

CAPITALISM AND POVERTY. AUTOMATION SIGNALS THE FINAL STAGE OF CAPITALISM BASIC INCOME FOR A PEACEFUL TRANSITION TO POST-CAPITALISM

Julio Boltvinik*

RESUMEN: Este artículo proporciona una historia impresionista del capitalismo reciente describiendo sus tendencias intrínsecas para producir la pobreza y la crisis. Se argumenta que la revolución de la automatización y la globalización están generalizando y globalizando la pobreza, sobre todo desde que el neoliberalismo reemplazó al keynesianismo. Esta imagen está en contradicción con las estadísticas de la pobreza del Banco Mundial, pero cuando éstas se examinan cuidadosamente se demuestra que la disminución de la pobreza en el mundo es falsa. Un examen de las teorías marxistas y de la corriente principal de las crisis capitalistas demuestra que la financiarización se ha convertido en el principal mecanismo para mantener a flote al capitalismo monopolista financiero, y que la teoría económica convencional es impotente para hacer frente a las crisis actuales. La automatización total está trayendo a su fin la sociedad salarial, lo cual es incompatible con la automatización generalizada. Esto, a su vez, abre la posibilidad de la emancipación humana desde el trabajo alienado «forzado». Por último, el Ingreso Ciudadano Universal se considera como una alternativa que resuelve la contradicción mencionada por el ahorro y la transformación radical del capitalismo.

PALABRAS CLAVE: capitalismo, pobreza, crisis, automatización, Ingreso Ciudadano Universal.

ABSTRACT: This article provides an impressionistic history of recent capitalism by describing its intrinsic tendencies to produce poverty and crises. It argues that the automation revolution and globalization are generalizing and globalizing poverty, especially since neoliberalism replaced Keynesianism. This picture is contradicted by the poverty statistics of the World Bank, but when these are examined carefully it is shown that the decrease in global poverty that they show is false. An examination of Marxist and mainstream theories of capitalist crises shows both that financiarization has become the main mechanism to keep afloat financial monopoly capitalism, and that conventional economic theory is impotent to deal with the current crises. Total automation is bringing to an end the wage-based society, which is incompatible with generalized automation. This in turn opens up the possibility of human emancipation from «forced», alienated work. Finally, Universal Citizen Income is regarded as an alternative that solves the aforementioned contradiction by saving and radically transforming capitalism.

KEY WORDS: capitalism, poverty, crises, automation, Universal Citizen Income.

* Profesor-investigador del Centro de Estudios Sociológicos de El Colegio de México.

INTRODUCTION

This paper is structured as follows: the first section provides an impressionistic history of the last hundred years of capitalism; it describes capitalism's intrinsic tendencies to produce poverty and to enter into crises (which in turn exacerbate the first tendency), emphasizing the 1929, 1970's and present (2007 onwards) crises. I argue that the automation revolution and globalization are generalizing and globalizing poverty, especially since Keynesianism was replaced by neoliberalism in the 1980s. But the story told in this first section, especially the increase in poverty since the 1980s (as real wages and employment levels decreased), is contradicted by the poverty statistics of the World Bank (WB). In the second section, these statistics are examined following their deconstruction by Reddy and Pogge (2010). It is shown that the alleged decrease in global poverty since the 1980s conveyed by these statistics is based on flawed procedures. Once this main counter-argument has been refuted, I continue with my central argument looking, in the third section, at some distinguished Marxist and mainstream theories of capitalist crises. Two points of this section must be highlighted: a) financiarization has become the main mechanism (displacing governmental deficit spending) to temporarily absorb the gigantic (and exponentially growing) surplus generated by financial monopoly capitalism, and thus keep it afloat, circumventing its tendency to stagnate and enter into crises; and b) the impotence of conventional economic theory, as stated by Paul Krugman, to deal with the current crisis. In the fourth section I describe the nature and consequences of the scientific and technical revolution that has made possible total automation and is bringing to an end the wage-based society. Capitalism (or wage based society) is incompatible with generalized automation as robots do not receive wages or buy goods and services. In this section I also look at one (potentially) positive consequence of automation: it opens up the possibility of human emancipation from «forced», repetitive and alienated work. In the fifth and last section I discuss Basic or Universal Citizen Income, regarded as a promising alternative that solves the

aforementioned incompatibility and saves capitalism while gradually, peacefully, transforming it into something else: a more humane society.

