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Economic Development against Capitalist Development

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Abstract:

Is it possible to formulate a theory of economic development in a social reality in which the process of capital accumulation permanently reproduces capitalists, on the one hand, and wage workers, on the other? Will it be possible to formulate a general theory of economic development that has as a “value premise” the income equality between individuals, since their social needs as human beings are similar at any time and place? Where does conventional economic theory fail? These questions constitute our discussion guide on the question of value, as a category of analysis of economic theory, and the consequent definition of economic development that we can extract from it.

Key-words: value theory; economic development; capitalist development

JEL: A13; O10; P16

1. Introduction

What does a theory of economic development consist of? What do your attributes need to be? What does this intend to explain? Why is there a diversity of theories of economic development? What is the place of a theory of development in a political world? Why can no development theory be without interests? What are the interests behind a theory of economic development? Why are there theories of development and theories of growth? What relationships can we observe between the existence, reproduction and expansion of real economies and a theory of development? Is it possible for a development theory that is not political? And, being political, what interests can it serve: private or collective? It was this “brief” set of concerns that gave rise to this great adventure: to investigate the theories of economic development based on the theories of “value”. The objective was to verify whether Economics, as a science, can serve as an auxiliary instrument in overcoming the struggle for existence among men, so that one day, finally, the human ideals of freedom can be established in a real way, and not only formally, equality and fraternity (reciprocity between equals). In other words, the article discusses the relationship between economic development and capitalist development.

This introduction may seem a little arduous because it seeks to introduce an issue long abandoned by orthodox economic science. These are the “political aspects of economic theory”, a term that also refers to the title of Myrdal's book. Like him, we believe that it is not possible to formulate any plausible economic theory without seriously considering “value assumptions”, including within the scope of economic development theory. However, as the author himself warns in the 1953 preface:

“[...] Value assumptions cannot be arbitrarily established: they must be relevant and meaningful to the society in which we live. To begin with, they must be formulated in concrete terms of economic interests actually pursued by groups of people, and of real human attitudes towards social processes. Under no circumstances should the value premises be represented, in realistic research, by the kind of general and abstract principles that economists in our great tradition of natural law and utilitarianism use to bridge the gap between objective science and politics [...]” (MYRDAL, 1984, p. 5).

We believe that Myrdal's contribution to economic theory has not yet been fully understood, especially with regard to his study of the political aspects of economic theory. In this article, our starting point was also a value premise. It has two aspects. The first is related to the “value” category itself, value as a substantive element, economic value, not as an exchange value, nor as a price, but as a complement of the social utility of the products of human labor.

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We firmly reject the premise of utilitarian value because of the empirical observation that social functions are much better suited to explain human behavior than immediate feelings of pleasure and pain. The second aspect, derived from the first, places the category value as an element of intermediation between economic interests and the ideals of humanization (“Social Value”), or of the possible civilizing degree to be achieved (the effective realization of equality, freedom and fraternity - the latter in the sense of reciprocity, that is, equality in social relations, due to the lack of forms of exploitation or expropriation among men).

We present our premise based on the contrast between two ways of weighing economic precepts. The utilitarian premise that can be expressed as follows: if the theory of economic development, which is based on a theory of substantive value (value as an attribute of the human labor force), reveals forms of exploitation and expropriation of man by man: logo , it is necessary to replace this theory with another where there is no such problem; a theory of value in which any surplus produced in the income distribution process is eliminated, in order to also eliminate any possibility of distributive conflict.

In contrast, our premise can be expressed in the following way: the theory of work-value in revealing economic value (the result of social relations established between men and between them and nature), also reveals that their production takes place through forms of exploitation and expropriation of man by man. Therefore, a theory of economic development must necessarily formulate solutions so that the process of creating social products happens free of forms of exploitation and expropriation of man by man. Along this path, perhaps the only way to guarantee the elimination of forms of exploitation and expropriation of man by man is by equalizing income and the consequent equal attendance to the satisfaction of social needs (economic and political determinations, but always of a collective nature); instead of satisfying individual, private wishes.

Social needs are related to the technical stage reached by a society. In contemporary capitalism, these needs are associated with a certain level of education, a certain housing standard, medical and hospital care, cultural production, leisure possibilities, in short, the set and breadth of social functions performed by specific categories of workers. Individual needs are of a different nature. They are associated with individual wants, individual tastes and preferences. They refer to a particular satisfaction that can be expressed in various ways (joy, sadness, acceptance, denial, etc.), but a satisfaction that cannot be felt directly by anyone other than the person who experiences it.

