

Studies in

**Philosophy & Science
of social practice**

Horst Müller

**The concept of a transformative social state
economy**

**Perspectives for a new fiscal, infrastructure,
and industrial policy**

A draft of transformation research based on
value, reproduction, and practice theory

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Preface

The present elaboration is the result of philosophical-economic studies that I initially placed under the title of *Utopistics of political economy*. This approach now sees itself as the central research area of a philosophy and science of social praxis developed at the level of the times. My main work in this field or on this concept of Praxis is currently concerned with the crisis and further development of Marxism. Of course, we are not talking about *the* Marxism. We are talking about core ideas that are alive in diverse and international currents of practice, Marxism and socialist thought.

But why Marxism at all? Marx's foundation of the dialectical concept of Praxis marks a decisive point in the history of ideas and human history on the path to a true concept of reality and enlightened, solidary development in society. Turning away from these roots marks the path to intellectual, social, and political alienation and ideology.

However, there is also a risk of self-inflicted stagnation or emaciation: All talk of the *crisis of Marxism* is an expression of a corresponding fundamental debate that has repeatedly broken out. In this context, it is understandable that Ernst Bloch once spoke of the *unresolved tasks of socialist theory* and the *tasks of an exact and creative further development of Marxism*. The concept of a *transformative social state economy* presented here should be a significant contribution to this. Of course, all of this also concerns the situation and future of the social left.

The following remarks therefore point to the need for renewed debate and decisive further development. They have been brought up to date with regard to the current social and global situation and are presented in a very concentrated manner. A narrow selection of further sources and media can be found at the end. The text is thus intended as a preliminary, condensed draft, as a stimulus and guide for further necessary collective research efforts.

The literary and historical references have been left implicit - partly because of the volume, which would otherwise have reached the format of a book. Their further elaboration may also arise in further discussion. I was even kindly advised to be much shorter, because younger people no longer read long texts, but only skim them. The *summary* may be suitable for this purpose and hopefully spark interest and a desire for more.

It is about the search for an alternative system that has so far been almost completely absent and that affects economic value relations and the entire reproduction formation. This points to an enormous and controversial background in the history of thought and science. *System* in this context is merely the acronym for a *political-economic* and historically formatted

context of practice and processuality. Due to the necessary thematic concentration, the barely clear, *socio-ecologically* accentuated alternative and transformation debate, which also calls for *just* and *democratic* conditions, must initially remain in the background.

After half a century of liberalist-ideological conditioning of the education and science system, there may also be difficulties in understanding. It is precisely for this reason that I would like to recommend to younger readers and newcomers to get involved in the systematic, step-by-step explanatory and concretizing train of thought. I would be delighted if I could perhaps save one or the other years of wandering around or even getting completely lost by providing orientation and explanations of basic concepts.

For readers with prior or specialist knowledge, the main aim is to understand the recourse to *dialectical practical thinking*, the reference to the constitution of social reality as *contradictory practice* and the present reactualization and positive transgression of the *critique of political economy*. These are considerable challenges. I am eager to hear objections, improvements or even encouraging agreement. Let me start with a basic idea for inspiration.

The economic-historical tendency and necessity for a growing socio-economic infrastructuralization of the socio-economic whole can no longer be managed seamlessly and sensibly within the commodity and capital-economic value, reproduction, financial and fiscal relations. Hence the national debt and the modern fiscal regime, the erosion of infrastructures and social pressures and ever new financial and monetary policy hypes. In addition, the capitalistic irreversible exploitation and growth imperatives thwart all efforts to overcome the ecological crisis. Viable solutions must therefore ultimately be sought in a differently structured political-economic system and social alternative. A reminder of this fundamental perspective:

“This correct view likewise leads at the same time to the points at which the suspension of the present form of production relations gives signs of its becoming - foreshadowings of the future. Just as, on one side the pre-bourgeois phases appear as merely historical, i.e. suspended presuppositions, so do the contemporary conditions of production likewise appear as engaged in suspending themselves and hence in positing the historic presuppositions for a new state of society.” (MEW 42: 461)

Such *prerequisites*, if they are real and exist in the bosom of the existing, can of course only lead to the realization of the new in the course of an associated social and political movement or practice, through individuals, organizations and institutions that are receptive and capable of action: It is high time to pursue all these questions and theses further in collective research efforts.

1. Social problems and research tasks

1.1 The crisis and the dark field in the future consciousness

The simultaneity of overwhelming productivity and multiple problems, the ever-new crises of liberalist-capitalist practice formation and accompanying states of war are phenomena of a socio-historical decadence. The prevailing, still predominantly fossil-fueled type of civilization is associated with the destruction of natural resources, the loss of human social substance and an increasing threat to humanity's planetary habitat. The deeper roots of these dire trends are not sufficiently transparent and are not consistently considered politically.

The core problem is a quasi-programmed functionality of reproduction formation, which manifests itself multidimensionally as a compulsion to exploit, rationalize, accumulate, grow, and expand and ultimately destroys natural conditions. This results in an increasing concentration of wealth and power as well as growing imbalances between capital, labor, and life or between development centers and peripheries. The inherent compulsion and urge for barely restrained medical-biological and technological-informational progress is also accompanied by social self-harm and destruction.

In view of this situation, it is important to gain deeper insights into the interrelationships and to realize this: This programming or this economic calculus as well as the resulting fundamental tendencies or consequences cannot be significantly modified *on the basis of the capital economy* and the policies associated with it, nor can they be overturned by approaches that focus on and remain limited to the social-ecological dimension, such as justice and sustainability. Even in a global context, sustainable development is continually thwarted by overwhelming exploitation and growth pressures. After all, their consequences are also and above all about environmental and climate catastrophes, but at the same time and increasingly also about stagnating and desolate social conditions, the limitations of a capitalogenic democratic praxeology and the lack of substance and disappointment about political promises for the future.

For the first time, Marx made visible the contradictory nature of capital economics and its problems, which are decisive for economic life, social development and the current world situation, but perhaps did not make the deeper roots of the accumulation of capital or the growth fetish sufficiently clear. The terms capital and surplus value are associated primarily with exploitation and misery, profit orientation and competition, relations of subordination and domination or even imperialism, but hardly with an intrinsic, encoded programming linked to economic value in a certain way, which

controls and drives economic practice all over the world, in the most diverse economic and cultural social ensembles.

Since Marx's critique, the question of a fundamental or even socialist alternative has always been raised implicitly or explicitly. He was never able to answer it adequately because the necessary constitutive elements were far from being present in the industrial capitalist era. Now, some 150 years later, a viable concrete alternative is still lacking. And this after the serious formational developments in the 20th century, after experiences from socialist movements and socialism experiments, now in the most extended stage with an already destructive relative overproduction and globally tipping living conditions. This is a major problem or failure, almost an anomaly in the history of theory and a disaster for the political left with serious consequences for the left and societal development. Without an enlightened, trustworthy and viable guiding concept of the sought-after alternative that is essentially based on political economy, there will be no forceful progress in the extremely complicated and endangered circumstances of our time, no matter how fierce the suffering and crises, all criticism and even mass protests may be.

The eminent darkness in society's awareness of the future in this respect provides all the more room for resignation and right-wing political developments. It is the most important sign of the problems of Marxist thinking amid the rapid changes taking place in the world today. It is deceptive that the criticism of capitalism that has always been cultivated is always more or less right and can be seen to be confirmed. Here and now, however, the question arises as to whether the unresolved issue of a concrete alternative and the decline of the left in Western Europe are not also due to internal, fundamental theoretical problems. All of this may have far-reaching consequences. First of all, it is necessary to ask emphatic questions about the why.

1.2 Problem contexts, approaches, and work tasks

The questions of why are pursued here in the context of an overarching research approach to the *crisis and further development of Marxism*. Of course, there is *no one* Marxism. Here and today, the term refers to the broad, heterogeneous, and international current of practical-, Marxist- and socialist-thinking.

One answer lies in the reference to the neglect of the philosophical-scientific foundations of thought, which are rooted in *dialectical practical thinking*. This came into the world through Marx and Engels as partner and birth assistant, has always been inadequately interpreted as dialectical materialism and yet marks the actually decisive, ongoing intellectual-historical

turning point and enlightenment of modern times.

In this sense, the following is preceded by studies on the foundations of a dialectical philosophy of practice and practical science. Their constitutional and epistemological, especially methodological aspects are essential here. With this paradigmatic approach, which can be characterized as a *concept of Praxis*, the horizon of thought of focused *critical* social theories is exceeded, social reality is opened up in its contradictory constitution and processuality, its ideational and perspectival dimensioning and in the sense of a practice-scientific critique, analytics and utopistics.

Furthermore, the studies refer to the critique, or rather science of political economy, founded by Marx, which is certainly also dimensioned as a search for an alternative to the capital economy. In the course of their transformation-theoretical development, that goes along with and sublates historical progress, the indispensability of value-theoretical and reproductive-analytical premises becomes apparent once again. These have often remained misunderstood or have been lost in current economic approaches, but also elsewhere. It was therefore essential to explain the essentials and at least implicitly convey an idea of the deceptions or misery of today's economics.

In the knowledge of these interrelationships, the following systematic study initially concentrates on the development of an enlightened system alternative spelled out in political economy terms, here in the sense of a *transformative social state economy*. It is about an *emancipatory* transformation, essentially about the fundamental reproductive conditions of a possible better or higher sociality. The attribute transformative means that the theoretical modelling initially and necessarily provides points of reference and orientation for realizations that are in any case only possible in a processual, situational, inventive way, i.e. open to new experiences and solutions, or only historically. Once the fundamental alternative becomes more concrete, this enables a more precise analysis and wayfinding in and out of the of the respective acute or particular socio-historical situation.

