

Accumulation of Advantage and Elimination of Scarcity – A Critique of the Neoclassical Approach

Annamaria Artner

artner.annamaria@krtk.mta.hu

Senior research fellow at the Centre for Economic and Regional Studies, Institute of World Economics and college professor at Milton Friedman University, Budapest.

Author's own manuscript accepted by International Critical Thought

To cite this article:

Annamaria Artner (2019) Accumulation of Advantage and Elimination of Scarcity—A Critique of the Neoclassical Approach, *International Critical Thought*, 9:4, 524-544,

DOI: 10.1080/21598282.2019.1695532

<https://doi.org/10.1080/21598282.2019.1695532>

The published version is available upon request from the Author or at:

<https://www.tandfonline.com/doi/full/10.1080/21598282.2019.1695532>

Abstract

Neoclassical economics has been built on the assumption of the limitless human needs and the limited natural resources. The essay aims at challenging this thesis by presenting how scarcity is the result of the surplus production. It introduces the notions of initial advantage, cumulative advantage and class surplus. It highlights that the way of producing surplus has undergone a basic change when capitalism has become the ruling mode of production: the production of surplus has become subordinated to the objective laws of the market competition instead of the subjective needs of the holders of advantage. This has allowed an enormous increase of the production of surplus expropriated by the propertied class, which is other than the working class. As a result, nowadays enough class surplus is produced to eliminate scarcity overall. The necessity of this elimination is emphasised by the fact that accumulation of advantages based on surplus production that coincides with the production of scarcity and accumulation of disadvantages perpetually rushes to crisis and has devastating impacts both on the society and the nature.

Keywords: accumulation, advantage, competition, scarcity, surplus.

Prologue

“Disparities of ‘wealth’ can be definitely observed within the societies of New Guinea and these are manifested in the greater share of certain patriarchs’ larger cultivated lands, more pigs and seashell money. However, these wealth differences are not based on the accumulation of wealth resulted by the process of dispossession but are rather closely related with the order of marriages.” Since the cultivation of land is carried out jointly, based on the division of labour of the husband and the wife, the family’s estate expands along with the number of wives, as the result of polygamy. *“The accumulation of wealth based on polygamist marriage is a self-expanding process. ... Therefore, we are facing a specific form of wealth accumulation and the development of wealth inequality that is based neither on the dispossession of means of production nor the exploitation of foreign labour. ... Thus, in the New Guinean society wealth disparities meant a right to dispose of the surplus exceeding needs, that could be used in a well-defined and restricted way only. However, wealth inequalities still had a generally acknowledged importance. But this importance was not economic, but social, and involved not only benefits but responsibilities as well.* The ‘rich’ who owned more pigs and seashell money ... could afford to invite their mates for a meal and to help the less wealthy to get more wives by lending them seashells. But at the same time, it was not only an option for them, but also a responsibility expected by the community. Pospisil (...) explicitly argues that ‘in some regions those selfish and stingy people who managed to gather a lot of personal goods, but did not show the ‘generosity’ towards their less successful companions the Kapaukus expected, could be sentenced to death, moreover, they were actually killed.”(Láng 1978, 380-382)

Introduction

This article aims at demonstrating how and why the neoclassical economics is mistaken when placing the problem of “scarcity” of resources instead of surplus and its accumulation into the focus of production. However, I intend to deal with the issue of accumulation in a broader sense than the traditional Marxist approach. It seems to be necessary because of the complexity of social relations and because of the widespread recognition of “market”, “competition” and different “advantages”.

For this, the key concept of our analysis will be the notion of “advantage”, which is the basic goal of economic and most social activities in capitalism and it is also one of the most frequently used words in the mainstream economics (with attributives like “comparative”, “competitive”, “latecomers” “institutional” etc.). Besides, “advantage” – and its antipole, disadvantage – is the basic relation of any competition and for this, offers a feeling of an eternal, pleasant and enjoyable relation between people, nations or any other actors concerned. My purpose is to expose the real meaning and origins of any “advantage” (and disadvantage) that determines one’s place in the human society. By offering this word as a starting point of the discussion I intend to select an area where neoclassical theorists (and politicians) might be convinced about the limit of their theory (and practice). One may say that it is a futile attempt, but I think the man should never give up trying to enforce his/her convictions concerning the reality of the society.

In my analysis *advantage* refers to any kind of better position of one person or a group of persons over others – who, as a consequence, are in disadvantageous position relative to the former. Advantage is more general than surplus, and the former incorporates the latter. *Surplus* is a quantity of products above what is necessary to achieve the standard of living in terms of “customary level of subsistence” in a given society. On social level surplus is “the part of production which is not necessary for the reproduction of the existing economic system, under a given standard of living” (Martins 2014, xix). With the expansion of commodity production, surplus takes the form of value represented in money or goods. The meaning of advantage is broader and includes all other benefits that can be derive from surplus value, including social relations.

As the production of commodities becomes the predominant form of social reproduction, i.e. as capitalist mode of production becomes prevailing, so “advantages” become increasingly determined by and can be traced back to the access to surplus value. This is true also for individual capabilities that are commonly used by neoclassical economists for justifying income or other social inequalities.

If scarcity was an “eternal and natural” phenomenon, as the neoclassical theory suggests, the differences between people in the satisfaction of their needs would depend on their luck and inherent, genetical abilities, which, in capitalism, are tested in competition. After discussing the theoretical foundations in Section 1, in Section 2 I argue against this theory by explaining what the substance of the *initial and cumulative advantage is*, how social *advantages* have been accumulated historically and how they are accumulated via the capitalist competition. I attempt to present that all “advantages” originate from the possession of *means of production*. Section 3 is devoted to the explanation of how division of labour derives from and is reinforced by the process of acquiring and accumulating advantages. Since the disintegration of the primitive communities and especially in capitalism production has aimed at *surplus*. Section 4 discusses the symbioses of surplus and scarcity within a social system: if something shows up as “surplus” or “abundance” on *one side* (class) of society, it will become “scarcity” or “shortage” on the *other* one. Section 5 presents how the mode of accumulation of advantages and hence production of surplus has been radically changed by capitalism: the accumulation of advantages has become free from the rule of individual needs and become self-propelled by *iron law of competitiveness*. Section 6 discusses that thanks to this intrinsic and systemic drive of capitalism to produce and accumulate (class) surplus and develop forces of production to achieve these goals, mankind has arrived to an era of “affluence” where all people’s basic needs could be satisfied and all deprivation could be eliminated. For this a scarcity-based theory can serve only as an apology for the rule of the surplus-expropriating class. Capitalism is a “surplus economy” (Kornai 2014), which accumulates this “absolute” surplus as a “class surplus” on one part of the society and produces *relative* (i.e. *class*) scarcity, confined to the other. Section 7 discusses the inherent limits of the self-propelling accumulation of advantages in capitalism, which perpetually leads to the destruction of the socio-economic forces and the nature. The study ends with summary and conclusions.

Theoretical fundamentals of the discussion

The specificity of the human race is that it is reproducing its life through conscious metabolism and interaction with nature, i.e. through continuous production. Our biological and social development has progressed along with the development of production. For that reason, economic science with its messages have a crucial role from the point of view of understanding human society, human behaviour and improving the living conditions of humanity. So, it really matters how we conceptualise production, its socio-natural consequences and philosophical messages.