In this sense, perhaps the only possible way to meet social needs equally, without disregarding individual wishes, is to find a way to deal with the real contradictions of money, commodity and capital (as representatives of value), in addition to those established by utilitarianism. In other words, we need at the same time to deny money, commodities and capital and, at the same time, to accept them, as they are the means and forms of sociability possible at the technical stage reached. We need to deny money in its characteristic of unrestrained personal accumulation, but accept it as an element in the establishment of exchanges and personal choices of satisfaction. In the same way, we need to deny the commodity as an instrument of social domination (the fetish of the commodity), but, accept it as the only form of social utility to satisfy social or individual needs. Finally, we need to deny capital and its infinite search for accumulation, but, at the same time, accept it as a producer of surplus, in order to reproduce, expand and modernize the social productive forces. This is the real problem that a development theory has to face.

Thus, the article falls within the branch of economic archeology (if it is possible that such a field of study exists). For it is our interest to dig from the economic surface to the origins of the theory of value and, from there, discover why the economic structure created by us gave rise to such a contradictory social organization and sociability. In the limit, against humanity itself.

2. Alternative definition of economic development

What is the possibility of formulating a general theory of economic development? To think about this possibility, we first need to establish a set of premises. The first premise is related to what we call social needs and the ways in which they are served. We assume that, given a certain technical configuration, there is a set of ways to meet social needs. At the base of the premise is the idea that as human beings we cannot be denied the fulfillment of a social need, with the conditions for its realization. That is, given a set of techniques, there is a standard of meeting social needs that is possible for all individuals in a society. So that each and every individual can fulfill their social needs without depending on their social position, their income, their spatial location. Anyway, of any difference that results from the “distinction” provided by the individual unbridled accumulation of wealth.

The second premise is related to the establishment of an equal economic condition for all individuals in a society, regardless of their social functions. Our general proposition for thinking about a theory of economic development can be expressed as follows: equal pay for equal social needs regardless of social functions. For meeting social needs can only be carried out on equal terms if all individuals have relatively similar economic conditions. We can now derive a definition of alternative economic development.

Economic development is, in the end, the equal fulfillment of the social needs of all individuals in a society. This equality in meeting social needs must necessarily accompany the modernization process resulting from economic growth and the evolution of technical progress associated with it.

It is necessary to clarify that the standardization of income does not mean the standardization of individuals. It means, above all, the standardization of meeting social needs. The individual needs, the individual's tastes and preferences, or the idiosyncrasy of each being, is thus preserved in its entirety. Because the definition of development stated above does not represent the abolition of the forms of money, commodity and capital, but reconfigures them in the sense of their social functions.

If the definition of economic development can be expressed in this way, there is both the possibility of formulating a general theory and of proposing global solutions to our global problems as humanity. For, starting from the realization that as human beings our social needs are the same, in any time and place, and, still, from the realization that the technical-scientific-informational revolution, by providing a significant “annulment of space by time”, it also provided the foundations for a truly global community. This implies that it has made all of our problems and solutions common, in human and social terms.

3. Theories of economic development and capitalist development

3.1. Theories of economic development

We do not intend to write a history of economic development ideas or theories throughout the history of economic thought. Our concern is only to deal with the implications of the two theories of value, the theory of labor value and the utilitarian theory of value, on the configuration and a theory of development and on the policy implications derived from them. In this sense, we can compare whether or not there may be convergence between economic dynamics and economic development, within the parameters of the definition presented above.

Myrdal (1984), made an important contribution both to the theory of value as a starting point of all economic analysis and to the normative implications derived from it.

“[...] The whole history of economic thought is marked by the notion that through the use of purely logical operations it is possible to formulate, based on empirical observations, the concept of a kind of 'value' that is somehow deeper than simple exchange value or price. It is believed that this concept should be the starting point for any economic analysis that really tries to penetrate below the surface. It is also generally accepted that the theory of value has a central significance in the construction of economic-political doctrines. In effect, the theory of value is always implicit in political results, even when it did not figure explicitly among the premises” (MYRDAL, 1984, p. 26).

The theory of labor-value as the nucleus of explanation of economic phenomena has two specifications: that of the classics and that of Marx. Both reflect the idea of revolution, the establishment of a new society and a new form of sociability.

For the classics, the theory of labor value represented the overcoming of the past, of the feudal world, from the establishment of a new form of value, no longer the value associated with land ownership or social titles, but the economic value. A situation already present in social reality derived from the historical conditions that promoted the generalization of exchanges. Based on their theory of value, they also surpassed other “imperfect” forms of value representation, such as those derived from physiocracy and mercantilism. According to Smith (1983, p. 357):

“The differentiated progress of wealth, at different times and in different nations, gave rise to two distinct systems of Political Economy, with regard to the enrichment of the population. The first can be called the trading system, the second, the agricultural system. I will try to explain the two as fully and clearly as possible [...]”.

