it would transport the necessary materials; the income of workers spent in the vicinity of the construction site would increase demand; the business situation in this previously depressed area would improve; and the old railway line would be more intensively utilised. And when, after the completion of the new railway, both lines will give low income, a third line should then be built or, better still, a third and a fourth line at the same time."*

(Tadeusz Kowalik entry 'Crisis' Encyclopaedia Einaudi)

(*) (Polish economist 1899-1970).

In the best of all possible worlds 1

Soliloquy of an ordinary young man

I have the job. Luckily. Until when is unknown. Let's hope so. But between that and saying I feel satisfied, there is a long way to go.

What I would really like, at this point in my life, would be to have a flexible and constructive relationship with a job that I can feel is deeply mine. In which I can creatively express myself. That I enjoy and that has deep meaning. For me and for the community around me. An activity in which I can feel humanly, socially, professionally, emotionally and economically fulfilled. Without being crushed by it. Therefore, with the possibility of managing it flexibly, without strong external constraints. An activity that is not monotonous and repetitive. Interesting. Full of novelty. That does not exhaust my existence. therefore with free time. Let's say 50%. To do something else. Excursions, reading, study, updating, information, relationships with family, with friends. Free time to take an interest in the management of public affairs in my local area. Or to undertake real voyages of discovery on my doorstep. On foot or by bicycle. And much more of the good and the beautiful.

All this I want regardless of having to make ends meet. Let's be clear: I don't want to be a kept man or a helper. Absolutely not. I would simply like there to be no direct, subordinate relationship between making ends meet, which is one thing, and work, which should be another. In short, it would be good, in my opinion, if they were two things independent of each other. This would put me in a position to do a job that I really enjoy and at the same time useful to the community. To justify it, the passion and commitment that motivate me would be more than enough. In short, I would be truly free. Through my work, and by taking an interest in the management of public affairs, I contribute to the smooth running of things. Society, in return, could guarantee me a minimum subsistence that would make me fundamentally free, autonomous. I could then exercise a real social role. Do real politics. In a creative, empowering way. Highly formative. To say. End of dream.

Not so.

I am practically nailed to a job. Which is not at all the same thing as a job. Mind you: post. And I must count myself lucky! For now I have it. The job. Until when, we don't know. It could be worse. Think of the unemployed, the laid-off, the pseudo-assisted who have never had a job or, if they have, have lost it! And those who in all likelihood will never have it! Under these conditions, expect creativity, satisfaction, self-fulfilment? Luxuries! Chimeras! Dear grace bring home four pennies without which you may as well starve to death or live as a bum. Or as a hermit. Or on welfare.

As you prefer! You can even prefer! Freer than that..... Yes, because without money you don't do the shopping and so anything goes. As long as you don't run out of money. You could steal. Either the money to do the shopping or the shopping directly by hiding it in your coat pocket. But sooner or later, more sooner than later, you get caught and then it ends badly. Very badly. Better to give up such ideas... at least for now.....

In short, give me and keep me a job. Whatever, whatever. I don't care what, why or how. I repeat: I am not interested. Not because I'm not interested, but because I can't afford the luxury of being subtle. Of 'syndicating'. Job is a euphemism for salary. Everyone knows it even if they pretend not to.

Of course when a business becomes a workplace things take a turn. Flexibility means redundancy. Which, as is well known, serves to increase the chances of finding work. Creativity becomes performing without thinking or, at best, entrepreneurial thinking. Let alone discuss. It would not be respectful. Rather than expressing oneself make oneself squeeze. Instead of realising realising. Productivity. Pleasure? But pleasure has nothing to do with work! Not monotonous? Do we or do we not have to be productive if we want to grow? Look at the Chinese. Free time? But if they make us work even on Sundays! Or with gruelling shifts. The good thing is that there is unemployment and consumption plummets. But let's not think too much. There are many inconveniences but it doesn't matter. I have to eat and have a roof over my head. The rest are chimeras. Utopias. Dream books. Of course if it gets even worse.....in extreme cases there is always the free option of committing suicide. But I don't see that as a 'solution'.....at least for now.....

Of course, in this system the economy will also be free.
The issue is that I, unfortunately, as a good man, am not free from the economy. Others are. But they are not, evidently, ordinary men.

'Economic' and human (in)happiness

What human happiness is and on what it depends -or does not depend- is an extremely complex, controversial, but -perhaps- not entirely unfathomable question.

Some argue that these are purely subjective variables. Personal. Individual. Perfect happiness, perhaps of a moment, can happen within us for no particular reason. We all have - and have had - experience of it. But there is probably more. Less subjective. Think of how much the 'banal' temperature-humidity data can affect the moods, mental attitudes and behaviour of the inhabitants of a tropical-equatorial rather than a temperate or circumpolar location.

But not only that. Think what it can mean to live in a small, almost self-sufficient alpine community, rather than in a mega socio-economic structure in which, without money that one must somehow procure, one suffers hunger and misery. Or the difference between 'working' a few hours a day, in contact with nature, in a hunting and gathering economy, like the sparrow, and working eight or ten hours a day on an industrial production line.

And again: ways of organising relations between people, types of interaction between them that inevitably descend from the economic-productive system. Rules, values, attitudes, ways of feeling, thinking, expressing. And so much more. It could be called a cultural dimension. In the anthropological sense. Way of life.

This probably has a lot to do with human (in)happiness

And then. I enjoy a good coffee. At 6 p.m. on a tiring, chilly November day. An invigorating lukewarm shower awaits me punctually in the warm, dry bathroom of my house. Tomorrow is Sunday. Freezing rain is forecast for the whole day. Holed up in my duvet until midday, I will watch the slanting lines of the rain from the window. Perhaps sipping a good cup of warm milk, honey and schnapps. While I read a good book of classic sea adventures with mutinies, gales, shipwrecks and all.

Let us try to ask ourselves what it is that makes all this -literal- goodness available. We will discover, if we have not already done so, many interesting and instructive things.

From the time we get up and go to do what, to how we spend the hours of our day, doing what and how, to how much time we (don't) have to read a book, or play with our children, to how much we rush around and why, to the decidedly unsuitable times - after dinner - in which we have meetings or 'elective' activities and how we do them, practically everything depends on how what we call the 'economy' is organised.

"The question about the purpose of human life has been asked countless times; it has not yet found a satisfactory answer, perhaps it does not even allow one. We shall therefore ask, less ambitiously, what, through their behaviour, men themselves make us recognise as the purpose and intention of their lives, what they demand of it, what they wish to achieve in it. Getting the answer wrong is almost impossible: they tend towards happiness, they want to become and remain happy."

Sigmund Freud 'The Malaise of Civilisation' (*) 1929

Not without effort have we managed to make ourselves so unhappy. When, on the one hand, one considers the immense labours of men, so many sciences delved into, so many arts invented, so many forces deployed, chasms filled, mountains shaved; rocks shattered, rivers made navigable, lands cleared, lakes dug, quagmires drained, huge constructions erected on the earth, the sea covered with vessels and sailors, and on the other hand, when we search, with a little meditation, for the true advantages that have resulted from all this for the happiness of the human species, we cannot fail to be struck by the astonishing disproportion that reigns between the two things."

Jean Jacques Rousseau 'Discourse on the Origin of Inequality among Men' 1755.

(*)

The original German title of Freud's work is 'Das unbehagen in der kultur'. It should be translated into English as 'The Malaise in the Civilisation'.

In the best of all possible worlds 2

A nagging and hostile face

by Piero Bevilacqua

"There are places and spaces of organised life with millennial origins, which have preserved for centuries, renewing them, the functions for which they were created. Functions that within a few years have been emptied of their ancient purpose and symbolically annihilated. Such is the case with our railway stations. The Latin etymon of station refers to standing, to stopping in a place, a pause in the journey. After all, in ancient Rome, the term 'statio' indicated the stage of the postal service, as it would be for the horse post during the Middle Ages and for much of the modern age.

Until a few years ago, railway stations, while continuing to be terminals of lines leading to various cities across the country, retained this function of tradition, which made the places of departure and arrival public spaces for stopping, resting, waiting and even meeting, for casual conversation. Before our eyes, where the modernisation of neoliberal capitalism has arrived, everything has silently changed. Think of Termini Station, the capital's terminal, which, together with Milan's Central Station, has been radically restructured. It used to be a place for travellers to stop, in a common space organised for waiting and resting, and today it has become a chaotic emporium where the surrounding space is literally under siege.

In the hallways of the ground floor and those of the basement, there is no space but for goods. There are no walls, but storefronts chasing each other through halls and corridors without interruption. As if the offer were not already rich enough, gigantic prefabricated boxes are added, placed in the middle of the hallways, shops, shop windows, lights. Above, where space still remains, numerous screens and displays, sound harmonies for the glories of products, for the unlimited happiness of consumers.

The station is no longer a station. There is no corner, no bench to sit on. Only in the basement, due to an original mistake by the architects, who built a couple of stone benches (which cannot be removed) around fake fountains, can you sit down, but after waiting your turn, because they are constantly occupied and watched over by crowds of station-goers waiting their turn.

In the foreground, there used to be plastic seats that have now been dismantled. There is the whole capitalist society of our time in one picture. In the passageways between one room and another, homeless people sit on folding chairs, with a few blankets beside them for the night, under suitcases that have to camouflage their regular bivouac with fake waits for departure. Everywhere swarms of young people sit on the floor, their heavy backpacks carried around the world, elderly ladies leaning as best they can on the metal edge surrounding the bookshop window. Other passengers of various ages, the multi-ethnic population of modern-day stations, wander like souls in purgatory waiting for their train.

One cannot sit in the station. You can do so by humbling yourself, lying on a floor or in bars, in food outlets: only if you take off the garb of a citizen and put on that of a consumer. Only if you pay do you have the right to the station. The traveller must walk, because otherwise he isolates himself in a space of his own and does not observe, does not buy something he does not need, escapes the advertising message. And he also has to pay to satisfy his most elementary and unavoidable needs. At Termini Station, as in so many other formerly public places, there are no toilets, except for a fee. Those who go there can observe the electronic mirabilia that one has to go through just to pee. A glass gate that only gives access to the toilet if you insert a 1 euro coin into the slot: a good 1936 lire of our old currency. Surely, given the aseptic clarity of the place, the service is run by some specialised company, probably listed on the stock exchange. But this is not necessary to establish that capital today also seeks profits in our organic droppings.

Thus, Stazione Termini today offers an exemplary image of the model of society towards which modern-day capitalism is dragging us. A social space decomposed into a myriad of private garrisons where even a provisional community is prevented, where everyone has to perform useful tasks, those of consumers, even in moments of pause and waiting. A fragment of life where the domination of the economy shows its now nagging and hostile face. A microcosm of the dying city."

'Economic Rationality' and Rational Eco-Nomy

In this work, the terms 'economic' and 'economy' often appear in inverted commas. For at least three reasons.

The first. The word 'economy' has become, in the 'economic', social and cultural system in which we live, synonymous with business. This is demonstrated by the recurring use of the expression 'cheapness' to mean the possibility of monetary gain.

The second. It is - precisely - an etymological 'rape'. Economy, without inverted commas, is a beautiful word of Greek origin (oikonomia) meaning 'care of the home'. Nothing to do with the possibility of monetary gain.

The third. The 'economy' in inverted commas, far from being Eco-Nomic, is the first and main factor in the destruction of the Earth's Eco-System. Moreover, it is not even economic if by economic we mean something convenient in terms of saving resources and energy.

Difference between two completely different types of rationality.

A saw that is perfectly taut, sharp and straight (*), and therefore rational, can be used with great professional skill to cut the branch on which the cutter sits. Making a perfect - therefore rational - cut exactly positioned between the cutter himself and the trunk of the tree.

Definitely stupid. And stupidity, until proven otherwise, is irrational. If the cutter has not even noticed that he is sitting on a branch he is cutting, that is an aggravating factor. Double stupidity. And, therefore, double irrationality.

Is the unwary person who, using highly rational human instruments and faculties, is cutting down the branch on which he is sitting doing a rational or irrational operation?

The aim that the unwary is pursuing, with the use of highly rational instruments and faculties, is self-defeating. Therefore not rational. What would we say of someone who argued the rationality of the action simply because the saw is superbly sharpened and crossed and the unwary demonstrates great motor skills, like a consummate professional, in carrying out the operation?

Today we know that a gigantic, highly 'rational' organisational apparatus was created between the mid-1930s and the mid-1940s, and in Europe, for the 'rational' physical destruction of many millions of human beings.

(*) A 'path' is the 'twisting' of the teeth of a saw alternately one on one side, one not and the next on the other in order to avoid jamming the saw in the wood to be cut.

So, we might conclude, there are two different ways of looking at rationality. Or irrationality. One way refers to the purposes of an action. And the other to the instruments used.

We will only be in the presence of true rationality when rational instruments are used rationally to achieve rational ends.

Conversely, we will find ourselves in the presence of apparent rationality -or false rationality- where rational instruments are employed to achieve irrational ends. Like falling off the branch you are sitting on or exterminating millions of human beings in gas chambers.

Many ex-officio defenders of the present state of affairs play shamelessly with these concepts, trying to sow confusion. At the end of the long and pointless discussion of what rationality is, they will tell you: "And who determines whether a purpose is rational or not?".

Answer: elementary common sense dictates that.

Cutting off the branch you are sitting on is irrational stupidity

Exterminating millions of human beings is irrational mental madness.

To 'cheerfully' squander material resources created over thousands of years of evolutionary processes in a short time is irrational dementia.

The prudent and wise administration of these, avoiding all forms of unnecessary waste, is rational shrewdness.

Producing large amounts of waste and dumping it into the environment is irrational stupidity that is anti-economic and even anti-'economic'.

Producing little waste and recycling that little as a resource is Rational Eco-Nomy.

And so on.

Establishing what is - philosophically speaking - rationality is extremely difficult and, all in all, uninteresting. Establishing what is rational and what is not -in practice- is much simpler. And interesting. One only has to use elementary common sense. Which our good public defender pretends not to have.

After this much-needed 'theoretical' focus, we come to propose two definitions that will be our tools for digging in the treacherous 'economic' terrain. And which we propose for a Dictionary yet to be written.

1.

"Economic rationality" in inverted commas

Scientific: Capital Accumulation. Translated: Remuneration in Money of Money invested in any human activity. Vulgar: Making Money.

In practice.

Making as much money as possible, from the difference between how much money is made and how much money is spent in doing a certain thing, or activity, or whatever.

More generally.

Aiming human action, of whatever kind, at the realisation of the highest possible monetary profit, regardless of the consequences that such action may bring about in the social, environmental, cultural and even properly economic spheres. It may be disguised under various generic and less crude forms, such as 'Value Creation' or 'Satisfying Human Needs' or 'Wealth' and the like.

We could also call it instrumental or apparent or false since it hides behind the apparent rationality of the instrument ('economy') the substantial irrationality of the purpose (making money). Of course, to those who make it -money- and especially if it is a lot, the purpose seems perfectly rational. But we might safely go so far as to assume that, even for him, -in truth- it is not at all.

2.

Rational Eco-Nomics without inverted commas and with the hyphen between Echo and Nomia. Better: rational Eco-Nomy. Rationality of purpose, or broad, or true in Eco-Nomics. As opposed to false. (See previous entry)

Acting, with the employment of appropriate means, but with the maximum possible energy saving, and a prudent use of (finite) natural resources, in order to satisfy individual needs, widely spread and shared, such as to assume social and cultural relevance, within an overall existential vision, democratically defined, characterised by the full development of each individual's potential for the realisation of an authentic individual and simultaneously collective Good Being, in harmonious balance with the Planetary Ecosystem, which constitutes the branch on which we are seated. In a word, Quality of Life.

Some practical examples.

- Rewarding and creative work for social purposes. Aimed first and foremost at satisfying widespread and shared deep social needs. as well as the individual's need for meaning and creativity.
- Creative work for all and reduction of working time for all.
- Truly rational and truly democratic planning of activities and productions according to a shared existential project.
- Energy saving instead of waste.
- Work carried out professionally instead of as quickly as possible.
- Surround yourself with beautiful rather than ugly as long as it 'pays off'.

And more of this nature.

The exact opposite of business-oriented 'economic rationality'. (See previous entry)

It is worth concluding with a further fine-tuning of terminology with a 'theoretical-practical' background.

True rationality

The opposite of false rationality or 'rationalisation'. The latter being a mental procedure that, by using intelligence in reverse, has the objective, no matter whether conscious or not, of making confusion rather than clarity. For example, claiming that wars or natural catastrophes are sources of development, work, progress and therefore well-being is a falsely rational statement. A 'rationalisation'. Rationalisation or false rationality is confusing because it has its own apparent internal logic.

True rationality is distinguished from false rationality by the fact that it is -inmancurably- the bearer of better quality over the medium to long term. Whereas irrationality disguised behind false rationality is always a source of serious disadvantages that are worse in the medium to long term, even if it appears to be better in the very short and/or brief term.

Absurd 'rational' 2 (complete)

"Michal Kalecki (). ironically asked himself what should be done to increase the profitability of an underused railway line, and answered: a new railway line should be built alongside the first one. Many workers would find employment there; the old railway would allow them to travel to work, and it would transport the necessary materials; the income of workers spent in the vicinity of the construction site would increase demand; the business situation in this previously depressed area would improve; and the old railway line would be more intensively utilised. And when, after the completion of the new railway, both lines will give low income, a third line should then be built or, better still, a third and a fourth line at the same time."*

"This is an obvious absurdity. but, according to Kalecki, this absurdity is inherent not in the reasoning, insofar as it is erroneous, but in the social system itself to which the reasoning applies, and precisely in separating, as such a system does, the value of the commodity from its use value, in subordinating production to the pursuit of profit rather than to social needs."

(Tadeusz Kowalik entry 'Crisis' Encyclopaedia Einaudi)

(*) (Polish economist 1899-1970).

"A philosopher produces ideas, a poet poems, a pastor sermons, a professor textbooks, etc. A delinquent produces crimes. If one examines more closely the connection that exists between this latter branch of production and the whole of society, one is relieved of many prejudices. The delinquent does not only produce crimes, but also criminal law, and with this he also produces the professor who lectures on criminal law, and in addition the inevitable manual, in which this same professor throws his discourses as a 'commodity' onto the general market. With this comes an increase in national wealth, not to mention the personal pleasure... that the composition of the manual brings to its author himself.

The criminal also produces all the police and criminal justice, the cops, the judges, the executioners, the jurors, etc.; and all these different branches of activity, which form as many categories of the social division of labour, develop different faculties of the human spirit, create new needs and new ways of satisfying them. Torture alone has given occasion to the most ingenious mechanical inventions and has engaged, in the production of its instruments, a mass of honest craftsmen. The delinquent, thus stimulates the productive forces. While crime removes a part of the supernumerary population from the labour market, thus diminishing the competition between workers and preventing, to a certain extent, the fall of wages below the minimum, the fight against crime absorbs another part of the same population. The delinquent thus appears as one of those natural 'compensatory elements' that re-establish a fair level and open up a whole prospect of 'useful' kinds of employment. The influences of the delinquent on the development of the productive force can be indicated down to the last detail. Would locks ever have reached their present perfection if there had been no thieves? Would the manufacture of banknotes ever have reached their present perfection if there had been no counterfeiters?

.....

(From 'In Praise of Crime or the Apologetic Conception of the Productivity of All Occupations' by Karl Marx presented by Andrea Camilleri in Ed. Nottetempo)

Something does not add up

The historical system in which we live has the singular ability to turn everything it touches into gold. As we know King Midas, at first exalted by the intoxicating power, soon found himself at a loss. Is it possible that many of our troubles stem from this? Small, less small, large and enormous?

The two enlightening quotes tell us, ironically, that even crime and the absurdly pointless, are engines, in such a context, of economic growth. Not to mention world and/or local wars or arms production. And more of the not-so-positive. Economic growth, in turn, produces prosperity. On this point one cannot, and should not, argue. But if crime, senseless nonsense, wars, and arms production produce economic growth, which in turn produces prosperity, then by (il)logic, we find ourselves in a decidedly embarrassing situation. We must conclude that crime, uselessness and natural, or man-made disasters produce. prosperity. Obviously, something is not right. Where is the trick?

A few more practical examples may confirm the legitimate suspicion.

A new technological breakthrough makes it possible to produce much more, better, with infinitely less effort, in less time. A good, beautiful, fair, useful and well-made thing. In a word, rational. It could turn into greater well-being and a higher quality of life for everyone. We could work less. Everyone would work. With the same income as before or even more. Having much more free time to dedicate to ourselves, to our interests, to our family. Prices could even decrease while the availability of goods could increase. Fabulous. That would be true progress. True rationality. But no, gentlemen. The beautiful thing, the fruit of human ingenuity, malignantly and who knows why, turns into unemployment. Hence poverty for many. And greater profits for the very few.

Producing much more than you need should be devoid of logical sense.

Let us take a CEO at random in the "car industry." He will tell us that in order to cover production costs and realise an adequate return on investment, he has to produce -and sell- a certain number of millions of cars every year. And that is very true. Those are the quantities that have to be produced to achieve that goal. Whether or not there is a need for that quantity of cars is irrelevant. It is a fact that does not, and cannot, enter into the calculation of the 'economic'-'rational'-'convenience' of the producer. Which means that production is not subordinate to existing needs. But it is needs that must be artificially 'inflated' to meet the needs of production. Otherwise, one does not sell. And when those who produce do not sell, it is 'economic' crisis. With unpleasant consequences for everyone.

Consequent development of the previous example.

They tell us that there is an economic crisis. And it is very true. Then they tell us that the economic crisis is there because sales are stagnant. And if sales are stagnant, it is because people are consuming too little. Perfectly consequential, logical, rational. Too bad it is not true. The truth that no one dares to say: if there are no sales, it is because we produce too much compared to real needs. The 'solution'? But it is obvious: relaunch growth! Like curing a sick person with illness.

To 'cheerfully' squander natural resources created over millions of years is irrational. But it turns the economy on its head. Whereas the prudent administration of the same, avoiding all forms of unnecessary waste, is rational. But it keeps the economy running at a minimum. Producing little waste and recycling that little as resources is rational. But it 'costs'. The profits of those who produce decrease. It is not 'worthwhile'. Producing large amounts of waste and dumping it into the environment is irrational. But it is more 'convenient'. Once again, 'economic rationality' clashes with rationality.

A company works seriously by producing quality and, above all, durable goods. It has high costs, hence high prices, sales tend to stagnate or decline, and decreasing profits. It either settles, precariously, into a 'niche' or simply goes bankrupt. Another enterprise works half-heartedly, producing goods of poor quality and durability at low prices. It prospers. Why? Because it can charge very low prices and is very 'competitive' in the market. It sells a lot. Plus what it sells lasts for a short time. And the shorter the better. After a short time it has to be bought again. To the great benefit of the sales and profits of those who sell. Thus of the 'economy'. Hence of 'us all'.

In conceptual connection with the previous example. Renewing is good. We are constantly renewing everything. After a few months there is a new model. Use a few weeks, discard and buy again. Will we drown in an ocean of waste on a planet where there is nothing left to consume? Maybe. But it is irrelevant. We still have time and space to fill! The economy must 'turn' now, here, now. We must be concrete! And then what? Then we will see. Or, rather, they will see.

The chances of survival, for ordinary mortals i.e. the vast majority of the population, depend on having a job. An understatement not to say that what we really need to live, in this Historical System, is a salary. Money in short. We demand jobs. Jobs to do what and for whom? We don't care. Not for anything else. We do not have the luxury of 'syndicating' the type of work and its purpose. Nor on the health consequences. For those who work. And for the surrounding populations. Anything, even the most damaging and harmful is fine as long as it concerns jobs. In other words, salaries. Always. But particularly in times of 'crisis'.

Prices rise. Unemployment as well. The purchasing power of the vast majority of the population is steadily declining. The relative quality and durability of increasingly complicated, sophisticated and fragile products on average decreases. Farmers are paid with public money for not producing milk or meat or whatever. Fishermen are paid with public money to scrap fishing boats and not fish. Banks are 'supported' with public money for not promoting credit. Or even 'bailed out', again with public money, when they should go bankrupt dragging mountains of savings with them. Hard-earned or not. In any case of citizens. The same ones -or maybe not- from whom public money is taken to bail them out. The whole thing is called an 'economy'.

Prices are falling. And if prices go down, the purchasing power of wages. goes up. It is called deflation. Which would be the opposite of the infamous inflation. To us, simple souls, this may sound like a good thing. But it is not. Why? Because if prices fall, so do the earnings of those who sell. And if those who produce earn less, they pull the oars in the boat. It restructures by eliminating labour or relocates or - 'purely' and 'simply' - closes. Either way, fewer jobs. And therefore less wages. Even if potentially revalued by deflation. In short, for the 'labourer' it is either inflation that eats wages or deflation that turns into unemployment. Frying pan or fire.

Foodstuffs of all kinds are being destroyed in a world that is literally starving. Why? To keep prices on the market down. The Sahara desert is not cultivated with cereals (which is technically feasible today). Why? It is not 'convenient'. Weapons are manufactured - and sold. Small, medium and huge ones of all kinds and types. Each one more deadly than the last. Why? It is much more 'convenient'. But the weapons are for killing people! We don't care. There is a lot of demand on the open market so it 'suits'. The rest is irrelevant.

"Production 'rationalisation': do we work less, do we work better, do we all work on more useful, higher quality and longer lasting things? No, ma'am. We work less, much more than before under conditions of greater stress and therefore risk, at less and less useful things that must last little or even are superfluous, or harmful, or both. And then it is clear that in order to create jobs one must. To be able to dismiss those who work! (art.18)

The cataclysm of nature and/or produced by human acting, or not acting, before the Historical System in which we currently live was a disgrace. Just as it was a disgrace to go into debt. Or to waste and squander. Not any more. Now the more things are destroyed, the better. So much work is needed to rebuild. Debt and waste are fundamental drivers of development. And GDP grows. And with it the economy. And with it prosperity. And if welfare grows 'all' of us are better off.

Are you in a bad way? If you want to borrow money you will have to pay very high interest. Are you well or very well off? We will lend you all the money you want at reasonably moderate rates. Even low.

There are an infinite number of beautiful, good, just and useful things that should be done and that are not being done. For example, the natural heritage, the land, the historical and cultural heritage are going to ruin due to neglect, abandonment, lack of serious and productive work in this field. There are countless people who would like to work and cannot find a job. Why? Because. there is a lack of work!

The list of absurdities could go on.

A constant distortion of an underground kind seems to be at work. And with literally devastating effects. The absurd, the nonsensical and the nonmeaningful inhabit our lives undisturbed. Even in certain cases dementia pure and simple is reached.

The prodigious achievements of science and technology only make it all the more baffling.

In each of the examples there seems to be some sort of basic antagonistic conflict. On the one hand, there would be an 'economic rationality'.

On the other, difficult to reconcile with it, elementary common sense.

The feeling is clear: there is 'something' that does not add up. What? Where is the 'trick'?

Everything seems to be perceived as 'normalcy'. We merely describe in minute, not infrequently gruesome detail the daily absurdity in which we are immersed..

How come? Why?" Is there something to which we owe all this? Where is it? What is it?" Absolute silence.

Questions not asked are impossible to answer. What better confirmation of the fact that one cannot, will not and must not touch this key? What better 'proof' that that would be the key to touch?

"Economic "Libertarianism

Everyone freely does what he or she wants and pursues his or her own, selfish, monetary gain to the best of his or her ability.

This, through the invisible hand of the market, will inevitably and automatically turn into the welfare of the whole society.

Believe me.

Yours
Founding Father

The elementary question could be:

in such a system, can the actual content of an action ever

PREVALUE

the monetary gain of the person performing it?

Where are we?

Definitions

According to some, we would be in a 'democratic' society. Although unfortunately not yet, in this respect, global. According to others 'industrial'. Or 'liberal', 'technological', 'advanced', 'complex', 'media', 'liquid', 'open', 'digital', etc. etc.

Then there are the 'post' definitions. 'Postindustrial', 'postmodern', 'postproductive' and finally 'postcapitalist'.

None of these definitions captures the *key element* that characterises the historical reality in which we live. Making it *unique*.

The intent, perhaps unconscious, is evident. To hide, and conceal from us, the true nature of the building in which we live.

Avoiding calling a spade a spade, perhaps by invoking 'complexity', has always been an elegant way of creating confusion. We could understand quite a lot just from the fact that the term 'capitalism' turns out to be tremendously annoying to most. Especially if they belong to the insider category. Conceitedly judged as 'stuff' of nineteenth-century Marxism. Which no longer has anything to say to us.

Many things can be done. And say even more. But whatever we say or do, if it does not start from an awareness of where we really are, and thus of the objective historical context in which what we say, or do, inevitably takes place, it serves little purpose at best. At worst it adds confusion to confusion. In any case it will further entangle the skein. Which should be untangled.

Untangling it is -maybe- possible. But we must first find the tangle by starting from scratch. Then, with long and patient work, we can even think about doing it. To understand. Maybe.

Denialism

Capitalism does not exist. Capitalism has always existed. Capitalism is such a complex, variegated, multiform, contradictory phenomenon that it can in no way be considered as a system. There is no capitalism but real capitalisms that are very different from each other. There is no Central Business Committee, let alone the Grand Old.

Capitalism is a term that, if it could have meant something in the 19th and 20th centuries, cannot be used to describe the reality in which we live today on the threshold of the third millennium. We no longer live in capitalism but in the hyper-technological era of post-capitalism.

And so on.

One could smile. Were it not for the fact that many of these peremptory statements are even supported by authoritative authors and scholars.

We must consider them for what they are. Pathetic, clumsy attempts to evade the Historical Central Question that we are, willingly or unwillingly, facing..

That there is no Central Directorate, that the fortunes of capitalism are less and less magnificent and progressive, that all it takes to accumulate profits are 'clever' financial games or that selling one's labour force is increasingly difficult; or that the working class has dispersed into an endless mass of the disempowered and entertained, or, vice versa, that in a few small cases that do not count, the workers can somehow participate in tactical business decisions and even invest their own money in it, gaining a share in its profits, nothing, absolutely nothing changes with respect to the substance of the matter.

Capital, 'Freely' or 'Communistically' managed, rules more than ever. Over the entire Planet Earth at this point. The categorical imperative to which the lot of the People must bow is always the same. Adequate return on investment. To it anything can, and must, be sacrificed.

What must be clear, it must be strongly emphasised, is that this is not an Ethical issue. Nor a moral issue. But of a question inherent, first and foremost, to the impersonal and objective Economic Mechanism in which the lives of human beings are, increasingly, trapped.

It's called Market Economy.

Where are we?

Definition

As far as possible one carefully avoids saying so. Better to know, however, how things stand. We live in a capitalist society. At this point Global.

The term 'capitalist' is the only correct one because it captures the key characteristic that differentiates and makes unique the society in which we live from all those that preceded it.

It has adopted a very particular economic model called the Market Economy. Making it a Global & All-inclusive System. Not to be confused, therefore, with the simple, quaint, local fruit and vegetable market. Or fish.

The capitalist-industrial totalising Market Economy can take different forms and be more or less 'free'. In any case, the independent variable is always the same. The appropriate remuneration of an initial capital investment in monetary form.

That is why that is the right adjective. The adequate remuneration of Invested Capital is also called Profit. Although some people like 'value creation' better. Whether the Enterprises are many, free and private or one, planned by the State in an authoritarian and centralised manner, nothing really changes in substance. Only the form of domination. The Independent Variable.

But here we have to be extremely careful. It has already happened. With not good results. We must absolutely avoid making the trademark error of imputing everything that 'doesn't add up' - and that is not little - to the 'greed' of Capital. Ugly and bad.

The 'trick' is not there.

Identity card

It is generally preferred to avoid it. Although the particular historical reality in which the whole of humanity lives today is easily identified. It has a name, a date and a place of birth, a theoretical and a factual paternity, and definite connotations

If we do not start from here, we cannot go anywhere. Who knows why, one generally prefers to avoid the elementary observation within the reach of anyone.

Name

Capitalist Society.

Date of birth

18th century

Place of birth

England

De facto paternity

The English bourgeois class of the 18th century.

Features

This Society adopts a particular type of Economic Model. It is called the Free Market Economy on a Capitalist-Industrial basis. (L.E.M.C.I.). It is the cornerstone. Many other dimensions (social, political, cultural. etc.) interact with it.

