

TRANS-CAPITALISM

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The present global economic, ecological, environmental, climate and energy crises are linked together. There is a need for an immediate move away from the capitalist causes of these problems, especially the unfair, unequal concentration of wealth and power. Self-centred, self-serving elitist decisions send us towards mass species extinction. Heading towards these catastrophes has continuing damaging effects on the lives of the poor majority. It is an ethical responsibility for all to help solve this unprecedented human caused global problem.

What is the possibility of finding a path out of capitalism to a post-capitalist future via green policies? The focus here is on various environmental policies of ECOPEACE Party (see Appendix 1 below), which is a member of the SGC (Socialist Green Coalition). Trans-capitalism is a proposed transition to a post-capitalist society by regulations through various legislative, economic and political mechanisms; such as wealth redistribution, participatory democracy, social corporate responsibilities and ecological sustainability. Trans-capitalism would regulate markets by interventions to reduce inequalities and limit extraordinary levels of wealth and power, using mechanisms that are progressively and fairly implemented in a just transition. Distributional efficiency requires economic management, planning, forecasts: Policies must be based upon empirical evidence and participatory democracy to realise everyone's full potential. Strong social support for the poor through various mechanisms, including an exponentially increasing per-capital wealth tax, enhances egalitarian results. By decreasing and eliminating both absolute and relative poverty, sustainable productive participation can be developed. Regulation, and cross subsidisation can lead to superior economic outcomes.

There are various promoters of post-capitalist future scenarios that can be explored to compare similarities and differences. With a sufficient overlap of interest, it may be natural to assume that movement in an agreed direction would be more quickly achieved. What is the area of consensus and does this form a common platform on which the broad green-left can campaign? What policies are necessary and sufficient to transcend capitalism, or to transform it into something else? What would be their effect and what objective measurements can be made? What is the risk of capital flight and can it be countered? What is the possibility of developing a trans-capitalism coefficient to be measured, and how could it be used?

Various Scenario analyses give some insights into future trends and possible outcomes. The Great Transition Initiative analyzes alternative scenarios and charts a path to a hopeful future. They discuss three paths to the future each with two optional scenarios making a total of six scenarios (see Appendix 2 below). However, this represents the ultimate worst case of brinkmanship ever; the three paths are Conventional Worlds, Barbarization or Great Transition. Conventional Worlds business as usual, being what has brought us to our present predicament, is most likely to actually result in Barbarization, not just a descent from civilisation, but a global mass extinction event. One of the Conventional Worlds scenarios is Policy Reform, but this is merely a minimum set of reforms that the ruling elite are willing to implement without compromising their elite positions. The only actual alternative is a set of sufficiently strong enough policy changes to challenge and disrupt that elitist concentration of wealth and power; i.e. a Trans-Capitalist Great Transition.

A second Conventional Worlds Scenario is Market Forces relying on marketable technological adaptations to fix those very same market caused problems. This is not credible, plus a look at some future technologies indicates that for any benefits, ever increasingly powerful technologies also present existential risks and unintended consequences. Nano and bio engineering pose similar risks as Genetic Engineering, by pursuing marketable novel intellectual property options rather than actual human or environmental benefits.

How are we to get onto a Trans-Capitalist path as soon as possible? How are we to achieve strong enough policy changes that reverse unfair unequal elite concentrations of wealth and power? Waiting on a social or economic collapse which could also invoke a population crash or extinction event is not a rational option. Other options

include the ongoing campaigns of the various social movements, but what is needed is a synergistic combining of all the various struggles against the multiple effects of neo-liberal elitism. Ordinary ANC members have become a faction forced to take political struggles to the streets in order to be heard in regard to daily survival issues. However, as an avowed capitalist party with dominant fascist leaning kleptoparasitic elements, it is very doubtful what can be achieved within either the ANC or the tripartite alliance.

