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**HIGHLIGHTS**

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19/03/21
COVID-19 AND CATASTROPHE CAPITALISM — John Bellamy Foster and Intan Suwandi

COVID-19 and Catastrophe Capitalism
Community Chains and ecological epidemiological concepts

John Bellamy Foster and Intan Suwandi

COVID-19 has accentuated as never before the interlinked ecological, epidemiological, and economic vulnerabilities imposed by capitalism. As the world enters the third decade of the twenty-first century, we are seeing the emergence of catastrophe capitalism as the structural crisis of the system takes on planetary dimensions. Generations and all living things.

Since the late twentieth century, capitalist globalisation has increasingly adopted the form of interlinked commodity chains controlled by multinational corporations, connecting various production zones, primarily in the Global South, with the apex of world consumption, finance, and accumulation primarily in the Global North. These commodity chains make up the main material circuits of capital globally that constitute the phenomenon of late imperialism identified with the rise of generalised monopoly-finance capital. In this system, exorbitant imperial rents from the control of global production are obtained not only from the global labour arbitrage, through which multinational corporations with their headquarters in the centre of the system overexploit industrial labour in the periphery, but also increasingly through the global land arbitrage, in which agribusiness multinationals appropriate cheap land (and labour) in the Global South so as to produce export crops mainly for sale in the Global North.

The circuits of capital of late imperialism have taken these tendencies to their fullest extent, generating a rapidly developing planetary ecological crisis that threatens to engulf human civilization as we know it; a perfect storm of catastrophe. This comes on top of a system of accumulation that is divorced from any rational finance capital. In this system, mondialised imperial rents from the core of global production are channeled not only from the Global South, but also increasingly through the global land arbitrage, in which agribusiness multinationals appropriate cheap land (and labour) in the Global South so as to produce export crops mainly for sale in the Global North.

The COVID-19 pandemic and the threat of increasing and more deadly pandemics is a product of this same late-imperialist development. Chains of global exploitation and expropriation have destabilized not only ecologies but the relations between species, creating a toxic brew of pathogens. All of this can be seen as arising from the introduction of agribusiness with its genetic monocultures; massive ecosystem destruction involving the uncontrolled mixture of species; and a system of global valorization based on treating land, bodies, species, and ecosystems as so many “free gifts” to be expropriated, irrespective of natural and social limits.

Nor are new viruses the only emerging global health problem. The overuse of antibiotics within agribusiness as well as modern medicine has led to the dangerous growth of bacterial superbugs generating increasing numbers of deaths, which by mid-century could surpass annual cancer deaths, and inducing the World Health Organization to declare a “global health emergency.” Since communicable diseases, due to the unequal conditions of capitalist class society, fall heaviest on the working class and the poor, and on populations in the periphery, the system that generates such diseases in the pursuit of quantitative wealth can be charged, as Engels and the Chartists did in the nineteenth century, with social murder. As the revolutionary developments in epidemiology represented by One Health and Structural One Health have suggested, the etiology of the new pandemics can be traced to the overall problem of ecological destruction brought on by capitalism.

Here, the necessity of a “revolutionary reconstitution of society at large” rears its head once again, as it has so many times in the past. The logic of contemporary historical development points to the need for a more communal-commons-based system of social metabolic reproduction, one in which the associated producers rationally regulate their social metabolism with nature, so as to promote
The worldview of simple life belongs to the natural economy, it embodies a compelling reason from the ethnic-peasant mentality, which sustains and strengthens peasant struggles without time of rest in defence of their territories inherited from their parents. This conception from the tribal community engenders fear and respect for nature. The property of the small ethnic-peasant farmer offers him a roof of his own with a wide horizon towards infinite nature and the land to sow, harvest, exchange seeds between neighbours, sell the surpluses in the local market for the benefit of other social, cultural and subjective satisfiers that give meaning to the existence and to the communities where they live. Indeed, the “work of food sovereignty as a political dimension is essential in agroecology, as is the Agrarian Reform. When landless, we have to fight for Agrarian Reform, and without agroecology, we cannot conceive of healthy food production for the people”.

The concrete actions of struggle and resistance of the International Movement Via Campesina, its leaders and women leaders gain the strength from the same land that they defend with their own lives. Differential income, food sovereignty, the protection and conservation of biodiversity and natural resources are built around the peasant economy, key to climate resilience. It carries in its essence the foundations of ecological socialism. The spiral of change does not wait. The SA-MA Region is in an explosive situation. The new generations are taking to the streets in defence of inclusive public budgets, the end of corruption of professional politicians, the provision of social services, the end of police repression and so on. Faced with the imminent collapse, turbulent winds are coming with an opening to another horizon towards in

The ideas of the ruling class are the dominant ideas in every epoch; or the class which exercises the dominant material power in society is at the same time its dominant spiritual power. The class which has at its disposal the means of material production has at the same time the means of spiritual production, so the ideas of those who lack the means of spiritual production are at the same time on the average, subjected to it. (Marx and Engels, German Ideology, 1846. On the Production of Consciousness).

This was first described by the Roman poet and writer Juvenal 2000 years ago in his Satires when he coined the expression “Bread and Circus”, where he attributes the apathy of the Roman people in the face of the abuses of power to the fact that power hands out food and organises grandiose spectacles. As long as the people have enough to eat (from time to time) and have fun, power can do what it pleases. Juvenal’s vision of the relationship between power and people has strengthened a lot since then: the means used by power to manipulate minds are now very sophisticated. And the “bread” that the people receive today—relative to the exponential growth of different basic needs (food, health, housing, education, healthy environment, etc.)—is proportionally less today than in the time of the Roman Empire.