SCHEMATIC HISTORY OF THE LAST HUNDRED YEARS OF CAPITALISM

Although capitalism *per se* has a tendency to produce poverty, this tendency was ameliorated by Keynesian welfare states during the post WWII period; by contrast, it has been left unbridled by neoliberalism. The former combined Keynesian economic policies (aimed at full employment and instituting unemployment insurance so as to maintain positive rates of growth in effective demand) with very broad social policies meant to guarantee access to education, health services, housing and income maintenance. It was a variant of capitalism that was developed as a response to the 1929 Great Depression (which was a crisis of overproduction/overaccumulation of capital, associated with low wages) and to the successful instauration and performance in the Soviet Union of what seemed to be an alternative to capitalism. Neoliberalism, in turn, was developed as a response to the 1970's crisis generated by a declining rate of profit.

A central feature of Keynesianism is that employment is regarded as a factor of effective demand; exploitation is based on sustained increases in productivity in a context of full employment, safety nets and social inclusion. However, this model ceased to be functional for capital when the rates of profit dropped to a level that was no longer attractive for capital. When that time came, capital demanded (and had the power to do so) that it be replaced with a variety of capitalism that no longer regards employment (work) as a demand factor but only as a production cost which, as all costs, must be reduced to maximize profits. What was launched, and is still going on globally, was capital's counterrevolution. Neoliberalism can be seen as a global drive to reorganize the whole social order in such a way as to subordinate it to the logic of accumulation and profit. The restructuring of capitalism focused on an offensive against labor, which

was devalued and fully re-commodified, eliminating all barriers to its free exchange (except barriers to international migration, which were fortified), causing a massive redistribution of income from labor to capital on a global scale. But in its sin, neoliberalism carried its own penance: in generating global production without global consumption, it raised to a planetary scale the unsolvable contradiction between global growth of a production and global decline in real wages that had caused the Great Depression of 1929.¹

The global devaluation of the workforce occurred in the context of *two technological revolutions: one in information technologies that made the de-territorialization of production possible and the other the automation revolution* which is making the direct use of labor in the production process progressively less necessary. Under neoliberalism the main instrument to expand demand is credit expansion, based on the over-indebtedness of households, enterprises and governments, particularly in the United States, which became the consumer of last resort. But this turned out to be insufficient to raise effective demand to the levels required to maintain acceptable levels of profit, which explains the leading role of financial bubbles or *financialization*.

Synthetically, then, capitalism has gone back to the *laissez faire* variant of capitalism that prevailed before 1929 and has globalized it even further. The style of globalization that has been fostered has been a *very asymmetrical one in which commodities and capital move freely but labour does not*. The mobile factor of production (capital) imposes its conditions on the non-mobile factor (labor). This globalized capitalism is again in crisis (the Great Financial Crisis) as severe or more as the 1929 Great Depression and more global. *Neoliberal capitalism increases poverty as it is based on the full commodification of labor and on its devaluation*. By contrast, the Keynesian welfare states' modality of capitalism decreased poverty, at least in the developed countries as it revalued labor. Capitalism is coming to an end; it cannot be saved except in a radical way that

¹ The preceding text in this section leans heavily on Yanes (2010).

would lead gradually to its transformation into a post-capitalist society. The main reason for this is the *automation revolution* (not only in industry but also in agriculture and, crucially, in the service sector) which is incompatible with the wage system as the main distributor of income, making possible the sale of produced commodities and facilitating the reproduction of life. Both automation and the de-territorialization of production imply the devaluation of labor, massive unemployment combined with the growing presence of precarious employment, thereby leading to the globalization or generalization of poverty. Capitalism has to be radically transformed from within or it will destroy the planet as it dies.

