Real-World Economics Review Blog

Posts are by authors of papers published in the RWER. Anyone may comment.

Corporate power and the future of U.S. capitalism

January 4, 2021 Editor Leave a comment Go to comments

from **Shimshon Bichler** and **Jonathan Nitzan**

Corporate power in the United States has risen to unprecedented levels, but the rate at which this power has grown is decelerating. Both facts have important implications for the future of U.S. capitalism.

According to the theory of capital as power (or CasP for short), the quest for capitalized power – and for *more and more of it* – is the key driving force of modern capitalism. Capitalists, CasP argues, particularly dominant ones, judge their power differentially. They measure it by the size of their earnings and assets – but they do so not absolutely, but *relative to others*. Driven by power, their goal is not simply to amass more money, but to do so faster than the average. Their 'bottom line' is not maximum accumulation, but *differential accumulation*.

Figure 1 examines this process in the United States. For the sake of presentation, we define 'dominant capital' here as the top 200 U.S.-incorporated firms in the North American Compustat dataset, ranked annually by market value. To measure their relative-income-read-differential-power, we compare, for each year, the average earnings before interest and taxes (EBIT) received by a top 200 firm to the same earnings recorded by the average U.S. corporation.

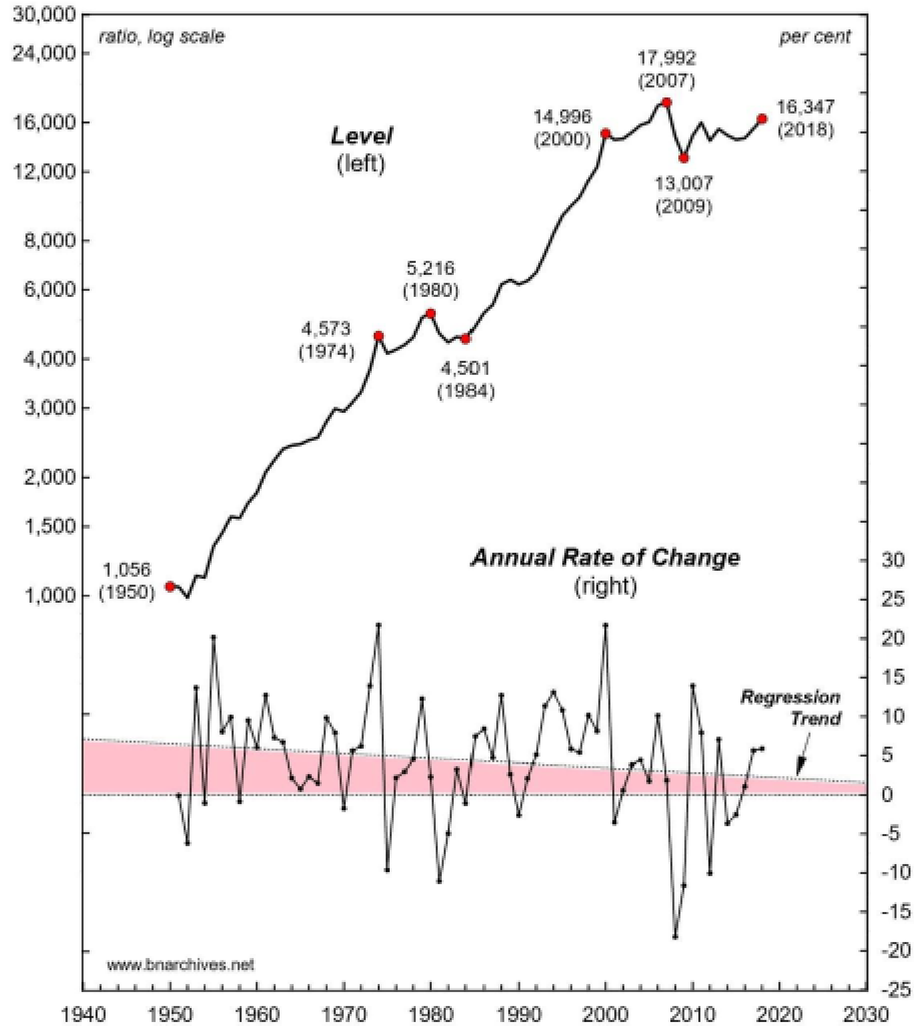


Figure 1. *Differential Capitalist Earnings by U.S. Dominant Capital: Top 200 U.S.-Based Corporations Relative to the Average Corporation, 1950-2018*

NOTE: The top 200 firms are selected from U.S.-incorporated firms in Compustat's North American dataset (excluding firms with no assets, those reporting no EBIT and duplicates). Differential capitalist earnings is the average EBIT for a top-200 corporation divided by the average pretax profit and net interest per corporation. The vertical height of the shaded polygon in the bottom series denotes, for every year, the *trend* differential earnings growth, i.e., the difference between the earnings growth rate of dominant capital and the earnings growth rate of the average corporation as measured by the temporal regression line.

SOURCE: U.S. Bureau of Economic Analysis through IHS Markit (series codes: ZBECON for pretax profit with CCAdj & IVA; INTNETAMISC for net interest). The number of active corporations is from *Historical Statistics of the United States, Earliest Times to the Present: Millennial Edition* (online) (series codes: Ch13, till 1989) and the IRS (for 1990-2018). The number of firms for 2018 is extrapolated using the average growth rate in the number of firms for 2007-2017 (0.8%). Compustat 'funda' file through WRDS (series codes for the top 200 Compustat companies: EBIT for earnings before interest and taxes).

The top series, plotted against the left log scale, shows that this differential has grown exponentially. In the early 1950s, the EBIT of a typical dominant capital firm was roughly 1,000 times larger than that of the average U.S. corporation. But having risen at a compounded average annual rate of 4.1 per cent, by 2007 this ratio reached an all-time high of nearly 18,000.

The uptrend hasn't been even, though. It stalled twice – first during the period between 1974 and 1984, and then again in the twenty years since 2000. And these lulls weren't flukes.

The bottom series, plotted against the right scale, shows the annual rate of change of this differential. The temporal regression trend and the shaded polygon underneath it depict a persistent slowdown: in the early 1950s, the differential rose at an average annual rate of over 6 per cent; by the late 2010s, it increased by slightly more than 2 per cent.

This deceleration is not surprising. Dominant capital grows primarily through mergers and acquisitions, and as it does its rate of expansion becomes more and more difficult to sustain. It is one thing for dominant capital firms to double their relative size when they are only 1,000 times bigger than the average. It is quite another to do the same when they are 18,000 larger.

And here lies the problem. Dominant capitalists and corporations cannot stop trying to increase their power. The need to beat the average and grow faster than others is 'in their nature'. And that has consequences, because rising differential earnings require greater threats, sabotage and violence against the rest of society. If this relentless pressure is not counteracted by effective democratic resistance, U.S. subjects are likely hear much more about the benefits of 'economies of scale', the imperatives of 'global competition' and the dictates of 'national security' – processes that, they will be told, require them to accept ever larger corporations and a much more authoritarian society.

Endnotes

[1] Shimshon Bichler and Jonathan Nitzan teach political economy at colleges and universities in Israel and Canada, respectively. All their publications are available for free on *The Bichler & Nitzan Archives* (http://bnarchives.net). Work on this paper was partly supported by SSHRC. We thank Daniel Moure for his proofreading.

Share this:

Email Twitter Facebook Print

Comments (95) Leave a comment

1. evidencebasedeconomics
   January 4, 2021 at 6:29 pm
   Reply

   This is really interesting, and the graphic is very informative. Do you have an explanation for the slowdown after 1974? – I can probably guess the reason for its resumption after 1984, with Reagan's policies, is that right? And what about the slowdown from 2000? Your explanation would fit a linear trend, but this pattern seems rather different, assuming it is not an artifact of some kind.

   Have you considered using a spline to illustrate the varying rate? – the regression line does not appear to fit very well. Also, have you tried sensitivity analyses, to see whether the picture changes when you alter your definition, e.g. top 150 or 250 firms rather than 200 (if this is possible)?

   A more substantive point: do dominant capitalists still only or mainly still compare themselves with others *in the US*? I would have thought they had a more global perspective, especially in the era of hyper-globalization?

   Thank you for this post.

   Mike Joffe

   - Jonathan Nitzan
     January 4, 2021 at 10:07 pm

Reply

Thank you Mike.

1. LULLS.

We haven't investigated the two lulls shown in the top series, and therefore we don't have specific explanations for them. Note, however, that these two lulls don't seem to stand out in the stochastic downtrend shown by the bottom series.

2. ALTERNATIVE GROUPINGS

Regarding alternative groupings (top 100 of all listed firms rather than top 200 of only U.S.-incorporated firms) with somewhat different definitions (net profit rather than EBIT), see our 2009 book, "Capital as Power" (Figure 14.2, p. 320 http://bnarchives.yorku.ca/259/). And no, we haven't used a spline.

3. GLOBALIZATION

The benchmark for dominant capitalists is definitely global these days (see our 'envelope thesis' in "Regimes of Differential Accumulation", http://bnarchives.yorku.ca/3/). Taking a global view, U.S. firms have decelerated by even more than is shown by our domestic analysis in Figure 1 here. See, for example, our "The Asymptotes of Power" (2012, http://bnarchives.yorku.ca/336/), "Imperialism and Financialism (2012, http://bnarchives.yorku.ca/329/) and "Making America Great Again (2019, http://bnarchives.yorku.ca/630/).

4. MORE OF THIS TOPIC

Our short piece here draws on our longer analysis in "The Limits of Capitalized Power. A 2020 U.S. Update", http://bnarchives.yorku.ca/663/, if you are interested.

Hope this answers some of your queries.

- evidencebasedeconomics
  January 5, 2021 at 3:23 pm

  Thank you Jonathan. I'll follow some of this analysis up in more detail.

- Econoclast
  January 4, 2021 at 10:41 pm
  Reply

  The Wiki page on it has an excellent discussion of the 1973-75 recession, with some instructive graphs.

- J.Nitzan
  January 15, 2021 at 5:55 pm
  Reply

  I've been trying to answer Mike Joffe, but my WordPress subscription prevented posting. I cancelled the subscription, but the RWERB system seems to remember it still, so I cannot post with my main email. If anyone has a suggestion on how to resolve the issue, I'll be thankful.

  - evidencebasedeconomics
    January 15, 2021 at 9:52 pm

One option could be for you to email your reply to me at m.joffe@imperial.ac.uk, and I'll post it on the site.

- evidencebasedeconomics
  January 17, 2021 at 9:51 pm

  See https://capitalaspower.com/casp-forum/topic/comments-and-queries-on-capital-as-power/ for Jonathan's reply.

- J. Nitzan
  January 16, 2021 at 7:41 pm
  Reply

Reply to Mike Joffe, January 14, 2021 at 11:20 pm

Thank you Mike. You ask many nested questions. I hope I can clarify our opinion on some of them, however briefly.

1. CASP AS A SYMBOL

In its earthly manifestations, power is multifaceted with many different qualities. When differentially capitalized it appears as a pure number. This pure number — although very concrete and real — is a symbolic representation of these numerous qualities. Ulf Martin calls it an 'operational symbol' – a symbol that partly creates the reality it describes (http://bnarchives.yorku.ca/606/).

2. THE DRIVING FORCE OF CAPITALISM

From CasP's viewpoint, the main driver of capitalism is differential accumulation – i.e., the quest for rising-differential-capitalization-read-growing-power. We don't dispute that cost cutting is ever-present and that it transforms capitalism continuously and significantly. Our claim, rather, is that, in and of itself, cost cutting is not a major driver of differential accumulation.

3. DIFFERENTIAL ACCUMULATION

As our chart at the top of this thread shows, over the past 70 years, the top 200 firms in the U.S. saw their differential EBIT relative to the average firm rise exponentially, at an annual average rate of 4.1%. This differential increase was due mostly to M&A. So even though technical change is ever present, its effect on the differential growth of dominant capital is secondary (and, as I argue below, even this effect is mediated).

4. DIFFERENTIAL SIZE VERSUS COMPETITIVENESS

By differential size, we generally mean differential earnings or differential capitalization. Competitiveness usually denotes the ability to produce for less than others. From a CasP perspective, competitiveness is not an end, but a means to an end (the end being rising differential earnings or capitalization).

5. COMPETITIVENESS AND POWER

Some firms control better production methods and/or command cheaper inputs – control and command that allow them to produce for less and — all else remaining the same — to earn more profit. But according to CasP, this path depends crucially on EXCLUSIONARY POWER. It depends on (1) the power to prevent others from using the same production techniques or knowledge more generally; and (2) the power to prevent others from enjoying the same cheaper inputs. In the absence of these two forms of power, 'competitiveness' disappears. Most firms try to improve their techniques and cheapen their inputs; but most fail to do so DIFFERENTIALLY – i.e., faster than the average – for an extended period. In this differential sense, they are running on empty. Some succeed, of course, but according to CasP, their success depends not on the actual technology/cheaper inputs as such, but on various forms of exclusionary power to prevent others from using them.

6. NEW ENTRANTS

Dominant capital is constantly invaded by new entrants. Most of these new entrants are amalgams of existing firms created through M&A (roughly half of the total in recent years, according to Stangler and Arbesman's 2012 paper 'What Does Fortune 500 Turnover Mean'?). But some entrants are emergent. Rapidly growing emergent firms often boast their productive ingenuity and cost cutting; but in most cases, their ability to differentially grow their earnings and capitalization rests on excluding others from their so-called propriety knowledge and from their preferential relations with other companies, suppliers, government fixes, subsidies and tax incentives, among other forms of power. In other words, the key issue is POWER. To see that this is the case, imagine what would happen to the earnings and capitalization of the FAANG (Facebook, Amazon, Apple, Netflix and Google) had they been forced to make their propriety knowledge totally public and forego their collusion with other companies and preferential relations with buyers, suppliers and governments. In this vein, the cost advantage of Chinese-based firms is based on excluding non-Chinese firms from producing there and from enjoying the assistance/protection of the Chinese government. So here too, cheaper cost is a matter of power.

7. CAUSALITY

According to CasP, the main causal drive in capitalism is the quest for differential accumulation, which, in the long run, is achieved through either 'breadth' (rising differential employment) or 'depth' (rising differential profit per employee) — processes that apply to individual firms, groups of firms, and the political economy as a whole (http://bnarchives.yorku.ca/3/). The absence of both breadth or depth usually results in differential decumulation. All capitalist organizations participate in this process, but only some can achieve it, by definition. Those that succeed become part of 'dominant capital', so its components gradually change; those that fail are taken over or drop from that group. The concrete unfolding of this power process is not pre-determined – or, at least we don't think it is. But the existence of this process and its centrality for understanding capitalism seem to us rather obvious.

8. A SAMPLE OF CASP 'CASE STUDIES'

You've asked for 'micro' examples of CasP. Here are a few.

Armament, oil companies and 'energy conflicts': http://bnarchives.yorku.ca/8/ (Ch. 5)
Chaebol: http://bnarchives.yorku.ca/491/
Conspicuous consumption: http://bnarchives.yorku.ca/433/
Corporate debt: http://bnarchives.yorku.ca/668/
Corporate taxes: http://bnarchives.yorku.ca/637/
Diamonds: http://bnarchives.yorku.ca/469/
Food: http://bnarchives.yorku.ca/523/
Grain companies: http://bnarchives.yorku.ca/359/
Hierarchy and energy: http://bnarchives.yorku.ca/500/
Hierarchy and income distribution: http://bnarchives.yorku.ca/653/
Hollywood: http://bnarchives.yorku.ca/362/
Global political restructuring: http://bnarchives.yorku.ca/4/
Public debt: http://bnarchives.yorku.ca/481/
Walmart: http://bnarchives.yorku.ca/394/

- evidencebasedeconomics
January 22, 2021 at 11:51 pm

I agree that "in capitalism power is a quantitative relationship between entities". I also think that the capitalist economy provides a domain where one can see how power works – it is probably unique in this. Previous analyses of power, including those cited by Ken Zimmerman, have had difficulty in explaining the *source* of an agent's power – the term "agent" here can include an individual or an organisation such as a government, an army or a firm. The problem has generally been that the domain examined has been something like political, military or personal power, in which the cause and the effect are hard to distinguish. Hence the conclusion, cited by Jonathan, that "force is nothing but its effect" in the views of many important thinkers. It seems like an intractable problem, but it does not apply in the particular case of the "capitalist" firm (I don't like this term, but it's the best available).

Before we get to that, another problem with traditional analyses is that most of them have focused on power over others, e.g. Weber's emphasis on domination. This is only part of the picture: one can see power in terms of *causation*: the degree of ability to influence the future world – or more concretely, as an agent's strength relative to others. In the context of the economy, this can be quantified.

Jonathan Nitzan and Shimshon Bichler have made a contribution here, by emphasising power as a quantitative relationship. But I think their analysis is incomplete. The central question here is how power arises, and how it is maintained (or not) in successive periods (what some authors call "the reproduction of the power relationship"). Connected with that is how previously weak agents or new entrants can ascend to powerful positions. This implies the need for a *dynamic* analysis, one that traces the trajectories of the different agents and their relative degrees of power. The clearest way to do this is to break historical time into periods, and to analyse the relative power of each agent at the start and at the end of each period.

At the start of the period, all the agents – all the firms in a sector, say – have their relative degrees of *achieved* power, which corresponds to their positions at the end of the previous period. This is what Jonathan and Shimshon have done, and they measure it by the total valuation of each firm, its capitalization. I have no problem with that. I see it as incomplete, however, because it lacks an account of *change*. The missing element is the *action* taken by agents. They start off with unequal quantities of power, measured in money terms, say US dollars, and this gives each an advantage that is proportional to this quantity. But they *use* it differently: their initiatives have differential success. One can think of this in terms of their business plans (although they don't have to be formally set out in the way that term implies).

So, when Henry Ford developed his method of mass production of affordable cars, he didn't necessarily start off with a huge amount of money to invest (I don't know whether he did or not, but it is not central). He started with a plan, and once it was put into practice, he had transformed the car industry. It doesn't have to be that transformational though: in the 1950s, Toyota entered the car business – they did not have a new product, but they managed to rise to a dominant position over a period of time, by introducing new management processes, and crucially, by having relatively cheap labour in comparison to its productivity – low unit costs, therefore. One can readily find examples in other lines of business – it is the dominant process in creative destruction that a firm can take an initiative that transforms its sector. The meteoric rise of post-reform China was built on the same process across multiple manufacturing sectors (the "China price", now migrating to lower-cost economies in Southeast Asia and elsewhere).

But it is not just manufacturing: the same basic process can be seen in Walmart's rise to domination of the retail sector, and subsequently Amazon's. At the beginning, Walmart was small – so, insignificant in terms of Jonathan and Shimshon's capitalization metric. But because it had a business plan that undercut existing retailers, it rose to dominance. It was not based on “exclusion”: the advantage was innovation in logistics and cheap imports from East Asia, together with a repressive labour policy, the latter facilitated by its rural location where low-cost female labour was abundant; these transformed the retail sector, but Walmart’s *relative* advantage was eroded by rival firms’ catch-up on the logistic side together with an erosion of their labour repressiveness (see e.g. Baines 2014). I should add that this is not necessarily a benign process: although some might laud it as “progress”, it has had consequences that many would regard as harmful, e.g. on wages and on workers’ rights more generally. Amazon did much the same a few decades later. The costs of retail were driven down by both Walmart and Amazon, a continuation of a process that included mail-order catalogues and department stores – it is not a temporary or unimportant phenomenon. And it has parallels across the rest of the capitalist economy since around 1800 in England.

Note that the business plan can be process innovation, as in these retail examples, or a new product such as when the first personal computers were introduced, or both as in the Ford example. In the case of product innovation, the analysis in terms of degree of power has the same problem as in all the traditional literature on power. But with process innovation, it is a question of *unit cost* – primarily, the relationship between productivity and the wage level: a lower unit cost implies a *higher relative strength*. Crucially, differential unit cost is measurable in itself, allowing the differential degree of power, the relative strength, of different firms in a sector to be assessed separately from the outcome of the exercise of this power. This outcome could be quantified by using the capitalization – but it only measures the advantage that each agent takes into the next period, and this does not determine the outcome of competition in that next period.