This is insufficiently defined as a climate and poly-crisis, a turning point or a world reorganization, insofar as its character as a formational transition period, i.e. the acute questions of a real alternative or socialist perspectives, hardly play a role. To continue discussing the Anthropocene, climate change and wars without also asking the question of the system is an expression of scientific blindness or stupidity. It is about the economic, social, and cultural-historical decadence of the existing, ageing social formation and the latent urging of a new formation, and this in the midst of a human, planetary danger and borderline situation. The crossroads it implies is therefore still half fogged, the necessary *radical change of direction* is

still too little recognized and tackled, and the outcome of the struggle for a better future is still open.

The conceptualizations outlined in this way are explicitly and also implicitly linked to the critique or constructive sublation of a series of alternative and emancipatory or even praxis-theoretical, Marxist, political-economic or socialist conceptions. In view of the dimensions of the entire problem, this can only be a draft for the time being. The present analyses and theses, still without the incorporation of sources, should contain sufficient connecting points for further in-depth analysis and clarification. The necessary awakening first requires coactive and as far as possible, convergent efforts to research the problems and reach self-understanding in a broader debate.

2. Approach of practical transformation research

2.1 Approach and problems of the research project

After the debates about plan and market, socialism, and democracy at the end of the 20th century, after the final failure of state planned economies and the demise of so-called real socialism in ideological abstraction, after the brutal implementation of neoliberal globalization, we are now faced with the worldwide dominance of liberal capitalist economic forms and ways of thinking. Their immense problems, indeed, their unsustainability in the history of mankind, are reflected today in a multitude of proposals for alternatives in the economy, society and politics.

However, the diverse ideas for degrowth, for a social-ecological transformation, for a post-growth society or eco-socialism have no actual political-economic, i.e. value, reproduction, and practice-analytical foundation. Insofar as *critical* social theories or a *critical* political economy articulate analyses and accusations of capitalist conditions, the question of a *positive* alternative system inevitably remains open. Thus, in the search for alternative approaches to or ways out of capitalism, many system-critical approaches and proposals are put forward and become effective through social resistance and practical alternatives. However, there is a lack of mutual attention or convergence and thus also a lack of political consequences and potentiality.

In order to provide some assistance in this regard, a practical scientific and dialectical approach is pursued here. This inspiration or methodology is about an analysis of value, reproduction and practice that reveals an alternative system and society already latent in the bosom of the existing. This may be hinted at in preliminary, transitional and experimental forms, the

transformative potential of which is already being tapped into in many cases. However, without clarity about the systemic root of the problem and without grasping this real latency, it remains with critical and prospective, but unconnected or idealistically exaggerated and thus not really trustworthy and sustainable constructions.

One difficulty in understanding lies in the fact that lesser-known Marx legacies such as the *Theories of Surplus Value* or the *Grundrisse* also play a role. The relevant approach of Marx's theory of value is taken up here in terms of practice theory and developed further in certain respects. Where else are there educational, academic, or other scientific institutions that impart appropriate knowledge and intellectual education based on practice and dialectics? For example, the category of *contradiction* is to be understood from the practical-perspective multidimensionality of social reality, and its forms of practice and processuality can only really be understood as historical form constructions.

Added to this is now the provocative statement that the traditional critique of political economy or capital and crisis theory is seriously lagging behind. The investigations will proceed step by step and attempt to clarify unfamiliar concepts. In this way, the concept of a transformative and thus emancipatory social state economy will be examined. The provocative thesis is that this alternative formation was originally inherent in the contradictory constitution of societies that developed after the war, especially in Europe.

2.2 A necessary revision of historical periodization

The new look at this period breaks with the usual periodization of capitalist development. The corresponding concentration on formational aspects provides the guideline in the multiverse of historical progress: The type of capitalism that is all too euphemistically referred to as democratic capitalism is identified on the basis of the following studies as social capitalism, or social state capitalism, which basically had and still includes the real potential of an alternative system.

Forms of this formation of practice were already developing after Marx, for example through social legislation, the increase in industrial productivity, the growing role, or possibilities of the taxing and intervening state, which also heralded the New Deal, not least through generally increased social-infrastructure requirements, which received a particular boost from urbanization.

It was only after the muddled, interim, 30-year period of war, crisis, and revolution that the social capitalist constitution was able to develop,

especially in Europe. Seen in this light, the so-called social market economy appears to be a myth, the concept of a social welfare state inadequate or ambiguous, and state capitalism or even state-monopoly capitalism as an ideological totalization. Accordingly, it was said that one should not be fooled by the *illusion of a social state*.

In fact, this social capitalism represented a social formation that was already more socialized in real terms than industrial capitalism and in whose womb, as will be shown, a real alternative system was emerging. An inkling of such or even more far-reaching historical possibilities was alive in the cultural and world revolutionary movements of the time. In fact, this formationally contradictory type was for the first time a transitional society in the true sense of the word.

However, this was not analyzed as such by the left, understandably in the situation of the Cold War and in view of aggressive Western imperialism. The inadequate communication between the historical philosophy of practice and the critique of political economy, the concentration on a negatory theory of capital and crisis, and the fixation on the false alternative of *either a planned economy or a market economy* may have played a major role in this. The lasting and ultimate failure of those experiments in socialism is still irritating today.

What took place on the tremendous path and detours from the Russian Revolution through the development of the Soviet state and its sphere of influence to the collapse of the Soviet Union and its reintegration into today's world relations is a tremendous story in its own right. But certainly, the question "What was communism?" does not lead to the alternative we are looking for. And whatever may have been present in socialist-reformist concepts and approaches to democratic socialism parallel to social capitalist potentiality, it was not given a real chance of development here or there.

The alternative that was latent at the time, whose developed form I now call the *transformative social state economy*, was eradicated from the 70s/80s onwards during neoliberal radicalization and globalization. Social-economic services and the social state were tamed, appropriated, and distorted in a way that was contrary to its form. The contradictory nature of asocial capitalist totalization is then reflected in national debt, in modern fiscal regimes and in the manifestation of financial capitalism, right up to the more recent theories of debt and money.

In this respect, the neoliberal offensive, in particular the privatization of the public sector and infrastructure, was a counter-revolution against the underlying real possibility. Although this was suppressed, it could by no means be eradicated due to irreversible developments in economic history

that continue to be effective. Ultimately, the decisive factor is that neoliberal globalization shaped the world market, in other words led to the full development of the capitalist world system. Only then, also in Marx's sense, did a historical *transitional epoch* begin.

From this perspective, the compelling conclusion is that during Marx's lifetime, a latent, formationally contradictory transitional society did not yet exist and that the stage of a transitional epoch he anticipated had by no means been reached. However, this historical situating and consequent relativization of his work does not change the fact that the formational contradictions in question are clearly present in our new age and that the question of a fundamental change of direction or a concrete, real alternative system is acute. Basically, the social and political movements fueled by social dislocation, state failure, environmental and climate catastrophes, economic and aggressive wars are moving towards this front line.

Due to the uneven and tense structuring of world conditions, the question will ultimately arise as to what follows from the approach developed for each particular socio-economic and cultural condition and geopolitical space or role. This with regard to differently developed conditions, for example in the European region, the USA, in Asia-Pacific region and the emerging China, which is claiming its own socialist perspective, especially with regard to the different characteristics and world situations, interests and perspectives of states and societies in the Global South.

Regarding the field of questions and research outlined in this way, the *initial thesis* is that the trend towards increasing infrastructurization is a starting point that is revolutionary in terms of economic history, decisive for every social existence, potentially promoting resilience and crucial for concrete system and transformation research. What infrastructure means here needs to be reconsidered and concretized, including how the prevailing liberalist and austeritarian regime deforms and undermines it. All of this must be taken into account for the development of a sustainable science of political economy and the question of a possible alternative system must now also be dealt with in terms of value, reproduction and practice theory.

3. The trinodal configuration of reproduction

3.1 Social infrastructures in the focus of the investigation

In view of countless shortcomings, it has already been succinctly stated that an environmentally and climate-friendly life requires completely different social infrastructures. At the same time, the basic social infrastructure of society as a whole and at regional and municipal level already appears

to be problematic or depleted in many areas. This social dimension encompasses a large number of institutions, rights, services and benefits that go beyond the provision of basic necessities or livelihood security and actually serve or should serve to promote existence and culture or the successful realization of life.

The significance of the issue for real life and the future of society is becoming increasingly clear. This concerns key areas such as the organization of the legal and social state, economic-social and scientific institutions, social security systems, social welfare, and healthcare. It concerns the upbringing, education and professional training of people, families and young people and the living conditions of senior citizens. Public and municipal services and areas such as household and housing, energy and waste disposal, transport and mobility, information and media, leisure and culture, nature conservation and environmental protection are essential. For example, not only daycare centers, schools and hospitals, green spaces, leisure facilities and cultural institutions are to be understood as social infrastructure, but also housing and urbanity with its enormous material and information technology lifelines as a social totality.