THE FALSITY OF THE WORLD BANK'S PANORAMA OF WORLD POVERTY

This picture is negated by the World Bank's poverty figures that show declining levels of poverty in the Third World, where most of the poor live. But these figures are false and they imply a cover-up operation to hide the truth. Sanjay Reddy and Thomas Pogge (2010) have shown, first, that the evolution one depicts of world poverty in the long term depends highly on the international poverty line (IPL) used. If using the «official» World Bank IPL of \$1.25 dollars (of purchasing power parities, PPP) per person per day, poverty decreases by 27% between 1981 and 2005; but if using a \$2.00 IPL, it increases by 1%, and with a 2.5 IPL it increases by 13%. As can be seen, three totally different diagnoses: the lower the IPL, the more optimistic and more favorable the outcome for neoliberal capitalism. In 2005, the total population living in poverty is calculated to be 1.38 billion people using the \$1.25 IPL; 2.56 billion with the \$2 IPL; and 3.08 billion with the \$ 2.50 IPL.

Second, Reddy and Pogge (2010) demonstrate that the World Bank's official IPLs have been falling in real terms, even though the institution has tried to give the opposite impression. The truth is that in terms of 2009 purchasing power, the original IPL of \$1.00, which was used between 1990 and 1997, was \$1.99 dollars; that of \$1.08, used between 2000

and 2008 was \$1.60 dollars; and that of \$1.25 which is now being used, is equivalent to \$1.37 dollars. By lowering the real IPL, the World Bank gives the impression that poverty is falling, thereby adding falsehood to the open and shameless cynicism that is implied in offering, to nearly half of the world's population, a perspective of barely surviving like an animal, which is the only attainable standard of living on \$1.25 per day.

The international poverty lines of \$ 1.25 and \$ 2.00 per person per day lack any kind of support based on a conception of human needs. This can be illustrated by the case of Mexico, where the IPL of \$1.25 (in PPP dollars) results in very low incidences of poverty (5.3% in rural areas and 1.3% in cities), while the two official poverty measures used by the Federal Government (more specifically, the National Council for the Evaluation of Social Development Policy-Coneval) indicate that the incidence of poverty on the national level is around 50% of the population. Two other poverty measurement methods —the official one used in Mexico City and the Integrated Poverty Measurement Method, which I have developed— indicate that the incidence of poverty at the national level is around 80%. In May 2005, a PPP dollar was equivalent to 8.9 pesos per person per day. It is hard to imagine how a person could, in 2005, meet her/his most basic needs with so little income. Suffice it to say that even the very frugal «food poverty line», as defined by the federal government, recognizes that the cost of a minimal food basket is 26.4 pesos per day in urban areas. This means that people who have an income equal to the World Bank's ultra-extreme IPL would be able to acquire only 34% of the minimum raw food requirements. This shows that the World Bank's \$ 1.25 IPL translates into a vision of short-term animal-like survival.

Moreover, in basing its IPL on the extreme poverty lines (EPL) of the poorest countries, the WB exhibits circular reasoning, since it takes as a normative parameter very low EPLs that reflect the lowering of national expectations and goals to a level of widespread ultra-extreme poverty. The WB takes food as the unique human need, leaving all other needs fully unmet, thereby revealing a conception of human beings as animals.

AN IMPRESSIONISTIC REVIEW OF SOME THEORIES OF CAPITALIST CRISES

Marxian theory of capitalist crises is based, essentially, on the law of the declining rate of profit. This law establishes that, as living labor is the only creator of value (and thus of surplus value), to the extent that the process of production is mechanized and automated, which is something capitalism cannot stop doing, the work process will be provided with more and better means of production, which implies that the composition of capital will change: the constant capital (invested in means of production and inputs) as a proportion of total capital (what Marx called the organic composition of capital) will increase. The rate of profit diminishes with the increase in this composition. Hence, the above-mentioned law is derived from the tendency of the organic composition to increase. In addition, Marxist theory of capitalist crises is based on what Marx called «the two-faced law of the falling rate of profit», which establishes that as a reaction to the first law, capital will do everything necessary (in spite of the falling rate of profit) to increase the amount of profit, which forces capital to search for the maximum rate of accumulation and to expand geographically. So, both a falling rate of profit and a rising *amount* of surplus value are necessary conditions for the functioning of capitalism. From the above, Strachey (1935) derived the «basic dilemma of capitalism» that makes capitalist crises inevitable, whereby wages are simultaneously so low that they cause an excess in the supply of goods and services (like in 1929 and 2007) and so high that they diminish the rhythm of accumulation, as in the 1970s, which gave rise to the capitalist counterrevolution that has lasted until the present.

