

Property for People, Not for Profit: Alternatives to the Global Tyranny of Capital

Ulrich Duchrow

Since the breakdown of historic socialism the category of private property has practically disappeared from the discussion on economic justice. The Cold War alternative was: private property or state ownership. As the latter has become obsolete there seems to be “no alternative” to private ownership. The discussion on neo-liberal globalisation normally deals with the three main characteristics: liberalisation, deregulation and privatisation. But even in the growing struggle against privatisation of public services there is hardly any reflection about the fundamental role of private property in the make-up of the dominating political and economic system leading to so much impoverishment of people and destruction of nature. The thesis of this essay is that we cannot design and implement alternatives to neo-liberal globalisation creating poverty, exclusion and destruction unless we tackle the issue of private property.¹

1. Historic roots

The historic roots of an economy based on private property date back to the 8th century BCE. In Greece, peasants were able to liberate themselves from feudal bondage by owning land.² It is those free landowners who formed the Polis, a city in the midst of an agricultural region (e.g. Athens in Attica). The importance of this property led to the introduction of “interest” on loans. A debtor had to pay back more than he had borrowed, e.g. seed. He also had to put his own land as a pawn. Could he not pay back, he lost his land and had to work as a debt slave for the creditor. The contracts on the loans started to be traded which according to some scholars led to the introduction of money, gradually developed in the forms of coins. So private property and money came into existence at the same time – linked to debt slavery and loss of land. On the other hand, the creditors could collect more and more land, money and debt slaves. This resulted in increasingly splitting society, which can be seen at the occasion of Solon’s legal reforms in Athens in 594 BCE, e.g. prohibiting debt slavery. But the property-money-economy was spreading even more during the time of the Hellenistic Empires. And the Roman Law even legalised the absoluteness of property (“*Dominium est jus utendi et abutendi re sua, quatenus juris ratio patitur*” / ownership is the right to use and abuse/consume/destroy your thing as far as compatible with *ratio*, i.e. the logic of the law).

A new phase of this type of economy started in the 14th century AD. The prohibition of interest, prescribed by the Canon Law, was broken in the north Italian city states. Florence even introduced compound interest. And in England the common land was

¹ The argument of this article is extensively unfolded in Ulrich Duchrow/ Franz J. Hinkelammert, Property for People, Not for Profit: Alternatives to the Global Tyranny of Capital, Zed Books, London in cooperation with the World Council of Churches, Geneva and CIIR, London.

² Cf. Heinsohn, G./Steiger, O., 1996, Eigentum, Zins, Geld – Ungelöste Rätsel der Wirtschaftswissenschaft, Hamburg; Maissen, Th., 1998, Eigentümer oder Bürger? Haushalt, Wirtschaft und Politik im antiken Athen und bei Aristoteles, in: Held, M./Nutzinger, H.G., (Hg.) 1998, Eigentumsrechte verpflichtet. Individuum, Gesellschaft und die Institution Eigentum, Frankfurt/M.

transformed into private property by “enclosures”. Differing from antiquity, those peasant farmers who had lost their land had to live from waged labour – if they got a job. Karl Polanyi in his famous book “The Great Transformation” described the dramatic changes of all relations between persons following the “privatisation” of the land.³ Jeremy Rifkin sums it up with the following words:

»Enclosure introduced a new concept of human relationships into European civilization that changed the basis of economic security and the perception of human life. Land was no longer something people belonged to, but rather a commodity people possessed. Land was reduced to a quantitative status and measured by its exchange value. So, too, with people. Relationships were reorganized. Neighbours became employees or contractors. Reciprocity was replaced with hourly wages. People sold their time and labor where they used to share their toil. Human beings began to view each other and everything around them in financial terms. Virtually everyone and everything became negotiable and could be purchased at an appropriate price.«⁴

Thomas Hobbes, in his “Leviathan” (1651), was the first to put the anthropological, social, economic and political dimensions of this development into one theory, brilliantly interpreted by C.B. Macpherson.⁵ The human being is understood as an individual striving for ever more power, wealth and honour in competition with all others within the framework of a “possessive market society” (Macpherson). Thus everybody becomes a wolf to everybody. This is why an absolute “sovereign” has to guarantee the institutions of property and contract politically and legally in order to ensure non-violent forms for the war of everybody against everybody.