The foundations of the prevailing neoclassical economics were laid down by Jevons (1965 [1871]), Menger (1950 [1871]) and Walras (2003 [1874-1877]) in the decade that began with the Paris Commune (1871), the first temporarily victorious attempt of the working class in the history to go beyond capitalism. The aim of this “Marginal Revolution” in economics was very clearly explained by Knut Wicksell:

“In the hands of the Socialists (especially Rodbertus, and Marx still more so) the theory of value became a terrible weapon against the existing order. It almost rendered all other criticism of society superfluous. Labour was conceived by them – Ricardo never meant or said any such thing – to be the sole creator of value – in other words, the source of value; and thus all other factors of production existing in private hands were to be regarded as parasites on production, and their rewards a robbery at the expense of labour, which is alone entitled to remuneration. ... The establishment of a new and better-founded theory of exchange value was, therefore, not only of abstract theoretical importance, but also of *eminent practical and social interest*”. (Wicksell 1977 [1911], 28, underlying added)

In this theory, which derives from the vulgar economics known from the works of Say, Malthus and Mill, the dominant concept of scarcity is used as an explanation to the most diverse social problems, while the surplus and its source are completely ignored. The scarcity theory has already been criticised by Marx (1887 [1867] and 1973) before the birth of the neoclassical theory, but the Marginalist Revolution has sentenced this critique to silence until after the WWII. Then a new surplus theory school was born with the leadership of Sraffa (1960) and Joan Robinson (1953) in Cambridge, UK. They criticized, among others, the concept of marginal productivity, pointed out the immanent contradiction of the production function, revealed that the competition is imperfect, and the demand elasticity is not infinite.

However, no criticisms could weaken to position of the marginalist approach, which has gained even more strength with the triumph of “neoliberalism” since the 1980s and especially after the failure of Eastern European socialism-oriented regimes. However, as Cohen and Harcourt wrote:

“[m]ajor issues – explaining (and justifying) the return to capital, visions of accumulation and limitations of equilibrium tools – were and are at stake. While many of the key Cambridge, England, combatants stopped asking questions because they died, the questions have not been resolved, only buried. When economists decide to delve again, we predict controversies over these questions will be revisited, just as they were time and again in the 80 years prior to the Cambridge controversies.” (Cohen and Harcourt 2003, 212).

The authors have proved to be visionary: the 2008 global crisis that has shaken the position of the developed “centre” or “surplus” countries challenged the neoclassical economics as well. For this it is time to revisit the basics of this theory that is scarcity, surplus and their relationship.

The self-definition of the neoclassical economics has become widely accepted in the social sciences: “[e]conomics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative use.” (Robbins 1932, 16). Furthermore: “The theory of Economics must begin with a correct theory of consumption” and this is “[t]he *Law of Variety* in human requirements” – Jevons writes referring to Senior – which means that man’s desires “are absolutely insatiable” (1965 [1871], 40). Consequently, the neoclassical economics states that the resources are limited (scarce, finite) while man’s wishes for consumption are limitless (infinite).

This is, however, a delusion that derives from the static and ahistorical view of the neoclassical economics. First, the limitedness of resources is an uninterpretable statement in an infinite universe. Second, the limitless of the human needs is also a strange statement if one considers that man’s life is limited. Right here the roots of an implicit contradiction within the neoclassical theory can be identified, namely, that we might speak about the (potentially) “infinite” human needs only if we were looking at it from a historical and social level – which is out of the scope of the neoclassical methodological individualism (to this question we will return later). Third, not only the past of the primitive communities, but also the experience of today’s hunter-gatherer tribes – the members of which are just as much human beings as the members of capitalist societies – proves that the homo sapiens’ material needs are well below those that are presumed or required by the consumer society. On the other hand, our need for leisure surpasses the amount available in the consumer society after the continuous struggle that is fought for the satisfaction of the supposed and required demands.

Human needs are socially determined, vary in time and space and improve and grow in a dialectical relation with the development of the forces of production.¹ Just because they change and grow in time they cannot be absolutely limitless: they are *limitless and limited at the same time*, as is the human knowledge about the world. Nobody can desire for that he/she does not know, and the knowledge of the individuals is limited by the state of science – the common knowledge. The latter is also limited in every given minute while bears the possibility of growing above that limit, towards the infinite totality of the nature, that it can never reach. Based on Hegel’s work, the dialectics of infinity and finite has been elaborated by Engels in the

¹ “His means of subsistence must therefore be sufficient to maintain him in his normal state as a labouring individual. His natural wants, such as food, clothing, fuel, and housing, vary according to the climatic and other physical conditions of his country. On the other hand, the number and extent of his so-called necessary wants, as also the modes of satisfying them, are themselves the product of historical development, and depend therefore to a great extent on the degree of civilisation of a country, more particularly on the conditions under which, and consequently on the habits and degree of comfort in which, the class of free labourers has been formed. In contradistinction therefore to the case of other commodities, there enters into the determination of the value of labour-power a historical and moral element. Nevertheless, in a given country, at a given period, the average quantity of the means of subsistence necessary for the labourer is practically known.” Marx (1887 [1867], 119).

Anti-Dühring: “an infinity is composed of nothing but finites” (Engels, 1877, Part I: Philosophy/V. Philosophy of Nature. Time and Space).

„The perception that all the processes of nature are systematically connected drives science on to prove this systematic connection throughout, both in general and in particular. But an adequate, exhaustive scientific exposition of this interconnection, the formation of an exact mental image of the world system in which we live, is impossible for us, and will always remain impossible. ... Mankind therefore finds itself faced with a contradiction: on the one hand, it has to gain an exhaustive knowledge of the world system in all its interrelations; and on the other hand, because of the nature both of men and of the world system, this task can never be completely fulfilled. But this contradiction lies not only in the nature of the two factors — the world, and man — it is also the main lever of all intellectual advance, and finds its solution continuously, day by day, in the endless progressive development of humanity, just as for example mathematical problems find their solution in an infinite series or continued fractions. Each mental image of the world system is and remains in actual fact limited, objectively by the historical conditions and subjectively by the physical and mental constitution of its originator.” (Engels, 1877, Part I: Philosophy/III. Classification. Apriorism.)

This is also true for the resources: by the production and scientific activity new natural resources and “sleeping potentials” of nature are discovered, developed and multiplied from time to time, with which more and new human needs can be satisfied. The reports on the limits of our natural resources usually take a static view and build their projections on the exploitable resources by the existing technologies of *their* days setting aside the possibility of a future development of science, technology and discovering new resources. Besides, monopoly prices may indicate scarcity also there, where— taking into consideration of the costs of production — there is not (Van der Wee 1986, 109, 111–112). The scarcity of natural resources cannot be absolute in an infinite universe and whenever scarcity seems to prevail it always disappears by the development of the human knowledge and technology – provided that the social relations do not hamper it by the monopolization of these resources.

All in all, as Hume writes

“[o]f all the animals, with which this globe is peopled, there is none towards whom nature seems, at first sight, to have exercised more cruelty than towards man, in the numberless wants and necessities, with which she has loaded him, and in the slender means, which she affords to the relieving these necessities. ... It is by society alone he is able to supply his defects and raise himself up to an equality with his fellow-creatures, and even acquire a superiority above them. By society all his infirmities are compensated; and though in that situation his wants multiply every moment upon him, yet his abilities are still more augmented, and leave him in every respect more satisfied and happy, than it is possible for him, in his savage and solitary condition, ever to become.” (Hume 1739, 252 – underlying added)

Contrary to these, the neoclassical definitions of “scarcity” of resources versus “limitless” needs of man seem to be very confused and apologetic. Walras says scarce things make up social wealth and scarce are those things that are useful and only available in limited quantity even if they are abundant. Limited quantity means a quantity that is not enough to “completely” satisfy every one’s desire. Scarce things are appropriable and are actually

appropriated by “a certain number of individuals ... with none of [the thing] left in the public domain”. This is how scarce things become property, valuable and exchangeable. Walras implicitly admits that scarcity disappears for the appropriators by the appropriation, as – he writes – after satisfying their needs they can change what they do not need (“if they are unwilling or unable to consume of” what they appropriated “they are ... in a position to exchange the unwanted remainder”). Unlimited things, like air and water are not appropriable, but “under exceptional circumstances” they can be appropriated (Walras 2003 [1874-77], 65-7). We can ask: if everything is appropriable – and this is true, as we have seen in the last decades of neoliberalism – for what reason is the notion of “scarcity” needed? Walras gives the answer by continuing the discussion. As the appropriated things become valuable, those, who appropriated them, find worth to increase their quantity – this is how industry is born (ibid 67.). So, the not so hidden message is that all of us can (or even ought to) be grateful to the appropriators who “left nothing in the public domain” for that they multiply their “ownership of property” which is the social wealth itself (in their hand and under their command).