Features of the economic model

Free production of goods destined for the free market, with industrial-type production processes resulting from large investments of monetary capital.

Variants of the economic model

Classical liberalism

Neoliberalism

Regulated' liberalism

State capitalism

Systemic constant

Cash return on investment.

Theoretical authorship of the economic model

Adam Smith, Scottish economist and philosopher (1723-1790) and David Ricardo, English economist (1772- 1823).

Encyclopaedic Dictionary

System

Organic complex of interconnected and interdependent elements

Systemic

Concerning a system

Capitalism

Economic and social system in which the means of production belong to those who have invested the capital.

Capital

According to classical economics, that which is the result of previous production and intended for new production. Capital are the raw materials, the subsidiary materials that facilitate the transformation of others without incorporating themselves into them, the tools and animals for work or exploitation, the buildings necessary for industries and, above all, money.

Liberalism

Economic doctrine that emerged in the 18th century. It had its greatest proponents in Adam Smith and Ricardo. It advocated the need to allow individual energies and initiatives free rein, for the benefit of the community itself, in the belief that economic equilibrium always re-establishes itself after any excess or crisis, whereas any state intervention would be harmful; it affirmed the principle of free trade and the suppression of monopolies and protective duties

Smith Adam (1723-1790)

Scottish philosopher and economist. Founder of liberalism and initiator of the classical school in economics.

Ricardo David (1772-1823)

An English economist and leading theorist of classical political economy, he was among the early proponents of liberalism.

F.E.M.C.I.

Free - or not free - Market Economy on Capitalist-Industrial bases.
The 'economic' model in which we live

Free

In this economic model there is, by definition, no production planning based on an initial needs analysis and/or a social project.

"Capitalist production takes place without plan or order; it is 'anarchic'. Each capitalist entrepreneur decides what he should produce and how much he should produce, decides whether the volume of production should be increased, kept constant or decreased, whether a factory should be closed or a new factory should be opened and put into operation."

(John Eaton 'Political Economy' Einaudi 1971)

In theory, anyone can freely engage in any kind of productive activity. In practice, only those with large amounts of capital to invest.

The market, the meeting place of supply and demand, will decide the fate of that certain product. Buyers are free to buy -or not to buy- what is freely produced. If the product sells, it will bring profits to those who produce it. If not, its production will necessarily be discontinued. If the freely produced product is useful and cheap it will be sold to the satisfaction of the buyer and good profits for the producer. Where we see that the producer's personal gain is perfectly combined with the collective good. Under absolute freedom, producers compete with each other. Those who produce at lower costs by improving their production capacities will be able to charge lower prices, sell more and thus be rewarded. The others, less capable and up-to-date, will go bankrupt. They will close their doors. And rightly so. To the free benefit of all

Important corollary.

To exercise the freedom to buy, however, it is necessary to have money. No money equals no possibility of taking possession of goods. So you have to get them. Money. In one way or another. The normal, lawful way is to work for money. With someone who runs a business. Or on one's own.

Roughly speaking, this is the working mechanism of this economic model and the conception of balance at once underlying and induced.

During the 20th century we saw the emergence of what was supposed to be an alternative to the Capitalist Free Market: the planned economy. Gradually its true nature appeared. That of a State Capitalism nevertheless founded on Market mechanisms. Albeit revisited in an authoritarian key. In one case it imploded. In the other it is still -threateningly- in the breach..

Economy

Misleading definitions of 'economy' circulate. Like this one.

"..... economics could be renamed the 'science of money'. How money is earned, how it is spent, how it moves, how it is destroyed: these are the principles of economic theory, which in a nutshell tells us how rich or poor we are, and in so doing gives us an insight into the wealth of the nations in which we live."
 (.....)

The singular birth of an influential economist, this definition is proof that, in the world we live in, the monetary aspect of the economy has become the Economy. And of the fact that we have lost - perhaps definitively- our compass.

Three very simple considerations.

The first: 'science of money' may be the definition of a particular branch of economics. The one that deals with one of its many aspects. The financial one. Or monetary.

The second. Perhaps we have forgotten that money is nothing more and nothing less than a symbol. So well before earning it, moving it, spending it and even destroying it, there must be goods with which to exchange it. Otherwise it is, and remains, what it is: coloured paper. Or not even that.

The third. One does not understand how an economist can think -simply- about the 'wealth' of a society in terms of the 'use' that is made of money.

But perhaps we have misunderstood.

In any case, the basis of everything, including 'wealth' remains, and will remain, the availability - or otherwise - of material goods useful to human life. Created by Mother Nature. And, then, by human labour.

Thus, unlike our authoritative 'economist', we understand by the term 'Economy' or 'Economic Dimension' of a Society everything that, in some way, relates to the production of goods and services.

Considering it from four different aspects.

a.

The content of production, i.e. what is produced.

b.

The mode of production, i.e. how it is produced, in what quantities, with what technical methods and with what social organisation of labour.

c.

Because you produce those certain things and in those certain ways. And in those certain quantities. That is, for what purposes, to satisfy what needs, to fulfil what desires and aspirations. Within which life project. Collective and individual.

d.

And finally how what is produced reaches its final destination of practical use. As well as how the use itself.

These are different and fundamental aspects that characterise the Economic Dimension or Economy of any society. From the smallest and relatively simple, to the largest and enormously complex.

Depending on the concrete form that these different and fundamental aspects of the Economic Dimension take, we will have different types of Economic Model, characteristic of a particular Society. Of a particular epoch. Of a particular place.

Clearly, from a certain point onwards, the financial dimension of the economy gradually developed in parallel with the production of goods. Until it assumed, today, the contours of a gigantic parallel virtual dimension. We could also say, in other words, that the financial dimension has ended up 'taking over' the real economy. And therefore of everything.

Although in the society in which we live the term 'economy' has become synonymous with 'business' we will rely on the more solid and meaningful four-point definition above, using which we should be able to better orient ourselves. Because it puts our feet back on the ground. Where, perhaps, we can find the tangle to unravel.

We like to recall here, in addition, the strictly etymological meaning of the term: *oikonomia*, care of the home. Very beautiful, poetic and telling us what the purpose should be. The 'economy'.

Having clarified what is to be understood by Economy, it should be pointed out that in this paper we will only deal with the structural aspect of it. That is, the macro systemic functioning of the model as a whole.

Market

" the vast majority of production is not production for the personal use of the producers, but for exchange, for sale on the market. Goods produced for exchange are called commodities. Under capitalism, therefore, mercantile production is the prevailing type of production." (John Eaton in "Political Economy" Einaudi 1971)

To avoid possible unpleasant misunderstandings, we must be clear about the difference between two completely different things.

1.

The market with a lower-case 'emme' in the sense of a physical place for the material exchange of goods, with or without the intermediation of currency or money. It has long existed as a form of marginal economic activity based on trade in surpluses between different and distant geographical areas.

Which has nothing to do with

2.

the Market Economy with a capital E and Emme in which the Market becomes the System. Physical and metaphysical entity, totalising and coercive because:

a.

all goods produced become *goods* for sale on the market;

b.

one can only procure goods in the form of Goods for sale on the Market,

c.

In order to obtain goods in the form of Goods on the Market, one must have Money. Hence it becomes, in effect, the Supreme Good & Deus ex machina, because it represents the indispensable key, without which access to the use of services and the acquisition of material goods is not possible. And not material.

d.

the Market System is made up of an infinite number of Markets, from food to cars, from labour to machinery and tools, from money itself to sex. And much more. Practically everything.

The Market-Money dimension therefore invades all aspects and moments in which people's lives unfold. This is why it can be defined as totalising.

Incredible as it may seem at first glance, the all-encompassing market is not a tool for the exchange of goods. Nor to the satisfaction of needs. Its true purpose is another. To transform money invested into more money.

Those who do not produce-sell goods are forced, in order to survive, to sell their labour capacity on one of the many Markets. It is called, without the slightest discomfort, the 'Labour Market'. The selling price of human labour capacity on the labour market is called wages.

Question

Can we imagine economic models in which the function of linking available natural resources, on the one hand, and needs seeking satisfaction, on the other, can be performed by something other than the totalising market? Perhaps more functional?

The answer could be yes.

But where to look? Are there models from which we could take inspiration? What are they?

We are 'civilised'. So we cannot even vaguely imagine, as yet, where we might find the astonishing answer.

Capitalist-Industrial

"The oldest form of capital was commercial capital, which existed many hundreds of years before the birth of the capitalist system of production (e.g. in Egypt, Asia Minor, Greece and Rome). Commercial capital first began to appear in history when trade between distant lands developed on a considerable scale."

(John Eaton in 'Political Economy' Einaudi 1971)

The Industrial Capitalism of the last two/three centuries is an absolute historical novelty.

1.

The production of goods, or rather commodities, takes place within processes characterised by the organised use of very large, large or medium-sized apparatuses -normally expensive- that organically integrate human labour with machine labour;

2.

These devices possess an immense, never-before-seen capacity;

3.

The creation of production apparatuses of this kind necessarily requires a very high degree of technical-scientific knowledge, great management skills and above all the availability of an enormous amount of monetary capital.

Setting up a form of industrial production requires the immobilisation - in raw materials, machinery and plant, equipment, purchase of human labour capacity and much more - of HUGE amounts of money. Since all these indispensable things must be purchased on the respective Markets, as always, and also for the Entrepreneur, they must be paid for in MONEY.

The return in the form of profit will come, if it comes at all, some time later. What we commonly call investment represents precisely this enormous initial mass of money that is indispensable to start Industrial Production. In this 'economic' Model, things go like this.

And this is where the monetary-financial aspect of the 'economy' comes in. Generally speaking, the entrepreneur, except in a few rare cases, does not personally dispose of this enormous money supply. He has to acquire it on the money market in the form of an interest-bearing loan. Interest that constitutes the 'price' or compensation for the owner of Money that sells-lends it.

Who has huge amounts of money to lend? Where does it come from? How, who owns it, came into possession of it? Under what conditions does he lend it?

Here the chapter of the financial dimension of the 'economy' opens wide. A chapter of great interest in understanding where we are and why. Which we postpone to another paragraph. It suffices here to point out two simple things.

The first. Once again it is confirmed, if proof were needed, that in this 'economic' model everything starts with Denaro and returns to Denaro. And that therefore everything else is a function, necessarily subordinate, of this closed circuit.

The second. He who possesses Money to Sell imposes all kinds of conditions on anyone.

There, and not elsewhere, lies True Power.

Historical System

A great friend of mine with whom I have been 'arguing' for decades and whom I have nicknamed, with great mutual amusement, 'the devil's advocate', one day, after coming close to an argument, wrote to me:

"You often speak of 'Historical System'. Perhaps for you the meaning of the word is obvious. But not for me. For example, from what I understand by 'system' I imagine it to be a set of parts integrated with each other, which exist insofar as they find an internal balance in relation to other neighbouring systems (and so on), if the balance fails the system is not destroyed but its elements go to integrate again in a different systemic order (remember the 2nd law of thermodynamics: nothing is created and nothing is destroyed, but everything is transformed.) So-called ecosystems seem to me to work this way, and I think we humans do too. I mean that sometimes it seems to me that you use terms that make one think of an "end of the world", a total destruction of the past and the advent of a new era. regardless, I don't know if this is really what you mean but, if so, I don't think it will happen. Man cannot create from nothing but only from the matter he has at his disposal (by which I mean also brain matter)'.

Dear Devil's Advocate,

the term 'System', which I often use, is meant to signify the complexity of a 'mega-machine' (modern society) made up of a set of 'parts' - economic, social, political, cultural, technological and even philosophical - that interact with each other to determine concrete practical results in the daily, private and even intimate life of each of us.

The term 'Historical', on the other hand, would mean the historicity of the machine-system. In the sense that it is not a work of nature but a purely human work. Therefore historical. Therefore not given once and forever. Therefore theoretically and practically modifiable.

It would be good, in my opinion, if we got used to seeing the 'Society' in which we live in this way. And that we understand when it was made, by what men, for what purposes, how it works and why it does not work. And above all why it cannot work. And therefore why it has, and can have, no future. This is not about end-of-the-world mysticism, but the concrete and practical issue that a historical system, when it creates more problems than it solves, is inevitably destined, in the long run, to self-destruct.

Then it will be necessary, sooner or later, if we want to avoid the catastrophe widely announced by the facts, to pose the problem of replacing this Historical System with another Historical System. A different one. Or perhaps with a non-System. In any case based on other truly rational principles that put means and ends back in their rational place. Many things of this Historical System will have to be thrown away. Many others, recoverable, can be recovered with the necessary modifications. Others will be able to fully express their value if re-contextualised in the new System. Still others will have to be invented from scratch

As for the parallel you highlighted between the laws of thermodynamics and socio-historical dynamics, your thesis seems a little far-fetched to me. If it is true, as it is, that in the physical world nothing is created and nothing is destroyed, but everything is transformed, it seems to me that two centuries and more of historical testing of the historical system in which we live have amply demonstrated that too much is done, too little is created, too much is destroyed, and nothing of real importance, in terms of human (in)happiness, is transformed.

I embrace you

Terminology.

So, before proceeding, it will be appropriate to clarify the meaning of some words that will recur. "Company", "system", "dimension" and "model".

Society

Human beings, with the exception of a few rare cases that do not count, do not live in solitude but grouped together in more or less large communities that are normally referred to as societies. The characteristics of Society are fundamental to the effects of whether or not individuals can realise themselves as persons. It remains to be defined what is meant by 'realising oneself as a person'. We content ourselves here with the elementary intuitive concept and proceed by adding that on the greater, or lesser, possibility of 'realising oneself as persons' depends, substantially, the degree of (in)happiness of the same

What do we mean when we use the word 'society'?

Despite the astonishing theses put forward at the time by a prominent British lady, a society, of whatever kind, is much more than an assemblage of individuals. In reality, it is a complex, structured whole of many dimensions - economic, social, political, cultural, etc. - that intersect, overlap, integrate, clash, amalgamate, to a greater or lesser extent, to configure a certain, characteristic type of community.

To indicate with a minimum of clarity the characteristics of a company, we could use two different concepts that it would be good to keep distinct.

That of Dimension and that of Model.

Size

By the term 'dimension' we could mean a particular aspect of associated life that is always present in any type of society, of any size, in any place and at any time. For example, economic dimension or political dimension or social dimension or cultural dimension, etc. etc. etc..

Model

By the term 'model' we could mean the way in which a certain dimension, for example economic or cultural or other, is historically realised in a particular society. For example: economic model in ancient societies; or economic model in Roman society; or political model in medieval society; or cultural model in contemporary society, etc. etc. etc..

While the term 'System' could be understood as a synonym for 'Society'. To strongly emphasise its character as an organic interweaving of the many different 'models.' in it.

Dictionary of Economics

Invisible hand

*"Expression used by the British economist Adam Smith in his work 'Investigations into the Nature and Causes of the Wealth of Nations (1776)' to indicate the **mechanism** by which individual selfishness translates into collective wealth. In effect, Smith makes an Enlightenment postulate his own: 'each man is the best judge of his own interest'. Consequently, any attempt to oversee the activity of private individuals and direct it towards an interest other than the natural one, besides being useless, will be counterproductive. Through the mechanism of exchange, in fact, the interests of the various individuals and, therefore, of society as a sum of individuals, are realised as efficiently as possible. If each economic entity is free to decide its own behaviour, if the same price is applied to each commodity (i.e. if we operate in a competitive market), each individual will find the most advantageous use for the capital at his disposal and, while only pursuing his own interest, will simultaneously increase the collective welfare. It follows from this that the state must limit its intervention in the economic field as much as possible, leaving the various operators completely free." ('Dictionary of Economics' Ed. Simone Bold our)*

Fascinating theory that, seen through today's eyes, makes one smile. Just over a century after its formulation, the twenty-year Great Depression of the late nineteenth century, which followed almost fifty years of Free Trade, decreed its theoretical and practical groundlessness. Not to mention everything that happened in the twentieth century and is happening now. Yet we still stubbornly stand by the discredited theory.

The Enlightenment has a lot to do with it. It seems to us. And, in any case, it is questionable whether everyone is the best judge of their own true interest. Today we know something about it.

That everyone tends towards their own good being is unquestionably 'natural'. That this is achieved by selfishly pursuing one's own individual financial gain, and only that, is - to be generous - questionable.

That society is a mere sum of individuals is simply false.

C that the 'economic' exchange between individuals selfishly and freely pursuing their own personal 'economic' gain results in the highest possible overall efficiency, as well. It is there to be seen.

Moreover, not all, but a very small proportion of the members of society have substantial monetary capital to invest in selfishly earning money.

The logical inconsistencies of the theory, perhaps amplified by the willing author of the entry in question, are obvious.

Transparent the final political-ideological petition that is still all the rage. In spite of everything.

"The conclusion is that the state must limit its intervention in the economic field as much as possible, leaving the various operators completely free."

The only really well-founded statement is the one that reads: the invisible hand is a mechanism. Once it is built and put into operation, there is no escape from it..

Economic" libertarianism

Brief history

The Market Economic Model appeared about two and a half centuries ago with that great phenomenon that goes by the name of the Industrial Revolution. To crown a long and complex epochal historical process, that of the transition from medieval to modern society.

Born in Europe, it has since broken down every barrier to become a planetary model. It has brought unprecedented prosperity and living standards to some areas of the planet. Along with liberalism, separation of powers, democracy, the rule of law, human rights, and much else of great value.

This particular economic model is based on what could be called the founding principle.

A Free Entrepreneur, by pursuing his own, personal, individualistic gain in the form of monetary gain, at the same time automatically realises a welfare for the entire society of which he is a part.

The principle would be realised thanks to the Free Market, a kind of balancing, regulating and harmonising 'invisible hand'. Since the freer it is, the more competitive it is. And thus better able to reconcile the personal interests of the private entrepreneur with the overall interests of society. This is due to the fact that being free not only for the producer but also for the buyer, honest and conscientious producers who produce beautiful, good, fair and useful things, while realising the best possible ratio between product quality and selling price, will automatically be rewarded -selling more

An undoubtedly fascinating theory, it was conceived by the famous Founding Fathers of Economic Liberalism. It was a grandiose work of conceptual systematisation of an, equally grandiose, concrete process of real, economic, social and political transformation.

An extremely promising process at the time. Albeit with a few initial 'smudges' (*) which then - so it was thought - would work out for the best. A grandiose process of transformation that might have seemed - at the time - to be the conclusive point of arrival of the multi-millennial human parable called civilisation.

(*)

"The bigger the machines became, the longer and more intense the work performed by their operators became. Around 1800, labourers and miners worked for 12 hours a day in conditions that no self-respecting Bushman, Trobriand, Cherokee or Iroquois would tolerate. When the work was done, after a full day of the constant rattling and squeaking of the wheels and healds, and the dust, smoke and foul smells, the workers of these new labour-saving tools would retire to their filthy hovels full of lice and fleas. As in the past, only the very rich could afford meat. Rickets, a new bone-deforming disease caused by lack of sunlight and vitamin D-rich foods, spread endemically in the cities and industrial regions. The incidence of tuberculosis and other typical diseases caused by deficient diets also increased. The failure of the first three centuries of post-feudal mechanisation and scientific engineering was obvious to anyone

(Marvin Harris 'Cannibals and Kings' Ed. Feltrinelli)

In short.

During the 18th century in Europe three major processes

- 1 Capital accumulated in the previous commercial phase
- 2 Industrial Revolution
- 3 Great work of intellectual elaboration by the Founding Fathers

find their organic interweaving. Which determines a true epochal leap. With the creation of the Market System, for the first time in human history

THE 'ECONOMIC' PAYBACK
in the form of monetary gain
become
OBJECTIVELY
totally and definitively
THE MOTOR CENTRE
of
Every
Human Activity

The earning of money becomes an objectively central factor in people's lives. Whatever class they belong to and whatever they do. Or do not do. The sale-buying (of anything), hence the Market, hence the earning of money, and hence money, become the System.

Overall, objective, impersonal and all-encompassing economic mechanism from which nothing escapes or can escape. This is the epoch-making novelty that will change the world.

The consequences of this authentic REVOLUTION will cascade down to the most minute, personal, even intimate aspects of the concrete daily life of EVERY person inhabiting Planet Earth.

Bringing with it, after a series of initial 'smears', at least two centuries of unprecedented historical upheaval. Still ongoing. Such as to lead one to suspect that a storm of terminal irrationality had descended upon humankind. A worthy culmination of that multi-millennial process that we have become accustomed to calling, perhaps improperly, 'Human' 'Civilisation'. Together with unprecedented levels of 'well-being' for a limited section of the planet's inhabitants.

The conceptual and practical grandiosity of the 'operation' consisted in the attempt to definitively agree on three nodal issues:

1.
The personal interest of each member of the community.
2.
The well-being of society as a whole.
3.
All in a context of the greatest possible freedom of action, thought, behaviour, in a word, life. Both individual and collective.

The most desirable. The end point of human history.

But what was even more astonishing, if possible, was that the above three objectives would be achieved automatically, without the need for a project, without any subjective intentionality of any kind, without any kind of programming or planning. The objectives would be realised in a completely spontaneous manner and in the most total freedom of action of each individual once the impersonal, objective, autonomously functioning mechanism - and for the better in every sense - formed by the pair had been set up and made to work:

1. Free Entrepreneurial Initiative.
2. Free Competitive Market.

And it was on this very delicate conceptual step that what, in retrospect, we can safely describe as the Fatal Blunder occurred.

But let us continue.

Free Market, meant a number of things among which we must remember the three main ones:

- a.
totality of production intended for sale, thus Market as an overall, all-encompassing system of sale-buys not to be confused therefore-let us reiterate-with the nice and quaint local market, be it the fruit and vegetable market or the fish market or other.
- b.
money as an indispensable intermediary in the sale-buying process;
- c.
free competition, or competition, between producers without which the 'invisible hand' obviously cannot perform its crucial task of automatically regulating and harmonising demand, supply and the best possible quality/price ratio.

A detail of some importance for the (in)happiness of our private and personal existences obliges us to further clarify point -b-. We have already mentioned it, but perhaps it is worth repeating.

Whoever needs any material good, in this type of mechanism, must have money. Without it -money- he cannot, purely and simply buy. It may even seem normal to us, such is the habit of it. But it only seems.

Whoever cannot make money from the sale of 'something', because he is unwilling or unable to transform himself into a productive free enterprise, can sell himself. That is, one's own labour capacity. Otherwise known as labour-power. On one of the infinite Markets. That of labour precisely. When we use the word 'wages' we actually mean the selling price of human labour. From a certain point in history onwards, bargainable.

Sell it to whom? To the free entrepreneur who will use it to produce goods that he will sell to the worker who produced them and to buy which he -the worker- will use the money 'earned' producing them. A mechanism that allows tasks to be distributed by allowing everyone to specialise. But also a little cumbersome and with some unpleasant side effects. We are so used to it that it seems completely normal to us. In addition, and this is not insignificant, the working class, or wage earners, and thus the labour market, did not yet exist at the dawn of Capitalism. Some conceptual and practical flaws were, as we can see, visible from the very beginning. In short, in the admirable theoretical framework, not everything fitted together perfectly. So much so that what didn't fit was made to fit again by force. The 'creative' destruction of previous social, economic and cultural living conditions was considered then, and to this day, a 'sad historical necessity'. The price to be paid for the magnificent fates of Universal Welfare

But we cannot expect much more from the Founding Fathers. They were undoubtedly serious, honest people, worthy of respect, who attempted a very difficult and interesting organic and overall vision of human action and living in the unprecedented conditions that history was preparing. But who were, evidently, part of the leading class in the great process of radical economic, social, political and cultural transformation called the Industrial Revolution. Today it would be called 'conflict of interests'. They did not miss the fact, for example, that growth could not have been infinite anyway. Proof of their seriousness and intellectual honesty. And unlike the wild neo-liberalism of last resort that rages today. We think that if they could see how their exciting theory turned out, they would turn, time and again, in their shrines

After two and a half centuries of practical experimentation, the issue appears to us in a decidedly different light.

Maybe history can tell us something.

1873. The first epochal crisis of an economic model

"In 1873, the bankruptcy of Jay Cooke's big New York bank (one of the pillars of US finance, which had been instrumental in supporting the phase of industrial reconstruction following the Civil War) triggered a wave of panic that spread through the American economy and then to all other developed countries. Within a few months in the United States, the production of durable goods fell by a third due to a lack of buyers, while unemployment among industrial and railroad construction workers reached extremely high levels. In Great Britain, France and Germany, industrial production also entered a lasting phase of decline. In Germany alone, iron production fell by more than 50 per cent within a few years; in the industrialised countries of Europe, unemployment reached unprecedented levels throughout the century. It was, however, the fall in prices that was the most conspicuous indicator of the economic crisis, which came to interrupt the phase of almost continuous growth of the previous 25 years'.

"Around 1895, prices were about 40 per cent below their 1875 level. This continuity in the fall in prices was one of the main factors that led contemporaries to see in the period from 1873 to 1895 a single great phase of economic crisis then called -and later still remembered- as the "Great Depression".

"The crisis that started in the 1970s generated an economic disorder that would last for a long time, for more than twenty years, until almost the beginning of the new century; and not even in the following decades could it be said that the reasons for that crisis had really been overcome. Contemporaries called it the 'Great Depression'. Today, we can see in it the turning point that marked the beginning of a long period characterised by deep social contradictions within many countries and sharp economic and military contrasts in international balances. We can also argue that this phenomenon divides the history of capitalism into two major sections

In fact, economic imbalance was the most obvious symptom of the transition to a qualitatively new phase of capitalist development: the phase of mass production and heavy industry. The disruptions that characterised it - falling prices, heightened competition, customs wars - were the product of a new, never-before-known rate of growth in labour productivity, brought about by a massive wave of technical inventions and the systematic application of science to industrial production; in essence, by what is referred to as the 'second industrial revolution' precisely because of its intensity. And these phenomena together constituted the ground for a further acceleration, for a more accentuated tendency of growth in industrial power and production apparatus, in a race that seemed insane to many.

The responses that companies and states gave to those 'disturbances' gave rise to a series of processes that changed the face of the economy, society and politics, and came to characterise a long period of history: at least until the First World War and the troubled phase that followed it. And irreversibly marking the basic features of the new century.

These processes are called industrial and financial concentration, rationalisation of the production apparatus and the market, the increasing role of the state in the economy and bureaucratisation. We can summarise them in one term: 'organised capitalism', that is, capitalism aware of the need to overcome the 'spontaneous' character of social phenomena: to guide, direct and organise them. A necessity that explicitly contradicted the liberalist creed in economics (and liberal in politics) that had dominated the previous phase, based on faith in the market's capacity for self-regulation."

The crisis manifested itself as a large surplus of supply over demand, of the availability of goods over demand. In a sense, it was the overabundance that caused the succession of bankruptcies and redundancies, and thus produced poverty. It seems a paradox: it was instead the first manifestation of the mechanism characteristic of modern economic crises. While in fact the so-called crises of the ancien regime (the crises of pre-capitalist and predominantly agrarian societies) were generally caused by famines, often produced by natural events such as droughts, plagues, etc., and manifested themselves with even dramatic phenomena of shortages of goods (i.e. they were 'underproduction crises'), the new type of crisis that the industrialised world was experiencing was produced by an excess of goods on the market. The crisis did not derive from a shortage but from an availability of goods on the market in excess of the quantity the market was able to absorb. In other words, it was a crisis of overproduction or, if you prefer, of "underconsumption."

(Peppino Ortoleva and Marco Revelli 'La società contemporanea' Ed. scholastic Bruno Mondadori 1983)

After an infinity of measures and counter-measures in all sectors and at all levels in an attempt to remedy the disasters of the Great Depression at the end of the 19th century, after a momentary 'respite' based on protectionism, colonial partitioning of the entire world in the 'search' for markets and raw materials, after a First World War that produced shocks, 'readjustments' and not a little 'free' space for 'reconstruction', after further momentary 'recoveries' and further new economic, political and social upheavals, including the rise of fascism and Nazism.

.....just forty years later, in 1929 to be precise, we were back to square one..

1929 The second epochal crisis of an economic model

"Between 1923 and 1929, the United States experienced such an economic boom that it seemed destined to continue indefinitely: a high rate of increase in national income (over 4% per year), a continuous increase in productivity per worker (which had risen by around 70% between 1919 and 1929): with substantially stable wages, this translated into an increase in profits, and thus in the money available for investment, on the one hand, and price stability on the other. An essential factor of the boom was the expansion of consumption, in particular the access of the masses to new consumption, services, 'consumer durables' (automobiles, household appliances, radios and gramophones, etc.): among these especially the development of the automobile sector supported the whole phase of economic development. From the 500,000 cars produced in 1913, this had risen to almost two million in 1919, to 4,180,000 in 1923 (a doubling in just four years, which shows how the car boom was essential in fostering the 'reconversion' of military production into peace production), and to over 5,600,000 in 1929. In the American boom of those years, the car had a dual function: On the one hand, the expanding automobile industry stimulated a number of other industries (steel, rubber, glassworks, mechanical parts factories); on the other hand, the massive penetration of the automobile into the lives of millions of Americans immediately began to influence lifestyles, inspiring new needs and new consumption (the spread of the automobile favoured - for example - the transition from daily shopping to the habit of large weekly, or even monthly, expenditures, which in turn required new means of food preservation such as the refrigerator). Between a boom based essentially on the expansion of consumer goods purchases and the stability of wages, however, there was a profound contradiction. Investment and increased productivity led to a continuous increase in production that was not matched by a proportionate increase in the purchasing power of workers, i.e. the mass of possible buyers."

"An essential element of the boom had been the policy of low interest rates that had enabled large numbers of people, even those with low incomes, to buy houses and consumer durables with instalment payments, mortgages and other facilities."

"A second contradiction was the American financial system. Just as fragmentation and the lack of central governing bodies were sources of imbalance in America's relations with the world, so too were they sources of imbalance in the domestic economic situation: the United States lacked financial authorities capable of correcting the distortions that were gradually being created in the economy. All the more so because throughout the 1920s they were dominated by Republican administrations, convinced that the only correct economic policy practicable by the federal authorities was to abstain from all intervention in the economy, convinced, that is, that economic forces left to their own devices possessed sufficient self-regulating capacity for uninterrupted development."

"A third contradiction, more contingent but of great importance, was the great speculative boom that began to manifest itself around 1926. The policy of 'easy money', which also allowed private individuals to borrow money from the banks at almost derisory interest rates, and the steady growth of corporate profits began to push - around the mid-1920s - a substantial number of savers towards the purchase of securities, first with their own savings, then increasingly with borrowed money."

"The purchase of securities, which at first was aimed at investing money in an almost secure and growing income (for as profits rose, so did the dividends distributed to savers), soon changed its purpose: as the market expanded, and more and more customers bought securities, the value of the shares rose, so that those who had previously bought at a lower price could now resell at a higher price, or even multiplied. The price difference between the next highest value and the previous lowest value usually constituted a much higher profit than could be provided by even the most lavish of dividends. From 1926-27 onwards, most of the new customers who flocked to the stock exchange were more interested in this kind of profit than in dividends: the speculative phenomena were multiplied, and aggravated, by the spread of banking transactions aimed precisely at encouraging speculation. In turn, the hope of easy profits, aided by the persistent availability of money, favoured both the entry of more and more clients to the stock exchange and the increase in purchases per client. It was a vicious circle that seemed as if it would never break: the widening of the market favoured the rise in prices, which allowed the holders of securities to obtain - by reselling them - very high profits; this encouraged new buyers to buy and the old ones to expand their operations."

"Between 1924 and the end of 1928, the average value of securities..... rose from 106 to 331. In the same years the volume of so-called margin lending (the most widespread form of speculation financing) had grown from about two million dollars to over 5,700,000."

"During 1929 there was a further acceleration. By August the average share value had risen to 449 (more than four times that of five years earlier); margin loans had risen to \$7 million'.

"The first sharp fall in the value of securities occurred on 18 October. In the following days, sales multiplied like an avalanche, repeating (but in a very accelerated manner) what had happened previously with purchases. As the decline in values began, the holders tried to dispose of the shares as quickly as possible, hoping to limit their losses as much as possible. The collapse thus became more and more precipitous, not least because the speculative operations, which had been used to keep values artificially high in previous years, acted in the opposite direction: the banks demanded immediate repayment of speculative loans, thus forcing clients to try to obtain liquidity as quickly as possible, which required the sale of securities, the value of which fell further.