Keynes' theory of capitalist crises (Keynes, 1936) refutes Say's Law («supply creates its own demand»), undermining two myths of neoclassical theory: the myth that the rate of interest is the element that equates savings and investment, and the myth that wages are determined by the supply and demand of labor. Keynes replaced these two myths by the thesis that the level of employment depends on effective demand (investment plus consumption) and that investment is determined by profit expectations.

In this view, the expected rate of profit, which he called the marginal efficiency of capital, should be above the rate of interest so that new investment may proceed. Full employment ceases to be automatic and any level of employment becomes possible. *Capitalism is not self-regulatory, state intervention is indispensable.*

Neo-Marxists Foster and Magdoff in *The Great Financial Crisis* (2009) characterize the present phase of capitalism as «*financial monopoly capitalism*». They postulate that present-day capitalism has a need for financial bubbles (*financialization*), in order to at least temporarily overcome the tendency of monopoly capitalism to stagnate, as formulated by Baran and Sweezy (1966) in the sixties. This fits with the observation made by Minsky (1986) in the 1980s that capitalism has a tendency to create financial bubbles, which pile up debt on top of debt, until they inevitably burst. Financialization has become the main mechanism (displacing military expenditures) to absorb temporarily the gigantic surplus generated by financial monopoly capitalism, a phenomenon that Foster and Magdoff call «the symbiotic embrace between stagnation and financialization» and I have metaphorically called «spontaneous private Keynesianism». ² There is no possibility, they say, for the capitalist system to absorb through productive investment the enormous surplus which has fed the financial outburst. Since the financialization process itself is in crisis, they foresee a profound and prolonged stagnation.

Krugman (2009), a Nobel Prize winner in economics, sees the cause of the bubble, and ultimately the crisis, in the unregulated nature of what he calls «the shadow banking system». He argues that when the housing bubble burst, the lack of a replacement bubble led to widespread crisis, thereby accepting that capitalism has a need for financial bubbles. Krugman has stated clearly, even before the current crisis, that *conventional*

² Through the financial sector, especially through what Paul Krugman calls «the shadow banking system», the private sector, in the context of vanished public Keynesian policies, had (as a matter of life or death) to find a way to absorb the huge financial surplus. By building financial bubbles, it managed to do what Keynesian public policies used to do: stimulate the economy. That is why it can be called spontaneous private Keynesianism.

economic theory is impotent vis-à-vis crises. The stagnation of Japan in the 1990's confirmed the neo-Marxist thesis of the tendency for monopoly financial capitalism to stagnate. The biggest difference between Krugman's explanation on the one hand and Foster-Magdoff's on the other lies in their proposals. While Krugman sees the regulation of the shadow banking system as the solution (though sometimes he sounds perplexed and skeptical), Foster and Magdoff think regulation would lead capitalism to chronic stagnation because they perceive, with more force, the need for capitalism to create financial bubbles. In my terms, this regulation would be equivalent to suppressing spontaneous private Keynesianism. Capitalist crises magnify capitalism's tendency to create poverty.

AUTOMATION AND THE END OF SOCIETY CENTERED ON PAID WORK

The Scientific-Technical Revolution is a long term process that started after World War II. It traverses cyclical crises and transforms the character of production, *establishing generalized automation which heralds the inevitable end of capitalism and anticipates an era of upheaval.* Robert Heilbroner wrote in the preface to *The End of Work* by Jeremy Rifkin (1995) that according to David Ricardo the amount of employment in an economy does not matter as long as rent and profits, from which new investment is derived, do not decrease. Simon de Sismondi replied that, in that case, there would be nothing to be desired but that the king, by moving a crank, could produce the entire product of England through automata. This mind opening book by Rifkin, adds Heilbroner, is about a world in which corporations are turning cranks that trigger automata to provide goods and services.