To summarise this process in more general terms: the achieved power of each agent (firm) at the end of each period is its degree of success, which can be measured as its capitalization. I call this *ex post* power. It is taken forward into the next period, and is an advantage for the more profitable firms because it allows them to use their achieved capital for initiatives in the new period (including not only economic investment, but e.g. also political lobbying, court cases and other ways of manipulating the political-economy environment). But initiatives are *highly* unequal, and sometimes an agent with an idea succeeds so well that it displaces the players that started in a dominant position at the start of that period. As with Ford, Walmart, Amazon, and countless others. It is a question of the potency of the business plan, which I call ex ante power, because the basic idea came first, at the beginning of the period. The reason I said above that it is not central whether Ford started off rich with cash to invest, or whether he borrowed the money, is that a potentially successful business plan is able to attract money – this is an aspect of ex ante power. And I would disagree that it necessarily relies on exclusionary power (although obviously this can also be present): in the examples given, the primary driver was a superiority of entrepreneurial and/or managerial capacity. One could say that such examples are rare, where increased competitiveness has been sufficient to transform their relative position – I think this is Jonathan’s position – but I would reply that they are the ones the are most responsible for creative destruction, and that they are therefore of prime importance from a *causal* viewpoint.

The process I have described needs to be seen in context. Other causal processes also operate in a capitalist economy: e.g. Jonathan and Shimshon emphasise that others are more important in recent US history, especially M&A. And relatedly, in recent decades, financialization of the economy has come to dominate the more traditional form of capitalist competition that I have described, at least in some parts of the world. Also, the above analysis is only applicable to production, in the sense of manufacturing and non-financial services. But it differs from CasP in attempting to cover that whole part of the economy, not just *dominant* capital. The financial and real estate sectors need a different analysis, although I would suggest that the focus should still be on each agent’s power and how this changes over time. State/government action is also extremely important, but my approach does not work well in this context, because of the well-known difficulties in quantifying its many contributions.

- J. Nitzan
  January 23, 2021 at 7:40 pm

  Thank you very much Mike for the thoughtful post. (evidencebasedeconomics, January 22, 2021 at 11:51 pm)

  The bone of contention seems to be (1) whether cost-cutting and greenfield investment are central to and can sustain differential accumulation; and (2) whether their impact on differential accumulation depends on power. I think that the answer to the first question is negative and to the second question positive.

  Take Ford's assembly line. Did it change the world? Yes, it did: assembly lines are everywhere. Did it contribute to Ford's differential earnings? Perhaps — but only for a short while. Ford lacked the power to prevent others from adopting this very technology – which they quickly did. And with everyone using the same technology, its effect on Ford's *differential* earnings dissipated.

  Again, cutting cost can certainly increase profit. But to increase *differential" profit, the method of doing so must protected, and that requires power. The same applies to greenfield growth. A company or group of companies can increase output. But unless others are prevented from doing the same, power disintegrates, prices collapse and losses ensue.

  So what contributed to the rise of the 'big three' automobile firms in the U.S? First and foremost, it was mergers and acquisitions, which were responsible for amalgamating/eliminating hundreds of independent companies. This is a power process. Second, led by GM, the auto companies adopted inflationary markup pricing. This too is a process of power. In addition, the auto companies managed to decimate and prevent public transportation and got the government to build for them a highway system and to promote suburbia. They enjoyed a preferential tax system and subsidies and brainwashed consumers with endless advertisement. The list goes on. These are all process of power.

  I think Mike is correct in arguing that these power processes are dynamic, potentially unstable and contestable, and that they need to be traced over time.

  I believe this is exactly what CasP research tries to do.

- Jonathan Nitzan
  January 17, 2021 at 7:02 pm
  Reply

  The blog's interface won't allow me to post my reply to Mike Joffe's comments our our book, 'Capital as Power' (comments that he posted on January 14, 2021 at 11:20 pm).

  For those interested, I posted Mike's note and my reply here: https://capitalaspower.com/casp-forum/topic/comments-and-queries-on-capital-as-power/

2. Dr.Hazel Henderson
   January 4, 2021 at 6:48 pm
   Reply

   Thanks to Bichler and Nitzan : Yes, we at Ethical Markets agree with this analysis , yet since I have advised on developing ESG screens for corporation for 20 years , I realized that corporations are the puppets of finance ,.So have move my analysis up the food chain to examine central banks and the politics of money-creation , credit-allocation and demanding the asset purchases under Q.E. be disclosed for their climate risks and fossil content., as TFCD now demanding of corporate accountants.

- Craig
  January 5, 2021 at 8:05 pm
  Reply

  That is correct Hazel. Finance and its monopolistic paradigm of Debt Only is the deeper problem. Multi-national corporations with global reach are the temporal/structural means of Finance's expression of that paradigmatic power.

  And the way to bring about the revolt of the corporate bourgeoisie against Finance that will in fact lead to the thirdness greater oneness that is the synthesis of capitalist vs socialist ideologies is to recognize the new monetary and financial paradigm concept of Gifting…the policy expression of which are the universal dividend and the 50% Discount/Rebate policy at the points of retail sale and at the point of loan signing.

  - Craig
    January 11, 2021 at 1:05 am

    Analysis can appear or even actually be true, but if it does not penetrate to the heart of the problem at best mere reform is the result. As with the Copernican cosmological paradigm change, so with the new monetary, financial and economic paradigm of Direct and Reciprocal Monetary Gifting.

3. Econoclast
   January 4, 2021 at 8:04 pm
   Reply

   This is an excellent analysis on what I feel is the core topic of 2021 economics: the rule of corporate capital, and the authors do great work in putting it out there. But can we lose the incessant use of acronyms please?

4. Ikonoclast
   January 5, 2021 at 1:46 am
   Reply

   Yes, excellent analysis. I would almost view this from Monthly Review as a companion piece to Bichler and Nitzan's essay.

   https://monthlyreview.org/2021/01/01/the-contagion-of-capital/

   In a lot of ways Bichler & Nitzan and John Bellamy Foster et. al. are talking about all the same things. There are differences too between CasP and modern Maraxian analysis by John Bellamy Foster.However, I feel CasP and modern Maraxian analysis are not quite there yet, but still closer than anyone else to the genuine reality of modern capitalism.

   I would love to seem them creatively combine and hammer out a mutually agreed analysis if that were possible. The "Fragment on the Machines" from Marx (the Grundrisse) indicates that Marx foresaw the dialectical obsoleting of his own labor theory of value by the progress of machine production and automation. While the labor theory of value is perhaps defensible, at least morally if not strictly ontologically, at the early stages of industrial capitalism it withers away under conditions of machine and automated production. Marx foresaw the obsoleting of much of physical and intellectual labor.

There is no need now to argue the anachronistic validity or otherwise of the labor theory of value as both Bichler & Nitzan and John Bellamy Foster could agree today (I believe) that it is not operative in contemporary capitalism. This opens the road to a synthesis.

I also hope that Bichler & Nitzan will not mind me pointing out that it appears to me that their theory is current-system dependent. Their theory could be technically obsoleted, except as a useful historical analysis and enduring warning, if capitalism itself were obsoleted. Marxism and modern Marxian theory remain wider than that. Marxian theory, as one which recognizes continuous political economy emergence, with dialectic and feedback effects, remains wider and potentially indefinitely applicable, I think. If this critique is wrong-headed, I welcome correction from Shimshon Bichler and/or Jonathan Nitzan, I recognize they are both much smarter and more educated than I. They also research much more deeply. I mean this most sincerely. If I am suffering from Dunning-Kruger effects then I welcome correction. I flatter myself that I hold truth as a higher value than my desire to win an argument.

- Jonathan Nitzan
  January 5, 2021 at 6:11 pm
  Reply

  Ikonoclast writes that, despite their differences, CasP and Monthly Review ‘are talking about all the same things’, and that he ‘would love to see them creatively combine and hammer out a mutually agreed analysis if that were possible’.

  Well.

  For about forty years now, Shimshon and I — and recently also other CasP writers — have dialogued with classical and neo-Marxists. But the dialogue has been rather uneven and only half scientific.

  As CasP researchers, we have read closely, critically analyzed and wrote extensively on the pros and cons of Marxism. Many of the 600+ items in The Bichler & Nitzan Archives (http://bnarchives.net) contain this engagement.

  Marxists, on the other hand, have chosen a different route. A handful engaged with us openly and scientifically. But the vast majority haven’t. Instead, they have actively sabotaged our work and tried to block its publication, occasionally plagiarized and reposted it in Marxist attire, and mostly ignored it altogether.

  For highlights from this historical journey, see:

  ‘Manuscripts Don’t Burn’ (2020, http://bnarchives.yorku.ca/641/)

  For the most recent episode, see:

  ‘The Capital As Power Approach. An Invited-then-Rejected Interview with Shimshon Bichler and Jonathan’ (2020, http://bnarchives.yorku.ca/640/).

  We have tried. The onus now is on the Marxists.

  - Ikonoclast
    January 5, 2021 at 9:50 pm

    First, I need to apologize. I had read and forgotten some of the substantive contents of “Manuscripts Don’t Burn” as they relate to this issue.

    I still think Marx’s “Fragment on the Machines” needs to be pointed out to dogmatic Marxist proselytizers of the Labor Theory of Value. Don’t they realize Marx analyzed the likely dialectical obsoleting of the Labor Theory of Value? Indeed, the LTOV right from Vol 1 of Das Kapital was really just a way into analysis of the capitalist system; a way which would be dialectically superseded as the analysis progressed.

In Marx, the LTOV in its first iteration was more a theory of how capitalism formally (and autocatalytically one may say) instantiated and developed out value relations in its operations and how this resulted in the oppression of workers, the unemployed reserve army and other parts of the precariat. The Fragment on the Machines" (and Vol. 3 of D.K. bear out IMHO that this is not a revisionist interpretation.

As Econoclast writes below, Marx's body of work, the Marx-Engels body of work. can speak for itself if read attentively and comprehensively enough, but many of its dogmatic interpreters are far less intelligent than Marx-Engels and that is precisely the problem. Nuance and dialectic are lost in dogamtism. This is not to say Marx-Engels are perfect and got everything right. To hold that view would be to be dogmatic.

I didn't associate dogmatic Marxism with John Bellamy Foster specifically and thus maybe not with the Monthly Review overall. Do I need to review that attitude, I wonder? The Monthly Review writings seem mostly perceptive and even scientific to me. At the wider level we still have all sorts of dogmatic, opportunistic and authoritarian Marxists, like Xi Jinping for example. Marx would have abjured and execrated them, I believe.

I am a Marxian, a Veblenian and a CasP-ian plus an idiosyncratic type of Priority Monist in ontological terms. That last means I am an autodidact in that arena, developing my own theories. All these intellectual wars, when they become dogmatic and petty, perhaps illustrate to me why I prefer to remain a "school of one" outside of all power loops. As a kind of Marxian Autonomist, I would act like that wouldn't I?

Note: I don't consider the CasP school dogmatic or petty.

- Jonathan Nitzan
  January 10, 2021 at 11:34 pm
  Reply

There is a built-in rift between CasP and conventional political economy, both mainstream and heterodox. Here are the opening paragraph from our 2021 research note on the subject, titled 'Unbridgeable: Why Political Economists Cannot Accept Capital as Power' (http://bnarchives.yorku.ca/669/):

"The theory of capital as power (CasP) is radically different from conventional political economy.

In the conventional view, mainstream as well as heterodox, capital is seen a 'real' economic entity engaged in the production of goods and services, and capitalism is thought of as a mode of production and consumption. Finance in this approach is either a mere reflection/lubricant of the real economy (the mainstream view), or a parasitic fiction (the heterodox perspective).

CasP rejects this framework. Capital, it argues, is not a productive economic entity, but a symbolic representation of organized societal power writ large, and capitalism should be analysed not as a mode of production and consumption, but as a mode of power. In this approach, finance is neither a reflection nor a fiction, but the symbolic language that organizes and creorders – or creates the order of – capitalized power.

These are foundational claims. They go to the very heart of political economy, and they have far-reaching implications. So far-reaching, in fact, that if we accept them, we must rewrite, often from scratch, much of the theory, history and possible futures of the capitalist order.

Many have complained about CasP being aloof. Our approach, they have argued, insists on being ‘right’ – to the exclusion of all others. It shows no interest in ‘building bridges’. It dismisses neoclassical liberalism altogether, and although sometimes sympathetic to Marx, it aims not to revise Marxism, but to discard it altogether.

In this research note – excerpted and revised from our 2020 invited-then-rejected interview with Revue de la regulation – we explain the basis for these complaints and why CasP and conventional political economy cannot be easily bridged. Stated briefly, the problem is not unwillingness but built-in barriers. As it stands, political economy cannot accept capital as power. Its very foundations prevent it from doing so.”

Continue reading here: http://bnarchives.yorku.ca/669/

- Econoclast
  January 11, 2021 at 12:33 am

  You are accused of being “aloof”? Wow. But no surprise to me that critics who cannot make a case against you would invent your behavior.

  What you say here is crystal clear, badly needed, and right on. Your tone of presentation, in the one book and several articles I’ve read, is just fine. I say this as a writer and editor. Keep it up.

- Jonathan Nitzan
  January 11, 2021 at 12:54 am

  Nice to hear, Econoclast. Thank you for the kind words.

  As we know, science progresses one coffin at a time (and the change is even slower when it is mixed with ideology and loaded interests to gate-keep), so there is no need to fasten our seat belts….

- evidencebasedeconomics
  January 11, 2021 at 7:51 pm

  Jonathan, I have now read some of your work with Jonathan Nitzler, especially “Capital as power: Toward a new cosmology of capitalism”. I have no problem with your view that we need to start afresh, rejecting e.g. neoclassical economics, the idea of a production function, etc. In fact, I wish you spent less time on demolishing existing ideas (reactive mode), and more on explaining your own.

  You rightly emphasize the central role of differential profit rates, e.g. of oil companies, or your analysis in the post above. And I agree that this has been systematically overlooked in conventional economic theory (and in heterodox economics too?). I understand how differential profitability works, e.g. of different car manufacturers – it involves their relative success/strength/power. But when you say “capitalism should be analyzed not as a mode of production and consumption, but as a mode of power” (my emphasis), I wonder if you have an understanding of how this works, and if so, what it is. Because the relative corporate power of any particular manufacturer arises from its relative success in production in the preceding period. It seems to me that you are separating power from economics, when in reality they are part of the same process: how economic power and production/exchange mutually cause each other.

  Another strength of your work is the emphasis on the financial sector and its power. But again I cannot find an account of how this power originates, in your writings. It is just stated that it is “organized societal power writ large”. How does this work? I would really like to know your views on this. It is one of the great issues of our time, because it is clear that financial institutions exert tremendous power – especially here in the UK. You go further, and state that “All capital is finance and only finance”, which would seem strange in view of your analysis of the oil industry. This is mystifying – unless you are just pointing out how the capitalist system has become financialized in recent decades?

Mike

- jonathannitzan
  January 11, 2021 at 9:25 pm

  Thank you for the questions, Mike, which I read with interest.

  From these questions, I assume you didn’t read our 2009 book, ‘Capital as Power’. I believe the book addresses the questions you raise in detail, including the theoretical articulation of the concepts/theories, their historical evolution and empirical development.

  Free PDF/HTML/EPUB: http://bnarchives.yorku.ca/259/

  If the book raises new questions, I would be happy to address them if I can.

  Jonathan

- [evidencebasedeconomics]()
  January 14, 2021 at 11:20 pm

  Thank you Jonathan. I have now read your book, albeit over-quickly, so may have missed something important. We agree that capital is power, although I don’t understand why you call it a “symbolic representation”, when it is more down-to-earth and practical than that. Also that traditional theories have failed to deal satisfactorily with this type of power, indeed more generally with economic power (I know you dislike this term). Thirdly, I agree that economists’ use of the term “capital” is confused, and the production function is a useless fiction.

  My main problem is understanding how you understand the causal processes underlying major change (creative destruction). For example, the rise of Toyota since the 1950s, or of Walmart or Amazon. Or the rise of China to global domination in manufacturing since 1978. Starting on p325, you discuss “novelty”, but I am looking for causal processes that are recognizable in the real world. The succeeding discussion mentions various things (pp329-331, and elaborated on in later passages). They all relate to what an *existing* dominant capital can do to advance its relative position, in a way that fails to account for new entrants such as those just mentioned. And they seem to be concerned with the *size* of the future firm, not its competitiveness. Notably, you rather dismiss cost cutting as merely a move towards the average. Comparing your account with the history of capitalism, I find it unconvincing as a causal explanation of the major features. In particular, I think you seriously underplay the importance of productivity advantages of some firms over others, i.e. cost reduction; along with new/better products, this seems to me clearly the main driving force of capitalism since the industrial revolution.

  More broadly, I find that in the latter part of the book, when you start focusing on power, the discussion is mainly at the macro level, even though you correctly insist that it is *relative* power that counts. This makes the description over-abstract, to my mind. One implication is that the focus on the whole system obscures the distinctions between (a) real-economy firms like those named above, (b) the financial sector, e.g. HSBC, private equity firms, etc, and (c) the state (in the usual sense) and government. (Note that the difference here between (a) and (b) is not between real and nominal, but between actually-existing different players in actual economies.) I would also say that they all have different *sources* of power. Separating them analytically means that one can then trace how they interact and intermingle, whereas you you just assert that they are inseparable parts of the overall system. This makes it doubly hard to see what you think what the causal forces are.

- Craig
  January 12, 2021 at 5:20 am

  Power and control are the present ruling concept, i.e. zeitgeist. The idea describing the new zeitgeist is what? Like the new monetary, financial and economic paradigm…grace of course.

  Bichler and Nitzan are correct that "All capital is finance and only finance" and for-profit finance has been given the powerful monopoly paradigm of Debt Only. As I have repeatedly posted here for years paradigm changes are characterized by conceptual opposition and temporal universe inversion of reality. Nomadic hunting and gathering gave way to homesteading, agriculture and urbanization, terra centrism and pre-scientific religiosity gave way to helio-centrism and scientific observation, The Reformation ended the monopoly power of Catholicism and Debt Only will give way to Direct and Reciprocal Monetary Gifting because it will resolve our major economic problems, enable many integrations of the best intentions and particles of truth of long standing economic and political perspectives and bring the same abundance, increased survival, rationality and increased ethical awareness that all of the above paradigm changes wrought.

  Zeitgeists/mega paradigm changes being even bigger patterns than "mere" paradigms have even broader human and systemic effects and yet they express and follow the same logic, philosophical integrity and experiential results. Thus Faustian power and control gives way to grace as in love in action/policy.

  This is no sectarian Sunday school religiosity as grace/love in action is as real a potential human reality as the dirt beneath one's feet. You just have to look at it long enough to self actualize it.

- Ikonoclast
  January 13, 2021 at 2:11 am

  I am late back to this part of the thread. I had not realized for several days that it had continued. I got the thread derailed in ontology (which is crucial in its own right, even to economics) but which can also lead down rabbit holes into a veritable rabbit warren of mere beliefs. I am working on a long essay on the topic of systematizing ontology as an aid (for myself at least) to avoiding going down the wrong rabbit hole. But let us leave that aside.

  As I understand it, Bichler and Nitzan are saying, in a nutshell, that capital does not measure value, it instantiates (social) power. Ulf Martin's definition of social power is fully acceptable in this context. It is the power to create formations against resistance. Refer to Martin's excellent essay, [1]. Of course, capital as power is not the only form of power in society but it is a major form and probably THE major form in the modern system (except when trumped by massive criminal force or military force which forces too are relative and differential) and the one (capital that is) which Bichler, Nitzan et. al. examine in CasP.

  Bichler and Nitzan have brilliantly resolved the "Value Controversy" in political economy. They did this by "cutting the Gordian knot" of the whole controversy. Instead of trying to unravel the factors of value and how and how much each of these factors contributedto exchange value and market value, they deduced (complexly and over time I guess) that money (capital) did not measure value at all. It measured a form of social power, in the sense that Martin essentially defines it.