The misery begins with the fact that the abundance of social-infrastructure elements is barely present in the everyday perception and in the social and economic mainstream. Despite considerable preliminary work, for example on *Everyday Life in the Modern World* or an *Ökonomie des Alltagslebens* (economy of everyday life), the specific category or concept of form is missing. There is no specific category, people make do with enumerations of public goods, for example, and the diverse grievances usually appear to be isolated cases. To this end, the term *social-economic services* is introduced hereinafter as a political-economic form and basic concept. These are not simply understood as public goods or collective consumption, but as positive value-forming social work and department in the context of a concept of reproduction structured as a circular economy, or rather an extended social state economy.

The reproduction of social infrastructure is also of fundamental importance for economic strength and international economic integration, for employment and economic stability, for science and technology, for climate change and for general security. Policymakers use budgetary and investment or financial and capital economic policies and regularly come up against limits and fundamental fiscal and financial policy problems. This is particularly evident in the forced technological-investment activities for a Green New Deal or for green capitalism in general.

The not only cyclical but also chronic financial problems of the tax state and local authorities result in systemic austerity with regard to those social-economic services with a wide range of negative consequences. The conditions imposed by the International Monetary Fund in the Global South have corresponding effects. In contrast, there are proposals for a more consistent, equalizing tax policy and a more planned social infrastructure policy. Studies on the value-creating potential of state entrepreneurship, approaches to a municipal fundamental economy and pleas for infrastructure socialism also point in this direction.

The concept of the transformative social state economy is intended to take comprehensive account of the infrastructure problem. The term marks the difference to the centrally administered economy, but also to the coercive exploitation economy that characterizes social life and natural conditions in mass and representative-democratic capitalism. This has nothing to do with a social state illusion. Rather, it is important to understand that the corresponding formation that has emerged in the post-war period represents a formationally further and more highly developed formation compared to the industrial capitalism of Marx's time.

3.2 The new main department of social reproduction

The increased focus on the infrastructural points to secular shifts in the context of reproduction. The production and reproduction of the general, social-infrastructure foundations of economic and social life has gained so much weight and importance since the beginning of the 20th century that the whole is now to be understood as a separate economic *form construction and dimension* or even a new economic *main department*. This would no longer be seen as *unproductive, value-consuming work*, as in Marx's time, or as a corresponding sector of today's capital-economically organized totality, but as creating value itself. This development is essentially linked to the emergence of the modern tax state. Marx could not have known anything about this, and in the course of cultivating a, so to speak, one-dimensional theory of capital and crisis, the scope of the development was misjudged.

The impetus for this infrastructuralization came from the development of social security systems, technological networking, and the growing demands of urbanization. In addition, microeconomic and industrial development is increasingly dependent on framework conditions such as the rule of law, public administration and finance, scientific institutions, a public education system and transport and communication facilities. Finally, there are the requirements resulting from the globalization of economic and social interdependencies.

The production of consciousness is something special. It ranges from everyday knowledge of action and orientation to entire formations of ideas or foundations of meaning and is inextricably linked to questions of the perspectivity of social reality and truth. Following the industrial, more material-energetic revolution, the *digital* or *cybernetic revolution* is leading to upheavals in all informatic-ideal aspects and dimensions of social reproduction and practice. The generation, production and appropriation of knowledge and consciousness in the sense of the ruling powers thus reaches its climax and peak in artificial intelligence: Digitalisation and informatisation shapes the whole societal formation. Nevertheless, no further or completely different *economic form construction* seems to come into play.

The intellectual productions of, for example, the education system, science, the media, and the global informational-intellectual productions are in principle either commodity-like or even corporate or social-economic. Otherwise, as in the case of Wikipedia, for example, it is a matter of productions in the sphere of individual reproduction and social self-organization. More on this in the following. First, the world of the Internet, the cabling of the world's oceans and satellite communication testify to the fact that infra-structurization has received a further enormous boost in this dimension. Since then, an infinite amount of content has been accessible to interested individuals via mobile phone. At the same time, however, individuals are involved in intellectual waste, ideologization and social controls.

For political-economic analysis, this means that the commodity and capital economic contexts analyzed by Marx and his reproduction schemes now only represent a partial dimension of economic practice, although they are still the decisive driving and formative force of industrial-economic growth and the associated social tendencies. The social-infrastructural, now so-called social-economic services have been added to this area of commodity-, market- and industrial-economic production, now combined as a main department, as a complementary, if you will, public sector or rather as a new, second main department.

The modern legal, fiscal, social, and national state plays a contradictory role in this configuration but is in any case neither mere state machinery nor a mere state of capital or even a welfare state in the social-democratically glorified sense: democratic capitalism includes a contradictory dimensioning or latent, system-alternative potentiality, so that social-state capitalism would be more appropriate. In this respect, provisions such as Fordist formation or participatory capitalism are to a certain extent partial truths. This democratic form is limited, and the questions of a truly democratic practice and the role of the national need to be rethought.

Marx himself dealt with questions of the public framework conditions of production or public investment. In his time, however, things had not yet progressed to the point where he would have had to model the relations of reproduction differently. Insofar as the problems of finance and infrastructure were then reflected upon in Marxist terms, this remained more or less within the framework of capital theory. The identification of a new economic form complementary to the commodity and capital economy in the sense of social-economic services and their value-theoretical modeling as a new main department of social reproduction was omitted. From here, the macroeconomically constitutive role of the taxing, budgeting, active state should also have been further reflected upon.

3.3 The social state in a tripartite process context

In the current reproduction scenario, the social state functions as a central taxing, fiscally and politically controlling, regulating, moderating and, to a large extent, even economically active and intervening authority. The modern state is an active, formative, and projecting state. Its responsibility affects, for example, the world of business and work, the public and social spheres in the broadest sense, everyday life, and all spheres in general. At the same time, it claims or transfers a large part of economic output, as can be roughly seen from the corresponding government spending: the ratio of government spending to gross domestic product in Germany is now around 50%. The state thus forms a central, mediating process node in the overall social reproduction context. This point may serve as a reminder that, for the sake of the necessary pure modeling, a more developed social state formation is assumed here.

In this context, the modern tax state is based on the foundation and functioning of the capital economy, which forms a second process node in the value economy. From the point of view of the liberalist-globalist capital and financial economy, taxes and levies for social purposes are initially always burdens or losses. Hence the neoliberal migration or intervention all over the world and the tendency to keep taxes or social issues to a minimum and, if possible, to appropriate the social state institutions and tasks for the purposes of economic exploitation. The state therefore generally exists as a social state that is under pressure and in debt, or rather highly indebted. It is restricted in its budget management under the burden of debt and interest and acts in a lobbyist, affirmative and austeritarian manner.

Attempts to counter this through a constitutional balanced budget amendment or the orientation towards supposedly sustainable debt ratios lead in practice to investment backlogs, social cuts and promote the privatization of the public sector. The inescapable choice between debt or social

cuts and a general lack of infrastructure is an exemplary contradiction within this reproductive formation. What exactly is the problematic effect of austerity budgets and privatization, their irrelevance and meaninglessness, especially in the field of that other half of social work, regarding the third process node represented by social-economic services?

Social-economic services represent a different purpose and an alternative *economic form* construction to the commodity, industrial and capital economy: They are subsidized or financed by the state in one way or another and consume marketable goods but produce something completely different themselves. They reproduce general or communal, subjective, material and institutional foundations and resources for a society that is also socio-spatially determined. This concerns immense areas of responsibility, not least increasingly demanding control, and administrative tasks of the state-formed community.

The privatization of the public sphere or the capitalization of social infrastructures contradicts this fundamental, alternative character of form, which must now be put into practice. The struggles against privatization and the search for new modes of social institutionalization are thus already an expression of the struggle between the old and the new and confirm the periodization made here. The expansion of the new department and its necessary integration into the modern, tax, fiscal and nation-state context of reproduction has transformed industrial capitalism into social capitalism with a naturally nation-state constitution.

This formation of practice is dominated by capital and financial form constructions and is embedded and involved in world capitalist relations. Its core system is configured as a process structure with three nodes: (1) the commodity, market and capital economy, (2) the social-economic institutionalities, productions and services and (3) a legal, tax and social state as the central governing, intervention and mediating authority.

This *trinodal process structure* represents a higher level of real socialization than the industrial capitalist formation. The higher level is reflected in the density of the penetration of state and society. This is also reflected in the vertical structure, i.e. in the subsidiary and socio-spatial dimension. Here, the communally constituted, urban practice, the local state if you will, forms the basic level of social constitution or the concrete place of individual, everyday life. This level plays an often neglected but promising economic role:

The social purpose and realization of the social economy, including municipal urban development and in rural areas, constitutes a fundamental social and national economic self-referentiality of modern social formation. Social-economic services do not produce marketable goods, but rather

socially and economically self-referential, general bases of existence. The principle of subsidiarity therefore also applies to economic life. None of this has anything to do with the idea of autarchy. Small and medium-sized, more local, regional, or even self-sufficient enterprises can strengthen the economic self-weight that is in tension with the globalist tendency of the financial and capital economy. This context is an important aspect of the desired socioeconomic reorganization.

3.4 The sphere of individual reproduction and social activity

The supporting core system of social work and reproduction outlined so far comprises the link in the chain, or rather the sphere of social and everyday reproduction, the immediate reality of working and non-working people's lives. Economically, this social field of everyday and cultural life, civic self-organization, activities, and commitment is supported from two sides, as one experiences on the public routes to work or in the home office via the internet. From personal income from professional employment or other sources and resources, and from the available public or general social-infrastructure conditions and opportunities.

