

# DEMOCRATIC ECONOMICS

A POST-EMPLOYMENT PROPOSAL

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Humanity today is more globally connected and informed than at any point in our history and so our ability to affect positive social reform is greater than it's ever been. As a species we currently march astride a cavalcade of environmental and social crises, many of our problems borne of human exploitation of nature and of each other. The mainstays of human exploitation since the mid-20<sup>th</sup> century have been the function of *Interest (usury)* and *State-legislated capital gain (employer profit margins)* by Banks and various other 'Capitalist' enterprises.

Interest first hit the streets of Rome around 100BC and led to the collapse of the empire, as accounted here by ex-director of the South African Reserve Bank Stephen Mitford Goodson\*:

*"The Roman Empire had become a parasitic organism...It's economic ruination preceded its political ruination. There was no industrial production, almost all food had to be imported and usury was practised on an unprecedented scale. The wealth of the empire that was not held by the Church, was controlled by 2,000 Roman families. The rest of the population lived in poverty."*

\*A History of central banking and the enslavement of mankind. Goodson, S.M.2014. ISBN: 978-0-9927365-3-8

If people are engaging in trade it may necessitate the use of money as tokens for labour. Once money is made to 'breed' through the murky concept of usury its purpose is subverted. What does it mean for a labour token to breed? Someone is demanding from you labour tokens without supplying labour. They have taken ownership of a little of your labour power at no cost. You'll now have to spend a portion of your free time in service to them or forfeit held wealth. This is enslavement and ought not be tolerated; a person's autonomy to trade their labour is an intrinsic right. Aristotle notes\*:

*"Money, being naturally barren, to make it breed money is preposterous and a perversion from the end of its institution, which was only to serve the purpose of exchange and not of increase... Men called bankers we shall hate, for they enrich themselves while doing nothing."*

\*Politics. Aristotle.

It's worth clarifying here that Interest and Legislated capital gain function identically where both are enforceable by a state. Interest is surplus-value demanded on top of a labour exchange, often by banks; Legislated capital gain is surplus-value above a fixed wage a capitalist employer extracts from their employees. Both transactions see an individual guaranteed to earn less than the value of their labour; guaranteed to make a deficit. I will henceforth refer to such exploitation collectively as 'usury'.

Capital is a natural phenomenon within a free marketplace. The 'marketplace' is comprised of people trading in one of two ways; Commodity-Money-Commodity (CMC) & Money-Commodity-Money (MCM). Examples of CMC trading would be growing corn, selling it for money, and buying wheat; or selling your labour for money to buy food. CMC is trading to obtain various commodities and can bypass the use of money altogether (CC). MCM trading is buying a commodity for a sum of money in order to trade it on (presumably for a higher sum). This is money acting as capital and producing a 'Capital gain'. In a free market people may become rich through capital gains, known colloquially as 'hustling', by moving around striking deals to their favour. This is not controversial as it is up to each individual's discernment of a 'good deal' to avoid making deals to their deficit. However, were it that people were legislated to take a deficit this would be taking possession of a portion of their labour power gratis; fractional slavery.

Therefore, another's Capital gain is a poor deal that a free man would best decline. Capitalism entered the ranks of usury when the British empire began forcing people to accept such employment in the towns with the 'Statute of Labourers' of King Edward III in 1349 fixing wages and working hours to ensure healthy profit by the employers. This ramped up when, in the 1400s, King Henry VII introduced the first in a long string of vagabondage laws declaring those fit to work criminals if they refused employment. Karl Marx covers this in volume in his famous critique of capitalism, *Das Kapital*\* (here translated by Samuel Moore & Edward Aveling):

*"men, suddenly dragged from their wonted mode of life, could not as suddenly adapt themselves to the discipline of their new condition. They were turned en masse into beggars, robbers, vagabonds, partly from inclination, in most cases from stress of circumstance. Hence at the end of the 15<sup>th</sup> and during the whole of the 16<sup>th</sup> century, throughout Western Europe a bloody legislation against vagabondage. The fathers of the present working-class were chastised for their enforced transformation into vagabonds and paupers. Legislation treated them as 'voluntary' criminals, and assumed that it depended on their own good will to go on working under the old conditions that no longer existed."*