And it (money) measures this power because it INSTANTIATES it. B&N radically refused the value premise, the value a priori, in orthodox and heterodox political economy as ontology. This, in my opinion, is the brilliant move of going right back to empirical ontological basics and questioning what exists at base and how it exists. They identified the ontological basics correctly and handled them correctly, in my view.

Ontology may be divided into three broad categories.

Table 1 – Ontological Categories

1. Religious, ideological, dogmatic and speculative;
2. Empirical; and
3. Formal.

Economics is a particularly difficult discipline area because it almost inevitably blends all three categories, especially in orthodox economics and in a great portion of heterodox economics. it is impossible to get your political economy analysis method accurate and empirically valid without a methodology which first separates out these three ontological categories and defines and analyzes each of them in their own right. How they then interact (through human conceptualizing and human agency) is even more complex.

The next step is to examine extant and theorized or proposed political economy theories within this framework and check whether their proponents have got their ontologies scrambled. That is to say, check whether they have passed incommensurate existents across the category boundaries. This is essentially what Bichelr, Nitzan, Martin and Fix have done in practice, in method. In "watching" them do it by reading their papers I have been helped in my own my more purely ontological analysis. I start from the ontological end of matters.

I hope my analyses, if I can complete and systematize them might eventually reflect back into the work of the CasP group. That's a kind of Quixotic hope for an ageing autodidact not trained in the necessary disciplines. Perhaps my work will turn out to wholly derivative of their insights and only a crude and imperfect formalizing and what they have implicitly understood for some time and understood in far more complexly and in a more pragmatically applicable manner than I have.

1."The Autocatalytic Sprawl of Pseudorational Mastery." -Ulf Martin,

- Ikonoclast
  January 13, 2021 at 10:54 am

  Important clarification of a point above.

  Re: "The next step is to examine extant and theorized or proposed political economy theories within this framework and check whether their proponents have got their ontologies scrambled. That is to say, check whether they have passed incommensurate existents across the (ontological) category boundaries. This is essentially what Bichler, Nitzan, Martin and Fix have done in practice, in method."

  What I mean is NOT that Bichler, Nitzan, Martin and Fix have got their ontologies scrambled. I mean rather they they pin down where the extant orthodoxies and some heterodoxies get ontologies scrambled and pass incommensurate existents across the (ontological) category boundaries.

Memo to self: Must watch for the perils of blogging too fast and nearly implying the opposite of what I really mean.

- Meta Capitalism
  January 15, 2021 at 9:00 am

  > This comment is from Mike Joffe. Any thoughts on how to answer?

  .
  Can both explain how their ideas explain what is happening in the US right now?

- Meta Capitalism
  January 15, 2021 at 10:19 am

  > Another strength of your work is the emphasis on the financial sector and its power. But again I cannot find an account of how this power originates, in your writings. ~ Mike

  .
  Mike, there is no mystery regarding where the "power" of the financial sector comes from to forensic accountants. It comes form the revolving door and nexus of politics, corporate lobbyists, think tanks, and the ability to go from corporate boards to political position, to academic position, to lobbyist and/or any one simultaneously. Economists make peanuts as professors and mega-millions as advisors writing papers for corporate benefactors that hide reality and promote corportat propagandists (e.g., sugar is good, etc.). Netflix has plenty of solid documentaries on this very issue. My youngest daughter just took a class from the professor Stephen Gill:

  > New constitutionalism and world order General introduction Stephen Gill and A. Claire Cutler This introduction sketches some of the book's central considerations and relates them to the immediate historical backdrop of this study. It highlights transformations that constitute the new constitutionalism of disciplinary neo-liberalism. We also respond to key criticisms of the concept of new constitutionalism and address whether its theory and practices are under challenge in crisis conditions. We then provide an outline of the principal themes and questions that the volume addresses, including: hegemonic and supremacist projects of rule; the power of capital; law, legitimacy and legitimation; contradictions, political agency and contestation. A detailed overview of each chapter is subsequently provided in separate mini-introductions to each of the six parts of this book. (Gill, Stephen. New Constitutionalism and World Order (p. 1). Cambridge University Press. Kindle Edition.)

5. Econoclast
   January 5, 2021 at 6:22 pm
   Reply

   My own experience is this, going back 60 years: such as Marx, Freud and Einstein were geniuses and their work speaks for itself. Many of their followers? Another matter, so trapped are they in their ideologies. At Berkeley in the '60s, for example, I found Marxists more intolerant than rigid professors, beleaguered administrators, Young Republicans or frat rats. That says something right there. There are exceptions of course, my late friend Michael Perelman and the ever-interesting Louis Proyect being shining examples. Keep going, Nitzan and Bichler, you are on the right track.

   - Ikonoclast
     January 5, 2021 at 10:28 pm

[Reply](#)

Absolutely correct. However, I would add a little more about Freud. He was a genius. He was also a charlatan in some serious and concerning respects. It is possible for a person to be both a genius and a charlatan. “The Interpretation of Dreams” contains some interesting passages and starts with a discussion of slips or parapraxes, IIRC. “Slips” meaning so-called “Freudian” slips which indeed can be very revealing. “Civilization and Its Discontents” and “Moses and Monotheism” are also interesting and perceptive works.

However, a portion of Freud’s works and especially some of his case histories on hysteria and repressed memory have been shown to be frauds. The “ego”, “id” and “superego” are fictive constructions, at least in the way Freud handles them. Psychoanalysis, as a pseudo science, attempted to handle many phenomena and problems which are now shown to be of a neurological origin on the one hand or a social (including sociopolitical and political economy) origin on the other hand.

This post will get too long if I start theorizing too much on why some brilliant people commit frauds early in their careers and then go more “legit” later, disavowing or sweeping under the carpet their early frauds. Inexperience, over-zealousness and overweening ambition seem to play into this. It seems some intellectuals set up their early career with frauds to get themselves into the right power, influence and income places and then go intellectually “legit” after that. Others get a rich sponsor as did Marx with Engels (and still remain outsiders except in their own radical circles). The acquiring of a circle of acolytes plays into all this.

“You seek something? You wish to multiply yourself tenfold, a hundredfold? You seek followers? Seek zeros!” – Nietzsche.

This plays on a pun in German where the word Nietzsche uses, which above is translated as zeroes, means something like “nulls” and via the pun can mean zeroes or human nobodies as dull, obscure, untalented people.

- Ikonoclast
  January 6, 2021 at 5:10 am

  A lurid summary but not far from the ascertainable truth about Freud,

  https://sciencebasedmedicine.org/freud-was-a-fraud-a-triumph-of-pseudoscience/

6. Ikonoclast
   January 7, 2021 at 1:19 am
   [Reply](#)

   We now see the end results of American corporate and oligarchic capitalism. It is happening right before our eyes on television. It bears out the esentials of the analyses of Bichler & Nitzan and of The Monthly Review Marxists.

   Toriff on and expand something George Dubya just said (while leaving out his gratuitous word “patriotic”).

   (1) It is the responsibility of every citizen to support the rule of law.
   (2) It is the responsibility of the rule of law to support every citizen.

   It is this second proposition which George Dubya failed to voice. It is this second proposition which American limited democracy fails to put into operation. Government of the elites, by the elites and for the elites is not good enough. It is not genuine democracy. It is oligarchy with soft pretensions to democracy.

Of course, Trump's fascist insurrectionists, Trump himself and his enablers all have to be stopped and held accountable.

At the same time, going back to corporate oligarchic rule is not going to be good enough to save the USA or the world. The USA needs a massive physical infrastructure rebuild and a massive social infrastructure rebuild. Without these it will certainly collapse. This rebuild will necessarily entail great transfers of wealth and power from the rich to the middle classes and the poor and from the parasitic financial elites to the levels of genuinely productive physical, social and intellectual work. Again, without this, the USA will certainly collapse into a disastrous nation-destroying mess and very likely world-destroying mess.

This the final watershed of history leading to democratic socialism or totalitarianism or anarchic catabolic barbarism. It is also the watershed leading to action on climate change or the total collapse of civilization and the extinction of homo sapiens. We most likely will know within a months to a few years whether we can hope to survive or not.

We will have to make peace with ourselves and those close to us, just in case.

7. Ikonoclast
January 7, 2021 at 9:14 pm
Reply

A few posts and everyone's done? No follow through? We've just had another demonstration that the real subject is political economy, not economics. I am referring to Trump's unleashing of his reactionary rioters on the Capitol. This is part of his ongoing attempt to steal the US Presidential election and become dictator for life. He also wants to create an ongoing family dynasty like that of the family of his hero, Kim Jong-un.

A number of thoughts occur to me. The right-wing insurrectionists were white people, hence there was only one casualty from weapons fire. If they had been left-wiing insurrectionists and/or Black or Latino people there would, in all likelihood, have been hundreds of people killed. The insurrectionists have been treated with kid gloves. While it is good that the fascist and racist insurrectionists are being seen off (at least so far), the whole series of events, including those leading up to this, indicate something far more profoundly wrong with the USA and it has been wrong with the USA since its inception.

The USA is not a full democracy. It is a partial democracy by and for capitalist privilege, white privilege and male privilege. It's a democracy created and designed to meet the interests of the white oligarchs. They started out being the Whig thieves of native lands and the owners of slaves in the new world. They rebelled against the British monarchy only to secure their own interests. Their modern equivalents have become the owners of corporations, banks, land and other assets. The USA's constitution, in operation, really guarantees the rights only of rich, white people, not the rights of all the people. Despite "all men being created equal" (and no mention of women) slaves were kept and slave -like conditions retained well after the official repeal of slavery.

Other systems had slavery before capitalism. It is not unique to capitalism and it has continued right up to the present day including in the state capitalism of China with the concentration and camps and forced labor for the Uyghur people. Slavery was part of the primitive accumulation process before capitalism and of proto-capitalism and it seems to be intensified at the early stages of capitalism in regions and provinces.

The USA founding patriarchs' first revolution was against the British monarchy and for their own self-interest. They continued to keep slaves. The second US revolution was that of the northern industrialist millionaires against the southern land-owning, slave-owning "aristocrats". The Americans need a third people's revolution to further their progress. I give it little chance of happening and even less chance of happening peacefully.

Biden's speech was revealing at a number of points. Biden is preferable to Trump but he is still the choice of the white oligarchs. He will still promote their interests over all else and everyone else. He refers to "mobs". In the USA, "mobs" is a dog-whistle with long historical roots. "Mob rule" is a dog whistle against full democracy with all enfranchised persons having a fair stake and a fair say in the running of the country, including (sarcastically speaking) all those annoying Black people, Latino people and basic wage Workers. It's not only right-wing populist mobs that the gang of oligarchs want to stop. It's also the majority of the people who would be designated mobs if they ever demanded true democratic and economic equality.

Russia and China are not socialist countries and certainly not democratic socialist countries. They remain exponents of state capitalism and totalitarianism which they have been since their respective revolutions. Only after the highest stage of capitalism has been reached can there be a socialist revolution and even then it is not inevitable. The highest stage of capitalism is as presaged by the "Fragment on the Machines". Once the automated machines create value, the labor theory of value is at least substantially obsoleted for most basic products. Then it is possible on a material level to institute "from each according to abilities, to each according to needs".

Even so, this development is not inevitable. The scope for the misuse of automation is immense. The surveillance state comes to mind. Humankind continues to fight the worst aspects of its own nature. Human nature is plastic and socially molded, political economy molded. But human nature is not infinitely plastic. There is still a basic, albeit evolving, human nature (meant literally in Darwinian evolutionary terms). The processes continue to be emergent and evolutionary. One of the processes needed is a demotion of the importance of economics simpliciter. It is about a fourth order concern as the Canadian philosopher, John Ralston Saul, said.

Economics is crude logistics. How do we produce, how much do we produce and where do we ship it? Unless such mere logistics is informed by democratic socialist principles, by moral philosophy principles and by impact science principles, it remains mere blind algorithmic pseudorational autocatalytic sprawl as Ulf Martin wrote. His proper term and essay title is "The Autocatalytic Sprawl of Pseudorational Mastery". When human prescriptions are blindly applied over and over by algorithm they become and are pseudorationally autocatalytic in nature. They become automatic idiocy in the indoctrinated brain and automated idiocy in the machines which the indoctrinated brains unleash on and then serve.

This blog should morph to Real World Political Economy. That is the real subject. Stop elevating economics of any kind to a ruling discipline. It is not just forms of economics that are ideologies. Economics itself is an ideology. It is mere logistics raised to ideology.

- Econoclast
  January 7, 2021 at 10:13 pm
  Reply

  Thanks for all this, Iconoclast, especially the beginning: "A few posts and everyone's done? No follow through?" This seems to be the norm for the blog, and I'd like to see it changed.

  And the end: "Economics … is mere logistics raised to ideology." Beginning in grad school, and a minor reason I left, I could see that, even more specifically, it was cost engineering. No disrespect intended to engineering, but when the ideology pretends to be more than it is I object. In grad school the distribution of income and wealth (later called "inequality") was considered the province of sociology and political science. That attitude has changed to some degree, but the framework within which that attitude was built — that political economy is passe — is still with us. Good for you for undermining that attitude.

  One thing I would hope for in conversation here (in addition to less use of acronyms) is more and more plain language. The title of Ulf Martin's book, "The Autocatalytic Sprawl of Pseudorational Mastery", does not invite me to read it.

- [Jonathan Nitzan](#)
  January 7, 2021 at 11:14 pm

  Ulf Martin's article won the Review of Capital as Power Essay Prize, and for good reason. It is a brilliant essay with profound insights and far-reaching implications. It's also superbly written.

  Free PDF, HTML and EPUB: http://bnarchives.yorku.ca/606/.

  Regarding the title: this isn't some postist garbage. After you finish with the paper, you'll realize the heading offers an accurate and meaningful description of the contents.

- Ikonoclast
  January 7, 2021 at 11:20 pm

  The title of Ulf Martin's essay is a little uninviting but it is an excellent and readable essay. The title is a form of technical and academic jargon. It is acceptable enough in academic circles I would guess and may even recommend the article in such circles. Specialized jargon and precisely defined terms are necessary for many disciplines from metaphysics through to the hard sciences. Putting the specialized terms in the title is an interesting choice and may indicate he was targeting a specialized audience. Nevertheless it is readable to any intelligent, well-read layperson.

  I hope I don't sound too preachy there. I am simply defending Ulf's choice as an intelligent (I hope) lay reader myself. Such a title I view as a challenge. Can I understand this essay? Will I find out what the title terms means? Are its contents philosophically and scientifically supportable in the hard and social science arenas? In the case of Ulf's essay the answer is a most definite yes on all counts.

- Econoclast
  January 8, 2021 at 4:03 am

  I've tried to read Martin's paper and find it exactly the sort of writing that drove me from academia. That said, I did find the title reflected the turgid academic prose of the content, and therein lies one of the problems.

  My background perhaps is relevant here. I spent several decades as both writer/editor/publisher and community organizer. In the latter our focus was almost exclusively on ordinary people organizing to build power to challenge both bureaucracies and corporations. Thanks, not to me, but to those I worked with, we won 12 out of 12 campaigns and changed the policies of all our targets to serve people better. Some of these battles lasted for years. For those of you interested, we applied the methods and philosophy of Saul Alinsky.

  As a writer/editor/publisher my readers always have been ordinary, curious people. When a writer submitted something, I always insisted on using plain English and no jargon, at the same time preserving the writer's voice. Often I offered some training to do that.

  I see no reason to use jargon, even for communication among members of a specific profession, except as absolutely necessary. Otherwise I find it a barrier to communication. Martin, for example, uses a term from chemistry (I once majored in this field) — autocatalytic — in an article on corporate and bureaucratic power, a pretense in my view.

  From this viewpoint, I would not have accepted Martin's article for publication, much less given it a prize. Sorry.

I greatly respect Bichler and Nitzen's work, deem it articulate, and find their approach to power refreshing, in spite of their insistence in using such coined words as "creorder". Their work is badly needed in the economics profession.

I coin words every day because I love word play (such as my web name here), but rarely do so in a piece destined for public reading.

I like the fact that this conversation is continuing, per Iconoclast's plea.

8. Ikonoclast
January 8, 2021 at 8:14 am
Reply

I didn't want to and don't want to turn this into an argument about Ulf Martin's writing style. The idea content is what is important. I refer to the idea content of both the original post, Bichler and Nitzan's work in general and Ulf Martin's paper. When difficult, newly synthesized ideas are first worked out by thinkers there is a whole process often taking years: research, notes, jottings, disjointed pieces, free association screeds, unfinished essays, arguments, counter-arguments, theses, antitheses, syntheses and so on until later finished essays, treatises and perhaps even books are produced.

Before a radically new communication there must be the creation of radically new ideas. Compare Volume 1 of Das Kapital to the Grundrisse as a precursor. Idea creation and communication of new ideas are both areas requiring great learning and skill. When a long essay spans both zones, the creation of essentially new ideas AND their communication this must be one of the most difficult creative zones to write in. it is not necessarily possible to immediately communicate these ideas to a general public who are not educated and pre-prepared for such ideas. That may literally take another generation. Academics, intellectuals and very well read laypersons may be the only ones ready for these ideas in "generation zero" with respect to the ideas' emergences. In that case, an academic and turgid style may be the only style possible in some senses. The early workings of any radically new ideas tend to demonstrate these characteristics.

Just my views of course. I was tertiary educated in literary and media studies. I spent part of my career writing user manuals for in-house government computer systems. I of all people know that a user manual is not a novel is not a philosophical or social sciences treatise. There's a saying that a great and innovative work of art creates the new aesthetic by which it itself is appreciated. Equally, a great and innovative philosophical or social sciences work at least partially creates the new concepts by which it itself is appreciated. This is not a process easily or fully expressed in existing language, word and concept patterns. We have to expect an interim experience of turgidity leading us through hard comprehending work to a new intellectual experience of pellucidity.

Arguing in public advocacy is an arena where certain a prioris are already agreed to or at least understood by all. Arguing in cutting edge philosophy or social science is an area where even establishing agreed a prioris or new empirically supported viewpoints can be very difficult in itself. I don't expect to be able to read in such areas without stretching my ideas and challenging my vocabulary, even if it is to accept new metonomies like autocatalytic being taken from chemistry and used in SIS and formal system symbol processing in the structures some have called "nomological machines".

The above is notwithstanding the fact that Nietzsche disparaged the use of metonomy in philosophy. Reasoning by analog (metonomy is a form of that) is an unavoidable part of human reasoning and an unavoidable part of our making of ceneptual models which, according to the Correspondence Theory of Truth must demonstrate some homomorphic (analogic) correspondence with the real object or process which they model.

9. Ikonoclast
January 9, 2021 at 11:44 pm
Reply

I write In support of the use of the term “autocatalytic sprawl”

Quotes from “THE AUTOCATALYTIC SPRAWL OF PSEUDORATIONAL MASTERY” by Ulf Martin.

At the outset let me say, until and unless we radically repudiate capitalism, including the state capitalisms of Russia and China, we are condemned to the destruction of the planet and civilization by “autocatalytic sprawl”. This is not to say that another system can save us, especially at this late extremity. But it is to say that this system will certainly destroy us. Some have criticized the term “autocatalytic sprawl” as jargon, academically pretentious and technically an inaccurate metonym with respect to the chemistry definition of autocatalytic. This is not so. It is empirically accurate, especially within a priority monist, relational complex systems, physicalist context.

“A single chemical reaction is said to be autocatalytic if one of the reaction products is also a catalyst for the same or a coupled reaction. Such a reaction is called an autocatalytic reaction.

A set of chemical reactions can be said to be “collectively autocatalytic” if a number of those reactions produce, as reaction products, catalysts for enough of the other reactions that the entire set of chemical reactions is self-sustaining given an input of energy and (materials) (see autocatalytic set).” – Wikipedia.