In general, in the classical economy, development is directly associated with the possibility of producing an economic surplus. The existence of this opens a set of alternatives to society making the possibility of economic expansion real. However, in order for economic growth to take place and, from there, expand production capacity, it becomes necessary for the surplus to be in the hands of a certain class, with certain objectives, which are specific to its class.

The social totality seen by the classics consists of three classes of agents, each with a specific role in economic dynamics, as well as with a specific income derived from their respective participation in the production process. Landowners offer arable land in exchange for rents and consume their income in manufactured goods. Salaried workers offer labor power in exchange for wages and consume all their wages in the process of reproducing their daily lives. The capitalists, who, from an initial allocation of money, hire salaried workers and acquire different means of production, combine them through a certain production process, obtain a commodity and offer it on the market for sale making a profit.

Therefore, for the classics, in general, the starting point of the process of economic transformation (development) is associated with an “initial allocation of money”, a surplus. The existence of this, in turn, is associated with the idea of sacrifice. It was only from this sacrifice of present consumption (savings) for increased consumption in the future that the surplus appeared. The primitive accumulation for the classics, as noted by Marx (2017, p. 785), roughly speaking, occurred as follows: “[...] in a very remote time, there was, on the one hand, a hardworking, intelligent and above all parsimonious, and, on the other hand, a sense of strayers dissipating everything they had and even more [...]”.

In this scheme the responsibility for economic development, that is, for the generation of national wealth (surplus) is the responsibility of a single class: the capitalist class. The role of the landowner class is represented in two ways; consumption (including ostentation), and increased rent due to economic growth and the urbanization process, which increasing land rent, also increases the cost of living for salaried workers and, consequently, negatively affects the class profit capitalist. Thesis, presented by Ricardo, based on his theory of land rent. If cultivation extends to lands farther from the place of consumption and occurs from lower levels of productivity (due to the lower quality of the land), it will necessarily lead to an increase in rental prices and a consequent increase in the population's cost of living. Therefore, the participation of landowners in the product will increase, increase in urban wages, a process that will result in a reduction in the share of profits in the total product of the economy. The result will be a decrease in profits and a disincentive to production. At the limit, profits will be zeroed. In this case, the famous “steady state” of the classics is installed.

Therefore, the development for the classics is associated with the productive process, specifically the manufacturing production, and with a certain configuration of the class of economic agents, configuration in which the interests of the capitalists are in force. In this sense, the existence or not of economic development depends on the possibility of the capitalist class being able to impose its will on the other classes.

The role of the wage working class is to create value. For, for the classics, roughly speaking, unlike physiocrats (land) and mercantilists (accumulation of precious metals), value is created from work. The theory of labor value was a fundamental contribution to the theoretical development of economics as a science.

From it, a scientific approach was established to deal with economic issues. For, it was derived both the cause of value (human labor) and a measure of its greatness (hours needed to produce a certain product). In this way, it was possible to both justify and explain the exchange process and its generalization, the transformation of the product of labor into merchandise, as well as the formulation of a theory of market prices.

The classics also defined that the problems of economic development necessarily involve aspects internal and external to a national economy. Therefore, the analysis must be conducted always considering these two perspectives as complementary. First, the internal organization of a society, that is, the base of its natural resources, the existing or emerging social classes, the relationships established between them, the public administration (forms of government and political relations). Finally, the national past and its evolution. Second, the external relations that a national economy establishes with other nations, near or far.

Oliveira (2003) systematized this methodology in his study of the historical process of industrialization through the denomination of historical mediations. In his analysis, located between the end of the 18th century and the end of the 19th century, historical mediations serve to define patterns of the development of capitalism throughout its worldwide expansion as a dominant mode of production.

These patterns are then configured, therefore, from the national past, which may be, according to the author, feudal or colonial (internal historical mediation), and from the stage of capitalism in which the process of industrialization of a country unfolds (historical mediation external).

For Oliveira (2003), the patterns of capitalism and their respective industrialization processes, based on the relationship between internal and external mediations, are as follows: 1) original capitalism corresponding to the English Industrial Revolution (feudal past and historical stage of primitive accumulation); 2) backward capitalism (corresponding to two waves: a) backward industrialization of the first wave, Germany, France and the USA, feudal national past, with the exception of the USA, and the phase of competitive capitalism; b) Japan and Russia, in the second half of the 19th century, already in the transition period from competitive to monopoly capitalism, countries of feudal past; and 3) lagging capitalism, mainly countries with a colonial past and subordinates in the international division of labor that industrialized already in the monopoly capitalism of the 20th century.

