

The 4th Forum on Capital as Power
CAPITAL AS POWER: BROADENING THE VISTA
York University, Toronto
September 28-30, 2016

CONFERENCE PROGRAMME

The conference is supported by the Social Sciences and Humanities Research Council of Canada (SSHRC). Additional financial assistance is offered by York University's Faculty of Liberal Arts & Professional Studies, Faculty of Graduate Studies, Office of the Vice President, Academic and Provost, Department of Political Science and Institute for Social Research.

Location and Details

The conference will be held at York Lanes, Room 280N, on York University's Keele Campus ([map](#)). There is no registration fee and all are welcome to attend.

Original Call for Papers

The theory of capital as power (CasP) offers a radical alternative to mainstream and Marxist theories of capitalism. It argues that capital symbolizes and quantifies not utility or labour, but organized power writ large, and that capitalism is best understood and challenged not as a mode of consumption and production, but as a mode of power.

Growing interest in CasP, especially from young researchers, has contributed to a widening body of work dealing with different countries, regions, sectors, processes, methodologies and debates:

1. *Countries and regions*: The United States, Canada, Israel, Egypt, Pakistan, the Middle East, South Africa, South Korea.
2. *Sectors*: commodities, food and biofuel, petroleum, diamonds, armament, high-technology, pharmaceuticals, retailing, the art market, Hollywood, freelance creative work.
3. *Processes*: the emergence of the capitalist mode of power, ruling-class formation, protest and resistance, finance as operational symbolism, the rise and demise of distributional coalitions, the changing ownership of public debt, conspicuous consumption, speculation, crime and punishment, differential taxation, Middle East energy conflicts, mergers and acquisitions, the globalization of ownership, political regime shifts, inflation and stagflation, systemic fear and systemic crises, the asymptotes of power, the link between social hierarchies and energy use, histories of sabotage, the resurgence of the Top 1%.
4. *Methodologies*: disaggregate accounting, measures of redistribution and power, stagflation indices, energy use as an alternative to 'real' GDP, differential yardsticks for activists, the capitalist 'conversion' of quality to quantity.
5. *Debates*: the capital/state dichotomy, real vs. nominal, imperialism and financialism, the transition from feudalism to capitalism, ethical investing, the impact of trade policies, the limits of macroeconomic policy.

Most of these works, along with interviews, reviews, course material, conference proceedings and lecture videos, are available from three Creative Commons websites: [Capital as Power](#), [Review of Capital as Power \(RECASP\)](#) and [The Bichler and Nitzan Archives](#). Readers and writers are invited to engage with, contribute to and debate on the [CasP Forum](#) and [Blog](#).

Over the past decade, the Forum on Capital as Power has organized many lectures, speaker series and conferences. Our most recent international gatherings include [Capitalizing Power: The Qualities and Quantities of Accumulation](#) (2012), [The Capitalist Mode of Power: Past, Present and Future](#) (2011) and [Crisis of Capital, Crisis of Theory](#) (2010).

The 2016 conference seeks to broaden the vista. We are looking for papers that extend and deepen CasP research, compare CasP with other approaches and critique CasP's methods and findings. Articles can be general or specific, theoretical or empirical, analytical or historical. Below we list some suggestions, though other topics would be equally welcome.

1. *Expanding and deepening CasP research.* Areas of interest include: (i) the concept of power in science and society: its evolution from antiquity to the present; (ii) the origins and spread of the capitalist mode of power: from feudal Europe to the world; (iii) from 'state and capital' to the 'state of capital': CasP perspectives on state theory and international relations; (iv) the emergence and spread of finance as the key architecture of the capitalist *creorder*; (v) the role of labour, production and waste in the capitalist mode of power; (vi) capitalist power and the environment: from planetary ecology, to energy, to the genome; (vii) capitalizing the social fabric: culture, religion, ethnicity, race, gender, literature and the academy; (viii) micro-CasP: the everyday manifestations of capital as power; (ix) the asymptotes of capitalist power: what are the limits of accumulation and how approaching those limits might undermine or transform capitalism; (x) from capitalist accounting to democratic *creordering*: creating a new language for an autonomous society.
2. *CasP vs. other approaches.* Mainstream economics and heterodox political economy conceive of capital as an 'economic' entity and therefore tend to treat power as affecting accumulation from the 'outside'. According to CasP, though, power is internal to accumulation: it defines what constitutes capital in the first place and determines how quickly it grows. How important is this conceptual difference? Does it lead to alternative questions and yield different answers? To what extent does the logic of capital absorb, subsume and internalize other forms of power, such as patriarchy, race, bureaucracy and international relations? Can CasP offer new insights into these forms of power?
3. *Critiques of CasP.* What are the key shortcomings of CasP? Do these shortcomings reflect the birth pangs of a new approach, or are they inherent in its very logic? What areas of CasP need to be strengthened and developed? Where has CasP research gone astray? Are there aspects of capitalism that CasP might be conceptually unable to deal with?