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Capitalism Has Failed — What Next?

John Bellamy Foster

Le capitalisme a échoué — qu’arrivera-t-il prochainement?

Décembre 2020

Sustainable Development

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J S U S  S E M P E R  N E W S L E T T E R

Capitalism Has Failed — What Next?

John Bellamy Foster

Back to Production: An Analysis of the Imperialist Global Economy

Intan Swandi

Flipping through the pages of Harvard Business Review in the last few years, there seems to be some worries expressed by the cheerleaders of capital regarding the future of globalisation. In their eyes, there are obvious threats to global market capitalism. For example, the increasing trend of what they call “state capitalism” – as shown by the rising power of “emerging markets” like China, Russia, and Brazil – is deemed to provide serious obstacles to the welfare of Western multinational corporations. What is interesting is that these perspectives acknowledge the growing income and wealth inequalities – a phenomenon that, they are afraid, “makes a mockery of the idea that economic growth benefits all.” But what they are really afraid of is actually how these growing inequalities can lead to “populist politics” that would result in “harmful government interventions” including the “overregulation of market transactions, confiscation of property, and other abrogations of property rights.”

The rightful preamble is that since I am Italian and a simple observer of the surrounding reality, this short essay on democracy takes up and integrates a text conceived and written in 2016 for Italy, to which it also refers. However, I believe that democracy is a universal concept. Although we can distinguish between the political, economic, social, cultural, and other aspects of it, it is not possible to compartmentalise them and say that only one kind of democracy is the right one. In short, it cannot be denied that it is impossible to “merely” talk about political democracy without taking into consideration the economic, cultural, and social dimensions of the same. This is why, when speaking about democracy, we cannot escape the debate on the role of the state in promoting social welfare, the role of the market in fostering innovation and competitiveness, and the role of civil society in ensuring the participation of citizens in the democratic process.

The hidden abode of production.
society. But what is democracy? Or rather, what democracy?

The two great contenders today are the concepts of representative democracy and direct democracy. And it is important to discuss highly technical aspects such as the form of democracy because the shift to the Anthropocene has a new form of society as its only way out. And while the discussion about the new society involves mainly social, environmental and economic aspects, the political aspect is also important.

Parting from the fact that the Anthropocene has pushed us beyond the limits of Mother Earth’s resilience, it is urgent to impose strict rules in order to curb the overwhelming anthropic impact that is leading us towards an unknown that appears, alas, sadly known to us. It is in this context—the imposition of insuperable limits—that politics becomes fundamental. At first glance, the most appropriate political form to impose strict rules is certainly not a democracy; any form that allows for a more centralised power - from the direct election of the ‘leader’ to dictatorship, and the various other attributes of ‘-cracy’ - is easier than true democracy proper.

My conviction, however, is that the new society must be established by deliberation, not by imposition. In this sense, it is democracy that these pages will deal with; trying also to overcome the dispute between representative and direct democracy. I advocate for the proportional system, considering it the maximum representation of elective democracy.

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**IMPERIALISM IN THE ANTHROPOCENE**

**John Bellamy Foster**

On 21 May 2019, the Anthropocene Working Group, established by the Subcommission on Quaternary Stratigraphy of the International Commission on Stratigraphy, voted by more than the necessary 60 percent to recognise the existence of the Anthropocene epoch in geological time, beginning around 1950. It is defined as a new "chronostратigraphic" epoch as "the period of Earth’s history during which humans have a decisive influence on the state, dynamics, and future of the Earth System." Anthropogenic change, beginning in the mid-twentieth century, was designated as the principal cause of the "epochal transition in the stratigraphic record of the Earth System." The Anthropocene Working Group will present next to the designation of a "golden spike," or stratigraphic boundary marking the Anthropocene in the geological record, the aim of getting the new epoch officially adopted by the International Commission on Stratigraphy in the next several years.

A strong international scientific consensus is thus emerging with respect to the designation of the new geological epoch of the Anthropocene—a term often said to have been "coined" by Paul Crutzen and Eugene Stoermer in 2000, though it first appeared in English decades earlier in “The Anthropogenic System (Period)” in The Great Soviet Encyclopedia. The Anthropocene, in the scientific worldview, stands for both a quantitative and qualitative break with all previous geological epochs. Changes on a scale that can be seen as dividing major geological epochs, previously occurring over millions of years, are now taking place over decades or at most centuries due to human action. In this respect, the Anthropocene represents a sharp break from the relatively stable Holocene epoch of the last 11,000-12,000 years, the onset of which marked the end of the last ice age.

In the view of the Anthropocene Working Group and today’s Earth System scientists more generally, the advent of the Anthropocene epoch is the product of a Great Acceleration of economically driven change in the mid-twentieth century, associated with what is sometimes called by economists the “golden age” of capitalist growth after the Second World War. This led to the crossing of numerous planetary boundaries, generating various “anthropogenic rifts.” Today there can be no doubt about the main force behind this planetary emergency—the exponential growth of the capitalist world economy, particularly in the decades since the mid-twentieth century. Capital itself can be described as a social relation of self-expanding (commodity) value. Capitalism, or the system of capitalist accumulation based in class exploitation and conforming to laws of motion enforced by market competition, recognises no limits to its own self-expansion. There is no amount of profit, no amount of wealth, and no amount of consumption that is "enough" or "too much." In this system, the planetary environment is not viewed as a place with inherent boundaries within which human beings must live, together with Earth’s other species, but rather as a realm to be exploited in a process of growing economic expansion in the interest of unlimited acquisitive gain, most of which ends up in the hands of a very few. Businesses, according to the inner logic of the system, must either grow or die—as must the system itself.