\**Das Kapital: Kritik der politischen Oekonomie.* Marx, K. 1867. English translation: *Capital*, 2013. ISBN: 978-1-84022-699-7

Marx details the empire's brutal punishments for vagabondage as they rolled out through the coming decades; repugnant combinations of whipping, branding, slavery & execution. He summarises;

*"Thus were the agricultural people, first forcibly expropriated from the soil, driven from their homes, turned into vagabonds, and then whipped, branded, tortured by laws grotesquely terrible, into the discipline necessary for the wage system."*

*"the 'free' labourer, thanks to the development of capitalistic production, agrees, i.e., is compelled by social conditions, to sell the whole of his active life, his very capacity for work, for the price of the necessaries of life, his birth-right for a mess of pottage."*

Modern vagabond laws take the form of private property, permits and licences, and negligence of those without home or capital. Those the state does help out of poverty are handed to a capitalist enterprise by the employment office to subsist and drive private profits. Thusly the function of legislated capital gain; the authoritarian 'Capitalist Economy', was spread to all the people under British rule and subsequently to all modern nation-states. Usury, inclusive now of capitalist employment, has become commonplace between people and adopted into the zeitgeist. Indeed, so much that many mistake the capitalist entities who undermine their free market for the market itself; thankful for the employment they offer instead of angry at their state for supporting their exploitative practices.

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Pyramid schemes are defined thusly by the Australian Competition & Consumer Commission (ACCC):

*"Pyramid schemes make money by recruiting people rather than by selling actual products or services, even if the scheme includes the selling of a product. These schemes work by asking new participants to make a payment, known as a 'participant payment', in order to join. New members are promised payments for recruiting other investors or new participants."*

Enterprises set up within a capitalist economy pay employees at set 'pay points' establishing a pyramid scheme that may see the production of commodities but absorbs all profits above a steady close-to-subsistence wage of all participants (employees). Thus, the employees are making regular payments, or have been made partial-slaves, to

the CEOs at the top of the pyramid. Unlike other pyramid schemes that are illegal within the nation state of Australia under the “Competition and Consumer Act” of 2010\*, interest and legislated capital gains have permitted private enterprises to funnel money to their CEOs to such an extent that according to research by NGO Global Justice Now\*\*, as of September 2015, “[the] 10 biggest corporations make more money than most countries in the world combined” and “69 of top 100 economic entities are corporations not countries”.

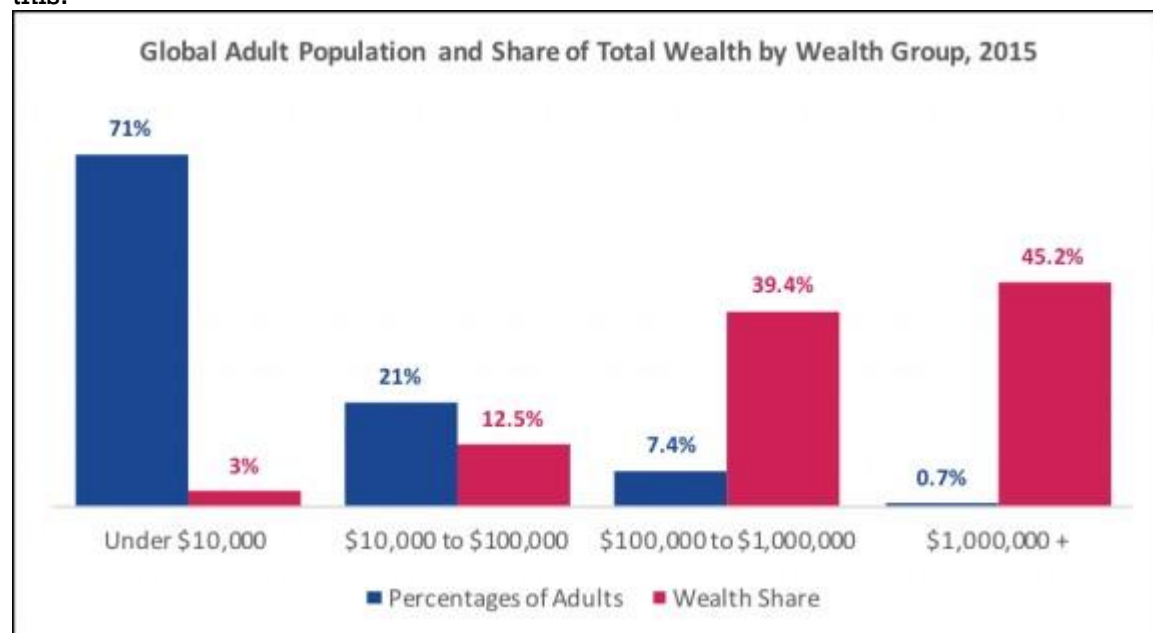
\* Part 4-1: Offences relating to unfair practices, Division 3: Pyramid schemes (sections 44 to 46), states unequivocally that “A person must not participate in a pyramid scheme”, clarifying ‘participate’ as: “(a) to establish or promote the scheme...(b) to take part in the scheme in any capacity”.