This field of the center encompasses an enormous variety of unpaid activities. These are per se active moments in the overall social reproduction context, which, however, go far beyond the function of reproducing the labor force through their social benefit or in the sense of life fulfillment. However, this activity is not automatically assigned the status of value-forming social work: this caring and diverse personal activity, housework and care work or voluntary work outside the home or outside the country are initially compensated in the form of wages. They only become social or social-economic services and gainful employment when they are recognized and valued by society. Such activities, e.g. domestic and care services, can also take the form of personal commercial services.

The sphere outlined in this way is essentially supported by the primary trinodal reproductive context or is embedded in it. The more fundamental systemic changes that are necessary and possible can interact with the socio-culturally shaped sphere of relative lack of freedom or freedom of subsistence, individual life fulfillment and social activity. The crucial question remains, however, how would it be possible to counter capital, to abolish the forced austeritarian policies of the social state and the inappropriate privatization of the public sector and thus improve the conditions for greater freedom of activity and cultural development for individuals? What can and must also change on the side of the commodity, market, and capital economy? How can the financial viability, functionality, and enforceability of changed economic, state and social conditions be established and secured?

4. Method, content, and some special characteristics

4.1 On the method of political-economic transformation research

What is decisive for any social and transformation research is which concept of reality, which method of thinking and research and which future perspective it is based on: Practical and dialectical-logical comprehension positions itself and moves within the multi-dimensional process reality of contradictory social practice, i.e. here in the semi-virtual space of a complete change of forms, formation and perspective. It seeks to grasp what can or should be brought about on this path through real, associated social powers and through theoretical-practical birth assistance. From here, what has been overcome shifts into a new light.

Since Marx, such an advance into the interminable reality of practice and processuality has been part of a practice-ontologically grounded concept of human-historical liberation and emancipation. Marx had already developed this since his Early Writings. In this sense, every social theory aims to conceptualize social practice and the future. Mere theories of action, systems and communication are not really capable of this, while critical social theories, ironically referred to by Marx as *critical critique*, tear apart the necessary connection between *analytics, critique and utopistics* and thus also become entangled in aporias of moral judgment and condemnation. The epistemic mode of *comprehension of practice*, the central concept of those eleven theses, only comes into its own in integral, dialectical practice and process thinking.

Marx's critique of political economy or of economic-political formed practice is a special case here: it has a fundamentally positive, transformational horizon, but concentrates in a first fundamental step on grasping the negative, problematic nature of the form constructions and laws of movement of capital. The unfinished main work is based on a specific analysis of value, reproduction and practice. Marx was inspired by Quesnay's *Tableau Économique*. Important elements can be found in his lesser-known *Theories of Surplus Value*. Eventually, the manuscripts of the *Grundrisse*, their work plan and ideational horizon, point beyond Marx's unfinished three-volume masterpiece. Volumes two and three of the latter were only edited and published by Engels after Marx's death.

To ignore all of this from academic research and discussion is ignorant and pathetic. But Marxist approaches are not unproblematic either. The fixation on the mode of critique, on the *term* or the methodical *representation of capital* have distracted from Marx's actual, critical-revolutionary method of thought and research. In contrast, the approach of a conceptually

advancing, dialectically and logically concretizing presentation and exploration is something unique. After all, as we know today, the actual socio-historical transitional epoch envisaged in Marx's drafts had by no means begun.

As far as he could see and reflect, Marx focused on the potentiality of the working class. His analysis pointed to the internal and external barriers of capitalist practice formation and demonstrated its crisis-prone nature. The whole thing showed itself to be an alienated, exploitation-driven praxeology that amounts to existential disruption of natural relations and the devastation of the future. Finally, he could still hint at transitional forms and distant socialist perspectives, but in no way illustrate a concrete alternative. Their potential only matured as the 20th century progressed, and even then, as an initially more or less latent, half-hidden reality. Only today, after the full development of the world market and the beginning setbacks of globalization, has the actual era of a possible upheaval begun.

4.2 Aspects of value, reproduction and practice analysis

Research into the systemic alternative requires not only an analytical-critical, but also a transformational analysis of reproduction in line with Marx's preliminary work. The decisive factor here is that the institutionality of the social state and the progressive and at the same time inhibited infrastructuralization require a trinodal rearrangement of the reproductive context beyond classical schemata or conventional economic accounting methods. In this regard, Marx's concept of economic value, the so-called exchange value, is indispensable for the actual analysis.

This concept implies a fundamental criticism of traditional economic doctrines. Since Adam Smith, this has been dominated by false basic ideas, including the trinitarian theory of production factors and the associated disregard for the division of surplus value into interest, rent and profit. Above all, Marx rejected Smith's dogma that the entire social value product could be represented or distributed in the form of income. Above all, this obscures the role of constant capital, removing it from the tax basis of the social state, although it is of central importance precisely for the endowment of the social-economic department in today's new overall configuration.

However, Marx's substantiations of his theory of value have triggered a never-ending debate. From the perspective of a philosophy of mind and epistemology of practice that has never really been developed in Marxist theory, it is fair to say that Marx uncovered the nature of economic value as an initially immaterial, objectively real implication of meaning within a commodity, market and capital-economic formation of reproduction and

practice. In this way, it asserts itself in temporal relations and appears materially or tangibly in form constructions such as the money form and in process sequences, if you will, in regularities, or also in economic calculations and accountings.

In the context of a social division of labor, e.g. entrepreneurial production of commodities and the corresponding forms of exchange, the value arising from social labor, from the time-dependent expression of human labor, and value-forms and regularities – the so-called law of value - are an irrevocable implication. Thus, taxes and their types also represent specific phenomena of value. What role these then may play in a *higher state of social production* must be clarified. In the following, social capitalism presents itself as an intermediate stage on this path.

Against this background, simple recipes for a planificatory, for example digital, operationalization of value and commodity production as a whole are not expedient and theories of a fundamental negativity and necessary overcoming of the categories of commodity and value are absurd. The correction of such misorientations lies in the conceptual direction of a socialist market economy. The solution is thus seen in the fact that a commodity, market, and industrial economy is necessary and constitutive. However, it forms only one dimension of the overall value-economic and consequentially restructured social state economy.

Behind the initially commodity- and capital-economic, entrepreneurial, or macroeconomic world of phenomena and thought lies the deeper, value-economic root of the dynamics and tendencies of this formation, which is commonly and too simply referred to as profit oriented or under growth imperative. It is a kind of internal programming or a specific economic calculus, which is perhaps the only appropriate term. This results in a larger symptom complex and finally the omnipresent, contradictory, dazzling technological and informational progress. This resulted in computerization and led on to robotics and artificial intelligence. I will come back to the explanation of this growth up to the reversal of the mode of reproduction and finally to the question of an alternative economic calculus.

Complaints about the consequences of this internal programming or the capitalist compulsion to exploit and grow are now omnipresent. However, the proposals for remedial action made by the critics of growth, ecology and capitalism reveal that its irreversibility in the context of the formation of capital-economic reproduction is not sufficiently recognized and demonstrated. In this respect, there are also no solutions based on value theory. As a result, there is a danger that such frequently and cogently articulated criticism will ultimately ricochet. Or there is a risk that the boundaries to green

capitalism or the Green New Deal will become blurred in a discourse on sustainability that is as popular as it is disarming, while the exploitative economy invests, accumulates, and reorganizes itself under the new label and seeks to position itself as independently as possible from its real social basis and responsibility.

The fact that the material and natural prerequisites or resources used in the process have no economic value in themselves plays a major role here and are therefore readily appropriated free of charge by capitalists and can subsequently be ruined if there is no corresponding objective and social disposition or control. Even the most sophisticated market-based regulations such as CO2 pricing are surrogates. Such surrogates also make us forget that all land, natural resources, and natural assets are in principle a resource that nobody has worked for. For land in particular, therefore, only public or social ownership can actually be claimed. Conversely, the privatization and monopolization of natural wealth gives rise to the capital-theoretical form of *rent* as an enormous share of the total value creation. You pay for it at every petrol station and still wonder about the fabulous scenery of the Gulf States.

In all of this, value forms a kind of Archimedean point for surveying the confusing phenomena of the liberal-capitalist formation. This is also the case under conditions hypertrophied by financial capitalism and in the ever-new ruptures and crises of the reproduction and financial system. *Das Kapital*, Marx's original decoding of the problem of value and thus also of the nature and social and ecological consequences of capital valorization, thus represents one of the most significant achievements in the history of knowledge and intellectual history. How finance capital and the capitalists of the 21st century emerged from the generative nature of capital would be a further topic.

First, it should be noted that the theory of value and capital also represents a starting point or a contrasting foil for the critique of the prevailing economic sciences, their capitalist conceptualizations and their history of decline. The affirmative character and the practicalism of this economics as well as the global wealth and misery consequences of its unrealism and neoliberal regression are unmistakable. The relative qualities of Keynesian economics, which to a certain extent still corresponded with Marx, were ultimately lost in the so-called neoclassical synthesis. However, the point after all these controversial questions is a different one:

Just as processing capital can hardly be understood without an analysis of value, reproduction, and practice, it will be impossible to come to viable conclusions about an economic and social system that, for example, curbs

the compulsion to exploit and grow and has features of an ecological circular economy without a theoretical foundation in value-relations or reference to necessary regularities of laws of value. After a century of negatory-based capital theory and all the theoretical and practical attempts and experiences, it is time to concentrate on solving this problem.

4.3 Analysis of trinodal relations and their inconsistency

The transformative approach requires modeling the existing trinodal relations in their pure form, in their movement and dynamic development, in order to be able to examine them for possible alterity or latency. This is done on the basis of capital-economic categories such as value and surplus value or profit, constant and variable capital or the reproduction of labor power and social individuals, productivity, accumulation and innovation, the main department of the commodity economy and the new main department of social-economic services, the taxing or crediting state and the state or social budget.