With the elimination of labour value theory and the replacement of surplus value theory for scarcity of resources theory, the neoclassical economics has avoided the discussion the origins of wealth and social inequalities and has been able to present capitalist system as eternal and natural.

Experts with other views that are critical to the neoclassical one, have applied either the Marxian–Sraffaian–Gramscian narrative, i.e. the classical surplus theory (Hill–Myatt 2010, Northrop 2000) or Sen’s philosophical/moral anthropology that is rooted in Smith’s “moral sentiments” (Putnam and Walsh 2012, Martins 2011 and 2014). My approach puts the historical dimension of the problem into focus with emphasis on the criticism of the concept of scarcity in general highlighting what is unique in the production of surplus in capitalism. I offer a broader concept of the surplus than surplus value. This is the “*advantage*” with its “*initial*” and “*cumulative*” forms.

Initial advantage and cumulative advantages

Competition is a well-known term of economic science. Its result legitimates the social hierarchy in capitalism. It is also generally accepted that it is quite good to be competitive, i.e. to have an *advantage* over others. People without such benefit can hardly compete: they are likely to accumulate their disadvantages. After all, social statuses are distributed on the basis of different “advantages”. But what kind of “advantage” can do that? What kind of advantage would I possess after having won a playful footrace against my friends? Obviously, nothing else than appreciation and some self-satisfaction. An advantage that can create *social hierarchy* is something totally different.

This kind of advantage is closely connected to the distribution of goods, particularly means of production, as the possession of these provides possession of more consumer goods and valuable social relations as well. Therefore, an advantage is a tool, a feature or a social relation, which provides us with a greater level of welfare than others have: priority, superiority or privilege. It can only be interpreted in social systems when the degrees of satisfaction of

people's need are different. Such social systems could emerge only on the basis of an additional (or "surplus") product.² The hierarchy itself is reproduced and intensified arising from advantages.

Within the framework of the *formally* free market competition theoretically anyone can obtain an "advantage". However, it is a well-known fact that market competition does not provide equal opportunities even at the (theoretical) starting point. Advantages are distributed in advance among members of societies, depending on a certain order. Advantages were not created today: they are products of history.

Since the disintegration of primitive societies (kinship community) an accumulation of the advantages goes on, which is based on the *initial advantages* gained by one of the groups of the society. Sticking to our previous example: an *initial advantage* is comparable to a situation when someone enters a footrace well ahead of the starting-line. A *cumulative advantage* arises when the prize of the winner is a given distance that will enable him to start well in advance in the next race.)

Gaining a cumulative advantage is possible by getting such an initial advantage that enables someone to appropriate and accumulate more advantage, i.e. more tangible or intangible goods compared to the result of his/her own work. However, since someone has already produced that extra amount of goods, the process of appropriation means the appropriation of someone else's work (the result of that work). The form of appropriation has been historically changing. As long as the process of "gaining advantage" is focused on consumer goods only – based either on brute force like robbery, or on unwritten law like a gift presented to the shaman – the advantage is unstable and cannot be accumulated. The advantage that secures social hierarchy can be provided by possessing such goods that enable the *automatic* (and "lawful") accumulation of advantages. This feature is only possessed by the means of production – be they found ready in nature (e.g. land) or products of work. The result of the work that is carried out by using the means of production is due to the owner of those means of production – some part of the result must be given to workers as a rental for their working power. This process can be repeated. By possessing an appropriate amount and quality of initial advantage such a "victory" enables the owner to expand his advantage, e.g. to obtain new territories of land, work animals, machines and to employ more human workforce.

So, an *initial advantage* that makes someone capable of gaining *cumulative advantage* is necessarily *the possession of the means of production*. If the possessor cannot operate a given type or amount of a mean of production, he/she will have to hire others' efforts. After the appropriation of the found-ready natural means of production (typically: land), the main source of accumulating wealth is production, namely production through *others*. The appropriation of means of production (or the initial advantage) brings about the appropriation of the work made by them. This is the source of gaining cumulative advantage. It follows that what is known as

² "The way of production before the appearance of additional product, required such a union (cooperation) where every member's behaviour, ... was determined by norms and regulations expressing the necessities of production as well as the needs of productive cooperation. It demanded such cooperation where each and everyone's rights and responsibilities were equal regardless of their physical strength and other personal characteristics." Szemjonov (1973, 207).

“primitive accumulation of capital” was also based on initial and accumulated advantages: the feudalist ruling class acquired lands from small peasants by force or for money they have, and colonizers occupied continents with the same methods. Throughout the history *the most powerful representatives of ruling classes have typically been able to preserve their wealth and positions (their “advantages”) during transformations of class societies and continued ruling in the forms corresponding to the new mode of production required.* For example, Engelmann and Wallraff (1977) documented, how the top feudalist aristocrats (possessing the “initial advantage” in the form of land) became leading capitalists in Germany and preserve their wealth also during and after Nazism.

Thus, initial and cumulable advantage provides its possessor with enrichment; however, those who do not possess means which are capable of gaining advantages will have to experience absolute or relative impoverishment and accumulation of other disadvantages.³ To the extent that surplus rises on one side, scarcity increases on the other. Poverty deriving from this process was particularly widespread among the forms of pre-capitalist production which had undeveloped productive forces and where the per capita production was usually low. This situation was changed by capitalism itself; and yet its mainstream economic theory is based on scarcity. The relevant process of transformation as well as the contradiction between theory and practice will be detailed later.

Although the *form* of initial advantage varies in every society, at the same time it appears as a heritage from the previous eras, as the *private property* of means of production. But what is the absolute genesis of the initial advantage then?

Division of labour and acquiring advantages

Historically the first initial advantage suitable for gaining cumulative advantage was *land*. At the beginning of the human history there was abundant amount of free land. Other means of work (previously and henceforth) for quite a long time were so primitive that their possessors were capable for getting wealthier only in regard of means of subsistence, but hiring foreign labour was not possible to them. Lands were appropriated first by different tribes and clans – so lands were in common property – and used for hunting and gathering. Differences could be between the tribes and clans, but as the land was abundant and there was no private accumulation, the community of land could provide everyone with a living.⁴ (This function of the common land has survived thought-out the history.)

³ “In the neoclassical economic theory of market trade, the historical and social circumstances that enable one person to produce more than another are not considered. Inherited wealth, for example, gives a person access to more capital, and so their marginal productivity will generally be higher than that of a person born into less privileged circumstances.” Goudy (2011).

⁴ During the centuries’ old existence of the Inca Empire that emerged through the union of numerous independent tribes and through the mutual organisation of production (e.g. canalisation), nobody was constrained to starvation in Peru. Bernal (1963, 63). Poor peasantry had been attached to their village communities for quite a long time in Europe – to the common use of lands – since their existence depended on that. However, wealthy peasants disapproved of collective rights (e.g. mowing, grazing and gleanings). In France “the land use of the peasantry in the 18th century was precapitalistic as a whole. The approach of collective ownership of small farmers was for a long time – even in the 19th century –

Generally, differentiation originates from the appropriation of the means of production, while this appropriation is the fruit of the development of division of labour that comes from the development of productive forces. The division of labour evolved and led to inequalities first *among* tribes and later *within* the tribes. It did certainly not mean the division of classes yet, only the differences emerging in consumption. Its first form was the additional product presented to the shaman which was followed by the gradual modification of the activity of the priests of the community lands who were responsible for carrying out the division of products, “if the priests managed to retain an increasing proportion of goods for God”(Bernal 1963, 66-67).