“An autocatalytic set is a collection of entities, each of which can be created catalytically by other entities within the set, such that as a whole, the set is able to catalyze its own production. In this way the set as a whole is said to be autocatalytic. Autocatalytic sets were originally and most concretely defined in terms of molecular entities, but have more recently been metaphorically extended to the study of systems in sociology and economics.

Autocatalytic sets also have the ability to replicate themselves if they are split apart into two physically separated spaces. Computer models illustrate that split autocatalytic sets will reproduce all of the reactions of the original set in each half, much like cellular mitosis. In effect, using the principles of autocatalysis, a small metabolism can replicate itself with very little high level organization. This property is why autocatalysis is a contender as the foundational mechanism for complex evolution.” – Wikipedia.

It is clear that Ulf Martin is positing that the rules and prescriptions of capitalism generate meta-autocatalytic sets of material production based on the operations of the biological autocatalytic set of homo sapiens. We see European colonisation, of the Americas for example, by pre-capitalist, proto-capitalst and then capitalist settlers and ideas, autocatalytically spread Euruoean modes and civilization and political economy to the new world.

In Section 2.4 – Two Modes of Rational Mastery : Capital and Bureaucracy”, of his essay, Ulf Martin develops out a philosophically AND empirically supported picture of the autocatalytic nature of capital within the paradigm of “rational mastery”. This is really only a pseudorational mastery in the case of capital (at least) because (my interpretation) its rationality is formal, bounded and unable to predict or deal with the empirically real limits on its pseudorational sprawl. Here “sprawl” means a growth of replicating and replicated units in the set: like the attempt at endless wealth growth as we see it in capitalism.

- Ikonoclast
  January 10, 2021 at 3:29 am
  Reply

  Correction, there are no direct quotes from Ulf Matrtins’s paper in my above post. I had direct quotes and the decided to remove them (as the original paper should be read in full) but then accidentally left the hanging reference to the quotes.

  - Meta Capitalism
    January 10, 2021 at 1:01 pm

Capitalism is not going to end. Utopian millinialism is the secular version of evangelical millinialism.

- Ikonoclast
  January 11, 2021 at 10:55 pm

  "Capitalism is not going to end." This equals the statement that capitalism, now that it is existent, is to be eternal from here on. Do you literally mean this? Do you mean that the end of our earth, or our sun, or our galaxy (all events which cosmologists confidently predict on good evidence will happen eventually) will not end capitalism? Plenty of earth and climate scientists are now predicting that climate change alone, unless vigorously worked against by rapidly reducing CO2 emissions from here on, will end capitalism, civilization and very possibly even homo sapiens.

  "Utopian millinialism (sic) is the secular version of evangelical millinialism (sic)."

  I think the idea referred to is meant to be "millenarianism". More correctly, utopian millenarianism in secular form as "teleological socialism" is one secular version of evangelical millenarianism. This is true if the arrival of the utopia is thought to be inevitable. However, capitalist "immortalism" or "eternalism" is also a version of secular millenarianism. In this version, the most nearly perfect and eternal (while earth lasts at least) political economy system has already arrived.

  You reveal your own thinking, metacapitalism. You worship capitalism and think it magical and near-eternal, at least while the earth supports humans. You think nothing else is possible, presumably not even climate collapse due to capitalism destroying the benign, livable climate of the Holocene. I think something else is still possible… just, but we have little time left to implement it. I don't think it is inevitable. It is you that is the magical thinker believing in the inevitability and eternal nature of capitalism continuing as a system. I suggest searching the net for the book "Magical Capitalism."

- Meta Capitalism
  January 12, 2021 at 11:45 pm

  > "Capitalism is not going to end." This equals the statement that capitalism, now that it is existent, is to be eternal from here on. Do you literally mean this? ~ Ikon
  >
  > .
  >
  > PASSION AND PRAGMATISM
  >
  > Deep rifts are tearing apart the fabric of our societies. They are bringing new anxieties and new anger to our people, and new passions to our politics. The social bases of these anxieties are geographic, educational and moral. It is the regions rebelling against the metropolis; northern England versus London; the heartlands versus the coasts. It is the less educated rebelling against the more educated. It is the struggling workers rebelling against the 'scroungers' and 'rent-seekers'. The less-educated, toiling provincial has replaced the working class as the revolutionary force in society: the *sans culottes* replaced by the *sans cool*. So, what are these people angry about? (Collier, Paul. The Future of Capitalism (p. 11). Harper. Kindle Edition.)
  >
  > .
  >
  > Place has become a dimension of the new grievances; after a long period during which geographic economic inequalities narrowed, recently they have been widening rapidly. Across North America, Europe and Japan, metropolitan areas are surging ahead of the rest of the nation. Not only are they becoming much richer than the provinces, socially they are becoming detached and no longer

representative of the nation of which they are often the capital. (Collier, Paul. The Future of Capitalism (p. 11). Harper. Kindle Edition.)

.

But even within the dynamic metropolis, these extraordinary economic gains are heavily skewed. The newly successful are neither capitalists nor ordinary workers: they are the well educated with new skills. They have forged themselves into a new class, meeting at university and developing a new shared identity in which esteem comes from skill. They have even developed a distinctive morality, elevating characteristics such as minority ethnicity and sexual orientation into group identities as victims. On the basis of their distinctive concern for victim groups, they claim moral superiority over the less-well educated. Having forged themselves into a new ruling class, the well educated trust both government and each other more than ever. (Collier, Paul. The Future of Capitalism (pp. 11-12). Harper. Kindle Edition.)

.

While the fortunes of the educated have soared, pulling up national averages with them, the less-well educated, both in the metropolis and nationally, are now in crisis, stigmatized as the ‘white working class’. The syndrome of decline began with the loss of meaningful jobs. Globalization has shifted many semi-skilled jobs to Asia, and technological change is eliminating many others. The loss of jobs has hit two age groups particularly hard: older workers and those trying to find their first job. (Collier, Paul. The Future of Capitalism (p. 12). Harper. Kindle Edition.)

.

Among older workers, job loss often led to family breakdown, drugs, alcohol and violence. In America, the resulting collapse in the sense of a purposeful life is manifested in falling life expectancy for whites who have not been to college; this at a time when the unprecedented pace of medical advances is delivering rapidly rising life expectancy for more favoured groups.1 In Europe, social safety nets have muted the extremity of outcomes, but the syndrome is also widespread and in the most broken cities, such as Blackpool, life expectancy is also falling. Redundant over-fifties are drinking the dregs of despair. Yet the less-educated young have fared little better. In much of Europe, young people face mass unemployment: currently, a third of young Italians are unemployed, a scale of job shortage last seen in the Depression of the 1930s. Surveys show an unprecedented level of youthful pessimism: most young people expect to have lower living standards than their parents. Nor is this a delusion: during the past four decades, the economic performance of capitalism has deteriorated. The global financial crisis of 2008–9 made it manifest, but from the 1980s this pessimism has been slowly growing. Capitalism’s core credential of steadily rising living standards for all has been tarnished: it has continued to deliver for some, but has passed others by. In America, the emblematic heart of capitalism, half of the 1980s generation are absolutely worse off than the generation of their parents at the same age.2 For them, capitalism is not working. Given the huge advances in technology and public policy that have taken place since 1980, that failure is astounding. These advances, themselves dependent on capitalism, make it entirely feasible for everyone to have become substantially better off. Yet a majority now expect their children’s lives to be worse than their own. Among the American white working class this pessimism rises to an astonishing 76 per cent.3 And Europeans are even more pessimistic than Americans. (Collier, Paul. The Future of Capitalism (pp. 12-13). Harper. Kindle Edition.)

.

That was a bit terse wasn’t it Ikon 😉 No, I don’t believe Capitalism is “eternal” and not even sure what that means. Just that utopian predictions are just that; utopian predictions. So too apocalyptic predictions are just pure speculation imbued with frustration. I have felt this frustration myself but believe it is a waste of my energy that I would rather direct towards searching for real-world pragmatic solutions that can humanize capitalism and provide a bridge so-to-speak to a more just and equitable and humane form of provisioning for ourselves and society. In the long run will capitalism exist as humanity evolves towards whatever unrevealed destiny awaits us? I have no idea; although it can be fun to speculate. I have ready read several books by economists and economic philosophers on this question and the authors are all over the map. I have said I think some form of democratic socialism (or mixed economy, e.g., see The Nobel Factor) is a realistic possibility. I do believe that human beings do have a need to control certain aspects of their personal material surroundings, a basic desire to own personal property or create material artifacts and that trade and barter are somewhat organic to human social interaction. That doesn't mean I think any specific incarnation of "capitalism" (e.g., market fundamentalism or sophisticated democratic socialism) is organic though. Apples and oranges in my view.

Capitalism has a history and the type of capitalism in any given period of time has different relationship to society. The type of capitalism practiced in Iceland or Sweden or Netherland or Japan is different than the type of capitalism practiced in the United States (e.g., market fundamentalism) or China (state regulated capitalism or Vietnam) and so on. This fact tells me capitalism is not a thing that takes only one form but more like a religion a cumulative tradition of power relationships and legal institutions and beliefs of how people relate to one another and society in relation to provisioning. That means it is within societies ability to change its form and the legal frameworks within which it operates. I just believe the idea that some revolution is going to eliminate capitalism is utopian/dystopian/apocalyptic day dreaming. Evolution is slow, messy, and not always predictable, but there are trends contra Hayek.

In the respect I think Ken is right with regards to culture. It is my view that the world has entered a period of great social and political transformations. I have said already, the crisis of capitalism is more about meanings and values than science and technology. You say you accept the Golden Rule and note that it has a long history older than Judeo-Christian tradition. This is correct. I am interested in finding business models that can enable economic renewal where there is only economic decline; new business models centered on cooperation and community, even the Golden Rule. Such form of pragmatic cooperation have existed in business in America and they can exist again (and do even now exist). Of such an endeavour takes place within a larger cultural struggle against a corporatism that has distorted politics and society. But even here black and white ways of viewing reality don't serve us well, for just look how the big corporations are dropping the Trump brand as we speak. That is a good think I would think.

- Meta Capitalism
  January 13, 2021 at 12:17 am

  > You reveal your own thinking, metacapitalism. You worship capitalism and think it magical and near-eternal, at least while the earth supports humans. ~ Ikon Making Assumptions Beyond Reason

  .
  Now now Ikon, your ranting fanatic is truly ugly and unappealing. You assume to much and make a real ass of yourself.

- Ikonoclast
  January 13, 2021 at 2:53 am

Meta Capitalism,

Those are all reasonable criticisms you make, including saying of me “your ranting fanatic (self) is truly ugly and unappealing”. As a wise man once said to me “insight is rarely good news.” He also said, “Trying to pretend to yourself that you don’t have shitty bits is a sure way to keep acting like a shit.”

For the record he was a psychoanalyst (good at the “art” within the pseudoscience) and I was a patient with quite severe BPD (Borderline Personality Disorder) which blighted and semi-destroyed my life from 18 to 28 or thereabouts. It is quite literally amazing that I even survived. I made many self-sabotaging mistakes which could easily have killed me (and others sometimes).

Since that my BPD was and is managed by myself. I don’t agree with analysis interminable. CBT would probably helped me better, BPD never goes away even in old age. Just as a leper must self-check continuously for peripheral damage to limbs and digits (because of the peripheral neuropathy of Hansen’s diesase) so must the mature BPD continually check on his/her labile (unstable) emotions and the outbursts which might or can ensue. In my case they are “merely” verbal outbursts.

Being an a BPD spectrum is emotionally exhausting (unless one avoids social interaction but then one just gets worse) but also interesting. Comparing powerful depersonalization states one has experienced even in old personal history with the (thankfully in my case) much more common stretches of being not depersonalized gives an insight into both states and the feelings/non-feelings of attaching or not attaching significance and cathexis (emotional feeling and energy FOR something) to existence (personal and all external existence).

I won’t go into this further other than to say I strongly understand why Greta Thunberg (for example) berates hypocritical adults who actually do know what they are doing (destroying the earth) or should know if they didn’t self-deceive so much. It’s because at least some people on some spectrums think rather deductively and accurately from empirical premises and really can’t understand all this belief and social-obedience-to-received-views “nonsense”. I “grok” her attitude very strongly.

- Meta Capitalism
  January 13, 2021 at 3:40 am

  Sorry Ikon, I really didn’t have to be so blunt. I bet over beer we agree on much ;-)

- Ikonoclast
  January 13, 2021 at 10:06 pm

  The bluntness was fine. Everybody needs a jolt from time to time. As for a beer, well I would have a coffee or a soft drink (soda drink). Thirty-three years clean of alcohol and drugs and I aim to keep it that way. I take no medications or drugs of any kind. If I took just one paracetamol every 3 months I would think I was hitting it hard. Coffee is my one indulgence, so yeah I do absorb a little bit of caffeine. Of course, I would take some medications and vaccinations, if firmly medically indicated and scientifically supported, but I am rather suspicious of big pharma for profit.

  These days I am closer to being a non-theistic Buddhist than anything else. Philosophically, I am a priority Monist and a physicalist in standard substance philosophy terms. Actually, I am really an “existenist” to avoid essentialism. When all is said to be “physical” then the opposition of physical – non-physical loses meaning. All we can speak of then is existents as “objects”, systems and process apparently governed by some fundamental law type interactions as discovered by the hard sciences. All "objects" are really best understood, scientifically and philosophically, as systems in process. An "object" appears on closer examination as a system of processes.

A lot of Westerners don't understand Monism. They just don't get it. Dualism is deeply embedded in the Western mind. Many Easterners do get Monism. Monistic concepts are deeply embedded in their religion and philosophy. Modern science, especially in the relational system paradigm of physics, the emergence paradigm of cosmology and the evolutionary paradigm of biology, supports a Monistic ontological assumption about all reality, in my view.

"Neither existence monism nor priority monism is accorded much respect in contemporary metaphysics, nor are they always properly distinguished. Indeed, the tradition associated with these doctrines has long been dismissed as being somewhere between obscure and ridiculous. But there are serious arguments for monism. Priority monism may especially deserve serious reconsideration, of a kind that it is only now beginning to receive." – Stanford Encyclopedia of Philosophy (Revised 2014.)

Of course, this refers to Western Philosophy.

10. davetaylor1
January 12, 2021 at 2:27 am
Reply

To Jonathan Nitzan re Ikonoclast's "A few posts and everyone's done? No follow through?"

I'm still working through your long paper and its sequel, http://bnarchives.yorku.ca/640/), but indeed "We have tried. The onus now is on the Marxists", thinking Ikonoclast, who (as he describes his background here) has much in common with me but seems to have succumbed to Marxian dogmaticism about religion. So he's studied literature at tertiary level? That means he's never studied the economic stories and insights of Christ and G K Chesterton: never reflected that stories leave you free to learn from them or not, that humour can sweeten an otherwise bitter pill? I'll bet he's never read the catholic Burns Oates and Washbourne edition of Moore's "Utopia", which makes it obvious it is a pre-Reformation critique of an England which had already become infamous as a land where "sheep eat men"; nor is its "fictional island" setting a reason for not reflecting on the good sense of apprenticing bad boys in households where they can learn how to be good. I wonder if he has ever noticed Jungian psychology in St Paul's epistle 1 Cor 12, or the PID thesis in Dicken's Scrooge being shamed by the ghosts of the Present, Past and Future? Or considered Ruskin's universal credit suggestion in "Unto This Last" and environmental concern in the preface to "The Crown of Wild Olive"? Your long paper is eloquent on the pre-Reformation origins of capitalism, Jonathan, but have you read the social encyclicals and realised how much we Catholics agree with Marxism on the diagnosis, but are at odds about whether the cure is to be combining our power or broadcasting the shameful truth? The need here is for discussion, not dogmatism.
I've been trying, but "no follow through".

In your own paper, your exposition of Fourier Analysis shows up a deficiency in your mathematics. Although the popular version is a set of waves at different frequencies, it actually comprises two waves with a phase difference of 90 degrees, the integral of the sine wave being a cosine wave lagging and its differential a cosine wave leading. Hence PID.
I've repeatedly been over this in this blog, and I'll be happy to discuss this with you personally when I've digested your paper, but one can't fit a quart into a pint pot!

- Ikonoclast
January 12, 2021 at 4:54 am
Reply

Your question to Jonathan Nitzan is at least potentially more important that your critique of me, if that question carries technical weight. Hence, I am unsure why you placed your critique of me first. But to answer that critique, the problems seems to be (a) that I don't believe what you believe in the arena of religious dogmatics and (b) I don't read the rather quaint and largely forgotten author you read.

However, I am quite well read in the Bible, for a non-believer, having read the New Testament except some of Acts and Epistles. I've read some of the old Testament too. Genesis obviously, but like many I got lost the deserts of Leviticus. My favorite book is Ecclesiastes. It is one of the most brilliant philosophical poems I have ever read (some of it free verse at least in translation) but it does end orthodoxly of course. I was schooled in the Church of England when it comes to faith but I was later catechized at my own adult choice into the Lutheran Church. Over the course of my life I have been religiously naive (babyhood/early childood) a childish believer, a teenage and young adult sceptic/atheist, a brief re-convert willingly giving it a full try and then an agnostic thereafter. I am not unaware of the religious impulse nor unschooled in it.

My Marxian thinking started in twenties and waxed and waned. I became quite middle of the road as a mixed economy Keynesian in middle life. After that, I slowly became more radical again as I watched capitalism destroying the planet. I've probably read a lot more than you think I have read but then my reading is idiosyncratic too just like yours. Reading a lot of English poetry, I have of course read a lot of religious and mystic poetry.

More modern poems I like even though I don't believe in their paradigm are "Abt Vogler" by Robert Browning and "The Man Aainst the Sky" by Edwin Arlington Robinson. As a high school student I loved Paradise Lost by Milton but I find William Blake and William Wordsworth deeper now. I would say my reading is not lesser, just different.

Tolstoy and Tolkien (two very different authors of course) are among my favorites (and both rather unorthodox Christians in their own ways). Oh, I like T.S.Eliot and the (Unitarian) novelist Elizabeth Gaskell. I could go on and on but I won't. Don't assume I have just read Marx (if you do). :)

I'm a kind of informal, Agnostic-Existentialist-Buddhist now of the agnostic variety and I certainly don't believe in reincarnation. But I have certainly noticed how the avowed monotherists still expect everyone to believe what they believe. I don't and we need to conduct moral philosophy in areas where we can agree. I accept the Golden Rule which BTW was around before the monotheisms and exists in all major religious and ethical systems including humanism.

- davetaylor1
  January 12, 2021 at 11:57 am

  Ikonoclast, glad to hear more about what you have read, but my critique was not aimed at you: like Jonathan's tailpiece it was aimed at anglophile tertiary education. So is this blog.

  You say " I don't believe what you believe in the arena of religious dogmatics", but you can't know what I believe; and as I've previously said that that is what (on the evidence, not the fashion) I'm prepared to commit myself to. On the evidence you have just provided you don't understand that either. Nor does Craig. Catholic means "for everyone", and I Cor 12 is saying that while our capabilities and backgrounds differ, we all (even reincarnationalists?) have something to contribute. "By their fruits you shall know them".

  Do you know the story of the "reincarnation" of Catholic Social Teaching? Around 1890 the London dockers struck because they weren't reliably getting a living wage. Their employers locked them out. The dispute was settled by the Catholic archbishop, Cardinal Manning, having investigated the docker's situation, meeting up with employers and shaming them with the facts. Having told the then pope, Leo XIII, what had happened, Leo realised that this was a general problem and wrote a modern-day epistle (an encyclical letter), “Rerum Novarum”, which with his small-town background was based on land rather than an income as a family survival mechanism.(Chesterton’s humorous “three acres and a cow”). Chesterton actually went deeper than this: his “Outline of Sanity” in the year of Britain’s “General Strike” was, as I read it, less about “survival of the fittest” than about rural life teaching one how to observe and think, so mankind could survive as men rather than as docile and predatory animals.