Even a consideration of the elementary configuration makes it clear: the social state authorities or agencies finance their wage or subsistence funds with the funds collected and made available by the tax and welfare state and acquire from the other department the economic or investment equipment they need for their economic operation. In this reciprocal or complementary reproduction relationship between the departments, the tax state with its social security systems forms the indispensable third, connecting process node.

The state functions as the central directing and mediating authority of the entire process via the state and social budgets, its corporations, public services and a thorough legalization of all relations: the formation of social state practice thus represents a higher level of real socialization and a set of forms that poses considerable problems for Marxist theories of the state. What is puzzling is not the fact that the tax state is dependent on the capital economy and its growth, and therefore lobbies well and also spends a disproportionate amount on its promotion and development, but rather its seemingly unavoidable chronic financial crisis and tendency towards indebtedness. Where in this contradictory praxeology could there be a breaking point or an approach to a social and system alternative?

At the level of industrial and social capitalist formation, the social-economic department also has a high organic composition: The mass of constant or physical capital far exceeds the proportion of variable capital, i.e. the use of wage labor. The share of the surplus that is generated as profit or is necessary for an economic enterprise forms a relatively small margin.

From these value ratios, however, it is clear that the usual, predominantly income or profit-related taxation, even achieved through consumption, can never provide sufficient financing of physical capital in the social economy department.

A partial charging of services, e.g. via prices, fees, and charges for communal and social-infrastructure services, as well as higher income and profit taxes could alleviate this problem, but in no way solve it. There is therefore a hidden, fundamental disproportionality in social capitalist reproduction relations. This forces the welfare state to create credit if it wants to meet social necessities, its obligations to the general public and prove its legitimacy. At the same time, this compulsion drives the privatization of the public sphere, the penetration of the capital form into the area of social-economic services, from obstetrics to capital funded pensions and on to perhaps the most perverted form, the exploitation of care facilities.

In this way, the state is disempowered, and the social character of social-economic services is deformed through privatization of the public sector, while the social infrastructure as a whole remains austeritarily bracketed and comes under disproportionate pressure from private competition.

In striking contrast to this, a military-industrial complex is proliferating in the commodity and industrial capitalist sector, despite all social deficits, and enormous resources are being spent on armaments and wars. Obviously, this relative overproduction stabilizes the whole and reinforces the expansive, always militarily offensive, imperial character of social formation, which historically culminates in the globally active military and war machine of the USA and NATO.

An essential reason for this discrepancy, which at first glance seems strange, is that in this case the profitable production results are destroyed through constant replacement of the means and systems or through lethal use. Unlike other productive capital values, they do not have to be inserted into existing reproductive contexts under appropriate circumstances or complications. It is an economy not only of waste, but also of destruction and annihilation: the size of the currently growing piles of corpses is directly proportional to the stock market prices of the relevant technology and arms companies.

In the following, the focus will be on whether and how the systemically knotted deficits and problem constellations in the trinodally structured practice-process context can be resolved through an unexpectedly momentous fiscal revolution. In any case, such a transformative perspective also requires an assessment of the socio-historical situation and its horizons of possibility.

4.4 The decadence and hidden latency of social formation

The clearest sign of the internal inconsistency of capital-economic value and reproduction relations is the chronic financial crisis and indebtedness of the tax and welfare state since the beginning of the 20th century. The value movement of permanent inflation, which is also inherent in the system, is theoretically estimated at around 2% and in addition to this causes pressing problems for many economies, raises further questions, but can be ignored here for the time being. In any case, there is an austerity regime governing socio-infrastructure services with ever new signs of shortages. This is felt above all by those affected by poverty and leads to pressure on the social security systems: No one can rely on the promise that the minimum wage is sufficient or that their pension is secure.

The inevitable was ultimately declared to be a tried and tested instrument of financial and economic policy: One sets pleasing benchmarks for borrowing, promises never realizable returns from corresponding investments or allows oneself to be reassured by Modern Monetary Theories: However, the monetary policy that aims at valorization of intrinsically available resources is nothing more than an ever-changing bill of exchange or a bet on the survival of capitalism. It is the birth of a monetary theory and practice out of the chronic systemic financing gap: Neo-Keynesian concepts of a more rational economic governance and financial reform remain here within the horizon of the existing and are therefore only applicable to a limited extent.

By escalating things in reality, one is finally supported by extended credit creation from nothing by central banks, whatever it takes for the future. The ruling central bank, banking and financial system, which is neither elected at the ballot box nor democratically and socially controlled and, as the 2008 financial crisis showed, is susceptible to crises, is also organized in transnational institutions such as the International Monetary Fund (IMF). Above all, the financial capital economy continues to flourish and will extend the financial and capital economic supremacy and power of corporations in the economy, state and society.

This can only go on for so long before enough wrong bets on the future, at some point under multivalent or even global conditions, burst again in an almost unpredictable manner and on any scale. Until then, the systemic grip will tighten: the demands on *social* infrastructures in the narrower sense, but also on quasi *hard* or resilient infrastructures and social state interventions, will increase. Setbacks caused by disrupted natural conditions and even climate catastrophes caused by financial and capital projects can hardly be overcome in the long term by technological solutionism or green

strategies in an economically viable, socially acceptable, and politically sensible way.

This is the stage of decadence or regression of liberalist-capitalist formation in the era of transition, with the danger of a regression of civilization as a whole. In a socially fragmented, increasingly fragmented society characterized by the elimination of direct democratic elements and civil society representations, the influence of capital, unleashed financial powers and the military is growing. Manufacturing consent and social and digital controls are on the rise. Accelerated digitalization and artificial intelligence in the hands of corporations are helping to damage the social intellect from childhood to the point where practical reason is lost: Human practical understanding can only be simulated by artificial intelligence and may be helpful in this way but will thus also serve and mislead other masters and powers.

This decadence or even alienation therefore manifests itself in many different ways. These include the decline of the historical dominance of the West, especially the hegemony of the USA, and the debunking of the Western phraseology of moral values. The rise and weight of China is accelerating this process. Under the impression of crises and collapses, intensified by geopolitical and military confrontations, the awareness of a polycrisis is emerging. In this shadowy realm full of will-o'-the-wisps, however, the formation-historical transitional and declining situation and the latently crystallizing alternative system and society are in danger to become invisible.

Marx's basic idea is that if the new does not crystallize sufficiently in the bosom of the old and pushes to be grasped in thought, all attempts to shatter it would be quixotic, a fight against windmills. However, the new must emerge as an associatively effective formation of practice, not just as an accumulation of diverse potentials or alternative and utopian inclusions. The general thesis is that at the level of social-capitalist formation, at the stage of excessive productive forces that are already turning destructive, the elements of a systemic alternative are already more or less latent in the existing. But how can this latency be detected?

5. Formation of the transformative social state economy

5.1 Solving the problem node through a fiscal revolution

From the internal disproportionality of reproduction relations, it can be concluded that a tax on constant physical capital, e.g. in respect of its depreciation, is necessary on the commodity and capital side to balance this out. Only through such a capital transfer tax and proportional income taxes

corresponding to the main economic flows can the social state be freed from the straitjacket of the capital economy, i.e. from chronic debt and social austerity. This will make it possible to institutionalize and finance social-economic services - in particular social security or with regard to the necessary decarbonization - in accordance with the real social possibilities and requirements.

First and foremost, it cannot be about the pricing and technology of such a tax on capital, but about the principle: this capital tax is not a tax on profits or even wealth, but essentially an investment tax on investment capital, on the capital stock, in order to ultimately make it available to the social economy department: Otherwise, there would remain chronic deficits in investment, supply and performance, such as in local and rail transport. To the extent that there are already approaches, for example for a tax on machinery or added value, these have not yet been able to develop any persuasive power. And even where a new infrastructure policy is being called for, there is a lack of political-economic analysis and the necessary fiscal surgery.

The facts also show that taxes on income, inheritance, wealth or capital movements, as well as measures against horrendous tax evasion, may be sensible, productive and somehow fairer, but they can never really compensate for the existing fundamental disturbance in value relations or even just the inequality inherent in the system, but can at best temporarily alleviate this and other ills: Keynesian-social-democratic prescriptions have never and can never cure the patient. Since Marx's critique of the Gotha Program of 1875, it could be clear that such taxation is well social-democratically based on the unchallenged survival of capital. This is how social-economic austerity and socio-political pressure are ultimately prescribed. By contrast, proposals for a *global capital tax* on total assets that insist on complete transparency and include *working capital* or *share capital* point to the core problem of the necessary *fiscal revolution*.

The objection to any consistent taxation of capital is of course that higher taxes are unsustainable or reduce the propensity to invest. With the current reorganization, however, the new tax expenditure flows back to the goods and industry department, as the social economy department purchases its material goods or food from them. Companies with return expectations invest anyway. In addition, income taxes can be reduced in this constellation: Investment funds for public, social-economic services no longer must be diverted from this pot. With proportional taxation of the main economic flows, it would therefore be possible to balance the books on both sides without losses and create new opportunities.

The new type of capital tax therefore does not strangle the economy but institutes a formation of reproduction in which two hands or dimensions of social labor complement each other in terms of value and the economy as a whole. This arrangement is based on an appropriate tax system and enacts an undiminished budget law as the basis of genuine democracy. This enables not only a responsible industrial policy, but above all also the institutionalization and expansion of public-community economic, life-serving social-infrastructural foundations and safeguards instead of particular subsidies, debt-financed investments in perpetual shortages and the toleration of capital flight from real social labor and reproduction contexts.