In a lecture given in Uruguay, Rifkin (2003) warned against the use of unemployment statistics that exclude those who, being victims of despair, stop looking for a job, and those who are underemployed. He clarifies: «when I speak about the end of work, I mean the slow decline

in full-time jobs with full benefits and its replacement with part-time jobs and piecework». In contrast to those who claim that the jobs lost in the First World are created in the Third, he says the «world's cheapest worker will not be as cheap as online technology that replaces him/her». He adds that «textile and electronics is the last couple of cheap labor markets responsible for growth in the developing world.» Rifkin concludes that «the century of biotechnology will put an end to the work of the masses. According to him, «this is the anthropological point where we find ourselves; the technological revolution can create a renaissance or a great social upheaval; we can take a leap forward for the next generation or we can have years, decades and generations of instability and unrest».

In March 1963 a group of scientists led by Robert Oppenheimer published an open letter to the President of the United States that argued that cyber-technologies were forcing a change in the relationship between income and work and urged the President and Congress «to consider guaranteeing to every citizen, as a matter of law, adequate income». They declared: «The continuity of the link between income and employment as the only major distribution system of effective demand —to grant the right to consume—, now acts as the main brake of the almost limitless capacity of the cybernetic system of production» (emphasis added). The Presidential Commission formed to study this demand said «no» to citizen's income.³

The service sector has been historically the refuge for labor that has been technologically displaced from agriculture and industry. Will the service sector continue creating jobs? Both Aronowitz and DiFazio (1994) and Rifkin (*op. cit.*) agree that automation is now progressing very fast in the services as the new information technologies are also displacing workers and intelligent machines are replacing intellectual work. Not only routine personal services but also more complex services are being taken over by intelligent machines. Labor intensive services are disappearing.

³ For a fuller account, see Rifkin, 1995, chapter 6.

Retail trade (which occupied nearly 20 million people in the mid-90's in the USA) is also being automated. Self-service tellers are beginning to appear in supermarkets, as has already happened in parking facilities. The question arises: where will the workers go?

André Gorz shares Rifkin's diagnosis and goes even further. In *Reclaiming Work* he says: «We must dare to prepare ourselves for the Exodus from «work-based society»: it no longer exists and will not return... We must be bold enough to choose the Exodus. There is nothing to be gained from symptomatic treatments of the «crisis», for there no longer is any crisis. *A new system has been established which is abolishing «work» on a massive scale»* (Gorz, 1999: 1). However it is not the abolition of work that we should object to, says Gorz, but rather capitalism's «claiming to perpetuate that same work, the norms, dignity and availability of which it is abolishing, as an obligation, as a norm, and as the irreplaceable foundation of the rights and dignity of all» (*Ibid.*: 1). Gorz goes on: «We must learn to see it [work] differently: no longer as something we have — or do not have — but as what we do. We must be bold enough to regain control of the work we do» (*Ibid.*: 1). Gorz says that what Rifkin calls «the end of work» is only the end of what everyone calls «work»; not work in the philosophical or anthropological sense, nor the labor of giving birth to a child, nor that of the sculptor, for example; rather it is the end of «work peculiar to industrial capitalism: the work we are referring to when we say «she doesn't work» of a woman who devotes her time to bringing up her own children, but «she works» of one who gives even some small part of her time to bringing up other people's children in a playgroup or a nursery school» (*Ibid.*: 2).

Richta *et al.* (1968/1972) in *Civilization at the Crossroads* (1968), point out the bright side of automation: the great hope it opens up:

Over the past decades, the impetuous development of science and technology has begun to escape the limits of the industrial revolution ... The work instruments exceed the limits of mechanical machines and assume functions which, in principle, transform them into autonomous production complexes... the

subjective aspect of production, unchanged for centuries, is amended: the direct production functions performed by simple labor force disappear gradually; technique replaces man in the direct functions of implementation, maintenance, handling and ultimately of regulation ... New social productive forces enter the process of production, the main being science and its technical applications ... complex automation liberates man from his direct involvement in the process of production, the role of simple «gear» in the system of machines and offers him, in return, the role of promoter, creator and director of the technical system of production (pp. 35-36).

And much later in the book they add this luminous prophecy:

once man ceases to produce the things that things themselves can produce in his place, the possibility to devote himself to a creative activity that mobilises all his forces, that tend to research new pathways, that expands his capacities, opens up before him. The general diffusion of this type of human activity will in fact mark the overcoming of work. Indeed, once the material forms of human activity give to it the character of active manifestations of self, the external necessity, determined by the need of subsistence, gives way to the inner necessity of man; at that moment, human activity becomes a human need that exists for itself and enriches him; then the abstract contradictions between work and pleasure, between work and leisure wither away: human activity becomes entangled with life (pp. 136-137; emphasis added).