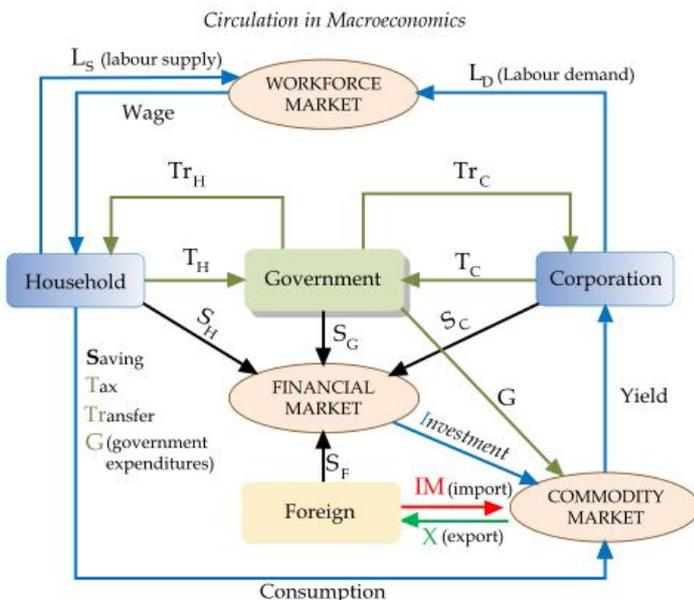
As a political party, ECOPEACE attempts to gain parliamentary positions. This has so far had only limited impacts on voter imagination; presently only one green-left seat is occupied in the whole of South Africa by fellow SGC member Operation Khanyisa Movement (OKM) in the Johannesburg Metropolitan Council. However, we are hopeful for more gains in the 2011 local government elections, and we are still buoyed by our previously successful, useful, and valuable experiences in eThekweni Municipal Council. This is a necessary and important site of struggle that offers various opportunities and spaces to improve social movement campaigns. The SGC is structured as an alternative to the tripartite alliance where a single dominant member holds the parliamentary seats (the ANC) rather than the alliance as a whole. The SGC has a straight forward single page manifesto representing a viable broad platform. Community organisations as well as parties can join the SGC. The SGC may well be an important vehicle in charting a Trans-Capitalist path to a Post-Capitalist Future.

Post-Capitalism

There are a number of alternatives for a possible post-capitalist future; some propose wholesale changes whereas others propose only a smaller set of reforms. This raises a few questions:

- 1 Is it possible to impose a least set of policies that would sufficiently change the present economic system so that it would no longer be 'capitalist'?
- 2 If so, what would be the sufficient set of policies to create such a change?
- 3 Could this form a 'left platform' that could be unifying enough to ensure these policies come to fruition?

Some anarchists participate with electoral parties in united fronts in order to achieve common anti-capitalist or anti-fascist aims outside of parliament. That capitalist elites are creating global crises of enormous magnitudes is an important enough threat to enter such a coalition. Zabalaza Anarchist Communist Federation (ZAFAC) is a member of the DLF (Democratic Left Front) which also includes various political parties that contest elections.



Elections are meant to be both free and fair; however, this pairing is often neglected in respect to markets. Does a free-market mean freedom to exploit or freedom from exploitation? If it is the latter, then the left can also be in favour of free-markets. This also raises questions as to the correct characterising of the present system as, for example, neo-liberal or neo-mercantile; and how critical it is to have such an in-depth analysis? The effects of the present system are, in any case, apparent. Anti-state positions also require more detail. On the left is a diagram of Circulation in Macroeconomics, it is thus a detailed picture of the state in action. To oppose the state would thus imply a wish to alter some or all aspects depicted in this diagram. This kind of detail is useful to know and understand.