A further theoretical step, which has been pivotal up to this day, was taken by *John Locke*. In 1688 the bourgeois classes came into power through the Glorious Revolution. In 1690 he published his “Second Treatise of Government” delivering the theory for the new rulers. Human beings are being defined as owners in a triple way. They are 1: owners of their own person (including their labour); 2: owners of their goods; 3: owners of their freedom.⁶ But “God ...has given the world to men in common”, i.e. “nobody has originally a private dominion” (§ 26). So how to justify the private appropriation of the earth? Locke’s first answer regarding the state of nature is: by work.

“Thus the Grass my horse has bit; the Turfs my Servant has cut; and the Ore I have digg’d in any place where I have a right to them in common with others, become my Property, without the assignation or consent of any body. The labour that was mine, removing them out of that common state they were in, hath fixed my Property in them” (§28).

³ Polanyi, K., 1945, *Origins of Our Time: The Great Transformation*, Gollancz, London.

⁴ Rifkin, J., 1998, *The Biotech Century*, (1999²), New York, 40f.

⁵ Thomas Hobbes, *Leviathan*, Penguin Classics, Middlesex 1986; Macpherson, C.B., 1962, *The Political Theory of Possessive Individualism: Hobbes to Locke*, Oxford University Press, reprint at the Clarendon Press 1964, Oxford.

⁶ J. Locke, *The Second Treatise of Government*, ed. by Peter Laslett, Cambridge University Press, Cambridge, 1988, Book 1, ch. 9; Book II, ch. 5.

As the state of nature is still present in North America⁷ this theory legitimates the conquest of that territory from the indigenous people by the British settlers. Should these peoples contest this, however, they place themselves in a state of war and wage an unjust war in which they can, entirely legitimately, be killed like wild animals and subjugated to the despotic power of slave owners (§§ 8-11 and 172). In addition, the conquerors can legitimately demand the reimbursement of their costs of war in order to indemnify the losses of the victor (§183).

Locke, however, needs an argument for the unequal distribution of property. So he construes a human agreement, implicit in the use of money:

“...it is plain, that Men have agreed to disproportionate and unequal Possession of the Earth, they having by a tacit and voluntary consent found out a way, how a man may fairly possess more land than he himself can use the product of, by receiving in exchange for the overplus, Gold and Silver, which may be hoarded up without injury to any one, these metals not spoiling or decaying in the hands of the possessor” (§50). This “tacit and voluntary consent” in the accumulation of wealth through the use of money pertains to the “state of nature” thus preceding any social contract. The state and its laws are secondary to this universal right of the property-money-economy. What he calls “political or civil society” (§89) has the only purpose to protect this (unequally accumulated) property.⁸ So Locke was the first to establish the priority of the world market for the sake of wealth accumulation over politics and law serving the preservation of this accumulated property.

With this position Locke does not only renew the Roman absoluteness of property but reinforces it by the capitalist mechanisms of the money economy. All *Western constitutions* and legal codes followed this approach. However, in the 20th century the competition of socialism and the growing strength of the labour movement brought some changes. E.g. in Germany the Weimar Constitution after World War I added a second sentence to the guarantee of property in article 153: “Property has an obligation. Its use shall also serve the common good.” This was taken up again in the German Constitution (Grundgesetz) after World War II in article 14.2: “Property has an obligation. Its use shall also serve the common weal (welfare).” This same tendency can be seen in the US policy of the New Deal between the thirties and the sixties of the 20th century, in the UK under the influence of Keynesianism and certainly in the “Swedish model” of the welfare state. In practice we can see various political and legal instruments taming the absoluteness of private property: e.g. a progressive tax system redistributing unequal income, health and pension systems based on solidarity, anti-monopoly laws etc. The motivation for these changes is not only social concern on the basis of pressure but also the intention to avoid the self-destructive tendencies in liberal capitalism as experienced in the great depression after 1929.

Beginning with the seventieth of the 20th century we see the emergence of *neo-liberalism*. The forces of capital operate more and more on a global level putting pressure on the national political and legal instruments which had been able to make

⁷ „Thus in the beginning all the World was America, and more so than that is now” (§49).