This pathway to human flourishing is no longer a dream but a living possibility.

IS BASIC CITIZEN INCOME THE PATHWAY TO MAKE REAL THE GREAT HOPE?

«Earn your bread by the sweat of your brow», says the Bible and we may add: «and by the humiliation of your spirit». Maslow (1954/1987: 27) wrote that the experience of hunger can make one come to terms with «more

preparent needs (the physiological): «Thus a person who has given up a job rather than lose self-respect, and who then starves for six months or so, may be willing to take the job back even at the price of losing self-respect». Heilbroner (1968) has shown that in the history of mankind there are three ways to solve the fundamental economic problem, defined as the mobilization of human energy to work: tradition, coercion (a literal whip), and the *metaphorical whip of hunger*. Despite the monotonous nature of work and the humiliations imposed, a proletarian cannot quit her job because she is dominated by the whip of hunger.

Although the conditions to overcome this curse, the great hope, have been given for half a century as we saw with Richta *et al.*, this hope is unattainable within capitalism. This sharp contradiction was perceived in the 1960s by Oppenheimer and by others (such as Theobald) interested much more in saving capitalism than in its elimination. Fromm (1966) said a basic income for all citizens could, for the first time, free the individual from the threat of hunger, from economic threats: nobody would have to accept working conditions for fear of hunger; the woman could leave her husband, the teenager his family.⁴

With automation, the labor society, the wage society, is coming to an end. It is time to distinguish, with Gorz, between «the imperative need for a sufficient, regular income» and the need to act (for self-actualization, as Maslow would say), the need to be appreciated by others. The right to an adequate and stable income would no longer have to depend on a permanent and stable job; the need to act, to be appreciated by others, would not have to take the form of a paid and ordered job. Working time would no longer be the dominant social time. A new civilization is outlined in this way, corresponding with the aspiration that most people have regarding personal autonomy and a multi-active life.

Referring to the universal citizen income (UCI) Gorz (*op. cit.*) notes that it must meet two conditions: be sufficient to avoid poverty, and be unconditional. As such, we can call it the Universal, Sufficient and Uncon-

⁴ See articles by Fromm, Theobald and others in Theobald (1966).

ditional Citizen's Income (USUCI). The neoliberal proposal is to guarantee an income below the poverty line, which seeks to force the unemployed to accept a reduced pay and thus make profitable (otherwise unprofitable) jobs and create a lumpen labour market. By contrast, the USUCI is intended to allow people to refuse non-dignified working conditions and empower them to arbitrate between the use value of their time and its exchange value, i.e. between what he/she can buy by selling labor time and what he/she can produce by self-valorization. *The USUCI should not dispense from doing any work but, instead, implement the right to work, says Gorz: not to «work» that one has because it was given to be done, but to the concrete work that is done without requiring payment.* For Gorz, this latter type of work leads to «a mastery of self and of the surrounding world which is necessary for the development of human capacities» (1999: 84). As our society's need for «work» (as it is conventionally conceived) decreases, it should take up less time in the life of each citizen and it should be distributed fairly.

Where will the money come from? This is the typical objection to the USUCI; it points to the contradiction in the capitalist system that, *even though working time has ceased to be the measure of wealth created, it still forms the basis on which income is distributed.* The metaphor of Wassily Leontief (1982: 155, cited by Gorz; emphasis added) puts it as follows:

What would happen if we suddenly found ourselves in [Paradise]? With all goods and services provided without work, no one would be gainfully employed. Being unemployed means receiving no wages. As a result, *until appropriate new income policies were formulated to fit the changed technological conditions everyone would starve in Paradise.*

For Gorz, free time allows individuals to develop their capacities for invention, creation and conception, which leads to an almost unlimited productivity. However, this increase in an individual's productive capacity is the consequence, not the purpose, of his or her full development. It converts production into an ancillary activity and makes it possible

for the maximization of available time to become the inherent meaning and purpose of economic reason, argues Gorz. It replaces work — as the dominant form of activity — with personal activity. This is what we should strive for politically and what we should make tangible through achievable changes starting today.