Capitalism thus promotes a “madness of economic reason” that can be seen as undermining the healthy human metabolic relation to the environment. The mere critique of capitalism as an abstract economic system, however, is insufficient in addressing today’s environmental problems. Rather, it is necessary also to examine the structure of accumulation on a world scale, coupled with the division of the world into competing nation-states. Our planetary problems cannot realistically be addressed without tackling the imperialist world system, or globalised capitalism, organised on the basis of classes and nation-states, and divided into center and periphery. Today, this necessarily raises the question of imperialism in the Anthropocene.

**THE COMMONPLACES OF ENVIRONMENTAL SCEPTICISM**

**Richard Douglas**

**The Commanplaces of Environmental Scepticism**

Richard Douglas

Abstract

We need a new, planetary immanence to guide our conversation, refounding the idea of the Commons in a planetary context of political debate, despite being based on the existing economic structures whose inherent growth is impossible in a finite ecological context. To imagine a "comparative" world order, it is not to be imagined as a political act, as this paper makes clear in its own capitalistic logic: it is defined here as "environmental scepticism." While many studies of the decline have stressed the economic, ecological, and political limitations of its spokespeople, this paper (while also showing on the desires of the Greens, and of the Breakthrough, and the situation of the Anthropocenists) we view as a situation emerging from their own base, in the system. The move towards a planetary economy, the idea of the Commons, the future of political debate, and what a rational relationship to the future would be, in terms of what it is to make a challenge for the “commons” to be beyond the limits of the existing political debates, on the limits of the critiques: to make a planetary political Anthropocenists who are we, and how should we be, if we can believe the project without constraint? The Anthropocenists are not engaged in a world of a Commons: they are engaged in the planet.
In the nearly five decades since its publication, the Club of Rome’s Limits to Growth report has failed to secure a decisive victory in political debate, despite being based on the seemingly common sensical proposition that infinite growth is impossible on a finite planet. To investigate why the ‘limits to growth’ has not led to decisive political action, this paper examines the thought of its most explicit critics in debate, defined here as ‘environmental sceptics’. While many studies of this discourse have examined the economic interests and political motivations of its speakers, this paper (while also drawing on the theories of Dryzek, and of Boltanski) employs Wayne Booth’s ‘Listening Rhetoric’, used to understand opposing discourses on their own terms. In this context, this means performing an attentive reading of the rhetorical commonplacesthata carried-for-granted truths and values a speaker would expect to be shared with their audience—drawn on by environmentally sceptic speakers, in order to ‘read off’ the positive values and vision of the world that they are keen to defend.

The paper performs a close reading of a range of texts, which, while produced over four decades up to the present day, embody a coherent corpus of thought. It finds in the commonplaces on display a defence of individualism, practical reason, humanism, material power, an unbounded sense of destiny, and the fundamental benevolence of our world. In this sense, it argues that the discourse of environmental scepticism could be viewed as defending an overarching world-view of modernity against an attack on its foundations implied by the ‘limits to growth’ thesis. In the extent to which this is true, it suggests that the challenge posed by the ‘limits to growth’ runs beyond the level of ordinary political debate, pointing to a crisis of philosophical anthropology: who are we, and how should we live, if we now believe that progress will not continue forever?

**WORK AND UNIONISM IN MEXICO — Enrique de la Garza Toledo and Gerardo Otero**

Andrés Manuel López Obrador’s (AMLO) landslide electoral triumph as Mexico’s president in 2018 has provoked wrathful criticisms by the groups and classes that see their privileges in danger. On the other hand, this win by AMLO and his Movement for National Regeneration (MORENA) party has raised huge expectations for the left about his promised fourth historical transformation (4T) of Mexico. AMLO compares such transformation with the three great historical transformations that have taken place in Mexico, each of which necessitated violent means for power ascension: the 1821 revolution of independence from Spain, the liberal reform expressed in the 1857 Constitution and, finally, the Mexican Revolution that yielded the 1917 Constitution. The vast contrast of the 4T pledged by AMLO and MORENA is that these actors reached power through an overwhelming, legal and legitimate electoral triumph with over 53% of the vote for the presidency and absolute majority control of both chambers of Congress.

In this national-level election, MORENA won in all but one of the states in the federation of 32 states, although it did not win majorities in a few state legislatures. The 4T government thus unleashes both strong fears and hopes depending on the point of view. In this article we will only discuss the prospects for workers and unions. We start first, by discussing the labour insurgency and strikes in the first few months of 2019 and their results. Next we briefly discuss the principal changes to the labour legislation approved, meaningfully, on 1s May of the same year. Finally, we offer a preliminary assessment of real wages and labour conditions in Mexico during the first six- to-nine months of 2019 compared with earlier years. We then outline some questions for future research, highlight the absence of an explicit labour policy of the 4T government and outline some challenges for the labour movement.