⁸ „...the chief end whereof is the preservation of property” (§85).

property socially responsible. This has very destructive consequences. Capital moves into speculation (“Casino-capitalism”), escapes taxation, drives up interest rates and produces public debt, especially in “developing” countries, but also in the rich industrialised ones. On the other hand we experience an extreme concentration of private wealth. Workers and their unions lose much of their bargaining power and suffer “flexibilisation”, a further degradation of the “property” of one’s own labour force. Those growing numbers of people who have neither capital property nor work are being excluded. This happens again in the most dramatic way in “developing” countries, indeed, development as such is dropped from the global agenda. But also nature suffers destruction from an economic system operating towards one end: maximisation of profit on capital property. The state changes its function from an instrument for common welfare to a supporter of competitive capital. This leads more and more to measures of expropriation like in the times of primitive capital accumulation and an intensified rate of exploitation.⁹

This is by no means accidental, but ideologically wanted.

The father of *classical liberalism*, Adam Smith, still thought the invisible hand of the market would create a common wealth of nations. He made two presuppositions which both have turned out to be false:

- that human beings are characterised by a basic sense of solidarity,
- that all actors in the market have equal power and information and thus control each other by balanced competition.

The *neoliberal theory* is ambivalent:

- Some theoreticians keep up the promise of a free capitalist market economy producing common wealth by a trickle down effect. A scientific theory, however, must be subjected to verification or falsification by reality. Empiric research shows clearly that since the abandonment of the social regulation of the market economy the gap between rich and poor is drastically widening without wealth trickling down to the bottom. On the contrary, more and more people are being excluded from the formal economy with the consequence of dying or struggling for survival. To give a recent example: Argentina before introducing neoliberal policies (under the pressures of the IMF) had 60% middle class. Now 60% live under the poverty line. So who keeps up this type of argument does not have a theory, proven by verification through reality, but an ideology.
- There are secondly those neoliberal economists who say bluntly what the nature of their ideology is. F. Hinkelammert calls it “cynical capitalism”. Let us look at a quote of one of the main fathers of this “school”, F. v. Hayek: “A free (sc. market-)society needs morality that is ultimately reduced to the maintenance of life - not the maintenance of all life, as it could be necessary to sacrifice individual life in order to save a greater number of other lives. That is why the only rules of morality are those leading to a ‘calculation of life’: property and contract”.¹⁰ First of all this quote builds on a wrong empiric assumption. There is more than enough food for everybody, if and when justly distributed, as many studies of the UN have shown clearly. On the basis of this wrong assumption v. Hayek

⁹ Cf. Chr. Zeller, *Globale Enteignungsoekonomie*, 2003.

¹⁰ See Friedrich von Hayek, Interview in *Mercurio*, Santiago de Chile, 19.4.81

says that human lives have to be sacrificed in order that others may live (implicitly: live better on the basis of property and the market mechanisms increasing it). As the criteria for this calculation of life and death he names private property and contract. These are the constituents of the capitalist market in which the owners and the people who be accepted as contractors, e.g. workers who get a job, may live, the others may die. So capital property in the context of a pure market system is not only a dictator but the last judge over life and death of people (and nature because also nature is no legal property owner).

The development on the basis of these forms of neo-liberalism is re-enforced by the hypercapitalism of intellectual and cultural property.¹¹ Through patenting seeds and even genes and through commercialising all forms of culture the last spheres of human and natural life are subjected to the mechanisms of capital accumulation. Those who own property beyond their needs can, by the exchange value of their surplus property, expropriate the “property for use” of all non-owners.

Thus, neo-liberal globalisation has become a totalitarian project, disguising itself religiously as the ultimate incarnation of freedom and democracy. Because of this new fundamentalism of the total market and empire we have to wage the struggle also at the religious level. How can we mobilise genuine religious resources in order to regain space for a human life in dignity and justice?

2. Biblical impulses for an alternative

The origin and spread of the property and credit economy from Greece in the late 8th and 7th centuries BCE encountered a quite different context in Israel.¹² The liberation of the Hebrews from the slavery of the Egyptian empire and the farmers from the tribute obligations of the Canaan city-kingdoms took place around 1250 BCE. The freed slaves and farmers settled on the Palestinian mountains and organised themselves into independent families and clans. They settled their common affairs in egalitarian fashion at a general meeting, with explicit reference to the God to whom they owed their liberation, Yahweh (*qu'hal Jahwe*).