Thus, the classics proceed. After analyzing the internal structure, highlighting the role of economic agents, they started to theorize about external relations. Smith, based on the criticism of the mercantilist system, developed a set of formulations on the advantages of foreign trade and formulated his theory of free trade.

“[...] Whatever the countries or regions with which they trade, they all obtain two benefits from foreign trade. This causes that surplus of the production of land and labor for which there is no demand in the country to leave the country, bringing back, in exchange, some other commodity that is needed [...] Due to foreign trade, the narrowness of the internal market does not prevent the division of labor to be carried out to the utmost perfection in any branch of handicrafts and manufacturing [...] Foreign trade continuously provides these great and relevant services to all countries among which it is practiced [..]” (SMITH, 1983, p. 372).

But it was Ricardo who systematized a theory of international trade based on his theory of comparative advantages, which became the basis for formulating a whole range of international trade theories, from then on. It was contested only in the 1950s, through the observation that foreign trade did not lead to a convergence in the remuneration of productive factors between the different countries participating in the world economy.

“Contrary to what is inferred from the latter [the traditional theory of international trade], foreign exchange did not lead to an equalization in the remuneration of factors. On the contrary: it has been working to make it possible to concentrate income in favor of industrialized countries through the long-term deterioration of the terms of trade in countries specialized in the export of raw materials” (FURTADO, 2000, p. 236).

This entire presentation of the classics was carried out for three purposes. The first, to show the importance of the theory of work-value as a central element of the thought of the classics, from which a vast and rich arsenal of instruments of economic analysis was formulated. Second, to show that the methodologies formulated and used by the classics are still important for economic analysis. Third, that the “formulation of normative rules” must be a “central function of theoretical analysis”. This is because, the objective of their analysis was the “really existing society”, but at the same time it was also “a definition of the society that they maintained should exist (MYRDAL, 1984, p. 18).

Therefore, even if the idea of developing the classics is incongruous with “social value” (understood as the general benefit of everyone derived from economic growth), they believed the opposite. For them, the theory of labor-value, by placing productive labor as the foundation of wealth, making the capitalist's active role in economic dynamics in relation to other social classes perceive, establishing the market as an infallible organizer of efficient exchanges instead of relations of servitude, highlight the advantages of foreign trade and manufacturing production; really believed that their theory of value acted as a determining element in the foundation of a new society: “[...] informed and enlightened society of independent individuals who reason and discuss, change and exchange, fair and deliberate men who see through their own prejudices [...]” (ROTHSCHILD, 2003, p. 18).

One of the most important lessons from the classics is certainly about the relationship between economics and politics. Even within the scope of the doctrine of economic liberalism, the classics formulated a set of normative propositions that could contribute to bringing society to the “common good”. This is because the “common good” is a political determination.

Freedom, equality, fraternity, are social values defined as a “common good”, a product of human reason as opposed to our original constitution as animals. In the wild, the survival of one depends on the annihilation of the other, it is the struggle for existence.

In society, this second nature also requires a second survival strategy, which is given to us by the use of reason. Economics would be the science that would give us the means and instruments that would distance us from the struggle for survival, as in nature, and would lead us to a situation in which there was neither violence, nor exploitation and expropriation, in the relationships that men establish between itself, in its production and reproduction process.

“The implicit belief in the existence of a body of scientific knowledge acquired independently of all value judgments is, as I see it, naive empiricism. Facts do not organize themselves into concepts and theories just because they are contemplated; indeed, except within the framework of concepts and theories, there are no scientific facts, but only chaos. There is an unavoidable element a priori in all scientific work. Interrogations must be asked before answers can be given. The questions are an expression of our interest in the world; fundamentally, value judgments. Value judgments are thus necessarily covered in the phase in which we observe the facts and elaborate the theoretical analysis, and not only in the phase in which we take the political deductions from facts and value judgments” (MYRDAL, 1984, p, 4-5).

However, Economics as a science has taken another path. As Myrdal (1984, p. 23) points out, the “[...] result of the efforts of several generations of economists to find norms of economic policy [...]” developed and perfected “a nucleus of positive economy”. From then on, it was accepted “[...] the general thesis that economic science, to be scientific, should refrain from seeking to establish political norms [...]” (MYRDAL, 1984, p. 24).

