

Chapter IX. Redistributive and expansive prosthetics

“Eben die Armut der Arbeitenden besteht darin, dass das, was sie produzieren, keine Abnehmer findet. Es ist so zu viel Kapital vorhanden, und es wird mehr produziert, als die Nation verzehren kann. Um dieses Überflusses willen, muss die bürgerliche Gesellschaft suchen, dass sie ihren Handel ausbreite. Damit kommen die Armen wieder zur Arbeit und zur Möglichkeit, ihre Substanz zu gewinnen. Die bürgerliche Gesellschaft strebt so überhaupt über sich hinaus, zunächst auf diese äußerliche Weise in Anlegung von Kolonien.” (Hegel (1983) page 195, 199.)

“The entire credit system, and the over-trading, over-speculation etc. connected with it, rests on the necessity of expanding and leaping over the barrier to circulation and the sphere of exchange. This appears more colossally, classically, in the relations between peoples than in the relations between individuals. Thus, e.g., the English forced to lend to foreign nations, in order to have them as customers.” (Marx, Grundrisse Foundations of the Critique of Political Economy (Rough Draft), Translation by Martin Nicolaus, in <http://www.marxists.org/Archive/marx/works/1857/grundrisse>, page 416)

There is *redistributive* and *expansive* prosthetic spending, which are distinguished by their sourcing. Funds for prosthetics may be sourced by either taking away *existing* money or other values (e.g., land) from somebody (with or without their consent) or by creating them *anew*. The first way of sourcing leads to redistributive prosthetic spending; the second, which is mostly only a practical option with regard to money, leads to expansive prosthetic spending.

These two ways do not differ regarding the *application of the funds*. Certain values-in-exchange, mostly money, must be transferred to a better place, where it will be spent productively. It must be channeled to somebody, hence, who has an original want of certain commodities, i.e., an esoteric – investive or consumptive – demand, but who does not have the financial means to fulfill it prior to the transfer. It is also imperative that this recipient must, in fact, make the employment-generating spending. We might say, to once more use a term of Keynes, that the money must go to somebody with a *high propensity for productive spending* (or employment-gener-

ating spending).¹ On the other hand, it does not matter whether the recipient of the prosthetically procured financial means makes the employment-generating spending directly itself or forwards the money to somebody else – via transfer payments or salaries – who will make the employment-generating spending. States are great addresses in both regards: The social security budget is as goods from this perspective as the military budget, even education works well.

Redistributive prosthetic spending without money creation can, though, only shift around existing funds in space or time without increasing them in the aggregate; redistributive prosthetic spending, thus, unfortunately remains a “zero sum-game”. However, it may still increase the total of employment-generating spending, given that it may transfer them from units with low propensity of employment-generating spending (but which own wealth) to units with a high propensity of employment-generating spending (with no money but high esoteric demand). Redistributive prosthetic spending will, accordingly, *spatially* “enrich” certain areas and “impoverish” others; it may also enrich *earlier* periods to the detriment of later periods. Accordingly, redistributive prosthetic spending accentuates highs and lows in areas (space) or cycles (time), such as the developed capitalist world versus the Third World or ecstatic spending after breakthrough inventions or in wars versus periods of normalcy.

All prosthetic spending, which goes beyond redistribution of funds and increases the available sum of funds, requires money creation and is *expansive*. Such expansive prosthetic spending is mostly connected with debt build-up, which will be dealt with in Chapters XI and XII.

1 See on a possible “productive spending multiplier” on page 306.