**THE PHARMACEUTICAL INDUSTRY IN CONTEMPORARY CAPITALISM — Joel Lexchin**

The pharmaceutical industry has remained near or at the top of the list for profitability for many decades. The myth is that its profits come from producing and selling the many therapeutic advances that industry research has generated, but the reality is far different. In the first place, after tax deductions only about 1.3 percent of profits from research that leads to new drugs actually goes into basic research, the type of research that leads to new medications. Second, most of the new medicines that come from the pharmaceutical corporations offer little to therapeutic advances that industry research has generated, but the reality is far different. In the first place, after tax deductions only about 1.3 percent of profits from research that leads to new drugs actually goes into basic research, the type of research that leads to new medications. Second, most of the new medicines that come from the pharmaceutical corporations offer little to

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WHEN DID THE ANTHROPOCENE BEGIN... AND WHY DOES IT MATTER?
— Ian Angus

The term Anthropocene...suggests that the Earth has now left its natural geological epoch, the present interglacial state called the Holocene. Human activities have become so pervasive and profound that they rival the great forces of Nature and are pushing the Earth into planetary terra incognita. The Earth is rapidly moving into a less biologically diverse, less forested, much warmer, and probably wetter and stormier state.

In 1995, Paul Crutzen, then vice-chair of the International Geosphere-Biosphere Program (IGBP), received a Nobel Prize for showing that widely used chemicals were destroying the ozone layer in earth's upper atmosphere, with potentially catastrophic effects for all life on Earth. In his Nobel acceptance speech, he said that his research on ozone had convinced him that the balance of forces on Earth had changed dramatically. It was now "utterly clear," he said, "that human activities had grown so much that they could compete and interfere with natural processes." Over the next five years that insight developed until, at an IGBP meeting in 2000, he argued that human activity had driven the earth into a new geological epoch, which he proposed to call the Anthropocene.

Earth is currently operating in a no-analogue state. Planetary terra incognita. Unprecedented and unsustainable. These phrases are not used lightly: the earth has entered a new epoch, one that is likely to continue changing in unpredictable and dangerous ways.

When Facing the Anthropocene was published in 2003, it offered a broad synthesis of scientific knowledge about the state of our planet that remains the most authoritative book on the Anthropocene. Since then, a great deal of scientific discussion has focused on a question that book did not answer: When did the Anthropocene begin? Of course this has involved technical discussions among experts in various disciplines, but it is not just a technical question. Technical studies can determine when an asteroid hit our planet or when an ice age ended, but a discussion of when human society pushed the Earth system into a no-analogue state must address social, economic, and political issues.

There is a reciprocal process here. Examining social, economic, and political developments can help identify social changes that might have changed the Earth System, and determining when radical physical changes in the Earth system happened provides a basis for determining which human activities were responsible, and thus what measures humans might take to prevent the change from reaching catastrophic proportions. In this article I offer an overview of the issues and stakes in the "when it happened debate."

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In the 1990s, Brazil lived through a process I have called neoliberal desertification. Its state-owned productive sectors were heavily privatised, workers’ rights legislation was gradually deregulated, and the financial sector was monopolised, enormously expanding the hegemony of Cardoso’s government in the steering of economic policies. Not only was anti-capitalist opposition gradually deconstructed, but so was reformism (which had emerged especially during João Goulart’s government between 1961 and 1964), which had been defending agricultural, urban, and tax reforms that were eliminated, little by little, from the Brazilian political scene. In this way, neoliberalism was consolidated in Cardoso’s two terms.

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In 1989, the faculty of the Vargas school century forms the holy phalanx of order and the two Crispiumo insinuates itself in the exaltations as the “antique society”

Ricardo Antunes
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In 2002, all signs pointed toward Brazil changing its path. But when the Workers’ Party (PT) won the presidency in 2002, electing its main metalworker-union leader Luiz Inácio Lula da Silva (“Lula”), it was no longer the party it had once been. Transformism, a concept richly developed by Antonio Gramsci in the Prison Notebooks, had already hit what had been the strongest feature of the party: its popular and self-conscious character. This complex mutation was the founding cause of the policies developed by the PT during the governments of Lula (2003–11) and Dilma Rousseff, known simply as Dilma (2011–16). But at their root, their actions were characterised much more by continuation, rather than rupture, with neoliberalism.

Almost thirty years later, Jair Bolsonaro took the role of supposed underdog and, in the face of the collapse of the other center and right-wing bourgeois candidates, became the only one capable of countering the risk of the ‘PT and the reds’ victory. His bid for the presidency found its ideal moment in the international scenery: Trump in the United States, Brexit in the United Kingdom, neo-Nazism in Germany, Viktor Orbán in Hungary, and Matteo Salvini, the all-powerful neofascist minister, in Italy. The list of aberrations perpetuated by the right around the world is extensive. We are then entering a new cycle of counterrevolution that refuses any form of conciliation. As a metaphor, it can be said that platform capitalism, the digital capitalism, information, and financial era, has some similarities with early forms of capitalism. There seems to be something in common between the capitalism of the sixteenth and eighteenth centuries, and the capitalism of the twenty-first century.