The replacement of the philosophy of natural law by utilitarianism, through the marginalist revolution, completely changed the understanding of economic processes and their relations with society. An evolution from the philosophy of natural law much more dangerous and malign to the "common good". The maximum of human needs would no longer depend on the action of man, but only on the autonomous and automatic action of market forces in their search for a "state of equilibrium". This state would reflect an optimal income distribution according to the marginal productivity of each factor, regardless of the social situation of each agent (rich or poor, capitalist or wage earner).

According to an analysis by Furtado (2000, p. 49), “[...] the uncomfortable idea of the classics that the remuneration of labor and capital was different was different [...]” and economic development “it would be in the good mood of some citizens”, morally determined by the concepts of waiting (expectation of future profit) and sacrifice (savings).

“The theory of economic development that can be extracted from the neoclassical model is simple and is formulated as follows: the increase in labor productivity (which is reflected in the rise in real wages) is a consequence of the accumulation of capital, which, in turn, it depends on the anticipated rate of return on new capital and the offer price of savings. The accumulation of capital, causing an increase in real wages, would tend to increase the share of wages in the product and, therefore, to reduce the average rate of return on capital. Now, by lowering the ‘demand price’ of capital, there would be a disincentive to savings and, consequently, a reduction in the pace of capital accumulation. In this way, we go back to the theory of stagnation. Strictly speaking, the ideas of profit, accumulation, development, do not fit into the neoclassical model but as consequences of a departure from the equilibrium position. In this case, the return on capital must be the same in all its investments, corresponding to the interest rate. As long as there are profits, that is to say, remuneration for capital, in a given sector, higher than the average, it must be deduced that the optimum allocation of productive resources has not been achieved, as it would be possible to increase the productivity of a factor by displacing it from one to another sector. As accumulation, that is, net investment, only takes place in the face of an anticipated profit, it is evident that the optimal use of resources can only be defined in terms of a stationary economy” (FURTADO, 2000, p. 50-51).

Perhaps the analysis closest to the proposition of a theory of truly social economic development was still proposed by Marx, in his work *Capital*. Starting from the theory of work-value, it really reaches the essence of the contradiction between the social capital relationship and the establishment of the “Social Value”, as “common good”. His exploration theory reveals the difference between what is essence and what is appearance in the capitalist mode of production.

His theory of capitalist accumulation reveals the always uneven and combined form of production and reproduction of capitalism through the socialization of work and the private appropriation of its result. His theory of the industrial reserve army shows how individuals only represent an exchange value in the social process, employed when they serve capital, unemployed when they lose their utility.

In general, his theory reveals how everything and everyone becomes hostage to production through production and accumulation through accumulation, instead of production serving the satisfaction of human needs. These appear more as a collateral of the production than as its main objective.

After Marx, neither the heterodox nor the orthodox strands were able to formulate any theory that was not based on:

“[...] the idea that the economic process represents the economy of a personified society that tries to obtain the maximum of the available resources, working in this way towards a common objective, remained the generally accepted form of reasoning in Economics and governed the formulation and proof of their political doctrines. It will be found that, in essence, all these doctrines serve to indicate what is more 'economic' from the point of view of society” (MYRDAL, 1984, p. 27).

Keynes consolidated this way of thinking about Economy through the condition of macroeconomic balance given by the identity between savings and investment. In the short term, the Keynesian multiplier becomes synonymous with growth and development. In the long run, based on the dynamism of the model carried out by Keynesian economists, the problem of growth (or development), consisted only of finding a rate that would proportionally balance variations in income and productive capacity.

There is also a set of approaches that we will not explore in this item, such as institutionalism and evolutionary economics, for example. Not because they are not important or interesting. On the contrary, they present relevant contributions mainly relating Economics to politics. However, in terms of development theory as defined in this article, they point to the same results as the Keynesian dynamic models. In other words, they do not resolve the incompatibility between Economy and “Social Value”.

As Mandel (1982, p. 26) stated, the history of capitalism is “[...] at the same time the history of its internal regularities and unfolding contradictions [...]”.

3.2. Capitalist development

To make the debate clearer and more purposeful, we must first consider that the theme of development, as it has been treated so far in economic thought, with the exception of Marx, and in a sense of the classics, means development in capitalism and capitalism. Therefore, if capitalism is a system that expands with contradictions, its development, or a theory of development that is thought of, will also result in a theory with such contradictions.

In this aspect, the development of capitalism can be understood as the development and the combination, in certain proportions, and according to its historical stage, of mercantile capital, industrial capital and banking capital, with certain implications on its dynamics. The contradiction between capital and labor is a finding throughout its existence and is reflected: both in the configurations of the capital accumulation process (ways of realizing the absolute and relative plus-value and the implications of technical progress on the extent of extraction of the same); and in the unequal distribution of the product, always maintaining the class separation between capitalists and wage workers.