The means of production (first of all lands⁵) got under the control of a certain group of society (first shamans, then priests) and later became their property, while the operating of means of production required the contribution of those who did not possess them at all. As the division of labour and production technologies evolved, first, beginning about 12 thousand years ago, the animal domestication and land cultivation, then land cultivation and handicraft were separated, around 7 thousand years ago (Wille, 1988). Part of the increasing population was compelled to give up land cultivation because of urbanisation (beginning as early as in the 7th century BC) and the conditions of land possession. These members of society started production on untouched lands, participated in robberies (as part of the army or as crusaders) or tried their fortune in the cities (Bernal 1963, Rozsnyai 2005). In this case the symbiosis of surplus and scarcity can clearly be observed, as in the case of primitive accumulation of capital through e.g. enclosures in England (beginning in the 13rd and intensifying in the 16-18th century) or colonialization (from the 15th century) – which could be achieved on the bases of already existing advantages like land, legal status and weapons.

The means of production being concentrated in ones’ hands are “unnecessary” to them in two senses: 1) the amount of goods that can be produced by these means of production abundantly exceeds their vital needs and 2) they themselves are not capable of operating these means of production any more. While means of production are abundantly available for certain groups, others lack them.⁶ The former are obliged to use the latter’s workforce if they want to

contradictory to the bourgeois approach which believed that the owner can unconditionally dispose of his goods without any limits.” Soboul (1989 [1982], 43-44.)

⁵ Then draught animals and finally machines that substituted hand tools. However, landed property has a vital role on the score of “cumulative advantages”. That is the reason why an entire economic school could develop through Henry George, a 19th century American political economist, that interpreted land (the Earth and generally natural assets) as a common good, and thus it argues for the introduction of the land-value tax. See Giacalone – Cobb (2001) and Pullen (2013). However, Georgists ignore *cumulative advantage*, i.e. that possessing land ownership also enabled the accumulation of other means of production in private hands, and this accumulation was also made possible by the appropriation of the work of others, based on the *initial advantage* of land ownership. The fact that George “understands nothing about the nature of surplus value” was also highlighted by Marx (in his letter to Sorge, dated 1881), also remarking that in America, where vast free lands were available, capitalism and the enslavement of the working class developed more rapidly than in any other country. (Marx, 1881)

⁶ “The first complete division of labour occurred when ... craftsmen were finally connected to their social actions [tasks regarding church – A.A.] and were thus separated from land. ... Actually, most craftsmen lived as villains, received raw materials and food from their masters who were priests or nobles, and in turn, gave them their finished goods.” Bernal (1963, 66-67).

make use of their “excess” means of production and the latter are obliged to use the former’s means of production to produce what they need and in return they offer their labour (since they have nothing else to give) to the owners of means of production. That is the reason why in pre-modern societies (e.g. the Roman and Byzantine Empire) it was typical for the poor to become the voluntary slaves of those who possessed means of production (Jakab 2013). This indicates that slaves could enjoy a relative existential security, in comparison with wage labourers who could and can contract freely.

It is important to make it clear that the historical process of appropriation of means of production results from the *internal logic* of production itself. The interrelated development of means of production and the division of labour resulted that means of production are concentrated in the hands of certain groups of societies. This concentration provided the possibility for the further development of science and technology (depending on the degree of concentration). Thus resulted the appropriation of knowledge and science⁷, that was an alternative form of *initial advantages*, although it cannot be separated from the possession of means of production: ...“those who had a greater share in more education, in consequence of their family background... will have higher income compared to the less educated ones” (Gowdy 2011). This process of appropriation of physical and intellectual means of production contributed to the enrichment and luxury of those who possessed these advantages, while the masses which disposed of them in a much lower proportion or did not possess them at all, were reduced to poverty.⁸ This process has coincided with the division of labour into intellectual and manual work, which is the most fundamental and lasting type of division of labour.

Laws have been based on actual wealth conditions: after acquiring means (initial advantage) which are suitable for gaining cumulative advantages, the operating of these means as well as any further advantage that could be gained from them in the future (like surplus), have been *rightfully* due to its possessor.

Initial and cumulative advantage has moved from the hand of one social group to the other during the transformation of societies and the concomitant change of ruling classes. Obviously, this transition could not have proceeded “by right”, for that selected forms of violence (wars, colonisation, robbery, enclosures, guillotine, fraud, etc.⁹) were needed. But at

⁷ As an indication, the word “hieroglyph” means priests’ writing.

⁸ “The wealth accumulated or spent in the towns originated from the product surplus of the agriculture that was controlled by the towns. Since the volume of this surplus was rather small, it could provide a living for relatively few people, and the beneficiaries started to form a limited class. The successors of the early organisers striving to perfect agricultural techniques distanced themselves from the process of production. Then they were only interested in preserving most of the produced goods for themselves. They did not contribute their own skills to creating wealth, they simply became exploiters. They demanded more and more for their own pleasures, for constructing and serving luxurious temples and tombs. But this started to cause the poverty and even the actual slavery of peasants and craftspeople of the town. (Bernal 1963, 84). These circumstances also caused social revolutions, e.g. in the Sumerian town of Lagas in 2400 BC. (Ibid 85)

⁹ The ancestors of the Thurn und Taxis German family were letter-carriers, postmasters in the Middle Ages. The wealth of the family started to increase spectacularly from that moment “when they started to unseal letters in secret and on the basis of the found information managed to begin partly their own business and partly made themselves useful for high Churchmen as well as for laymen.” (Engelmann – Wallraff 1977, 44). The fortune of the Waldenburg – Zeil house that nowadays composes of ten thousand

the same time initial advantages often have been inherited within family and thus the ownership-families have been saved from vanishing ruling classes and preserved for the rising ones.

However, these changes of ruling classes have not affected the division of society into two basic groups – the one which possessed means capable of gaining cumulative advantages and the other which did not possess the latter (or “the haves and have-nots”).

The symbiosis of surplus and scarcity

Commodity production derived from the change of surplus that came from the production aimed at direct needs. Surplus could be produced because of the development of means of production. The precondition of employing labour of others – slaves, serf and wage – is the production of surplus over the – historically determined and evolving – needs of all members of the society. Here we can lay down that the starting point of the social development is just the *surplus* and definitely not the scarcity.

The control over surplus released its individual proprietors from the state of ancient communism that suppressed not only the individual but also the personality. The control over surplus gave them a relative independence that rewarded their individual ambitions with a higher-level satisfaction of needs and made it possible to develop the forces of production (knowledge and science). At the same time the other part of society that was deprived of possession became the subordinate of the group of owners of surplus due to the pressure caused by scarcity that fell to their lot.