Will the left be capable of radically altering the political course it is currently on, which is mostly relegated to institutions and elections? If, throughout the twentieth century, the epicentre of the left’s actions was institutional and parliamentary action, the biggest challenge in this period will be found elsewhere, somewhere different from that which has dominated and exhausted the left until now. It is imperative to reforge the organic ties between the labor and social movements, with their mosaic of multiple tools and without previous hierarchical structures, taking as a starting point the concrete actions of the working class. If we are on the side of reason and revolution, an indispensable beginning is to ascertain, in a Lukácsian way, what are the vital questions of our time if we want to walk together, in solidarity, toward a new, emancipated way of life.
TWO HUNDRED YEARS AFTER KARL MARX’S BIRTH, THE INFLUENCE OF HIS CRITIQUE OF CAPITAL IS NOW AS GREAT AS EVER, IN THE CONTEXT OF WHAT HAS BEEN CALLED THE “MARX REVIVAL.” FOR THOSE WHO BELIEVED THAT MARXISM HAD SIMPLY DIED OUT WITH THE FALL OF THE BERLIN WALL, A CULMINATION OF WHAT FRANCIS FUKUYAMA PRONOUNCED “THE END OF HISTORY,” THIS IS NO DOUBT A STIRRING DEVELOPMENT. IN 1942, DURING WHAT HE CALLED THE “MARX REVIVAL,” FRYDERICK HARRIS NORTON HICKS書き込み思い出を記録する。 "THE MARX REVIVAL,” FRYDERICK HARRIS NORTON HICKS書き込み思い出を記録する。 THE APPG ON LIMITS TO GROWTH SEEKS TO BRING THESE DEVELOPMENTS TO THE ATTENTION OF PARLIAMENT AND TO ENCOURAGE SIMILAR INITIATIVES FOR THE UK. IN PARTICULAR, THIS BRIEFING RECOMMENDS:

**ECONOMISTS HAVE KNOWN FOR MORE THAN EIGHTY YEARS THAT THE GROSS DOMESTIC PRODUCT (GDP) IS NOT A GOOD MEASURE OF SOCIAL PROGRESS. NUMEROUS ATTEMPTS HAVE BEEN MADE TO ESTABLISH ALTERNATIVE INDICATORS OF PROGRESS. RECENTLY, THERE HAVE BEEN SEVERAL POLICY INITIATIVES TO ARTICULATE A DIFFERENT KIND OF ECONOMY IN WHICH THE PURSUIT OF WELLBEING TAKES PREDOMINANCE OVER THE PURSUIT OF GROWTH IN GDP. FOR THE MOST PART, UK POLICY STILL PROCEEDS AS THOUGH GROWTH IN GDP IS THE KEY TRADITIONAL DETERMINANT OF SOCIAL AND ECONOMIC SUCCESS. IN THE CONTEXT OF DECLining GROWTH RATES ACROSS THE ADVANCED ECONOMIES AND THE NEED TO TACKLE URBAN CHALLENGES SUCH AS CLIMATE CHANGE, BIODIVERSITY LOSS AND SOCIAL INEQUALITY, THIS STRATEGY IS AT BEST SHORT-SIGHTED AND AT WORST DISASTROUS BOTH FOR INDIVIDUAL WellBEING AND FOR LONG-TERM SUSTAINABILITY.

**THis policy briefing highlights some alternatives to the conventional approach. It presents a three-fold strategy for moving beyond GDP by: changing the way we measure success; building a consistent policy framework for a ‘wellbeing economy’; and addressing the ‘growth dependency’ of the economy.**

**These strategies are exemplified through various initiatives from around the world which are described in the briefing. The APPG on Limits to Growth seeks to bring these developments to the attention of Parliament and to encourage similar initiatives for the UK. In particular, this briefing recommends:**

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**JUSEMPEMER NEWSLETTER**

**A TALE OF TWO UTOPIAS: WORK IN A POST-GROWTH WORLD**

**— Simon Mair, Angela Druckman and Tim Jackson**

**Abstract**

In this paper, we aim to contribute to the literature on post-growth futures. Modern imaginings of the future are constrained by the assumptions of growth-based capitalism. To escape these assumptions we turn to utopian fiction. We explore depictions of work in Cokaygne, a utopian tradition dating back to the 12th century, and William Morris’s 19th century News from Nowhere. Cokaygne is a land of excessive consumption without work, while in News from Nowhere work is the route to the good life. These competing notions provide inspiration for a post-growth vision of work. By breaking the link between work and consumption at the level of the individual, we can transcend some of the vicious circle in work. To do this, we first analyse and conceptualise the nature of work and productive activity to argue that challenging labour productivity growth we can also challenge wider forces of oppression.

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In this briefing note, we propose three strategies in response to this dilemma. The first is to integrate better indicators of prosperity into policy. The second is to use these new measures to move society away from an economy defined by the limitations of GDP and towards a ‘wellbeing economy’. The third is to address and reduce the ‘growth dependency’ of the economy. The aim of this briefing is to describe these three strategies in more detail.

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THE POST-GROWTH CHALLENGE — Tim Jackson

The Post-Growth Challenge:
Secular Stagnation, Inequality and the Links to Growth
Tim Jackson

Abstract
Critics have long questioned the feasibility (and desirability) of exponential growth on a finite planet. More recently, mainstream economists have begun to suggest some ‘secular’ limits to growth. Sudden recovery in the wake of the financial crisis and renewed discussion of a ‘secular stagnation’ in advanced economies is particular. Declining growth rates have in turn been blamed on institutional and structural inequalities and the rise of political populism. The paper argues that economic stagnation is a particularly powerful way of understanding the contemporary stagnation of capital, a corrupting and corrosive cash nexus that is spreading to all corners of the U.S. economy, the globe, and every aspect of human existence.