"By mid-November the average share value index had fallen to 224, less than half of the values reached three months earlier. This was only the beginning: over the next three years the index would fall further to 58; the share values of many companies would practically fall to zero."

If it is true that the stock market crash was only one (and not the first) manifestation of the incipient crisis, it is also true that it had a decisive weight. And it was from the end of October 1929 onwards that everyone became aware of the crisis in progress: which in turn fostered, throughout the social body, defensive reactions destined to further widen the recession. Both the attempts of the major 'merchant bankers' to artificially prop up the stock market and those of the dominant political forces to contain the panic proved ineffective."

"Over the next three and a half years, the US economy experienced a steadily deepening recession. Industrial production fell by about half (-47%), with a decline of particular severity in the production goods sector; investment declined to such an extent that in many sectors not even the renewal of obsolete machinery was carried out;

agricultural prices fell by more than 50%. More than 5000 banks had to close, taking the savings of millions of people with them."

"The catastrophe that befell the American economy could not fail to make its effects felt on the world economy as a whole, which is profoundly affected by production and trade with the United States. Between 1929 and 1932, investment in the world fell by a total of 55%; industrial production by 37%; the volume of international trade, by 25%."

"The crisis had at its origin contradictions very similar to those that, in the mid-1970s, had provoked the Great Depression: prevalence of supply of goods over demand; difficulty on the part of the market to absorb the increased production; imbalances between the different productive sectors; and the insufficiency or total absence of instruments to govern the economy. The immediate temptation was to use the same remedies as then: protectionism, a relentless struggle for the conquest of markets, the tightening of social policies."

"In the last decades of the 19th century, there had been illusions of eliminating the irrationality of industrial development and its 'tendency to crisis' through the rationalisation of production and the control of the market through monopolies. However, these remedies had dramatically accentuated the fundamental cause of crises: the imbalance between production capacity (supply) and consumption capacity (demand), between industrial production and wage levels. Rationalisation of production had in fact increased industry's production potential, but not its capacity for mass consumption."

"The crisis of 1929 had made it possible to ascertain another fact: the economic cycle, once it had entered a recessionary phase, was not able to rebalance itself on the basis of the market's automatic mechanisms alone; on the contrary, it ended up winding itself up in a downward spiral, because an inevitable mismatch existed between the strategies of individual economic actors and the overall needs of the system."

"The inability of the Hoover administration to counter the effects of the economic crisis that opened in 1929 favoured the election of Democrat Franklin D. Roosevelt in November 1932. He initiated a governmental action characterised by strong state intervention in the economy, welfare measures and massive public works in order to expand employment and increase the purchasing power of workers."

"A real expansion would only manifest itself from 1939 onwards, when the war in Europe would lead to a real and lasting revival of the economy. But by then, to use Roosevelt's own phrase, 'Dr New Deal' had given way to 'Dr Win-the-War'.

(Peppino Ortoleva and Marco Revelli 'Storia dell'età contemporanea' Ed. scholastic Bruno Mondadori 1983) (Bold ours)

Impressive

First of all, the economic data reported by the authors are terrifying.

33% drop in durable goods production in a few months in the US. Skyrocketing unemployment in the West (hard to find exact figures who knows why). Drop in iron production in Britain, France and Germany by 50%. Fall in prices by 40%. All this for the period 1873-1895.

In the subsequent crisis of the 1930s instead.....

"the average share value index had fallen to 224, less than half of the values reached three months earlier. This was only the beginning: over the next three years the index would fall further to 58; the share values of many companies would practically fall to zero."

Industrial production fell by about half (-47%)

agricultural prices fell by over 50%..

More than 5000 banks had to close, taking the savings of millions of people with them."

Between 1929 and 1932, world investment fell by 55 per cent; industrial production by 37 per cent; international trade volume, by 25 per cent."

In general, some salient features are immediately apparent.

A.

The crisis manifests itself regularly in the US. As the world's leading industrial hub, it then spreads to the rest of the planet.

B.

The crisis explodes and manifests itself regularly in the financial sector.

C.

The crisis repeats itself cyclically with virtually an identical dynamic both in its 'preparation' and its subsequent unfolding.

D.

The typical dynamic of Unbridled Productive Growth - 'Easy' Money - Unbridled Financial Speculation - Market Saturation - Productive Collapse - is regularly reconfirmed. Financial Collapse - Further Productive Collapse.

E.

The inability of the Free Market model to self-regulate by readjusting the imbalances that regularly occur is continually reconfirmed. Hence the continual, laboured need for 'corrective' interventions from outside.

F.

The 'avalanche' dynamic of the 'sudden' collapse took everyone by surprise.

G.

The root cause of the crisis seems to lie in the imbalance that regularly arises, in the real economy, between abnormal growth in production and the inability of the market to absorb it.

In particular

1.

Half a century before the better known crisis of 1929, there was an epochal collapse of the socio-economic system in which we still live today. Indeed, there was a historic break between its first phase of growth, based on free trade, and the second, characterised - until almost the present day - by a laboured attempt by the 'public authorities' to regulate disastrous socio-economic dynamics. While for their part, the enterprises, equally frantically, were constantly engaged in productive reorganisation operations. The famous 'restructuring'.

It is noteworthy that in our days, the ultraliberal philosophy of the early days is back in vogue. As if nothing serious had been produced by it at the time.

2.

The two catastrophic crises were of very long duration. Over twenty years for each. With aftershocks in the decades following both. Altogether, they covered a time span of almost half a century.

3.

The crises came suddenly, like lightning bolts, after relatively long phases of 'tumultuous' growth.

4.

Manifesting itself in gigantic and destructive financial collapses. In the first case, the bankruptcy of a large New York bank (Jay Cooke), which had also played a decisive role in 'supporting' the phase of industrial reconstruction following the Civil War of 1861 - 1865. In the second case the catastrophic collapse of the stock exchange, again in New York.

5.

The crises, if it is true that they suddenly manifest themselves with gigantic and destructive financial meltdowns, would seem to be the inevitable consequence of processes rooted in the dynamics of the 'slower', but decisive, real economy.

6.

The financial meltdowns then have further repercussions on the real economy, thus triggering an even more destructive, perverse vicious circle, from which it is impossible to escape any time soon.

7.

A definite cause-and-effect relationship is created between excessive, tumultuous, euphoric, insane growth, which invariably precedes its subsequent, inevitable halt.

8.

The reckless growth turns into crisis for the simple and crucial reason that the market can no longer absorb the production. That is, that the production apparatus as a whole has gone into massive overproduction.

9.

For the first time in the history of mankind, the superabundance, which might seem to simple souls a blessing from heaven, turns -malignantly and who knows why- into 'tears and blood'. A little for everyone, but particularly, as always, for the weakest.

10.

When indigestion from overproduction cannot be resolved in any way, the war of total destruction, which to simple souls might seem a curse from heaven, becomes a 'providential blessing'. Problems instead of being solved are reset to zero. The 'creative destruction' also and above all by triggering World Wars, as many as two in the space of half a century, would seem to be the inevitable corollary of an 'economic' system based on the irrational assumption of Continuous Growth at whatever cost.

If there is one criticism we would like to make of Ortoleva-Revelli's excellent and very clear historical reconstruction, it concerns the short passage in which this concept is expressed:

"In other words, it was a crisis of overproduction or, if you prefer, "underconsumption."

We do not believe that the question can be posed in these terms, which in our view are, if left as they are, decidedly misleading. The two terms 'overproduction' and 'underconsumption' are not interchangeable. In the sense that one is as good as the other. Or that one can 'choose' one over the other with impunity.

By singling out under-consumption as the source of the slowdown and/or blockage of growth, we are in no way questioning any of the founding assumptions on which the economic-social edifice we live in is built. More. Any 'remedy' that will be devised, in this logic, will necessarily go in the opposite direction. That is, to reinforce the distortions at the origin of the crises. If we consume too little, we will have to stimulate consumption in order to sell more. Whatever it costs. Even at the cost of throwing away a large part of what has already been sold and should not be thrown away. To give just one example among many that could be given. In defiance of any sound economic principle. And to the great delight of 'economic rationality'.

If, on the other hand, we were to point to overproduction as the reason for large, less large and small depressions, and if we were even to go so far as to seek out the reasons why we produce infinitely more than we need, we would thereby be questioning, at root, the central pillar on which the 'economic' edifice in which we live stands. That is, the maximisation of profit by compressing production costs as much as possible. The truly independent variable to which everything else must conform. Costs what it costs.

Clearly these are two completely different, not to say opposite, approaches.

And this is also the real reason why the real reasons why we are in such a bad shape are not, should not, and cannot be talked about.

In the inverted 'logic' that seems to dwell undisturbed among us, as abundance begets misery, more or less natural catastrophes and even totally man-made ones become a blessing from heaven. Because they create the market. Hence sales. Hence GDP. Hence jobs. Hence jobs. Hence welfare. Hence an infinity of other good, useful and beautiful things.

Where it is conclusively proven that any kind of destruction is providential for the happiness of us all.

Today: we are on the third time?

Between 2008 and 2010 we seemed to have plunged into the midst of the third Great Epochal Crisis. After someone had recklessly decreed the 'end of history' some twenty years earlier, we re-discovered the heavy historicity of the socio-economic system in which we live. Even the unpronounceable word that we thought we had buried forever along with the defunct 'communism' came back to the fore: 'capitalism'.

Then, with various political and financial acrobatics, the public authorities managed to put a patch on it by socialising the collapse. And everything seemed to return to an -almost- 'normality'. What could be mistaken for the climax was, in reality, only the beginning. No truly substantial change in the 'economic' mechanisms that produced the very dangerous crash of 2008 was put in place. Nor have any of the real causes that led to it ceased to operate.

Truly striking is the virtually photocopied repetition, in the 2008 bankruptcy, of the 1929 dynamic. Unbridled Productive Growth - 'Easy' Money - Unbridled Financial Speculation - Market Saturation - Productive Collapse -. Financial Collapse - Further Productive Collapse.

From a minimal analysis of the previous two epochal crises, can we draw some food for thought for us today and here on the threshold of the third?

Let us first consider some differences.

1.

Taking into account the timing and manner in which the two previous Great Epochal Crises unfolded, we could reasonably assume that the conspicuous signs of the three-year period 2008-2011, if they did not constitute - in hindsight - the apex of the crisis, are probably the first unequivocal warnings.

2.

Compared to the two previous crises, the current one seems to present itself with peculiar characteristics that make it much more intricate. In particular, its depth and extent, both spatial and functional. What do I mean by this? That while the two previous ones had as their characteristic epicentre the economic-financial sector of the industrialised world, which then triggered a series of chain effects on the other sectors and areas, here we find ourselves in the presence of an organic interweaving of many types of crises, which, starting from a myriad of aspects (environmental ecological, economic, climatic, social, cultural, values, philosophical, moral, psycho-personal, political and geopolitical) and from the most diverse and far-flung parts of the planet, are interacting with each other, mutually reinforcing each other in a sort of final 'perfect storm'.

But there is more

If it is true as it is true that the industrial revolution represents nothing more than the last act of the historical parabola that we call 'human civilisation', the interweaving of crises is, at this point, so organic, extensive and 'perfect' as to configure a true crisis not only of the economic and social system in which we live, but precisely of human 'civilisation' itself.

3.

It should also be borne in mind that, to complicate matters further - if that is possible - the so-called 'margins' of 'development', i.e. the free physical, economic, political, cultural and social spaces that could allow for further growth, are today being progressively and probably finally exhausted. Unlike in the past.

Clearly, to make free space and start again, there is always the more or less Total Destruction option. Either with 20th century-style Great World Wars or even with a less spectacular but in some ways equally horrific endemic global war of all against all.

Should we be worried? Probably the case. The 'crazies' who throw the match are always available on the history 'market'... And when there is a powder keg around the 'madmen', the result is almost assured.

But beyond -or beyond- the differences, some illuminating similarities are evident.

Indeed, some real constants seem to be at work. Almost laws that govern the recurring crises of greater or lesser magnitude that have dotted the history of the two and a half centuries of the socio-economic system still in force today.

A.

First and foremost constant on which the rule of the greatest possible silence - never openly declared - applies: all attention is channelled to the more or less spectacular crashes in the financial sector. While the real trigger of the crises lies in the real economy. And precisely in the fact that, faced with the frightening production capacities of the industrial production system, we have a free market that sooner or later fatally becomes saturated. It clogs up. In short, it no longer 'pulls'. The little magic word, which is carefully avoided and which well defines the first and main constant behind recurring crises, is 'overproduction'. Obviously, indigestion is the logical end point of the great binge. Nothing strange about this. The elementary concept would not escape a third grader. It does to us. So much so that on all sides people are calling for a revival of growth as the only possible remedy to overcome the crisis. As if to say cure the sick with disease. Curing indigestion with another Great Binge. The paradox is obvious Precisely for this reason totally removed.

Illuminating is the passage in which our two authors, speaking of the crisis that began in 1929, say:

"An essential element of the boom was the policy of low interest rates that allowed a large number of people, even those with low incomes, to buy houses and consumer durables with instalment payments, mortgages and other facilities.

(Peppino Ortoleva and Marco Revelli 'Storia dell'età contemporanea' Ed. scholastic Bruno Mondadori 1983)

It looks like a photocopy of what happened in 2008. Instead, the passage refers to the period before 1929. The perverse intertwining of growth needs that disregard real needs on the one hand, immense, cancerous production capacity on the other, the inevitable consequent market saturation and the need to drug a saturated market by pushing private - and public - debt to the maximum possible, is evident.

B.

Second constant.

And here is demonstrated, once and for all, the groundlessness of the Liberalist dogma that would have it that in a regime of a Free Competitive Market there is an automatic capacity for self-regulation -and for the better- of the complex economic machine. If there is one thing that has repeatedly been tragically highlighted over the course of two centuries, it has been precisely its inability to self-regulate. But not only that. Also the extreme difficulty of regulation from the 'outside'. We are well aware of how many and what obstacles are systematically placed in the way of any attempt to 'regiment' economic dynamics by the economic potentates and the 'apparatuses' that support them. Clamorous examples have always been before our eyes. And particularly in the current historical phase that even sees the 'rediscovery' of the liberalist fundamentalism of its origins called neo-liberalism. I hear a little voice saying: "So what? Is there perhaps some other Economic System that has given better proof?" The answer might be: yes there has been, and where we might least expect it.

But we will talk about that in due course.

In any case, the answer cannot be given in two lines. Nor in four Nor in half a folder.

All this modest work is an attempt to answer the relevant objection. If we make it to the end perhaps we will have a plausible beginning of an answer Perhaps.

C.

Third constant.

The more or less catastrophic crisis broods under the sometimes unbridled euphoria of the boom. The real economy, that of the production of goods and services, is decidedly slower than the lightning-fast and volatile financial dimension based on the frenetic circulation of pieces of paper, perhaps 'richly' decorated, that overnight may be worth nothing. When Excessive Growth indigestion reaches its climax, a devastating financial crash is invariably unleashed 'out of the blue'. Which is nothing other than the consequence of the fact that the real economy is coming to a standstill. Or is already stuck. In short, the financial default to which the public's attention is shifted is nothing more and nothing less than a sensitive litmus test that simply tells us the state of sales of goods and services. If you sell everything turns. Even risky loans are honoured. When you start not selling everything slows down and then, in the worst cases, comes to a standstill. Then the value of the coloured pieces of paper plummets. And it is financial crash. That it then in turn triggers a further devastating feedback effect on the whole complex 'economic' machine is very true. But the collapse does not start there.

It is true that today we are - if possible - even worse off. Some say that we are sitting on a veritable global speculative-financial bombshell. If it is true, as it seems to be true, that the total amount of 'monetary value' circulating at supersonic speeds around the globe in various capacities and under various species was, in 2013, no less than 77% of the world's GDP for a 'value' of 54 trillion dollars. Such a bomb, as if all the others were not enough, could explode with devastating effects at any moment for the most diverse and unpredictable reasons

D.

Fourth constant.

If the free market in itself 'pulls' too little, one can, and must, devise a series of expedients to 'revive' it. The casuistry of these 'tricks' is extremely varied and ingenious. But there is no doubt that the main trick is to put those who should buy, and do not buy, in a position to buy anyway. In short, to spend. Even if they do not have the money to do so. This 'sustains' the stagnating demand.

I will pay later. It is called indebtedness or debt. Private in the case of individual consumer citizens. Public in the case of sovereign states. And so both put the noose around their own necks by mortgaging their future. For in order to remunerate those who, having too much, lend us money, it will be necessary to pay with money on the Money Market and, sooner or later, honour the debt. Or else not honour it and drag out this uncomfortable situation by continuing to pay with even more money the money lent. The comforting prospect on this road is marked. One of two things. Either work more. In short, grow. But how to grow if the market does not 'pull' as much as it should? Or bankruptcy at various levels.

E.

Fifth constant.

Something 'new' could be invented to 'pull' the sluggish market. This could be products, goods or services pulled by the hair and of doubtful real utility. Or even useless and even harmful. They range from the self-driving electric car to the G5 via condensing boilers. Passed off as highly eco-logical operations. Among the harmful 'gimmicks', particular attention deserves the Global Destructive Warfare as a factor in the Growth and Development of Peoples.

We have heard from many quarters the concept of Creative Destruction. Strange mechanism that necessarily accompanies -it seems- the kind of Growth that the Economic and Social System in which we live constantly needs. We have reached the point where the contradiction in terms inherent in the oxymoron is not even grasped. Nor even questioned. In short, nothing is done. It is evident that destruction 'creates' free space when there is no space left. And that spaces are progressively exhausted in the presence of Continuous Growth.

But, personally, I remain convinced that there is a certain difference between destroying and creating. And that destroying to then create or re-create is, in essence, a kind of contradiction in terms as well as a tragic curse. Which, it seems, has plagued the history of human 'civilisation' since its inception, but particularly in its capitalist phase. Which has made it into a system. Who knows why.

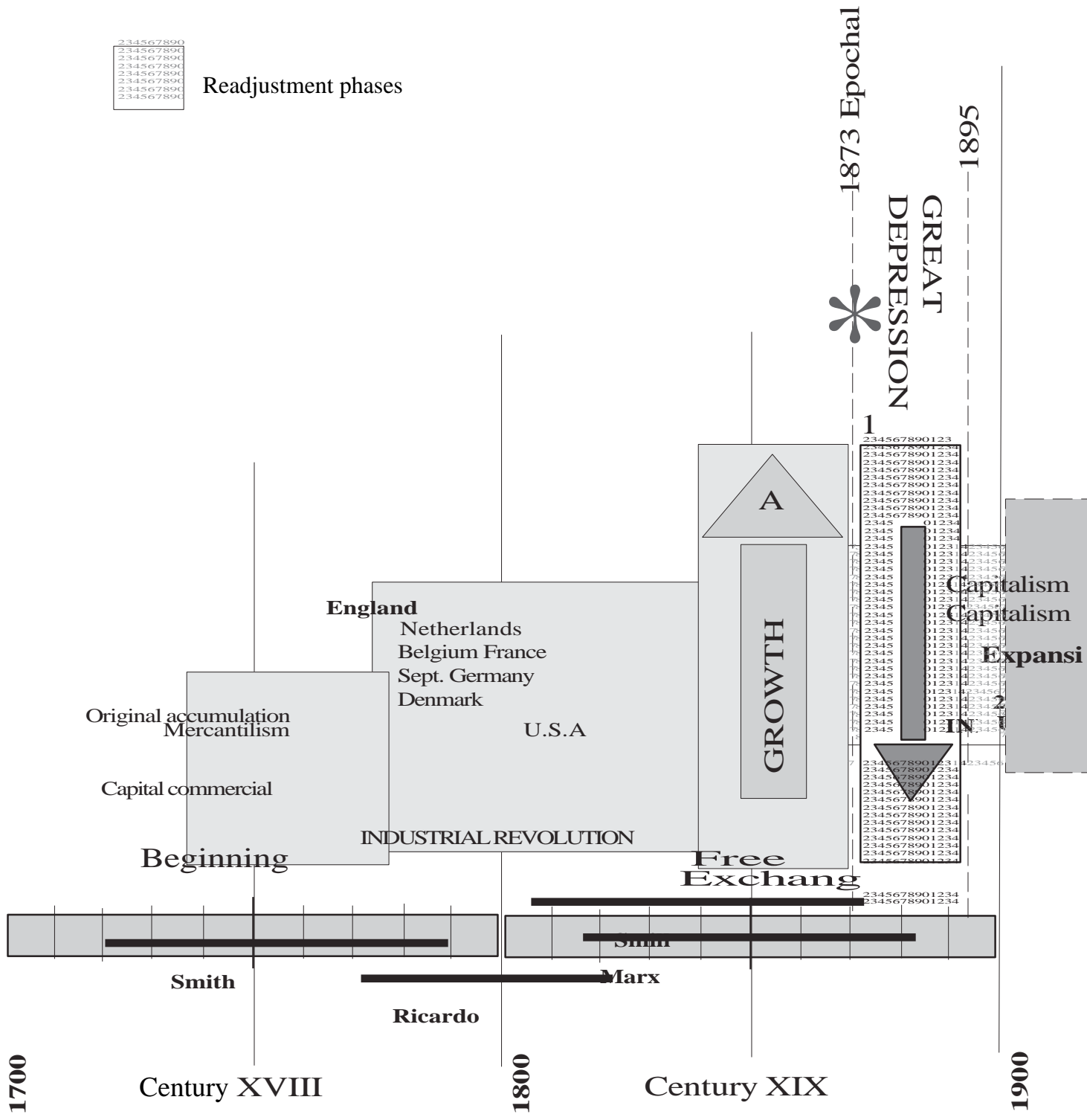
Good. The history of the twentieth century alone tells us that it took two devastating World Wars - with all the annexes and connections of the case - to acquaint the Economic and Social System in which we live with twenty to twenty-five years - perhaps thirty years - or perhaps not even - of true 'economic' Growth comparable to that of the nineteenth century dawn of the Free Trade.

Now, after recent uncertainties, setbacks, 'economic' and other ups and downs, 'creaks' of all kinds that do not cease, it seems that we are, for the third time in two centuries... back to square one.

It is no coincidence that the re-proposal of Integral Market Liberalism, which has highlighted so many limitations and produced so many disasters, as a 'remedy' for the creeping epochal crisis that has been brewing for some time, is a clear sign of an 'economic' model that has reached the last resort.

The historical parabola of the Capitalist Economic Model

Essential time table



On the double page we have attempted to graphically reconstruct the historical parabola of the capitalist economic model from its birth to the present day, highlighting its main and characteristic passages. In particular, the phases of tumultuous growth invariably followed by the Great Epochal Depressions in turn 'resolved' with World Devastations. A sort of 'law' of Growth and its corollaries. Today we would find ourselves, according to this typical sequence, on the threshold of the third and perhaps last Great Epochal Depression. Whether we will come out of it by going beyond the present or whether we will (not) come out of it with the third, and perhaps final, Global Devastation, which according to some has already begun, is unknown, for now.

From the Dictionary of Political
Economy
Ed. Simone

Entry

Demand

"Quantity of a good that an individual is willing to purchase at a given price, in a given market, and at a given time..

The concept of demand, therefore, goes beyond the common idea of desire or need: if the desire is not made effective by the ability and willingness to pay the consideration, there is no demand in the economic sense."

The “trick”

It
is there but
cannot be seen

An upside-down world

It is no coincidence, as we have already seen, that the Founder defines the Totalising Market with the expression 'Invisible Hand'.

Although invisible, it brings about a series of intertwined reversals. A series of devastating 'sleights of hand'. Astonished we watch the 'show' without understanding where the 'trick' lies. Meanwhile, reversals, somersaults and 'illusions' continue, leading us to the overall picture of nonsense in which we are 'impanelled'. More and more.

Turning goods into commodities

Producing to sell rather than to satisfy needs.

Selling to earn money rather than to satisfy needs.

Turning needs into opportunities to sell.

The collaboration between different capacities, tasks and roles in order to realise a Being Good for All, which was supposed to be the aim, becomes the tool to accumulate money. By some.

Utility, which should be the purpose of producing, becomes a tool for selling.

Money originally a means for the exchange of goods and for cooperation between all human beings becomes the purpose of 'economic' activity.

Utility becomes a substitute for 'happiness'.

Natural resources that should be used wisely to satisfy needs, become a means to be squandered unscrupulously in order to invest money for its growth.

The rational and shared management of natural resources aimed at being the good of society and of each individual is transformed into authoritarian production choices, unquestionably aimed at sale.

Work, which should be a human, rewarding creative activity becomes a condemnation.

Destructions of any kind and origin, which are a curse, become formidable opportunities for 'economic' growth.

Superabundance, which is a blessing from heaven, becomes unemployment and thus misery.

Machines, which are supposed to free man from drudgery, become 'lack of 'work', hence unemployment, hence misery.

The infinity of good, beautiful and just things that should be done and that are not done become 'lack of work''.

Liberation from repetitive and alienating work through the use of technology becomes unemployment and thus misery. And therefore slavery.

The 'development' that should mean living better and better becomes cancerous growth that brings devastation. Environmental and otherwise.

We could fill several pages.

The absurd, the absurdly useless and even crime are 'magically' transformed into gold. The coveted liberation from work into misfortune. Destruction into creative force. Growth into destructive force. Abundance into misery. War, death and destruction into great impulses towards greater well-being. Convenience' turns into not doing beautiful, useful, well-done things. The same 'convenience' in doing unnecessary ugly or even harmful things. Waste into 'convenience'. Thrift into horrible disgrace.

With all evidence, a perverse, subterranean mechanism is at work, which turns any good thing into its bad opposite. And everything into gold.

Could it be that there is a close connection between the two?

But if we want to see we must -first- understand how to look.

How to watch

*"Efforts to arrive at a more realistic view of the general problem posed to our generation by human subsistence run up against a formidable obstacle from the outset: an inveterate mental habit characteristic of the living conditions of the type of economy that the 19th century created in all industrialised societies. This mindset is expressed in the way of reasoning associated with market practices."
(K. Polanyi "The Subsistence of Man")*

Herein lies the preliminary key to begin solving the double 'mystery'. Where is the 'trick'? And what kind of 'trick' is it?

A mystery that, conversely, we cannot solve. For a conceptually very simple reason

We do not think about the reality in which we live in correct terms.

We experience it as THE reality. whereas, it is, conversely, ONE reality. A very particular, circumstantial, peculiar historical product. Created in a specific historical moment. By men. In a certain way. With certain characteristics. To achieve certain purposes. Albeit, of course, with the help of a formidable combination of particular historical circumstances that made it possible.

Instead, we experience today's human activities, in which we are constantly immersed, as a natural given. Logical. Eternal. Obvious. Obvious. Instead, it is one of the many possible ways of 'getting busy' to live. One of many that have occurred in human history on this planet. One of many that could be. Completely different. Both those that have been and those that could be.

By living the particularity of the present as a natural, logical, eternal, obvious and taken for granted fact, we unwittingly arrive at profoundly erroneous conclusions. Which condemn us to impotence. The 'mystery' cannot be solved. The 'trick' cannot be revealed.

Many impediments arise here. From thinking it has always been this way, to not being able to imagine different ways of 'getting busy' to live. Maybe better than we live now. To the fact that we keep stirring water in the mortar of the present in the vain search for 'solutions' that, remaining within it, are impossible.

Only by getting rid of the 'mentality' that 'expresses itself in the way of reasoning linked to market practices' will we be able to truly understand the particularity of the historical construction in which we live.

But we cannot free ourselves from that way of reasoning unless we neutralise the economicist illusion.

Economic illusion

'Economic illusion'. Term coined by Karl Polanyi.

(The subsistence of man' Gr. ours)

"Cultural anthropology revealed a series of motivations other than light that induced man to take part in production; sociology disproved the myth of a utilitarian propensity that gave everything its stamp; ancient history revealed the existence of high and wealthy cultures that did not have market systems.

".....si somehow believed that a vast and generic phenomenon was identical to a species we happen to be familiar with. the fallacy consisted in establishing an equality between the human economy in general and its market form (an error that may have been facilitated by the fundamental ambiguity of the term 'economic'). The fallacy is obvious: the physical aspect of human needs is part of the human condition; no society can exist without possessing some kind of substantial economy. The supply-demand-price mechanism (commonly referred to as the market), on the other hand, is a relatively modern institution with a specific structure..... "To restrict the sphere of the economic genus to specific market phenomena is to remove most of human history from the scene. On the other hand, to stretch the concept of the market to encompass all economic phenomena is to artificially attribute to all economic objects the special characteristics that accompany the market phenomenon. Thought fatally loses of clarity'.

"The concept of economics was generated by the French physiocrats at the same time as the emergence of the market institution as a supply-demand-price mechanism. The unprecedented new phenomenon was the interdependence of fluctuating prices, which directly influenced multitudes of men."

(K. Polanyi 'The Subsistence of Man' Grass. ours)

This explains, among other things, the tendency of economists to confuse economics with business.

But back to us.

The building in which we live today is called
MARKET ECONOMY

It is a very special mechanism that has been present in human society for no more than three centuries. Based on the reciprocal interaction between supply-demand-price-money. With claims of automatic optimal self-regulation between the interests of individual 'economic' agents and the overall well-being of Society. Within a framework of total individual and collective 'freedom.

Where is the 'trick'?

He is everywhere and nowhere.

It might seem disappointing. Or discouraging. But if we have the patience and perseverance to follow this trail, a new vision of things may, at some point, 'suddenly' open up before us.

It is everywhere and nowhere. This does not mean that the trick is not there. Or that it is there but cannot be unmasked. Far from it. But it cannot be done in four words and a few minutes. The reason is simple. The 'trick' is hidden in the soul of the market economy model.

And as we know, no matter how hard we 'dig', we cannot find the Soul. Which is there. In everything. Living or not.

But which becomes untraceable when we, thinking it is a 'thing', look for it in a 'place'.

If it is not a 'thing' that is in a 'place' then what is it? The assumption we make here is not a new one. We have dismissively thrown out several things that we should - cautiously - have seriously considered. Understand. Among the many is the animism of primordial man.

It is evident, or should be, that everything has a soul. But it is not the 'thing' that we -infantilely- as good hyper-civilised people think it is.

If the soul of things -of any living or non-living thing- is not a 'thing' that is in a 'place', it is more than likely -then- that it is -in reality- a mode of relationship between the different 'parts' that compose them.

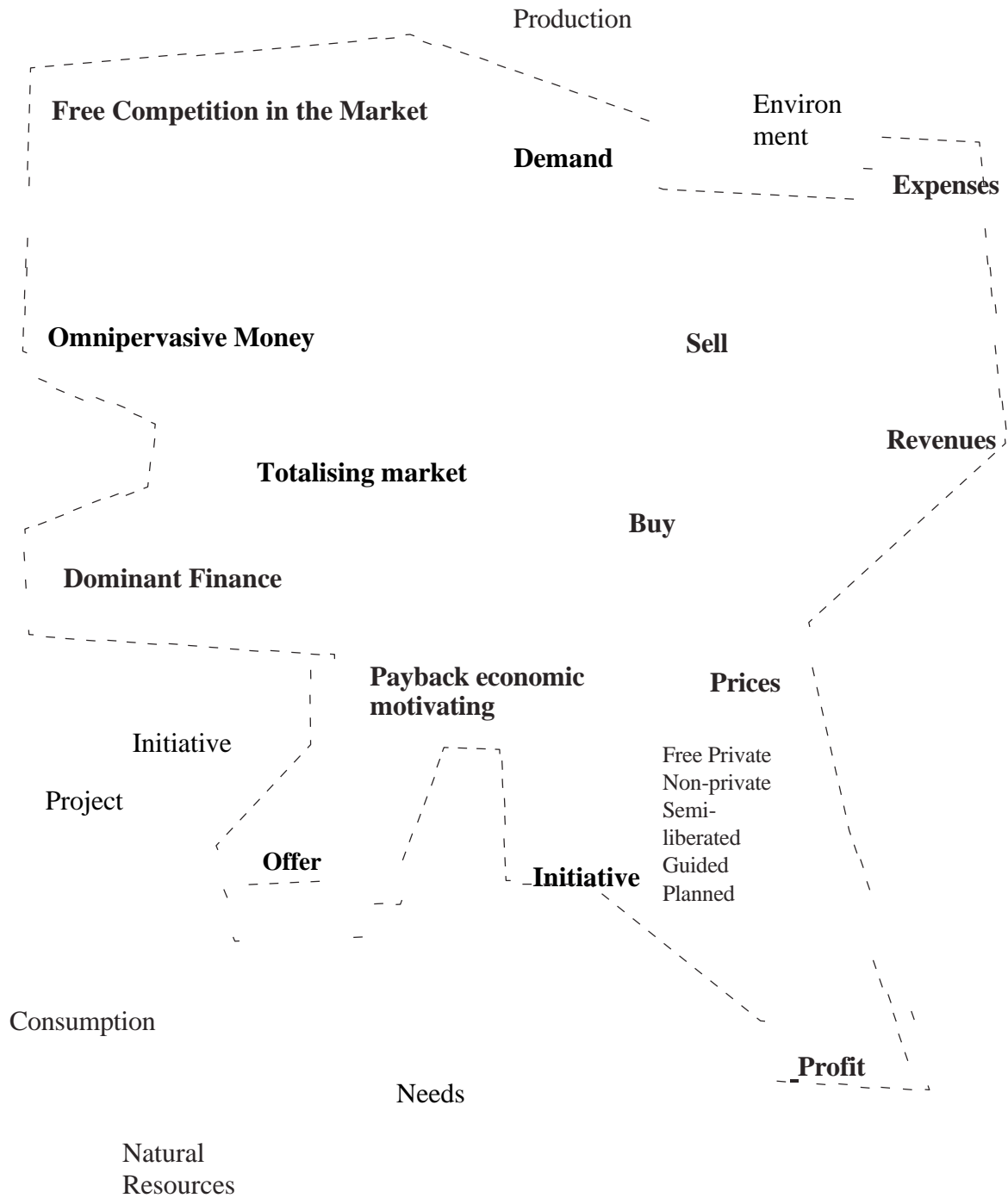
Different parts, relating to each other in a certain way determine the existence of a certain thing. It applies to a table as to a chair. For a bottle as for a glass. For a stone as for an economic model. And for anything. Living or not.