The mode of control over the production and distribution of surplus characterises the different class societies and it also determines their development and the changing of their forms. The quantity and quality of the produced goods have increased as a consequence of the development of forces of production. This process created new demands on the side of production and consumption as well, which stimulated the development of forces of production. However, the increased production much more enriched those social groups who had acquired initial advantages (means of production and knowledge) than the others. In the course of this process population increased faster than production but in the first place it grew more quickly than the increase of the amount of goods, which *were given* to those social groups that could not gain initial advantages. While observing this phenomenon, Malthus created his theory of pauperisation – at the early stage of capitalism – but as his observation did not extend to the whole process of reproduction, especially not to the method of the production of surplus and its consequences, he came to the conclusion that pauperisation is a natural necessity. However, “Under different social methods of production, various principles of population growth can be observed: overpopulation is equivalent with pauperism”. History shows “that population

hectares and numerous enterprises, originates from the 12-13th century. It started to grow thanks to the repression of the peasants’ and workers’ uprising of 1522-1526 when Georg von Waldburg (whose name is born by today’s head of the family as well), the head of the mercenary troops sponsored by the Fuggers, served his purpose (decapitations, eye pokes) so well that from gratitude he was made baron by the emperor while collecting diligently the ransoms. (Engelmann – Wallraff, 1977, 118 - 119).

proceeds in very different relations, and that overpopulation is likewise a historically determined relation.” (Marx 1973, 538 and 539)

Nevertheless, surplus is redundant only for its possessors, while it creates need among those who do not possess the means for gaining cumulative advantage¹⁰. If we look at the latter group of the society, economics really seems to be a science of decisions that are determined by scarcity. However, the production is not the independent activity of the non-owner, subordinated majority of the society: production is ruled by the interests of the owners of the advantages. These interests are aimed at maintaining and even extending their advantages. Were it not the case, scarcity (deprivation and other social disadvantages) would already not exist at our time, and it even would not have been so wide-spread in the past. The matter and the decisive role of surplus (or wealth of possessors of initial advantages) immediately come into sight in the case of studying the whole society and the origin of necessity. From this perspective it becomes obvious that the apparent supremacy of scarcity is created by the production of surplus.¹¹

The changed mode of surplus production in capitalism

In class societies surplus must be actually taken into account as the excess of its possessors: as a “*class surplus*”. It has been previously mentioned that in the course of history, class surplus produced necessity on the other side of society, while the entire society was characterised by need *on average*. With the development of capitalism, the situation has radically changed. The reason for that is that the capitalist mode of production of surplus fundamentally differs from all the previous forms of producing surplus.

In the pre-capitalist societies, the initial and cumulative advantage and the possibility of expanding it were connected to persons (to the family) and it also extended beyond the possession of property: it secured rights concerning others’ activity. The different non-economic constraints (military dominance, slavery, statue labour, recruitment, *ius primae noctis* and other birth privileges, etc.) secured social hierarchy and the accumulation of surplus by the class authorised to do that. Technical skills were also based on *personal* knowledge and knowledge was transferred from person to person. Because of this predominantly personal character of the social relations the accumulation of surplus and thus the development of forces of production mostly depended on and were restricted by the *individual* needs, wishes and intensions of those who owned the cumulative advantages. This system was rightly called a system of “satisfaction of needs” by Sombart in his work entitled *Der moderne Kapitalismus* (Weber 2005 [1905], 27). This system, even if it was often associated with showing off and

¹⁰ “...their surplus enforces the rich to deprive the poor from their necessities” (Rousseau, quoted in: Rozsnyai (2009, 26) “...it is that we find our advantage in the misfortunes of our fellow-creatures, and that the loss of one man almost always constitutes the prosperity of another.” Rousseau (1754) Appendix.

¹¹ Szalai (2010) shows the role of generated consumption in the maintenance of capitalist production (and power) and its crises. In capitalism “the continuous arousing of consumer desires is primarily a mean of compulsion to work as well as a constant process of creating demands”, but at the same time part of society is not capable of fulfilling its minimum needs. (Ibid, 154-155.)

squandering¹², inevitably restricted the degree of increasing advantages and thus the development of the forces of production. Not only because the individual needs of advantage possessors are limited, but also because satisfying these needs was relatively easy by expropriation without any compensation (of work, products and services of) the group with no advantages¹³, and also by robbery or war (the popularity of which has not decreased ever since).

In capitalism, however, cumulating advantages has been released from every subjective, individual limit: surplus production has become *self-propelling* in the form of capital and market competition on the one hand, and the personal rights to rule over others, which were connected to social position, have disappeared on the other. In capitalism people's relationships are determined by freely chosen *contractual* – i.e. non-personal – relations. The production of surplus is no longer a matter of subjective choice, and the legal obligation of participating in surplus production has ceased to exist as well. Instead of the *non-economic* constraints (bondage, birth privileges) production is ruled by the *economic* ones: *the accumulation of advantages has its own iron law* thanks to the general marketization. In capitalism accumulation has become the precondition of the existence of initial advantage: for the capital profitability is the precondition of surviving any capital on the market.

The accumulation and even keeping of advantage must be “deserved” in market competition by maintaining and increasing competitiveness. The “undeserved” (the second, third etc. best, or the “loser”) gain less and can quickly lose its initial and cumulative advantage itself as well. In the terms of economy, the accumulation of capital (realisation with appropriate profit) is necessary to remain in the market and preserve the invested capital. A company owner cannot say that “it is enough for me, I will no longer be expanding my business, I will not invest in anything and I will not try to increase my profit or market share” – if he/she did so, he/she would soon be out of market. Morality, unselfishness or compassion are exiled from the market and do not influence the way of production. Selfishness and greed serve the acquiring of cumulative advantages in the same way as temperance and goodness. In connection with temperance let us just think of the Protestant ethic as the “spirit of capitalism” since Max Weber: it ranks the entrepreneur's private consumption after the prosperity of the company (the necessity of capital accumulation).¹⁴ In connection with goodness or charity, let us assume that

¹² The luxury of the Sun King, Louis XIV, is widely known just as the megalomania of the Esterházy family. “The greed of the Chinese Mandarin, the old Roman aristocrat or the modern peasant can stand up to any comparison” – writes Weber (2005 [1905], 21).

¹³ An example for that is the “dying” of the French Ancien Régime at the end of the 18th century when the general crisis was answered with strong reaction by the aristocracy: they were trying not only to monopolise the key posts of the state, the church and the army, but also to strengthen the feudal system in order to increase deprivation. “Landlords managed to get the third of the community-owned goods by means of the edict which referred to the “trriage” (“trisection”). They also managed to renew rights which had been long forgotten by restoring lists that contained different rights, and they demanded their strict compliance. ... Most of the court and rural nobility ... saw the only way out in the growing enforcement of their privileges.” Soboul (1989 [1982], 21).

¹⁴ „...the summum bonum of this ethic, the earning of more and more money, combined with the strict avoidance of all spontaneous enjoyment of life, is above all ... It is thought of so purely as an end in itself, that from the point of view of the happiness of, or utility to, the single individual, it appears entirely transcendental and absolutely irrational” Weber (2005 [1905], 18).

a capitalist may think the following: “If I do not enlarge my company (my wealth), I cannot keep up with the competition and soon will fall out of the market. The key of the survival of my business is to increase competitiveness by reducing the costs, especially the unit labour costs. For this, if necessary, I will decrease the wages or increase them at a slower rate than the growth of my profit, dismiss workers or employ fewer labourers during production expansion, increase work intensity and overtime, or relocate the production to low-wage countries etc. If I did not act like this, my business would fail, and I would not be able to employ even as many workers and for such wages as before.” All these mean that *the personal well-being of the advantage owner is subordinated to the principles of gaining cumulative advantages (surplus production)* – just as Weber said: “earning of more and more money ... appears entirely transcendental and absolutely irrational”.

The changing of the way of surplus production made it possible for capitalism to increase the state of development of the forces of production to such a high level where scarcity (necessity, hardship, deprivation) can be *totally* abolished. The new mode of production has made the development of the forces of production its own internal driving force – in the form of constraint capital accumulation. The acceleration of the development of science and technology, as well as the fast increase of productivity are possible because of the internalization of the development of production forces and its subordination to the maintenance and accumulation of advantage (the capital). (On the other hand, the limits of this mode of production derive also from this internalization and subordination process – we will explain this later.) The “self-propelled” nature of acquiring cumulative advantage resulted in the great increase of “class surplus”, and thus it considerably surpassed the personal demands of the possessors of initial advantages, becoming sufficient to abolish every kind of scarcity.

