

Topic 1

The Capitalist Dualities and the Fracturing of Political Economy

Capitalism without Capital**What's Wrong?**

- What is capital?
- Why is Microsoft "worth" \$200 billion?
- Capital: nominal vs. "real"
- Neoclassical and Marxist artefacts: utils and abstract labour
- Fundamental quantities: knowable and unknowable

What is to be Done?

- Toward a new cosmology
- Descartes goes to the root: Ctl-Alt-Del
- Re-research: theories, methods, facts, concepts, questions
- Transcend: existing political economy

Toward an Alternative Theory

- From machines to capitalization
- The elementary particles of capital: earnings, hype, risk and the normal rate of return
- Capital as organized power
- Politics vs. Economics: seen from below, seen from above
- The state of capital and the accumulation of power
- The capitalist *creorder*

The First Duality: Politics vs. Economics

- The pre-capitalist backdrop: rulers and tillers
- The European bourg: demanding formal independence
- The birth of the bifurcation: bourgeois economy, feudal state
- From particular *libertates* to universal liberty: the bourgeoisie takes command

The Liberal View

- Politics and economics: separate systems
- Capital: an economic entity
- Politics as a shock: distortions, interventions, constraints
- Politics as a free market

The Marxist Perspective

- Politics and economics: dialectically intertwined
- Private property: legal equality, exploitation and state power
- The contradiction abolished

The Second Duality: Nominal vs. Real

- Hume's classical dichotomy
- The Thing and the Idea
- Real: production and consumption, utility and exploitation, profit and accumulation
- Nominal: reflection and lubrication

The Liberal View

- In defence of profit
- With my own Lockean hands
- Capitalist income: from confiscation to creativity
- Distortions and imperfections

The Marxist Perspective

- Exposing the root of profit: exploitation
- Productive labour: the source of all value
- Fractions of capital: industrial, commercial and financial
- Real and fictitious capital: from backward looking to forward looking
- Why Marxist capital has two faces: falling for the liberal duality

Binary Society: Before Capitalism

- Agricultural tyrannies
- Two “factors of production,” two classes
- Distribution by confiscation
- Worldview: static and circular
- Justification: mediated, external, religious

The New Cosmology

- The third element: the machine and the capitalist
- The triple revolution: science, industry, politics
- The mechanical worldview: the rise of secular force

Force

- “Force is nothing but its effect”
- Cosmology as the politicization of nature
- Religious force: names, bullies, pantheon gods, mono gods
- Scientific force: secular, permanent, rational, universal
- God as Law
- Natural law and the good society

Political Economy: the Science of Capitalist Society

- Smith’s *Wealth of Nations*
- The Newtonian society
- Individuals as isolated bodies
- Scarcity as gravitation
- Social functions: demand and supply as force and counterforce
- Order in the chaos: equilibrated by the invisible hand
- The ontological break: from religious power to secular force
- The promise: peaceful growth
- The perquisite: new politics
- The socio-Newtonians: from Voltaire to Franklin
- From checks and balances to countervailing powers
- *Laissez faire*: from divine to natural right; from religion to rationality, from paternalism to individualism, from obedience to self interest, from absolutism to constitutionalism

Mission Impossible: Separating Politics from Economics

- Can political economy be dismantled?
- The economy as a closed system: self-contained units and laws
- The wild card: capitalist dynamics
- Enter growth: can static economics explain the surplus?
- Bringing power back in

The Ascent of Power

- From heteronomous force to autonomous power
- Large units: governments, corporations, alliances
- The end of automatic equilibrium: can “pure” economics survive?
- Measurement: the onslaught of statistics
- Mingled with power: can “real” capital be quantified?
- New phenomena: beyond markets, production and classes
- Labour: no longer subsisting, no longer simple
- Profit: is it falling?
- Broadening the vista: culture and psychology, inflation and finance, technology and management
- Class: from immediate and obvious to mediated and speculative
- The rise of fascist categories: mass, elite, power, state, bureaucracy, system
- The new science: uncertainty and probability, relativity and entanglement
- Postism

Deflecting Power

- Choose one only: theory or reality?

Liberal Withdrawal and Concessions

- Retreating into the model
- Economics as a null domain: excluding all power
- The 1930s: the great concession
- Allowing for two “realities”: pristine micro, power-laden macro
- Is General Electric micro or macro?

From Classical Marxism to Neo Marxism

- The labour aristocracy: the end of labour values?
- From industrial competition to centralized finance: the end of automaticity?
- From overproduction to underconsumption: collapse no longer imminent?
- From laissez faire to a strong state: the end of economic primacy?
- Imperialism: from class to state?
- Marx’s totality: what is left?

Tripod: the three Fractures

- Bruno Rizzi’s bureaucratic collectivism and the end of unified Marxism
- Friedrich Pollock: the end of the “economy”?
- Franz Neumann: totalitarian monopoly capitalism?
- The three fractures: neo-Marxian economics, cultural studies, state theory

Neo Marxian Economics

- Power in, the labour theory of value out
- Michal Kalecki: the degree of monopoly
- Monopoly Capital: power pricing, economic surplus, realization and waste
- Eliminating the labour theory of value, but what comes in its stead?
- The bind: allowing power while retaining the dualities

Culture

- Stalinism, Nazism, capitalist mass culture
- Frankfurt School: the end of “economics”
- The postists: the end of science
- Ignorance is strength: certainly worth the funding

State Theory

- Context: large states, total/global conflict, endemic/permanent war
- Three models: techno-bureaucratic, autonomous, capitalist
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The Techno-bureaucratic State

- State as an arena
- The imperative: efficiency, size and planning
- From capitalist owners to power elites

The Autonomous State

- State as an actor
- The imperative: organizing/financing war, disciplining tax payers

The Capitalist State

- State as an actor and / or arena
- The imperative: legitimize, mitigate crisis, socialize cost, mediate conflict
- State and capital: separate by necessity
- The flat approach: Miliband and Poulantzas
- The hierarchical approach: Anderson, Kolko, Mandel
- Political Marxism: stretching the definitions

The Capitalist Totality?