Anyway, I’m arguing neither for the Catholic nor the Marxist way forward as the solution, but rather seeing Greta Thunburg going on strike creating an opportunity for peacemaking – for shaming the powerful rather than leaving them fearfully putting down insurrection – thereby opening their minds to the likes of Ruskin’s practical solutions.

- davetaylor1
  January 12, 2021 at 1:01 pm

  My last line may suggest “black and white” thinking, so let me correct it to “thereby opening their minds MORE to the likes of Ruskin’s practical solutions”.

  To refute your jibe about “the rather quaint and largely forgotten author you read”, the couple of hundred books by or about Chesterton I have are just one bit of my library of around 3000 books sampling the topics I didn’t learn about at school and the thought of other great minds from Socrates to beyond Feynman (hostile as well as sympathetic). I don’t assume you have only read Marx’s work, but I am ashamed to say that – apart from his rhetorically magnificent Manifesto – I have only sampled it, finding it mathematically limited.

- Craig
  January 12, 2021 at 4:53 pm

  Dave,

  My spirituality (not religion) is I Cor 13…..and its active form grace, as in love in action… logically and philosophically applied to every aspect of life including economics and the money system.

  I Cor 12 is actually a treatise on grace as in unity which as I have posted here many, many times is the thirdness greater oneness/synthesis aspect of the Christian Trinity, the dialectic, the unitary signature and phenomenon of paradigm changes, and of the discipline and mental action of Wisdom itself.

- Meta Capitalism
  January 13, 2021 at 10:03 am

  > I accept the Golden Rule which BTW was around before the monotheisms and exists in all major religious and ethical systems including humanism. ~ Ikon
  > .
  > “Hurt not others in ways that you yourself would find hurtful” (Udana-Varga, 5.18).

  .
  I know the term “monotheism” is a hot-button issue for you Ikon. What you seem not to realize, and it is common error and not an insult, is the very term monotheism is a reification of early 19th and 19th century rise of the field of religious studies of the Western world by within a certain context. Kind of like the term “Orientals” or “Orientalism.” It is complex; for example within Buddhism there is, to use your term, “monotheistic” views, teachings, and traditions. I have sat in seminars with the world’s leading Buddhist scholars and listened to

debates about these very questions. Don't get hung up on terms I guess is what I am trying to say.

.

There is the history of a Greek golden rule tradition, a Chinese golden rule, a history of the Muslim golden rule, and so it continues in many other traditions, for even atheists recognize the golden rule.

- Jonathan Nitzan
  January 12, 2021 at 11:56 pm
  Reply

  To Dave Taylor:

  Thank you for the reduced form of the Fourier Transformation, which I trust you to be correct. This reduced form seems to strengthen our metaphor regarding the way in which capitalization reduces various forms of power to a universal magnitude.

  - davetaylor1
    January 13, 2021 at 11:59 am

    Jonathan, the derivation of the Fourier Transform follows immediately from Pythagoras's theorem. Yes, in one sense the point of explaining it was to strengthen your argument, but in another it was to lead the discussion away from "Capital as Power" to what Chesterton called "Power Over", which is exercised not by force but by communication. What you wrote on Jan 10th made me wonder if you were already going there:

    "[C]apitalism should be analysed not as a mode of production and consumption, but as a mode of power. In this approach, finance is neither a reflection nor a fiction, but the symbolic language that organizes and creorders – or creates the order of – capitalized power".

    In physical terms power is what comes out of the power socket, an ability to do work, and in politics the word is used analogically. My own experimental work required keeping up with developments in electronic physics, digital mathematics, computer languages and remote control, enabling me to develop theories of mankind and economics scientifically rooted in Einsteinian physics and C E Shannon's electric circuit logic and digital communication theory rather than powerful Newtonian forces. It is easy to say the economy is a first order PID or cybernetic control system, its monetary control system a second order potentially chaotic one; but this line of thought has been developing for almost seventy years and in our culture of specialisation needs kicking around a while with !disbelief suspended" for its significance to become apparent.

11. Ikonoclast
    January 12, 2021 at 11:26 pm
    Reply

    The way I see it, Catholicism and early Protestantism (Calvinism) of the pre-elightenment and even early to mid-enlightenment eras, remained a set of brutal systems of thought-control and body-control. This was until they were finally put into retreat by humanism and scientific humanism. The Church supported and was supported by brutal post-feudal monarchist states. We just have look at the Spanish in the New World (many tens of millions of indigenous dead), the Philippines etc. and the Inquisition; or Calvin in Zurich, merrily hanging or burning people at the stake as heretics. Christianity, of those variants, only became humanized and reasonable AFTER it started losing hearts and minds to scientific humanism. Then it changed its spots (somewhat) to get back into the hearts and minds game.

This is a fairly confrontational analysis I admit. A similar analysis of Marxism can be be made in the sense that the dogmatic, authoritarian, Soviet Marxists and later the Maoists distorted Marx's body of work for their own purposes. This is just as it can very reasonably be asserted that the Churches departed in many from Christ's teachings (and/or those of his early followers and recorders).

I am not at all happy with dogmatists in religion or in political economy. They usually distort initial teachings and analysis for their own gain. Humans are inherently corruptible and easily misled. Power corrupts and absolute power corrupts absolutely. At the same time, dispensing with religion and sanctity also leads to dangers; of a kind of idolatry. Men deify themselves and sanctify pure reason, instrumental reason, empiricism, science, greed, self-interest and wealth. If religion is dispensed with we then have to make sure we do make not make religions and shibboleths of our new beliefs and our new philosophies of empirical knowledge.

- Meta Capitalism
  January 13, 2021 at 12:08 am
  Reply

  > This is a fairly confrontational analysis I admit. ~ Ikon

  .
  The problem I see with such superficial analysis isn't that it is partially true (or true to a specific time and place), but rather that it is incomplete and fails to see nuance, specificity, and the mixed bag of any given religion through time. I understand it though.
  .
  Just as followers of Marx or Christ developed teachings *about* the founders that distorted the teachings *of* the founders so too we can isolate a given bit of historical context that when viewed in isolation distorts the larger picture.
  .

  > [T]he efforts of these religious leaders [Honen, Shinran, Nichiren and Dogen] were directed primarily toward achieving a reformation of Buddhism as it existed at the close of the Heian period. Despite the apparent success that these men had in gaining a devoted following, both lay and clerical, during their lifetimes, their attempts to reform and purify Buddhism did not immediately bear fruit. To the contrary, we find in most instances that *after the death of the "founder" a common pattern emerged whereby the self-proclaimed followers venerated the founder virtually to the point of deification while ignoring or distorting his teaching and often reverting to the very type of Buddhist belief or practice that the founder had attempted to reform.* (Weinstein, Stanley, Author. Rennyo and the Shinshû Revival. In Japan in the Muromachi Age. Whitney, Hall and Takeshi Toyoda, Editors. Rennyo and the Shinshû Revival. Berkeley: University of California Press; 1977; c1977 p. 331.)
  > .
  > The same think happens across many traditions. This _of_ vs. _about_ distinction is important. I call it for lack of a better term, the Founder Syndrome.

  - Meta Capitalism
    January 13, 2021 at 12:09 am

    Screwed up the tags again … oh well …

  - Ikonoclast
    January 13, 2021 at 1:01 am

    MetaCapitalism,

I agree with your analysis in “Laughing Buddha: Jesus as Messiah.” It makes sense to me. This has taken us off course from the Bichler and Nitzan post and I am most to blame. At the same time, it illustrates the problems people face when communicating from different ontological bases.There is that base concern and disagreement about what is the foundational nature of existence and what can we know about it as opposed to just believe about it? This bubbles up into economics as a hybrid moral philosophy and empirical pragmatic practices discipline.

- Meta Capitalism
  January 13, 2021 at 2:16 am

  It is dangerous to assume to much from one sentence. Best to ask, “Whatever do you mean?” That at least is n invitation for clarification. I am guilty of same at times. No worry.

- Meta Capitalism
  January 13, 2021 at 2:35 am

  > I agree with your analysis in “Laughing Buddha: Jesus as Messiah.” It makes sense to me. This has taken us off course from the Bichler and Nitzan post and I am most to blame. ~ Ikon

  .
  Sometimes diversions are nice. You might like casting off body and mind perhaps. Or cosmic laughter and challenge and riposte.

- davetaylor1
  January 13, 2021 at 10:38 am
  Reply

  Ike, thank you for your very reasonable January 12, 2021 at 11:26 pm, likening the perversion of Marxism to that of (in particular) Christianity. I thought I had responded to this issue in the discussion on NAIRU, on January 7, 2021 at 5:21 pm: that basically the problem is in mankind rather than the teachings of the founder. In a follow-my-leader type of teaching the rot starts at the top, as has become evident with Trump. The top guy is not necessarily a bad guy but too often a follower type who does what he is told is expected of him. In the Catholic church we get a sort of democracy over time in that a succession of popes with different personalities give us effective leaders like Good Pope John and weak leaders like Pope Paul VI, who drove many Catholics out of the church by pontificating on marital ethics without consulting married people. Perhaps you may understand why I have remained a Catholic when I say again that my faith is about commitment to a faith in Christ and his teachings, being conditional on that in respect of our current leadership and accepting dogmatic forms of teaching as a necessary starting point given that we all have to grow up. A bit like the “equilibrium” doctrine, indeed. “When we were children we spoke like children, but now we are grown up it is time we started speaking [and acting] like adults”.

12. davetaylor1
    January 14, 2021 at 1:13 pm
    Reply

    Sleeping on Ike’s comments [Jan 12,13] , Meta’s response to get back to the original Bichler and Nitzan discussion of corporate power in the US, it struck me that this (usually abusive) misrepresentation of religion is another example of the fallacy of composition, like Trump trying to claim he represents the people and everyone else is communist. ‘Religion’ has become a bucket word which self-promoters can use to to abuse all respectable opposition.

Brought up as an inquisitive Catholic intrigued by my mother's etymological dictionary, I found that 'religion' (re-tying) makes sense only as a code-word for Christianity: committing ourselves in gratitude for having been set free by the truth [about debt, conveniently translated in English as 'sin' and blamed on those unfortunate enough to be in debt]. The word 'catholic' likewise represents respecting the other views dumped with its own in the linguistic bucket. The Catholic institutional position is that our views are all different – not so much not Christian as in effect not always fully Christian – even though to a superficial observer most of us (like Christians) express our teachings trans-verbally [across languages] in meaningful rituals.

Ike's monism (a label usually applied to to the philosophy of the Jewish atheist Spinoza) "refers to the view that the universe has its origin in one basic principle (e.g., mind, matter) and that its structure is one unitary whole in accordance with this principle—that is, that there is only a single kind of reality". The split between Muslims and Christians exists because Muslims believe "there is only one God, and his name is Allah", not seeing that Christians accept that, but believe in a LIVING God who (to put it simply) not only has thoughts but communicates them with words. The example I have seen recently is water, in which the same chemical substance cycles between the three forms of ice, liquid and vapour. Hence the early Christian teaching of the living God being a Trinity: there being three ways of seeing God ('personality' being a reference to a theatrical mask). Not just mind [ideas circulating] or matter, but both, with words analytically different as well. "In the beginning was the Word, and the Word was with God, and the Word was God". The point, anyway, Ike, is that I'm as much a monist as you, but my form is able to account for change as well as existence.

- Ikonoclast
  January 15, 2021 at 1:36 am
  Reply

  I like to stay within what I can empirically ascertain to a reasonable degree of certainty. This is standardly called (empirical) knowledge: that is knowledge from experience to an operable, practical and pragmatic degree of certainty. In the hard sciences, knowledge is generally held to the standard of 5-sigma probability. In everyday life we work with much less than that but usually with some evidence from experience. I attempt not to move into the realm of belief.

  Let us look at a simple systems schema which can be developed IFF (if and only if) the cosmos is monistic and material (or even just "exisent-ist rather than physical-ist). The pipe symbol (||) is used to indicate a system interface. Each system is Real (physical in standard parlance) and a sub-system of the system to its left.

  A. Cosmos || World || Human || Brain || Mind || Formal System

  The schema may also be rendered in the plural on earth as;

  B. Cosmos || World || Humans || Brains || Minds || Formal Systems

  Schema B explicitly posits systems of systems in the World (meaning on Earth). For example, we can think of a system of human brains, a system of human minds and a system of formal systems. Finally, the schema might be represented as follows, if we discarded the assumption that the Cosmos is ontologically complete and absolute;

  C. Absolute][Cosmos || World || Humans || Brains || Minds || Formal Systems

  In the case of schema C, Absolute may mean for example Christian God, Hindu Brahma or any unrevealed, un-intuited or unknown form of the Absolute. In this case, a new symbol is required, namely "][", to illustrate that this is not an interface of the same type as the others which are real system interfaces and which can transfer or share (in both directions) matter, energy and information. This new interface has unknown properties and probably unknowable properties. In turn, everything to the right of the "][" symbol should be properly regarded as sub-systems of the Absolute in that case. But "Absolutely induced Physicalism" would still posit that everything right of the "][" symbol is all physical, save perhaps for direct, infrequent Absolute intervention(s) of various kinds: so-called miracles in some theologies.

The above schema B. would necessarily posit, via strict Physicalism, that each system is a real physical system as defined by physics. Each system is a sub-system of the system to its left. A physically detectable sub-system of a real system must be a real system. This results finally in the seemingly contradictory assertion that a Formal System is a Real System. Yet this contradiction is only seeming, not actual. A Formal System is indeed also a Real System IFF the cosmos is the largest monistic real system. In this case, A Formal System is simply a special case of a real system. It is possible to demonstrate how and why it is a special case. A book, for example of Euclidean geometry, contains a Formal System yet the book physically is a real system comprised of the atoms and compounds which make paper, glue, ink and so on. In turn, the implied concept that "A Real System can contain a Formal System" can be developed out as operative via and solely via real physical processes between real physical systems.

This firm insistence on complex real system, priority monist consistency across all systems results finally in this seemingly contradictory assertion that a Formal System is also a Real System, as stated above. Yet this contradiction is only seeming, not actual. A Formal System is indeed also a Real System. It is simply a special case of a real system as stated. Real systems and formal systems are nominally and epistemologically separate but they are not ontologically separate. In a unified Physicalist ontology, the "formal system" is still a real subsystem of the larger or full real system. It is in the transmission of information both ways and in the operations on and with that information, via human agency, that we see the nominally Formal and the Real interact.

So far a, what might exist left of the "][" symbol, I refuse to speculate formally or to adopt an extant religion or metaphysic. I adopt the pragmatic statement: "I don't know and you don't know either." I am not comfortable or accepting of people telling me that they know an absolute truth AND then trying to make me accept it as well. Of course, if they do the former and don't do the latter then I am comfortable as I can tolerate them and they can tolerate me.

- davetaylor1
  January 15, 2021 at 10:10 am

  Ike, this is a really interesting analysis, but be quite clear I am not trying to force Christianity on you. I'm offering economists a form of analysis which (as it happened) Christianity has long adopted, recognising forms of circular relationship scientists only saw in the physical world relatively recently: blood and electricity localised and made useful by circulating, and change indicated by its ceasing or starting to do so

  Economists are continuing to use linear mathematics and seeing only what can be seen through such "glasses" despite mathematicians having understood for centuries that linear and circular measures are incommensurate. In response to the needs of sailors, biologists, electrical, electronic, computing and communication engineers, mathematicians developed the formalisms of complex numbers and Fourier analysis and the methodology of information science. In complex analysis, what you are seeing as physical form is only one dimension of the reality, information capacity (not meaning) being the other.

- Meta Capitalism
  January 15, 2021 at 10:47 am

  > Christianity has long adopted ~ Dave Taylor Presuming to Speak for ALL Christianity

.
You presume to speak for all Christians through all time with such a statement. You are simply wrong. You do not speak for all Christians, let along all Catholicism, in the light of historical evidence. Why do resort to such blind dogmatism Dave?

- Meta Capitalism
  January 15, 2021 at 10:50 am

  Dave, you only speak for yourself, and to claim you speak for "Christianity" is pure arrogance and ignorance in light of historical evidence. A student of religious studies 101 (beginners study) knows this simple fact.

- davetaylor1
  January 15, 2021 at 12:38 pm

  Meta, you are misconstruing me again. My emphasis was on the "long", i.e. being already there in the oldest extant Christian documentation..

- davetaylor1
  January 15, 2021 at 10:40 am
  Reply

  This from p.25 of Jonathan Nitzan's paper:

  "Conventional political economy is totally impervious to this Fourier-like transformation.
  It does recognize power, but only as an external force that distorts or assists the productive-utilitarian essence of capital. Power that does not bear on this productive-utilitarian entity – even if it has a major impact on capitalization – is considered irrelevant for 'real' accumulation. And this antiquated view of reality, we argue, leads to a dead end. Since util- and SNALT-denominated capital is a totally fictitious entity, political economists end up upholding an unworkable theory that seeks to explain a real economic entity that is not only impertinent to real capitalists, but doesn't even exist".

  - davetaylor1
    January 15, 2021 at 12:32 pm

    This from p.33 of same:

    "Human societies invented the general concept of 'power' – or
    force' in its broader sense – to denote a mover: something that causes things to change (or, alternatively, to stay the same despite the apparent impact of another mover). Change itself can be observed directly or detected indirectly: a flood, a war, the plague, a fortune being won, the ups and downs of the
    business cycle, the trajectories of heavenly bodies, the vibrations of atoms in a gas – these movements are all accessible to our senses and instruments, or so it seems. We can also observe or detect resistance to change – a tree that doesn't succumb to a storm, a wall that rejects bullets, an economy unresponsive to supply-side policies. But what we cannot observe or detect – at least not objectively and unambiguously – are the movers of these changes.

    "'Force is nothing but its effect', say its modern theorists from Kepler and Spinoza to Hegel and Marcuse. This elegant tautology, though, is too general. In and of itself, an effect never reveals, let alone unambiguously, a specific mover. The motions of the heavenly bodies, for example, taken as an 'effect', have been traced to the will of God, the inherent properties of the bodies, Newton's gravitation and Einstein's curved space, among other explanations. It seems clear, then, that when we choose a mover – whether we call it 'spirit', 'cause', 'force', ‘law’ or ‘power’ more generally – our selection is inherently speculative and open to interpretation. From this viewpoint, there isn’t – and cannot be – a single, ‘correct’ concept of power. The way we conceptualize power is always embedded in and conditioned by our broader cosmology and the structure of our society”.

This is very relevant not only to Ike’s argument but also to my own: that the same “Wheatstone’s Bridge” form of system has been successively applied to resistance relativities (a direct analogy of what Jonathan is seeing as economic control by differential constraint), cybernetic control involving power and PID information feedback systems (more or less Jonathan’s control by “hype” or advertising), and my own analysis as sets of four functionally different types of human PID systems timesharing (hence the significance of Fourier analysis). At pp.31-2, where Jonathan characterises CasP as dialectical as against Veblen being evolutionary, my arabic number form of evolution is both (being J H Newman’s “Development of Doctrine” before Darwinian) while still seeking to critique and move away from capitalism rather than support and bolster it.

- davetaylor1
  January 15, 2021 at 4:06 pm

  This from p.36 of same (all of which I’m finding fascinating):

  “The CasP conception of social power is totally different. As noted, power in our view is not a stand-alone entity or resource, but a quantitative relationship between entities; a relationship that, in its most elemental form, represents the ruling class’ confidence in the obedience of the ruled. The rulers try to impose their rule against their subjects’ resistance – resistance to them as concrete rulers, and occasionally resistance to their very system of rule. And the degree to which the ruling class is confident in being able to withstand and overcome this resistance is what we call power.85

  “85. [The note is memorable]. The opposing sides of this dialectic are narrated in two sixteenth-century texts: Machiavelli’s The Prince (1532), a universal how-to guide for the power-hungry ruler; and de La Boétie’s The Politics of Obedience (1975), a forgotten brilliant essay about subversion and resistance in the name of human autonomy”.