Round about 1000 BCE the people opted for the monarchy, against the resistance of peasant and prophetic groups. The consequence was increasing oppression and exploitation of peasant people by the king's court, his officials and the military (1 Sam 8). With the new mechanism of property-interest-money the (small)holder producers suffered an additional dangerous attack on their livelihoods. Before they had to pay taxes to the king, the temple and for the luxury of the aristocratic upper class from their production, going beyond the costs of their reproduction. Now

¹¹ Cf. Rifkin, J., 2000, *The Age of Access: The New Culture of Hypercapitalism, Where All of Life is a Paid-for Experience*, New York. Rifkin claims that the role of property is being replaced by access. But this is a semantic problem. Under property he understands material goods of production and consumption. But it is clear that also the new forms of intellectual and cultural property have one goal: the accumulation of capital property.

¹² Cf. Duchrow, U., 1995 (1998²), *Alternatives to Global Capitalism – Drawn from Biblical History, Designed for Political Action*, International Books, Utrecht, 142ff.

competition arose among themselves. They did not take out loans in order to set up a lucrative, credit-financed production in the modern sense but from pure hardship – e.g. for seed when they had a bad harvest and had to eat the seed before the next seed-time in the interests of sheer survival. The consequence was that many lost their land to the large land-owners piling up more and more land and, to add insult to injury, had to work as debt slaves for them. It may be assumed here that the new form of property economy with its credit mechanism seeped into the monarchic, feudal system and that the starting point was unequal land distribution. The decisive thing for the social history development of Israel was that the farmers were exposed to another exploitative mechanism from the late 8th century, in addition to the royal and imperialist structures of tribute. This mechanism arose in their own midst and destroyed their solidarity.¹³ How did Israel react to this aggravation of the situation?

Four distinct ways to secure the practical consequences of faith in Yahweh can be observed over the centuries up to the Jesus movement and the early church:

- Prophetic critique
- Legal provisions
- Strategies of resistance and defiance
- Alternatives in small groups.

Precisely the wrong development in public and social life, caused by the new property economy, called forth the protest of the great *prophets* in the last third of the 8th and then of the 7th centuries. Amos and Hosea (still in the northern kingdom before its destruction in 722 BCE), Isaiah, Micah, Zephaniah, Jeremiah, Habakkuk and Ezekiel called for law (*mispāt*) and justice (*sedāqā*), which were lost through the new property law. But above all, repealing justice and the rights of the poor meant rejecting the God of Israel himself. Knowing God is identical with creating justice for the poor (see e.g. Jer 22:16). E.g. the prophet *Isaiah* in the 7th century criticised the expropriation of farming families and the accumulation of land in sharp terms: "Ah! You who join house to house, who add field to field, until there is room for no one but you and you are left to live alone in the midst of the land!" (Is 5:8). He, too, calls the greedy land-owners "thieves" (1:23) and the seizure of the land of indebted farmers taking "the spoil of the poor" (3:14).

The prophetic critique of the 8th and 7th centuries was not totally unsuccessful. That is clear from the different *legal reforms* from that period and afterwards. The first took place in the early 7th century BCE, reflected in the so-called *Code of Covenant* (Ex 21-23). Here we find e.g. the prohibition of interest and the regulation of taking pawns with the goal not to endanger the lives of indebted people and with the theological argument that Yahweh is "compassionate" (22: 24-26). In 622 BCE the *Deuteronomic reform* under king Josiah adds corrective measures like social "taxes" every third and debt cancellation as well as the liberation of debt slaves every seventh year (Deut

¹³ In his book "State and society in pre-exile Judah – from the 8th century to the exile" (*Staat und Gesellschaft im vorexilischen Juda – vom 8. Jahrhundert bis zum Exil*, E.J. Brill, Leiden/New York/Köln, 1992) Rainer Kessler examined precisely the period in which the property economy was penetrating into the society of the kingdom of Judah. He shows that the basic contradiction arising from the property economy in Jewish society was that between creditors and debtors.

14:28ff. and 15:1ff.). After the traumatic experience of the destruction of Jerusalem and the deportation of the Judean upper classes by the Babylonians there is a broad reflection on the issue: how to reorganise society after return from exile in order to avoid the systemic injustices with its disastrous consequences. One result is the *Code of Holiness* in the priestly writings (Leviticus). Here, besides the prohibition of interest etc. we find the famous jubilee regulation for the redistribution of land (the means of production in an agrarian society) every fiftieth year so that each family regains the basis for subsistence farming. The key theological argument is: "The land shall not be sold in perpetuity, for the land is mine; and with me you are but aliens and tenants (Lev 25:23)." This means there must be no absolute property for human beings but the gifts of God are for the life of all people.