A simple left-right political line is not useful in showing all political varieties. Two dimensional maps of the Political Spectrum exist. Two versions with on-line questionnaires are the Political Compass and Moral Politics. It would help to map the ideologies and positions of the various South African political actors (See Appendix 3 below). Eco-socialism is interesting, but a new ideological variant may not necessarily be what is needed. An alliance of a variety of socialists,

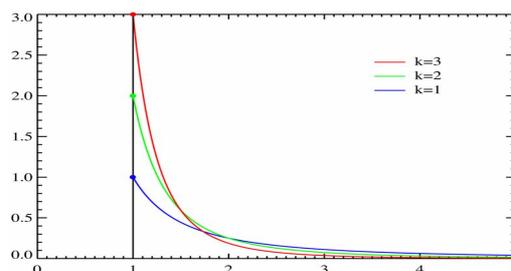
environmentalists, feminists, leftists etc. without them all having to conform to a specific ideology might be what is required to find a Trans-Capitalist path. Calls to revolution may have to be considered critically when there can be little guarantees of success without much greater levels of organisation.

Unequal Wealth Distribution

Wealth under capitalism is generally distributed according to how much is already owned; those who are already wealthy receive more than those who are not. This is "cumulative advantage", or "the rich get richer". Those who possess power and economic or social capital can leverage those resources to gain more power or capital. The fraction $P(x)$ of people having x wealth is given by $P(x) = ax^{-k}$. Preferential attachment generates a "long-tailed" Pareto distribution, or power law graph. Below is the long tail Pareto principle "80-20 rule".

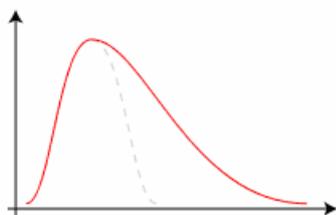


Power law graph



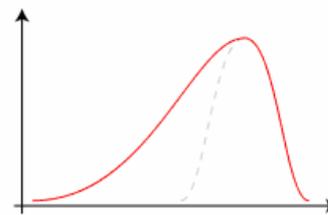
Pareto distribution

In connection with income and wealth, Vilfredo Pareto noticed that 80% of Italy's wealth was owned by 20% of the population. It can be seen in the graph above that the fraction of the population that owns a small amount of wealth per person is high, and decreases as wealth increases. Wealth inequality is rationalised as natural because, for example, 80% of biodiversity occurs in 20% of the biomes. However, other natural distributions such as height follow a normal curve. Nobel Prize winner in Economics Paul Krugman dismissed this "80-20 fallacy". He asserts that the benefits of economic growth have been concentrated in the top 1%, rather than the top 20%.



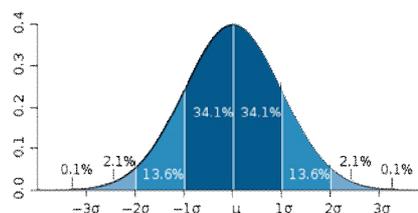
Elite Skew

The two kinds of skewness of a distribution:
Elite skew: Right tail is longer; relatively few high values, the present wealth distribution.
Egalitarian skew: Left tail longer; very few poor, the great majority are comfortable.



Egalitarian Skew

For zero skewness the normal distribution is symmetric. This can be the base of a trans-capitalism Gini coefficient (on wealth not income). The Pareto 80/20 power curve is a positively skewed version of the bell curve with a Gini higher than 0,5 whereas the normal curve would have a Gini of exactly 0,5 and a negatively skewed distribution would have a preferred lower than 0,5 Gini coefficient.

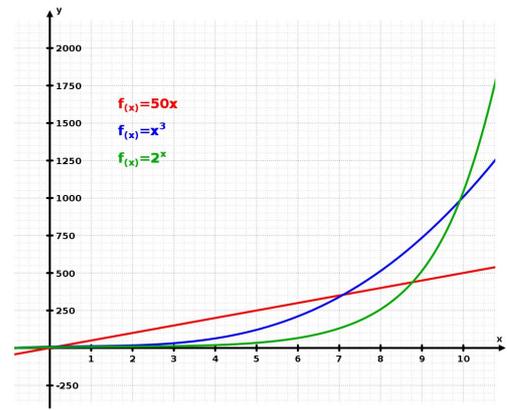


TC indicator

These values could be used for a Trans-Capitalism Gini coefficient (TCGini) over the wealth distribution. A number of indices can be weighted and added to give an overall Trans-Capitalism coefficient for objective comparisons between places and over time. An appropriate accompaniment to a TCWealth coefficient would be a democracy indicator of direct and participatory components, i.e. the percentage of the population actually involved in the drafting of proposals and another percentage of those directly involved in the adoption of any parliamentary proposal. Other components could include: Measures of overall formal, legislated corporate social and environmental responsibilities (rather than voluntary actions); ratings for the safety and protection of vulnerable groups and individuals. A similar measure of ecological sustainability, diversity and vitality of species, and biomes should be included.