Apparently, of these three major stages, only the industrial sector made some income distribution less unfavorable to the working class. Especially, in the periods when it was able to organize itself and, through the struggle (sometimes violently, sometimes through the “legal” way), implement or alter a certain arrangement of labor legislation (such as in 19th century England). Or, also, in periods of intense economic growth of capitalism, as was the case of the Golden Age in the 20th century, which resulted in the construction of the “American dream”.

However, in common, all these eras guard, reproduce and expand, the basic contradiction of capitalism that is based on its social relations of production: wage labor based on merit. Perhaps, still, one of the best references to analyze the question of development in capitalism and capitalism is the book "Modern economic growth", by Kuznets, published in 1966. In it, the author presents his ideas about the nature of economic growth since the English Industrial Revolution until the early 1960s, work that was carried out from a broad statistical base.

As Rischbieter, presenter of the book in the Brazilian translation, highlighted in 1983, the renowned American economist Paul Samuelson stated that it was thanks to Kuznets' research that it was possible to "formulate certain general uniformities on development" (both in the USA and in other advanced nations of the world). Therefore, it is also a book on economic development.

So far, it is perhaps the most statistically broadest and most profoundly theoretical analysis ever carried out by economic orthodoxy on the subject.

Chapter four of Kuznets' book dealing with the "distribution of product and income" is both a confirmation of the analysis carried out in the previous chapters and of chapter XXIII of book I of *The Capital*, entitled "the general law of capitalist accumulation". Let us note that Kuznets makes his analysis in the golden age of capitalism. He confirms that in the course of economic growth "the share of national income, personal income and disposable income in the gross national product declines", despite "sustained increases in total and per capita product" (KUZNETS, 1983, p. 114). The author credits this reduction to two factors: 1) "amplitude of progressive income taxation"; and 2) "provision of free benefits" (expansion of social services offered by the State, medical and educational, for example). Which partly reflects the reality of the welfare state.

Kuznets (1983, p. 132), in this chapter, was interested in "studying the effects of economic growth - interpreted as changes in the production process - on the distribution of income by size", that is, by individuals and families (main economy recipients).

"[...] Our main interest is to observe whether, in association with the growth of per capita income, changes in the industrial structure, trends in the share of factors and other trends within modern economic growth, there have also been changes in the distribution of income by size, which in turn would have affected the uses of rents in savings and investment or in different categories of consumption [...]" (KUZNETS, 1983, p. 132).

Thus, although the author is interested in studying trends in the share of factors associated with changes in the production process, he starts from an already established value premise: "[...] the comparison of share in income must adjust to differences in the cost of living [...]" (KUZNETS, 1983, p. 133). Its conclusion is that the inequality in the share of income, derived from the sphere of production, increases because the costs of living increase, and that, in the course of economic growth, the participation of consumption remains even in the face of the increase per capita income.

"[...] The production process reflects the different living conditions, associated with different functions and levels of condition; any changes in the distribution of income by size, which reflect such differentials in associated and indispensable costs, must be adjusted to their effects. Thus, if, in the process of economic growth, the inequality in the shareholdings that derive from the production process widens (or narrows) because the differential costs widen (or narrow), such changes cannot be interpreted as expressive trends in the distribution of income" (KUZNETS, 1983, p. 134).

Now let's compare Kuznets' statement with the following quote from chapter XXIII, of *Marx's Capital*.

"[...] But the more or less favorable circumstances in which the wage earners remain and multiply in no way alter the fundamental character of capitalist production. Just as simple reproduction continually reproduces the capitalist relationship itself - capitalists on the one hand, wage earners on the other -, reproduction on an expanded scale, that is, accumulation, reproduces the capitalist relationship on an enlarged scale - on the one hand, more capitalist, or larger capitalists; on the other, more wage earners. The reproduction of the labor force, which has to incessantly incorporate itself into capital as a means of valorization, which cannot be disconnected from it and whose submission to capital is only veiled by the change of individual capitalists to whom it is sold, constitutes, in reality, a moment of the reproduction of capital itself. The accumulation of capital and, therefore, the multiplication of the proletariat" (MARX, 2017, p. 690).

For Kuznets, inequality widens or narrows, it never resolves itself. And it is not resolved because "the production process reflects the different living conditions, associated with different functions and levels of condition", according to the author himself. For Marx, who finds in his analysis a hundred years earlier the same process as Kuznets, inequality is not resolved because "the fundamental character of capitalist production",

Whether in simple or expanded reproduction, is the continuous reproduction of the capitalist relationship itself, that is, capitalists and their profits, on the one hand, and, on the other, wage earners (who represent and import only the cost of their reproduction to capital; the value that regulates wages).