This economic balance sheet arrangement is also the definitive answer to the historical economic trends towards relative deindustrialization and job losses due to robotics, ecological transformation and decarbonization. Added to this from the outside is the fact that the universally effective export and expansion constraints are increasingly coming up against barriers, including German exportism. In contrast, social work in social-economic services offers, in principle, unlimited employment opportunities that are meaningful and sufficiently affordable in the changed system. In the existing system, unemployment, a poor population, and desolate urban spaces like those in the American Rust Belt would be more likely to arise.

Overall, a corresponding tax, economic, social and municipal policy would counteract the privatization of the public sector and thus the further liberalist-capitalist penetration and orientation of society. In which small or large, technical, operational and political steps and periods of time this fiscal state and thus economic and political empowerment and redirection of productive forces serving the common good can be set in motion is a subsequent question and longer-term task. This will first require further concretization of the concept and the desired new economic system of a social state economy.

From this perspective, the question that has been postponed in the previous development of ideas or the initially justified fundamental objection now arises: how should this liberation of the social state from the capital-economic grip and how should the redirection of productive forces into the internal, domestic economic, social-infrastructural dimension represent an alternative if the whole thing is based on the commodity, market and industrial economic, more or less internationally interconnected, i.e. capital-economic side and its powers? Further consequences of the fiscal and social state operation, which is thus proving to be a veritable fiscal revolution, should be considered as an explanation.

5.2 The systemic leap on the side of the commodity and capital economy

The capital transfer tax is not just a financial maneuver but is capable of triggering a sudden change in value and reproduction relations. In the language of dialectical practical thinking, this is an intervention at a nodal point in systemic relations: In the case of climate change, we speak of tipping points. The consequences here also include significant changes on the side or in the dimension of the commodity, market and capital economy. In order to understand this, certain connections and value relationships of a social state economy must be examined more closely:

In the new configuration, social-economic services no longer function as mere cost drivers, i.e. as social costs and externalized expenses of the capital economy, but as creating value in the same positive and proportionally equivalent way as commodity-producing labor: by representing the other half of social work, typically corresponding to the specialist areas of the United Services Union (*ver.di*), for example. In addition, the institutionalization of this economic form opens up the practical possibility of recognizing previously unpaid activities in this separate sphere of personal reproduction and social activity as necessary and meaningful social work: Basically, it already seems unacceptable today that all of this is ranked as a loss-making item, not paid at all or paid less well, kept short or ultimately appropriated by the capital economy itself.

The costs of social-economic services, essentially the use of labor and tangible goods, represent the price for the provision of general, collective and social services of general interest. However, these cannot and should not be sold like commodities or billed individually like services, but must be made available by the social state, perhaps at social prices such as for admission to a museum, for rent in social housing or by charging protection fees.

This is where the fact that the value of social-economic services is a real prerequisite and advance contribution for the production of commodities, which is already understandable for business economists, comes into play: After all, without educated and healthy people, roads and rail transportation or waste disposal, these are not possible. However, these advance contributions initially exist unaccounted for, i.e. invisibly or implicitly, primarily in the value stock of the physical capital employed. If the social state now demands a capital transfer tax of this amount from companies, it does nothing other than *make these implicit values appear* and use the funds to maintain or promote the complementary department. In their combined, productive work processes, the values are again primarily generated, which implies the valorization of the corresponding tangible investment resources on the other side.

This unusual connection is the law of value of a socially combined socio-economic reproduction. This explains the connection between creation, form formation, partially invisible mediation and the appropriation of values in the socially and infrastructurally developed trinodal configuration. This also makes it clear that purely private ownership of the means of production is illegitimate at the stage of real socialization that has been reached, since the values originally generated by the social economy also become visible in industrial-economic physical capital. It can now be regarded as neither inevitable nor expedient but proves to be outdated and regressive in terms of economic and social history.

In all of this, it ultimately becomes clear that commodity, market, and industrial-economic form constructions necessarily also exist in an alternative form of reproduction and play a constitutive role in this whole. In this respect, forms of value and commodities can by no means be abolished. A post-industrial service society is by no means in sight either. The industrial sector, including the services associated with it today, continues to play the role of a supporting economic core.

The response to these questions, which have been discussed many times, lies in the concept of a socialist market economy. This requires a developed, sovereign social and nation state and, building on this, enables the formation of state systems with a specific political-economic purpose - be it for or against radical market and financial capitalist, neo-colonial and imperial practices and international institutions.

5.3 The state and the consolidation of the new social formation

It has already become clear that the state, which is ultimately fiscally and legally empowered, right down to its institutions at municipal level, acts as the central governing and mediating body of the process, is itself involved as a socio-economic actor and must naturally also ensure external economic or even inter-societal regulation. Only in this way can a consolidation of the whole be achieved. The internal social state-economic reorganization is now crucial:

On the social-economic side, the social state is the financier and thus the owner of social property. It can and will therefore create public-sector, economically coordinated and publicly responsible forms of enterprise. On the commodity and industrial economy, entrepreneurial or industrial policy side, the solution to the contradictions lies in the institutionalization of a mixed or socialist market economy with mixed ownership and corporate constitutions that guarantee socially responsible economic governance.

Within this framework, freed from the financial capitalist straitjacket, companies can come into their own as administrators of social productive forces and creative, innovative socioeconomic movement centers. Terms such as commoning, cooperative production, economic democracy or even socialization and economic planning are not sufficient for the institutionalizations to be developed for this purpose: Moments of all of these play into it. In this context, there would also be consistent trade union representation as well as municipal and social state participation and bodies.

The concept of the *economic form* for *social-economic services* also means that these can also be realized in the main department of the commodity economy if there is a corresponding social need, thus, for example, form industrial enterprises in social state ownership and at the disposal of the social state. Or the capital transfer tax feeds a social state economy subsidy, investment and promotion fund for the commodity and industrial sectors.

Likewise, in this mixed order it is possible and, if necessary, expedient in the interests of society to institute the commodity and market economy form on the social-economic side. In this way, the best of these and other economic formations can be combined. Overall, elements of earlier reform-socialist or democratic-socialist concepts can also play a role in this, but these can then be sublated and transformed: This discussion or meaningful retrospection also presupposes a positive solution that is acceptable here and now.

In the reshaped, total socioeconomic reality of social practice and procesuality, the tax, legal and social state could act in a democratically responsible overall social responsibility. It is clear that the value-economically inseparable financial and fiscal system, especially the macroeconomically effective central bank and monetary system, ultimately also belongs within this horizon of responsibility and can no longer exist uncontrolled. Such institutional autonomies are further developed manifestations of the exploitation function, supremacy and growth of capital, which still has to be managed in a monetary, fiscal and financialist manner within the existing system.

Ultimately, it is about reforming the international monetary, financial and payment system, about the necessary suppression of the dollar as the world currency, about suppressing the infiltration and influence of the agencies of finance capital, in particular the globally active US finance and digital capital. This is most likely possible due to the desired integral reconfiguration of the economy: the financial capitalist perversions and imbalances of the international financial architecture mean both unacceptable heteronomy and an increased or, if the worst comes to the worst,

devastating susceptibility to crisis. In the course of breaking with these conditions, a more resilient system can also emerge.

5.4 A new economic system beyond the growth imperative

The pressure to exploit and grow, export, and expand is more or less contained by an overall economic weighting of around half of the social or public sector, which operates with acceptable margins and without the pressure to exploit, as well as by an ownership, company and market constitution with social integration and responsibility. In this context, not only can the necessary and sensible shift of jobs from the manufacturing industry to social-economic services take place, as discussed. It opens up the possibility of organizing working and living conditions in a sensible way and shaping natural conditions in a way that is conducive to life, without the threat of catastrophes such as the disintegration and collapse of the Soviet Union (USSR).

To the extent that regulation and direction in the sense of unconditional capital utilization and growth constraints disappears, the practical necessity of a more participatory and goal-oriented, knowledge-based and planned social structure arises. This also requires an empowered democratic social state, and above all the institutionalization of information, education, knowledge and social media in the sense of social-economic services, including, for example, a break with the Big Tech monopolies. The infrastructure in the ideal dimension of social practice also includes the elimination of privatist and academic knowledge barriers in the sense of open access and a public scientific culture, as well as open economic, social and societal informatics.

The economic formation of the social state economy thus represents an approximation to the model of so-called *simple reproduction*. This previously existed as a supporting level or dimension in the capital-economic context of necessary, simple and expanded or, better, expanding reproduction. The reduction or return to this configuration, at the higher socioeconomic and formational level reached, is based on the tendency to abolish the compulsion to exploit, accumulate and grow. This practical systemic configuration may remind us of the much earlier insight that a merely general or abstract formula of the socialization of the means of production is initially empty or meaningless. Accordingly, *immediate brute socialization perspectives* are still inadequate today.

The fundamental and decisively more concrete solution to the systemic problem therefore lies in a social-state edited simple reproduction formation with the trinodal processuality and at the level of social-

infrastructural production and services achieved in economic history as well as relative overproduction in the commodity and industrial economy. In this way, social pressures, and abnormal social-economic inequalities, capitalogenic deformations in the world of work, production, products and life could ultimately be avoided and a sustainability revolution and climate policy could be tackled:

The connection between the fiscal revolution and such an unavoidable sustainability revolution lies fundamentally in the fact that natural resources can now themselves come into their own as a *social infrastructure*. This means that the work on it, the corresponding productions, and measures, together with the potentially enormous investments involved, can be carried out in the form of *social-economic services*. Without such provision, conversion, renaturation, and enormous innovations, without such projects in social and planetary dimensions, the necessary, much more far-reaching, and profound change in social natural conditions would have no real foundation.