Effects of Wealth Redistribution

Wealth inequality approximates to a decreasing power law x^{-k} . Rising block income tax does not cancel this. Income is a diminishing proportion of wealth as wealth increases. A rising block is not as powerful as a positive power function x^j (like a parabola), such a complementary power function wealth tax could bring wealth to a more normal distribution. However the goal should be to reverse (opposite skew) rather than normalise (no skew) wealth distribution – i.e. increase the number of wealthier people compared to very small number of poorer persons. This can only be achieved through an exponential imposition n^x . A negatively or left skewed wealth distribution is what is claimed to occur under the theoretical occurrence of perfect competition; but this cannot really occur under laissez faire policies. A more egalitarian economy should be more sustainable and less susceptible to either inflation or deflation. The graph shows a straight line, positive power function and exponential function.



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Bio: Alan Murphy BSc (Physics, ORMS), BTech (Chem Eng).

Alan lectures Basic Science and Mechanics, part-time, in the Mechanical Engineering Department of Mangosuthu University of Technology. He is the co-ordinator of the ECOPEACE party and was its eThekweni Municipal Councillor 2004-2006 while the party had representation there 2000-2006. Alan is also a member of the Umbilo Park Conservancy, Umbilo CPF, and Earthlife Africa eThekweni. Alan teaches Om Taikido Zen Yoga Dharma for the Umbilo Conservancy. Alan served on the first non-racial SRC at UND (now UKZN) in 1993 together with Mazibuko Jara. He was chairperson of the East-West Network and editor of its publication Tardis. He performed in the punk rock band G5K5. He also performed a reggae number 'Permaculture Revolution' with Crush at the ABM unFreedom Day Concert.

Appendix 1: Some Green Policies of ECOPEACE Party

ECOPEACE party is non-ideological, non-dogmatic, non-authoritarian; it is principle based where means/tactics should correspond to aims/strategy, so as to be honest and ethical. It recognises political plurality and multiparty democracy in seeking alliances and coalitions with those sharing related goals and visions. Similar to other green parties, ECOPEACE has four pillars, they are; peace, sustainability, consensus and science:

- Peace is based on freedom, equality, justice, just transitions, fairness, absolute rights, responsibilities, duties and obligations to others and our environments.
- Environmental sustainability includes other sustainable practices in the ecological, social, economic, political, built-environment, urban, rural, agricultural, energy areas etc.
- Consensus and promoting extensive democracy with multiple components, including but not limited to; parliamentary reforms, associative, participatory, direct, and consensus democracy (more details below).
- Rational, logical, holistic, synergistic policies. An appreciation of; science; the limits of science; the demarcation issue of; non-science, traditional knowledge, fringe science, anti-science, pseudo-science, the abuses and misuses of science, and; the need for rigour and vigour in the pursuit of proper scientific knowledge. This is necessary to be informed correctly regarding the dangers to society, our environments, ecology and economies, and in finding and campaigning for appropriate remedies.

An increase in democracy means more space for divergent views; Participatory democracy means people get together and discuss issues; Direct democracy means deciding directly on policy instead of representatives making those decisions for you; Consensus decision making means prioritising areas where there is most agreement, and no substantial objections based on common principles and values. An Extensive democracy means all forms of democracy working together. This means improvements should also be proposed to the present parliamentary representational system, as well as proposals on how to include other democratic forms. We do have certain public processes in South Africa, but these are 'informal', the ultimate decisions are not made by the participants themselves. This process must be formalised and strengthened.