  I’ve ended up with “power hunger” being a carry over from “pecking orders” and “top dogs” in animal behaviour, with human elders free to advise as well as dominate family members still preoccupied with raising children. At the time I was introduced to Machiavelli I was raising five children, so promotion in pursuit of higher wages was an issue. But I also discovered Sir Francis Bacon saying “He who hath wife and children hath given hostage to fortune”, and Gordon Rattray Taylor’s “Rethink” already following our “save a disintegrated world” agenda in 1971. As children grow up there can be times when dominance is needed as well as encouragement and advice, but having to choose between being human or merely animal pushed me towards Aristotle’s generic definition of economics as household management: his chrematism in its capitalist form being based on animal spirits and bad advice.

13. Ken Zimmerman
    January 20, 2021 at 12:35 pm
    Reply

    Power is commonly seen as the ability to influence the decision making of the other. Max Weber attempts to be more specific. Weber defined power as the chance that an individual in a social relationship can achieve his or her own will even against the resistance of others. This is an overly broad definition and includes a very wide range of types of power. To make this definition more useful in the study of history and society, Weber suggests domination as an alternative, or more carefully defined concept. Weber defines domination "as the probability that certain specific commands (or all commands) will be obeyed by a given group of persons" (Weber, Economy and Society: An Outline of Interpretive Sociology, p. 212) In Michel Foucault's term (Power, 1983) power is a 'set of actions upon other actions.' He also argues that "Power is employed and exercised through a net-like organisation. And not only do individuals circulate between its threads; they are always in the position of simultaneously undergoing and exercising this power. They are not only its inert or consenting target; they are always also the elements of its articulation. In other words, individuals are the vehicles of power, not its points of application." (Foucault, 1980 in power/knowledge). In turn power influences the behavior of the other. Major anthropological descriptions of the dynamics and institutions of power have until recently had a markedly Western bias (an oversight continued by Bichler and Nitzan). Thus, other systems of power often have been described as alternatives or variations of those found in Western industrial contexts. Major issues informing the direction of research appear to have been influenced by the problem of order, as first laid out by Thomas Hobbes (1651) in his discussion of the need for the state. A focus many economists share even more emphatically. Undoubtedly, the centrality of this question for early anthropologists and for economists is related to the imperial dominance of the West and the development of anthropology and economics in such a context. An early and important focus of anthropological inquiry concerned so-called "stateless societies." Evans-Pritchard's classic study of the Nuer (1940) became the model for such investigation and demonstrated that the forces located in kinship and other social processes obviated any necessary need for the state in the promotion of order. Evans-Pritchard implied that state forms are a potential, given certain historical conditions such as invasion, colonial conquest, or large scale civil war of non-state systems.

One area important for anthropologists is institutional power. It should also be important for economists but currently is not. Those undertaking such work must engage the debates formulated within sociology about structure and agency. C. Wright Mills (The Power Elite, 1956) argued persuasively that social stratification and hierarchy are vehemently maintained by the 'power elite,' those who, between themselves, mobilize the power to transcend 'ordinary' social environments and make decisions that pertain to the lives of people they will never meet, in nations they might never visit. This kind of structural analysis can be seen, for example, in anthropological studies of the itinerant power of transnational corporations. Class analysis has been used by anthropologists to study inequality in many social contexts, not all of them industrialized (see, McGuire and Paynter 1991). Anthropologists have also argued that class analysis has its limits, especially in contexts where exploitation is multidirectional, and have been drawn to reformulations of historical materialism, as in Giddens's theory of structuration—in which 'power is regarded as generated in and through the reproduction of structures of domination' (Giddens 1981:4), across time and space, whether those structures of domination rely on the allocation of material resources (as emphasized by Marx and some mainstream economists today) or on, for example, information and surveillance, or transactional politics.

There are many other important concerns about stratification and hierarchy investigated by anthropologists on which economists focus too little or hardly at all.

14. J. Nitzan
January 20, 2021 at 4:38 pm
Reply

To Ken Zimmerman (January 20, 2021 at 12:35 pm)

Regarding our notion of power, below is a short segment (less the footnotes) from our 2020 invited-then-rejected interview with Revue de la regulation http://bnarchives.yorku.ca/640

***

QUESTION 15. So power in your approach is both the means and the end of accumulation, and capitalists leverage power to increase it further for its own sake. But what exactly do you mean by power? Also, in your work you refer to different 'modes of power'. How do these modes of power relate to your concept of power?

ANSWER. To reiterate, we have argued that in capitalism power is a quantitative relationship between entities, and that the key gauge of this power is differential capitalization. In our view, this differential capitalization represents confidence in obedience – the confidence of the ruling class in the obedience of the ruled. And the reason is as follows.

Human societies invented the general concept of ‘power’ – or ‘force’ in its broader sense – to denote a mover: something that causes things to change (or, alternatively, to stay the same despite the apparent impact of another mover). Change itself can be observed directly or detected indirectly: a flood, a war, the plague, a fortune being won, the ups and downs of the business cycle, the trajectories of heavenly bodies, the vibrations of atoms in a gas – these movements are all accessible to our senses and instruments, or so it seems. We can also observe or detect resistance to change – a tree that doesn’t succumb to a storm, a wall that rejects bullets, an economy unresponsive to supply-side policies. But what we cannot observe or detect – at least not objectively and unambiguously – are the movers of these changes.

‘Force is nothing but its effect’, say its modern theorists from Kepler and Spinoza to Hegel and Marcuse. This elegant tautology, though, is too general. In and of itself, an effect never reveals, let alone unambiguously, a specific mover. The motions of the heavenly bodies, for example, taken as an ‘effect’, have been traced to the will of God, the inherent properties of the bodies, Newton’s gravitation and Einstein’s curved space, among other explanations. It seems clear, then, that when we choose a mover – whether we call it ‘spirit’, ‘cause’, ‘force’, ‘law’ or ‘power’ more generally – our selection is inherently speculative and open to interpretation. From this viewpoint, there isn’t – and cannot be – a single, ‘correct’ concept of power. The way we conceptualize power is always embedded in and conditioned by our broader cosmology and the structure of our society.

In our day and age, most students of society, heterodox as well as orthodox, tend to follow Max Weber’s notion of social power as a ‘resource’, something like a ‘stock of energy’ that can mobilize things. When this resource is distributed more or less evenly between the relevant social entities, it is often manifested as ‘power to’. When it is distributed unevenly, it tends to appear as ‘power over’. For example, the economic stock of ‘real capital’ endows its owners with the power to do things (produce, innovate, mobilize resources for the good of society) as well as control others (by monopolizing industry, cornering the market, exploiting workers, bribing politicians, etc.). And we can say the same about other, extra-economic ‘sources of power’ – such as political power, military power and ideological power, to name a few. Each of these sources of power, goes the argument, can mobilize society as a whole, or pit some of its elements or subsystems against others.

The CasP conception of social power is totally different. As noted, power in our view is not a stand-alone entity or resource, but a quantitative relationship between entities; a relationship that, in its most elemental form, represents the ruling class’ confidence in the obedience of the ruled. The rulers try to impose their rule against their subjects’ resistance – resistance to them as concrete rulers, and occasionally resistance to their very system of rule. And the degree to which the ruling class is confident in being able to withstand and overcome this resistance is what we call power.

Now, on the face of it, this definition may seem awfully subjective. It isn’t. Confidence-in-obedience-read-power represents the collective mindset of the ruling class. It is not a mere assortment of individual opinions, oddities, illusions and delusions, but the rulers’ common assessment and understanding of their shared reality. Of course, the rulers, even as a group, often are misinformed or misjudge their situation, sometimes by a lot. But these misperceptions – which usually arise in the context of significant change – rarely last for long. Sooner or later, they are incorporated into the ruling class’ collective understanding and alter their confidence in obedience – either up or down. To persuade yourself that this is indeed the case, just think of how long it took Belshazzar, King of Babylon, to realize that his rule had ended, the French monarchy to succumb to the French Revolution and the Soviet ruling class to realize their communist regime had collapsed.

Moving from the general to the specific, the concrete appearance of confidence in obedience varies significantly over time and across societies. To understand this variance, we tentatively suggest that society's 'concepts of power' (COP) are intimately bound up with its 'mode of power' (MOP), and that the specific ways in which the rulers conceive, assess and measure their power are deeply intertwined with the concrete ways in which they creorder their societies. In this sense, we might say that concepts of power (COP) and modes of power (MOP) are fused as singular COP-MOP bundles.

Our work on this subject examines and compares, if only briefly and provisionally, three general COP-MOPs: the empires and city states of the ancient river deltas, feudalism and capitalism. The examination is dialectical in that it explores the specific relations of, conceptions of and resistance to power in each COP-MOP; the features that make these conceptions-relations persist; and the reasons why they eventually disintegrate or capitulation to a new COP-MOP.

Our starting point, mentioned earlier in the interview, is Lewis Mumford's imaginative notion of the megamachine. According to Mumford, the first machines were not material, but social. They comprised large-scale, complex hierarchical structures – hence the prefix 'mega' – and they fulfilled Franz Reuleaux's classic definition of a machine as 'a combination of resistant parts, each specialized in function, operating under human control, to utilize energy and to perform work'. These megamachines differed from subsequent, material machines in that they were made not of physical cogs, but of human beings.

The first megamachines, Mumford argues, emerged in the ancient river deltas of Mesopotamia and Egypt some time in the fifth millennium BCE, and then appeared, often independently, in other parts of the world. Their material output – from irrigation systems and public works, to large bureaucracies and standing armies, to palaces and megalomaniacal graves – was phenomenal. But this output was a means to an end. The ultimate goal of the megamachine, says Mumford, was power for its own sake. It was power that demonstrated – to others, but mostly to the rulers themselves – that they, the rulers, were omnipotent. That their mastery over nature and humans annulled their Gilgameshian fear of death. That they, just like the gods, were immortal.

In our view, this quest for immortality and the megamachine that demonstrates it characterize all COP-MOPs. All COP-MOPs, we argue, are driven by power for the sake of power. And they all create mechanized hierarchies to achieve, sustain and, most importantly, augment that power. These are the similarities. The differences concern, first, the depth, breadth and flexibility of their hierarchies; and second, the symbols – particularly the concepts of power – that give those hierarchies their particular shape and hold them together.

If we are to offer a very rough outline of these differences, we could say, again tentatively, that the ancient MOPs had deep hierarchies; that these hierarchies were relatively rigid; and that their COPs, tied mostly to threatening religious hierarchies, were largely 'magical' (or, as Ulf Martin points out, that the concepts of power and the divinities they represented were the same). By contrast, the feudal MOPs had shallower but more flexible hierarchies, and their COPs, although still sanctified by menacing religion (more in Europe, less so in Japan), were largely 'ontological', representing land, knights, serfs and plenty of physical destruction. The capitalist MOP surpasses both in that its hierarchies have far greater breath and depth and are infinitely more flexible, and in that its key COP – the differential capitalization of power – is a secular, 'operational' symbol (a symbol that constitutes and creorders reality).

The greater breadth, depth and flexibility of the capitalist MOP has much to do with its radically different COP. All rulers need quantitative yardsticks to help them formulate, assess, express and impose their confidence-in-obedience-read-power. There are many such yardsticks – from the size of their land and its yield, to the number of people under their control, to their military might, their precious stones and metals and the gifts their receive – and the key point here is that, in general, the units of these yardsticks tend to differ from each other. They are incommensurate. In and of themselves, they cannot be compared and aggregated, which means that their totality – and by extension, the rulers' assessment of their overall power – is difficult to formulate.

Capitalism is the only MOP to remove this barrier. Its main COP – the forward-looking differential capitalization of power – is a pure universal number, comparable throughout the space-time of capitalism. It quantifies power in the very same way for all entities, in all capitalist societies and at all points in time. Furthermore, and crucially, it helps capitalists project and assess their future power – and in so doing allows them to strategize and act in a seemingly universal, rational fashion, something that the rulers of the ancient and feudal COP-MOPs could not even fathom. In our view, it is this universal conception of power, perhaps more than anything else, that enables capitalists to built taller, broader and more flexible hierarchies than those of any other historical COP-MOP.

Continue reading: http://bnarchives.yorku.ca/640

15. Ken Zimmerman
January 24, 2021 at 4:53 pm
Reply

Thanks for the interview copy. It is interesting. I can understand why the editors ultimately rejected it.

Anthropologists begin with only two fundamentals. That humans have relationships with the things around them, both human and nonhuman (e.g., mountains, forests, lakes, pixies, gods, etc.). And that humans perform their lives based on the relations in which they are and have been involved. Humans create themselves, as pointed out long ago by British anthropologist Gordon Childe. There is no 'human nature.' Only the natures that humans create in this way. If humans do not do the work, there is no human nature of any sort. Regarding the topics here, capitalism and power, humans create them as well. It is part of the work of economic anthropologists to reveal and describe this creation process.

While open and uncertain, the performance process did lead to some commonalities among most humans of which we have knowledge. First, humans created 'sociality.' The notion or concept that humans should live in groups in which their lives are intertwined and the members of the group share common beliefs, norms, and values that while not fully coercive on the members placed their beliefs and ways of life on very similar pathways. It seems likely we know little of humans who did not adopt the community path because most such humans did not survive to reproduce. It also appears that most human groups created a religion or religions, a concept of knowledge, and a concept(s) of a good life. All these creations anthropologists summarized with the notion of culture with the patterns of interactions formed from the culture referred to as society. Culture and society can range from the rather simple and straightforward hunter-gatherer to the complex of the 21st century. The earliest human socio-cultures were likely kinship-based. Becoming more remote and varied as humans made and remade themselves again and again.

The culture of capitalism rejects actively most of what I just wrote. Anthropologist Richard Robbins points out the culture of capitalism is devoted to encouraging the production and sale of commodities. For capitalists, the culture encourages the accumulation of money; for laborers, it encourages the accumulation of wages; and for consumers, it encourages the accumulation of goods. In other words, capitalism defines sets of people who, behaving according to a set of learned rules, act as they must act. And as with most cultures those who live within it cannot see it size or shape and often 'take-for-granted' that it is the best possible culture.

But as with any culture, there is nothing natural or inevitable about capitalism. People are not naturally driven to accumulate wealth. There are societies in which such accumulation is discouraged. Human beings do not have an innate drive to accumulate commodities; again, there are plenty of societies in which such accumulation is discouraged. People are not driven to work; in fact, contrary to popular notions, members of capitalist culture work far more than, say, people who live by gathering and hunting (see, e.g., Schor 1999). How does culture, as anthropologists use the term, encourage people to behave in some ways and not in others? Specifically, how does the culture of capitalism encourage the accumulation of money, wages, commodities, and debt? How does it, in effect, encourage perpetual growth and what amounts to perpetual change?

The answer is culture. It is not easy to describe the effects of culture on people's lives; anthropologists have noted that culture consists of all learned beliefs and behaviors, the rules by which we order our lives, and the meanings that human beings construct to interpret their universes and their places in them. Yet, using these abstract descriptions, it is difficult to understand how pervasive our culture can be in determining our view of the world and our actions in it. Every society has its agents, those individuals who are given or who take responsibility for representing the universe to others and who have the power to define those elements that are essential for others in locating and defining their identities. Capitalism's agents are everywhere, reaffirming the vision of abundance central to the consumers' view of the world. Marketing specialists, advertisers, government agents, corporate public relations specialists, entertainers, and journalists, create a vision of the world designed to maximize the production and consumption of goods. They have helped to create a culture in which the prime elements are commodities and in which the consumer's first duty is to buy (or "Shop till you drop," as a popular bumper sticker advises). It is a culture in which virtually all our everyday activities—work, leisure, the fulfillment of social responsibilities, and so on—take place in the context of commodities, and in which shopping, serves as a therapeutic activity. These agents construct for us a culture in which at one time or another every individual assumes the identity of consumer. The question we need to explore first is, how was the universe of the consumer and the consumer her- or himself created? And next how were people convinced to sign on?

This is a complex story. Here are a few examples of how a world made up solely of consumers, laborers, and capitalists was created and spread.

But we need to keep in mind these conditions. First, every actor is really an actor-network. Each actor is a history of associations and experiences. And the details of those associations and experiences is always important. That is the case whether the actor is biological person or a non-biological actor such as a government, corporation, religion, etc.

Second, we need to consider the complexities of power, authority, etc. What forms of power and authority exist in a culture. More fundamentally, what are the differences between power and authority. What is legitimate vs. illegitimate power and authority. Etc.

Third, sociality, living as a community among humans has and can take many forms in human history. From kinship network to corporation. But they all are a home for humans.

Finally, we need to consider that most of the examination of power and authority in anthropology is directly or indirectly involved with stratification and creation of hierarchies within societies.

The consumer did not appear full blown in the early 20th century US. Mass consumption of certain goods —notably addictive substances such as tobacco, opium, rum, gin, coffee, and tea—likely stimulated the Industrial Revolution and even Europe's colonial domination of Asia, Latin America, and Africa (see, e.g., Trentmann 2016). This consumption also defined the methods by which later commodities were produced, distributed, and consumed (see, e.g., Trocki 1999). But, since these items were physically addictive and required little marketing, merchants generally paid little attention to how these and other goods were advertised or displayed, if when people needed their products, they would buy them. It was this attitude in the US of a century ago that was to undergo a profound change.

However, this change was helped along by new marketing interests. In fact, the culture of 19th century America emphasized moderation and self-denial, not unlimited consumption. People, workers in particular, were expected to be frugal and save their money; spending, particularly on luxuries, was seen as "wasteful." People purchased only necessities—basic foodstuffs, clothing, household utensils, and appliances—or shared basic items when they could. If we look at a typical inventory of the possessions of an American family of 1870-1880, we
find a pattern noticeably different from that of today. In 1870, 53 percent of the population lived and worked on farms and produced much of what they consumed. One Vermont farmwife recorded making 421 pies, 152 cakes, 2,140 doughnuts, and 1,038 loaves of bread in one year (Sutherland 1989:71).

Household items were relatively simple—a dinner table, wooden chairs, beds, and perhaps a carpet or rug. There were a few appliances to aid housework—cookstoves, eggbeaters, apple parers, pea shellers, and coffee mills—but
most other housework required muscle; even hand-cranked washing machines were not available until the late 1870s. Although most people, except the poorest or most isolated families, did buy some readymade clothing, most of the items people wore were made at home and were largely functional. Furthermore, because the vast majority of American families lived on farms, most of the family capital was invested in farming tools and implements. There were, of course, exceptions. The wealthy members of society competed with one another in the ostentatious display of wealth and luxury, as they had for centuries. But they represented a small percentage of the population.

Of course, Americans did not yet have electricity, the automobile had yet to be invented, and the money supply was far more limited than it is today. Nevertheless, to transform buying habits, luxuries had to be transformed into necessities. In America, this was accomplished largely in four ways: a revolution in marketing and advertising, a restructuring of major societal institutions, a revolution in spiritual and intellectual values, and a reconfiguration of space and class.

For me, the most interesting of these changes is 'The Transformation of Spiritual and Intellectual Values.' This involved changes from an emphasis on such values as thrift, modesty, and moderation toward a value system that encouraged spending and ostentatious display. T. J. Jackson Lears argues that, from 1880 to 1930, the United States underwent a transformation of values from those that emphasized frugality and self-denial to those that sanctioned periodic leisure, compulsive spending, and individual fulfillment (Lears1983). This shift in values, writes Lears, was facilitated in American life by a new therapeutic ethos, an emphasis on physical and psychological health. This shift was promoted in part by the growth of the health professions and the popularity of psychology, along with the increasing autonomy and alienation felt by individuals as America ceased being a land of small towns and became increasingly urban. Advertisers capitalized on these changes by altering the way products were advertised, rather than emphasizing the nature of the product itself, they began to emphasize the alleged effects of the product and its promise of a richer, fuller life. Instead of simply being good soap, shoes, or deodorant, a product would contribute to the buyer's psychological, physical, and/or social well-being (Lears 1983:19).