The conference is open to everyone, with submissions vetted entirely on merit. We accept applications from established and new researchers, in and outside academia. However, we are particularly interested in submissions from *young* researchers of all ages, including MA and PhD students, private and public employees and free spirits. If you have an interest in the subject and something important – or potentially important – to say, please apply.

TIMETABLE

| Wednesday, September 28 | Thursday, September 29 | Friday, September 30 |
|---|--|--|
| 8:00–8:30am REGISTRATION | | |
| 8:30–9:00am INTRODUCTION | 8:30–9:45am (5) METHODS Blair Fix; Shai Gorsky | |
| 9:00–10:15am (1) FOOD Joseph Baines; Phillip H. Howard | 10:00–11:15am (6) DERIVATIVES Suhail Malik; Ulf Martin | 9:00–10:15am (10) CORPORATE TAXATION Sandy Brian Hager; Mladen Ostojić |
| 10:30am–12:15pm (2) CAPITAL-STATE (I) Max Grubman; Philip Leech; Gibin Hong | 11:30am-12:45pm (7) PHYSICAL SPACE Adrian Blackwell; Burçin Mizrak | 10:30am–12:15pm (11) REGIMES Tim Di Muzio & Matthew Dow; Ilirjan Shehu; Fathima Musthaq & Volker Schmitz |
| 12:15–1:45pm LUNCH | 12:45–2:15pm LUNCH | 12:15–1:45pm LUNCH |
| 1:45–3:00pm <i>(3) PLENARY: Capital as Power and/or Capital as a Social Relation: Rethinking Value in Differential Accumulation</i> Bob Jessop | 2:15–4:00pm <i>(8) PLENARY: A CasP Model of the Stock Market</i> Shimshon Bichler & Jonathan Nitzan | 1:45–3:00pm (12) CAPITAL-STATE (II) DT Cochrane; James McMahon |
| 3:15–5:00pm (4) HEARTS AND MINDS Emily Rosamond; Frederick Harry Pitts; Jongchul Kim | 4:15–5:30pm (9) INTERROGATING CASP Lee Doran; Hyeng Joon Park | 3:30–5:00pm (13) SUMMARY & FUTURE PLANS Moderator: Jonathan Nitzan |
| | 7:30pm SPEAKERS' DINNER | |

REGISTRATION

8:00–8:30am

INTRODUCTION

8:30–9:00am

Jonathan Nitzan

Session 1

FOOD

9:00–10:15am

Chair: James McMahon, University of Toronto

1A. Accumulating through Food Crisis? Super-Rich Farmers, Commodity Traders and the Distributional Dynamics of Financialization

Joseph Baines, Kings College (josephbaines714@gmail.com)

This paper discusses the historical conflicts around financialization in the US agri-food sector and charts the distributional effects of agricultural price instability. It finds that during the recent period of high and volatile prices, the average income of large-scale commercial farms reached the income threshold of the top percentile of US households, while agricultural commodity traders markedly outperformed other major corporate groups. In contrast, small-scale family farmers, particularly in the livestock sector, have struggled to manage the uncertainty brought by price tumult. The paper discusses how these uneven distributional dynamics inform the lobbying of agricultural groups around contemporary commodity derivatives regulations designed to curb price instability. It shows that while a coalition of small-scale farmers and ranchers has actively pushed for far-reaching restrictions on financial speculation, the major commodity traders and a plurality of organizations representing large-scale grain producers have in recent years been agnostic at best and obstructionist at worst in the face of such regulatory measures. These findings indicate that the financialized food regime, and associated dynamics of price volatility, has tended to reinforce existing inequalities in rural America while possibly contributing to social instability abroad via food riots.

1B. Creordering Consumption: CasP in Packaged Food and Beverage Industries

Phillip H. Howard, Michigan State University (howardp@msu.edu)

The top packaged food and beverage makers constantly run into the limited size of our stomachs in their efforts to increase their power. There is only so much we can physically eat or drink, and only so much that firms can do to reduce their costs as well. Generating profits that outperform the average for other industries therefore requires continually steering our purchases in new directions. This paper focuses on two key qualitative strategies these firms use to influence consumption patterns and increase their differential capitalization: deskilling and spatial colonization.