In this respect, social labor is equally value-generating in both the commodity and social-economic dimensions, and capital forms of value, laws of value and economic accounting are constitutive. However, the formational context is different, and the value, appropriation and ownership relationships or forms of enterprise and economy are different. The process can be governed and guided from the point of view and in the interests of social work, the most favorable living conditions for people and the common good, cultural development, ecological requirements and the future of society, instead of from the point of view and in the interests of a financial and capital economy in a literally limitless, ultimately devastating game of growth.

The functional or systemic changes in form can perhaps be formulated as follows: The formerly variable capital now functions as human, creative capital, the material and energetic means of production would be instrumental capital. The profit squeezed out is replaced by balances in the national accounts that express operational or social savings.

What once had to be squeezed out as surplus value and growth now takes the form of unconstrained social savings. Accordingly, funds are available for the necessary socio-ecological restructuring and for all-round social development purposes. This means a new kind of economic calculus, i.e. the practical sense and consequences of calculations, accounting and investment decisions are different. They now correspond to an egalitarian, oikonomically conscious, controlled economic approach and social self-generation.

It is about a practice and processuality that is finally transparent, coherent in terms of value, finance and socioeconomics, essentially freed from the compulsion to exploit and grow, and thus about the basis for the development of an ecological, solidary and democratic, in short: a communitarian constitutional and social state. Democracy here means the development of an egalitarian, multifaceted democratic praxeology in which direct democratic elements play an essential role: A participatory and consultative, creative and competent, procedural and institutional mediation of opportunities and interests in all areas, especially in the vertical dimension of social decision-making and responsibility.

6. Growth until the overturning of prevailing conditions

6.1 The political and economic roots of the great expansion

Now that the concept of a social state-economic reorganization and tendencies towards systemic reform are emerging in outline, the question of the global situation arises. The liberal-capitalist tendency is still at work here. Overall, the productivist-fossilist, martial-expansionist development triggered by capital has led to structuring in the sense of the capitalist world system via the formation of the world market, in particular to the development of US capital, military and hegemonic power.

What is this unique historical impact ultimately based on? Marx's insight was that capital, programmed as self-exploiting value, drives a tremendous civilizing process that is in principle excessive, i.e. tends to go beyond all natural human standards and repeatedly undermines deviating goals. The driving principle is deeply rooted:

The two departments in the structural picture of Marx's reproduction schemes, the production of means of production and the production of means of consumption, actually represent two simultaneously active process dimensions. The surplus value squeezed out in the process is therefore always and inevitably also represented in means of production or investment, which are per se means of accumulation. In the dynamic interplay of their investment, further rationalization of work processes and organizational-technological innovation, this surplus value is realized in real and accounting terms and simultaneously and inexorably generates capitalogenic consumptive growth and corresponding individual consumerism.

The movement of accumulation, which is necessarily accompanied by a constant productive surplus product, gives rise to means of relative overproduction, which promise profit and success above all as foreign

investments, combine with the development of global chains of goods and roll up the southern terrain, where resources and special utilization opportunities beckon.. In this way, the dynamism and global expansion of the capital economy is constantly being triggered anew and the financial mediation of economic life is emancipating itself to the global powers of financial capital.

In this way, the accumulation of capital is a perpetuum mobile of infiltration and generation of capitalist milieus all over the world. The contradiction or conflict between capital and labor is always virulent, even in global relations. The Janus-faced civilizational mission of capital is linked to calculated or brute social violence over the underlying social labor and often enough goes hand in hand with subjugation and aggression, if not annihilation, against anything that resists.

A second fundamental contradiction of the capitalist world system concerns the asymmetrical power and appropriation relationships between centers and peripheries. The emerging countries play an ambivalent role, while the countries of the global South are subject to neo-colonial and hegemonic conditions and are often in need of development in terms of industry, the social state and infrastructure.

6.2 At the social and ecological tipping point of development

It was only a question of the liberalist-capitalist acceleration of historical time, that *the limits to growth* or the gradual or even sudden destruction of the planetary foundations of life, going beyond specific environmental consequences, became increasingly apparent over the past half century. Tipping points in the climate, biodiversity and world food supply inevitably lead to upheavals or to abysses. Different tendencies point to the necessary structural change. The failure or regression of globalization is intensifying the competition for space between the relative overproduction that is constantly pushing onto the world market and the struggles over the distribution of resources. Production and supply chains are proving to be overstretched and risky, leading to geo-economic and geopolitical fragmentation.

These developments indicate that the great expansion of the liberal-capitalist economic and social formation has reached its greatest extent and passed its zenith. In this final stage, all the contradictions of the decaying, yet resilient, transformable and defensive social formation are coming to light. Nevertheless, it is foreseeable that as decadence progresses, increasingly unbearable and uncertain, regressive and authoritarian social conditions will emerge. These will push for fundamental changes, while the

defenders of the status quo will exhaust all possibilities, including de facto dictatorships, counterrevolutions, economic wars and military interventions.

In the current economic-ecological and political state of crisis and transition, any social reform, any ecological reversal or upheaval in a different direction is faced with the existential question: whether and how - given the fatal processuality of capitalism, the economic-political grip and penetration of states and social life, the raw and concealed social and global power relations and all the coming social-ecological catastrophes - is a departure for new shores still possible at all?

7. The main contradiction and political consequences

7.1 The main formational contradiction in the transition period

The answer to this latter fundamental and existential question depends on the respective conceptualization of the historical situation. World systems research based on Marx concludes that a transitional period has been reached and that a bifurcation (Wallenstein) has been reached right now, challenging us to make a decision. The project of a human-historical emancipation developed by Marx establishes a directional indication and pathway towards a humanly and naturally *associatively* constituted sociality that offers a living space for the universal development and consciousness of social individuals. It is this axial determination of what deserves to be called progress that also helps to find the political path in the historical dialectic of regression and emancipation.

But can the historical process scheme of crisis, revolutionary seizure of power and reconstruction still be maintained? Can small and successive changes ultimately lead to a dialectic leap, or must we mobilize for a major transformation? What happens if ecological and communitarian forms do not prevail against the capitalist and conservative inherited sociality? Will it be possible to stabilize the capital-economic basis for the unforeseeable future through new product lines, investment strategies and leading sectors? Or will this also tip over into ecological devastation and civilizational regression, is a New Dark Age or even an Exterminism imminent? Is there a threat of nuclear or other self-destruction of the human species? Anything seems possible, but at least neither a so-called system crash nor the repeatedly imagined collapse.

Marx recognized that the new in the bosom of the existing must be sufficiently, i.e. socioeconomically preformed, in order to be elevated in a social and political context. To this end, it has been shown here to what extent an

alternative social state-economic practice formation is pressing underground. In this latency-containing, formationally two-dimensional social reality, the new is neither a wish child nor an imaginative new construction. Rather, it is a difficult birth assistance for something conditionally possible, already growing and thus recognizable.

This perception of the secular situation and the previous analyses provide essential points of reference for moving on to an analysis in and from the respective social and political situation. This cannot be about *the* socialism, but about a distinctive, inventive, direction-conscious preparation of the way in the sense of socialist perspectives for the 21st century. For billions of people, it is even first about the attainment of a relatively sovereign social constitution that is able to guarantee a decent life, basic services and appropriate social security and that should be open to the future and in the sense of a possible social system transformation.

At the same time, however, every social existence and formation is dependent on a future-proof social and infrastructural basis. And these foundations of modernization and emancipation can never develop adequately in the grip of the financial and capital economy. Similarly, efforts to counter the ecological crises with financial and capital-economic means are repeatedly thwarted by these themselves in the second or last instance. In other words, the birth assistance in question, as is often the case in life, means a struggle for being or not being, but in this case in historical terms.

Even the United Nations (UN) and other beacons of hope such as the world climate conferences are caught up in global contradictions and conflicts. Important arms control treaties or institutions that promote trust and peace are virtually suspended. The number of victims of food, health and environmental crises, of poor populations and state collapse, of civil wars and inter-state conflicts is already beyond imagination. How can a transformative path of emancipation still be taken and asserted against the powers of the old world and the catastrophic impacts?

7.2 The developmental and assertive capacity of formation

It is evident that the decisive power of resistance and change in the transition period lies in the new socioeconomic whole that is crystallizing and the social forces that are or can be associated with it. This dark or foggy field in the social consciousness of the future will only be dissolved when such a whole becomes recognizable and effective.

This goes far beyond the defense of democratic and welfare state approaches, demands for decent working and living conditions, for sustainability or for less injustice in the various global conditions. And without the

insight into the fundamental impossibility of a liberal-capitalist purification and solution to social and global problems, every transformative initiative would remain stuck in corruptible ambiguity.

The necessary clarity can be based on the experience that the demands arising from all contradictions and crises for the expansion of an ecological and socioeconomic infrastructure on the basis of the liberal finance-capitalist system are already no longer being met and cannot be met in the future. The initiation of transformative development, on the other hand, is based on the essentially fiscally sound empowerment of a constitutional and social state.