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THE PROPAGANDA MODEL REVISED — Edward S. Herman

According In Manufacturing Consent: The Political Economy of the Mass Media (Pantheon, 1988) Noam Chomsky and I put forward a “propaganda model” as a framework for analysing and understanding how the mainstream U.S. media work and why they perform as they do. We had long been impressed with the regularity with which we could see how the media operate within restricted assumptions, depend heavily and uncritically on elite information sources, and participate in propaganda campaigns helpful to elite interests. In trying to explain why this was the case we looked for structural factors as the only possible root of systematic behaviour and performance patterns.

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THE CONTAGION OF CAPITAL — John Bellamy Foster

The Contagion of Capital
Financial Capitalism, COVID-19, and the Great Divide

John Bellamy Foster, R. Jemal Issa, and Brett Clark

The U.S. economy and society at the start of 2021 is more polarised than it has been at any point since the Civil War. The wealthy are awash in a flood of riches, marked by a booming stock market, while the underlying population exists in a state of relative, and in some cases even absolute, misery and decline. The result is two national economies as awash in a flood of riches, marked by a booming stock market, while the underlying population exists in a state of relative, and in some cases even absolute, misery and decline. The result is two national economies as polarised as it has been at any time for policy to consider seriously the possibility that low growth rates might be ‘the new normal’ and to address carefully the ‘post-growth challenge’ this poses.

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THE PROPAGANDA MODEL REVISED
— Edward S. Herman

According In Manufacturing Consent: The Political Economy of the Mass Media (Pantheon, 1988) Noam Chomsky and I put forward a “propaganda model” as a framework for analysing and understanding how the mainstream U.S. media work and why they perform as they do. We had long been impressed with the regularity with which we could see how the media operate within restricted assumptions, depend heavily and uncritically on elite information sources, and participate in propaganda campaigns helpful to elite interests. In trying to explain why this was the case we looked for structural factors as the only possible root of systematic behaviour and performance patterns.

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The propaganda model was and is in distinct contrast to the prevailing mainstream explanations—both liberal and conservative—of media behaviour and performance. These approaches downplay structural factors, generally presupposing their unimportance or positive impact because of the multiplicity of agents and thus competition and diversity.

In this article I will describe the propaganda model, address some of the criticism that has been levelled against it, and discuss how the model holds up nearly a decade after its publication. I will also provide some examples of how the propagan

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back down to earth. It is not a sweeping analysis of exploitation nor does it seek to unearth the mainsprings of that exploitation. But it does give a compelling and powerful picture of what exploitation and oppression—indeed, what an apartheid labour system—looks like up close. It brings us face to face with the fact that this is a society that cannot sustain itself, cannot feed itself, without a labour system that ensnares hundreds of thousands in a web of extremely oppressive social relations; a system that is, in all but in name, a caste system enforced by state power.

The interviews in Chasing the Harvest flesh out a part of this picture—an important part. And they are an important beginning for grappling with this history and this current reality. These narratives are meant to be used also as material for school curriculum, so that students can engage with experiences that are both little known and intimately connected to our lives and well-being. They offer the possibility that these windows to the world of farmworkers will inspire students to seek out causes of injustice and to uncover the system that has produced them. They are a starting point for challenging that which needs to be upended, for this oppressive and life-crushing farm labour system cannot be allowed to stand.

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The COVID-19 pandemic has brought into sharp relief the irretrievable breakdown of the post-war income distribution system in the West that essentially ties income and benefits to employment. As long as income depends on jobs, workers will feel a need to return to unsafe conditions. And as long as economic power remains concentrated at the top, companies will have every incentive to make workers come back. Even if we manage to weather the current pandemic, our system lacks the resilience to be ready for the next one—let alone other crises.

The glimmer of hope amidst the tragedy is that the economic recession triggered by the pandemic is a potentially transformative crisis. People are being paid to stay home—indeed, to not do paid work—has become essential to survival. Economic recovery requires systemic change and a basic income is an essential component of it. A Basic Income is not a panacea, merely a necessary pillar of the reimagining of work and economic security in our crisis-ridden world. As resolutely against old-style “labouristist” social democracy as against neoliberal capitalism, it will foster greater freedom while helping us tackle the worsening crises of inequality, climate change, and authoritarian populism.

Our 2018 assessment reports divergent outcomes among selected economies that were predominantly the result of a meaningful increase of hourly wages in local currency (or lack of it), exchange rates and changes in their PPP cost of living. Six economies improved their position, four lost ground and four did not experience economic growth. The measures of living-wage equalisation enabled us to identify the main factors that were the substantial increase of their
hourly rates in local currency combined with a revaluation of their currency or a decrease in their cost of living in PPP terms for private consumption. In the case of the three euro-area countries (France, Germany and Italy), it was specifically the combination of the increase of their hourly wage rates with a revaluation of the euro. This allowed France, Italy and Germany to increase their equalisation Eq-Idx. This combination served to offset their increase of their PPP cost of living, and increased their advantage over the increase of the US hourly rates in real terms. A similar behaviour took place in the case of Singapore and South Korea. In this way, they clearly outperformed the increase of the US hourly rate in manufacturing and thus increased their equalisation Eq-Idx. In fact, Singapore's Eq-Idx is its best recorded since 1996. Australia, in contrast, devalued its currency, but it achieved the highest improvement of its equalisation Eq-Idx among all 41 economies in our reports, which is equal to its best position previously achieved in 2014. This was the result of a strong increase of its hourly rate in local currency and a currency devaluation, which contributed to a drop of its PPP cost of living.