Perhaps primordial man had seen it right

So if we want to unearth the 'trick', we must first stop thinking that it is a precise thing that is somewhere. To devote ourselves to understanding the Soul of the model. That is, the way it works. Then, perhaps, we will finally be able to see the invisible hand.

The Market Mechanism

Production gears



These are the main gears

In bold and surrounded by the dotted line are those typical of the Market Economy Model.

In and out of character, those variables that are common to any economy in any time and place.

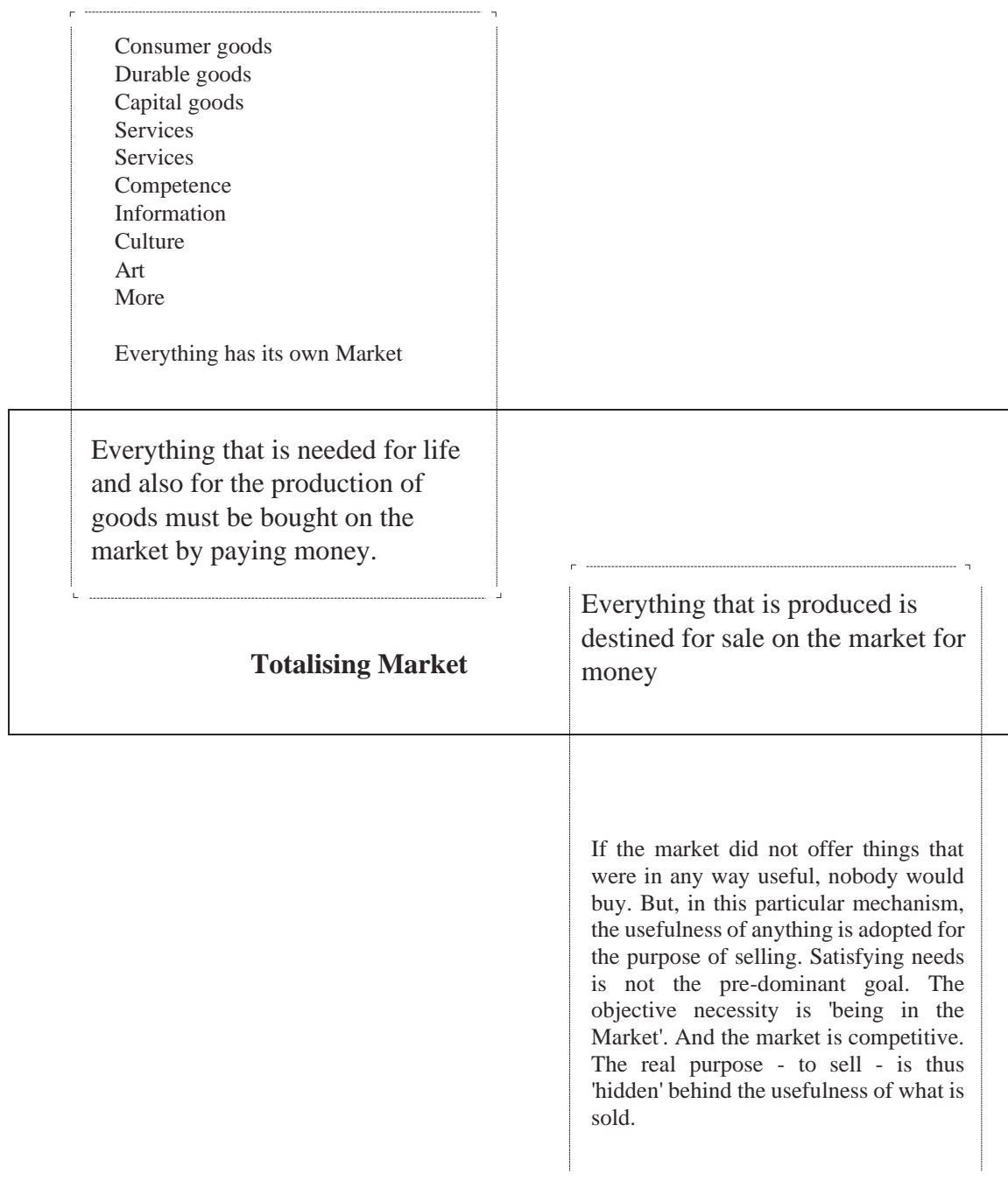
The Market Mechanism

Interactions between gears. First approximation

Since each aspect is connected to all the others, we can, in theory, start at any point. But perhaps it is better to start from the key element that characterises the economic model, which is not by chance called the market economy. The market precisely. Which in this economic model takes on a totalising dimension.

Anyone who needs anything to live on or to carry out any activity, of any kind and in any form, must necessarily buy it on the Market by paying in Money. Someone on the Market puts it up for sale for the purpose of making money.

From this objective fact everything starts. And everything returns.



"Cars, furniture, cars, all goods produced, are produced not because they are in demand, because dude needs a table or caius needs a car, but because dude and caius want and are able to buy a table or a car.

This, one may think, is a distinction that conceals no difference; but careful analysis shows that this distinction, however subtle it may seem, conceals a decisive difference. The fundamental nature of this difference is obscured by the fact that no commodity has exchange value unless it is useful to someone, but what the producer pursues is the production of exchange values. He only looks at the buyer's willingness and ability to pay and will only look at the utility of his product from this angle. In this context, the billionaire's demand for jewellery will compete with the old pensioner's demand for a packet of cigarettes -maybe the only packet a week-.

Or the 'consumption' that determines the sale of goods may arise from a need created in the buyer by drumming up publicity. So while utility is an indispensable condition of sale, it might be completely wrong to imagine that an exchange economy is an economy equipped with a mechanism capable of automatically adapting production to social needs. On the contrary, production is determined by the aim of maximising realised exchange values (revenues) relative to the costs encountered; that is to say, the aim of production is exchange for profit, and the distribution of income is governed by this profit-based system of production."

(John Eaton 'Socialism in the Atomic Age'E. R. 1962)

Totalising Market. Could we say totalitarian?

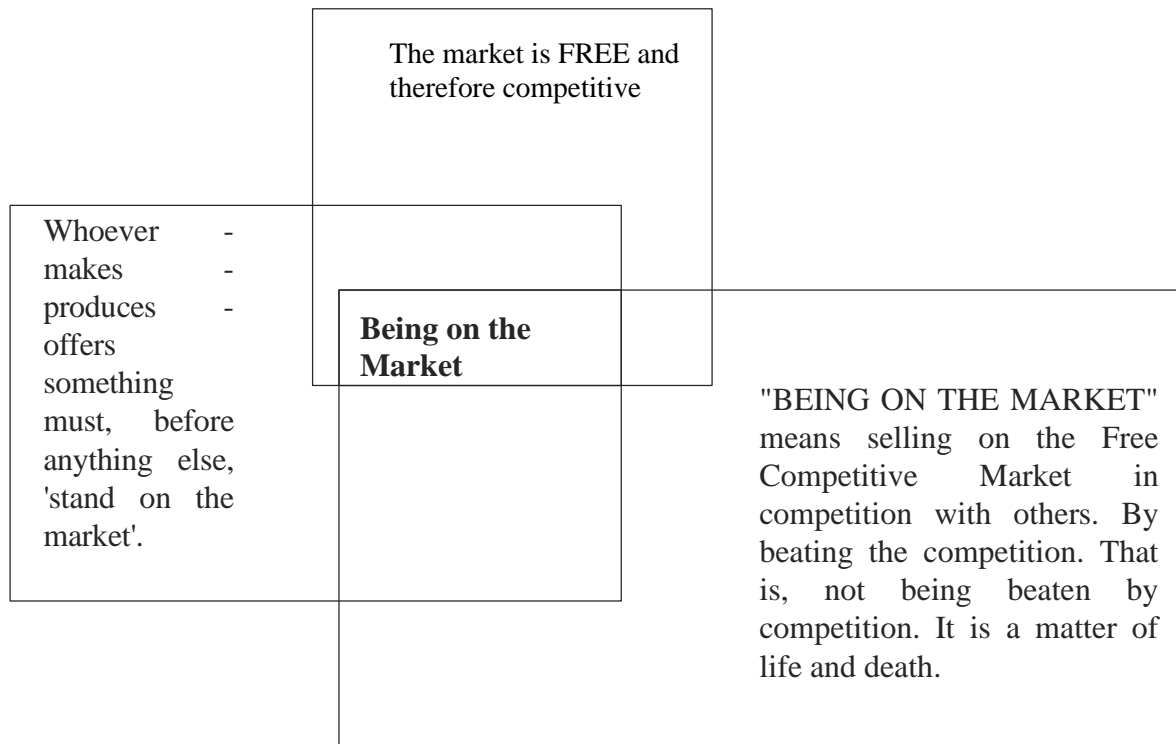
Sale-buy transforms any kind of Good, or Service, or Performance, into a Good that can be purchased by paying money.

Everything, or almost everything, is for sale. And everything, or almost everything, can be bought on the Market-System by paying in Money. All you need is enough of it.

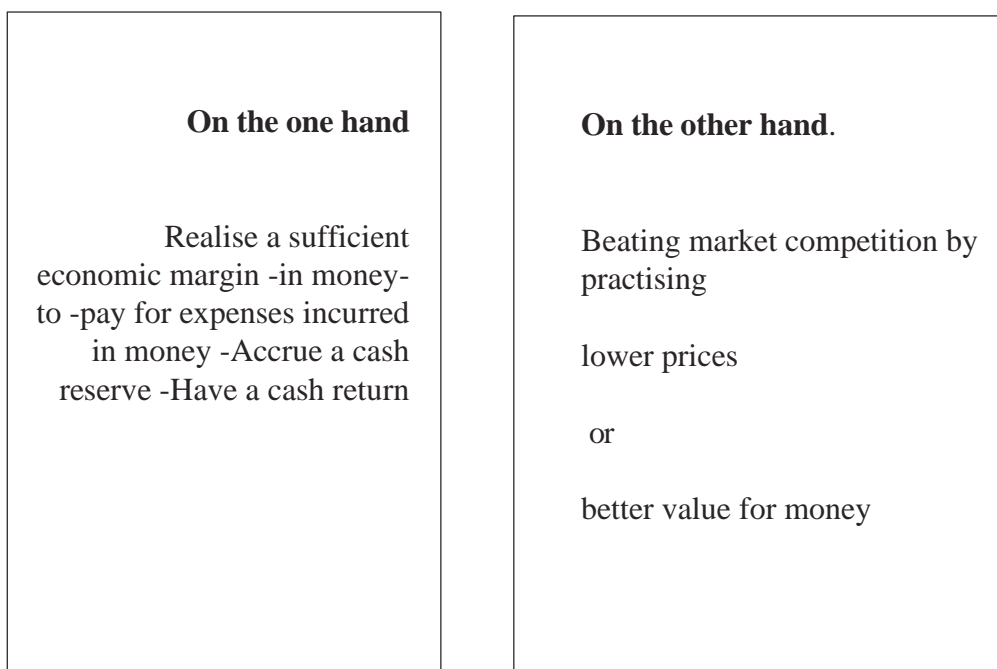
The Market thus becomes the compulsory moment of 'mediation' between every human need, authentic or induced, and the resources available in nature which, after being 'taken' from it, are transformed first into Goods and then, through the Market, into Money. In this way, the Market becomes a System. Physical Entity and Totalising Metaphysics.

The primary existential need, for everyone and particularly for the less 'well-off', therefore becomes that of having money.

We continue the examination by taking the point of view of Production. Which is, of course, the beating heart of every economy. But which, in the mechanism of the Market Economy takes on that very particular form that we are trying to understand.



A systemic contradiction is beginning to emerge between two universes that are difficult to reconcile



In order to realise a - sufficient -cash nargine it is necessary to -Minimise expenditure in cash - Maximise income or revenue in cash -or both

Dear old primary school teacher:

$$\begin{array}{r} \text{Income} \\ \text{minus} \\ \text{Expenditur} \\ \text{e equals} \\ \text{Gain} \end{array}$$

Realise Economic Margin in Money

To maximise revenue or income, it is necessary to

Selling a lot

Selling at the highest possible price

Minimising outputs can be done

- Reducing costs as much as possible
- Producing more
- Being more pro- ductive

Winning the Competing with the competition

To win the competition, it is necessary to be competitive.

- Selling at a lower price than the competition.

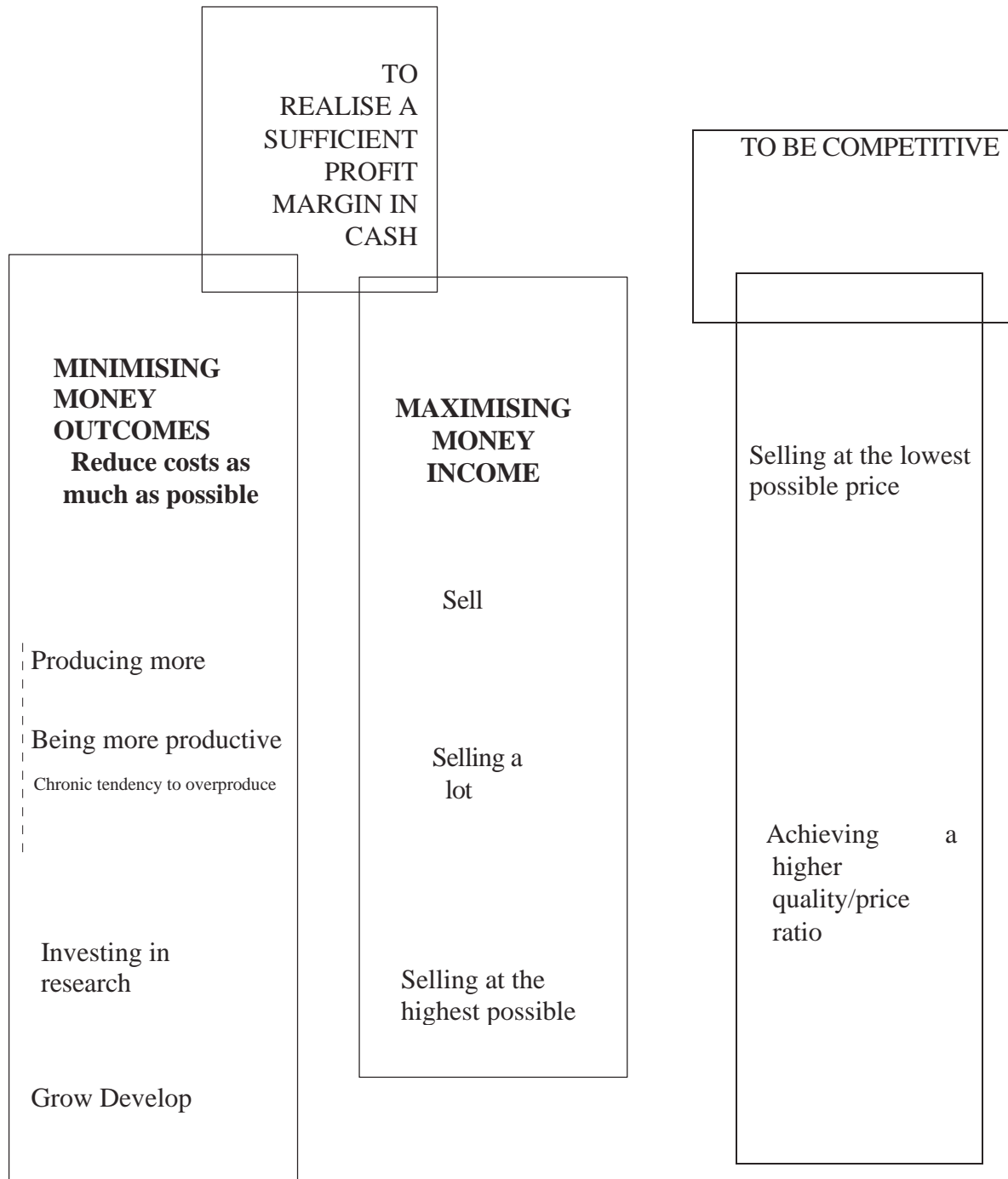
or

- Achieving a higher quality/price ratio than the competition.

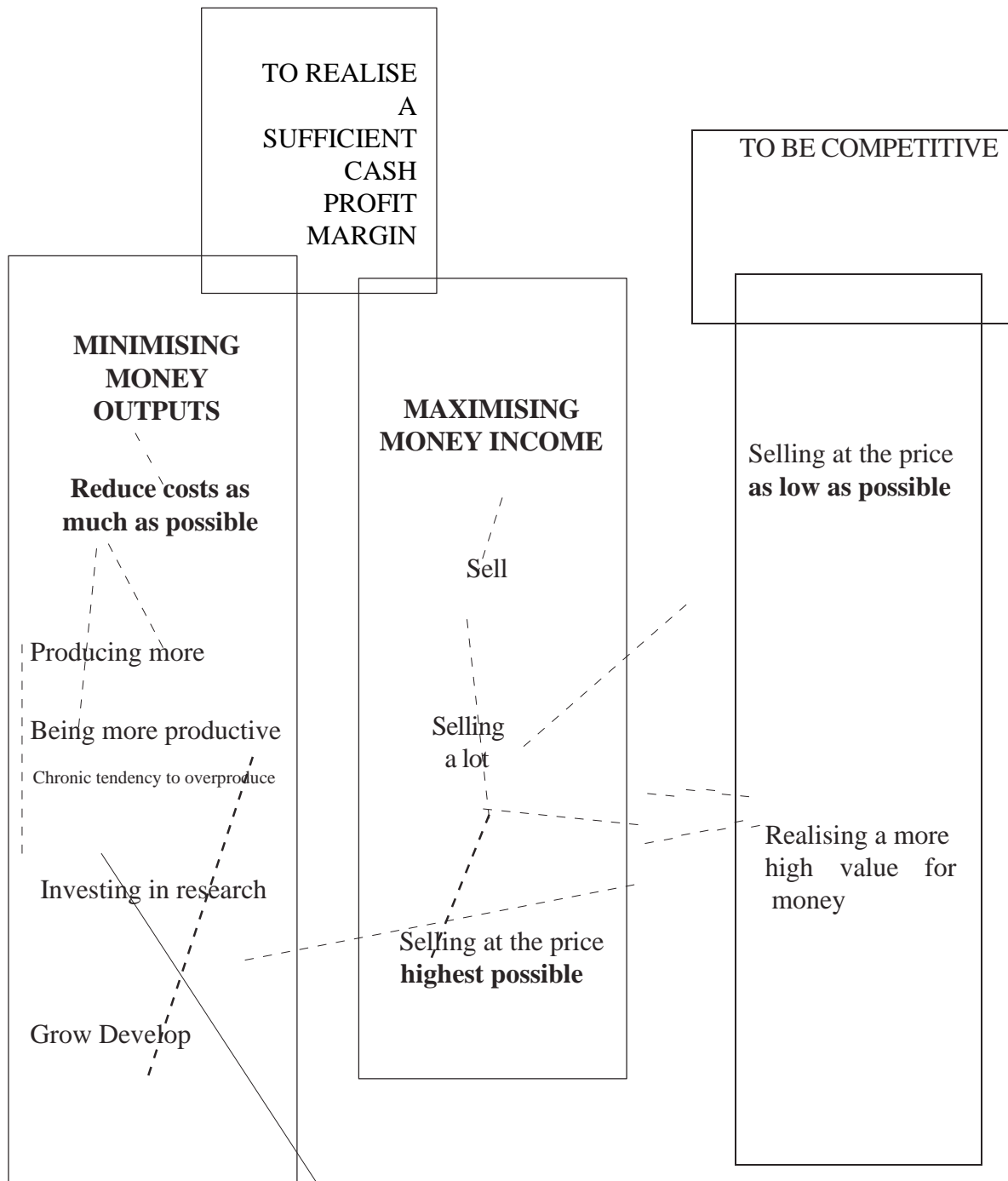
Possible strategies

- Reducing expenses and costs
- Producing more
- Grow Develop Invest in Research
- Being more productive

First overview of 'gears'



Operation 1. Synergy.

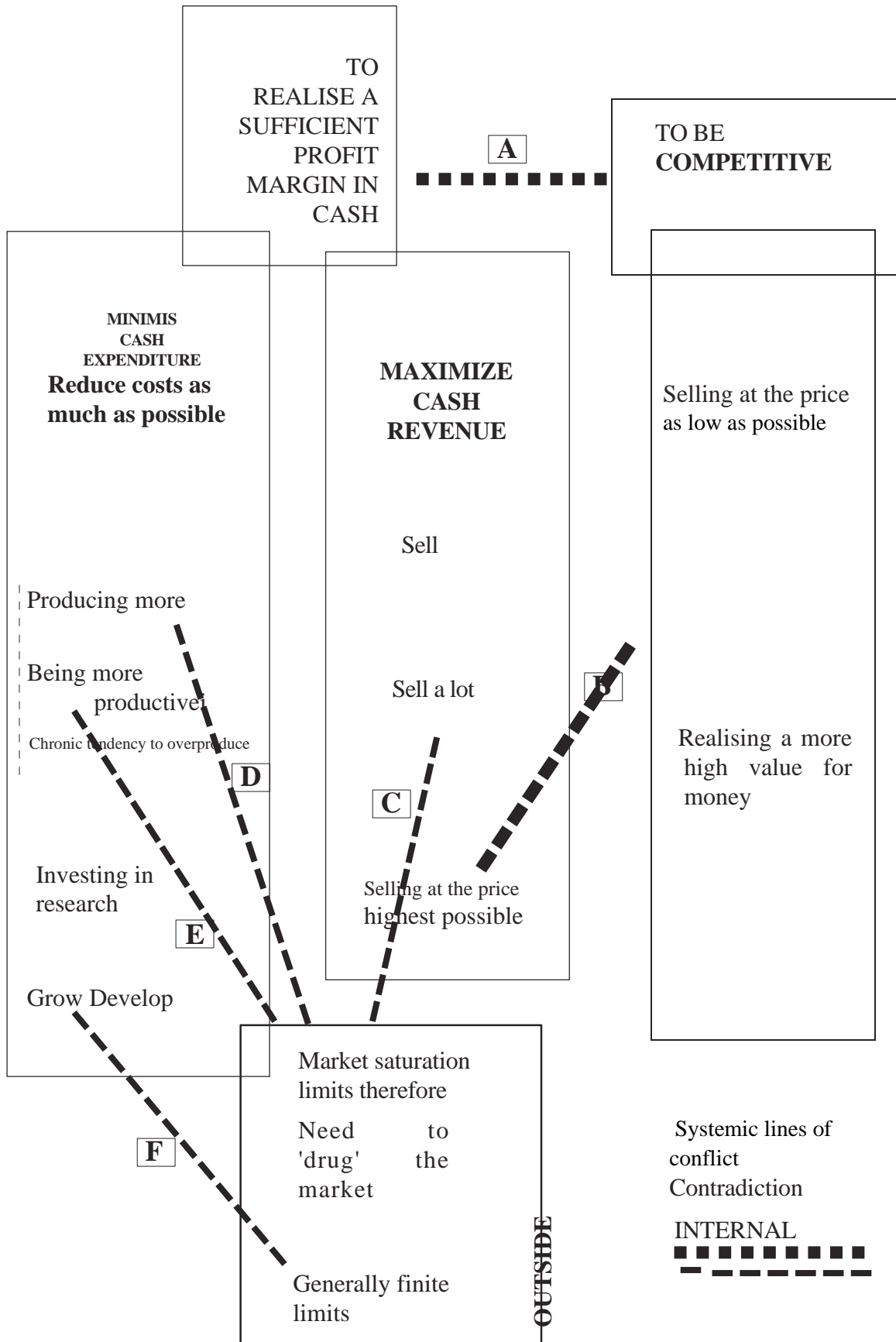


Many of the gears we have focused on 'turn' in harmonious synergy with many others. One small drawback: while producing more and being more productive goes hand in hand with the maximisation of profits, on the other hand, the whole mechanism tends to overproduce.

Functional interaction lines

Non-contradiction

Operation 2. Primary systemic contradictions. Scheme



Operation 2. Primary systemic contradictions.

Comment

Instead, a true systemic schizophrenia is evident here.
 Not occasional, therefore, but inherent to the very structure of interactions.
 Determined by the presence of equally pressing but radically conflicting needs.

The first **A** of an 'internal' nature to the mechanism.

In general, we could say the mechanism as a whole presents a basic systemic contradiction between two opposing demands.

On the one hand, to achieve a sufficient profit margin by maximising income and minimising expenditure.

On the other to be competitive on the market in order to beat the competition.

Two equally powerful drives, ineliminable in this model, and very difficult to reconcile.

The history of capitalism could be seen -also- as the continuous conflict between the mechanism's 'natural' tendency towards monopolistic concentration to safeguard the first and primary requirement of profit accumulation and, on the other hand, the continuous attempt by the public authorities to curb this tendency to safeguard consumption and to maintain that minimum of competitiveness that in a Free Market cannot be suppressed on pain of the loss of its vaunted capacity for automatic self-regulation

In particular **B** an antagonistic contradiction is established 'within' the mechanism

between the need to sell at the highest possible price in order to maximise revenue, on the one hand, and the need to sell at the lowest possible price to beat the competition, on the other.

Theoretically, one could try to resolve the conflict in a positive way by producers seeking an optimal price-quality ratio. In practice, those who charge the lowest prices beat the competition. And to achieve this result any means is good. (°)

In this light we could 'explain' the overwhelming commercial success of the capital-'communist' system. As well as the worldwide conflict, so far only economic, with the classical liberal capitalism of the West.

Then we have the primary systemic contradictions between the 'inside' and the 'outside'.

C D E F

The inverted commas to the two terms are due to the fact that drawing a precise line between the two spheres is decidedly arduous.

In essence, the inherently schizophrenic mechanism is subjected to constant 'internal' and 'external' tensions.

Which cascade into an endless series of absurd contradictions, malfunctions, dysfunctions, counter-senses and 'minor' nonsenses.

(°)

Competitive competition that played out not on the lowest price but on a higher quality/price ratio could be a very good and healthy thing. But unfortunately, in this model, the virtuous producer who would engage in this direction would spend more, and thus would have to charge higher prices on average than the competition. So he would sell less. Even if for a while it managed to position itself in a small market 'niche', in a medium-term perspective, it would lose the race to the bargain-basement price takers. See the glaring example of the Chinese 'economic' superpower. based on questionable product quality (on average) but at rock-bottom prices

A-planning

The Project is by definition unnecessary. Even harmful. The 'invisible hand' of the market combines the supply of goods, the demand for goods and the price of goods in the best possible way. The selfish gain of each individual is thus transformed into collective welfare. It also provides the most correct information on what to produce and in what quantities. It coordinates the endless individual tasks of each member of society as rationally as possible. Finally, it realises the highest possible degree of personal freedom.

Behind this absence of planning lies the hidden project. The accumulative one. The dynamics of which we shall see in a moment. Passed off as freedom. While truly free is only the Market Economy. To make profits. Without which production, in this form, could not exist.

And herein also lies the insuperable limitation of the 'economic' model. While it loudly proclaims integral and complete freedom for all, it subjects men, and nature, to the a-social purpose of accumulation. It disperses and atomises people. Each enclosed in the shell of their own narcissistic, isolated, consumerist 'individuality'. The systemic project has thus become that of 'having no project'. With all the negative consequences. To the point of the social, cultural and eventually even economic disintegration of an 'economy' that, after devouring everything, devours even itself. The fig leaf of apparent individual freedom fails to cover the crude - and naked - reality of the preventive destruction of any possibility of community planning. The emptying of meaning in relation to all existence is the mechanism's fatal endgame. By now, today in particular, completely out of control. Dramatic emptying of meaning that also ultimately involves the 'accumulators' themselves.

'Unpleasant' consequences

There should no longer be much doubt as to the true nature of the Market Economy and the categorical imperative that dominates it and permeates its every gear. Once this mechanism is established, things will necessarily go a certain and very specific way from here on. Which a priori excludes other possibilities.

Indeed

Maximising as much as possible the difference between money spent to produce and money earned from sales will inevitably become the main goal. We can also call it Profit by applying the formula our primary school teacher taught us. Revenue minus Expenditure equals Gain.

A wide range of 'ingenious' measures can be adopted to maximise gain, but they all have one thing in common. That of producing, in addition to irremediable systemic contradictions, a wide range of social, political, cultural, psycho-mental and, in the end, properly 'economic' upheavals.

1.

One can, for example, in order to increase sales revenue, try to sell more goods in order to make more revenue. But this increases the unbridled competition between producers in the market. Which leads to the consequent, contradictory need to charge lower prices in order to 'compete' better.

2.

Or, again with a view to increasing revenue, one could increase sales prices. But this means being less competitive with other producers. As well as producing inflation. So less purchasing power for wages and, consequently, less sales volume.

3.

Or one can follow a different path. Try to reduce production costs as much as possible.

How?

Cheaper raw materials. Resulting in lower quality goods and therefore lower sales. Or spend less on labour. How? Either by laying off and/or relocating and/or restructuring. In short, by becoming more 'productive'. With serious social repercussions. Unemployment. Which translates into lower consumption. Hence lower sales. Hence less profit. With, conversely, greater exploitation of human labour and machinery, faster decay, less job security. And more

4.

Or, without changing anything, use some 'trick' bordering on the fraudulent. For example, putting new packages on sale, without increasing the price, but containing slightly less product than the previous ones. Or propose at unchanged prices models of inferior quality made of lighter and/or poorer and/or incomplete materials and/or other. For example, selling cars at the same prices as before but without a spare wheel. Or packaging toothpastes, sun creams and other things in stretchy, non-squeezable plastic tubes with the result that a good fifth of the product remains unused and is thrown in the bin. To say. And so on.

Another classic, fraudulent expedient used repeatedly in past decades to raise food prices without a shot in the arm was, for example, to make a very basic product (pasta) go missing (empty shelves) and to offer it again after a few days of abstinence at increased prices without anyone, evidently, complaining. On the contrary!

5.

Or by producing more, everything else being equal. The more pieces are churned out, the lower the fixed costs of production become, hence the higher the profit. Consequences: overproduction, hence less absorption by the market; hence less sales; hence less profit. With this last fatal expedient, which exploits to the maximum the bulimic, intrinsic hyper-productive nature of the industrial production process, the insurmountable Primary Systemic Contradiction (CSP) is created between

1.

PRODUCTIVE OVERDEMANDING compared to the market's absorption capacity.

2.

IMPERATIVE NEED TO SELL AS MUCH AS POSSIBLE.