Economic barriers to participation in elections must be dismantled. Funding of parties must be transparent and within seemly limits. Expenditure on ostentatious campaign displays and wasteful proliferation of identical

posters must be limited. The election of public officials other than politicians and the right of recall of any elected appointee at any level through appropriate referenda will make vast improvements. The tender process must be an open transparent public auction where bidders can be vetoed based on conflict of interest.

Have smaller wards with each councillor closer to a smaller cohesive community? And street committees! In the eThekweni Municipal Council ECOPEACE proposed street naming to be decided by the community directly affected, i.e. residents and workers in each street. This was agreed upon in council, but neglected in implementation. Rationalise the very large metropolitan areas as mini-provinces. Metropolitan councils can then devolve appropriate powers to local sub-councils. Subsidiary principle: devolve powers to closest competency – review local, regional, provincial and national competencies. Limit undemocratic powers of executive committees, cabinets, mayors, premiers, chairpersons, ministers and the president. Executive committees and cabinets should be proportional in a manner that is as inclusive as possible. Select provincial parliament members on a proportional basis - according to the provincial aggregate of local elections. This must be changed if proportions alter due to by-elections. Halve the number of members in the national parliament. Select national parliament members on an overall proportional basis – according to the national aggregate of local elections. This must be changed if proportions alter due to by-elections. Integrate the national council of provinces into a single national parliament.

Anyone found guilty of an act of unnecessary violence or of a human rights abuse must forfeit his or her right to hold public office. Anyone found guilty of an economic crime such as fraud or corruption must forfeit their right to hold public office for at least five years after completing their sentence. Politician's finances must be transparent; they must disclose their income and assets. All politicians should receive a genuine living wage standard that will create a benchmark for the rest of society. Cap the overall inequality coefficient (e.g. Gini) of the public service pay scales, and then decrease this coefficient. Replace income tax and municipal rates with an exponential per capita wealth tax; Cross-subsidise those below a basic universal wealth level through a dividend from the commons. Eliminate both absolute and relative poverty. Charge directly for services provided, if you create less waste and recycle you pay less, if you don't have a local library you pay less; if you use more resources (whether residential or industrial) you pay more; charge for all levels of pollution at source. Replace business taxes on productivity with one based on inequality of pay scales. Award rebates based on numbers of employees, workplace standards, levels of worker participation in management, and job satisfaction.

Impose tariffs on thermodynamically inefficient industries. Replace VAT with a sustainability tax on products with higher social and environmental costs. 100% Renewable Energy before 2030: Impose a fossil carbon tax on coal extraction and oil imports, with all proceeds going directly to renewables. Design cheaper solar water heating options – offer a substantial prize for the design of a R500 solar water heater. Subsidise household renewable energy production. Buy back household energy production at preferential rates. Place Eskom under democratic community and worker control. End perverse subsidies to industries. Increase the free basic amount on a per capita basis. Provide a free minimum 200kWh per person per month. Charge higher tariffs for use of higher voltages and phases. Beyond the increased free basic amount, charge for per capita consumption at an exponential rate. It is necessary to use exponential rates to deal adequately with powerful systemic inequality and poverty. Wealth inequality tends to a Pareto 80/20 power law (x^{-k}), step increases in tariffs are not sufficient to reverse this. An exponential imposition (n^x) is needed to have a progressive effect. Higher per capita users would thus benefit when employing more workers, while investments in energy efficiency would be rewarded greatly by a drop down the steepest part of the tariff curve. This single mechanism unites social and environmental aims. Since electricity costs are a higher percentage of household costs and/or income for poorer people, then Eskom's unfair targeting of households in comparison to industry is discriminatory. Similarly, income is a higher percentage of wealth for the poor than for the rich, therefore even with so-called progressive step increments in income tax, there is still a regressive result in terms of wealth disparity. Only an exponential per capital wealth tax can be truly progressive.

ECOPEACE calls for per capita exponential tariffs for all resources i.e. electricity, water, wealth, and similar charges for pollution emissions at source. Further useful initiatives include smart metering with time-based tariffs: half rates at night and double rates at peak hours. Smart payments can also apply to electricity producers;

double pay for production during peak hours, half pay at night when demand is less. Sustainable organic agriculture, zero waste technologies, sustainable architecture with cool roofs, solar air-conditioning and heating, and integrated public transport systems must also be implemented.