\*\* G.J.N’s List of top 100 economic entities as of September 2015 available here:

[http://www.globaljustice.org.uk/sites/default/files/files/resources/corporations\\_vs\\_governments\\_final.pdf](http://www.globaljustice.org.uk/sites/default/files/files/resources/corporations_vs_governments_final.pdf)

G.J.N Article here: <http://www.globaljustice.org.uk/news/2016/sep/12/10-biggest-corporations-make-more-money-most-countries-world-combined>

The exponential growth of technology could have seen societies working less each year with a greater quality of life. This growth however is largely absorbed by the coffers of CEOs around the world as they extract greater productivity from those they subject. The race they run is sustaining their GDPs whilst money moves from their workers to their capitalist leaders in the form of non-negotiable profit margins. This means they are ever expanding; buying up resources and lobbying governments to permit their environmental and social devastation. Ever striving to pay their workers less for more and to engage more workers into their employ. Thus by 2015 the wealth gap looked like this:



Source: Credit Suisse Research Institute, [Global Wealth Report 2015](#)

It’s not just wealth such private enterprises are permitted to commandeer from the population but full autonomy of labour; leading to vast mining and logging operations, agriculture, cash crop monocultures, toxic waste, & myriad other environmental and social devastation as the CEOs demand profits over air or water or quality of life and their wage-slaves are obliged to comply.

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I live in Australia. The island or the nation state? Some purport that I don’t get to

choose; that the state has revoked my land rights and it now dictates my culture. The state is, however, peopled by my kin, and we can decide together.

There are a lot of us so democratic governance is a positive idea. Small communities with direct democracy are ideal as regular meetings can be held where people discuss pros and cons of each plebiscite. Larger numbers necessitate democratically elected representatives that hold veto power on all decisions. All are taxed equally to fund the community goals.

So then, is it really so bad to be property of the Australian nation state? Well, the state is one thing; its blanket laws and prison camps, its monopoly of legal violence and carpet bombing in the middle east, its callous sequestering of resource. The fact is, all these aspects, along with the most detrimental legislation, are not intrinsic to nation states, (clearly; they are not in the interests of the people) but are simply how they have adapted to their chosen, authoritarian, economic system.

The nation state of Australia is at fault for harbouring such slave practices. The democracy of its governance is undermined entirely by the capitalist organisations orchestrating its authoritarian economic system.

The power follows the money and it trickles up with the legislated Capital gains. That is to say; being that the state runs on the taxes of the people, and increasingly their labour is owned by private capitalist enterprises, the state's funding relies on those enterprises. This had lead increasingly to business-oriented state legislation protecting capitalist operations and restricting the people's rights of declination and protest.

The unfortunate reality in present-day Australia is that the momentum of capital enterprise is such that protesting to stall operations is a necessary part of a legal defence; in order for the people to repeal state approval of a clear-felling operation or a new mega-mine they need time they don't have.

The NSW government's 'Inclosed Lands, Crimes and Law Enforcement Legislation Amendment (Interference) Bill' of 2016 is the latest in what the Sydney Morning Herald described as "a corrosive national trend"\*; it expands police powers to shutdown peaceful protests, and grants police the "Power to search for and seize things without warrant"\*\*. It also expands on the definition of a 'mine' to cover CSG operations despite majority public opposition to the practise as far back as 2011<sup>+</sup>.