Primary Systemic Contradiction that underlies the recurring -epochal and non-epochal- crises of this 'economic' model. If the totalising Free Market does not absorb, a series of further ingenious measures become necessary to ensure that it absorbs anyway, even when it is physiologically saturated. The extensive set of such measures is part of the chapter 'How to Drug the Market'.

For example:

- make products last much less than they could last;
- always create new models regardless of the actual need;
- make new models incompatible with 'old' models;
- produce objects that cannot be repaired;
- impose, purely and simply, market changes. Just think of what operations such as 'Green' petrol or 'Blue' diesel or blue sticker and other such things have meant, or what operations such as electric cars or self-driving cars will mean. Passed off, moreover, as operations of an eco-logical and eco-existential nature;
- imposing regulations that entail replacements of materials, equipment, plant and other things that are not really necessary;
- and other such 'cheap' types.

In a word, obsolescence of everything rigidly -this yes- planned. This is where the public hand can lend a hand. For example by generously incentivising the scrapping of still usable.

But it doesn't end there.

Operation 'Free Market Drugs' also makes use of what could be called the Systemic Super Drugs (SDS):

INDEBTEDNESS. Private and public.

That is, spending money we do not have today, in the hope of having it tomorrow. How? Obviously. By borrowing it from those who have plenty of it, who knows why, and do not know what to do with it. Thus, without doing anything about it, those who have a lot of it, or a great deal of it, extract - miraculously- money from the money themselves by 'selling' it to those who need it but do not have it at the moment. It is called interest

So we support, as far as possible and as far as possible, the 'demand'. Hence sales. Hence the 'economy'. And so we are all better off and 'jobs' do not fall.

But, some unpleasant practical consequences arise.

Money, like anything else in the Totalising Market regime, becomes Goods for sale (loan) with its own price (interest). To acquire it in the form of a loan or credit or mortgage or whatever, one has to pay. The slightly demented contradiction -paying with money one does not have in order to dispose of it- is obvious, even though it is widely practised with the help of the banking system. As time goes on, it is almost mathematical that we will be worse off, not better off. Unless we work harder to earn more

On this front too, therefore, one more reason to be forced to grow. This is - let's reiterate - slightly demented. All the more so in a situation where we are already drowning in TOO much. Like wanting to recover from indigestion..... by eating...more.

At some point, fatally, the tangle of nonsense explodes. The compulsory, albeit temporary, balancing point will be found, willy-nilly, by the mechanism itself..

Under the deplorable form of CRISIS or STOPPING GROWTH. Epochal or otherwise. The worst possible thing for a mechanism that has a continuous and physiological need to grow

With all the 'creative destruction' that this 'rebalancing' will entail. Perhaps 'thanks' to World Wars. But not 'only'.

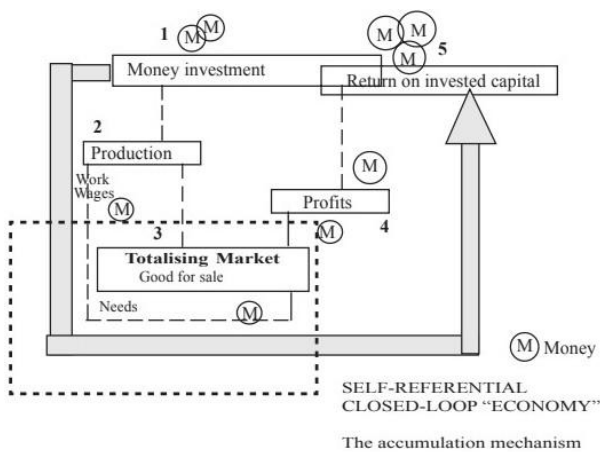
And then start again. To grow. All this happens not because of the wickedness of the Creditors who 'help' or the stupidity of the Debtors who get into debt, or any other psycho-attitudinal shortcomings, but because - it should be more than clear by now - an impersonal 'economic' mechanism is at work which, once established, cannot but function in a certain way producing certain consequences..

In any case, and more generally, one can begin to see why it is extremely difficult to find 'a square' between the systemic contradictions that inevitably descend from the Systemic Constant (CS) or Ineliminable Categorical Imperative (ICI).

The Accumulation Mechanism

We have tried to examine the specific mechanism of the Market. But we must bear in mind that the Economic Model in which we live is made up of at least one other, and broader, mechanism. Compared to which the Market mechanism is only one piece. Be it "key".

It is called Capital Accumulation Mechanism in Monetary Form.



“SELF-REFERENTIAL
CLOSED-LOOP
'ECONOMY'
The Accumulation
Mechanism

The 'economic' circuit starts in 1 with the investment of monetary capital.

In 2 monetary capital is transformed into a production process.

Which creates, using raw materials, labour, machinery and entrepreneurial skills, goods for sale on the market (3)

The proceeds of market sales, after deduction of all expenses incurred in producing them, constitute the profit. (4)

Which adequately remunerates the capital initially invested (5)

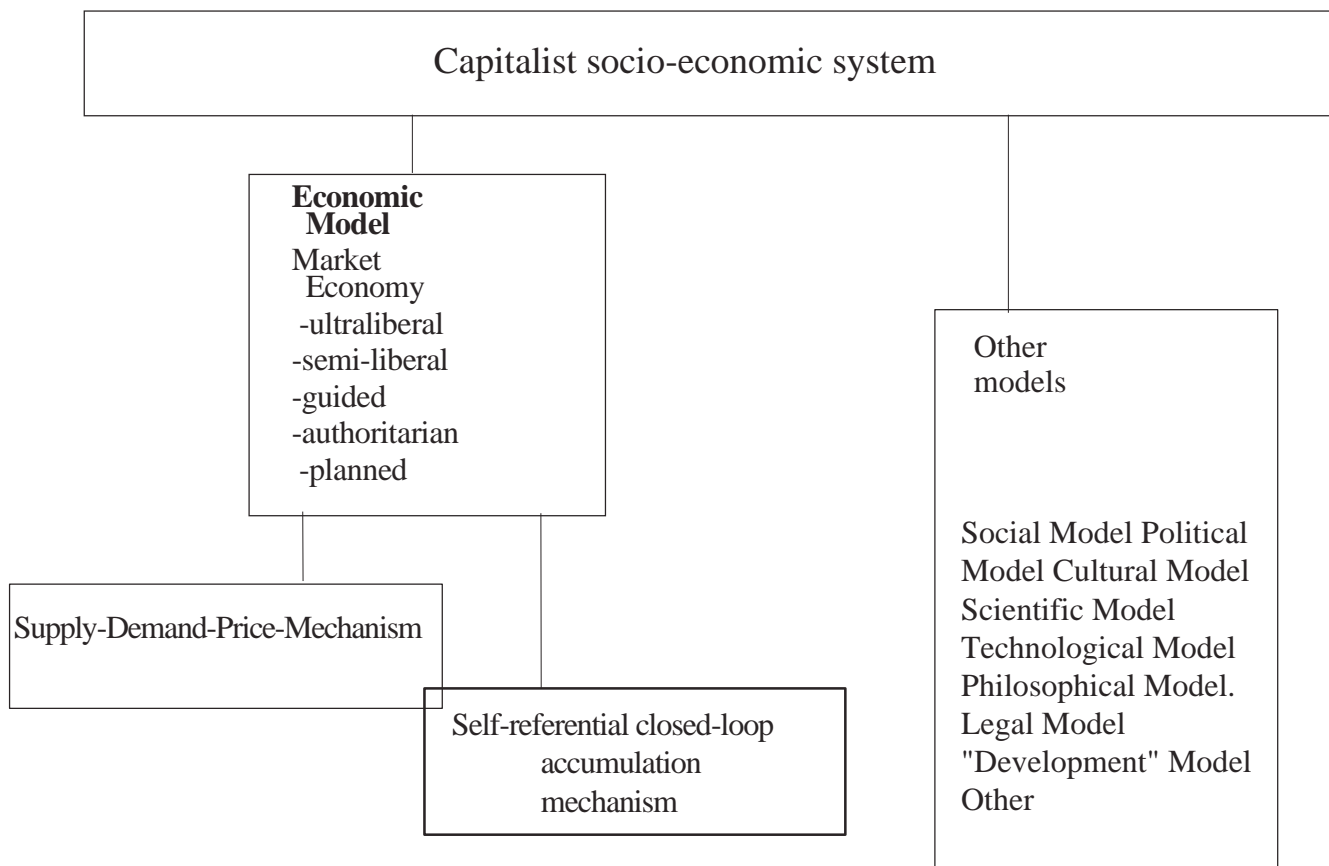
And so on, in several repetitions of the circuit. closed.

Each step of the circuit is made possible -only and only- in terms of Sale-Buy which is realised through the intermediation of money.

Overview

The mechanism of accumulation, closely intertwined with that of the market, forms a single entity that, at this point, we could rightly call the Economic Model in a Capital System.

Wanting to bring some order, the overall picture at this point could be as follows.



Let us now take a look at the main features of the Accumulation Mechanism, bearing in mind that the above diagram is a mental abstraction, that the different parts are closely intertwined and that therefore, in the examination we are trying to make, repetitions, overlaps and overlaps are inevitable.

Accumulation mechanism. Features

Operation

Apparently, its purpose is to use labour and resources to satisfy needs through the production of goods..

In reality, it uses natural resources, labour and human needs to create monetary profit through the sale of goods on the market..

The 'economy' is therefore an end in itself. Self-referential. Devoid, in reality, of any purpose external to it..

From this basic characteristic derives, together with the schizophrenic aspects of the Market Mechanism that we have seen, the cascade of unresolvable systemic contradictions that characterise the 'economic' model as a whole..

It is a true impersonal 'machine' that, being intended from birth for the self-referential closed circuit, cannot function any other way. For example for an open, non-self-referential circuit. Conversely, it could also function very well 'on its own',. in the absence of 'handlers'".

Features

Independent Variable

Whether one is in an ultraliberal, semi-free, free, 'guided' or planned Market Economy, the INDEPENDENT VARIABLE is always the same Transformation of invested monetary capital into more capital.

Concealed independent variable

The truly independent variable of accumulation is hidden behind the fact that goods/services or other things can only be sold if they have some form of utility in people's lives. For this reason, it may appear that the primary purpose of productive activities is to satisfy needs..

Profits
Utility
Needs

Authoritarianism

Under a Market Economy, no matter whether ultraliberal, semi-free, free, 'guided', or planned, those who invest monetary capital make autonomous and unquestionable, productive decisions that are reflected on the whole of society.

Maximising profit as much as possible is the main goal of business. It can be achieved

- decreasing raw material costs
- decreasing fixed production costs
- reducing labour costs
- increasing sales
- increasing prices
- producing more
- being more productive

All these measures cascade into very serious social and cultural consequences

Flipping

Life, needs and the environment are thus subordinated to the independent or dominant variable: the investor's monetary profit Monetary capital.

What should be a correct and rational relationship between means and ends is thus overturned. That is, what should have been means (money, production, remuneration, market, economy) become ends. And what should have been ends (Being Human Good) become instruments for the realisation of the main end or independent variable or Systemic Constant: the transformation of money into more money.

Irrationality

The correct relationship between means and ends cannot be subverted with impunity. The irrationality of the model, due to the reversal of the functional relationship between means and ends, leads to a cascade of systemic contradictions that cannot be resolved by staying within it..

Ad infinitum

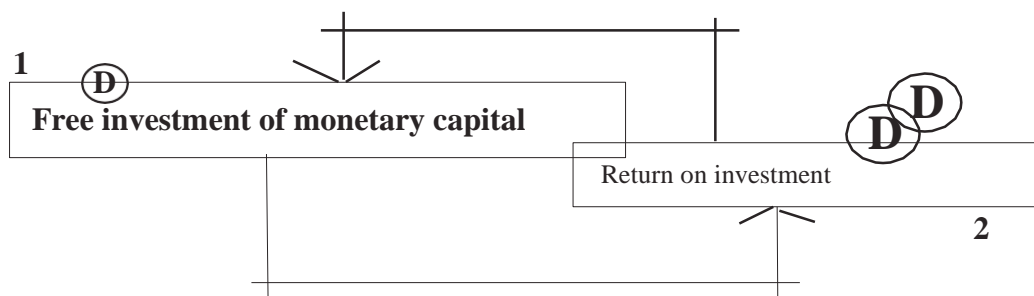
The closed circuit through which invested money is transformed into more money can - and must - start from here for successive, infinite 'rounds of the merry-go-round'. But if money, having become a purely virtual entity, can multiply infinitely, the same cannot be said for the concreteness and finiteness of natural resources without which all the materiality of money is blatantly revealed: printed paper and nothing more. And not even that

Variant

It should be noted that the Accumulation Mechanism can completely autonomise itself from the Production and the Commodity Offer-Demand Mechanism to create a separate Market. That of the buying and selling of money and/or financial products.

Closed short circuit of pure financial speculation.

Turning money into more money can be done without embarking on the complicated five-step circuit we have tried to describe. Simply, in two steps, move it carefully at the 'right' time..



The otherwise parasitic value of this method is obvious. In this way, money can be multiplied infinitely independently of any kind of production. The social 'advantage' could be that, in this way, -perhaps- no useless or harmful things are done, such as plastering the plains with useless but useful railway lines to build more. The disadvantage might be to cause -when the mass of purely abstract 'wealth' becomes enormously larger than the available goods, destructive -real- economic-financial catastrophes based on inflation. Or recession. Or both simultaneously

The disturbing universe of so-called 'finance'

Of course, when our scholar states that money is an absolutely virtual entity, devoid of any concrete value, he is absolutely right. Although he probably wouldn't leave the 24-hour note stuffed with legal tender in the toilet where someone absent-mindedly abandoned it. We can understand and excuse him. Human contradictions from which even distinguished scholars cannot escape. In any case, it is precisely the absolute virtuality of money - especially paper or even scriptural money - that turns into the extremely practical fact that it can vanish from one moment to the next. Disappear. It may be a galloping hyperinflation rather than a national or international bankruptcy rather than a more or less extensive stock market crash. Or perhaps all three at once. Perhaps 'welded' together by a perverse Great Epochal Depression. The fact is that overnight its magical property of being able to be exchanged for anything material - and not literally disappear

Great war catastrophes such as those of the last 20th century can find their 'rational' motivation/explanation here. But back to us. If it can disappear from one moment to the next, at least four very real and interconnected consequences ensue.

The first.

Money is a lit match that passes from hand to hand. Whoever finds it between his fingers at the wrong time gets burnt.

The second

As long as it is held in the hand, it must be increased as quickly as possible by any means.

The third.

In order to increase it, it is necessary to make it continually change its operational semblance -currency rather than security rather than stock etc.etc.- in a frenetic whirling from one to the other, taking advantage of the 'favourable' moment with extreme timing”.

The fourth and, perhaps, last.

It is advisable to get rid of it as soon as possible and - at the latest - a moment before the burn.

For ordinary mortals like us who arrive 'burnt out', but in a different way, at the end of the month, the question evidently does not arise. We are talking, of course, about the 'wise' financial games of those who possess a lot or a great deal of it and, not knowing what to do with it, constantly try to increase it. At the same time realising his -money- and the speculator's own -'vocation'. They are called 'Investors”.

The classic honest entrepreneur who instead uses money by employing it in an expensive, complicated, demanding, risky production process ends up being, in such an 'economic' context, a dinosaur destined only for 'post-capitalist' extinction. Too bad that without bakers making bread at night. Bread will not be eaten. And of interest, 'investors' do not collect any..

The whirlwind growth of money without any direct use of it can be achieved by buying and selling an endless array of paper coupons -or not even those- called financial products whose virtual 'ingenuity' is so specialisedly sophisticated that it verges on the diabolical and precludes ordinary mortals from even understanding what it is exactly about.

Enhance

Once upon a time, not so long ago, there was a bay of staggering beauty. Breathtaking. Very wide and yet sheltered. On the southern coast of a large Mediterranean island. Territory of the Italian Republic. Facing midday, it had the unmistakably sunny character that coastlines facing north do not have and never can have. A very elongated semicircle, almost a semi-ellipse, of absolutely white fine sand. Very peculiar. At the contact of which the -nude- feet rejoice. In the western part, the beach, about a hundred metres wide, is bordered by a lush strip of vegetation. Aleppo pine. A beautiful tree, not very tall but mighty, with a trunk covered in large, very light grey scales that fade to a delicate light ochre at the edges. The needles arranged in tufts are a tender green. The habit is umbrella-like, but rather twisted. Particularly in the first line towards the sea where some almost crawl on the sand, offering shade and hiding places. At the western end, the bay ends in a cape, not very high, rocky and covered with Mediterranean scrub, where a small river flows into the sea. This is the part that is protected from the mistral, which is particularly strong here at times, and offers asylum to the sparse passing ships. On the eastern side, on the other hand, the beach gradually turns into a series of sandy reliefs shaped by the wind. At first modest in size, they then become more and more pronounced, becoming true large, white dunes with superb shapes. They recall certain sculptural forms of modern art, or rather the bodies of white, immense whales stranded here who knows when and who knows why. The silence is absolute. Very few visitors disappear into the immensity of the place. The wind in their ears and the rustling of the Aleppo pines, now in the distance. Here, the vegetation becomes increasingly sparse. Juniper bushes and fragrant rosemary. Then it disappears altogether, giving way to a miniature Saharan erg. We have fun climbing up and down the dunes, sometimes on very steep slopes where our steps, exhausting on the ascent or very fast along vertiginous descents, find yielding support. Every now and then we turn to look admiringly at our tracks. The only ones. The sea is crystal clear. And so is the air. The white sandy bottom gives it that turquoise transparency typical of more distant seascapes. The sun beats down relentlessly but does not disturb. Nothing, but really nothing, to envy the exotic Caribe

But. We find ourselves, unfortunately, living in a mechanism in which the categorical imperative is to get money. If possible by lawful means. For example by inventing a job if there is none. Perhaps 'useful' in the sense that we could improve a situation that is too natural, too little known, too little exploited, by offering a range of services. Maybe 'forgetting' to do things that would be really useful. The place is lovely, as we have seen, and the requirements are all there. It can and must be 'valorised'. Good. Within a few years, the small dirt road that led to the four fishermen-farmers' cottages overlooking the cape to the west was transformed into a wide and comfortable asphalt road. At its end, by felling several hectares of Aleppo pine trees, a series of large and convenient car parks were created, equipped with various services from fast-food outlets to hot-plastic lavatories. Yes, because in the creation of hectares of parking, no thought was given to leaving a few trees here and there to provide a little shade. The beach was given in concession and a series of 'toilets' were installed, at least five of them. Five distinct groups of umbrellas. Lined up and covered as a geometric sense requires, complete with plastic sunbeds underneath. Each 'block' of parasols of a different colour to match the colour of the sunbed. Starting from the west and proceeding eastwards in order: blue bath, yellow bath, red bath, green bath, purple bath. Two hundred and fifty umbrellas for each block multiplied by five blocks equals one thousand two hundred and fifty. Parasols. Although large, the beach is devoured. Remember the pretty little river that flowed quietly on the far western side near the rocky cape? Dredged to due depth, encased in two concrete walls to provide a convenient dock for the small boat in transit and/or stationary. Dulcis in fundo: do you remember the beautiful white sand dunes from which we used to roll with great joy? They are still there, they couldn't move them, but in the middle of them, believe it or not, a discotheque has been built, complete with a road to get there by car and a convenient, naturally sunny, car park. Have a guess what the disco is called? 'The Dunes'

Office defences 1

First defence

"So what? It has always been so! Market and Money have always been consequences of congenital human greed and the selfish pursuit of personal gain. Which is logical and natural. So it will always be so."

Thesis seemingly solid as granite. Desperate. And desperate. Unconvincing in any case. Especially for those, like us, who really want to understand. And who feel a very strong repulsion towards it, even before the physical kind of mental repulsion. It is not a matter of denying -it would be pathetic- neither the evidence of human wickedness, nor the evidence of human greed, nor all the other edifying 'human' qualities. Nor, least of all, the existence of Evil as such and in itself. It is about something else. Of far more interest. Far more -properly- historical. The answer, carefully buried, after years of painstaking research, we have finally found it

"Before our time, there never existed an economy that even in principle was controlled by the markets. Despite the chorus of academic inventions so insistent in the nineteenth century, gain and profit in exchange never before played an important part in the economy, and although the institution of the market was quite common from the late Stone Age onwards, its role was only incidental to economic life."

(Karl Polanyi "The Great Transformation" Chapter Four "Society and Economic Systems" P.B.E. 1944) (Bold. ours)

Those who say 'it has always been so' base this statement on a profound ignorance of true human history. He adopts the word 'always' out of hand. He does not know that productive activities of strategic significance have always been entrusted to centralised authoritarian planning in large ancient societies. Or to the spontaneous self-management of small and medium-sized communities. Completely outside the Totalising Market logic typical of the Historical System in which we now live

Not to mention the veritable eternity of time -we are talking about hundreds of thousands of years- over which the Palaeolithic civilisation developed. In which men lived in a context of community self-management without exchange, therefore without market, therefore without money.

He who says it has always been that way imagines that it has always been that way. He mythologises the present, projecting what he now sees around him into the past. And thus completely distorting it.

It has never been so

The Market Economy economic model is a very recent 'invention'. It is only a couple of centuries old. Humanity has always, and has always, lived in other economic models.

“The market economy implies a system of self-regulated markets; in somewhat more technical terms, it is an economy directed by market prices and only by market prices. Such a system capable of organising all economic life without external aid or interference certainly deserves to be called self-regulated. These brief indications should suffice to show the entirely unprecedented nature of this experience throughout history. Let us try to make our meaning more precise: no society could, of course, survive for any length of time without having an economy of some kind, yet before our time there never existed an economy that even in principle was controlled by markets. Despite the chorus of academic inventions so insistent in the nineteenth century, gain and profit in exchange never before played an important part in the economy, and although the institution of the market was quite common from the late Stone Age onwards, its role was only incidental to economic life. We have good reason to insist on this point with all the emphasis we can muster.”

"Generally speaking, it is fair to say that all economic systems known to us, up to the end of feudalism in Western Europe, were organised alternately on the principles of reciprocity or redistribution or domestic economy or a combination of the three. Within this framework, the orderly production and distribution of goods was ensured by a wide variety of individual motives governed by general principles of behaviour. Among these motives, that of gain was not pre-eminent."

(Karl Polanyi "The Great Transformation" Chapter Four "Society and Economic Systems P.B.E 1944)

Objectivity

It must then be strongly emphasised that the whole issue we are dealing with has little to do with the universe of moral principles, ethics, mentality, values or the human propensity to baseness, wickedness and/or sin. Economic gain in money -or profit- is the primary objective necessity in this 'economic' model for at least two reasons.

1.

The imperative need for an adequate return on capital invested in productive activities. Even before accumulating monetary wealth to ensure their survival and development.

2.

The fact that in a market economy everything is acquired by buying. That is, by paying in money. Because that is the objective mechanism that has been created. From the daily shopping trolley of us all, to the enormous facilities needed by entrepreneurs to carry out any production, everything must be acquired by paying in money.

Then, this objective dimension becomes a subjective mentality of personal gain. More or less consistent profit, depending on the socio-economic position of those who - in any case - can no longer help pursuing it. A kind of social slavery. For everyone. And even more so, evidently, for those who, unable to be Entrepreneurs, nevertheless need, in this new Free System, money for pure and simple material survival.

Clearly, financial gain as an inescapable objective necessity, on the one hand drives the mentality, we might even say the culture, of profit-gain-convenience to the highest possible degree, and on the other, in parallel, the need to mask the crude, violent, desolating reality with a profusion of mystifications, embellishments of various kinds, fragile embellishments, concealments and finally pure and simple lies

All this needs to be emphasised and reiterated strongly because we are witnessing a systematic mental diversion from the real objective and not subjective reasons why we are in such a bad shape today and here. Greed? Thirst for power and money? Philosophy of having instead of being? Covetousness? Insipience? Stupidity? Malice? Superficiality? Lack of scruples? Cynicism? Lack of sensitivity? Obtuseness? Lack of ethics? Lack of foresight? All this, and more, evidently concur. But all this is not a primary cause. It is actually - fundamentally - effect. Consequence. Of the Objective 'Economic' Mechanism.

The misunderstanding, continually repeated and reinforced, prevents us from even asking the question. So no solution to it can be in sight.

It is increasingly becoming the conviction of many, scholars and non-scholars alike, that either we will be able to comprehend this concept in all its crucial implications or, by simply insisting on indignation, protest and the need for 'cultural change', we will still crash, carried by the impersonal and objective 'economic' mechanism - and at full speed - against the impenetrable barrier of solid rock that closes the 'cul de sac' in which we have been driven since the dawn of so-called human 'civilisation', only a few millennia ago.

Office defences 2

Second defence

As soon as the first objection has hopefully been neutralised, a second, diametrically opposed objection will immediately arrive from the area of the 'office defence'.

"It is true, economic gain has never been the prime motive and ultimate aim of human action. And this has been the case even in the last two and a half centuries after the industrial revolution and even more so today. Quite other and more profound and more morally spiritual, even psycho-emotional, motivations are in fact the motivations that drive human beings to get busy: happiness, well-being, fulfilment, success, recognition, status, fame, etc. etc. etc. More than just "gain!"

And here the public defender shows that he has not grasped the impersonal and objectively mechanical significance of the economic mechanism of the free competitive market economy under industrial capitalism. In short, he really struggles to assimilate the key concept inherent in the basic characteristic of the System in which we live. Nor can we entirely blame him: it is difficult.

Here again, the 'argumentation' produced is a typical example of pseudo-argumentation or false rationality or, again, rationalisation. It is the result of a widespread mental process that, using intelligence in reverse, has the objective, no matter whether conscious or not, of making confusion instead of clarity. False rationality is the bearer of mental confusion as it possesses its own apparent internal logic

It is evident that whatever a human being does or refrains from doing, even when he does evil or refrains from doing the good that he could do, his real goal is to achieve a state of fulfilment or spiritual well-being or happiness as it may be. Whether he succeeds, or deludes himself into doing so, is another matter. But, clearly, that is not the point. The issue, which should not escape us, is another. And precisely the fact that the pursuit of Happiness, whatever one means by this vague word, in the Historical System that has been constructed over two and a half centuries of great epochal upheavals and in which we still live our daily existence, necessarily passes through the objective mechanism of the Market with a capital H. With all the annexes, connections, corollaries, repercussions and upheavals of meaning that this entails

But if we remain in the hyperuranium of concepts we risk not understanding each other.

So let's take a normally ordinary person like the rest of us, who in order to go shopping at the super-market needs money and therefore a salary or a pension and therefore a job or a position and therefore has to go through that in order to be if not exactly happy, at least not destitute. In short, no money no spending at the super-market. And with no spending at the super-market to be happy, whatever one means by this smoky expression is definitely. "not easy"

Let us now take an average Entrepreneur. Or even an average Freelancer. He certainly derives great moral satisfaction, fulfilment, in short exquisitely spiritual returns, from his work as an entrepreneur or freelancer. Particularly if he manages to make his business 'run', despite everything, to perfection - or almost so..

But both must 'be on the market'. That of tins of peeled tomatoes rather than that of toothpicks or that of business or legal or financial consultancy or whatever. Being on the Competitive Market means, in a nutshell, balancing prices, cash receipts and cash outgoings necessary to realise cash receipts. His professional skills will certainly be decisive. But he will only prosper if he is able to 'stay in the Market'. Otherwise it will 'exit'. Out of the Market. Euphemism for closing down due to 'economic' failure.

In order to stay on the market, he will have to engineer himself to be more productive, more skilful, more shrewd, more efficient, more organised, and many more. Or, and perhaps at the same time, less wasteful, less sensitive to professional scruples, less 'humane' in relations with possible employees, a little less upright on the purely ethical-moral level. And many others less so.

Let us now extend the socio-economic examination to other 'non-normal' categories.

Take for example a painter who paints for his own pleasure and passion. He, too, if he is not rich in his own right, has to shop at the super-market or the local market at home. So he will have to sell his beloved paintings to get the money that will enable him to do the shopping. So he will have to place himself on the painting market. With all the distortions this will inevitably entail. He may even, under pressure of fasting, consider changing his very personal, original, congenial painting style for a more 'commercial' one.

The fact that there are a few very rare cases, absolutely abnormal, such as those Great Personalities, from Songwriters to Extreme Mountaineers, to Famous Artists, in which, due to a series of fortunate circumstances as well as indispensable talent, they have even managed to overturn the iron yoke of the Market and turn their great talent -also- into hard cash, and perhaps not a little, proves absolutely nothing. About the possibility of the average, normal human being being free of the 'Free Market Economy' in this Historical System

Following one's inclination most of the time, in our parts, means starving. Especially if you have no market. To create one's own market is not easy and is in any case another disturbing thing from following one's own inclination. If a few talented - and lucky - people have managed, not being rich in their own right and in spite of everything, to turn hunger into fame and thus into cash, that means nothing to the vast majority of us. Common Mortals

We have to sell to (over)live

I was lucky enough to be born at the foot of the Alpine arc on its southern slope. Well sheltered from the disturbances that originate in the upper Atlantic and often sweep Europe from the northwest to the southeast. It happens, in winter, that while central and southern Italy is buried under metres of snow, here the sun shines in a crystal sky. And that the warm air warms our bones. This is the famous 'föhn effect' characteristic of places that lie downwind of the mighty barrier of the Alps. Lucky and wonderful places dotted with large lakes of glacial origin between the plains and the first mountain slopes and then with millions of smaller and smaller lakes up the valleys and mountains to the high altitudes of the perennial snows. My big lake is Lake Maggiore. Although it is not the largest, it has been named so because it is certainly the most beautiful. Abundantly massacred by the building speculation that began in the fateful 1960s and the appalling car traffic based on 'fast' variants, counter-variants, roundabouts and counter-roundabouts, it has nevertheless remained a beautiful and quite liveable place. I leave the house on foot and in no more than fifteen minutes I can find myself in the dense, shady mid-mountain forest among chestnut trees, maples, ash trees, oaks, a few Scots pines and a few firs. Or with the precious little car, in less than an hour I can reach one of the many beautiful alpine valleys surrounding the large lake. If there is one thing that is absolutely not lacking in our parts, it is water. Clear, fresh, everywhere drinkable with cupped hands. Even behind my house, in what is now called the Val Grande National Park, improperly defined by some as Europe's largest 'wilderness' area, the amount of water rushing down into the valley towards the big lake is impressive. All the more so if we take into account the fact that the park is surrounded by mountains without perennial snow that do not exceed two thousand metres in altitude. It is no coincidence that a number of textile factories, the first in Italy, were set up here in the 19th century, exploiting the water appropriately channelled into the 'ronge' as a driving force

Alpine valleys with endless pastures, firs and larches, schistous rock spurs overhanging rocks that occasionally tumble down into the valley, providing those thin stone slabs that we call 'piode'. And which our elders used for endless purposes. From the roofs of huts, to benches in front of them, and drinking troughs for cows. One cannot count the streams and brooks. In one of these beautiful alpine valleys I have practised, all my life, the walking that is now called 'hiking'. We systematically set off with an empty water bottle. Water, as we have seen, will not be lacking. I was definitely impressed by a small episode that I now want to tell you about and from which you can, if you wish, fully understand the destructive essence of the Historical System in which we live.

First an old and very steep single chairlift. The only one in the entire long valley on Italian territory, which wedges northwards between the mountains of Switzerland. It serves the only downhill ski slope, famous for its pronounced technicality due to the cliffs that grip it on all sides. The small chairlift avoids the first jump from the village to the starting point of the hike to the high mountains. For old-timers like me it is.... a boon. After passing larch trees, rock spurs, waterfalls and cascades, it deposits you on a small flat pasture. To the left precipitates the steep track. To the right are the paths on which we toil with great pleasure, for one, two, sometimes even three or four days. It is here that we always stop beside a splendid stone basin filled with very fresh mountain water. From time immemorial, the alpine people have built it for the grazing cows to drink. We stop, pack our rucksacks, have a chat, fill our flasks, have a nice drink with our cupped hands and off we go! It was on the occasion of what could have been for me the last challenging hike in those parts. I head, as always, to the precious tank and.....ohibò! Completely empty! Some dry soil at the bottom, dust, spiders, a few half-dead lizards, others long dead. But what the hell. I try to understand. The "pipe" also made of heavy stone, which fed it.....is no longer there..... but who the hell. and then why the hell.....