Deskilling is a term that is frequently used in reference to labor, when capitalists reshape jobs in order to decrease wages. It can also apply, however, when capitalists reshape social-cultural practices to influence purchases, such as by sabotaging food self-provisioning in order to create mere “consumers.” Spatial colonization refers to not only geographic expansion to new locations and markets, but also the domination of shelf space (e.g. planning the placement of direct competitors’ products for retail chains, offering many very slight variations of a product) and “mind space.” The latter refers to brand recognition and loyalty, a limited resource that is surmounted via massive and constant marketing efforts (e.g. product placement in television/films, exclusive advertising agreements).

This paper explores the application of these strategies more specifically for three products—beer, soymilk and bagged salads—and the enormous energy expended to restrict our eating and drinking habits. It also examines the possibilities for challenging this power.

Session 2

CAPITAL-STATE (I)

10:30am–12:15pm

Chair: Fathima Musthaq, Indiana University

2A. Normalizing a Benchmark: The Case of the Global Energy Sector

Max Grubman, Tel Aviv University (maxgrubman@gmail.com)

This research looks into the socially constructed perceptions of risk and the normal rate of return, examining the capitalization of energy assets and the implications of neoclassical analysis of debt and capital costs, and how both of these affect pricing and regulation in the Israeli natural gas industry. Through the examination of the separate elements that determine the discount rate, from geological-technical exploration risk to the prospects of government intervention, I try to delineate the different power processes that shape the energy sector's business conventions. Analyzing a disaggregated discount rate from a power perspective might provide a starting point for politicizing capitalist value calculations, which in turn may offer alternative asset-pricing methods for public planning.

2B. After 'Statebuilding': Wither Palestinian Political Economy?

Phillip Leech, University of Ottawa (phil.leech@gmail.com)

In spite of various high-profile moves (at the UN and elsewhere), there has been little change in terms of the subjugation of Palestinians. Though Israel's occupation remains the most obvious cause of this subjugation, Palestinians' agency is also contained and constrained by a range of forces including Palestinian elites and the global hierarchy of power.

In this context, control over Palestinian access to capital remains an integral part of maintaining the status quo. Following Nitzan and Bichler (2002), Bullion (2004), Hanieh (2011; 2013; 2015), Khalidi (2012) and Khalidi and Samour (2011), this paper addresses how capital is used as power in contemporary Palestine. It highlights the following: (a) the use of donor funding to support "statebuilding as counterinsurgency" (Turner 2014); (b) the hierarchical nature of Palestinian politics and the domination of the – albeit moribund – private sector by a few elite interests; and (c) the adoption and then relaxation of austerity-focused neoliberal reforms by the PA since 2009 that have disproportionately targeted the already vulnerable.

More broadly, it presents an alternative to the apparently ubiquitous 'one-' or 'two-state solution', which has become a conceptual horizon, by offering an interpretation of power based on a Gramscian understanding of a "war of position". This paper's findings are based on detailed primary research undertaken in 2007-15.

2C. The Fascist Origin of the Japanese Capital-Control-Complex, 1932-1944

Gibin Hong, Global Political Economy Institute, Seoul (tentandavia@naver.com)

This paper traces the origin of the Japanese type of capitalism to the fascist regime during the 1930s and 1940s. The national form of Japanese capitalism, especially its widely practiced cross-shareholding and 'main bank' system, is frequently explained as a legacy of its past of illiberal capitalism and/or by the logic of 'path dependency'. However, this explanation ignores the apparent fact that there were several radical breaks in both corporate ownership/governance structures and the way the financial system was organized between 1930s and 1960s, and

that those breaks were always an integral part of the transformation of the 'historical bloc' of Japanese capitalism as a whole. I suggest the concept of the Capital-Control-Complex in order to capture this dynamics of power that conditions and sometimes even determines the transformation of the institutional form of a national capitalism. The Capital-Control-Complex consists of the ruling bloc, the corporate ownership/governance structure, and the financial system, and it views the varieties of national capitalism as a product of the process of historical bloc formation in different countries. This paper investigates the nature and process of the reform of the corporate ownership/governance structure and the financial system under the hegemony of the fascist ruling bloc before 1945 as a prelude to the rise of postwar Japanese capitalism. In the process, it also offers some critical reflections on the ability of 'path dependency' theory to explain a nationally specific form of capitalism. We that believe this focus on power is a crucial factor in explaining not only the process of capital accumulation, but also the institutional form of the capitalism in which it takes place.