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2020 REPORT: LIVING-WAGE ASSESSMENT – NEW ASSESSMENT OF ARGENTINA'S WAGE RATE GAP 1996-2018

Our analysis of Argentina's living wages in the manufacturing sector from a global perspective (purchasing power parities) no longer assumes that Argentina's government will continue to regard the appreciation of real wages as a fundamental element of its economic policy. As expected, the Macri government did everything possible to resume the old centre-periphery relationship that applies a neocolonial ethos to Argentina's economic policies. Unfortunately, his economic policies have proven disastrous, and in his four years, inflation and devaluation have exploded, the country fell into default of its sovereign debt, real wages collapsed and poverty increased very meaningfully. One clear direct consequence is that the equalisation indices for at least the 2018 - 2020 period will drop dramatically, from 50 in 2017 to low to mid 30s, which is tantamount to the levels prevalent during the 1996 - 2000 period.

After the staunchly neoliberal Macri government left Argentina's socio-economic conditions in dire shambles, the new Fernández government is doing its best to recover the gains for the common citizen of the preceding Kirchner-Fernández governments, which will be a rather daunting task, given the recurring crises since the start of this century. For now, living wage equalisation in the manufacturing sector vis-à-vis equivalent US wages has collapsed and is destined to drop to levels reminiscent of the 2002 crisis before it begins to recover.

The new government of Alberto Fernandez immediately implemented a countercyclical package to return to demand-side policies aimed at reducing as much as possible Macri's neoliberal ethos and his economic policy errors. Some of these are tax hikes on foreign currency purchases, agricultural exports, wealth, and car sales as well as labour protections to increase compensation for unjustified work dismissals. Also, as it happened at the start of the century, Argentina was forced to default on its foreign debt, and has just reached an agreement with vulture funds and other foreign creditors that, for the most part, fulfils their demands and not those of Argentinians. Moreover, Argentina is once again under negotiations with the IMF to reduce its never ending sovereign foreign debt. Furthermore, the economic crisis has been convoluted by the COVID-19 pandemic, which will clearly exacerbate Argentina's deep recession. So far, inflation appears to be substantially lower in 2020 than in 2019, at 13,5% for the first six months, but expected to hover at 30% by the end of the year, despite the effect of the pandemic on an already depressed demand. As with the rest of the world, GDP will fall drastically, at least 11% and then gradually recover, more as a technical rebound rather than as true growth in 2021. All of these factors will make it difficult for Argentina to recover real wages in manufacturing and gradually bring them to their previous equalisation position relative to the 2002 crisis.

Parting from this rather negative context, the socio-economic picture for Argentina looks a lot like a loss of two decades. This would entail a colossal hardship particularly for the lower ranks of society. One of the greatest benefits of the appreciation of real wages of any country – in the context of a living wage ethos in a market society– is the direct impact on the eradication of the conditions of inequality and exclusion; conditions that have prevailed in Argentina for many decades and were only reduced substantially between 2004 and 2015. It remains to be seen if the new government is capable of performing a successful balancing act between the different variables in an extremely complex scenario.

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Temer's supply-side economic policies that continues with Bolsonaro's government, have stopped any effort to improve the labour's share of income and clearly reflect a policy of deliberate wage contention. Temer’s government passed a new law (PEC 55) that freezes all public spending for 20 years, which implies that constitutionally-protected government expenditures in the areas of health, education and other social sectors would remain stunted until 2036. This has ended Brazil's commitment to sustain its minimum wage appreciation policy, after the minimum wage had more than doubled in real terms since 1996. As for manufacturing wages, they actually lost ground since 1996, which partially recovered from the recession at the start of the century, until the minimum wage appreciation policy had a positive influence from 2010 onwards that is now receding once again. Yet, with a renewed recession during the 2014-2016 period, that only began to subside in 2017 and will fall back into a deep recession due to the ongoing COVID-19 pandemic, and the staunchly neoliberal and predatory supply-side approach followed by Bolsonaro's government, Brazil will not resume any gains in real terms from a domestic perspective nor will it resume the closing of its Eq-Idx from a global perspective, for the foreseeable future. In fact, it is likely to actually increase its equalisation gap with comparative wages in the US in the coming years.

For the entire 24-year period (1996-2018), living wage equalisation of manufacturing hourly wages have not made any improvement whatsoever, and they are slightly lower than in 1996. The hourly rates recovered gradually after the turn of the century recession but by 2018 their equalisation with equivalent US wages are down to a 32 index relative to the 34 index of 1996. Our estimate for 2019, indicates that their Eq-Idx would drop to 31 as the result of a meagre increase estimate in local currency, the actual erosion of the BRL and an increase of the PPP cost of living in local currency. The compounding effect of Bolsonaro's government predatory economic policy that is clearly anti-labour and the COVID-19 pandemic, make any change for the better rather unlikely for the
foresight wage equalisation appears grim.

Parting from the implications carried by the shift from demand-side to supply-side economic policy in Brazil’s current government, it appears to be unlikely that any meaningful progress will be achieved in increasing manufacturing wages and wage rates for the entire economy in real terms. In the best case scenario, wages will keep their current value. All of this is further complicated by the deep recession triggered by the pandemic.

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### 2020 REPORT: LIVING-WAGE ASSESSMENT – NEW ASSESSMENT OF MEXICO’S WAGE RATE GAP 1996-2018

The staunchly predatory, corrupt and fraudulent governments of Mexico, imposed a policy of wage erosion and containment at an extremely precarious level in manufacturing and all economic sectors, as one of the pillars of their economic policy for nearly 36 years. With the current government, this appears to be changing.

