Fourth Lecture

Contemporary Capitalism: A U.S. Perspective

Accumulation
- Material: re-invested profit
- Financial: discounted risk-adjusted expected future earnings
- Profit, output, unit cost, price.
- The imperative of accumulation

Capitalism emerges
- Slaves and slave owners
- Independent producers
- Workers and capitalists
- Self-employed

Capitalism transformed
- Social Structures of Accumulation (SSAs)
- Bifurcation: economic accumulation, socio-political SSA
- Phases: consolidation, contradictions, decay

Competitive capitalism
- Small business
- Craft unions
- The dilemma: population vs. productivity growth

Corporate capitalism
- Coordination
- From pools and trusts to incorporation
- Build/buy ratio
- Envelopes
- Mergers and acquisitions: monopoly and oligopoly
- *The Jungle*
- The Great Depression and collectivism

Regulated Capitalism
- Corporate conglomeration
- The 1935 Wagner Act and the NLRB
- Labour: rising wages, rising union membership
- Government regulation: micro, macro, financial, global
- Dual Economy
- Business "core" and "periphery"
- Segmented labour markets: primary, independent, subordinate, secondary
- The "business-labour accord"
- Military Keynesianism
- End game: reaching the national envelope, disciplining labour
- Emerging markets, collapsing Communism

Global Capitalism
- Opening up: imports, immigrants
- Labour in retreat: stagnant wages, declining unions, deepening segmentation
- Globalization of U.S. business
- Government intervention: direct and indirect
- Ecological changes and the decline of the U.S.