Session 3

PLENARY: CAPITAL AS POWER AND/OR CAPITAL AS A SOCIAL RELATION: RETHINKING VALUE IN DIFFERENTIAL ACCUMULATION

1:45–3:00pm

Chair: D.T. Cochrane, independent researcher

Bob Jessop, Lancaster University (b.jessop@lancaster.ac.uk)

The presentation starts from Marx's claim that 'capital is not a thing but a social relation between people mediated through the instrumentality of things', and, in light of recent Marxist re-readings of value, assesses the compatibility or commensurability of this relational Marxism with CASP on differential accumulation. It provides an alternative reading of 'value' in Marxism from that developed in CasP writings that shows interesting and provocative similarities as well as remaining differences.

Session 4

HEARTS AND MINDS

3:15-5:00pm

Chair: Burçin Mizrak, Bauhaus University, Weimar

4A. What is Reputation Capital? Character, Power and the Reputation Economy

Emily Rosamond, University of Kent (emrosamond@gmail.com)

Since *Capital as Power* was published, the so-called reputation economy has flourished. "World 3.0" businesses such as Uber, TaskRabbit and Airbnb offer users access to peer-to-peer shares, services and experiences, scaled up via online platforms. Platform users rely on reviews to determine whom they can trust. Peer-to-peer lending platforms allow borrowers to sidestep banks. "Fintech" startups such as ZestFinance and VisualDNA afford borrowers with poor credit scores better interest rates, using big data analytics to calculate their creditworthiness more effectively than a FICO® credit score. As VisualDNA puts it, "not everyone has a credit score... but everyone has a personality." In this world, reputation and character have been fully operationalized as forms of capital. For Rachel Botsman and other apostles of the reputation economy, data-driven collaborative consumption puts something "human" back into the economy and empowers individuals, as micro-entrepreneurs, to rely less on corporate infrastructure. For sceptics such as Alison Hearn, the reputation economy, far from diffusing corporate power, merely increases performative pressures on neoliberal subjects. What is a definition of reputation capital commensurate with the CasP approach? Can the reputation economy actually drive toward what Nina Power has termed decapitalism: "cutting off the heads of those who control technology – decapitating capitalism, as it were"? Or is reputation merely another manifestation of power as "confidence in obedience"? An answer to these questions, I argue, necessitates

an expansion of *Capital as Power's* discussion of private regulation to include individuals' acts of projecting, disciplining and self-disciplining personal behaviour.

4B. Rhythms of Creativity and Power in Freelance Creative Work

Frederick H. Pitts, University of Bath (frederickharrypitts@gmail.com)

In this paper I apply the theory of capital as power to the topic of freelance work in the creative industries. It reports findings from research conducted as part of a Short-Term Scientific Mission funded by the EU COST Action for The Dynamics of Virtual Work. Freelancers work for companies, but also apart from them – at home, on site, or in shared workspaces. The paper examines how clients and freelancers manage and organise the employment relationship at a distance. Utilising interview data with freelancers working in Dutch creative industries, it examines the conflicting rhythms of freelance creative work. It shows that freelancers remain subject to traditional workplace-oriented structures of control, particularly in creative agencies. Freelancers' use of time must correspond to clients' processes of measurement and valuation. Different client relationships, and the proximity they imply, produce different rhythms of work. I discuss some of the theoretical and empirical terrain of the research in light of the theory of capital as power. I use CasP as means to understand some of the global processes in which freelance work is situated. I explore the applications to which we can put CasP theory in understanding the conflicts and tensions present in creative work between employees and management. Finally, I account for the way in which I have utilised some of Nitzan and Bichler's conceptualisations in my research method and practice, suggesting that there is a link between the theorisation of resonance and dissonance and Lefebvre's 'rhythmanalysis'.

4C. How has the Mistaken Ontology of 'Person-Property' Been Institutionalized in Modern Business Corporations?