I look and look around. At the edge of the small flat pasture I see a very recent 'novelty' that I had missed when I got off the chairlift. An ugly, shabby prefabricated wooden hut surrounded by four annoying brightly coloured umbrellas. A few plastic chairs around two small tables, also made of white plastic. all resting on a few square metres of artificial grass that doesn't need to be cut. You think!!!! HERE! A gaudy multi-coloured advertising panel extolling Coca Cola and Fanta. Another flashy panel with the repertoire of prefabricated ice creams that can be bought here. Silence. No one. I look dejectedly at the empty tub. I regard, dejectedly, the vulgar multicoloured stain on the left. Then I look again a couple of times. Empty tub; drinks to sell; drinks to sell; destroyed tub. Suddenly, a thunderbolt passes through my brain. I feel a rush of anger gripping my stomach. But immediately afterwards I try to come to terms with it and calm down. It is the 'logical' consequence of the illogic in which we live, I tell myself. Disconsolate, I set off towards the high mountains covered with perennial snow. With my water bottle, for now, completely empty.

Structural Contradictions

The self-referential closed-loop economic model inevitably generates a series of systemic contradictions. Therefore not solvable within it.

1.

Contradiction between

a Chronic overproduction

b Need to sell

Selling is difficult if we produce much more than people can buy.

2.

Contradiction between

a--Increasing Unemployment - Decreasing Income

b Need to sell

Selling is difficult if the people who should buy have little money.

3.

Contradiction between

a Maximisation of Profits

b Need to charge competitive prices on the Free Market

To be competitive, you have to charge low prices. But by practising low prices you gain little.

5.

Contradiction between

a-Infinite Growth

b-Finished Planetary Environment

Impossible to grow indefinitely in a Planet that is not infinite.

6.

Contradiction between

a--- Continued need for debt

b---Need to 'mend' accounts

It is difficult to make ends meet if you keep going into debt. But if one does not get into debt, there is no money to spend and the standard of living goes down. That is, one buys less. That is, one sells less. That is, profits fall.

7.

Contradiction between

a--- Need to reduce debt

b--- Need to restart growth by expanding consumption

If you bleed citizens with taxes to bring the public accounts back into balance, they will have less money to spend on purchases. That is, they will sell less. That is, growth slows down. Then it stops. Then it just decreases. But unhappily. If you try not to bleed citizens, tax revenues decrease. So the debt increases. Particularly if one does not 'grow'.

8.

Contradiction between

a---Real economy

b---Virtual economy

The 'recent' discovery: profit can also be made without embarking on the complicated, costly, risky production process. But 'simply' by appropriately manoeuvring money. Or symbols of it. It is the virtual economy that can wreak real havoc. We are in the infinite world of symbol-numbers. In turn symbols of symbols. It cannot last much longer since by its very nature the game of infinity tends to assume infinite proportions. Out of control. Frightening financial catastrophes occur systematically, particularly if the universe of the real economy is in recession because those who produce produce a lot to earn more. And therefore. sells little.

9.

Contradiction between

a--"Good governance" requirements

b--Needs for 'Freedom of action'

On the one hand, continuous calls for real organic policies, industrial, economic, social, training, research, rationalisation and efficiency of the administrative machine, etc. etc. etc..

On the other, constant invocations about the need to privatise everything, leaving the field ultra-free for neo-ultra-liberal -private- practices in every field. The insoluble schizophrenia of Capitalism. Wife drunk and barrel full. That is, the impossibility of true programmatic efficiency based on coherent overall visions while leaving the widest possible freedom of action with regard to investors' choices.

Many other structural contradictions can probably be identified and added to the list. In this regard, we would like to point out, for those who wish to delve deeper, the two excellent - albeit somewhat challenging - essays by David Harvey 'The Enigma of Capital' and 'Seventeen Contradictions and the End of Capitalism' (Feltrinelli)

Let us close this roundup with a **key contradiction**. That in which is inscribed the state of advanced obsolescence of the Capitalist System and its Economic Model. Hence the historical necessity of its overcoming. The strongest, the biggest, the most tragic, precisely because it is the least perceptible. The one in which all the others are summed up. And at the same time the one that potentially opens, positively, to the future.

10.

Contradiction between

a--How we could live

b--How we live

The scientific and technical knowledge available to us today would enable the realisation of a qualitatively good life for all inhabitants of planet earth. In an overall context of peace, decent material living conditions and fruitful cultural interaction. The logic of the accumulation of monetary capital, at this global point, far from representing a factor of true qualitative growth is increasingly becoming an objective impediment to the realisation of these goals. Technically possible.

Drunk husband and full barrel

Pretending to reconcile the irreconcilable can only lead to a total marasmus of self-delusion. Not to say hallucinatory

Either the husband is drunk and then the barrel cannot be full or the barrel is full and then the husband will be sober. There is no escape.

Unwilling to take note

-the husband can pretend to be drunk even if he is sober to please his wife

or

- the wife may try to convince herself that her husband is drunk even if it is not true

or

-might think that if the wine level drops and the husband is sober, then there must be another explanation, for instance that some stranger, who knows how, sneaks into the cellar at night to take solemn hangovers

or

-wife and husband, of conserve, could attribute the decrease of wine in the cask to a mysterious leak of which, however, neither trace nor cause can be found

or again and again of conserve

-trying to convince themselves, denying the evidence, that the level of wine inside the barrel has not dropped at all

.....Or.....

.....or.....

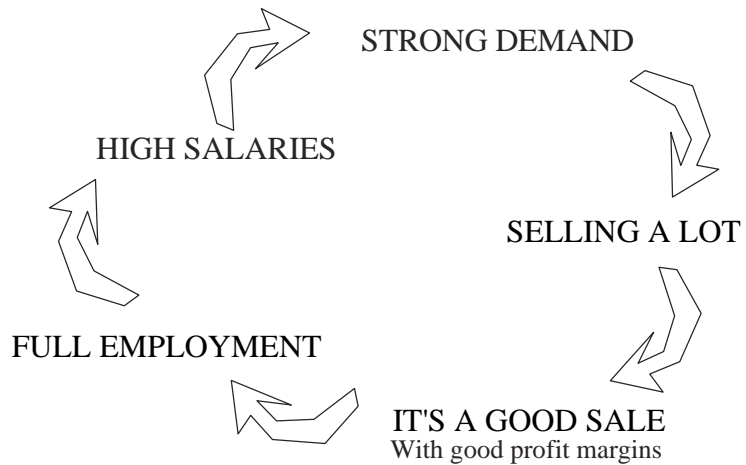
Either way, they both get into an absurd muddle. A dead end with no possible solution. Which will lead to untold trouble. To both.

The real Engine and what is jamming it

We could further attempt to put the analysis to the practical test.

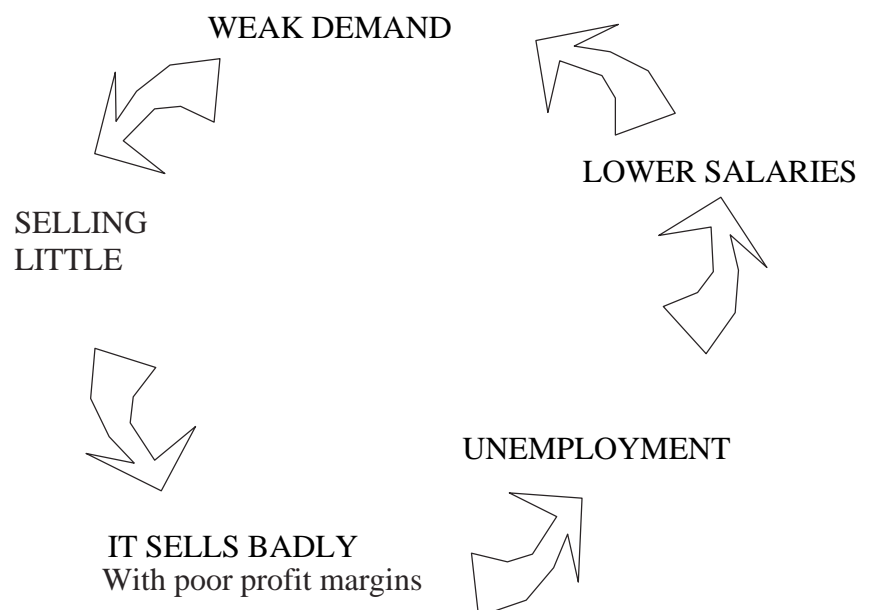
Let us consider these two different scenarios.

A. GROWTH Clockwise



The five key elements reinforce each other in a **virtuous** circle that seems never to end.

B. CRISIS - DEPRESSION Counterclockwise



The five key elements reinforce each other in a **vicious** circle that seems never to end.

The focus is usually on DEMAND. Which, if strong, would set -and/or keep- the virtuous circle in motion. And which, if weak, would set -and/or keep- the vicious one in motion. Hence, for example, the 'Keynesian' policies of supporting demand and investment to revive the economy in slowdown or even recession.

But the two circles, both the virtuous and the vicious, are by definition circles. And, as we know, a circle is a closed line. There is no starting point. Nor, consequently, one of arrival. In this situation, it becomes difficult to understand what sets in motion, and then makes the two different circles 'turn' in one direction or the other. Let us start, as is usually done, from the DEMAND.

A.

In the case of growth

-Demand is strong because there is full employment with high wages.

-Full employment and high wages are possible because sales are high, with good profit margins for those who sell and with satisfaction for those who buy.

-Sales are high and with good profit margins because demand is strong

The circular path has brought us back to the starting point and we have not explained anything

B.

In the case of depression

-Demand is weak because those who should buy do not buy.

-Those who should buy do not buy because they are unemployed or have less money.

-He is unemployed or has less money because those who produce sell little and with little margin.

-Those who produce sell little and with little profit because demand is weak.

We are back to square one and have not explained anything.

Above all, we have not understood whether there is 'something' that sets the two different circles in motion and, if so, what it is.

It is the classic 'economic conundrum' that has cyclically plagued humanity ever since it adopted the Market Economic Model. Immense and very real debacles, within a short distance of each other, have their origin here. Although "mysterious".

In short, you never quite understand

1.

What sets the virtuous circle in motion. The clockwise one

2.

What sets the vicious circle in motion. The counterclockwise one.

3

What is to blame for the cyclical reversal of the virtuous (clockwise) into the vicious (counter-clockwise) circle? In other words, why do we go from a phase of economic growth to one of slowdown and end up, in the worst case, in a Depression.

4.

Whether and how it is possible to reverse the vicious circle into a virtuous one. In other words, how to restart economic growth.

If the circle -virtuous or vicious- is apparently closed without a precise starting point, then we could perhaps try to unearth it by considering other variables. Less 'economic'. And more eco-nomic.

Which are systematically disregarded. There is a reason for this. One would like to find the solution to the puzzle - how to restart growth - but only by considering a few steps. Level of Sales-Earnings Margins-Employment-Salaries-Demand Level. And, moreover, by focusing on DEMAND alone. To the scarcity of which the FIRST CAUSE of all evil is attributed.

So let us see if we can find the tangled web. Perhaps we might even consciously govern - should we find it - the circular dynamic. Without waiting for catastrophes to 'fix' it'.

We start with 2 questions.

The first

What is the True Engine of all economic activity within the Market model? It does not matter whether Turbo-Neo-Liberal, 'corrected' by the Public Hand or even Centrally Planned in Authoritarian Mode.

The second

What is the key factor, if any, that causes the virtuous spiral (clockwise) to stop and turn into a vicious spiral (counterclockwise)?

Based on our analysis, the answer to the first question is as follows.

The real economic engine is the mechanism of accumulation of Monetary Capital.

And it is not, let us say again, a question of unedifying human passions such as greed, or the lust for possessions and the like. But of objective and inescapable necessity, in this model. Monetary accounts between monetary outgoings and monetary receipts must be reconciled. With a sufficient margin of positive difference between one and the other. In other words, monetary income must exceed monetary expenditure. By how much? By an amount that allows

-to pay all expenses incurred. From equipment to raw materials to labour capacity or manpower to bank interest on loans received. And more;

but not only

-to set aside reserves to replace ageing machinery and plant (depreciation);

-to set aside reserves to cope with possible moments of difficulty;

-to set aside reserves to improve and expand production (reinvestment); but not limited to

-to remunerate the considerable amount of work that the entrepreneur undertakes;

and

-to reward him with an 'extra' in earnings for the enormous human, technical and professional commitment involved in setting up and running a business. And to compensate for the enormous risk the entrepreneur has taken by throwing himself into the Enterprise.

Put simply, no one invests monetary capital in any human activity unless there are well-founded PROSPECTS of an adequate MONETARY RETURN.

In conclusion, we can reasonably state that the REAL DRIVE of any economic activity in a Market Regime is the PROSPECT of realising an adequate monetary REMUNERATION for the monetary capital invested in the activities themselves.

The two key gears of the True Engine are therefore REMUNERATION, which, as we have seen, is an inescapable objective necessity, and PROSPECTIVE, i.e. the expectation of a future in which things go a certain way. Whether Remuneration is then called 'profit' or 'profit' or, demurely, 'value creation' and the PROSPECTIVE 'trust' or whatever, nothing changes in the substance of the matter.

With the failure of one or other of the key cogs, or even both, monetary capital investments are suspended pending better times. The True Engine stops.

Some inconsistencies can already be seen here.

First of all the practical-theoretical confirmation that the accumulation of monetary capital is the True Independent Variable in this economic model.

Then the inverted 'logic' that the True Engine determines in the growth-investment relationship. When there is growth one invests a lot, increasing it even more. And there would be no need. When there is de-growth, one disinvests, aggravating it. And there would be no need. This leads to the tragic, continuous seesaw between binge eating and indigestion, typical of this economic model..

Then again, the fact that 'Keynesian support' for investment, from 'bonuses' to 'tax relief' to public investment in infrastructure and/or other things cannot have any concrete positive effect if there is NO PROSPECTIVE GROWTH. Once again the dog bites its own tail and the vicious circle remains closed

But that is not all

And here we come to the second question

What is the key factor, if any, that causes the virtuous spiral (clockwise) to stop and turn into a vicious spiral (counterclockwise)?

If it is true as it is true -and the history of capitalism over two centuries has amply demonstrated it- that its crises, whether conjunctural or structural, are always crises of slowing or stalling growth, the question that should arise is

Why does growth slow down and, in some cases, stall or stop?

Demand, against all logic, is most often carefully avoided. Or, when it is not avoided, the cause is pointed to the low propensity of consumers to consume and entrepreneurs to invest. One then merely notes an effect. Then the repeated invocations for a 'revival' of growth are wasted. As well as improbable recipes that, acting on the symptoms, cannot cure the disease.

The Keynesian theory that sees in the weakness of demand and in the low propensity of private individuals to productive investments, the primary causes of the crisis proposes, consequently, to counteract both tendencies with targeted interventions by the public authorities. "By 'supporting' consumers with appropriate 'measures' so that they spend more. And entrepreneurs so that they invest in production expansions and improvements. While the state itself should make itself an investor in infrastructure and various services, perhaps at the same time reducing the tax burden.

This is the 'recipe' that 'politicians' vainly strive to pursue, propose and re-propose for a -improbable- 'relaunch'..

Parenthesis. The curious thing -one of many- is that in a phase such as the one we are going through, dominated by the return of the liberalist philosophy of the first hour, under the guise of a wild neo-liberalism taken to its extreme consequences, from many quarters and at the same time, the 'Keynesian theory' is being dusted off.

-in the odour of heresy when it was first formulated- which sees in the support of demand and investment the panacea for a stagnant or failing market economy. While, on the other hand, we watch in amazement -and a little envy- the momentary triumphs of 'communistically' managed turbo-capitalism. To signify eloquently the confusion in which we find ourselves. Parenthesis closed and back to us

In the light of the analysis we are trying to conduct, we feel we can safely assume that the 'Keynesian recipe', while it may make sense in times of 'normal' crisis and produce some practical results, is unlikely to avoid the substantial stagnation towards which the world economy has headed on the threshold of the 21st century..

For a wide range of reasons, the main ones seem to be the following

1.

The low propensity to consume that leads to falling sales and thus falling profit margins is, in all likelihood, a symptom of the crisis and not a cause of it.

Similarly

2.

The low propensity to invest on the part of those with money is, in all likelihood, a symptom of the crisis and not a cause of it.

3.

"To 'sustain' demand and investment, as well as to invest on its own, is difficult enough for the state when the public debt has already reached stratospheric levels and, in order to make ends meet, much of the 'welfare state' has already been dismantled without, moreover, reducing the debt. It would be necessary to drastically reduce public spending and, conversely, to increase revenue with more taxes, which are already at unbearable levels. Impossible. Or further increase the debt. Impossible. The fight against tax evasion is talked about from time to time but not concluded. Aware that it would constitute a further economic brake. Redistribution from the 'top' to the 'bottom' with targeted taxation of large assets is not even mentioned. A decidedly entangled situation

One more moment of patience and we will soon reach the node.

4.

Compared to the two previous epochal crises at the end of the 19th century and in the 1930s, the current third one

-only in its infancy- presents itself with peculiar characteristics that go beyond the economic-productive-financial sector. We are faced with an 'organic' interweaving of many crises. In a context of progressive depletion of 'free space'.

These seem to us the basic reasons why it will not be easy to 'come out'.

So what?

And here we must finally answer the question:

Why does growth slow down and, in some cases, stall or stop?

Trying, however, contrary to usual practice, not to mistake symptoms for causes

The real cause, which emerged clearly in the course of the succinct historical reconstruction, as well as from

the entire the analysis that preceded it is not
the weakness of demand
but vice versa
the abnormal size of the offer.
It is called **Overproduction** with two p's.

But it cannot be discussed. Why?

Because just talking about it would - in itself - call into question the foundations on which the 'economic' market model is based. We would have to question what is produced, in what quantities, why and for what purpose. Which in a self-regulated free market regime is excluded by definition and a priori.

Whereas if we simply attribute the origin of the crises to falling consumption, not only do we not question the 'economic' fundamentals, but we go in the opposite direction. Which is to reconfirm and reinforce once again -and even more- the Market & Monetary dynamics. Which, like it or not, are objectively at the origin of crises. And which cannot -and will not- even remotely be questioned.

With this approach to the problem, there are two possible cases

first case

growth cannot be restarted

second case

Assuming, and not conceding, that we succeed in restarting it, we would soon be back to square one. Since we would not have acted on the root causes. Which lie in the real economy.

In fact, the reasons why the market economic model has a chronic, physiological, ineliminable systemic tendency to overproduce are, roughly, those listed below.

1.

Huge production capacity of industrial equipment, large, medium and small, capable of churning out huge quantities of products. (*) see next footer

2.

Objective need for **adequate remuneration**, of the enormous amount of capital invested in the construction of production equipment.

3.

Free entrepreneurial initiative in the absence of any collective or social project, deemed unnecessary or, worse, detrimental to individual free initiative.

4.

Competitive market.

5.

Need to compress production costs as much as possible by **producing more**.

If we consider these five aspects taken individually and then the mutual interactions between them, we arrive at the

Overproduction Equation

Which clearly tells us that the systemic tendency of the whole cannot but be that of a chronic overproduction compared to the market's absorption capacity.

Thus the arcane finds a rational explanation. Otherwise unobtainable.

After a more or less short period of growth we fatally arrive at a phase of overproduction. That is, production in excess of consumption. Or rather, of production not commensurate with needs. Which then determines

1.

The market's inability to absorb the production surplus.

So

2.

The decrease in sales

So

3.

The decline in remuneration for invested capital

So

4.

The low propensity to invest and/or re-invest money capital.

So

5.

The slowdown in growth. Which can then turn into a real standstill. When this happens the True Economic Engine has stopped

Clearly, if the Overproduction Equation is inherently generated by the Free - or less free - Market Economy economic model - in any case of the Capitalist/Industrial type - reversing the trend will be anything but easy. The 'economic' mechanism generated it and is strenuously opposed to the solution.

Trying to act on the symptoms (falling demand - falling investment) by applying Keynesian theory cannot do much good. Moreover, with stratospheric public debt and prevailing neo-liberal dogma, it is decidedly difficult. The 'ingenious' measures to 'drug' a saturated market, from obsolescence -this so planned- to 'easy' indebtedness, to 'convenient' instalments, to the obsessive advertising octopus that invades and devours everything, if they can produce some momentary effect, they will be ineffective. And in any case socially costly

One should act on the causes (oversupply) But on the True Cause one cannot act. What is more, one cannot even name it. As we have said, it would *automatically* call into question THE MODEL. As such. Which, of course, we cannot afford
As you can see we are trapped.

All in all, the crisis itself is actually the 'remedy', in the form of indigestion, for the previous binge. To start eating again under indigestion is to demand too much. One must serve a period of 'healthy' fasting.

History teaches us that the first great binge at the dawn of the nascent model (first half of the 19th century) produced an indigestion that lasted, with ups and downs, more than half a century (from around 1870 to around 1945. For the 'revival' with the Miraculous Growth of the 1950s, 1960s and 1970s, it took two world wars, preceded and interspersed by a frightful sequence of tragic - that's putting it mildly - economic, social, political and human events

So, either leave it to historical events, or question **the model**.

To modify it.

If, however, we were to ascertain further - as history tells us - that its deep-seated substance cannot be modified, and if we were to finally get out of the tragic, cyclical seesaw between reckless growth and 'creative' destruction that it invariably prepares, we would be left with only one option. At least a theoretical one. But - maybe- even practical.

That of 'inventing' another one. Model.

(*)

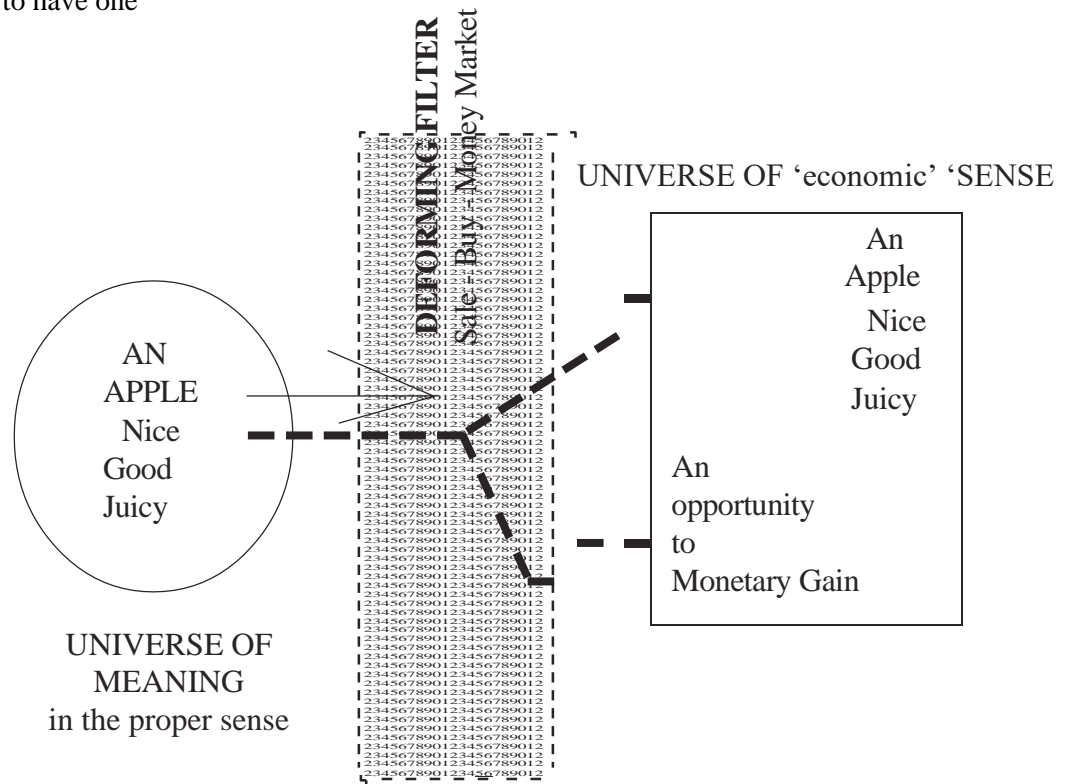
To avoid any unpleasant misunderstandings, a clarification is necessary here.

The enormous production capacity of industrial apparatus. would, in itself, be anything but negative. Leaving aside, for the moment, the working conditions within these apparatuses, and assuming as an extremely positive fact that enormous quantities of products can be churned out with little work, this could mean, for example, lower product costs, hence lower sales prices, less working time, more free time to engage in elective recreational or educational activities, less work fatigue, less stress, hence greater health, serenity and so on. In short, it could mean a generalised rise in living standards both in terms of economic income (greater purchasing power) and in terms of quality of life. It could.

Ned Ludd, an English textile worker went down in history after destroying a mechanical loom in 1779, starting a veritable movement of revolt with the physical destruction of machinery that, in theory, could have freed human beings from drudgery, but instead produced unemployment, hunger, misery and a general upheaval for the worse of previous high quality occupations.

For a 'return' to the future.

In case we want to have one



On the left a Universe of Sense. Palpable. Concrete. In which an apple is an apple. Full stop. That wonderful, juicy fruit that we can hold in our hands as we bite into it with extreme pleasure to eat it. Full stop.

In the centre is a Filter that could be described as Deforming.

The fact is that the good, beautiful, juicy apple, passing through it, splits into two profoundly different entities.

On the one hand, the same apple remains as before. Beautiful, good and juicy. Edible.

On the other it becomes something ethereal, impalpable, metaphysical, abstract. An opportunity for monetary gain. In short, it can 'magically' turn into gold.

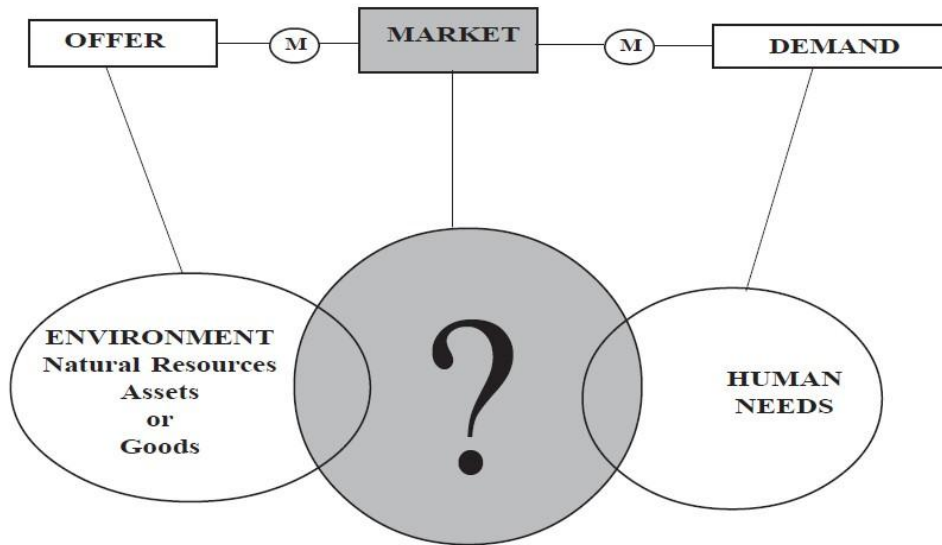
At this point, after the long ride through the treacherous, impervious, dangerous, elusive, intricate 'economic' landscapes we should have understood:

1. where is the 'trick';
2. what kind of 'trick' it is;
3. what we could do for a 'comeback' that would allow us to have a future.

It is -conceptually- 'simple'. Re-creating a universe of Meaning in the proper sense. Without inverted commas. Eliminating the deforming filter. By allowing an apple to become, again, just and only a wonderful fruit. Beautiful, good and juicy. Full stop.

Today you can. Better: one could. Better still: one could?

At present, the market performs the function of bringing BID and DEMAND into a reciprocal relationship through the intermediate step of MONEY



What could be a different way of combining a re-transformed 'offer' into GOODS and SERVICES created by the judicious use of finite natural resources with a 'demand' re-transformed into AUTHENTIC HUMAN NEEDS? Perhaps without the intermediation of money?

We will try to answer this question in "Where to go?" and "Could we?".

Money

Money. Elementary phenomenology.

Preamble.

We have placed this small chapter on the specific issue of money at the end, to avoid falling into the 'moralist' misunderstanding that sees in it, simplistically, the cause of all evil.

We reiterate once again, and to the point of boredom, that the question is not -fundamentally- of an ethical-moral order, but is inherent to objective economic mechanisms and their functioning. Far beyond the instrument of money

The money.

Very real issue. As we well know. Although some scholars argue, rightly, that they are pure social engineering. Abstraction.

While others, rightly, argue that they do not make happiness.

The hardest things to see are the things we have before our eyes every day. In every hour of every day and for all the days of our lives. From the cradle to the grave. The reason is simple. Something that we have before our eyes every day and for all the days of our lives seems normal to us. Obvious. Obvious. Logical. Natural. Plus it seems to us that it has always been that way. And so, we think, it always will be.

What could be more logical than getting up in the morning to go to work in order to *earn money* that I can then *spend* on getting, *buying*, things that I need? Or that I desire? Do you see the little sparrow? He gets up even earlier than us and until sunset he works to make ends meet. Or does he? And of course! He who does not work does not eat!

Every one of us knows very well that money is an extremely concrete and important thing. Although pure symbolic-paper abstraction absolutely devoid of any use value - and of this, perhaps, few really realise - other than the lighting of a small fire when we should get hopelessly lost in the thick of a distant bush. If it is not raining and if equipped with a lighter..

Although money does not make one happy, and is purely symbolic, it is at the same time an extremely concrete and important thing because without money, there is no spending..

What would the scholar who came across a 24-hour banknote abandoned in a railway station toilet and full of large denomination legal tender banknotes do? Would he hand it over to the police? Would he leave it there? Would he throw it in the rubbish? Would he quietly take it home? Or what else?

We must admit that money, although a purely symbolic abstraction, heavily conditions our concrete daily lives. Particularly if we are ordinary mortals from non-wealthy families. But even if, just in case, we are serious scholars.

The sparrow, however, does something else than obtain money to exchange for things he needs. But this escapes the good public defender.

Of course it is much more convenient to do as we humans do today and here. Imagine if everyone had to procure directly and personally at source, everything they need to live. Like the sparrow. Absurd. Immense waste of time and energy. Definitely inconvenient life. And then. How could we devote ourselves -specialistically- for a lifetime to one, and only one, occupation? Assuming we do, and assuming that having only one occupation for a lifetime is a good and beautiful thing

The interesting question could then be.

We can, with a minimum of historical foundation, state that the 'economic' mechanism of somehow obtaining money to buy - in money - things that we necessarily need and that are sold by someone who does not give them to you except in exchange for money, which you must have earned by selling something in turn, no matter what, is an absolutely unnatural, illogical, not at all obvious, not normal mechanism, but the result of a very recent 'economic' invention, in which the lives of normal people are literally caged and which, at this point, even compromises the life of the planetary ecosystem?

Could we by any chance find a system that allows us, like the sparrow, not to pay in money and thus not to be continually distressed by this 'job' business -a euphemism for not saying salary- and at the same time not to have to absurdly procure directly, personally and at source what we need to live a decent life at least? And dedicating ourselves, regardless of the need for money, to a specialisation that we are truly passionate about? By choice and not by necessity of survival? Or perhaps, why not, to more than one?

Well, the answer to both questions is yes. We can.

Money

A brief history of

It seems that money was 'invented' by tireless human ingenuity not very long ago.

"Only" 2500-2700 years ago in a region of present-day western Turkey then called Lydia, not by chance located at a strategic point in the Mediterranean at the crossroads of endless 'trade' on all possible axes of the compass rose. By land and by sea.