The same is expressed in the magna charta of biblical economy, the story of manna (Exod 16). The bread given by God from heaven in the desert is enough for every person for each day. "...those who gathered much had nothing over, and those who gathered little had no shortage" (v. 18). Jesus prays accordingly: "Give us this day our daily bread" (Matth 6:11). This is the economy of enough in opposition to the economy of unlimited property accumulation through money mechanisms.

When the accumulation of power and wealth becomes totalitarian as in the Hellenistic-Roman empires the only way for faithful Jews and followers of the Messiah Jesus to react is *resistance and defiance*. The classical text is the story of the three Jewish men resisting the worship of the golden statute of the emperor. They risk to be thrown into the furnace (Dan 3). And according to Revelation the faithful Christians are not participating in the imperial economy (13:16f.). The faithful congregations suffer affliction and poverty (2:8-11), while the unfaithful are rich because of adaptation to the empire (3:14ff.). But God will bring down the thrones of power and wealth (18) and create a new heaven and a new earth of justice and life (21).

Jesus himself adds another exciting option in view of the presence of the sovereignty of God destroying all domination of humans over humans through property and money mechanisms: the *small scale alternatives* in communities of faithful people. Certainly he also practices resistance. This is most obvious in Jesus' prophetic confrontation with the temple (Mk 11:15-19). It is the economic centre of the priestly aristocracy robbing the poor for the sake of the temple treasure by the system of sacrifices and collaborating with the Roman Empire. Matthew the evangelist (Mt 6:19-34) elucidates the same in the context of his topic "collecting treasures" on earth. "You cannot serve God and Mammon." So the conflict is not just about material things but the God question. Who rules finally? The God of accumulation for the few or the compassionate God caring for the lives of all? All what is needed for life will be given to those who first seek the kingdom of God and its justice, that is, a life in just relationships. This life of sharing is exemplified in the story of Jesus and his disciples feeding the 5000 (Mk 6:35ff.). The disciples want to go to the market. But Jesus empowers the people to feed each other by sharing what they have. This is enough for every body and more than enough. Sharing leads to abundant life: "I came that they may have life, and have it abundantly" (John 10:10).

The early Christian community, filled with anti-imperial Spirit, is living this alternative. The classical text is Acts 4:32-35. The congregation voluntarily shared its property. More exactly that means: those with land and houses sold them and placed the proceeds at the apostles' feet. This wording can be no accident. After all, precisely the accumulation of land and houses had been attacked since Micah and Isaiah as a structural cause of the impoverishment of the farming population. And Jesus had called this robbery, in the same prophetic tradition, and demanded of the rich young land-owner that he sell his accumulated goods and give the proceeds back to the poor (whose land had been stolen through the mechanisms of property - interest-bearing loans – debt; Mk 10:17-22). And this balancing out of property was expressly described as the fulfilment of the Deuteronomic Torah, as the text in Acts continues: "There was not a needy person among them" (cf. Dt 15:4). At the same time, however, it says that they gave their testimony to the resurrection of the Lord Jesus. That means, that way Jesus came alive among them not by their using their property as their own, to maximise personal profit and accumulate property, but by the community living together in such a way that there was no hardship among them. Jesus' resurrection means – economically speaking – life in community without need. That is the fulfilment of the laws and the prophets in the First Testament.

What does this clear biblical witness say in our context?

3. A new property order "from below"

The historical and biblical overview demonstrates that there is a basic decision before us: shall the economy serve the accumulation of property for a few owners or shall it serve the life of all people and the earth? Neo-liberal globalisation shows that an economic system following the deregulated rules of the market based on the absoluteness of private property and unlimited accumulation through money mechanisms leads to destruction and even self-destruction. It is not possible to repair the damages produced by this system. All efforts by governments or by the UN since the eighties of the 20th century to stop the destructive effects of the global system in the framework of neo-liberalism have been in vain. Public debt is growing everywhere, social exclusion and degradation as well as the destruction of nature are increasing around the globe. So we need to reconstruct the basic foundations of our economy. A key element in this is private property because the whole credit, production, distribution and consumption system is built on private property. It operates according to the principle: "those who have, more will be given; but from those who have nothing, even what they have will be taken away" (Luk19:26).