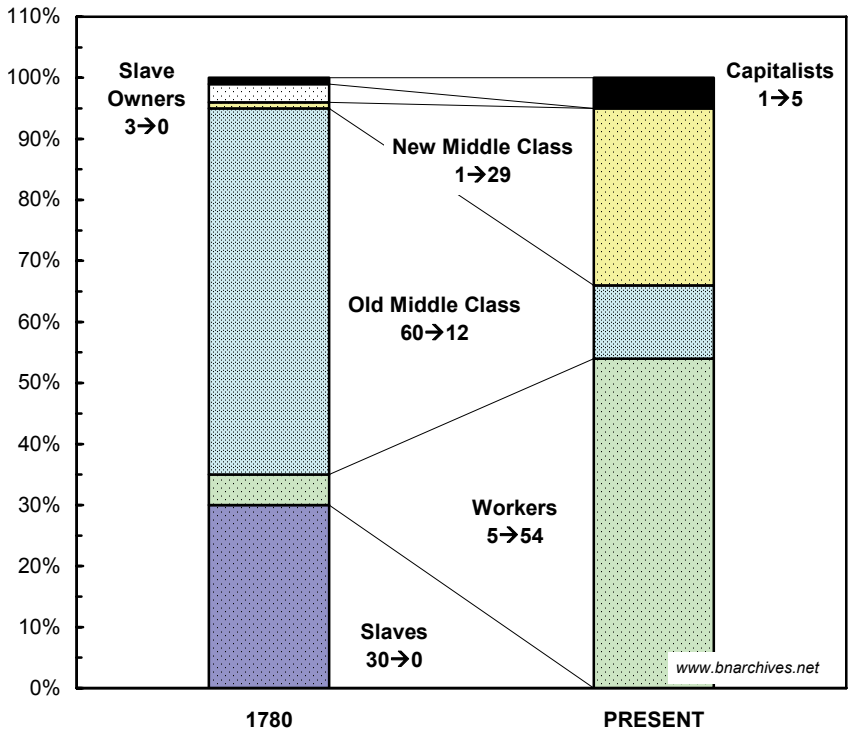
Profit = (Profit / Output) * Output

= Profit per Unit * Output

= (Price – Unit Cost) * Output

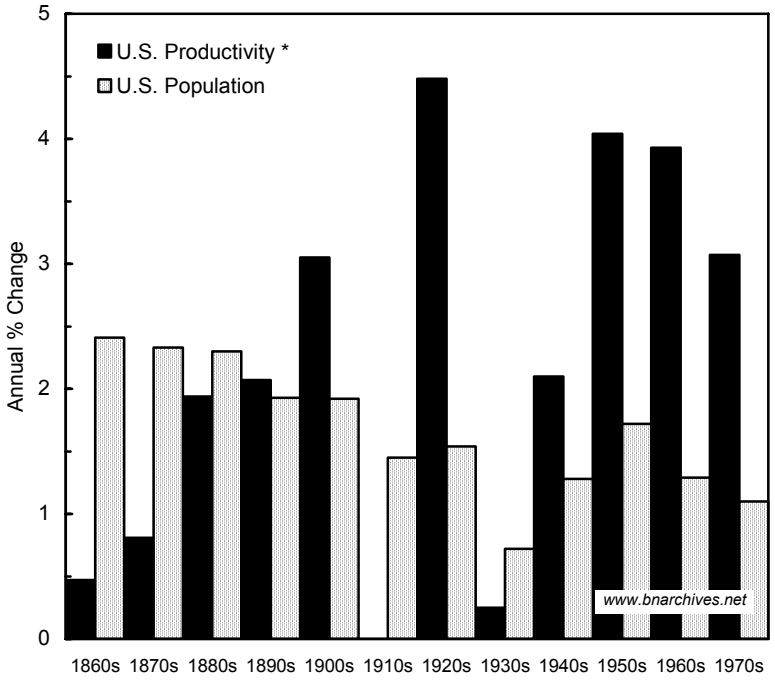
		Ownership of Means of Production?	
		Yes	No
Controls Labour of Others?	Yes	Capitalist Slave Owner	New Middle Class
	No	Old Middle Class	Wage Earners Slaves

The Changing Class Structure in the United States



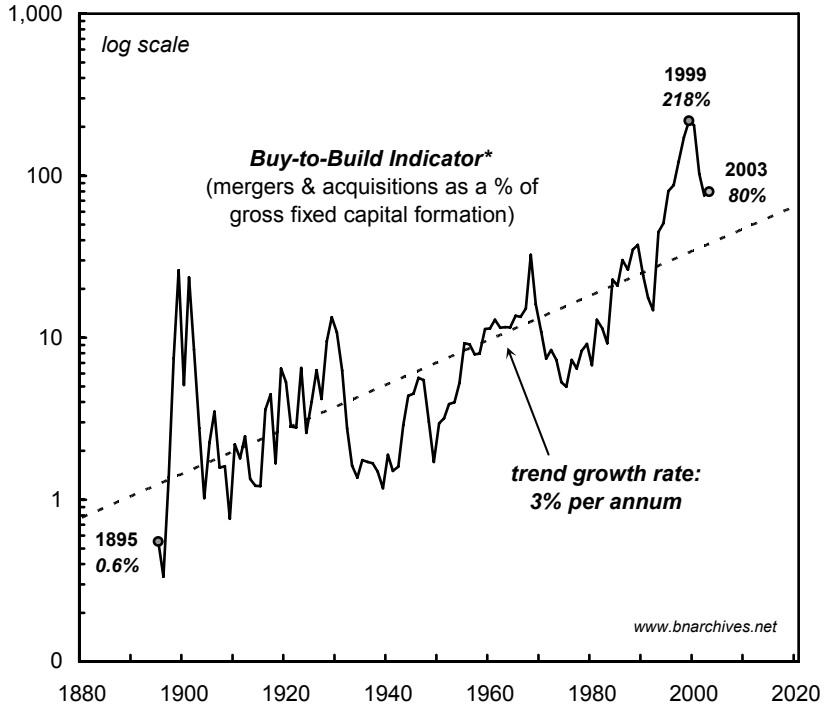
SOURCE: Bowles, Samuel, Richard Edwards, and Frank Roosevelt. 2005. *Understanding Capitalism. Competition, Command, and Change.* New York and Oxford: Oxford University Press, pp. 155-156