Jongchul Kim, Sogang University (jongchul323@gmail.com)

According to Alfred North Whitehead, modern philosophers mistakenly assume that reality has the same 'subject-predicate' structure as language, and that, due to this mistaken assumption, they falsely separate the subject from the predicate, or the doer from the doing, and resultantly create the false concept of 'person.' One example of this mistaken concept is John Locke's formulation of 'person-property.' Based on this mistaken formulation, Locke establishes a new morality and rights, according to which 'responsibility' and 'property' are attributed to, or owned by, a 'person.' Here, the abstract 'person' is formulated as the cause and owner of actions, and strict moral responsibility and exclusive ownership are imposed on, or given to, this 'person.' Western modernity began when such persons were created, and various forms of disciplinary violence and punishment have been inflicted on the population to transform it into 'responsible persons.' This paper explores how the mistaken ontology of 'person-property' has been implemented in the institution of modern business corporations. It argues that these corporations are ironically the result of institutionalizing 'irresponsibility' rather than 'responsibility,' and that this institutionalization developed when the formulation of 'person-property' was implemented in such a way as to allow the legal personality of business corporations to take on more human-like characteristics; that is, when legal persons were permitted to take on their own responsibility and ownership independently of those of their constituents. The argument of the paper will contribute to enriching an ontological foundation of the CasP approach.

Session 5

METHODS

8:30–9:45am

Chair: Phillip H. Howard, Michigan State University

5A. A Real-World Theory of Income Distribution

Blair Fix, York University (blairfix@gmail.com)

In 1957, Herbert Simon used a hierarchical model of the firm to explain the observed relation between executive pay and firm size. While this model has been relegated to the dustbin of economic theory, it has important implications for a theory of income distribution based on power. I demonstrate that Simon's model can be used to explain a variety of other phenomena, including the distribution of firms owned by the wealthiest individuals and the fraction of capitalist income by income percentile.

5B. Regimes of Differential Accumulation and Hidden Markov Models

Shai Gorsky, Duke University (shai.gorsky@duke.edu)

How can regimes of differential accumulation be understood, identified and quantified? Hidden Markov models (HMM) are a class of probabilistic models in which an unobserved 'state' variable is determined in every point in time according to a Markovian random process. The state variable then determines the parameters of a distribution according to which an observed variable is assumed to be distributed.

In recent years, the conceptual flexibility and statistical tractability of HMMs have rendered them popular in finance and economics. One particular phenomenon that is easily modeled by HMMs is 'regime switching'. The unobserved state variable is thought of as one or another 'regime', and the observed data points of a time series are classified as likely to originate from a distribution that is associated with one of the regimes.

The CasP framework suggests the key concept of 'regimes of differential accumulation', which may be classified as 'breadth' or 'depth'. In this paper, we analyze four related variables: the buy-to-build and stagflation indices, differential profits-per-employee and differential employment measures. The relation between the four variables is anything but trivial, and we explore both the intricate dynamics between them and the merits and limitations of HMMs in this context, striving to offer a richer, rigorous and statistically sound understanding of regimes of differential accumulation.

Session 6

DERIVATIVES

10:00–11:15am

Chair: Lee Doran, Ecological Writings #1, Inc.

6A. Financiality, Finance, and Futurity

Suhail Malik, Goldsmiths, University of London (s.malik@gmail.com)

Following the identification of 'financiality' as the constitutive logic of price as such (Malik 2014, Malik and Phillips 2012), this paper examines the relation between this conceptual-architectonic condition of pricing, formulated in the wake of Nitzan and Bichler's power theory of capital, and the operational constructions of finance markets. Paying close attention to the basic operational logic of derivatives instruments, the paper argues that pricing and

financiality are a power ordering predicated on the uncertainty and unknowability of the future. Not only is the standard criticism of capitalism from the humanities – as a reduction of the unknown future on the basis of the known present – thereby refuted, but the determination of power that Nitzan and Bichler themselves rely upon for the political charge of their analysis also has to be revised in favour of a somewhat counterintuitive determination of price as the propagation of an order of uncertainty.

6B. The Babylonian Tower of Financial Derivatives as the Subsumption of the Capital Power Process Into Itself

Ulf Martin, independent researcher (ulfmartin@t-online.de)

“Capital is power quantified in monetary terms” (Bichler/Nitzan). Power is the ability to create/shape/control the social process (*gesellschaftliches Gestaltungsvermögen* in German). Power is accumulated when this ability is used to increase this ability, i.e. when power is used self-referentially. Quantification, a symbolic activity, of *Gestaltungsvermögen* in modern capitalism is a form of “operative symbolism” (S. Krämer). The symbolic form through which capital institutionalizes social processes, thus subsuming them symbolically into its nomos, is the IOU, the nominal obligation. As a self-referential process, accumulation needs to gain control not just over the rest of society, but also over itself. Capital thus subjects nominal obligations to the logic of its own control process, creating IOUs whose subject is other IOUs, resulting in the tower of financial derivatives, which are thus part and parcel of the capital power process.