Every practical proposal of an alternative property order is to be checked and judged by whether it is de facto useful to real life and whether anyone was excluded from the process of devising it or would not benefit from its consequences. Here there can be no *a priori* prescribed, absolute priority for a specific form of property. There can be no natural law governing (capitalist) private property, nor can state ownership of the means of production be the only alternative. Precisely this false, absolutised alternative has brought the world to the almost hopeless situation in which it finds

itself at present and which is driving it further into the abyss. Any alternative proposed below is therefore to be checked strictly against the necessary criteria of life and the participation of all, and also in terms of its feasibility. All historical, cultural, technical, political, legal and economic factors need to be considered. The results must remain open, allowing for revision. I am not replacing market fundamentalism with another form of fundamentalism. The goal is the fullness and variety of real life.

The first form of property is *personal property*. The historical and cultural ubiquity of personal property indicates that its allocation corresponds to people's basic needs. Here we have property in its legitimate form measured as use value, not as exchange value for the purpose of limitless accumulation in the capitalist market.

Land, natural resources and the environment are goods which should not be owned in the sense of *dominium*, of absolute private ownership; there should only be the right of usage. The long-term goal here can only be that of reversing capitalist development. There are different ways to approach this. Indigenous peoples and social movements like that of the landless (Movimento Sem Terra) in Brazil struggle for fundamental land reforms. But also "First World" economists like Hans Christoph Binswanger from St. Gallen, Switzerland, call for a fundamental revision of the constitution regarding the ownership of land.¹⁴ With a research group he has presented proposals for a total revision of the Swiss federal constitution to bring about a phased, more or less radical abolition – or at least restriction – of dominion over land. They proposed different options:

1. Turning real estate into public property, be it that of the municipality or the state.
2. Distinguishing between property for use or for disposal, and turning the latter over to the local authority or the state; property for use would be subject to public regulations.
3. Property would be divided up in this way in urban settlements and property for disposal would be turned over to newly formed public owners' associations, either consisting of all inhabitants or of the owners but allowing the inhabitants a say.
4. Excluding the right to building on property.
5. Retaining a comprehensive concept of property but having the state or local authorities restrict the freedom of use.
6. Maintaining the guarantee of ownership but restricting the freedom of disposal by the local authorities or the state.
7. Introducing state taxes on the basic income from the landed property, which also gives direction to the market.¹⁵

¹⁴ Binswanger, H.Chr., 1978, Eigentum und Eigentumspolitik. Ein Beitrag zur Totalrevision der Schweizerischen Bundesverfassung, Zürich, 27ff., summarised on 58ff.

¹⁵ Fred Harrison and others have taken up the heritage of Henry George, Progress and Poverty (1889) asking for a 100% tax on the annual rental value of all land plus natural resources and a simultaneous reduction in other forms of taxation claiming that this would allow for a public budget satisfying all social needs. Cf. Harrison, F., ed., 1998, The Losses of Nations: Deadweight Politics versus Public Rent Dividends, Othila, London.

8. Adopting state regulations on ownership, e.g. so that legal entities can only be owners in the public interest and that only restricted ownership of housing and building land is allowed – related to a proprietor's own use.

These variants clearly show that transitional arrangements are possible depending on political feasibility, but in no case is there to be a guarantee of unlimited ownership of land for unlimited wealth accumulation. The optimum solution from the angle of real life and the involvement of all local stakeholders is communal property. In similar ways natural resources (water!) and environmental goods have to be looked at. Unlike the tradition of dominium and common law, this new conception of law does not assume that private property is absolute and then possibly allow restrictions. Instead the preservation of the natural environment is fully integrated into the very concept of ownership, and priority in decision-making is given to the cooperatives of local and regional residents affected by decisions.

