Part III

The contemporary world-economy
6. Markets and exchange
The attitude of world-system analysis assumes the impossibility of understanding the modern world without taking it into consideration as a whole, over a longer period (Chase-Dunn and Hall 1997).

The way we understand this self-contained whole has fundamental meaning for understanding world social structures. The basis for thinking about these concepts is rooted in the philosophical paradigms of Plato and Hegel. The precursors of world-system analysis, who categorize the system of world class diversity depending on property like Karl Marx, or emphasize the level of work skill in the process of production like Max Weber, treat the whole in the Hegel way, which means sharp distinctions between the common and the different. This makes it impossible to differentiate “the other side” of phenomena such as the existence of the lumpenproletariat beside “the usual classes” (i.e., engineers can posses the ability to become, for example, thieves in addition to their working skills).

Plato believed that the general things are also common, which tends to pass the differences over. From this perspective, informal economy, as the other side of the formal one, is not the goal of scientific reasoning.

I developed the concept of the lumpeneconomy from foundations in the socioeconomic theory of ownership and the idea of “the other side” of society, developed by Stanisław Kozyr-Kowalski (2004) and the research of Jacek Tittenbrun, in which lumpenownership is understood as the free use of goods, particularly via tax avoidance (Tittenbrun 2006: 9). As proved by Kozyr-Kowalski (2004), drawing profits from tax avoidance, from the point of view of the socioeconomic theory of ownership, means that the national community is “cheated” because the community is the legal state owner. In modern societies, the community, via the tax system, is the co-owner of all types of private means of production and labor force.

Such relations of lumpenownership can be jointly existing, together with the informal economy, the social margin and social pathology (Galor 2006: 11). The cumulative results of researchers like Andre Gunder Frank, Recep Varcin, and Hernando de Soto, along with the manifesto of Eldridge Cleaver (1972), prove the global dimension of the relation.

Lumpenwork is an element of world lumpeneconomy. Lumpenwork can be described as each kind of activity that gains access to life resources related to the lumpenownership. This kind of work can neither produce new values, like theft or begging (Tittenbrun 1986: 2), nor produce
new functional values typical of informal economies, such as illegal moonlight carpentry (Galor 2006). Lumpenwork also includes syndicates, international mafia, and other activities that are not only related to production, but are specific to informal economies.

Such a broad range of lumpenwork constitutes the lumpeneconomy that it reflects the negatives of the mainstream economy. There are lumpencopies of every aspect of production, exchange, transportation, and service. The lumpeneconomy varies depending on its relation to law and morality and can even comprise explicitly criminal activities such as robbery, theft, or fraud.

The basis of the “free rider problem” is the way in which goods and public services are used, which is in the sphere of lumpenownership. Easy riders do not pay for them. Examples of the “problem of easy rider” concern their world dimension.

The syndrome of “free rider” is used as a sociological explanation for the lack of activity of certain members of social movements as “a brake on participation” in mass activities and social movements which consider public values, for example, freedom, independence, and democracy. Sztompa (2002) believed that the above syndrome can be explained via the following reasoning: if the movement wins I will benefit from it anyway and if it does not win, I will not suffer the consequences; at most, nothing will change.

Stiglitz (2000) emphasized that in the economic dimension, the “free rider problem” encompasses the lack of will in individuals to volunteer to finance public goods production. A characteristic of such goods is that it is impossible to exclude people from using them (e.g., public health services); on the other hand, it is impossible to verify whether someone has paid for them or not.

The “free rider problem” in lumpenownership relations can be broad. As described by the media, it can be knowing how to make the most of every opportunity in various world organizations, including the economic and the political. An example of such “free riders” were some EU members that refused to help Greece when the country was in difficult straits during 2010.

Under these circumstances, one more phenomenon should be mentioned, which has been described by Zygmunt Bauman (2004) as blurring the line between “legal” and “illegal.” The phenomenon is not “that global mafia organizations profit from lacunas in the law in the meetings of law systems supervised by national states. I mean rather that all operations in the global space, liberated from limitations forced by the state and depending on the current lineup only seem to resemble (consciously or not) the patterns of mafia or syndicate way of work and relation to the law.” This phenomenon is becoming increasingly widespread in the world and is characteristic of a developing global lumpeneconomy.

References