Kuznets' value premise, “the different living conditions, associated with different functions and levels of condition”, is neither relevant nor significant for society. For, it moves away from the “common good”, from “well-being”, from “Social Value”, in short, from the reciprocal relationship that must exist between economic income and the satisfaction of social needs. Myrdal's analysis is a crystalline synthesis of the comparison established above.

“While, for example, many economists, especially in the early days, felt called for equity or convenience in the current distribution of income and wealth, others tried to prove the opposite and to indicate reforms that, if adopted, would replace the dominant system with a more equitable. In recent decades, economists have often tried to circumvent the issue entirely, assuming, for example, the existence of an equitable distribution of property and income. This premise is also sometimes used to cover all “non-economic” value judgments regarding distribution, a method used by those who are suspicious of “purely economic” solutions to the problem of correct distribution. The hypothesis formulated so that the theorist is free to establish rules of exchange, production, taxation and all matters that, as he thinks, can be isolated from the problem of distribution and thus treated independently of the political premises” (MYRDAL, 1984, p. 25).

Kuznets' conclusion, synthesized in his famous inverted U-curve, is another misleading idea about the realization of the "common good". For, in the context of the real contradiction of the capital / work relationship, the full social values of freedom, equality and reciprocity cannot be realized. The author reveals that income inequality is a condition of capitalism that can sometimes decrease and sometimes increase, according to the stage of development of capitalism, but without ever being resolved. That is, in the initial stages of the economic growth process income inequality increases, but as the non-agricultural sectors (non-A) start to determine the economic dynamics and, that, technical progress is internalized as a productive factor, income inequality tends to decrease.

“[...] It seems plausible to admit that in the growth process the most remote periods are characterized by a balance of opposing forces, and that they may have widened for some time the inequality in the size distribution of total income, as a result of the rapid growth of the population. income in the non-A sector and the greater inequality in it. It is even more plausible to affirm that the increasing reduction in income inequality observed in developed countries came from a combination of decreasing intersectoral inequalities in product per worker, from a decline in the share of property rents in the total incomes of family units, from institutional changes that reflect decisions related to social security and full employment” [...] (KUZNETS, 1984, p. 145).

The conclusions presented in this item refer to the incompatibility of the realization of economic development, in the sense of the real establishment of the “Social Value”, in the context of the contradiction of the social relationship between capital and labor, for a national economy. The same conclusions can be applied at the level of relations between countries, that is, in terms of the world economy. Do not dwell on this discussion. To summarize, albeit in a very crude way, the general conclusions of conventional economic theory, it is enough to show that the premises for explaining international relations between countries are the same as those for the national economy, that is, those based on the remuneration of factors based on their respective participation in the production process, adding the premise of technical progress as an international public good (“worldwide stock of useful knowledge - a source potentially accessible to all countries”, as expressed by Kuznets), the result of conventional theory is a harmonious economic progress between the nations. The end result would be a convergence of international income towards a balanced situation of general well-being among all nations.

However, the configuration that capitalism acquired in the 1970s is of a different nature. The systemic pattern of wealth started to be financialized and its consequences in the income distribution process also became much more perverse and of great magnitude.

According to Braga (1998), financialization has become the systemic pattern of wealth because valuation and competition operate under financial logic. In this sense, financialization represents the contemporary way of defining, managing and realizing wealth in capitalism, because it is constituted by fundamental components of the capitalist organization.

As the author points out, this new pattern, “[...] signals an unbalanced movement in the international division of labor and growing disparities in income, wealth and sociability; understood as access to employment, vital and cultural expansion, democratic and civilized connivance”(BRAGA, 1998, p. 238-239).

Like Chesnais (1996), we understand that globalization should be thought of as part of the process of capital internationalization and its valorization:

“The degree of interpenetration between capitals of different nationalities has increased. Cross-border international investment and cross-border mergers and acquisitions generate highly concentrated supply structures worldwide [emphasizing] the financial aspects of industrial groups and [printing] a financial logic to the capital invested in the manufacturing and services sector” (CHESNAIS, 1996, p. 33).

This mobility and autonomy of the accumulation process in view of the different forms of capital's existence have a very high political and social price. First, the loss of state power to discipline and regulate the growth and development of national economies. The state becomes hostage to the logic of capital. Therefore, when you become a prisoner of the logic of financialization, if you do not completely lose your ability to make public policies, your political autonomy becomes very limited.