Surplus and scarcity in the era of common abundance

Contrary to the common belief that is formulated by the mainstream views based on the neoclassical economist premises, we are living in an *age of abundance* instead of scarcity. Nevertheless, the number of undernourished people in the world has been on the rise, reaching an estimated 821 million in 2017 (FAO et al. 2018, v.). On the other hand, it is also well known and frequently mentioned that a handful billionaire (in 2018 their number was 26, according to Oxfam 2019) owns as much as the poorest half of the world’s population – 3.8 billion people. “Since the turn of the century, the poorest half of the world’s population have received just 1% of the total increase in global wealth, while the top 1% have received 50% of the increase” (Oxfam 2016, 3). “In most countries with available data, the share held by the 1 percent wealthiest population is rising at the expense of the bottom 90 percent population” (Dabla-Norris et al. 2015, 15.). The balance of these contradicting facts is counted only rarely, if at all: the consensus remains that our world is suffering from an objective, natural and unchangeable scarcity. If, however, we consider the above and the following, it is not difficult to admit that in our time on global level the problem of necessity or scarcity does not exist.

First, for more than a century a sufficient amount of food has been produced each year to feed everyone. In recent decades, contrary to Malthus’ perceptions, the world’s food production has grown twice as fast as the world population (FAO Statistics s.a., Somai 2013),

meaning that the per capita food production has increased considerably. Globally, the agriculture is not simply capable of feeding the ever-growing population of the Earth, but it is struggling with the problem of *overproduction*!

Second, after 1820 GDP per capita started to show a rapid increase (Maddison 2008). In 2017 the world's per capita gross domestic product at purchasing power parity was 17,500 PP\$¹⁵. Governments concentrate about 40 percent of the yearly value added (GDP) on average, part of which is used to satisfy the needs of population (healthcare, education, infrastructure etc.). After the deduction of this centralized part from the per capita GDP 10,500 PP\$ remains, which means more than 28 dollar (PP\$) a day per head. This is far above not only the level that the World Bank defines as the global poverty line (1.9 PP\$ per day per head) but also the absolute lower threshold (10 \$) that experts use when defining the global middle class (Jayadev, Lahoti & Reddy 2015). Consequently, the mankind de facto produces well enough for a descent standard of living for every human being.

Third, the global GDP per capita must be higher than the statistics indicates because at least 10 percent of the GDP is in offshore banks (Alstadsæter, Johannesen & Zucman 2017). Consequently, the standard of living of the world's population could be even higher than the above mentioned "official" GDP-figures would allow.

Forth, GDP represents only the yearly production without counting the wealth that the upper classes have accumulated in their hands. According to the Credit Suisse (2018, 5) the total wealth was 317,084 billion US in 2018 which means more than 42 thousand USD per each human being of the Earth.

Fifth, a good part of this enormous wealth and yearly income is used for maintaining the rule of the elite, protecting and increasing its opulence and treating the social effects of inequality – by law enforcement, prisons, police, military and treatment of mental diseases, unemployment, and migration etc. The public order and defence together eat close to one tenth of general government expenditures or about 4 percent of the GDP of the OECD countries (OECD 2017). These amounts could be used for the satisfaction of much more reasonable human needs in case the imperative of accumulation of advantage did not prevail the world.

Sixth, natural resources are abandoned – if properly used – or even practically infinite. The energy can be gained from the practically inexhaustible nuclear power or "renewable" resources (solar, wind, geo-thermal power, energy from plant and agricultural biomass, hydraulic power). The deforestation of rainforests are the products only of the unequal division of land, and the scarcity of fresh water "is both a relative and dynamic concept ... but if correctly identified, many of its causes can be predicted, avoided or mitigated" (FAO 2012, 9). To sum it up, both the production and the natural resources of the Earth would guarantee a life free of the privations for every human being of our globe. The problem of global warming raises new questions, which are worth to discuss but not in this article since the idea and stubborn rule of the prevailing scarcity in science are not the products of the climate change.

So, what is the reason of the principle of 'scarcity' dominating the theory of economics?

¹⁵ Purchasing power parity. CIA The World Factbook <https://www.cia.gov/library/publications/the-world-factbook/fields/211.html#XX>.

First, separated members, who are *isolated from each other*, compete and stay in contact only through the direct intervention of the market, are indeed managing limited resources: only those which are under their control, using as much capital and labour as they have at their disposal. The sense of “scarcity” derives from the situation when resources available to humanity fell to separate pieces, in the form of private property: production is surrendered to the relations of isolation. The situation is similar to that when a hundred-hectare field would be divided among hundred isolated producers. It is not difficult to see that in this case the individual producers’ own resources would be much more limited than in case of common ownership and common management were, for example because all of them would have to have different workpieces to cultivate their land – to mention only one reason from the several ones. All in all, the separation of producers makes economy less effective and more wasteful relative to the common use of resources.

For the capital, the problem of isolation appears in the form of optimal capacity, cost efficiency and growth pressure. As competition never rests, the scarcity of privately-owned resources for companies represents a daily problem: the accumulation can never be satisfactory, although it cannot be stopped – the need of capital to be accumulated is limitless, although the resources of the company are limited. Mainstream economics does not reveal the problem of the *isolated producers*, just on the contrary: it extends their problems (the scarcity of the *their* resources) on the whole production and to all existing forms of it, as if isolation and individualism and private accumulation were perpetual and the only possible mode of production. By following this *methodological individualism*, mainstream economics remains basically microeconomics, corporate economics or “*private economics*”.

Second, the growth pressure put on companies leads to the exploitation of nature and society, that – extending the trends – raises the question of the socio-natural global limits of *this type* of growth (including the “planetary boundaries”). In this way “scarcity” appears as the problem of the *whole* human economy and not the specific problem of surplus production of capitalism. By sweeping this aspect under the carpet, neoclassical economics brings about an *ideological* function.

The third reason why the principle of “scarcity” dominates the theory of economics is that by this way the entire process of reproduction can be presented as the conscious action (rational calculations) of the whole society, including the majority that actually possesses limited resources and directly carries out production. Hereby, the differences between the possessors of *initial advantages* and the position of those who have no such benefits and thus produce surplus *under economic pressure* for the former, have not to be mentioned. This way, neoclassical economic theory also fulfils a particular *ideological* or *class* function.

Forth, finally, the issue of bothering with “scarcity” can dominate neoclassical economics because it is used to explain – somewhat curiously – the crises of *overproduction* that the capitalist mode of surplus production has repeatedly produced. Although during the crises of overproduction, which is actually the form of appearance of overaccumulation of capital, the rule of surplus over the production is clearly highlighted, as well as its devastating role on the living standards of the masses, mainstream economics presents only the need – in the form of the lack of “efficient” demands as an explanation. True enough that crisis *appears*

as the scarcity of demand (although its ultimate reason is the loss of the value of capital – see further), and we could say that it is only a methodological mistake if the mainstream theory sticks to the level of phenomenon. However, mainstream economics is not consistent even in this case. After all, it could as easily – or even more easily – reveal the enormous surplus in the underutilized capacities, the huge wealth lying in assets, banks and speculations as it notices scarcity in the lack of “effective demand”. The fact that neoclassical economics does not reveal this enormous surplus, is beyond a methodological mistake: it reflects the *ideological* or even *apologetic* nature and *class content* of this theory.

Limits of self-propelling surplus production

Many admire capitalism for its ability of innovation and renewal thanks to free competition and forget about that in spite of the positive role that capitalist way of surplus production has played in history by accelerating technological development, this mode of production has its immanent limits in the development of production forces.

