

TEXT CALLING FOR DEBATE ON SOCIAL COLLAPSE



PRESENTATION OF THE DEBATE ON COLLAPSE AND SOCIAL INEQUALITY

The present economic crisis is highlighting the relevance of social inequality both in its origins and in its effects.

A large majority of society is experiencing the consequences of the austerity policies of European governments and the Troika in an extraordinarily negative manner in their living conditions and in their ability to access a very wide diversity of services.

Hence, it is necessary to initiate a debate that provides greater depth in this central aspect that affects all economic and social policy constituting a project for the future based on the interests of a large majority of citizens.

On this basis, the questions formulated below consider four major topics, which require the attention of all eN members and of all those individuals and collectives who are committed to this great project for social and political change.

The first topic for debate is focused on the implications for education, technical progress, business displacement and globalisation in the development of a more socially responsible, mutually responsive society.

The second topic for debate is geared towards social movements taking a position on a book that is highly influential at present (Piketty). It deals with capital income and its origins, inheritance and capital gains tax, the relationship between capital and work, the role of the “super-bosses” of capital in the present economy and the meaning of the meritocracy, or lack of meaning, in Spanish and European society.

The third topic for debate lies in the wage struggle, the question of the power of the wealthy classes in this country, the future of technicians and professionals, the

adequacy/inadequacy of job creation in response to inequality and the relevance of an incomes agreement.

The fourth topic for debate has two aspects: an intergenerational one and a territorial one. The former raises the question of whether progress may be made in the area of inequality without there being social mobility in the transition from parents to children. The second raises the question about the importance of segregation and residential mobility in creating cities for citizens.

This debate now commencing is open, open to society: to citizens, workers, the unemployed, the excluded, professionals and technicians, women and men, to all those with something to say and share in the fight for a social solution to the crisis.

QUESTIONS ABOUT INEQUALITY (to feed into the debate)

1. The ruling classes contend that, in the face of social inequality, it is necessary to promote equal opportunity policies that consist of more education for those at the bottom. Do you think that this could be a way of achieving social progress, given the experience of recent decades and the manifestations of the current economic crisis?

2. It is argued by the elites and conventional economists that unemployment is a natural consequence of technical progress. Do you think that this trend is an ill effect of scientific progress or can it be reversed by other methods in order to create employment?

3. It is also stated by the most influential media that globalisation is inevitable, that it leads to displacement of companies in search of cheap labour and that if we do not “adjust” (i.e. reduce) wages in Spain and Europe, our economic project from the start is doomed to failure due to lack of competitiveness. This pessimistic proposition should be analysed in greater depth. Don't you think there is something wrong with this argument?

4. Indeed, there is talk of globalisation, as if there were only one vision of it. Do you not think that perhaps another type of globalisation is possible where inequality is not a necessity but a problem that needs to be solved so people may live better?

5. Conservatives argue that, when the highest incomes are taxed, they leave the country (“capital flight”). What alternative can be suggested to this phenomenon? Is it possible to carry this out at national level or does it require an international agreement? Is such an approach viable?

6. Wages are falling and some financial authorities like the Bank of Spain have suggested that the minimum wage should disappear. Do you think that this approach is economically viable and socially acceptable?

7. The classes favoured by inequality are strongly connected to the mechanisms of State power. Couldn't this be seen as a key channel of influence for placing the wealth created at the service of these classes?

8. We are told to undergo preparation and training, that merit is the best route for improvement in society; but this is not the case, when many technicians and researchers are forced to emigrate. What is wrong with the system for this to occur, because it is obvious that the alternative does not involve ignorance and giving up studying?

9. Conservatives say that to fight inequality it is necessary to create jobs but if this were simply the case the huge creation of employment in the decade prior to the crisis would have caused inequality levels to fall. However, the opposite occurred, these levels have increased. So what has happened?

10. A school of economists think a key cause of the crisis is social inequality and we observe that since the start of the crisis this has been getting worse. What is going on? It would be convenient to reflect on this important idea: inequality as a cause but also as an effect of the current crisis. A proper response to this question would cast doubt on conservative economic logic because empirical evidence does not seem to support it in any sense.