Clothing, perfumes, deodorant, and so on would provide the means of achieving love; alcoholic beverages would provide the route to friendship; and the proper automobile tires or insurance policy would provide the means of meeting family responsibilities. Commodities would be the source of satisfaction and a vital means of self-expression. Ponder, for example, the following description by a forty-year-old man of the relationship between himself and his expensive Porsche:

Sometimes I test myself. We have an ancient, battered Peugeot, and I drive it for a week. It rarely breaks, and it gets great mileage. But when I pull up next to a beautiful woman, I am still the geek with glasses. Then I get back into my Porsche. It roars and tugs to get moving. It accelerates even going uphill at 80. It leadeth trashy women… to make pouting looks at me at stoplights. It makes me feel like a tomcat on the prowl Nothing in my life compares—except driving along Sunset at night in the 928, with the sodium vapor lamps reflecting off the wine-red finish, with the air inside reeking of tan glove-leather upholstery and the … Blaupunkt playing the Shirelles so loud that it makes my hairs vibrate. And with the girls I will never see again pulling up next to me, giving the car a once-over and looking at me as if I was a cool guy, not worried, instead of a 40-year-old schnook writer. (Belk 1988:148)

In the late 19th century, a series of religious movements emerged that became known as mind-cure religions. William James, in his classic 1902 book Varieties of Religious Experience, drew attention to the mind-cure movements, although he was not the first to use the term. These movements—New Thought, Unity, Christian Science, and Theosophy, among others—maintained that people could simply, by an act of will and conviction, cure their own illnesses and create heaven on earth. These movements were, as William Leach (1993:225) put it, "wish-oriented, optimistic, sunny, the epitome of cheer and self-confidence." Absent were sin, darkness, and evil; it was all sunshine and health.

These movements held that salvation would occur in this life and not in the afterlife. Mind cure dismissed the ideas of sin and guilt. God became a divine force, a healing power. Proponents argued that Americans should banish ideas of duty and self-denial. As one early twentieth-century advocate put it:

If you want to get the most out of life, just make up your mind that you were made to be happy, that you are a happiness machine, as well as a work machine. Cut off the past, and do not touch the morrow until it comes, but extract every possibility from the present. Think positive, creative, happy thoughts, and your harvest of good things will be abundant. (Success Magazine 1903)

These new religions made fashionable the idea that, in the world of goods, men and women could find a paradise free from pain and suffering; they could find, as one historian of religion put it, the "good" through "goods."

Popular culture also promoted the mind-cure ideology. As examples, there were L. Frank Baum's The Wonderful Wizard of Oz, which Leach characterizes as "perhaps the best mind cure text ever written," and the Billikens doll, a squat Buddha-like figure, sometimes male and sometimes female, that represented the "god of things as they ought to be." Its success was without parallel in the toy trade and helped ignite the doll craze in America. Billikens, it was said, would drive away petty annoyances and cares. One contemporary put it this way: "An atmosphere of gorged content pervades Billikens. No one can look at him [or her] and worry."

The popularity of the Billikens doll signaled change in spiritual values. It was now permissible to seek self-fulfillment in this life and find elements of satisfaction in manufactured commodities. The world was a good place: There was no misery; poverty, injustice, and inequities were only in the mind. There was enough for everyone.

These changes were not unique to America. Many of the same changes have occurred in other nations, most notably Great Britain, Germany, and France (Carrier 1995), and all over the world. The consumer revolution of the early 20th century toys are a direct descendent of the century that was not the first of its kind either—but it evolved with great intensity and Billikens doll, a figure designed to hurry in America.

Thus, by the 1930s, the 'consumer' as a category of person had, as Lizabeth Cohen (2003) points out, replaced the "citizen," adopting a spiritual and intellectual framework that glorified the continued consumption of commodities as personally fulfilling and economically desirable—a moral imperative that would end poverty and injustice. A moral imperative that remains in place in the 21st century. Even in the face of multiple economic downturns, the resurgence of Fascism in the nation, and a raging pandemic. Consumerism is an all-American value now.

- J. Nitzan
  January 24, 2021 at 6:18 pm
  Reply

  Ken, can you tell us why you think the Revue de la regulation rejected the interview?

  - Ken Zimmerman
    January 25, 2021 at 8:51 am

    Shimshon and Jonathan, thanks for the question. I will keep this short. No reason to beat a dead horse. Three things lead me to conclude that I am not surprised the interview was rejected. First, it is a bomb factory. I stopped counting at 30 but there are dozens of bombs in this interview. By bomb I mean statements that tend to elicit an attack and defend response from most economists, mainstream and otherwise. In fact, some of the bombs seems to be an attack on all social scientists who regularly ignore power's integrated dominance of peoples' lives and welfare. Even reformers are taken down, hard. It seems your claim is that all or nearly all current relationships, institutions, and academics are primarily decided based on power differentials. You do not seem to consider what this does to subject matter research and researchers in economics and other areas.

Second, your approach to critique is arrogant, if not all together dismissive. You seem to see no redemption for any current social science work or social scientist. All are complicit in hiding the truth, or at least pretending it is not there. You do not seem to search for or even admit the possibility that there is any room for compromise or working cooperatively toward a rapprochement. Sounds to me like a declaration of war. There is little doubt that capitalism like other economic arrangements involved some level and forms of organized power. The question is how much and what forms. Each culture and society must be considered on its own. General statements such as you make may be useful beginning points. But some hard work is needed to do the research to get at specifics and then to work out what those infer in terms of policy actions.

Third, while I agree with many of your points, the theory you suggest just will not work where humans are concerned. It will not even work where anything other than theories are involved. Just as there are many (a near endless choice) of theories that fit a given set of facts, so the facts will always overflow any theory applied to them. It is clear then that no one theory or perspective can explain or fix all the points you lay out. Power is not a single cloth. It has many shades and subtleties. You need to consider this before setting up your version of 'power' as the foundation of capitalism. For example, use of political physical violence is increasing in the west. Mostly to support Fascism, not the kind of capitalism common in the US and the rest of the west. Which begs the question what form or forms (mode) of power are employed to power capitalism. In the multiple cracks in the differential or relative performance power you describe are literally hundreds of other forms of power, legitimate and non-legitimate which in many instances may shape outcomes more than the supposed dominant power you describe. In some instances, may be the ultimate factor in final results. After all, the list of possibilities is endless. Simple things like madness, rage, lust, and revenge are not off the table. Nor are hate or fear. And we should not forget greed. If all these seem not to fit because they are 'irrational,' I remind you humans are not rational. I sometimes wonder if humans did not invent rationality to pretend they are something they are not. Then there is simple theft. And stupidity. And indolence. And not to be overlooked dozens of forms of errors, mistakes, and misunderstandings. Marx attempted to use one theory to explain capitalism. It did not work for him. Why would it work for you? You have identified some important insights and many concerns that require work above and outside any theory. Work on those would in my view be more beneficial for all the people stuck in economic and other arrangements they do not understand, cannot control, that hurt them, and from which they can see no escape. Help with those concerns is needed.

I hope this is useful for you.

- J. Nitzan
  January 25, 2021 at 8:54 pm

  Thank you Ken for the useful answer (January 25, 2021 at 8:51 am).

  1. Bomb factory

  CasP is a radical, non-economic alternative to the study of capital.

  Marxists see capital as an economic entity counted in 'real', backward-looking units of socially necessary abstract labour. Neoclassicists also conceive capital as an economic entity measured in terms of the 'real' utils it generates. CasP is different from both in considering capital not as a 'real' economic entity of production/consumption, but as a forward-looking financial entity, expressed as a pure ratio, that represents organized social power imposed against opposition.

This alternative point of departure makes CasP fundamentally different from conventional political economy, both heterodox and orthodox. And this fundamental difference is bound to produce bombs — many more than the 30 you have counted. Rejecting bomb-loaded research is useful in keeping one's discipline safe. That's hardly new. But novel science generates bombs, and in the longer run these bombs tend to be effective.

2. Arrogance

As I mentioned several times on this blog, we've often been blamed for failing to 'build bridges'. Perhaps. But note that almost every piece of CasP research critically engages with neoclassicism and Marxism, in detail as well as in broad generalities. That couldn't be said about neoclassicists and Marxists. They ignore CasP almost completely.

More concretely, we have never argued that political economy does not deal with power. It deals with it plenty. But most aspects of power in political economy are *external" to capital proper. Power either abates capital (in the util case), or aids it (in the socially necessary abstract labour case) – yet it does so almost always from the *outside*. This feature of political economy isn't due to the malice or negligence of individual political economists. It's due to their basic approach. And this bomb isn't going away, regardless of BN's arrogance.

3. The many forms of power

This last point of yours is puzzling for two reasons.

First, you argue that there are endless forms of power, some of which are turned against capital and many of which are unrelated to capital. This claim is correct. But why do you think it undermines let alone refutes CasP? As you know, CasP argues not that *all power is capital*, but that *all capital is power*. That's a big difference. According to CasP, capital shapes many forms of power and internalizes many that it does not control – including those that are turned against it. Using forward-looking differential discounting, capitalists reduce many qualitatively different forms of power – including those that resist capital — to quantitatively universal differential capitalization. A lot of CasP research has been done on this quality-to-quantity conversion.

Second, if I read you correctly, you seem to think that the study of capital should thrive on differences rather than generalization. That we can learn much more by looking at the endless pixels of power than by trying to figure out the vector graphics that generate and shape those pixels. In my humble opinion, this recommendation – if that is indeed your view — reverses the direction of science.

I hope this note is not counted as a bomb.

- Ken Zimmerman
  January 26, 2021 at 2:31 pm

  I am just noting that the usual reaction to bombs is to condemn them and attack them. Not exactly a way to begin a dialogue.

  I myself have a rather abrasive approach to discussion. Which I have attempted to ameliorate with only limited success. So, I often come off arrogant. It has led to more than one pointless fight. Since I have direct experience here, I thought I would point it out to you.

On the first part of the last point, I believe you are incorrect. All capital is not power. Some capital is used to mitigate capital used as power. Then there is the question of how capital as power is used generally. To improve human life or harm it. We might call the former legitimate and the latter illegitimate power. This changes the relationship between capital and power, in my view. I will have to study the differential accounting you mention, as this is the first I have heard of it. Perhaps this will moot at least part of the critique here. But even muted I find it difficult to believe that any technique invented by humans is effective enough in most let alone all instances to internalize and reverse every other form of power that stands against it. Humans have never show that level of effectiveness.

On the second part of the last point. I believe it fulfils science to examine how humans create themselves, their ways of life and how it all fits together. Heraclitus a 6th century BCE Greek philosopher reminds that nothing is constant except change. His most famous quote is, "No man ever steps in the same river twice, for it's not the same river and he's not the same man." There is limited space to reduce human culture to general principles that transcend time and place. Humans continue to reinvent themselves. That is why it is important to focus on this work humans perform. The "endless pixels of power" you call it. Otherwise, we miss most of what is important for humans.

Thanks for your reply.

- J. Nitzan
  January 26, 2021 at 6:13 pm

  Ken, in reply to your comment from January 26, 2021 at 2:31 pm

  1. "All capital is power" – you argue that this claims isn't true.

  To briefly reiterate CasP's view on the subject, we look at the differential capitalization of an entity Kd as determined by its differential future earnings Ed, differential hype Hd and differential risk Rd, such that:

  Kd = Ed x Hd / Rd.

  We then argue that each of the three differential determinants on the right are expressions of power and that, consequently, the differential capitalization they give rise to is also an expression of power.

  Part III on Capitalization in our 2009 book "Capital as Power" explains our argument in detail. If you ever read it, we can debate it further. http://bnarchives.yorku.ca/259/

  2. How to understand power: pixels versus vector graphics

  The CasP argument is not that the details of power are unimportant or unchanging, but that, to understand them, we need to generalize. The map is always smaller than the territory. Also, and equally importantly, this is what hierarchical power – including the hierarchical power of capital – tries to do: namely, to generalize the power structures it creates.

  As Ulf Martin shows, this attempt to generalize power generates an "autocatalytic sprawl." The generalized imposition of power creates its own resistance, and therefore can never be "complete" and always remains in flux. But the generalization process is there. http://bnarchives.yorku.ca/606/

- Craig
  January 26, 2021 at 9:26 pm

Jonathan, It seems to me that the conclusion of your analysis is valid in that it is "on to" what the next zeitgeist must be. Indeed the current zeitgeist is power and control. The next one needs to be a concept that encompasses the obvious necessity for power and control and yet exceeds it in ethical sensitivity. That concept is the most unitary and ethical concept of grace which is simply love in action. Grace of course is not just some namby-pamby niceness, but the pinnacle concept of wisdom which is the rigorous mental and practical discipline valued by humans since they became self aware.

As it can be objectively and philosophically observed that every historical paradigm change has been accomplished by applying an aspect or aspects of the natural philosophical concept of grace it follows logically that the various aspects of that concept applied to the pattern of economics is a necessary and deeply progressive prelude to a change of zeitgeist.

- davetaylor1
  January 24, 2021 at 9:45 pm
  Reply

  "Humans create themselves, as pointed out long ago by British anthropologist Gordon Childe. There is no 'human nature.'"

  So humans created the split brains which differentiate them from other social animals and enabled them to (as Ikonoclast puts it) "use language"? I don't think so.

  - Ken Zimmerman
    January 25, 2021 at 7:39 am

    Dave, this is Childe's answer.

    In particular, in an attempt to explain, even briefly, the rise of agriculture, the foundation of States, or the growth of sciences, it was found unnecessary to invoke peculiar psychological endowments, inherited along with bodily characteristics by the human groups active in those directions. A popular theory attributes an innate "capacity for leadership" to a hypothetical "Nordic race." It would have been easy to "explain" in this way the progress of mathematics in Babylonia as due to a "mathematical talent" inborn in Sumerians or Semites. ("The Egyptians' genius for … "is all too often mentioned in quite serious works.) But such a procedure would not have been scientific explanation. In practice it is only a restatement in pompous language of the fact that some Sumerians were actually good accountants. At best it might mean that some inexplicable and undemonstrable mutation in the germ plasm of hypothetical ancestors, transmitted to the Sumerrans, produced a brain and nervous system that facilitated the processes of reckoning.

    High-sounding terms that give confusion the semblance of logic and undemonstrable postulates have alike been avoided here. We have instead tried to show how certain societies in the process of adjusting themselves to their environments were led to create States and mathematical sciences by applying
    distinctively human faculties, common to all men. Under certain conditions, a State and mathematics were necessary to enable men to live, prosper, and multiply. No change in germ plasm, introduced by unknown non-human agencies, had to be assumed.

    At the same time, the achievements we have sought to explain were not automatic responses to an environment, not adjustments imposed indiscriminately on all societies by forces outside them. All the adjustments we have considered in detail were made by specific societies, each with its own distinctive history. In the course of its history, the society had built up traditional rules of behavior and a stock of craft lore or practical sciences. It was the application of these rules and sciences to the particular environment that determined the form of the adjustment under examination. (V. Gordon Childe, Man Makes Himself, 187-188)

- Craig
  January 25, 2021 at 4:43 pm

  Ken, You are of course right that humans create their own realities. It's also true that their abstract proclivities often blind them to basic realities that recognized would enable them to resolve problems and vastly un-complicate their lives.

  One such basic reality is that the MOST BASIC nature and reality regarding money is that it is created, destroyed, distributed and controlled by the discipline of double entry bookkeeping/accounting. Basic, MOST basic realities, by nature lend themselves to most basic changes. This is simply logic and as it turns out temporal universe and scientific truth. This is why the policies of a 50% Discount/Rebate at both retail sale and the point of note signing are so basic and paradigm changing. In other words they mimic the BASIC accounting function of equal debits and credits summing to zero. Debt jubilees down through history have consciously or unconsciously utilized this basic accounting function to end problematic social situations as David Graeber and Michael Hudson have researched and enlightened us about. Likewise, due to cultural unconsciousness and dominance for-profit finance has blinded we moderns from considering using that option in an even more effective and ongoing fashion with the above two policies.

  I'm not here to de-bunk anyone's legitimate research or opinions. In fact I have continuously affirmed the truthfulness of heterodox economists like Keen, Hudson, Mosler, etc. No one can deny their relevance. And no one can deny and hide from the BASIC truths of money, accounting and accounting's conventions.

- Craig
  January 24, 2021 at 10:56 pm
  Reply

  Religion is the bane of human existence. However, it's essential to recognize that duality is necessary if one is to decipher the unitary integrative thirdness greater oneness that is Wisdom. We ARE (potentially) homo sapiens, wise and discerning man. We just have to practice it is all.

  - davetaylor1
    January 25, 2021 at 12:50 pm

    You are saying gratitude is the bane of human existence? Not in my experience. Gratitude makes one feel happy, even when the gift is only an opportunity for giving. You should try it!

  - Ken Zimmerman
    January 25, 2021 at 3:05 pm

    Craig you seem to miss the point I attempt to make again and again. Please let people create what they will create. Invent their lives, their civilizations. Please stop attempting to invent it for them. Admire what they do, hate it, study it, but do not work on replacing it.

  - Craig
    January 25, 2021 at 5:19 pm

    Dave, I'MMMMMM….the one advocating for the self actualization of grace/gratitude. My point is the well observed human and historical fact that religiosity/dogmatism far too often impedes the self actualization of grace/gratitude. Yes, the luminaries, the saints of the world's religions recognized and experienced the significance of grace. That's why they are there for us to learn from….not just abstractly learn ABOUT. And I'm not making this personal about you. I'm simply trying to get people to think about the relevant applications of the spiritual/self actualized aspects of grace…to the money system and economics.

- Craig
  January 25, 2021 at 5:36 pm

  Ken,

  "Please let people create what they will create."

  I don't understand this static and leaderless statement at all. I can't help but think that it is a momentary mistaken statement from an otherwise astute man.

  As I said in my 4:43 PM post, "Ken, You are of course right that humans create their own realities. It's also true that their abstract proclivities often blind them to basic realities that recognized would enable them to resolve problems and vastly un-complicate their lives."

  And: "I'm not here to de-bunk anyone's legitimate research or opinions. In fact I have continuously affirmed the truthfulness of heterodox economists like Keen, Hudson, Mosler, etc. No one can deny their relevance. And no one can deny and hide from the BASIC truths of money, accounting and accounting's conventions."

  Wisdom is both pragmatic and highly ethical. It thus commands both understanding AND action.

- Ken Zimmerman
  January 26, 2021 at 1:47 pm

  Craig, was not clear in my statement. It is not about researcher and research agendas. Rather my focus was the economic ways of life that people create. And that too many economists either ignore or want to replace with their theories about how wrong they are or they do not align with the current theories of economists. Economist study what people living economic lives create. That is their vocation.

- Craig
  January 26, 2021 at 8:58 pm

  Ken, Okay, thanks for the clarification. However, I would simply say that such "jostling" is inevitable in the process of change and (hopefully) progress. "Creative destruction" and all of that, which concept/belief, however much may have been abused by theorists of the current paradigm, is still a valid observation concerning change. The salient point is, if true, progressive and entire pattern change is the result of an applied new concept….then lead, join or get out of the way.

- Ken Zimmerman
  January 27, 2021 at 12:07 am

  Craig my issue is not with the scenario you present. But rather this scenario: 'the expert elites show up to correct the stupid ordinary persons, put them on the right path, and make certain they stay on that path.' This puts anyone who is not a member of the professional elite in a subordinate position with the intent that they should always remain in that position.'

16. Ikonoclast
    January 24, 2021 at 8:49 pm

Reply

Humans (homo sapiens) have a nature that is complex, plastic, malleable and relational. But it is not infinitely complex, infinitely plastic, infinitely malleable, nor infinitely relational. Only something non-existent or infinite at a point in time could be said to escape possessing some aspect of settled nature at that point in time.

Human stomach contents are not as acidic as vulture stomach contents. This has an effect on what we can safely eat compared to what vultures can safely eat. This is part of our species' general and shared nature until if and when we evolve a different digestion system. "Nature" in the sense deployed, is a set of characteristics continuing in recognizable and dependable form for a finite length of time. We have such characteristics, even after allowing for variation. For example, our bodies demonstrate imperfect reflectional symmetry. It is in our nature to have this physical characteristic (reflectional symmetry) and also in our nature to have it imperfectly. I could go on right up to our evolved nature of being social animals which use language.