EcoCities: Concentrate multi-use buildings in nodes where it is convenient to walk and cycle. Reintroduce nature and community organic agriculture between these nodes. Develop a safe efficient affordable integrated public transport system between these nodes. An integrated public transport shuttle system means establishing a synergy between all the different vehicle types; rail, bus, minibus, individual's cars, motorcycles, scooters, bicycles, pedestrian. This means an overall design so that they each have appropriate routes and areas to support each other rather than to compete. Public transport also means public ownership of public services rather than public funds directed to private profits.

The status quo agenda of the elites is to extract and burn all fossil carbon reserves (oil and coal). This will result in an at least six degree rise in average global temperature according to present scientific consensus, and a consequent mass extinction of most species. The commitment of these elites is to emit as much fossil carbon into the atmosphere over the next 40 years as occurred over the previous 200 years. The polar icecaps will melt and there will be mass species extinctions, including humans – the largest genocide ever. Redistribution of wealth and power must occur internationally. Wealthy countries and regions are inevitably so due to exploitation of people and nature through economic externalities and ecological, social and climate debts. To compensate, an exponential per capita redistribution of wealth on the basis of purchasing power parity is needed from the wealthiest to the poorest countries and regions. International bodies need to be reformed or new ones established based on participatory consensus and direct democracy, and similar measures introduced domestically in all countries and regions.

The right to free basic resources (energy/electricity, water, food, land, housing, education) creates a subsequent debt to those who are or have been denied the required amounts of these services. The specifics of appropriate funding models for Free Basic Services must not leave gaps for opportunity and sunk costs. Promote targeted allocation of budgets rather than unregulated contingency. A financial transaction tax should be targeted to specifically cover Administrative cost.

ECOPEACE proposes measures beyond the representational parliamentary system, but still recognises the need to contest that arena. Persistent calls for a boycott of the polls emanate from groups struggling for their share, but they are not threatening elite rule when they do not unite with all those working for deep systemic improvements. If we are to gain socialism in South Africa it needs to be sustainable and Green, not nationalist or proto-fascist. We must all decide upon this future together. ECOPEACE challenges both the avoiding of voting and voting for those parties that offer 'false solutions'. ECOPEACE is a member of the Socialist Green Coalition (SGC), CJN!SA and the DLF (Democratic Left Front)

Appendix 2: Global Scenarios

Trends and policies move us in certain directions, but our fundamental choices reveal strikingly different paths.

Three categories of scenarios are – *Conventional Worlds* of gradual evolution, *Barbarization* with precipitous decline, and *Great Transitions* fundamental progression - represent three fundamentally different social visions.

Conventional Worlds sees the world economy growing rapidly while developing countries reach the highly industrial countries. Market forces, new technologies, and adjustments allay environmental pressures.

Market Forces: top-down development and technological change. The problem of social and environmental stress is left to competitive markets. The free-market “invisible hand” is assumed to correct inefficiency and deflect environmental crisis. Powerful global actors advance free markets and economic expansion, relying heavily on technology to reconcile growth with ecological limits.

Policy Reform: adds government action, to achieve social and environmental protection. Policy changes aim for sustainable environmental efficiency by strengthening management systems that rapidly diffuses environmentally-friendly technology for profit. Governments respond to global problems with initiatives to align the economy with environmental and social goals. Fundamental change is absent.

Barbarization explores the risk of rejecting the need for deeper change. In these scenarios, *Conventional Worlds* strategies are inadequate to address mounting environmental and social stress and problems spiral out of control, leading to a general crisis and the erosion of civilized norms. These scenarios envision the grim possibility that the social, economic and moral underpinnings of civilization deteriorate, as emerging problems overwhelm the coping capacity of both markets and policy reforms.