The purpose was apparently to make such nascent trade as convenient and easy as possible. Which initially took the honest form of useful exchanges of goods and products between distant lands. It should be pointed out immediately that, very differently from what one usually imagines, trade from the dawn of the human species until about two centuries ago represented a small, practically insignificant part of human activities, on the fringes either of the great authoritarily planned ancient economies or of the small self-managed economies, ancient and less ancient. The demonstration of this insignificance of markets with a lower-case 'em' was produced by the Hungarian historian, anthropologist and economist Karl Polanyi in his valuable research work. Not for nothing in the odour of heresy

Having made this indispensable clarification, it must be admitted that the invention of money, which was probably arrived at through a gradual process, was one of those ingenious inventions that initially greatly improved human interactions. Economic and commercial, but not only. Not that there was a lack of other systems for the interhuman exchange of goods and products. But these were systems, perhaps more poetic, but definitely slower. Less 'functional'

Take for example direct barter without the presence of any monetary intermediary in the exchange. You give something to me and I in return give something to you. End of the transaction to the great satisfaction of both parties. Much practised - barter - before the fatal 'invention', it may well be practised today. Let's take a practical example because if we stick to concepts we risk missing the crucial metacentre or distortion factor we are trying to focus on

Let us assume that I have to throw away the massive, beautiful wooden table in my kitchen, a precious memento of my great-great-grandmother, because in just three generations it has been reduced to a pile of sawdust by a damn woodworm. Let's also assume that I have a bicycle in the cellar in a very good state of preservation, which I have not used for a long time due to old age. Suppose now that you have two beautiful, perfectly sound solid wood tables, one in the kitchen and the other in the living room. You use the one in the living room very little, practically never, partly because the family has shrunk considerably and partly because you have not invited people to group dinners for a long time and have no intention of doing so in the future. Let's assume again that, as you are decidedly sprightly, you seriously intend to use your bicycle, especially to get around easily in the congested city traffic. If we know each other and are both aware of the situation, we could agree on a barter. I give you the bicycle and you give me the table.

In addition to the table, however, I want two home-grown eggs from your hens and a head of lettuce from your magnificent vegetable garden. The bike, in my opinion, being definitely more 'technological', is worth a tad more than the table. It's fine with you, so it's a deal..

It is evident that this exchange system is bound by a series of fortunate coincidences that must occur at the same place and time. And that they do not always occur.

With the intermediate passage of money -or other goods acting as money, for example salt or cigarettes or beaver skins or shells or whatever- all these coincidences between an infinity of variable aspects are no longer necessary.

I sell the bike at the bike market because I don't need it. I take the money that is paid to me by the person who buys it. Quietly and conveniently, when I feel like it, I go to the table market and buy the table I need with the money given to me by the buyer of the bike. Of course, after weighing, evaluating, considering and even negotiating

The speedy and extremely convenient functionality of this new system cannot be questioned. It is undoubtedly an enormous leap forward. One might point out that this new system, which uses money as an intermediate step in the inter-human exchange of goods or products for other goods or products, is a little more *impersonal* than the previous one. But now is not the time to delve into these anthropo-psycho-cultural aspects.

In any case, up to the advent of the Great World Trade that followed the Great Geographical Discoveries and then up to the final Free Market Economy on Capitalistic-Industrial bases, money has always *essentially* performed this function: to facilitate, simplify and speed up as much as possible the inter-human exchange of goods and products. In simple terms, it is a 'simple' instrument at the service of exchange and trading.

With the advent of the Industrial Revolution and the concomitant establishment of the 'economic' model of the Capitalist Free Market Economy, money takes the form of an increasingly virtual currency that simultaneously fulfils several previously separate functions. Measure of value, intermediary in exchange, means of payment and store of 'wealth'. In inverted commas.

In addition, to its original function of facilitating trade, a new and completely different one is added. Never seen before. At least in today's hyperbolic form. That of multiplying itself to infinity.

The satisfaction of needs in men's lives, which up to this point was the purpose, from this point on becomes *a tool* for the accumulative multiplication of money in specific parts of society. The reversal, total and fatal, introduces a very heavy *distorting factor* into human action that will never recover from the distortion.

So should we go back to bartering between bartering individuals?
Clearly not. Something else and different is needed. Better. It would take.

"Economic" incentive

It is demurely called that. Or 'profit' in the case of corporate activity. Or 'profit'. Or 'profit'. Or in some cases, demurely, 'value creation'. Or something else. The problem is always the same. Either for the 'employer' or for the employee. Who in this respect are -almost- in the same boat. To obtain, possibly by lawful means, money. Without which, it is not possible to have the things one needs to be in the world. Whether that means to survive or to live comfortably or to carry out some form of human activity. If this seems absolutely logical and natural to some, it is only out of habit. But it is not so. *It only seems so.*

In such a situation, money ends up becoming -necessarily- everyone's main concern.

But the sad, inescapable necessities that the economic model imposes are one thing. If the 'outgoings' exceed the 'incomings', you close down. In the entrepreneurial case. Or one skips meals. In the case of the wage-earner. A slightly different matter is that of incentive in the proper sense.

"Incentive, s.m. nudge, spur; economic advantage arranged **to stimulate a certain behaviour**. SIN. incitement, stimulus / From late Latin *incentivum*, neuter noun of adj. *incentivus* -that gives the tone-, deriv. of *incinere* -to tune-, comp. of *in* and *canere* -to sing-."
(Garzanti Dictionary of the Italian Language) (bold. ours)

Does anyone think they can seriously argue that the 'economic' incentive is not the first and main driver of human action in the society in which we live?

When the 'economic' incentive, becomes motivation to do, whatever kind of doing it is, then 'it is possible' that other aspects are neglected and put in the background. For example, instead of doing things well and that last, do them less well and that last as little as possible.

Hence a series of catastrophic material and even moral consequences.

Let us look around.

Wouldn't it be a good idea to abolish the 'economic' 'incentive' once and for all?

Objection. Not possible! Besides, if we abolished it, no one would get busy! Very true the first objection. Very well-founded the second. Which shows by 'counterclaim' how things really are. And what is -today- the first, main real motive for human beings to 'get busy'.

Being 'in it'

We are on the shores of a large lake set in a mountainous landscape that does not, however, loom large. Wide open spaces, particularly towards the south. Beautiful. The most beautiful of the great pre-alpine lakes. The small town where I live has always looked out onto it with a pleasant, garden-like promenade. Meandering paths between flower-filled flowerbeds. Tissues of turf scattered here and there. All duly shaded by a dense double row of Magnolia Grandiflora. Magnificent evergreen essence. Along the shoreline countless tree oleanders alternating with classic two-seater wooden benches for lovers. All laid out by generations of honest floriculturists during the first half of the 20th century

Not so many years ago, the Local Palace, taking the distressed state of some magnolia trees as an excuse, decided that they needed renovation. But 'leaving its mark'. And so it was. The old lakefront was fenced off, everything was uprooted with bulldozers and a new, anonymous, sunny rectangular granite cube esplanade was built, barely interrupted by two rows of sparse saplings, furnished with creepy details such as the enormous horseshoe-shaped 'collective' benches or the forest of tall lampposts in place of magnolias. Along the shoreline, no more vegetation. Four sad stone seats and nothing else. Pretentious squalor. I've never been able to 'metabolise' it. The whole thing came out of the pencil of a professional architect graduate.

In the hidden corner near the marina, a huge, centuries-old stump made up of eight sturdy oleander trunks grew luxuriantly. Magnificent. A secluded nook, it bloomed all summer long in a beautiful soft pink that bothered no one and shaded a pretty traditional bench, strictly two-seater, on which generations of young people have honestly made out. Sub(un)written included

I secretly followed the relentless 'renovation' through the holes in the fence. The stump was brutally removed. I witnessed the massacre live unseen. What annoyed me most, apart from the stupid, pointless suppression, was the way it was done. With bulldozers literally ripping it apart. Of the magnificent flowering umbrella, only a few brutally chipped stumps remained, screaming vengeance to the sky. A modicum of 'human' sensitivity should have dictated, if one really wanted to stupidly remove it, to proceed with a regular, honest, clean cut at the base done in a workmanlike manner. With chainsaw

Among the many trades I have done in my life there have also been those of the woodcutter and the sub-master ploughman. And I know very well how these things go. Stop the bulldozer, fetch the chainsaw, fill it up with fuel, start it up, let it warm up, maybe even sharpen the chain that doesn't cut, and then do the execution? Here comes the foreman. The usual litany. No chainsaw! Time wasted! And time is money. We have to 'be in it'. Time flies. Come on. Let's get a move on. Let's go. Let's go. Can't you see it's almost noon already? Let's try not to sleep, etc. etc. Two or three well-aimed blows. The stump staggers but resists. Then under the renewed mechanical fury it gives way. The scream of the ripping logs is gruesome. In a few seconds, a few minutes before noon, a hundred years of Mother Nature's patient, precious, delicate, generous work lies on the ground in a twisted tangle. An unseasonal snowfall of soft pink flowers mercifully blankets everything. The tangle, the powerful mechanical means and the sapiens manoeuvring it

Will we 'fit in'? Maybe so. Or maybe not. Either way, we couldn't do any more. To be 'productive'.

Evidence

For those who are not yet fully convinced.

Let us think for a moment of the rampant, obsessive, pervasive, penetrating 'economic' and socio-cultural phenomenon that in the Society in which we live is called Advertising.

Magazines in which the pages of advertising equal or even exceed those dedicated to content. The same applies to daily newspapers invaded by entire pages, sometimes double, dedicated to advertising. Then television and radio. Programmes continually interrupted by advertising 'spots'. Internet. The mass of advertising space rampant and interfering on the net is frightening. Street billboards that further disfigure

-if possible- the urban landscape. And not urban. At Milan's central station - but not only there - wherever you stand you cannot help but see colourful moving images that catch the eye, transmitted by hundreds of screens of medium, large and gigantic size. Big Brother is among us

The amount of money that the buyer of advertising space has to shell out is enormous. A few seconds on television or a page spread in a newspaper command staggering prices. Many media activities, and others, stand on advertising revenue alone. The immense mass of these costs will, of course, spill over into the selling prices of products to the 'benefit' of the consumer. Some dare to argue that advertising plays a fundamental 'informational' role vis-à-vis the public. Without anyone making the slightest objection

A lot of 'jobs' are at stake for a change. Besides, advertising is beautiful. Made by good professionals who make it enjoyable. Captivating. Captivating. Companies, which pay handsomely, do not sell products. They sell dreams. They sell youth and physical prowess. They sell beauty. They sell health. They sell family and personal serenity. They sell cheerfulness. They sell vitality and zest for life. They sell freedom. Free, endless spaces of beautiful nature in which you can roam the length and breadth at will in wonderful cars and at breakneck speed. And many other beautiful, good, legitimate, sacrosanct human aspirations that those who produce use to sell products whose cost in money is massively determined by the costs of the plagiarism operation.

Perhaps, here too, being in constant contact with all this, we have learnt to 'live with it' and perhaps it has become 'familiar' to us. Natural. Obvious. Obvious. But let's think about it for a moment. Isn't this the smoking gun? The smoking gun?

Of what? Do I have to say it? I say it.

Of the fact that everything in this society is based on sell-buy. On the market with a capital 'M' and not a lower case one. On 'business'. On the circulation of money. From the 'clean' ones. To the dirty ones. To the very dirty ones. About the fact that the real priority is not to satisfy needs but to sell. Of the fact that those who produce and sell use human needs to sell. Even creating them if they are not there. That production determines consumption and not vice versa.

All aimed at the true end goal. And set in motion by the prime mover. Which is not said, cannot be said and is not worth saying. Because it is 'obvious'. Remunerate investments in money. And that this is the pervasive, omnipresent, *systemic distorting factor*

Our life and its quality depend on it. Nothing more. And nothing less.

The ungovernable essence of money

Some scholars claim, probably not entirely wrongly, that money does not exist. A totally artificial product of tireless human ingenuity, it would be pure social engineering based on symbols, and symbols of symbols, totally devoid of real value.

I've always wondered how one would behave if, by chance, he came across a 24 hr abandoned in the toilet of a railway station and crammed with large denomination legal tender banknotes. Would they leave it there with a shrug of the shoulders and say, 'there's no such thing as money'? Or would he hand it over to the police? Or would he sneak it home and hope no one would notice? Clearly there is some truth in this. In the statement that money 'does not exist'. But there is also truth in the fact that money exists and how. And that, as well as being a symbol -or a symbol of a symbol- it is also a damn real 'something'. With which each of us must, literally, 'come to terms' practically continuously and throughout our lives. Especially if he has little money. In fact, those who attach little importance to money are always those who possess a lot of it. Who knows why

But then what is the essence of this strange entity that while virtual is also damnably concrete? That, precisely because it is formless and devoid of real value, it can magically transform itself at any time and place, especially if it is a lot, into something of great material value. And not only material. Which, as if by magic, can condense into the tiny space and transportable weight of an honest briefcase quantities of goods that could fill hundreds, perhaps thousands of railway carriages? Which, precisely because it is abstract, can concretely multiply itself infinitely and without limit? That it can even be bought and sold with other money like any other commodity, while it 'does not exist' and is not a commodity?

As is now well known, defining an essence in a short formula -whatever it is- is decidedly arduous. We will prudently limit ourselves to highlighting a few aspects.

Once again, we cannot attempt to grasp the elusive without - perhaps - considering its genesis. We must bear in mind that we had, as a premise, two important historical turning points. In the period from 1600 to 1800, in correspondence with that epochal phenomenon that goes by the name of 'Industrial Revolution', the so-called 'economy', which before then had been subordinate to the needs of the human community, took over everything else. But this is not enough. Between 1800 and 1900, money took over from the 'economy'. It follows that, in two steps, money takes over everything else. But it is still not enough. Between 1900 and the end of the second millennium, money dematerialises completely, becoming a purely indecipherable and mysterious metaphysical entity that takes over -final and conclusive- even itself

The long history -relatively short- of money could thus be easily seen as the journey of a healthy instrument, initially functional for the marginal exchange of productive surpluses between more or less distant lands and solidly anchored to concrete values (salt, beaver skins, dried cod, cigarettes, cattle, precious metals or other) that has progressively freed its essence from the fetters of materiality until it has completely freed itself to become what it is today. A purely virtual entity that, being able to replicate itself endlessly, becomes -has already become- The Cancerous Octopus that is devouring the Planet with all its inhabitants. And which, not content with that, has already begun to devour itself

The last of many successive steps in this fantastic progression towards total dematerialisation was taken by Mr. Richard Nixon, not by chance President of the world's greatest economic-military power, on 15 August (!) in the year 1971 when he decreed the end of dollar/gold convertibility. From then on, money definitively lost contact with its previous forms, solid or semi-solid, to acquire the status of 'liquid' in the form of pure paper printed at will. Exactly. From there on, it was finally able to 'unleash' all its diabolical potential for self-growth. Present, moreover, in its DNA from the very beginning

The liquid element, as we know, being formless, can take any form. It flows, permeates, penetrates, envelops everything and, finally, submerges everything.

A cell, a small piece that until yesterday conscientiously carried out its task as an instrument at the service of the overall good functioning of a living organism suddenly, who knows for what reason, decides to shirk its subordinate role and begins to replicate itself ad infinitum until the total, and deadly, invasion of the very organism of which it was part. The analogy is striking and tells us everything about the fate that awaits us. While there remains the 'mystery' of 'who knows for what reason

Question. Can we rightly assume, at this point, that an aspect of its profound essence consists in its ungovernable nature of self-replicating within a process of uncontrolled growth -and uncontrollable- growth that has all the aspects of that super-pathology that in the biological field is called cancer? We can.

Mankind, concerned, perplexed, sometimes bewildered, in any case bewildered, not infrequently 'protesting', ultimately powerless, stands by in astonishment. For a little while longer. The explosion or implosion, perhaps simultaneous, in any case deadly, cannot be far away.

So we can realistically assume that the Carcinogenic Octopus that envelops the world today is, as facts daily prove, by its constitutive, primordial nature **INGOVERNABLE**.

And that to think we can govern it is to misunderstand what we are talking about. Or, alternatively, to be in bad faith.

But if it is practically certain that it is not governable this does not mean, as we will try to 'prove', that it is not ELIMINABLE.

However absurd, impracticable, naive, pathetic or even childish and even totally insane it may seem at first sight, this is probably the most serious, solid, rational, realistic and concrete perspective that we, here today and at this point, can have.

On reflection, however.

For those not entirely convinced about the ungovernable omnipotence of money.

"Human communities and families have always been based on faith in things "that have no price", such as honour, loyalty, morality and love. These things are outside the domain of the market and should not be able to be bought or sold for money. Even if the market offers good prices, not everything is permissible. Parents must not sell their children as slaves; a devout Christian must not commit mortal sin; a loyal knight must never betray his lord; and the tribe's ancestral territory must never be sold to foreigners.

Money has always tried to overcome these barriers, like water seeping through the cracks in a dam. Some parents have found themselves having to sell some of their children as slaves in order to feed others. Devout Christians have killed, stolen and cheated, using the loot to buy indulgences from the Church, ambitious knights have auctioned off their loyalty to the highest bidder while securing that of their followers for money. Tribal lands were sold to foreigners from the other side of the world to buy a ticket into the global economy."

(Yuval Noah Harari 'Sapiens' From Animals to Gods. Ed. Bompiani)

Or, again

"It is no longer just the best seats in the theatre or on the plane that have a price: today in California you can pay for a better cell in prison. The illegal trade in ivory and carcasses of rhinos and elephants has been known for decades; today you can buy a licence to hunt legally: the right to kill an endangered black rhino sells for \$250,000. Today anyone can migrate to the United Kingdom or

the United States and several other countries, as long as they bring enough money with them. And those who cannot afford these objects of desire can sell advertising space on their foreheads, put their health at risk by acting as guinea pigs in the testing of a new drug, or offer themselves as mercenaries to a private military agency on the hottest fronts of western war operations'.

(Felix Martin 'Money' Ed. Utet 2014)

Just ‘dung of the devil’?

We would not like to have given the impression of being demonisers of money.

We would be truly ungrateful if we spoke only and only ill of this, in itself, honest instrument. It has performed, and performs, many vital functions from the point of view of the organisation, if not properly rational, at least functional organisation of human society.

In this sense, our scholar, hesitant about what to do with a briefcase packed with legal tender large denomination banknotes, when he states that money is pure social engineering, is perfectly right

In addition to having greatly facilitated inter-human relations in the age of trade between different and distant lands, to their great benefit, it has become the keystone without which the functional coordination of huge numbers of people on a vast dimensional scale, each of whom is dedicated to one and only one of the infinite number of tasks required to ensure that society as a whole and each of its individual members can provide the material and non-material sustenance it needs, is unthinkable.

With the creation of an all-encompassing free market on a global scale, this huge organisational task is carried out by money, whose function is precisely that of bringing into 'harmonious', and 'satisfactory' relation a series of factors that cannot easily be harmonised. Particularly if we consider very large and widespread human groupings. On the one hand, the limited natural resources that form the material basis of all the fundamental possibilities of material and non-material well-being. On the other an infinite range of needs, material and otherwise, that seek their legitimate and sacrosanct satisfaction. On the other, the infinite and diverse working aptitudes of individuals whose contribution is fundamental to transforming simple natural resources into usable products. On the other hand, the obvious impossibility for everyone to procure solitarily, personally and directly the many things they need to live. And finally, the fact that each person must be able to specialise in just one of the infinite number of tasks necessary for the smooth functioning of the whole. The inseparable triad Totalising Market plus All-Preserving Money plus Motivating Economic Gain plays precisely this huge organisational role.

Perhaps we do not even notice it such is the habit. But let us try to think about it. The teacher is only and only, and for life, a teacher. So does the doctor or the baker or the garbage collector or the tiler. In return for their indispensable and specialised work, they receive coloured paper tickets which they can then, when the need arises, transform at will into a quantity of indispensable goods of the most varied and diverse kinds. From coffee for making coffee, to cheese, to Christmas cake, to shoes for walking, to holidays at the seaside. Or to the mountains. There is certainly no denying the fact that this has its own precious functional logic. True social engineering

But what is even more astonishing, if possible, is that the very complicated task is carried out by the above-mentioned triune triad, without any need for any PLANNING. Thus allowing each of the subjects involved, be they consumers or entrepreneurs or freelancers or workers or even pure and simple speculators, to freely behave as they see fit.

Some 'smears', as we have seen, are there. Not everything fits together and not everything harmonises as the Liberal Theory had predicted. Or as, in the illusions of some, it could and should. In this regard, it should be pointed out that the aforementioned social engineering constitutes at the same time, precisely because it is an ingenious organisational apparatus, but of 'a certain type', the 'cage' in which men's lives are 'harnessed'.

It would be debatable, for example, whether it is a good thing to do one and only one job all one's life. Or whether it is a fine and good thing that the quantity and quality of the goods into which 'pay' money can be transformed has strict and precise limits, directly proportional to the quantity of coloured coupons received in exchange for one's work. Or, again, how about the fact that more and more people cannot 'sell' their ability to work and therefore do not receive coloured coupons. Which leads to the misfortune of consumption contracting. And thus sales falling with all the attendant disasters. Or what are we to make of the widespread phenomenon of those who simply do not want to 'sell' their ability to work to strangers who would use it for their own ends, which they may not agree with, or because they would like to practise a personal inclination. Thus finding themselves, in effect, deprived of coloured coupons. This last aspect of the matter, in another and different anthropo-cultural context would be called blackmail. Or the fact that an infinity of extremely useful, when not indispensable, jobs are not performed by anyone because there is a lack of work. And more

But what is undeniable is the fact that the Triune Triad has created an unprecedented world scenario by laying the groundwork, albeit contradictory, for a further 'step forward'.

And it is equally clear that the ultimate goal remains, and will remain, that of the highest achievable degree of harmonisation. In the maximum - inalienable - degree of true *practicable* freedom.

We will therefore ask ourselves whether it is possible to combine better than the current Triad the infinite variables on which the proper functioning of a society worthy of the name depends. In other words, is it not possible to devise a different kind of social engineering? More functional, more rational, more ingenious and therefore less 'caging'?"

And if so, what kind should it be and how could it work.

Mental traps

1.

Man has always acted and will always act, rightly so, according to 'convenience'..

It is all a matter of understanding what 'convenience' means. The trap: confusing expediency in the sense of evaluating the cost/benefit ratio, in energy terms, which is indispensable in any kind of action, with the monetary return or non return it brings. While a correct evaluation of the cost/benefit ratio, in energy terms, has always been and always will be, rightly, the basic criterion for any type of choice at any level and in any field, the criterion of monetary return or profit, is absolutely misleading and entails serious consequences with regard to the overall rational effectiveness of choices and actions. Even if it will bring some momentary and questionable 'convenience' for some.

2.

Man has always pursued his own personal gain above all else because he is individualistic and greedy 'by nature'.

The trap: it is simply historical forgery used to justify acts of faith. Or rather a lack of faith. Or, better still, to justify a state of affairs from which those who support these theses derive 'economic' advantages.

There are innumerable historical-anthropological examples that prove quite different things.

From the fact that men have not always considered personal monetary enrichment a value, to the fact that there have been periods and civilisations that have rightly considered it a crime against the community.

From the fact that anthropology and psychology have abundantly demonstrated that human beings are by nature nothing more and nothing less than cultural, and that they can therefore internalise the mental model of greed as well as that of sharing and solidarity, to the fact that there are no 'innate' psychic predispositions, let alone 'natural' causes.

To the fact, again, that money, stimulator more than anything else of greed, appeared relatively late in the immense historical parabola of hominisation and that, if we consider this perspective, humanity has in practice always lived in economies of direct utilisation of the products of labour. Aiming at the realisation of things of relevant collective and personal utility, done in the best possible way. In a workmanlike manner. Surrounding oneself with the useful and the beautiful

Extreme defences

1.

Market economy can be virtuous.

Some argue that the market economy could take on a 'human face' and be virtuous. And that in some cases it even is. They even go so far as to speak of Social Economy but Market or Economy but Circular or New Deal but Green or Development but Sustainable. And the like.

Everything is going GREEN. Even the advertising of green products. Which sell much more than non-green products..

That real capitalisms can have very different characteristics is beyond doubt. Rich and enlightened capitalisms. Poor and short-sighted capitalisms. Rich capitalisms. Intelligent capitalisms. Social-conscious capitalisms. Predatory capitalisms. Law-abiding capitalisms. Capitalisms based on malfeasance. Democratic and liberal capitalisms. Or brutally dictatorial. And so on.

To end with Capitalist Turbo Capitalisms and Communist Turbo Capitalisms

But it is equally beyond doubt that the founding characteristic is always the same. Profit-making for the purpose of remunerating invested capital. However 'striving' it may be to be virtuous, social and with a human face, the choices regarding the development model and the purpose of production are taken for granted at the outset, unchangeable and the monopoly of the investing economic potentates. That then, if and as long as, the economy 'pulls' substantial slices can be redistributed, or that, even, workers can have their say in improving productive efficiency, or that in very special cases Wealthy and Intelligent Public Authorities can place, and impose, particular attention to the 'social', this does not change the normal substance of the 'economic' dynamic in the slightest.

That is to say, the fact that anomalies and/or crumbs, more or less small, are in any case involved. And that strategic choices are in any case made by Capital in function of its own inescapable Categorical Imperative.

2.

Virtuous content could be the subject of business.

Some others advocate the unlikely idea that capitalism can become virtuous when it finds that it can do 'business' by producing and selling things that are truly and indisputably useful. Like, for example, renewable energy production and/or energy-saving technologies.

An improbable idea in the sense that it does not even consider at least three crucial aspects.

A.

That renewable energy sources, for example, become, or could become, objects of business AFTER we have exhausted, or are about to exhaust, the non-renewable ones AFTER we have squandered them with a few centuries of -creditful- energy waste;

B.

That advanced technologies to clean up, for example, a world soiled by all kinds of pollution, become a source of profit, AFTER having soiled the world.

C.

That it would still be business, with all the illogical logic that business brings in and behind it, whatever it is. Market economics does not, nor can it, go subtle. It is not interested in the content of business but in business. Anything -even weapons or drugs or solar or wind power or perpetual motion or the elixir of life or Viagra or earthquakes and even world and/or local wars- is fine if it can be a source of profit. And even, if appropriate, things that momentarily, and for limited sectors, make the economy 'turn around' while being, by their nature, in opposition to growth. Such as energy saving

3.

The productive enterprise is by nature healthy.

Because it is the one that keeps the real economy of a country on its feet. Unlike pure Financial Speculation, it necessarily has a relevant view of the existing problems and the appropriate solutions that should be adopted. So more free hand, more facilities, more support, less constraints, less bureaucracy, less taxation, etc. etc. etc. for the Productive Enterprise (I P) and we will be saved.

Having become Cinderella, it must become Queen again and everything will be fine.

According to this view, capitalism would be fundamentally sound in its entrepreneurial component. If there are glitches and malfunctions, and there are, they would not originate in the real economy but

A.

by the plethora of inefficient and corrupt political-institutional-bureaucratic apparatuses that weigh like a parasitic boulder on entrepreneurial virtue;

B.

by the 'evil' virtual economy, be it speculative annuity or financial gaming or anything of that ilk.

Evidently there is some truth in it. But it is a half-truth.

The other half, concealed, is that these deleterious phenomena do not represent unpleasant anomalies of a System. But they represent the organic consequences of the profound nature of it.

Moreover, it does not take into account the fact that the most virtuous and healthy of businesses - there is no lack of valid and enlightened examples - will always remain a small isolated piece that cannot, by its very nature, possess an overall vision on a medium, let alone macro, economic scale. And therefore it will have to, in one way or another, adapt to the more or less illogical logics that determine the overall picture

Hurray for sincerity

This is how Edward Luttwak begins his 'The Dictatorship of Capitalism' Mondadori Edition 1999:

“With the sole exception of nuclear weapons, capitalism is the most powerful of all human inventions. A true expression of the restless soul of European civilisation, as well as the impulse to discover, create and conquer, capitalism has now spread almost everywhere in the world. Traditional economies locked in immutable practices, communist economies run by bureaucrats, closed economies under the command of rulers and tycoons have been wiped out, or only survive in the most remote and isolated places. Nothing can match capitalism in its ability to transform natural human greed into productive energy. There is no central government, however organised, capable of pursuing efficiency and innovation as successfully as the relentless competition for profit and wealth unleashed by capitalism. There is no disciplined system capable of co-ordinating everyone's tasks and contributions with as much harmony as the entirely spontaneous effects of capitalist markets, which do not require the slightest form of regulation or discipline

The few times I have heard Mr. Luttwak speak, I could not help but be impressed by the frankness and intellectual honesty of his argument. Let's just say that I have a certain admiration for this character that local politicians have never managed to inspire in me. Precisely because of his ability to say out of the blue how things really are. And to call them by their proper names. The piece is a little dated. Probably the totally negative judgement on centralised economic planning and the unquestionable superiority of the free market over any other socio-economic form should be revised today, in the light of the resounding successes of Chinese 'Capital-Communism' so far.

Farewell

Synthesis

The society in which we currently live is characterised by a particular economic model based on the dynamic interaction between

- Totalising Market
- Unipresent Money
- Economic' Motivating.

The Trinomial is the objective datum underpinning, in this model, every human action. The transformation of money into more money through the selling-off of everything on the totalising market cannot, by its intrinsic nature, constitute a rational basis for the proper functioning of society as a whole, but constitutes a fatal primary all-pervading distorting factor with regard to the meaning or sense of human action. It prevents the achievement of true rationality in each of the infinite fields in which the functioning of society is articulated. In particular with regard to a better and more rational utilisation of natural and human resources; with regard to the achievement of better and more rational objectives in the social, cultural, technical, political, and even economic fields; with regard to a significant qualitative increase in living standards aimed at the realisation of a true individual and at the same time collective Being Good. From the local to the planetary scale. In a global context of profound, authentic, harmonious integration between individuals, peoples and cultures. All objectives, moreover, technically achievable today

Every day everything tells us that this is the Gordian knot. Totally and systematically removed. Without unravelling (*) which it will not be possible to solve any of the immense problems that grip the whole of humanity at this point. But in order to attempt to untie it, it must first be considered. A problem not posed cannot be solved.

(*)

Underlined dissolve. Quite different from cutting with a sword stroke.

(S)Reason & (Re)Feeling

If we are *here* and like *this*, there must be a reason. Or maybe more reasons. In short, some whys. It seems that the universe works like this: by cause and effect. Which in turn acts back on the cause. While remaining essentially an effect.

Causes often have retrocauses that turn them, in turn, into effects. However complicated it all seems to follow procedures that are in themselves intelligible. Scientific thought has taken it upon itself to provide ample historical proof of this. Even if something may slip through. In this case, it is typically human error. The mystery would not exist. Or rather it exists until we find a good explanation for apparently inexplicable facts. Which there must be and which does not exclude even better ones. In any case, so it seems, there is no problem that does not conceal within itself the appropriate solution. It is 'simply' a matter of finding it

Most of the time, the problem is not the problem itself but the typically human unwillingness to consider it. Thus, for example, to see causes where effects are concerned. For 'strange' emotional reasons that have nothing to do with procedures that should and could be truly rational.

Perhaps, despite science and conscience, we still live in the age of myths. One of them, according to some, is precisely reason. Yes, because it seems that before any reasoning there is always a thesis, from which we always start, as it exerts on us, for some strange reason, a subterranean fascination. Irresistible. Reasoning comes later, and would have no other function than to corroborate the thesis, the result of deeply emotional choices.

The whole mental process would be largely, if not totally, unconscious. Which, far from being a mitigating factor, constitutes, on the contrary, an aggravating factor.

This would explain in a simple and convincing manner the verbal doggedness that, more often than not, characterises what could, and should, be calm and constructive exchanges of ideas in search of rationally investigable causes and retrocauses from ascertainable effects.

Perhaps by organically integrating the most reliable, interesting and constructive parts of different methodologies, different interpretations, different theses and different cultures into the research process.

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In defence of the 'free' entrepreneur

A childish thesis that, by distorting Marxian thought and turning it into a caricature, has had some success is the one that would have the selfish bad bosses and the good, poor proletarians exploited by the bosses. According to this thesis everything would then be reduced to opposing class interests. Once power is seized and the 'bad guys' are done away with, everything would work out for the best. Of all.

One could say: "if it were only that simple!". Unfortunately, things are different.

- The Entrepreneur's need -private or 'public' as it may be- to increase Invested Capital is not a phenomenon inherent in unedifying human feelings such as greed or lust for possessions or the like.
- It constitutes a necessity:
 - primary
 - inescapable
 - objective
 - which concerns the very survival of the enterprise. Private or 'public' it may be.