17. dtcochrane
    January 26, 2021 at 11:35 am
    Reply

    My take on CasP is that it theorizes how the vested interests understand their own power.

    The values created can't be explained as power. What use would such an explanation even be? Rather, these values are useful for the powerful as they act in and on the world. They always act against resistance, both amongst themselves, and against the masses, who are highly differentiated and the source of great indeterminacy.

    It is extremely valuable to know how the powerful view their own power. CasP tells us that those quantitative values ARE power, as understood by the powerful, that must then be explained.

    In my dissertation I tried to explain some of the facets of waning and waxing power that were expressed in the valuation of the De Beers diamond cartel. I have a paper in Valuation Studies that argues objects are part of what capitalists feel "confidence in obedience" and that the dramatic decline of BP after the Deepwater Horizon was, partially, about the loss of confidence in the obedience of many parts of the global assemblage that constituted BP as a valuable/powerful entity, including material parts.

    The qualities that get translated into the quantities of capital are incredibly complex and entangled. No one can take all of it in. That's what makes capital useful. It simplifies it all. Think about the fact that at the end of the day today, a share of GE was priced at 10.99. With 8.76 billion outsanding shares, that means the price of GE was $96.27 billion. The price of an average member of the S&P 500, as of today, is $71.82 billion. This suggests that GE is 1.35X more powerful than the average member of the S&P 500. But of course this is a massive decline from GE's differential heights in the late 90s, when it quickly rose from 4X the average S&P 500 firm to more than 10X.

    What has changed at GE? Although production is a necessary part of the story, it is a dead-end to try and make it the full story, especially one that tries to reduce the financial quanta to an imaged quanta of production, whether that is production of desire, production by abstract labour, or production via use of energy. GE was a political-cultural-material-psychological entity. And many things we include in all those huge categories were part of its valuation.

    - J. Nitzan
      January 26, 2021 at 5:05 pm
      Reply

DT Cochrane's work under one open-source roof:
http://bnarchives.yorku.ca/view/creators/Cochrane=3ADT=3A=3A.type.html

1. No trackbacks yet.

Leave a Reply

Enter your comment here...

This site uses Akismet to reduce spam. Learn how your comment data is processed.

NAIRU — closer to religion than science Mainstream economics finally made it …
RSS feed

Email subscription to this blog

Join 18,747 other followers

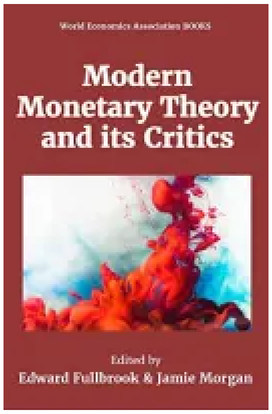
Enter your email address

Sign me up!

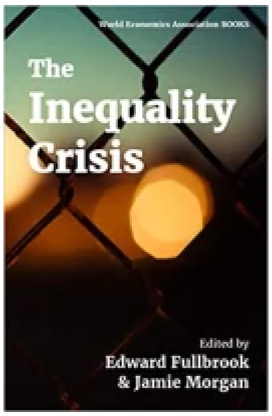
RWER 26,369 subscribers

- Current and back issues
- Subscribe

—— look inside —— $5.93 / 14.99



—— look inside —— $15.99



Regular Contributors

- Norbert Häring
- Peter Radford
- Maria Alejandra Madi
- Lars Syll
- Mark Weisbrot
- Dean Baker
- David Ruccio
- Asad Zaman
- Merijn Knibbe
- Editor

follow this blog on Twitter

- RealWorldEcon

Top Posts- last 48 hours

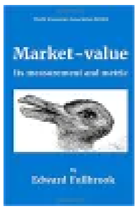
- Game stop 2: What are stock markets for?
- Quick thoughts on the minimum wage
- Mainstream economics — a waste of time on a staggering scale
- Why everything we know about modern economics is wrong
- What is (wrong with) neoclassical economics?
- Anthropologists and inequality
- Reflections on the “Inside Job”

- The Keynes-Ramsey-Savage debate on probability
- The World Economic Forum is planning the "Great Reset" to prevent it from happening
- The New York Times has not heard about China's vaccines (or Russia or India's)

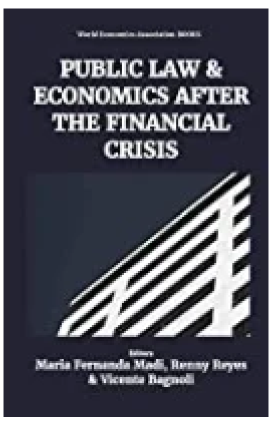
Real World Economics Review

The RWER is a free open-access journal, but with access to the current issue restricted to its 25,952 subscribers (07/12/16). Subscriptions are free. Over one million full-text copies of RWER papers are downloaded per year.

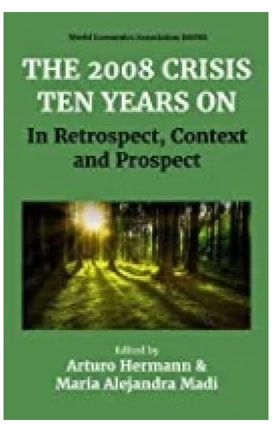
Now available as a Kindle – $4.99



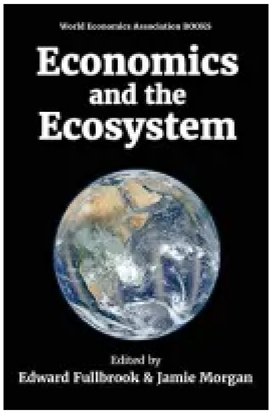
—— look inside —— $5.93 / $12.99



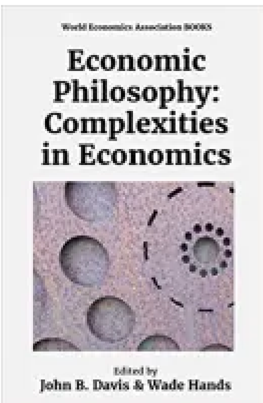
—— look inside —— $5.99 / 12.99



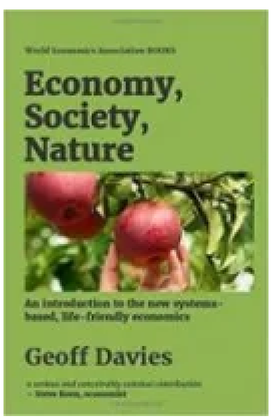
—— look inside —— $5.94 / $20.00



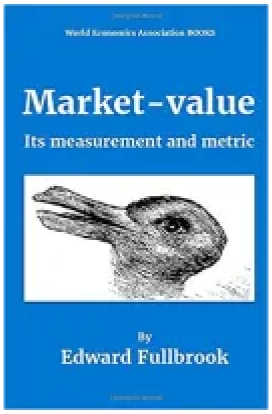
—— look inside —— $4.97 / $9.90



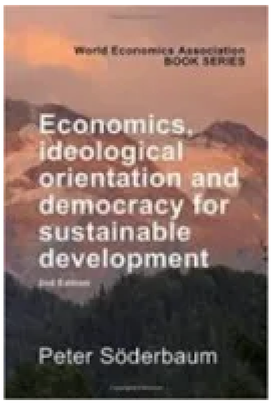
—— look inside —— $5.99 / $11.00



—— look inside —— $9.99



—— look inside —— $4.90 / $8.00



WEA online conference: Trade Wars after Coronavirus

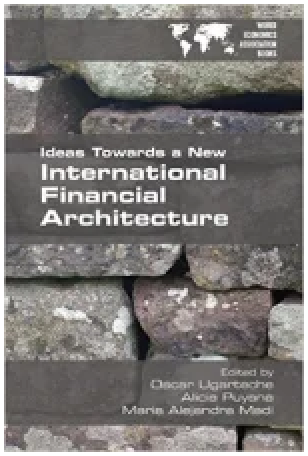
- find out how to take part

Comments on recent RWER issues

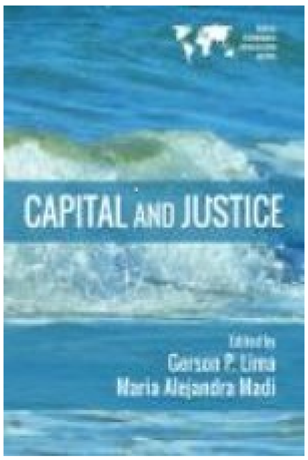
- Comments on RWER issue no 78
- Comments on RWER issue no 79
- Comments on RWER issue no 80
- Comments on RWER issue no 81
- Comments on RWER issue no 82

————— WEA Paperbacks ————— ———— available at low prices ———— —————- on most Amazons —————-

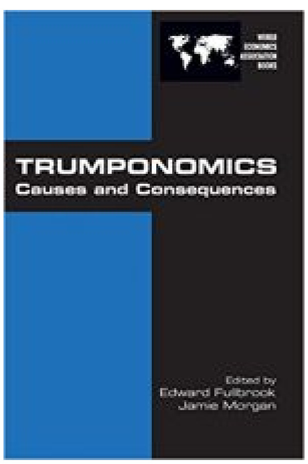
—— Ugarteche, Puyana and Madi ——



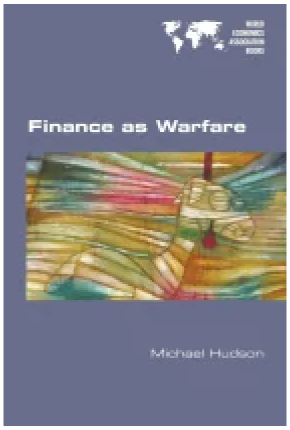
Gerson Lima / Maria Alejandra Madi



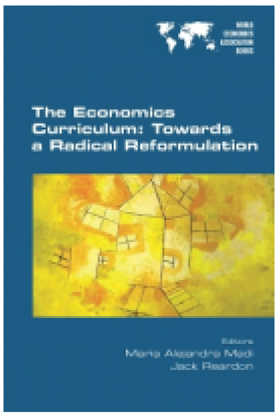
Edward Fullbrook and Jamie Morgan



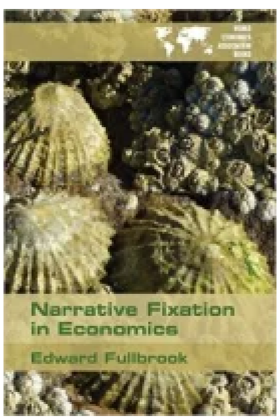
Michael Hudson



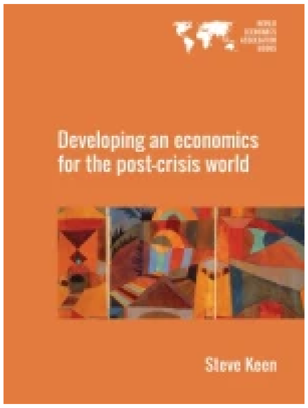
Maria Alejandra Madi / Jack Reardon



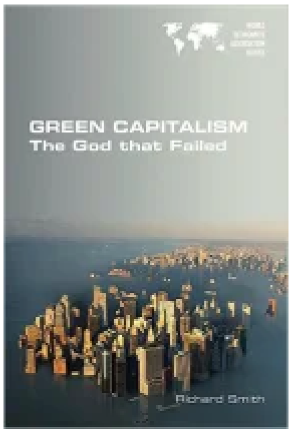
————- Edward Fullbrook ————-



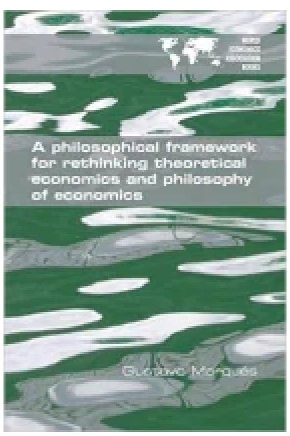
——————— Steve Keen ——————



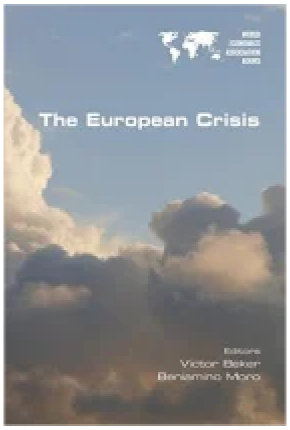
—————— **Richard Smith** ——————



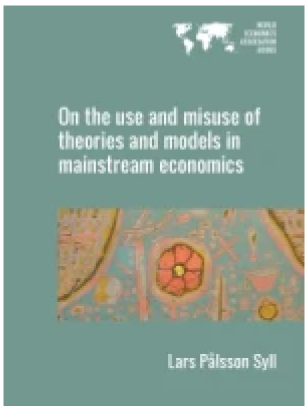
————— **Gustavo Marques**—————



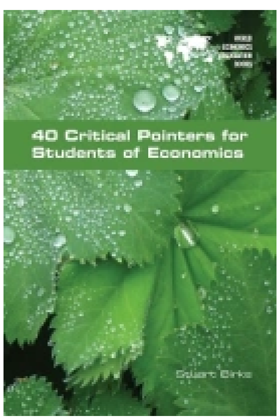
– Victor Beker and Beniamino Moro –



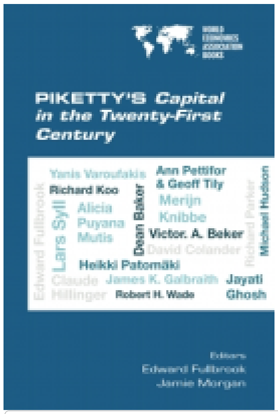
———— Lars Pålsson Syll ————



———— Stuart Birks ————



Edward Fullbrook and Jamie Morgan



Search

WEA Periodicals

- Economic Thought
- Real-World Economics Review
- WEA Commentaries
- World Economic Review: Contemporary Policy Issues

----- World Economics Association ----- founded 2011 – today 13,800 members

- join
- WEA Pedagogy Bog
- WEA Young Economists Network

Recent Comments

- Gerald Holtham on Why everything we know about modern economics is wrong
- Craig on Quick thoughts on the minimum wage
- Mr.T on Quick thoughts on the minimum wage
- deshoebox on Why everything we know about modern economics is wrong
- Gerald Holtham on The Keynes-Ramsey-Savage debate on probability
- gerald holtham on Why everything we know about modern economics is wrong
- Craig on Quick thoughts on the minimum wage
- Yoshinori Shiozawa on Quick thoughts on the minimum wage
- Mr.T on Quick thoughts on the minimum wage
- Yoshinori Shiozawa on Quick thoughts on the minimum wage
- Garrett Connelly on Quick thoughts on the minimum wage
- Craig on Why everything we know about modern economics is wrong
- Yoshinori Shiozawa on Why everything we know about modern economics is wrong
- davetaylor1 on Why everything we know about modern economics is wrong
- davetaylor1 on Why everything we know about modern economics is wrong

Comments on issue 74 - repaired

- post and read comments on issue 74

Comments on RWER issues

- Comments on issue 66
- Comments on issue 67

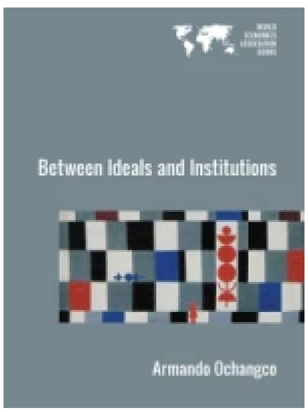
- Comments on issue 68
- Comments on issue 69
- Comments on issue 70
- Comments on issue 71
- Comments on RWER issue no 78
- Comments on RWER issue no 79
- Comments on RWER issue no 80

WEA Online Conferences

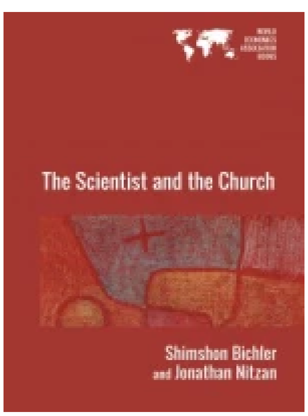
- Economics in Society: The Ethical Dimension
- Rethinking Financial Markets
- Submissions for WEA online conference: Trade Wars after Coronavirus
- Sustainability – Missing Points in the Development Dialogue
- The economics curriculum: towards a radical reformation
- The political economy of economic metrics

—- Forthcoming WEA Paperbacks —-

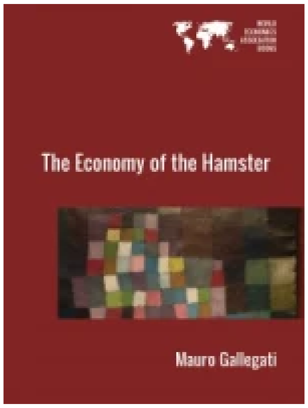
———— Armando Ochangco ———-



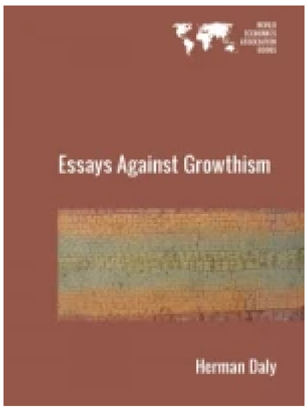
Shimshon Bichler / Jonathan Nitzan



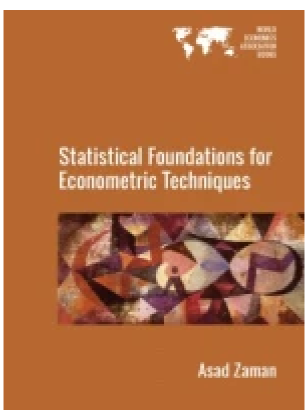
————— Mauro Gallegati —————



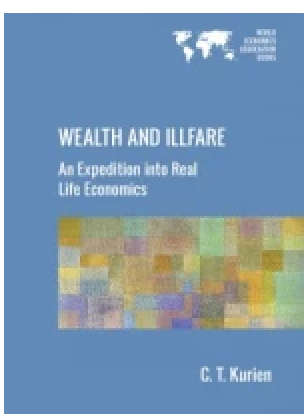
Herman Daly



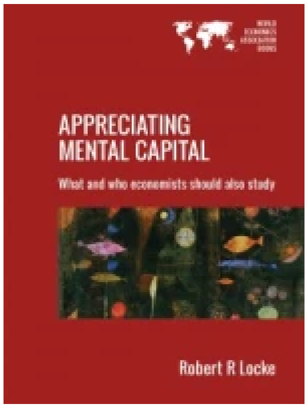
Asad Zaman



C. T. Kurien



——————— Robert Locke ———————-



Guidelines for Comments

• This blog is renowned for its high level of comment discussion. These guidelines exist to further that reputation.
• Engage with the arguments of the post and of your fellow discussants.
• Try not to flood discussion threads with only your comments.
• Do not post slight variations of the same comment under multiple posts.
• Show your fellow discussants the same courtesy you would if you were sitting around a table with them.

Most downloaded RWER papers

- New thinking on poverty (Paul Shaffer)
- The housing bubble and the financial crisis (Dean Baker)
- Global finance in crisis (Jacques Sapir)
- The state of China's economy 2009 (James Angresano)
- Trade and inequality: The role of economists (Dean Baker)
- What Is Neoclassical Economics? (Christian Arnsperger and Yanis Varoufakis)
- Debunking the theory of the firm—a chronology (Steve Keen and Russell Standish)
- Why some countries are poor and some rich: a non-Eurocentric view (Deniz Kellecioglu)
- Green capitalism: the god that failed (Richard Smith)

Family Links

- C. P. Chandrasekhar's Blog
- David Ruccio's Blog
- Dean Baker – Beat the Press
- Economics from the Top Down
- Jayati Ghosh's Blog
- Lars Syll's Blog
- Norbert Haering' Blog
- real-world economics review
- The Radford Free Press
- Thomas Palley
- WEA Pedagogy Bog
- WEA Young Economists Network

Contact

pae_news@btinternet.com

follow this blog on Twitter

- RealWorldEcon

RWER Board of Editors

WEA e-books

- WEA e-books