Breakdown: The world descends into conflict and collapse. Crises combine and spin out of control, leading to unbridled conflict, institutional disintegration and economic collapse. These forces are unable to counter or even inhibit spreading chaos, waves of disorder ensue, and institutions collapse.

Fortress World features an authoritarian response to the threat of breakdown. In the face of environmental collapse, the international elite retreat to protected enclaves where they manage critical natural resources and protect their interests. Powerful international forces are able to impose order in the form of an authoritarian system of global apartheid. Outside these enclaves there is repression, environmental destruction and misery, an impoverished majority endures poverty and degradation.

The Great Transition scenarios envision practical, plausible solutions to the social, economic, and environmental pressures which will worsen as time passes. The Great Transition future is more than simply market and policy adjustments. It is a future in which fundamental societal values change – materialism and self-interest decline replaced by new notions of “the good life” inclusive of human solidarity and environmental sustainability. The Great Transition is linked to the global citizen’s movement to advocate new values for a global society. A transition to a society that preserves natural systems, provides high levels of welfare through material sufficiency and equitable distribution, and enjoys a strong sense of social solidarity. Material flows through the economy are radically reduced through lower consumerism and massive use of green technologies.

Eco-Communalism encompasses the small-is-beautiful visions favored by some environmental and anarchist subcultures, it incorporates the green vision of bio-regionalism, localism, face-to-face democracy, small technology and economic autarky. *Eco-Communalism* may not be credibly plausible; it is difficult to envision how a patchwork of self-sustaining communities could emerge from our increasingly connected world, except perhaps in recovery from collapse.

The New Sustainability Paradigm shares some goals of *Eco-Communalism*, but seeks to change the character of the urban industrial situation rather than replace it, to build a more humane and equitable civilization rather than retreat into localism. Lower consumerism, and greener values create a more humane world. Civilization has a smaller ecological footprint and its members live healthier, more equitable lives. The *New Sustainability Paradigm* sees globalization not only as a threat but also an opportunity for a new consciousness of global citizenship for the well-being of future generations – alongside a governance architecture that balances global unity and regional pluralism.

APPENDIX 3: Political Spectrum http://en.wikipedia.org/wiki/Political_spectrum

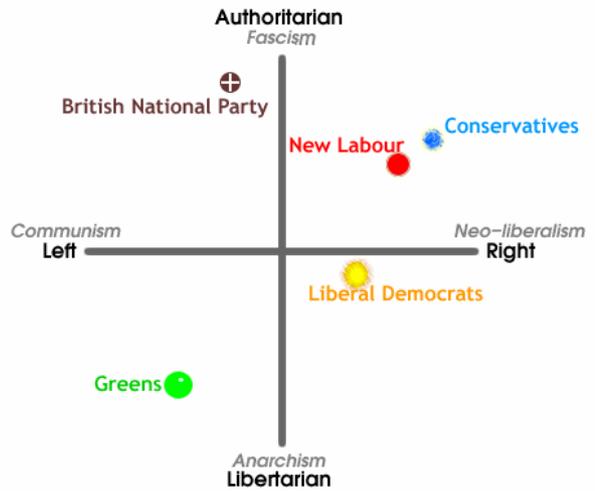
Mapping political positions with more axes for more political dimensions:

Political Compass http://en.wikipedia.org/wiki/Political_compass - <http://www.politicalcompass.org>

Left and right are measures of economic position; the "extreme right" refers to extremely liberal economics that may be practised either by social authoritarians or social libertarians. The "extreme left" identifies a strong degree of state economic control, which may either be accompanied by liberal or authoritarian social policies.



German Party Political Compass



UK Parties 2008

South African Political Compass?

Moral Politics <http://www.moral-politics.com/xpolitics.aspx?menu=Home>
 The Moral Politics diagram is similar to the Political Compass diagram when rotated through 90 degrees.

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Of the 487 South African respondents: **36%** liked Socialism. **23%** straddled systems. **21%** liked Liberalism. **14%** liked Conservatism. **5%** liked Authoritarianism.

South African best match: **System:** Socialism

Variation: Moderate Socialism **Ideology:** Social Democracy