The same conversion towards life and the common good is necessary with the ownership form of *basic social services*. It has already become clear how disastrous the consequences are for the majority of people, particularly in pauperised countries, when water supplies are privatised, i.e. transferred to the ownership form of the capitalist market of profit maximisation. But that applies to other basic social services, not just to water. It means public transport, but also basic long-distance connections, basic communication systems, education (schools and universities), health care and energy supply. In all these areas it is not a matter of permitting private facilities *in addition*. The central point is that appropriate public institutions must be available to guarantee that *all* members of society have affordable access to basic provision in these areas. It is a question of practicability as to whether local or central government is the owner. Therefore, it is of utmost importance to join the struggle against the planned privatisation of these services in the framework of the WTO negotiations on GATS (General Agreement on Trade Related Services).¹⁶

Another complex issue is the *private ownership of the industrial means of production*. Existing proposals for reform with respect to the property issue start from two central points: the involvement of workers in wealth and profit development of a company and co-decision independently of ownership. Binswanger proposes the formulating of clear goals to which individual matters can be uniformly related. He here proposes "relating the production of goods to the *common good* as the goal and pivot of all economic law."¹⁷ Three consequences follow from this:

- "The supreme goal besides the production of goods is *personal development* and the *economic safeguarding of all* those working in the company..."
- A further goal is the *granting of participatory (co-decision) rights* in the enterprise."
- Finally he calls for "the broadening of entrepreneurial ownership and the formation of company ownership in the hands of the workers to be made an issue and a constitutional right."

¹⁶ Cf. Stop the GATS Attack, in: <http://www.citizen.org/pctrade/GATS/GATSsignon.htm> and: <http://www.xs4all.nl/~ceo/gatswatch>.

¹⁷ Binswanger, 1978, 146ff..

For some time now, however, there has been a new model: a tax-financed basic income for all citizens. A precondition for the implementation of such a model would be a tax system starting from productivity and wealth. The present fiscal system is shifting the burden of tax increasingly to work and away from capital. This by no means corresponds to productivity development, that is increasingly being determined by capital investment. Hence taxation on the basis of value added would be the appropriate form in the productive sphere.

In the case of *intellectual property and culture*, too, fundamental resistance is called for. The elements of life, the “commons”, must not go into private ownership. The central reason is that private property excludes, and only allows access to well-off buyers, while public ownership guarantees (at least in principle) access to the good in question, in this case to knowledge.

How to envisage alternatives with regard to *money and finance*? Among other things the monetarist policy deregulating the interest rates on the transnational money markets has to be challenged. The real interest rate must not transcend the real growth rate. Otherwise there is an automatic redistribution of wealth from debtors to owners of money assets. Another core demand is the political curbing of speculation by measures like a turnover tax on all currency transactions, known as the Tobin tax, as well as capital movement and currency controls. Another key problem is that of tax oases and offshore finance centres. Their only purpose is to save capital property from the responsibility for society and the common good. Tax flight must be abolished, not just from the alternative perspective of human and natural life, but also for the self-preservation of the state and even of the real economy. For all that we need new international political cooperation in the framework of a reformed UN instead of the undemocratic institutions like IMF, World Bank and G7 dominated by the property owners.

4. The options of the social movements including unions and churches

Prophetic critique, resistance, living alternatives and intervention towards legal reforms – these were the biblical forms of practicing faith in Yahweh, the compassionate God. How could these impulses be implemented by actions of civil society today? This seems to be the question of the Social Forums at all levels. This is also the question within the ecumenical “committed process of recognition, education and confession regarding economic injustice and ecological destruction” launched by the World Alliance of Reformed Churches (WARC) in 1997, confirmed by the World Council of Churches (WCC) Assembly in Harare in 1998¹⁸ and also taken up forcefully in the Lutheran World Federation (LWF) at its last Assembly in Winnipeg/Canada (2003), the General Council of WARC in Accra (2004) and the AGAPE (Alternative Globalisation Addressing People and Earth)-Document in preparation of the WCC Assembly in Porto Alegre (Febr. 2006).

Prophetic critique and resistance is needed regarding the global market which totalises the mechanism of capital accumulation based on private property, idolises itself and

¹⁸ Cf. WCC (ed. D. Kessler), *Together on the Way*, Geneva 1999, 183.

is increasingly destroying the life of people and the Earth, implemented by neo-liberal political powers.