Session 7

PHYSICAL SPACE

11:30am–12:45pm

Chair: Ilirjan Shehu, Carleton University

7A. Spatial Fixing of Unequal Exchange Relations in Shenzhen

Adrian Blackwell, University of Waterloo School of Architecture (adrian.blackwell@uwaterloo.ca)

Capital, as power, requires a physical force to direct activity. While the police and military enforce economic relations in the last instance, property in land, and its elaborations in landscape, architecture, and urbanism, act as an everyday force of coercion that fixes inequitable trade relations.

In 1960, a “Coasean revolution” transformed neoclassical economics by arguing that different institutional arrangements – from individual owners to small and large firms, monopolies, and even governments – could be evaluated according to their relative transaction costs. However, Ronald Coase’s “discovery” of transaction costs came many years after Thorstein Veblen’s in *The Theory of Business Enterprise*. Unlike Coase’s “New” Institutional Economics, Veblen’s theory acknowledged that transaction costs were not simply barriers to free exchange, but rather functional tools used to fix property in asymmetric exchange relations advantageous to dominant capital. Coase’s and Veblen’s work can help to expand on geographer David Harvey’s concept of the “spatial fix” in order to articulate the way in which space fixes people within spaces of differential value.

Chinese economists began looking to New Institutional Economics in the late 1990s in order to better explain the transitional nature of the Chinese economy. This paper will use the experimental city of Shenzhen as a model to study and critique existing theories of uneven development, arguing that the apparatus of contemporary urbanization physically delineates space in order to unevenly develop proximate spaces of differential capitalization, facilitating unequal exchange between them.

7B. The Capitalization of Green Certifications in the Building Sector

Burcin Mizrak, Bauhaus University, Weimar (mizrakburcin@yahoo.com)

Nitzan and Bichler's power theory of value will be used to investigate the capitalization of green certifications in the building sector in the global context. The paper will first investigate why environmental problems and climate change have become such a high priority and share the ideas of scholars who approach the subject skeptically. Second, it will discuss the issues of third-party governance, institutionalization and monopoly practices in the green building sector, and it will attempt to offer a causal explanation for the excessive degree of monopoly in green building design. In this regard, it will explore the role of excessive institutional investment in green labels, new sustainability funds and incentives, new areas of insurance coverage, tax cuts, advertisements and publications in promoting this monopolization. Third, the paper will examine the consequences of the adoption of rating systems as the mainstream green building movement in the twenty-first century. These rating systems are part of the emergence of new sustainable material and technology industries associated with green building labels, new green job opportunities and buildings still addicted to carbon markets. This study claims that certifications in the green building sector restrict and limit designers and sabotage the quality and creativity of the buildings, but also guarantee and increase the current and future profits of institutional investors.

Session 8

PLENARY: A CASP MODEL OF THE STOCK MARKET

2:15–4:00pm

Chair: Gibin Hong, Global Political Economy Institute, Seoul

Shimshon Bichler, Israel (tookie@barak.net.il) & Jonathan Nitzan, York University (nitzan@yorku.ca)

Most explanations of stock market boom and bust are based on contrasting the underlying, 'fundamental' logic of the economy with the exogenous, non-economic factors that presumably distort it. Our paper offers a radically different model, examining the stock market not from the mechanical viewpoint of a distorted economy, but from the dialectic perspective of capitalized power. The model demonstrates that (1) the valuation of equities represents capitalized power; (2) capitalized power is dialectically intertwined with systemic fear; and (3) the connection between capitalized power and systemic fear is mediated by strategic sabotage. This triangular model, we posit, can offer a basis for examining the asymptotes, or limits, of capitalized power and the ways in which these asymptotes relate to the historical – and ongoing – transformation of the capitalist mode of power.

Session 9

INTEROGATING CASP

4:15-5:30pm

Chair: Suhail Malik, Goldsmiths, University of London

9A. Morphing Capitalism into an Economy for Humanity: A Role for CasP Going Forward?

Lee Doran, Ecological Writings #1, Inc. (Lee@ecowrite.net)

It is no secret that capitalism is now the largest, most successful, and fastest growing 'movement' in human history. One reason is that capitalism defeated Communism – mostly without physical violence – and arguably on its own economic terms. Another reason is the natural 'fit' between capitalism as it has developed over the past half millennium and the ♂ mind that designed and operated it. We now also know that economics experts tended historically to cluster into 'us vs them' groups that fought one another. They still fight about such abstract classical concepts as balance and equilibrium through perfect markets, supply and demand, and unlimited growth. These concepts are ideologically pure but lacking in any reality that is empirically demonstrable. Since the 1970s, new

paradigms have emerged that frame the world differently. Two outliers that 'took on' classical economics were feminist and environmentalist in orientation. Both pointed out in detail how classical economics continues to fail as a model for the actual economy. Similarly, CasP began in the 1980s and aligns itself with the economic dogma of neither the left nor the right. It resolutely pursues the realities of corporate/financial capitalism as actually practiced in the economy by dominant capital. CasP 'simply' describes what dominant capital does based on empirical data and in-depth scientific analysis. Putting CasP into an integrated eco-feminist theoretical framework provides a satisfying and realistic way to understand and possibly even manage the emergent economy now unfolding.