The Productivity Threat



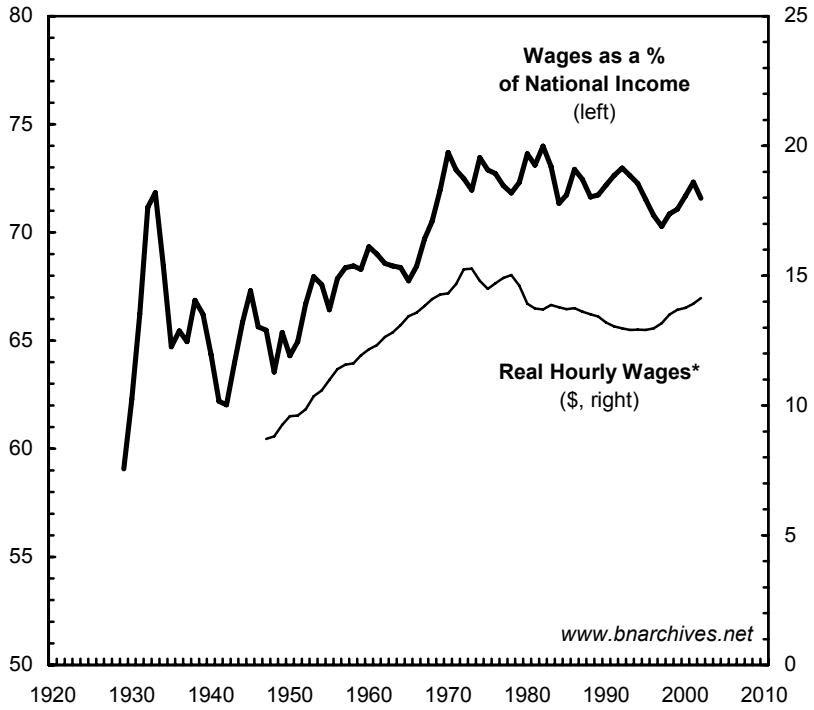
SOURCE: Nitzan, Jonathan. 1998. Differential Accumulation: Toward a New Political Economy of Capital. *Review of International Political Economy* 5 (2): 169-216. p. 190

Two Types of "Investment": The U.S. Experience



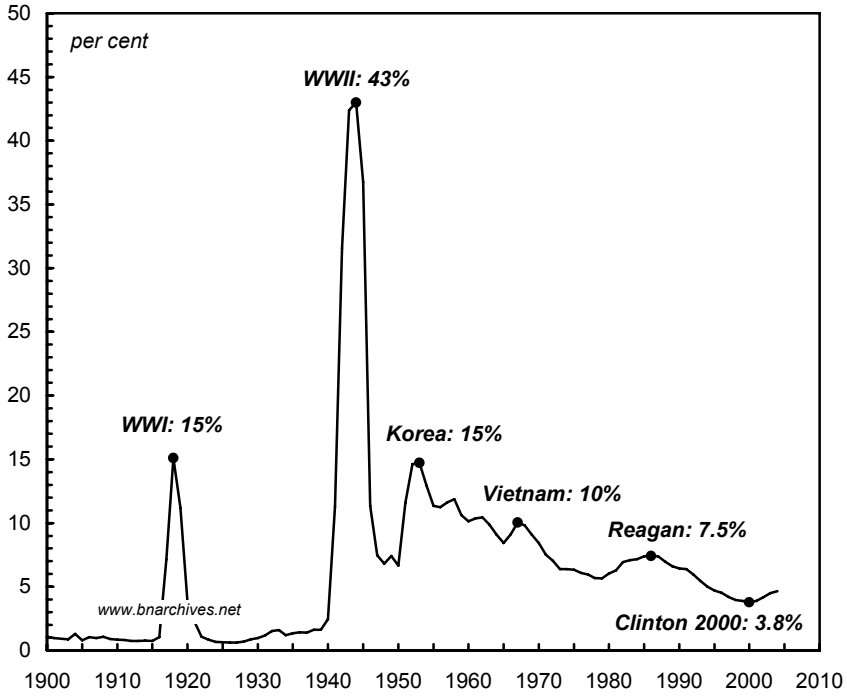
SOURCE: Nitzan, Jonathan, and Shimshon Bichler. 2006 (forthcoming). New Imperialism or New Capitalism? *Review* XXIX (1, February).