To replace the «work society» with the «multi-activity society», the *USUCI* must be accompanied, says Gorz, with a redistribution of work, and new modes of cooperation and exchange. There is only one way to distribute a decreasing volume of work among a growing number of people: to work increasingly in a discontinuous way and allow people the choice between various forms of discontinuity, thereby transforming it into a new freedom: the right to work intermittently and lead a multi-active life. In Denmark non-work is subsidized. Its principles give equal importance to the right to work and the right not to work and the links between them: the right to work discontinuously with a continuous income. Payment when not working is 72% of a normal salary; thus someone who works half time receives a salary equal to 86% of a full-time salary. The limit to the Danish formula lies in the fact that it guarantees a conditional social income that not everyone can achieve as it is linked to having access to a job. But, I agree with Gorz, as a transitional formula it is very interesting.

In order to finance the *USUCI* and the decommodification of work, the two following sources of income should be gradually implemented: a) very high and highly progressive property tax on land used for commercial purposes; and b) taxes on financial transactions and foreign currencies transactions.

The *USUCI* radically eliminates poverty and solves the contradiction, created by automation, between gigantic levels of actual and potential production and the shrinking potential for consumption. *It saves capitalism but plants in it the seed of its transformation by eliminating the whip of hunger, thereby liberating people.*

REFERENCES

- ARONOWITZ, Stanley and William DiFazio (1994), *The Jobless Future. Sci-Tech and the Dogma of Work*, Minneapolis, University of Minnesota Press.
- BRAN, Paul A. and Paul Sweezy (1966), *Monopoly capital. An Essay on the American Economic and Social Order*, New York, Monthly Review Press.
- FOSTER, John Bellamy and Fred Magdoff (2009), *The Great Financial Crisis. Causes and Consequences*, New York, Monthly Review Press.
- FROMM, Erich (1966), «The Psychological Aspects of Guaranteed Income», in Robert Theobald, *The Guaranteed Income: Next Step in Economic Evolution*, New York, Theobald, Doubleday & Co.
- GORZ, André (1999), *Reclaiming Work. Beyond the Wage-based Society*, Cambridge, Polity Press.
- HEILBRONER, Robert (1968), *The Economic Problem*, Englewood Cliffs, Prentice Hall.
- KEYNES, John Maynard (1936), *The General Theory of Employment, Interest and Money*, New York, Harcourt.
- KRUGMAN, Paul (2009), *The Return of Depression Economics and the Crisis of 2008*, New York, Norton.
- LEONTIEF, Wassily (1982), «The Distribution of Work and Income», *Scientific American*, vol. 247, núm. 3.
- MASLOW, Abraham (1954/1987), *Motivation and Personality*, New York, Longman.
- MINSKY, Hyman (1986), *Stabilizing an Unstable Economy*, New Haven Connecticut, Yale University Press.
- REDDY, Sanjay and Thomas Pogge (2010), «How not to Count the Poor», in Anand, S., P. Segal and J.E. Stiglitz (eds.), *Debates on the Measurement of Global Poverty*, Oxford, Oxford University Press.
- RICHTA, Radovan et al. (1968/1972), *La Civilización en la Encrucijada (Civilization at the Crossroads)*, Madrid, Artiach Editorial. Originally written in Czech in the Spring of 1968. (There is an English translation, published in Australia to which I was unable to access).
- RIFKIN, Jeremy (1995), *The End of Work. The Decline of the Global Labor Force and the Dawn of the Post-Market Era*, New York, G.P. Putnam's Sons.
- (2003), «Tiempo libre para disfrutarlo o hacer filas de desempleados», in Luis J. Álvarez (ed.), *Un Mundo sin Trabajo*, México, Driada.

- STRACHEY, John (1935), *The Nature of Capitalist Crisis*, New York, Covici, Friede.
- THEOBALD, Robert (1965), *The Guaranteed Income. Next Step in Economic Evolution*, Garden City, New York Doubleday and Co.
- YANES, Pablo (2010), «Después del neoliberalismo: Hacia una nueva política social y económica», in Julio Boltvinik (ed.), *Para comprender la crisis capitalista actual*, México, Fundación Heberto Castillo.