The assertive capacity is then based on a strengthening of the relative self-referentiality and regionality, if you will, of the internal circulation and the tendency to abolish exploitation and growth constraints. The associated safeguarding of the social-infrastructure economic and livelihood foundations can strengthen the solidarity and sovereignty of the community. In this way, a resilient real basis can emerge to assert itself in the crises and shocks, in the midst of the regression and reaction of capitalist powers.

A society that embarks on this path can position itself in conjunction with related movements and socialities in the contested field of historical transition. The multipolar world relations that are emerging between industrialized, emerging and other countries in need of development, between systems of states or even continental areas offer favorable conditions for versatile alliances. The states and societies of the Global South in particular can use this historical momentum to break with neo-colonial, financial-capitalist and imperial relations in view of their history, their hardships and their own pressing interests.

These relations go hand in hand with reactionary elites and debt bondage to finance capital, the exploitation of wage labor, the expropriation of land and raw materials and the devastation of people and nature. Supply chain laws, consumer responsibility or international trade and tax treaties may counteract this. However, neither these nor appeasing compensation and reparation payments can replace the necessary socioeconomic self-development and emancipation of the affected states and societies.

Does the model or concept of a social state-economic formation also offer clues for this? In fact, even in less or differently developed countries, there can be no other way than to assert relative independence and sovereignty and to strive for a corresponding commodity, industry, state and social-economic development. Such catch-up development, also in the sense of emancipatory deglobalization, would be suitable for generating investment funds for the ecologization and development of agriculture and the food

base, for the development of necessary commodity and industrial structures, for the consolidation of a constitutional and social state constitution, the social-infrastructure foundations and for improving resilience. In addition, an employment-intensive economic and social service and production sector could be promoted.

7.3 Political consequences: an alliance of convergent forces

It should have become clear that social state reproductive and social formation is not a green or reformed capitalism, but a higher, transformative, i.e. forward-open developmental system of social labor, reproduction and practice. This exists as a potential in the existing practice and process context, can be developed theoretically and constitutes a real social development perspective. Such an emancipating, open-minded sociality converges with the decisive liberal heritage, namely the concept of popular sovereignty as a constituent of genuine democracy and inter-societal relations. This opens up possibilities for a freer and more conscious development of people that corresponds to their dispositions as universal social individuals.

Since the decisive power of resistance and change lies in this form as a whole, the potentiality necessary for upheaval and change is not to be found in a particular social, economic or political class, not in the technological-informational productive forces and certainly not on a transnational, global and cosmopolitan level:

The conflicts between capital and labor are still on a nebulous terrain. And no social movement, not even a spring-like popular uprising or a political upheaval, could develop the necessary strength and stability without a halfway recognizable, politico-economically spelled out real alternative, without diverse social synergy and an ideational basis.

The eminent problem or the eminent task is therefore to synergistically constitute the often still latent potentials. This requires vigilant individuals, virulent social movements and political organizations, economic and ecological initiatives, social state and institutional reforms, scientific research and concepts, media, and intellectual counterforces. Finally, the socio-economic perspective gained can provide more clarity on the problematic or even regressive role of transnational institutions such as the European Union and on geopolitical world relations.

This is contrasted by think tanks and the media consensus factory, mass cultural individualization and consumerist gratification, social controls in surveillance capitalism and, last but not least, tendencies towards the digital disenfranchisement of concrete subjects. Nevertheless, the experiences of the ubiquitous systemic, social and formation crisis, in conjunction with

the corresponding enlightenment, education and the increasingly recognizable alternative, can form a crystallization point for practical reason, for incipient self-activity and self-transformation, for breaking through pseudo rationality and hypnotic delusion.

This symbolic core of a social left, the necessary ideological clarity and world view, cannot be replaced by any critical critique, by any abstract morality, by any unmediated utopianism and by any ever-new perhorization of the future. Hope can only become concrete through the conceptualization of a positive, history-changing practice. It also requires a deeper anchoring in a practice-philosophically reflected, if you will, cosmic self-reflection in natural, active, and universal humanity. This is the deepest anchor and the social and anthropic force against loss of meaning, alienation and exterminism.

In this way and on this path, the problems of Marxist thought and the left can be solved in the transition to a theoretically reflected practice at a higher level and a self-confident, trustworthy, and sustainable, unambiguous research and development program for a different and better life becomes possible. The image of this practical perspective is the self-government of people over their social reproduction and development, a non-alienated shaping and mastery of their natural relationships, the realization of their lives in a solidary sociality and within the context of a peaceful civilization.

Summary

The concept of a social state economy as a system alternative and a corresponding fiscal, infrastructure and industrial policy shows that transformation research requires a practice-oriented and dialectical scientific approach and a broad socio-economic horizon. Otherwise, the necessary political-economic legacy of Marx can neither be properly understood nor further developed. This orientation towards a political-economic foundation is still too little present in current alternative, emancipation and degrowth thinking and in the approaches of transformation research.

The investigations tie in with the revolutionary development of the social-infrastructure. It was only after Marx and during the interim, muddled period of crisis, war and revolution that corresponding forms of a more highly socialized social state emerged. In this sense, the *social capitalism* of the post-war period was able to develop, especially in Europe.

This formation is subjected to an analysis based on value, reproduction, and practice theory. It turns out that the alternative we were looking for

was already prestructured as a real latency or dimension in the existing one. In this respect, the traditional critique of political economy, if one looks back at the theoretical-historical studies on the crisis of the tax state, state finances, general conditions of production and existence, shows a historical lag in development, also in questions relating to the problem areas of capitalism, the social state and socialism.

The system of an alternative social state economy was undermined, pushed back and deformed in the course of the neoliberal offensive and financial capitalist globalization. However, the so far proven contradictory formation of modern economic societies cannot really be reversed at the current level of productive forces and social reproduction relations. This is why the latently existing new is also asserting itself under today's conditions.

The developed view of the historical development finally leads to the interpretation of today's situation as a formationally contradictory transition period. The liberalist-capitalist formation and imperial world has passed its zenith with the global expansion and continues to drift in its stage of decadence, fraught with problems and crises and with planetary destructiveness. A Green New Capitalism will also fail in view of the ecological limits that have been reached. But how can we grasp the underlying urge for something new and make it effective?

In modern formation, the active state forms the central, mediating process node in the overall social context of reproduction. In this context, the state is referred to the basis and functioning of the capital economy, which forms a second node in the value-economic relations. The third node is the other half of social work, so to speak, or the social-infrastructureal productions. In the sense of *social-economic services*, these represent a different purpose and a separate economic form in relation to the commodity, industrial and capital economy.

The analysis of these *trinodally* structured relations of value and reproduction reveals a fundamental disproportionality that sheds light on the financial problems of the modern tax state. What is needed, however, is a new capital transfer tax that targets constant capital. This fiscal empowerment of the democratic constitutional, social, and national state has far-reaching consequences: it enables the liberation of social-economic services from austerity and privatization. The *value relations* or laws of value of this configuration are accompanied by changes in *legal relationships* and new forms of social *appropriation* and *ownership*. All this corresponds to a mixed or socialist commodity, market, and industrial economy. Their forms of enterprise should enable socially responsible economic governance.

In the course of the reorganization, the system moves closer to the form of what is politico-economically known as *simple reproduction*, which is now oikonomically oriented. This means the transformation of what once had to be squeezed out as *surplus value* and growth into the form of unconstrained *social savings*. These resources are then available for the purposes of economic-ecological restructuring and all-round social development. In the mainstream of prevailing economics, these coherencies are not comprehensible per se due to the lack of a basis for thought and the prevailing affirmative, practical orientation.

The envisaged change of the reproduction type and economic calculus will tend to contain or eliminate the symptomatic complex associated with the compulsion of exploitation and growth. The modified labor, appropriation, and ownership conditions are expressed in practice in changed corporate constitutions, economic and financial forms and social state economy policies. This creates the basis for an ecological, solidary, and democratic sociality that offers social individuals corresponding freedoms and opportunities. It is about a new, future-open development system of social work, production, performance, and practice.

The democratic sovereignty and assertiveness of such a transformative formation can be supported by its self-referentiality reinforced by the social state economy, by people's desire for freedom and self-assertion, and by their ability to make decisions regarding monetary and foreign trade relations. The appropriate concept of the national expresses the specific constitution and cultural nature of a society and refers to its possible development in internal and external diversity.

A transition in this development direction is suggested not only by the increasing setbacks of globalization and the social, economic and ideological disintegration of liberal-capitalist sociality, but also by the significantly increasing social-infrastructure requirements in the course of decarbonization and the coping with climate catastrophes. These are pushing the existing system to its limits. In addition, the anti-hegemonic development and emancipation efforts of emerging countries and other countries and societies of the global South are intensifying. The profile of the social state economy transformation also promises them fundamental future orientations.

In the transition to fragmented, multipolar world relations, societies in a state of transformation and upheaval are offered corresponding social interconnections of interests and international traffic regulations that oppose liberalist-capitalist, militarist, and imperialist relations. In contrast to the capitalogenic and financial capitalist configuration, the new economic-political system promises greater resilience to extreme situations of climate,

war and global economic development.

It is clear that the decisive turning force in the transition period lies in the new socioeconomic formation that is crystallizing and the diverse social forces associated with it. The struggle between capital and labor, for the preservation of the natural foundations of life and in the sense of socialist perspectives is part of this overarching context. The task is to constitute this potentiality practically, ideally and institutionally according to the respective circumstances and to concretize it in economic, social and political development programs. In this way, the ideational substance, social synergy and international co-activity necessary for the social left and social emancipation can emerge.

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