Labour in the United States



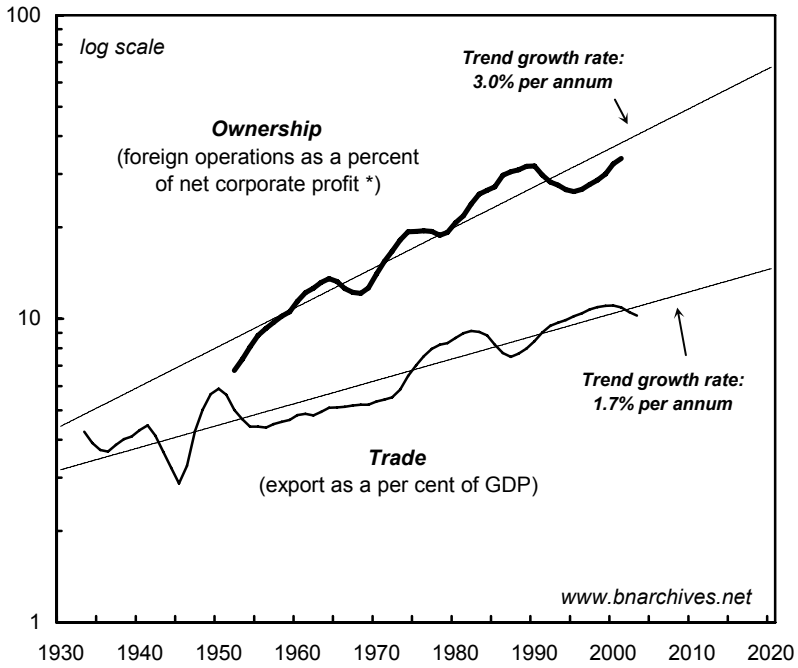
* Average hourly earnings of production or nonsupervisory workers on private nonfarm payroll, deflated by the CPI (2000 prices).
SOURCE: US Department of Commerce; DRI.

U.S. Military Spending as a Share of GDP



SOURCE: Bichler, Shimshon, and Jonathan Nitzan. 2004. Dominant Capital and the New Wars. *Journal of World-Systems Research* 10 (2, August): p. 319