First, technological development that is driven by capitalist surplus production is slower than it potentially could be. From the viewpoint of surplus production, the technological development which would not enable accumulating advantages (the rate or volume of profit does not increase) is useless. If with a more productive technology wage costs could be decreased by less than the amount with which the new technology increases other production costs (e.g. in the form of depreciation expenses), it is not worth to put it into operation. Although these innovations would be useful for the society, they remain buried in an office drawer until – under the pressure of competition or as an answer to crisis – it is necessary to deploy them. When it happens, it has destroying effect on others: a rapid increase of an (competitive) advantage in the form of an innovation may cease other initial advantages thus destroying means that would be suitable for producing consumable goods and workplaces – important for the working class. Use values are wasted because they lost their values. In such cases the inefficiency of the entire socio-economic development is reflected.

Second, the continuous rush for growth represents a further limit of today’s mode of surplus production. The constraint to reduce a unit of labour cost in order to remain competitive decreases the share of wages from GDP. Along with the tendency of the wages share to fall¹⁶ the proportion of produced goods that could be purchased from the wage also falls. The remainder of the value added is in the hand of the profit-owners, so could only be realized from the profit by purchase of either consumer or investment goods, otherwise capital will remain unutilised: unsold products, unexploited productive capacities will stay on market. However, the new investments forced to be more efficient and as such depreciates the formerly invested (fixed) capital. When the latter accumulated, the crisis breaks out.

¹⁶ The long-term decrease of the wage/GDP rate is a statistical fact, just as the increase of un- and underemployment on the one hand and the increase of the intensity of work on the other as well. “With the growth of the total capital, its variable constituent or the labour incorporated in it, also does increase, but in a constantly diminishing proportion. ...The whole form of the movement of modern industry depends, therefore, upon the constant transformation of a part of the labouring population into unemployed or half-employed hands” Marx (1887 [1867], 437- 438).

A crisis is thus unavoidable in such a mechanism. *The class character of the produced surplus* – that represents surplus only for the possessors of initial advantages – then becomes obvious: even if there are people who would like to move into a newly built house, if they cannot pay for it, the house will remain empty. Such a “surplus” of the developer is his direct loss.¹⁷

Summary and conclusion

Aiming at challenging one of the most important theses of the neoclassical economics, i.e. the scarcity of resources, we revisited the problem of scarcity and surplus on the basis of the logic of accumulation in general and in capitalism. The notion of “advantage” was chosen as a core of the analysis because its meaning is broader than that of the “surplus”. The origin of all accumulation is “initial advantage”. This means the possession of means of production by which accumulation of advantages is possible. The crystallised form of all advantages in capitalism is value, and the accumulated advantage takes the form of surplus. Other advantages, like knowledge or social connections, also derive from that.

The problem of scarcity exists only for the non-historic, static approach. Human needs (i.e. needs beyond the animal level) are not given by nature but have been developed by the society. For this, human needs are limited and unlimited in the same time. Change is their mode of existence: The socio-economic reproduction aims at satisfying the existing needs and in the same time arises new ones. The needs that seemed to be “limitless” yesterday are proved to be limited today. This change of the appearance is also true for the natural resources and the rules of nature, albeit the other way around: their “limitedness” is disappearing from time to time and the knowledge of man increases. They seem to be “limited” because the knowledge of man is insufficient to detect and exploit the natural forces at that time. The natural resources are limited only for the capital that is divided to companies with limited resources on the one hand and ought to be continuously and limitlessly accumulated on the other. So, what the neoclassical economics would have us believe to be the rule of the life on Earth (limited resource against limitless needs) is simply the dilemma of the capitalist company.

Capitalism plays a vital role in the historical process of the metamorphoses of surplus production. In capitalism the accumulation does not depend on the subjective needs of the owners of initial advantage any more. It has become the need of the initial and cumulative advantage itself. In other words: surplus production does not depend on the subjective wishes of the capital-owner. Through the law of market (competition) it became self-propelled. The accumulation of advantages has its own iron law in capitalism: accumulation of advantage has become the precondition of the existence of initial advantage. For the capital it means that profitability is the precondition of surviving on the market. Just because of the self-propelling nature of surplus production capitalism has been able to develop those forces of production with

¹⁷ In 2012 there were more than 633 thousands homeless people in the USA, almost 100 thousands of them were permanently homeless (NCH (2009) estimates the total number of homeless about 3.5 million in 2009), while 18,3 million flats were uninhabited (2.7 times more than in 1965), of what 13.8 million flats were offered for rent (USCB 2013), and those houses which could not be sold, were bulldozed by the banks... (Corkery 2009, French 2011).

which all necessity and deprivation could be eliminated. Despite this, capitalism continues to accumulate relative (or class-) surplus on the one hand, produce relative (or class-) scarcity on the other that results in the accumulation of advantages and disadvantages on the poles. Sweeping these aspects under carpet and explaining social inequalities with an eternal, general and natural “scarcity”, neoclassical economics fulfils an ideological and apologetic role in the capitalist society.

The process of self-propelling “accumulation of advantages” in capitalism is perpetually blocked and destroys. Crisis deriving from it can be eliminated only if surplus production is consciously adjusted to the needs of all members of society. However, this suggestion is completely unacceptable from the point of view of *the theory that does not explain the history and the present of the symbiosis of scarcity and surplus, class surplus and advantage accumulation.*

References

- Alstadsæter, Annette & Johannesen, Niels & Zucman, Gabriel. 2017. ‘Who Owns the Wealth in Tax Havens? Macro Evidence and Implications for Global Inequality’. NBER Working Paper No. 23805, September, National Bureau of Economic Research Cambridge. <https://www.nber.org/papers/w23805.pdf>
- Bernal, J. D. 1954. *Tudomány és történelem.* (Science and history) Gondolat, Budapest.
- Cohen, Avi J., – Harcourt, G. C. 2003. ‘Retrospectives: Whatever Happened to the Cambridge Capital Theory Controversies?’ *Journal of Economic Perspectives*, Vol. 7, No. 1. pp. 199-214.
- Corkery, Michael. 2009. ‘No Sale: Bank Wrecks New Houses.’ *The Wall Street Journal*. May 5, <http://online.wsj.com/news/articles/SB124148169574985359>
- Credit Suisse. 2018. ‘Global Wealth Report’. Credit Suisse AG, Research Institute, Zurich, Switzerland. <https://www.credit-suisse.com/corporate/en/articles/news-and-expertise/global-wealth-report-2018-us-and-china-in-the-lead-201810.html>
- Dabla-Norris, Era – Kochhar, Kalpana – Ricka, Frantisek – Suphaphiphat, Nujin – Tsounta, Evridiki. 2015. ‘Causes and Consequences of Income Inequality: A Global Perspective’. IMF Staff Discussion Note, SDN/15/13
- Engelmann, Bernt – Wallraff, Günter. 1977. *Önök ott fenn, mi itt lenn.* (‘You are up there – we are below here’). Kossuth Könyvkiadó, Budapest. (First published as: *Ihr da oben – wir da unten.* Verlag Kiepenheuer & Witsch, Köln, 1973)
- Engels, Friedrich. 1877. *Anti-Dühring.* Works of Frederick Engels 1877. <https://www.marxists.org/archive/marx/works/1877/anti-duhring/>
- FAO Statistics s.a. Selected indicators. World. http://faostat.fao.org/static/syb/syb_5000.pdf
- FAO, IFAD, UNICEF, WFP and WHO. 2018. *The State of Food Security and Nutrition in the World 2018. Building climate resilience for food security and nutrition.* Rome, FAO.