In fact, it will be necessary

- pay all expenses incurred. From equipment to raw materials to labour capacity or manpower, to bank interest for loans received. And more;

but not only

- to set aside reserves to replace ageing machinery and plant (depreciation);
- earmarking reserves to cope with difficult times;
- reserves to improve and expand production (reinvestment); but not limited to
- retribute the considerable amount of work that the entrepreneur undertakes;
- gratify it with an 'extra' income for the enormous human effort at every level that the creation and running of a Productive Activity entails. And to compensate for the enormous risk the entrepreneur has taken by throwing himself into the enterprise

But there are some other complicating factors that must be taken into account. The life of the Free and Private Entrepreneur, in a capitalist regime, is anything but easy.

In fact, to survive, he must

- sell
- sell on the Free Market. Therefore in competition with other producers. A tough competition in which the entrepreneur will win:
 - who manages to charge the lowest prices or
 - who succeeds in achieving the best price/quality ratio.

Those who do not succeed close down and lose all their invested capital.

Being 'competitive' in the competitive market is not easy. One has to charge low prices but without penalising profit. So one must save on expenses. Or produce more for the same expenses. Or be more productive.

And this is where the big trouble arises. Saving on expenses means less good raw materials. Hence lower product quality. Hence less competitiveness. Or reduce labour. Hence lay-offs. So less money in consumers' pockets. Hence lower sales. Hence lower profits. Or restructure by producing larger quantities of product with the same labour force. But much product struggles to be assimilated by the market. So unsold product in stock. So lower profits

In short, the life of the free entrepreneur in a competitive market regime is anything but linear. In order to be successful, he would have to, with little labour, little pay and poor raw materials, produce high quality products in large numbers and sell the entire production at reasonably high prices and immediately. Things that are difficult to reconcile. As a single 'economic' player, he has all these requirements, but they clash with each other and with those of other producers. In particular it should have very few low-paid workers inside the factory and a large mass of consumers with a lot of money to spend outside the factory. And the same applies to all other entrepreneurs

As long as you manage to 'grow' by plastering the plains with railway lines that serve no purpose except to build more, equally useless ones, everything continues to 'go round'. But it cannot, evidently, last forever..

In any case, the vast technical experience accumulated over one, or more, lifetimes of concrete production-entrepreneurial experience puts him in a position to know how certain things have to be done in order to be done well.

Unfortunately, the omnipresent Primary Distorting Factor (PFD) prevents him from making the best use of his knowledge and skills.

Tomorrow, in a situation in which the 'distorting factor' should somehow be neutralised, its valuable experience might finally find its proper place by applying not to irrational 'economic' competition between rival producers, but to a rational overall purpose. Things well done and long lasting for an authentic Being Good collective first and individual later. An entrepreneurial purpose envisaged, moreover, even by the Constitution of the Italian Republic (Art. 41)

The concept is elementary.

In short, the suppression of the Fatal Primary Distorting Factor (FFDP) would be a real liberation, not only for us, but also for him.

Farewell

We would not like to have given the impression of being demonisers of capitalism. Or, worse, 'anti-capitalists' ..

There are very specific reasons why we have not talked about the many beautiful, good and worthwhile things that the Industrial Revolution & Capitalism brought to human history.

Firstly, because we prefer to leave the ex officio defences of the present state of affairs to others. Defences that are certainly not lacking and of which, frankly, one does not feel there is much need today, in the sunset phase, albeit a very long one. Defences systematically based on emphasising the frightening numerical-quantitative progression regarding the system's productive capacity and the consequent living standards achieved in certain, relatively circumscribed, areas of the planet. A quantity-based defence that has all the air of being the proverbial 'straw tail'. And which betrays, in our opinion, deep doubts, in the public defenders themselves, about the quality of the fantastic progression

Secondly, we are not interested in the task of magnifying the little, or not so little, that works because we believe, and have long believed, that it is far more important and urgent to try to identify the real reasons why there is far too much that does not work. Here, too, it is clear that every attempt is being made to avoid the elementary question of the irrational foundations on which the System rests. And rightly so. Questioning the foundations on which an enormous, albeit shaky, edifice has been built is dangerous. It could be the coup de grace. And everything could come tumbling down. This would explain the 'inexplicable', generalised conspiracy of silence on the causes.

Thus 'complexity' systematically becomes the fig leaf behind which one tries to hide the removal.

Removal which, at the same time, constitutes the litmus test. That that is the question.

Meanwhile, time passes. And it can only work to make things worse. Moreover, whatever is done -or not done- that is not questioning the fundamentals, can only be 'wrong'."

We thus find ourselves in a situation that has something of the surreal. Since the problem is not just big, but enormous, we think it is more appropriate to pretend that it is not there. The problem.

Thirdly, and lastly, we are convinced that the accounts of benefits and costs, after two to three centuries of practical experimentation, are - on the whole - unflattering for the historical system in which we live. In spite of the spectacular quantitative performance. Which, in any case and with all evidence, cannot continue.

The real accounts are made at the end of 'management' anyway".

Two quotes to close that give us the controversial overall picture around the 'merits' and 'demerits' of the Historical System in which we still live. The first, on the merits, by a distinguished scholar on clearly anti-capitalist positions. The second by a celebrated ultra-bourgeois but, in his time, slightly 'heretical' economist, who surprises us with his decidedly critical accents.

In any case, the objective difficulty seems to be that of imagining an alternative historical system in which, maintaining and expanding the previous 'conquests', it is possible to overcome the Distorting Constant that determines the insuperable systemic irrationality in which we find ourselves entangled

The historians of the 22nd century, assuming it comes to that, will ask themselves - and us - why and how it is that three centuries of disasters were not enough and that we had to reach the threshold of planetary catastrophe to (not) begin to ask ourselves the question.

"the positive aspect of the capitalist revolution is that it has expropriated their powers from despotic feudal institutions (such as the Monarchy and the Church), to have unleashed creative energies, to have opened up new spaces and made the world more closely interconnected through exchange relations, to have opened up society to strong currents of technological and organisational change, and to have defeated superstition and ignorance, replacing them with an enlightened science with the potential to liberate humanity from material needs and necessities.

(David Harvey 'The Enigma of Capital' and the price of its survival. Feltrinelli)

"The decadent international but individualistic capitalism, in whose hands we found ourselves after the (great) war, is not a success. It is not intelligent. It is not beautiful. It is not fair. It is not virtuous (.....). In short, we do not like it (.). But when we ask ourselves what to put in its place, we find ourselves extremely puzzled.

John Maynard Keynes.

Im-Potence

15 August 2003 at 10.15 a.m..

I have just cycled over the Swiss pass of Lucomagno (1916 metres above sea level), which connects the Blenio valley on the Ticino side and the Medel valley on the Graubünden side. The long climb that begins near Biasca took me all day on the 14th, the eve of Ferragosto. After spending the night in a tent near the pass, I am tackling the long descent that will take me to the beautiful little alpine town of Disentis-Muster in Val Surselva

I have just set off and I am still close to the pass in the wide, green valley that descends from it. No trees, endless pastures with, in the background, imposing mountains mottled with perennial snow. A wonderful day of blazing sunshine, the air as clear as crystal, a deep blue sky. One of those days when everything vibrates in unison and you feel like you can touch distant mountains simply by stretching out an arm. After yesterday's tiring climb, the pleasure of the descent is enormous. Zero traffic. Absolute silence. Roadway all to myself. I let myself glide effortlessly down the valley, free to look around and checking my trajectory and speed at intervals. After a few minutes of descending, I find myself near a tunnel. It is not a real tunnel, but one of those artificial structures covering a section of roadway that the prudent Swiss are used to building in the sections most exposed to avalanche danger. The avalanche barrier is about five hundred metres long and totally devoid of artificial lighting

In the grassy valley, at my height, some fifteen magnificent brown Alpine cows are descending at a small trot, exuberant, pawing and happy. Fourteen wisely choose to stay on the grassy ground congenial to them. Only one, for who knows what bovine reasoning, breaks away from the small herd and points decisively in the direction of the roadway upstream of the avalanche barrier. We slip into the tunnel practically together.

The cow pays no attention whatsoever to the danger she is exposing herself to. I parry in front of her and, with all the means I can devise at the moment, try to dissuade her from continuing into the tunnel. There is nothing to be done. The road is deserted for the moment, the silence absolute. Two very long, wonderful, pointed horns adorn her big head. She stops and stares at me insistently. I can do nothing but desist and let her continue. I start downhill again, followed by the festive pealing of the trotting cow, amplified by the closed, dark surroundings. Resigned, I gain speed and separate myself from the animal. I exit the tunnel. The road is still deserted, absolute silence. Let's hope it lasts a little longer. Unfortunately it doesn't last. First an almost imperceptible buzzing sound and a distant dark dot at the bottom of the valley. In a matter of seconds, the dot has become a very large black convertible car that, in very low gear, is literally devouring the last few kilometres of ascent to the pass. The road is straight and allows maximum power and speed. The engine literally roars. I even seem to hear the slight squeal of the tyres biting into the concrete roadway. The cow is still in the tunnel behind me

I ride my bike towards the centre of the roadway. The car comes towards me at full speed without letting up in the slightest. We pass each other brushing against it, while I make wide, unmistakable signs with my left hand to induce them to slow down. It is a matter of moments. The cow is still in the tunnel. In the uncovered car a couple, I can't tell if it's two males or a male and female. What is certain is that there is a male behind the wheel. Both of them are very well-equipped and well-dressed. I remember the flashy goggles and the very white headphones. They look at me absent-mindedly with an air between astonished and bored as if to say: "What the f. does this guy want?"

In the meantime, without letting up in the slightest, they slip into the tunnel at full speed. I pray for the cow more than for the drivers, I confess. I take my head in my hands and wait. In a few fractions of a second, almost at the same time, I hear them finally let go of their grit, but it is too late. Then the sinister screech of an attempted braking. Then a tremendous bang. Unmistakable. It is the instant in which the sheets of shiny bodywork crumple in on themselves. A moment of total silence. I think: "It's done, poor beast!". Then, surprisingly, a series of bellowing protests and the cow running out of the tunnel, miraculously intact and rattling. The mighty mooing continues for quite a while, as she scurries back into the vast, safer pastures to the left. Evidently he is making a series of bovine considerations about what has happened.

I wonder if the two feisty motorists are doing the same? I wonder. Guiltily heedless of their fate. I bid farewell to the magnificent intact alpine brown -this is enough for me- and, with due caution, resume the heady descent towards Disentis-Muster

Attachments

Technical and methodological insights

Function of a variable

i.e.

the mathematical impossibility of 'moralising' the market

We have repeatedly referred to a central concept.

Namely, the fact that we are not -in the first place- dealing with moral problems, but with objective, impersonal economic mechanisms that far from being neutral want to, and must, be used in a certain way. And not others. Clarifying the issue further is of some importance since there are calls, from many quarters, for a 'moralisation' of the Market Economy that could lead it to transform itself into a munificent, charitable, fair and virtuous system. As if this were possible. As if Market dynamics were a simple tool that could be used for good if not excellent ends. Or for not good if not bad ends. It would depend.... on the use made of it

Therefore, according to this thesis, an exquisitely subjective issue, inherent in intentions, would be involved. Which concerns precisely ethical and moral values. Unfortunately and too often, who knows why, disregarded.

And here, among other things, the famous 'human nature' comes into play. Prone, who knows why, to error, wickedness and ultimately to sin. We are born sinners and sinners we have to spend this short earthly life. With all the inevitable 'punishments' that this entails.

When we should well know that any tool, even the simplest one, such as a hammer or a hacksaw, wants and must be used in a certain way. And not others. Let alone an economic-social system.

To refute the 'moralistic' thesis, we can enlist the help of that sublime, poetic, unobjectionable, scientific art that is mathematics.

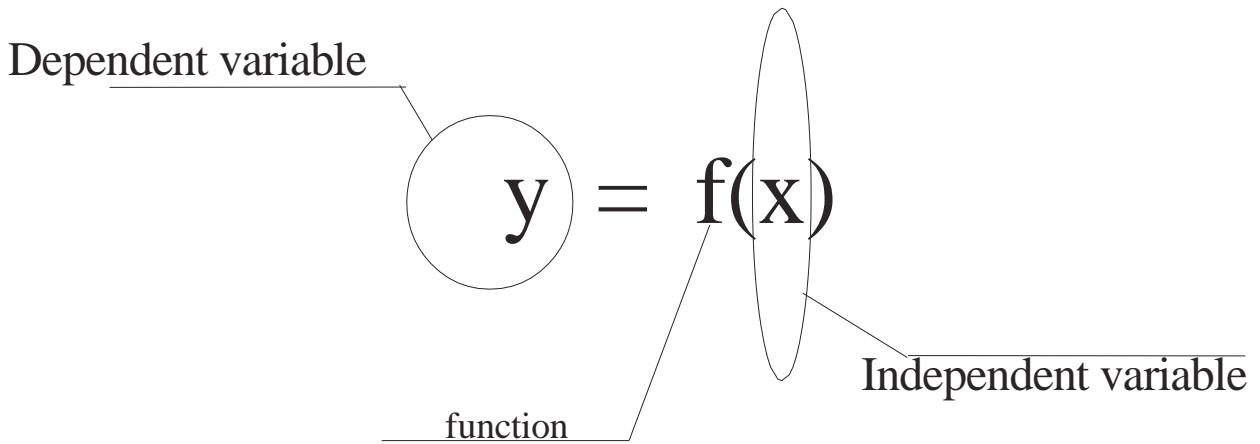
The concept of 'Function of a Variable' lends itself magnificently to the task.”

If each value of a variable x corresponds to one of another variable y , we will say that y is a function of x and write the equality $y=f(x)$ which will read: 'y is equal to a function of x'. We will say that x is the independent variable, or the argument, on which y depends.”

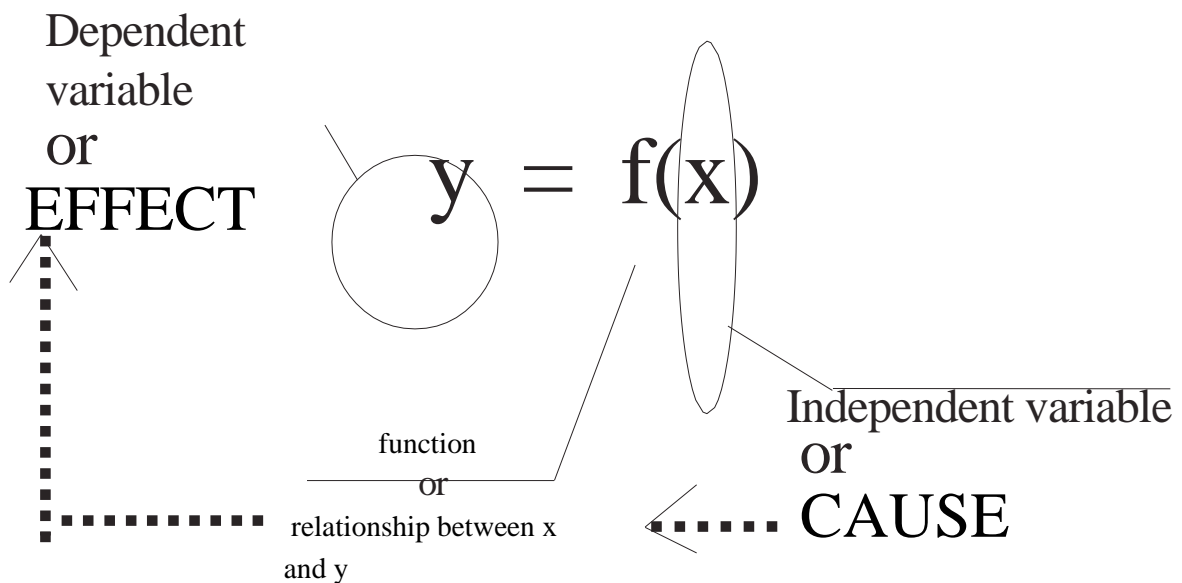
(Arnaldo Masotti 'Matematica generale' Editrice Vita e Pensiero Milano 1964).

(Emphasis ours)

This is less complicated than it may seem at first glance. And extremely useful to enlighten us on the key to the Market Economic Model. Let us help with two graphics and some practical examples.



This first graphic illustrates the definition of a function of a variable.



This second graphic illustrates the interaction between the independent variable or topic or cause and the consequent, inevitable effect or dependent variable.

"f" stands for "function", i.e. the particular type of link between the independent variable and the dependent variable.

To put it simply, there is one thing that, as the word 'independent' says, does its own thing without taking anything or anyone into account. And another thing -the dependent variable- that is forced to subject itself. Which does not and cannot have an autonomy of its own. It does not and cannot have an autonomy of its own because it is determined by the relationship (f) that inexorably binds it -subordinating it- to the independent variable. Which commands.

A few general practical examples may help:

a.

temperature fluctuations over the day and year ('y' or dependent variable or effect) are a *function* of the astronomical positions of the planet earth ('x' or independent variable or argument or cause) in relation to the sun;

b.

the perimeter 'p' of a square as well as its area 'a' (dependent variables or effects) are *functions* of the length 'l' of the side (independent variable or argument or cause), because a certain perimeter and area correspond to each arbitrarily chosen value of 'l';

c.

the 'hardness' of a tyre (dependent variable or effect) is a *function* of the air pressure inside it (independent variable or argument or cause);

d.

The fatness of a hen (dependent variable or effect) is a *function* of how much we feed it (independent variable or argument or cause).

And so on.

And now back to us.

Question: In a Market Economy, among the infinite number of variables at play, is there, by any chance, an INDEPENDENT variable?

And, conversely, what are the DEPENDENT variables?

Answer: in a Market Economy regime, the INDEPENDENT variable is there and it is THE monetary PROFIT of the capital investor.

This is the source of the endless chain of counter-senses and non-senses in which the life of every human being on Planet Earth is now entangled.

All other things must subject themselves to the INDEPENDENT variable. And particularly what is produced, how it is produced, for what purposes, with what kind of productive organisation, and then on to all the other aspects of the daily lives of people scattered in the four corners of the world. Whether or not they suffer hunger, thirst and war, whether or not they are employed or unemployed, how many hours they work or do not work, for what salary, under what conditions, and even whether or not they flee their home countries to press the boundaries of narrow 'economic' privilege. And more.

Virtually everything else, other than business aimed at Monetary Profit for Invested Capital constitutes the DEPENDENT variable. Or the set of dependent variables.

Exactly the opposite of what it should, and perhaps even could, be.

In other words, it is a fatal reversal of the relationship between the independent variable and the dependent variables

A necessary clarification. Whether one is in a free market economy, or a free, or controlled, or guided, or even rigidly and authoritarily planned, nothing changes with regard to the substance of the matter. But back to us.

In a truly rational way of proceeding the quantity and quality of the

PRODUCTION OF GOODS should be the DEPENDENT variable or effect or CONSEQUENCE of REALISING A TRUE IMPROVEMENT IN THE QUALITY OF LIFE FOR ALL LIVING BEINGS (human and non-human) on Planet Earth. Which should be the INDEPENDENT variable or argument or cause or prime mover or ultimate goal as you like.

Simply put, schematically and 'simplistically', the economy cannot be 'free' if we want a world that really works. A world that is truly rational and that really works must compulsorily transform the 'economy', whatever is meant by this word, into an instrument IN THE SERVICE OF BEING GOOD for all men. Where they came into the world.

While the PROFIT-MARKET MONEY 'trinity' should disappear, purely and 'simply', from the human scene.

And here we begin to open a small glimmer in the direction of a future that is far from impossible. Or, as many claim, 'utopian'. On what 'being well' can mean in practice and what differences it presents compared to simple well-being, we have reasoned repeatedly elsewhere in this work. As well as on the question of who, how, where and when 'establishes' it'.

To some, this may seem like sheer rambling tinged with lucid madness. Try to think about it. You will simply feel how much our minds have been shaped by the present state of affairs. A totally historical present state of affairs. Determined by a social class that around two and a half centuries ago imposed on the world, with determined violence, the second epochal revolution in the history of human 'civilisation', after the agricultural revolution of the Neolithic period: the Industrial revolution. It brought endless 'conveniences'. And a few inconveniences. More or less minor

The truly mysterious thing, even more mysterious than the mystery itself, is the fact that it has taken some two hundred and fifty years of decidedly weighty historical events not to arrive, even today and despite the obvious debacle in which we are up to our necks, at an understanding of such an elementary concept. Within reach of anyone with a minimum of common sense. Therefore everyone's.

But since there is no mystery that, sooner or later, does not succumb to an honest explanation, we will also attempt to venture in this direction, among the tortuous, dangerous labyrinths of the by now decidedly shattered 'human' mind

Mechanism

We have argued that the 'economic' model in which we live our personal existences is a 'machine'. We could also use the concept of a 'mechanism' to signify the complexity and impersonal automaticity of its operation.

What would you say if you saw a carpenter trying to cut a board in two with a hammer? Or that he struggles to hammer in nails using a hacksaw? But what the hell does that have to do with anything? You will say. Have a moment's patience and you will see that it does.

I think that when confronted with such a carpenter, or even just an ordinary person, we would all say that, carpenter or no carpenter, it must be someone whose brains have been turned. Obvious. It seems such an obvious matter that it requires no special effort of analysis on our part. But it only seems. And perhaps a little insight can help us unravel pernicious mental mechanisms. Of the bumbling carpenter but, above all, our own

In fact, if you notice, many insiders, and even non-insiders, do the exact same thing as the mad carpenter when they imagine that the Historical System in which we live can be 'improved'. Whatever one wants to mean by this word. But, in this case, no one says that those who claim this, or simply hope it, have gone completely 'mad'. How so? This alone speaks volumes about the 'cultural soup' in which we are immersed. See

We have often used the term 'mechanism' or 'machine', relating it, from time to time, to 'buying and selling', 'market', 'economic model', 'system'.

It is important, first of all, to try to define what a 'mechanism' is, in general and conceptually speaking. Then we can try to understand what 'functioning' consists of. Always in general. And, consequently, what we can expect from its functioning in terms of results. And, more importantly, what we cannot expect. What might seem to be 'abstract mental speculation' is instead of great practical importance. Because, on the incomprehension - or profound understanding - of all this, depends the possibility - or 'impossibility' - of 'changing the world' and thus the way we live.

“Mechanism”: proposed definition.

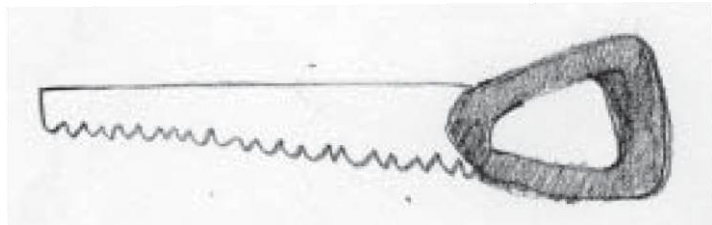
A set of distinct parts with different characteristics which, when set in relation to each other in a given way, form an organic and more or less complex whole, with a precise and peculiar physiognomy capable of achieving a given and precise final purpose. A purpose that is both the motive from which the mechanism was conceived and the result that was intended to be achieved by putting it into practice. The 'mechanism is never neutral, in the sense that it is always intended for a specific use. And not for another

Let us now descend into the concrete experience of carpentry.

Hammer and saw are two relatively complex and certainly valuable tools, the result of human research. Far from being two banal tools, as it might seem at first sight, they are, in fact, two relatively - complex 'mechanisms'.

- relatively - complex 'mechanisms'. Their apparent simplicity should not mislead us. Let us see.

Both are made up of two distinct parts, one made of wood and the other of iron. The wooden one, in both cases, constitutes the handle. It is the fundamental link between the specific function of the tool and that wonderful instrument that is the human hand. A tool that cannot be comfortably and firmly grasped, thus becoming an extension of the human hand, serves little purpose... The characteristics of the grip are therefore of fundamental importance



In the saw, the handle, usually made of wood, is hollow, so that the hand can enter it and grasp it firmly in the non-violent but smooth and relatively light back-and-forth movement that the tool must make to achieve the desired result. For example, cutting a spruce plank in two. Or a plank. The other part, the metal part, is thin, flexible, with a rather elongated trapezoidal shape. The upper side is straight. While the underside has a series of very sharp, triangular-shaped teeth along its entire length, with both sides of each triangle very sharp. Not only that. The series of denticles is not straight, i.e. all the denticles on the same plane, but each denticle is slightly crooked. Alternately on either side of the longitudinal axis of the blade. This "crookedness" of the teeth is called "road". It is essential to prevent the saw from jamming by getting stuck inside the wood to be cut. In other words, the cut made by the blade must be at least twice as wide as its thickness. The 'setting' operation must be done periodically with another tool called a saw pliers. This is because with use, the 'road' inevitably tends to narrow. A saw that is not properly "set" is practically unusable. Let us now look at the relationship between the two parts in the saw. The metal part or blade and the wooden handle are aligned on the extension of each other, to allow the delicate but decisive longitudinal forward-backward movement that will lead to the desired result

And now we come to the hammer. Here, too, there is a wooden part that forms the handle and a metal part that is properly operational. But with totally different characteristics and mode of relationship. The wooden handle is not hollow but solid. The thickness is very important in relation to the weight of the tool, which can be more or less massive, and to the possibility of gripping it firmly while vibrating sharp, decisive, sometimes violent blows. Possibly not on one's fingers. A handle that is too small or too large would render the tool practically useless. The metal mass, unlike the saw, is squat, heavy, full, not at all flexible. It is shaped differently on the two sides to allow two different types of striking. Its function is to hit an object with force and decisiveness through a sudden movement in order to achieve a certain result. Breaking a stone rather than driving a nail into wood, or into a wall, rather than shaping an iron bar on the anvil, hot or cold. In short, the hammer must strike. So the type of relationship between metal mass and handle is completely different from the previous case. Here, the two parts are not at all on the prolongation of each other but, vice versa, perpendicular to each other



Saw and hammer are, however relatively simple, 'mechanisms'. Or, if you prefer, tools

The parts and the way they interact in an integrated and organic whole express the nature, the way of being, the essence of the mechanism or tool. In a word, what we might call the 'soul'. Which is at one with its function. Which is nothing other than the practical result to be achieved through its use. And for which the mechanism is designed.

In this sense, everything is mechanism because everything is composed of parts that have a certain type of relationship with each other that makes that particular thing that thing. And not another. For that type of use and not another. From chairs to tables. From taps to saucepans. From fishing rods to fishing boats. From steam engines to aeroplanes. From counterweight clocks to the sextant. In this sense we could even argue - and here I launch into pure 'philosophy' - that everything has a soul. Its own.

The mechanism, whatever it is, is always a human invention. This statement could be debated at length but this is not the place. Suffice it to point out here that we are talking about mechanisms created by man. As we have seen, they possess a soul that makes them what they are. And the soul of a mechanism is never neutral. Neutral in the sense that it can be used for a multiplicity of different purposes regardless of the soul that the mechanism or instrument possesses.

We already hear the basic objection. Not true. So true is it that a hammer can be used to drive nails, which is very good and deeply moral, or to kill a person, which is very bad and deeply immoral. Ergo the hammer is neutral. It can be good or bad. It depends on its use. Where the protester misses the fact that hammering nails is the same as killing people with a hammer. In both cases it is an action of violent hammering. Which is a functional expression of the soul of the hammer. It can only strike. Human heads or nail heads. But only striking. It cannot, for example, saw a log into a plank. Or cut a long plank into three to turn it into three shorter planks.

So it is not entirely true that the validity or otherwise of an instrument depends solely on its use, it is much more intricate and complex. The soul of an instrument or mechanism tends a certain way. It wants the instrument or mechanism to be used in a certain way that is congruent with it. In the case of the hammer, beat it violently. With a feather you cannot kill anyone. The soul of an instrument or mechanism inherently tends towards certain results rather than others. This is always true. And if it is so in relatively simple mechanisms, all the more so in extremely complex ones such as locomotives or, as the case may be, economic, social, political and cultural systems.

I repeat and emphasise. What would you say about a person who tries to drive nails into wood by wielding a hacksaw or, conversely, tries to cut a fir lath into two parts by wielding a heavy hammer? At the very least, that his way of proceeding is rather bizarre. But, above all, that his way of proceeding is inadequate. Highly inadequate. He cannot, in that way, achieve the desired result. Even if he subjectively desired it, objectively he cannot achieve it. Because he is using the wrong tool. Because the tool is a complex mechanism with those certain characteristics that make it that type of tool for that type of result. There is nothing to be done.

And now we return definitively to us and the subject.

If a relatively simple tool like a hammer is a mechanism, all the more so is a steam locomotive or, even more so, an Economic Model within a Social System. Not to mention the Social System as such. Hyper-complex synthesis of many models. They are Mechanisms, extremely sophisticated, of very high complexity, that can only pursue the purposes inherent in their nature.

In other words, human and subjective intentions are of little or no use. Because the mechanism, once set up in that particular way, operates by itself and automatically, regardless of the will or desires of the individual. Just as it is not possible to hammer nails with a hacksaw or cut planks with a hammer, in the same way it is not possible to achieve true economic and social justice, true equity, true self-determination, true freedom, true being well and for all, by staying within an Economic Mechanism-System-Model that has been constructed for other purposes.

For example, that of guaranteeing adequate remuneration for capital invested in free productive-entrepreneurial activity. Otherwise called corporate profit. Or of something other than enterprise. But in any case Profit. Monetary.

The harsh but -probably- healthy hypothesis I propose here is therefore the following:
no matter how indignant, disgruntled, rebellious, dreamy, and otherwise we may be, if we do not change the mechanism in which we live, nothing can be changed.

In mathematics, and here I introduce a crucial new concept to complicate things further, it is called a necessary condition. In this case necessary but - mind you - not sufficient. That is to say that if a true qualitative change at every level necessarily entails a change of economic mechanism, it is not certain that changing economic mechanism automatically produces a qualitative change at every level. Here we have to be very, very careful. History should have taught us something. The thorny and vital issue has been too hastily dismissed, even removed. Together with that of the need for a real change in the present state of affairs.

Context is therefore decisive.

The nature of the mechanism, its mode of being, its essence, ineluctably determine a type of context. Context determines logics. Logics create a philosophy. Not in the scholarly sense but in the anthropological sense: a set of general principles necessarily underlying every form of practical action. Contexts, logics and philosophy, taken together, are one super-mechanism or super-model or System. Rather than another. In that kind of System, individual things will make sense within and from that context, those logics, that philosophy. Because context, logics and philosophy inform themselves and colour everything with the colour of their own soul. Then we can have, for example, a context of appropriate sense or a context of inappropriate sense. Or, worse, of non-sense. A context of oppressive domination of things, of mechanisms over the lives of human beings or, conversely, a context of liberation of the true, deep, genuine instances of life that lie, waiting, in the depths of every human being. And, depending on whether we find ourselves in one rather than the other, the individual aspects -maybe the same ones, as individual aspects,- can take on meanings, valences, tensions that are completely different when not opposite.

At this point a question might arise: but can we -then- do something? And if so, what?

How many times have we reasoned and heard reasoning like this: 'OK, but this is the system and we have to live in this system'.

Impeccable. But it is an ill-conceived and therefore misleading reasoning. It hides a 'retro-thinking'.

An unspoken: 'we have to resign ourselves to living in this system!'.”

As long as we think this way, we will have to continue living in this system. By complaining. Maybe protesting. Maybe even fighting against it. As indignant even.

Good. If we want to address this issue seriously, not misleadingly, we should:

- 1.**
work on trying to understand as fully as possible what system we live in;
- 2.**
to try to understand the absurd mechanisms that govern it and make it be, beyond all appearances, a system of oppressive domination of life;
- 3.**
begin to imagine system alternatives. From planetary to local scale;
- 4.**
Consequently, identify a series of operational steps to realise the system alternative. In a practical process that is correctly set up from the point of view of method. That is to say, dialectical. That is to say, of modifying the course according to the elements that will emerge from the interaction between the project and the reality of the transformation and that could not have been foreseen beforehand. While keeping the final objective of navigation firmly in mind
- 5.**
To gradually build a new universe of thought and meaning, in which to recover all the conceptual elaboration produced by human beings in the immense historical parabola through which they have become such. Starting from the so-called 'prehistory';
- 6.**
start manifesting our thoughts at every opportunity. Without pedantry, without compulsiveness, calmly, avoiding the trap of messianic attitudes;
- 7.**
find fellow travellers who share the content and method of the project horizon;
- 8.**
begin to move politically (not political jargon!) as a more or less small collective on the contents of the Project and starting from the local scale. Without neglecting the other.

I am deeply convinced that if we did, or more modestly began to do, this we would begin, and immediately, to live in a different system from the one we are in.

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