9B. Radicalizing Piketty from a Perspective of Capital as Power

Hyeng-Joon Park, Global Political Economy Institute, Seoul (hyengjpark@gmail.com)

Paul Krugman, a Nobel laureate economist, hailed Thomas Piketty's *Capital in the Twenty-First Century* as a revolution in our understanding of long-term trends in inequality. Indeed, by tracking the concentration of income and wealth back to the late eighteenth century, it has disproved the Kuznets curve, one of the key ideological pillars of capitalism. Moreover, reigniting debates about growing inequality in the US and elsewhere, Piketty's book lives up to its name, which echoes Marx's *Capital*. However, it is doubtful whether his theoretical work in the book meets the challenge posed in its title. Ignoring century-long debates on the problematic notion of capital, including the Cambridge capital controversy, Piketty has tried in vain to derive capitalist laws of motion (i.e. growing inequality) from the production function. As the saying goes, "New wine must be put into new bottles." This paper tries to reinterpret Piketty's revolutionary empirical analysis on inequality from the viewpoint of capital as power.

Session 10

CORPORATE TAXATION

9:00-10:15am

Chair: Blair Fix, York University

10A. Corporate Taxation and the Power Theory of Value

Sandy Brian Hager, Harvard University (sanha926@gmail.com)

Taxation is all about power. We are constantly reminded of this in the news media. The Panama Papers, the stuff of which front-page headlines are made, provide the names and the numbers to confirm what was already widely understood: that offshore finance exists to help the global elite avoid taxes. Yet more research needs to be conducted to make the intuitive linkages between power and taxation systematic and rigorous. In this presentation, I discuss what the power theory of value can tell us about the relationship between power and corporate taxation.

10B. Differential Taxation: The Case of American Banking

Mladen Ostojić, Statistics Canada (ostojicmlad@gmail.com)

This paper maps an empirical history of corporate profit and taxation in the United States, with a special focus on the differential profit and taxation of banks relative to other corporations. An examination of these trends reveals a striking anomaly within the American banking sector: from the early 1980s until the financial crisis of 2007-2008, its after-tax profits sharply outpaced those of the corporate average despite the fact that its effective tax rates also increased relative to those of the corporate average. This curious combination of improved differential performance and an increased differential tax burden may have been due to banking deregulation – strong enough to boost pre-tax profits so much that they more than offset the effects of increased taxation and also raised after-tax profits along the way. In addition, these trends reveal a convergence of interests between American banking and government, with the former earning higher profits and the latter earning higher tax revenues. Whether implicitly or explicitly created, this tax arrangement also bloated the American banking sector with unsustainable profitability, and ultimately fell apart during the financial crisis of 2007-2008.

Session 11

REGIMES

10:30am–12:15pm

Chair: Ulf Martin, independent researcher

11A. Uneven and Combined Confusion: On the Geopolitical Origins of Capitalism

Tim Di Muzio, University of Wollongong (tdimuzio@uow.edu.au)

Matthew Dow, York University (matttdow@yorku.ca)

Accounts of the transition to capitalism are perennial in IR/IPE. The latest Neo-Marxist account by Anievas and Nişancioğlu, *How the West Came to Rule*, is an important contribution to these debates and in many ways path breaking for its concern with the geopolitical origins of capitalism. However, there are two major problems with their account. First, they have no convincing definition of ‘capital’ or ‘capitalism’, thus making it difficult to find their ‘origins’. Second, there are serious omissions in their work that weaken their argument. We stress three: the financial revolution and the creation of the Bank of England, the transition to coal energy in Britain and the capitalization of the English state and its links to war, colonialism and slavery.