\* SMH article: <http://www.smh.com.au/comment/nsw-antiprotect-laws-are-part-of-a-corrosive-national-trend-20160321-gno10h.html>

\*\* Interference Bill here: <https://legislation.nsw.gov.au/bills/89cc1f86-2a0e-4582-8f17-e7858ce8e103>

<sup>+</sup> Galaxy Poll commissioned by the Australian Greens Party, article here: <http://econews.com.au/4702/poll-shows-most-australians-want-csg-moratorium/>

In other Australian states similar bills are being passed such as Tasmania's 'Workplaces (Protection from Protesters) Act' of December 2014 and western Australia's 'Criminal Code Amendment (Prevention of Lawful Activity) Bill 2015'. These new bills stand hand in hand with the Crimes Act of 1900 and the Mining Act of 1992 to quell any opposition to current capitalist agendas.

There are 34 coal mines currently operating throughout NSW alone, with further mines and expansions green-lit whilst 2017 polling of Australians by the Lowy Institute\* found "Most of them (81%) want the government to 'focus on renewables, even if this means we may need to invest more in infrastructure to make the system more reliable'. The Australian mining industry is propped up by "more than \$2 billion in subsidies every year" by the Australian government.

Thus, we see the people's elected system of governance is not working for their interests, in fact the capitalist operations it supports are often wholly *against* their interests.

Moreover, nine new mega-coal-mines have also been proposed for the galilee basin in central Queensland; all the private property of Adani Enterprises, GVK, and Waratah coal (owned by Mineralogy).

Adani Enterprises (worth US\$19 Billion in 2015 whilst employing only 10,400) has begun construction on their Carmichael mega-coal-mine (approx. 447km<sup>2</sup> in area) despite majority public opposition<sup>^</sup>. It is even being considered for a \$900 million state loan, also despite majority opposition<sup>+</sup>. A Greenpeace report<sup>++</sup> said of the mine: "The mine would have a maximum production capacity of 60 million tonnes per annum. This amount of coal, when burnt for electricity generation, would produce 128.4 million tonnes of CO<sub>2</sub>, greater than the 2009 CO<sub>2</sub> emissions from fuel combustion in Sweden, Norway and Denmark combined". Furthermore, it discourses, "There are plans to dredge millions of cubic metres of sea floor in the Great Barrier Reef World Heritage Area" to create shipping lanes to export the coal. Adani has also applied for a water licence to extract up to 12.5 GL per year from the Belyando River for this one mine alone.

\* Lowy Poll 2017 here: <https://www.lowyinstitute.org/publications/2017-lowy-institute-poll>

\*\* "The Fossil Fuel Bailout", a report by Overseas Development Institute and Oil Change International: <http://priceofoil.org/content/uploads/2014/11/G20-Fossil-Fuel-Bailout-Full.pdf>. <http://www.abc.net.au/news/2014-11-11/coal-oil-and-gas-companies-receive-4-billion-dollar-in-subsidie/5881814>

<sup>^</sup> ReachTel poll, commissioned by The Australia Institute:

<https://www.theguardian.com/environment/2017/oct/07/most-australians-oppose-adani-mine-poll-shows-amid-national-protests>

<sup>+</sup> <https://www.theguardian.com/business/2017/oct/08/nearly-70-of-australians-oppose-government-loan-for-adani-mine-poll>. <http://www.sbs.com.au/news/article/2017/07/10/liberal-voters-oppose-coal-mine-subsidies>

<sup>++</sup> Greenpeace report: <http://www.greenpeace.org/australia/en/what-we-do/climate/resources/reports/Cooking-the-climate-Wrecking-the-reef/>

Also worth a mention here are the subsidies & concessions being legislated to aid the logging industry's clear felling of Australian forests. Such business-orientated legislation has led to Australia having, according to the Australian wildlife conservancy\*, "the worst mammal extinction rate in the world: 30 native mammals have become extinct since European settlement... Around 30% of our surviving (non-bat) mammal species are threatened with extinction.". The Australian Koala Foundation, based on research in 2004, says it "believes that the national wild Koala population could be less than 80,000, a far cry from the millions which were shot in the early part of the last century for their fur."<sup>+</sup>

Thus, to be an Australian in the current economic model you must, as your government has already done, put the private profit of a few organisations over love of flora and fauna, of koalas and trees, of ongoing and sustainable life. The above examples are a mere drop in the ocean when considering the ruinous directive power capitalist enterprises have over individual's labour-power as well as over the legislature of those individuals' system of governance.