11. It is said, and rightly so, that productivity – i.e. what each worker produces per hour, month or year, in his/her daily work- is distributed unequally. Increasingly, it is directed less to work and more to capital. Under these conditions, wouldn't it be convenient to launch the initiative of an incomes agreement in order to recover the participation of wages in national income?

12. As a consequence of the previous question: under what conditions could such an agreement be economically and socially acceptable? Alternatively, as it would raise wages without all the rest changing, is it sufficient?

13. Social inequality displays an intergenerational dimension. How is it possible to overcome the initial inequality between a rich, educated family and a poor, uneducated family? Is more education enough?

14. The answer of more education or more human capital leads to another question. Studies seem to confirm that the relational capital of the family is more influential in inequality than human capital. What alternatives could be considered?

15. The current economics bestseller is by French economist Thomas Piketty. He suggests that capital income increases are the principal cause of the growth of inequality: What do you think about this?

16. If you consider Piketty's approach to be logical, perhaps the following question may also be asked: Where does the capital income increase come from?

17. Piketty responded – a little technically- to the previous question that it comes from a capital gains rate that is greater than the income growth rate. However, as Piketty does not tell us, we need to ask again: where does the capital income increase come from?

18. Piketty proposes taxing capital at an international level to avoid it being concentrated: How do you view the proposal? At state level, isn't it the same to tax capital and not work?

19. If the evidence provided by Piketty in the past 250 years is correct and there are no changes to the situation, the 21st century economy will resemble those of the 19th century, when the economic elites inherited wealth instead of obtaining it through work. Would it not be appropriate –as the author proposes – to impose a very tough inheritance tax to feed a policy of redistribution and avoid the accumulation of unearned wealth by a hereditary elite?

20. Continuing with the argument from the previous question, would it not be relevant, as Professor Vicenç Navarro proposes, to tax the highest incomes much more heavily and control capital publicly?

21. A smart economist like James Galbraith criticises Piketty by saying that he starts out from a mistaken concept of capital, that capital is not a machine, money or financial assets. It is that but not only that nor in essence, as this ignores what a classical economist and philosopher like Karl Marx conceives as capital - a social relationship by virtue of which the capitalist has the power to extract a surplus or added value- i.e. a period of unpaid work- in his struggle with the worker over the distribution of wealth generated in a company, a sector or an economy. Wouldn't it be a good idea in this debate to place these fundamental classical economics questions on the agenda?

22. Piketty believes that the problem is not the crisis of economic growth but that this is the source of exorbitant earnings for a minority of "super-bosses" with incomes "they set themselves". When the EU, the Troika and the Spanish government propose that it is necessary to grow without further ado, are they not proposing the deepening of a system that reproduces/continues inequality?

23. Conservatives launched a counterattack on Piketty by saying that the rich and the super-rich have achieved their wealth through endeavour and merit, not through inheritance. We are living, according to his/our political adversaries in a "meritocracy". Should we gather from this that an economic democracy cannot exist? What should we feel about this idea?

24. Authors like Vicenç Navarro believe that the main cause of inequality is social exploitation (that is, of the world of work by the world of capital). Once again, it seems that this is about what was once called the "class struggle", a term which has disappeared as if by magic from academic and media language, but which may be useful in analysing the socioeconomic situation of society. What do you think?

25. The Spanish and European population is increasingly more concentrated in cities. A look at them immediately provides proof of the social differences between districts, i.e. of the residential segregation that exists. What policies (in the area of housing, transport, education, health, social affairs, and employment) may be

implemented from the viewpoint of greater social equality to create a city of and for citizens?

26. In our cities, there is not only a problem of residential segregation but also a problem of a lack of residential mobility (the poor live in poor districts and cannot move house to rich districts, which have better services and greater job opportunities). Again, what policies (in the area of housing, transport, education, health, social affairs and employment) may be implemented from the viewpoint of a greater equality and social dynamism to boost residential mobility?

27. In general, the austerity policies of European governments, and in particular the Spanish one, have carried a deep gender bias. How can we tackle this discrimination against women?

28. More specifically, the increased precariousness of employment, the overload of domestic work, the cuts in social policies in the face of unemployment and women's access to pensions require an equality-based gender policy. What could the main thrust of this policy be?