Mexico’s track record since 1996 exposed a deliberate state policy of maintaining modern-slave-work real wages between 1996 and 2015. However, their wage policy appears to have changed in 2017 after the execution of consistent supply-side policies over more than three decades. For the first time the federal minimum wage was increased above inflation in 2017 and 2018. Through a so-called “Independent Recovery Amount”, the minimum wage for 2017 was increased arbitrarily by 9.6%, including 3.9% to offset the estimated CPI inflation rate. The same criterion was applied for 2018, for a total minimum wage increase of 10.4%, including a 3.9% increase to offset CPI inflation. In 2019, Mexico’s new government, vowing to implement a strong minimum wage recovery policy, increased the minimum wage by 16.2%, including a 5% increase to offset inflation and by 20% in 2020, including 5% to account for inflation. This changes appear to have a direct positive impact on manufacturing wages in real terms and on its equalisation with comparative US wages.

Between 2015 and 2018 the manufacturing hourly rate in local currency increased 43.6%, and by 18.3% in US dollars after accounting for an erosion of the peso, which allowed the PPP conversion factor for private consumption to drop. The combination of these components allowed the Eq-Idx to gain five points in 2016 and then remain at this level in 2017 and 2018.

After two years, it remains to be seen if the government follows this path or resumes abiding by supply-side criteria. Mexico has the worst wages in Iberian America. We have observed 36 years of a deliberate policy of wage pauperisation that has forced a huge population to join the ranks of the precariat. While minimum wage policy appears to be moving on the right track, there are many instances of public matter with the government clearly siding with the interest of capital and not with the people. If, at the end, the labour’s share of income does not improve steadily and shows a marked increase by the end of 2024, we would have to conclude that the only goal of the government was to mitigate the worst characteristics of exploitation and not to change the structures that sustain them.

On the other hand, if the government complies with its campaign promises, it will take decades to both achieve a living-wage ethos and to close the gap with equivalent wages in the manufacturing sector, under the equal pay principle. At the very least, it will take five five-year terms to fulfill this expectation under the presumption that the current government will push the path and materialises the progress that can be achieved by 2024, as illustrated in our projections.

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### 2020 REPORT: LIVING-WAGE ASSESSMENT – NEW ASSESSMENT OF SPAIN’S WAGE RATE GAP 1996-2018

In 2018 Spain widened the gap of its equalisation index (Eq-Idx) after a meaningful four-point gain in 2017. The increase in its gap was largely the result of the combined effect of a drop in its hourly rate in euros and a meaningful increase of its cost of living in purchasing power parity terms, with the latter being in turn a consequence of the revaluation of the euro for the most part, since consumer prices increased less than two percent.

Since Spain joined the Euro area, hourly manufacturing wage rates generally performed better than the minimum wage, with rates consistently moving above CPI inflation, whilst the minimum wage increased at lower rates and lost value in real terms between 2001 and 2004. It was only until 2017 and 2018 that the minimum wage outperformed manufacturing wages in real terms relative to CPI inflation, ending 16% above the CPI versus only 9% for the manufacturing hourly rate. Undoubtedly, Spain’s minimum wage will greatly outperform manufacturing wages in 2019 and 2020. We will see to what extent manufacturing wages are influenced by the pressure exerted by the increases to the minimum wage when the hourly manufacturing rates become available. The government has pledged to push for powerful increases to the minimum wage in the next three years for a total increase of 26% by 2023. Yet mounting opposition from employers already forced them to increase the rate in 2020 at half of what they pretended. According to the government, the 2019 minimum wage of Spain was still below the average for the rest of Europe at 80.6%. For now, inflation has not been impacted whatsoever by the unprecedented minimum wage increase. As for unemployment, it continued to drop in 2019, from 26% in 2013 to 13.8% by the end of 2019. But, as could be expected, by second quarter 2020, it has climbed to 15.3% as a result of the COVID-19 pandemic.

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Aequus Index - Living Wage Equalisation Index for All Employed in the Manufacturing Sector 1996-2018 (41 countries)

LIVING-WAGE ASSESSMENT (1996-2018) - The Four Largest Economies in the Americas (Canada, Brazil, Mexico and Argentina)

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LIVING-WAGE ASSESSMENT - Table T5: 1996-2018 Real Wage-Gap Rates for Fourteen Selected Economies, in Purchasing Power Parity (PPP) Terms, for All Employed in Manufacturing. *(The Base Table Used for All PPP Real-Wage Gap Analysis)

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LIVING-WAGE ASSESSMENT (1996-2018) - Eight Asian and Oceania Economies

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LIVING-WAGE ASSESSMENT (1996-2018) - Twenty-Eight European Economies

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A final thought

A living wage is, universally, the most important element in the achievement of everyone’s right to a dignified life and the eradication of poverty. Relative to the social responsibility of business, a corporation or organisational entity employing people, regardless of size or trade, public or private, cannot be considered to behave in a socially responsible manner if it does not pay a living wage, regardless of how responsibly it behaves in all other areas of activity.

Just as the International Labour Organisation’s Decent Work Agenda states, the decent work concept has led to an international consensus that productive employment and decent work are key elements to achieving poverty reduction. Yet, everything remains in the realm of rhetoric and hypocrisy, and the system, imbued in the most perverse human instincts, remains.