Living alternatives is needed and possible, particularly at the local/regional level. Locally people have lost more and more power over their economy. This trend is now being fostered by the WTO negotiations on a General Agreement on Trade in Services (GATS) including the privatisation of public local services like traffic, health and education. In his book *Captive State* George Monbiot has shown for the UK how this policy has decreased the quality of the services, made them more expensive for the people and subsidised the private companies from tax money.¹⁹

It is therefore crucial for the communities to win back control over those aspects of the economy which are necessary to satisfy the basic needs of the people. As mentioned above, this includes the question of ownership. It has to be reconsidered where communal and cooperative ownership is the adequate form of property. An economy needs to be build bottom up, not top down. Many initiatives in India, Bangladesh, the UK, Germany, France, Canada show that this is possible.²⁰ In Canada a campaign of the cities and communities has been started to oppose the GATS (cf. the Resolution of Vancouver²¹). I am sure that Ed Mayo will talk more about this later during this conference.

Let me only mention the classic book by Richard Douthwaite, *Short Circuit*.²² He describes four areas in which people can organise themselves cooperatively in order to develop self-reliance: Create their own money for exchange (LETs), do their own banking, thus keeping their saving power in the region, use locally available energy like sun, water, wind and bio-mass, produce and market their basic food locally. All these fields of action aim at satisfying needs, not at accumulating private assets.

Local initiatives, however, are not enough. Globalisation, left alone, destroys more than can be built up locally. Therefore, "Protect the Local, Globally!" (Colin Hines).

Intervention for legal political reforms is needed regarding many demands asked for by the victims of neo-liberal globalisation. We have to form broad alliances in order to put pressure on our governments (and the European Union) to end their present neo-liberal policies regarding the global market. In order to concretise and strengthen this vital and constitutional transformation of politics over against economic interests civil society movements are involved in various campaign asking for specific changes. In the light of the reflections on property the following are central, above all:

- the *promotion of municipal and cooperative ownership at the local and regional level*, in order to give the people there the opportunity to organise production and

¹⁹ G. Monbiot, 2000.

²⁰ Cf. M. Mies, *Globalisierung von unten. Der Kampf gegen die Herrschaft der Konzerne*, Rotbuch, Hamburg, 2001, pp. 158ff. and 185ff.; H. Diefenbacher, *Nachhaltige Wirtschaftsentwicklung im regionalen Bereich*, FEST, Heidelberg, 1997; D. Korten, *The Post-Corporate World: Life after Capitalism*, 2000.

²¹ Cf. P. Julien, 2000

²² R. Douthwaite, 1996

services to satisfy their basic needs in the context of their respective ecological and cultural conditions;

- consequently to immediately *end the GATS negotiations in the WTO setting* that aim to privatise public services; the privatisation of water supplies has particularly fatal consequences since in the poorer countries transforming water into a means of accumulating capital property excludes the poor from the most fundamental human right, the quenching of their thirst by drinking water; but also energy, health, education services are in danger of being subjected to the capital logic;
- rescinding the *WTO TRIPs agreement on the patenting of intellectual property regarding seed and life-forms*, in particular the protection of people and their genes from patenting, in order to prevent the monopolisation of life and the threatening world food crisis and the commercial manipulation of the future of humankind;
- *moving land and environmental goods into public trusteeship* or cooperative common ownership with strict social and ecological requirements for any economic usage;
- *linking private productive property to strict criteria* of social usefulness and the participation in decision-making by the employees and other stakeholders, and particularly promoting investments in the production of simple, durable utility goods;
- the *consistent combating of speculation* on the financial, particularly currency markets, with instruments like the Tobin tax, capital flow controls and regulation of derivatives;
- *the prevention of tax avoidance and consistent combating of tax flight* at the national and international level, since the withdrawal of tax harms the common good not only directly but also indirectly, through the resultant public debt;
- the *reintroduction of visibly progressive taxation of incomes from entrepreneurial activity and assets* in the sense of the constitutional commitment of performance-related contributions to the common good, and the extension of this system to the global level;
- the *ending of the monetarist policy introduced in 1979 and re-regulation of the interest rate* on the trans-national markets in order to adjust real interest to the level of real growth;
- the immediate *abolition of the structural adjustment policy of the IMF and World Bank*, which in order to pay interest to capital owners plunges whole societies into poverty and misery, plus the cancellation of all illegitimate debts;
- the *phased restructuring of the international system* into democratic institutions in the framework of the UN, which needs to be reformed accordingly.

All these proposals have to be evaluated in relation to the time they require. Some are long range some are short range. But it is necessary also for the short range goals to keep the long range perspective clear. Only in this way we can get at the root causes of the present system in order to transcend capitalism and make another world possible.