\* AWC website: <http://www.australianwildlife.org/wildlife.aspx>

<sup>+</sup> AKF Koala distribution figures here: <https://www.savethekoala.com/about-koalas/distribution>

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The further labour tokens are removed from the labour they represent, and the more the action of Interest and legislated Capital gain are mystified and obscured

in the dominant social narrative, the easier it is for usurers to exploit. Look at banks today, stock brokers, speculative bankers et al; they've run away with the mechanisms of usury, taking possession of people and places alike, even exacerbating global hunger by buying up 'derivative contracts'\* in food production.

The myriad of other capitalist enterprises that've sprung up across the globe have similarly seized dominion through the function of legislated Capital gain on their billions of employees.

\* *'The Great Hunger Lottery' World Development Movement report here:*

[http://www.globaljustice.org.uk/sites/default/files/files/resources/hunger\\_lottery\\_report\\_6.10.pdf](http://www.globaljustice.org.uk/sites/default/files/files/resources/hunger_lottery_report_6.10.pdf)

Further information on food speculation: <http://www.globaljustice.org.uk/food-speculation>.

<http://foreignpolicy.com/2011/04/27/how-goldman-sachs-created-the-food-crisis/>

Usury is exploitative but also drastically unsustainable and ought not be tolerated by legislature of modern societies.

Society cannot be tolerant of the intolerant; fascists allowed to their ideologies would act to force others into complicity and oppress dissenters. Similarly, between stock brokers and information traders, between central banks and shop owners, inexplicably all by the IMF's schema, the action of interest and capital gain has extracted the power of all the people's various systems of governance; trickling upstream with the money; Labour power. Buying Power. Lobbying Power.

A solution? The Australian state need outlaw the usurious employment practice of modern-day capitalist enterprise, as they have done its fellow pyramid schemes, along with the practice of Interest. Democratic co-operatives can be the only fair economic model that sees people and their system of governance retain autonomy. Indeed, democracy in all things; if a decision affects a person they deserve a say in it, one person one vote.

Union action has always been the pressure release valve for capitalistic oppression; let's take it to its natural conclusion - remove the CEOs and have the union run the enterprise. This way workers allocate and direct their own labour and the interests of all the people surpass the interests of a handful of usurers looking for a free ride. For capitalist CEOs updated anti-usury legislation would mean either letting go of their employees or going into partnership with them as a co-operative. This would force the biggest capitalist enterprises to downsize to a level where they are able to facilitate democratic decision making amongst all participants and pay each a fair wage. This would open up the market in communities across Australia for entrepreneurs to establish competitive local co-operatives and see the wealth spread evenly throughout the population. Those laid-off by the transition could unionize and immediately establish co-operatives as the broader spread of wealth means lower costs and a more accessible market. Fair work and industry ombudsmen would facilitate complaints of usury offences and aid co-operatives, as they currently do employers, to abide by workplace laws.

Thusly, issues such as land allocation and mineral exploitation would be decisions for the democratic government whilst people could trade their labour individually or together in democratic co-operatives. If a co-operative succeeds in the marketplace the profit, and thus the directive power, is shared democratically. In this way all people have democratic-autonomy over their labour and a free-man's chance to make a capital gain. Furthermore, the lobbying power of co-operatives are diffused keeping the democratic process at the heart of the state's governance. A community of our design needn't see us exploited; needn't be a pyramid.

Indeed, imagine the creative potential of people with a democratic economic

system and system of governance. They would direct their labour to their passions and to their needs; they would heal the world from the devastation that's been wrought, but moreover they'd flourish; building each other up, building community, rather than a mindless cycle of exploitation that has us hurtling toward our end-game.

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