11B. Restructuring Society through Technological Automation

Ilirjan Shehu, Carleton University (ilirjanshehu76@gmail.com)

Technological automation is portrayed as progress. However, the very notion of progress (literally advancing step by step) presumes a final destination, or at least a continuous movement forward. But are we actually moving forward? It is clear now, in view of the social and environmental problems created by continuous technological automation, that the mastering of nature, the exploitation of natural resources and the restructuring of society through the continuous automation of processes, do not necessarily result in progress. Still, despite the fact that the damaging social and environmental effects of continuous technological automation are becoming ever more clear, the process continues to be carried out at full speed.

This paper examines technological automation as a power process that continuously restructures the politico-economic system. Mainstream liberal and Marxist theories are based on the view that technological automation is the result of competition. Others, like Jacques Ellul, have argued that technological automation has become an autonomous process independent of human control and that it is impervious to politico-economic power struggles.

In contrast to these approaches, I argue that technological automation is a process of sabotage that makes possible the continuous increase and concentration of power. I also argue that technological automation has historically necessitated the continuous transformation of politico-economic structures and continues to do so.

11C. Capital as Power and the Challenges of Gradual Globalization

Fathima Musthaq, Indiana University (fmusthaq@gmail.com)

Volker Schmitz, Indiana University (vschmitz@imail.iu.edu)

Nitzan and Bichler's CasP framework is perhaps the most innovative approach to understanding modern capitalism in recent years. In this paper, we strive to critically examine this approach and re-evaluate the presentation of accumulation regimes with regard to recent waves of financialization and globalization. While we conclude that CasP provides a persuasive narrative bolstered by an impressive array of supportive data, we find that the approach underestimates several empirical realities: (1) the enduring existence of power that is not capital, particularly in emerging and developing economies; (2) the characteristics of the global economic system, which is marked both by U.S. hegemony *and* a lack of unified political structures; (3) following the first two points, the *gradual* nature of globalization, and hence the possibility of the simultaneous implementation of different strategies for dominant capital; (4) the effects of several decades of financialization of the U.S. economy; (5) the potential for growth, and especially for a massive consumer base outside the advanced industrialized economies. We close with some suggestions on possible augmentations of CasP that can help address these issues in future research.

Session 12

CAPITAL-STATE (II)

1:45-3:00pm

Chair: Emily Rosamond, University of Kent

12A. Who Has the Power? China's Commodity Use and the Canadian Mining Business

D.T. Cochrane, independent researcher (vis.formandi@gmail.com)

The Toronto Stock Exchange (TSX) is an important mechanism of the global mining business, and the dynamics of the exchange are increasingly tied to primary metal prices. Over the last four years, commodity metal prices have declined 54 percent. This decline has dragged the TSX/S&P Index down by 28 percent, compared to a 50 percent increase by the S&P Composite Index. The decline in metal prices has been driven by falling commodities use in China.

What does it mean for Canada's most powerful mining companies when their fortunes are so tightly tied to the state of Chinese commodity use? What effect will this have on relations among these firms and the governments of China and Canada? Will China's stagnation trigger a new round of consolidation in the global mining business? Will the global mining business be able to reduce its exposure to the trials and tribulations of China?

With this presentation, I will consider the conflict and conjunction of the logic of capital with the logic of sovereignty as they bear on the mining business. When capital is mobile but mines are not, how do mining businesses account for sovereignty?

12B. Selling Hollywood to China

James McMahon, University of Toronto (jamesmcmahon30@gmail.com)

From the 1980s to the present, Hollywood's major distributors have been able to redistribute U.S. theatrical attendance to the advantage of its biggest blockbusters and franchises. At the global scale and during the same period, Hollywood has been leveraging U.S. foreign power to break ground in countries that have historically protected and supported their domestic film culture. Through both the U.S. government's opposition to the UNESCO convention, which aims to "protect and promote the diversity of cultural expressions," and the free-trade agreements that remove barriers to American film production, Hollywood's major distributors have increased their power in such countries as Mexico, Canada, Australia and South Korea (Jin 2011).

This paper will analyze a pertinent "test case" for Hollywood's global power: China and its film market. Not only does China have a film-quota policy that restricts the number of theatrical releases that have a foreign distributor (~20 to 35 films per year), the Communist Party has also nurtured a Chinese film business that has steady film releases and its own movie star system. Theoretically, China would be a prime example of a film market that would need to be opened with the assistance of the U.S. government. Empirically, however, the case of Chinese cinema might be a curious exception; we can investigate how a political economic strategy rooted in explicit power is reaching a limit. Hollywood is, potentially without any other option, taking a more friendly, collaborative approach with China's censorship rules and its quota and film-production laws.

Session 13

SUMMARY AND FUTURE PLANS

3:30-5:00pm

Moderator: Jonathan Nitzan