- FAO. 2012. *Coping with water scarcity. An action framework for agriculture and food security*. FAO Water Report 38. Food and Agriculture Organization of the United Nations, Rome.
- French, Douglas. 2011. 'Banks bulldoze houses, despite millions being homeless'. *The Christian Science Monitor*. July 29, <http://www.csmonitor.com/Business/The-Circle-Bastiat/2011/0729/Banks-bulldoze-houses-despite-millions-being-homeless>
- Giacalone, Joseph – Cobb, Clifford (Eds.). 2001. *The Path to Justice: Following in the Footsteps of Henry George* (AJES – Studies in Economic Reform and Social Justice). Blackwell Publishing, Malden, Oxford.
- Gowdy, John. 2011. *Hunter-gatherers and the mythology of the market*. Nov 2, <http://libcom.org/history/hunter-gatherers-mythology-market-john-gowdy>
- Hill, Rod – Myatt, Tony 2010. *The Economics Anti-Textbook. A Critical Thinkers' Guide to Microeconomics*. Fernwood Publishing, Blackpoint, Zed Books, London
- Hume, David. 1739. *A Treatise of Human Nature*. Reprint. International Relations and Security Network, Primary Resources in International Affairs, <https://people.rit.edu/wlrgsh/HumeTreatise.pdf>
- Jakab, Attila. 2013. 'Valamit valamiért'. (Something for something) *Galamus-csoport*, 2013. 10. 11. http://www.galamuscsoport.hu/tartalom/cikk/332618_valamit_valamiert
- Jayadev, Arjun & Lahoti, Rahul & Reddy, Sanjay. 2015. 'The Middle Muddle: Conceptualizing and Measuring the Global Middle Class'. (November 23, 2015). Available at SSRN: <https://ssrn.com/abstract=2694624> or <http://dx.doi.org/10.2139/ssrn.2694624>
- Jevons, S. W. 1965 [1871]. *The Theory of Political Economy*. Reprint, Augustus M. Kelley Bookseller, New York.
- Kornai János. 2014. *Dynamism, Rivalry, and the Surplus Economy: Two Essays on the Nature of Capitalism*. Oxford: Oxford University Press.
- Láng, János 1978. *Az őstársadalmak*. (The ancient societies) Gondolat, Budapest, 1978.
- Maddison, Angus. 2008. 'The West and the Rest in the World Economy: 1000–2030. Maddisonian and Malthusian interpretations.' *World Economics*, Vol. 9, No. 4, October-December http://www.relooney.fatcow.com/00_New_2733.pdf
- Martins, Nuno Ornelas. 2011. 'The Revival of Classical Political Economy and the Cambridge Tradition: From Scarcity Theory to Surplus Theory.' *Review of Political Economy*. 23(1), pp. 111-131.
- Martins, Nuno Ornelas. 2014. *The Cambridge Revival of Political Economy*. Routledge: Abingdon, Oxon, New York.
- Marx, Karl. 1881. *To Friedrich Adolf Sorge*. London, 20 June. https://www.marxists.org/archive/marx/works/1881/letters/81_06_20.htm
- Marx, Karl. 1887 [1867]. *Capital. A Critique of Political Economy*. Volume I. Book One: The Process of Production of Capital. Progress Publishers, Moscow. <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-I.pdf>

- Marx, Karl. 1973. *Outlines of the Critique of Political Economy*. Penguin. Marxist Internet Archive. <http://www.marxists.org/archive/marx/works/1857/grundrisse/index.html>
Converted to eBook by Andrew Lannan.
- Menger, C. 1950 [1871]. *Principles of Economics*. The Free Press, Glencoe, Illinois.
- NCH. 2009. *How Many People Experience Homelessness?* National Coalition for the Homeless, http://www.nationalhomeless.org/factsheets/How_Many.html
- Northrop, Emily. 2000. 'Normative Foundations of Introductory Economics.' *American Economist*, Spring, Vol. 44., No. 1., pp. 53–61.
- OECD. 2017. *OECD Statistics. Government at a Glance – 2017 edition*. Public finance and economics. <https://stats.oecd.org/>
- Oxfam. 2016. *An economy for the 1%. How privilege and power in the economy drive extreme inequality and how this can be stopped*. 210 Oxfam Briefing Paper, 18 January 2016. Oxfam GB, Oxford. https://www-cdn.oxfam.org/s3fs-public/file_attachments/bp210-economy-one-percent-tax-havens-180116-en_0.pdf
- Oxfam. 2019: *Public good or private wealth?* Oxfam Briefing Paper, January 2019. Oxfam GB, Oxford. <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/620599/bp-public-good-or-private-wealth-210119-en.pdf>
- Pullen, John. 2013. 'An Essay on Distributive Justice and the Equal Ownership of Natural Resources.' *American Journal of Economics and Sociology*, Vol. 72, No. 5, pp. 1044-174.
- Putnam, Hilary – Walsh, Vivian (Eds.). 2012. *The End of Value-Free Economics*. Routledge Abingdon, Oxon.
- Robbins, Lionel. 1932. *An Essay on the Nature and Significance of Economic Science*. Macmillan and Co. Limited, London.
- Robinson, Joan. 1953. 'The production function and the theory of capital'. *Review of Economic Studies*, Vol. 21, No. 2. pp. 81–106.
- Rousseau, J. J. 1754. *On a Subject Proposed by the Academy of Dijon: What is the Origin of Inequality Among Men, and is it Authorised by Natural Law?* <http://www.constitution.org/jjr/ineq.htm>
- Rozsnyai, Ervin. 2005. *Két Machiavelli* (The two Machiavellis). Rozsnyai Ervin, Budapest.
- Rozsnyai, Ervin. 2009. *Közösségi társadalom és filozófia*. (Community society and philosophy) Tanulmány. Rozsnyai Ervin, Budapest.
- Soboul, Albert. 1989 [1982]. *A francia forradalom története 1789-1799*. (A Short History of the French Revolution, 1789-1799) Kossuth Könyvkiadó, Budapest.
- Somai, Miklós. 2013. World's Agricultural Production and Trade: Food Security at Stake? *International Journal of Biotechnology for Wellness Industries*, Vol 2, No 4, pp. 182-195.

- Sraffa, P. 1960. *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory*. Cambridge: Cambridge University Press.
- Szalai, Erzsébet. 2010. A rendszerváltás mérlege. A kelet-európai újkapitalizmus válsága – a magyar példa. (A balance sheet of the transition to democracy. The crisis of the new capitalism in Eastern Europe – the example of Hungary) *Köz-Gazdaság* V. évf. No 4., október, pp. 137-164.
- Szemjonov, Ju. I. [Yu. I. Semenov] 1973. *Hogyan keletkezett az emberiség?* (How humanity was born) Kossuth Könyvkiadó, Budapest.
- Van der Wee, H. 1986. *A lefékezett jólét. Újjáépítés, növekedés és struktúraváltás a világgazdaságban (1945–1980)*. (Prosperity and Upheaval: World Economy, 1945-80). Közgazdasági és Jogi Könyvkiadó, Budapest.
- Walras, Leon 2003 [1874-77]. *Elements of Pure Economics*. Routledge Library Edition, London and New York.
- Weber, Max 2005 [1905]. *The protestant ethic and the spirit of capitalism*. Routledge. London, NY.
https://is.muni.cz/el/1423/podzim2013/SOC571E/um/Routledge_Classics_Max_Weber-The_Protestant_Ethic_and_the_Spirit_of_Capitalism_Routledge_Classics_-_Routledge_2001.pdf
- Wicksell, Knut 1977 [1911]. *Lectures on Political Economy*. Reprint, Augustus M. Kelley Publishers, Fairfield, New York.
- Wille, Hermann Heinz 1988. *A szakócától a dinamóig*. ('Geburt der Technik' and 'Sternstunden der Technik') Kossuth Könyvkiadó, Budapest.