This “way of being” of contemporary wealth does not present conditions for social-oriented development, first of all, “[...] it represents the appropriate and perverse modality of accumulation in the new capitalism (MARAZZI, 2011, p. 54). For Carcanholo and Nakatani (1999, p. 302):

“[...] speculative capital does not have the conditions to sustain a new era in capitalism, which will continue for decades and which historically reorganizes the world according to its interests, which can establish a new international division of sustainable labor, which guarantees levels of acceptable economic growth and that allows living conditions that are minimally bearable for a reasonable contingent of the world population. The time of the predominance of parasitic speculative capital can only prevail during a period, greater or less, marked by profound and recurring financial crises and, on the other hand, by a polarization never before seen in the history of capitalism: magnificent material wealth on one side and deep and growing misery in much of the world”.

Sassen, in her book “Expulsions”, from 2014, dealt with what she called “new expulsion logics”. The title of his introduction is already very suggestive, “the wild selection”. For her, this new phase of advanced capitalism has reinvented the mechanisms of primitive accumulation, either through innovations that increased the capacity to extract natural resources, resulting in ever greater extensions of land and dead waters; either through complex operations and a lot of specialized innovation, related, for example, to the logistics of outsourcing or to the finance algorithm, reviving extreme forms of poverty and social brutalization.

“We face a terrible problem in our global political economy: the emergence of new logics of expulsion. In the last two decades, there has been a great increase in the number of people, companies and places expelled from the central social and economic orders of our time. This shift towards radical expulsion was made possible by elementary decisions in some cases; in others, for some of our most advanced economic and technical achievements. The concept of expulsions takes us beyond that familiar idea of growing inequality as a way of understanding the pathologies of current global capitalism. It also brings to the fore the fact that some forms of knowledge and intelligence that we respect and admire are often the source of long chains of transactions that can end in simple evictions”. (SASSEN, 2016, p. 9)

4. Conclusion

In a society as dystopian as ours, morality appears only as another form of reification. In addition to the commodity fetish and the money fetish, there seems to be another fetish in which the fetish object is man himself in his social relations. To present our argument, we paraphrase Marx's exposition about what commodities would say if they could speak. Our presentation is as follows.

It is possible that our use value as men (attribute of being conscious and autonomous as a social being), has some interest for capital. To us and among us, as man-things, use value in itself is not concerned, because we accept that we are only a means to an end, of capital. What concerns us repeatedly is how much we can be exploited (generating more value); we do not complain about this, as we are somehow convinced of the dream of abstract wealth that awaits us at the end of the path. However, our own circulation, as commodity things, separates us and condemns us to perpetual alienation, both on the vertical and on the horizontal plane. The first concerns the alienation of the capital / labor relationship.

The second, portrays the alienation between us, man-things, that we relate to each other only as exchange values, as abstract individuals, increasingly individualized and bestialized by new technologies. We await only the orders of capital (symbolizing the man-man, the true one, the path), issued to few of us who will remain things, to those of us who are not called or things we can no longer be.

The fetishization of man happens when the social relations between them are mediated by man as not being, as a thing, the man-thing, alienated, bestialized and reified, both by the capital / work relationship and by the social relations in the world of work itself. This fetish is part of the human results of the Technical-Scientific-Informational Revolution. Specifically, to promote an incessant process of fetishization of man by providing him with a false sense of autonomy, freedom and self-knowledge. Marx's original text is as follows: "If the goods could speak, they would say: it is possible that our use value has some interest for men. As things, he does not concern us. What concerns us materially [dinglich] is our value. Our own circulation as commodities [Warendinge] is proof of this. We relate to each other only as exchange values" (MARX, 2017, p 128).

When we lose our utopias somewhere, we also lose the sense of what "human being" is. It is therefore urgent to rescue this sense. As Altvater (2010, p. 334) states, "[...] concrete utopia is stuck with heavy anchors in the real background of capitalist society [...]", reified, fetishized in relations of reproduction. It is necessary to rescue utopia, to recover a sense of humanity, a common foundation to fight for. So far, neither the theories of economic development, nor the deepening of the environmental issue and its partial solutions, have managed to get to the heart of this issue. Precisely because they did not touch the fundamental point: the monstrosity of reproductive relations in contemporary capitalism. It is necessary to dispel these and other myths towards a "realizable utopia".

That said, the only real solution to the real problem of economic development and its central issue, income distribution, was proposed in a very simple statement, still, in 1848, that is, 173 years ago:
 "WORKERS OF THE WORLD, UNITE!!"

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