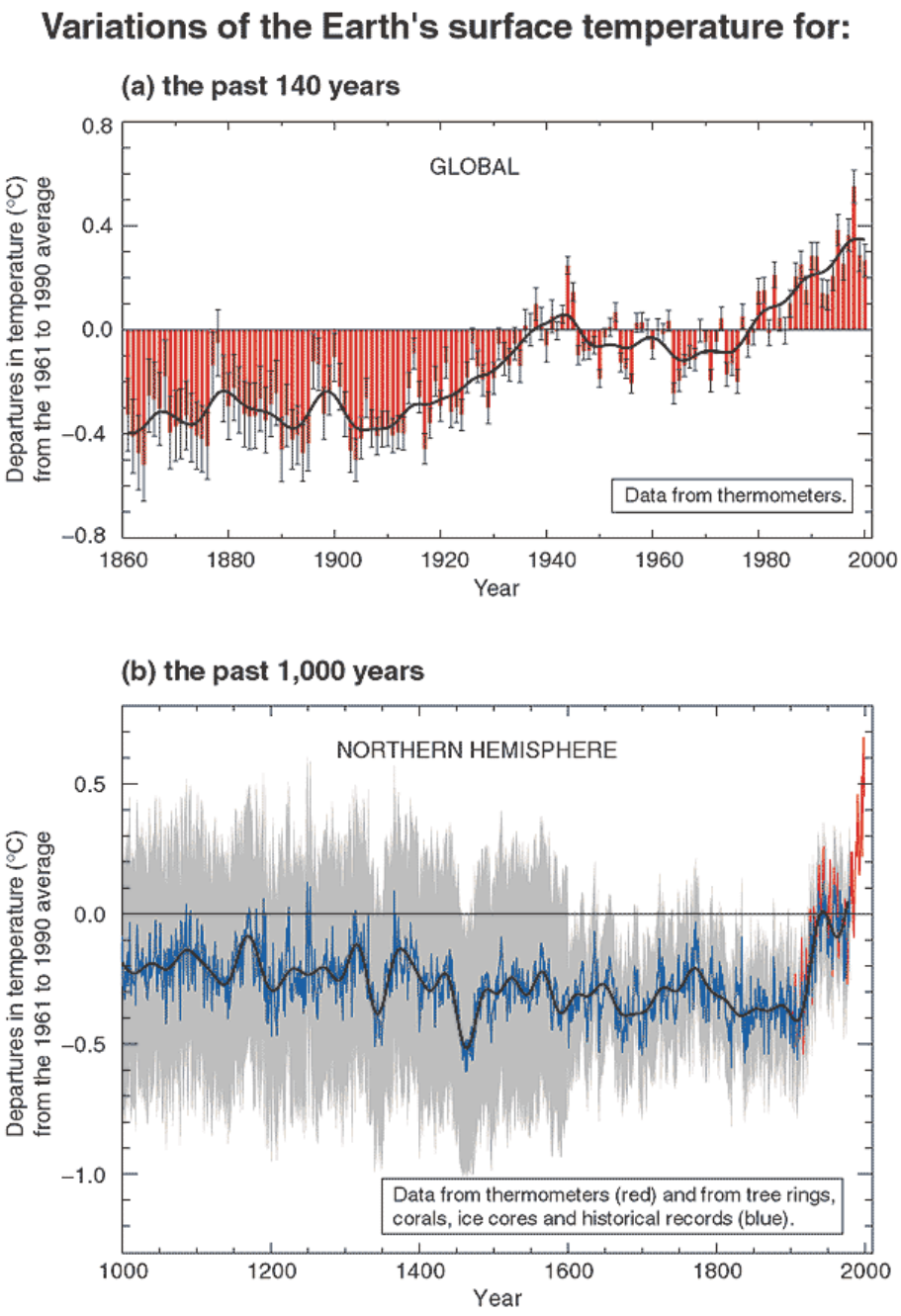
The Globalization of U.S. Business



SOURCE: Bichler, Shimshon, and Jonathan Nitzan. 2006 forthcoming. *Capital As Power.* New York and London: Routledge.

The Changing Architecture of Capitalist Power in the United States

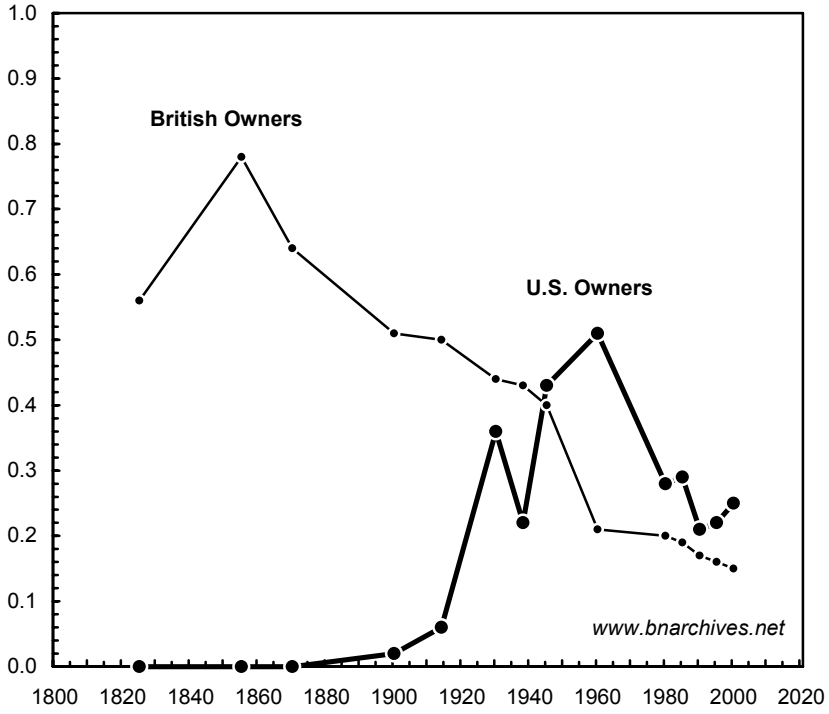
NOTE: Original series expressed as 10-year moving averages.
* Capital gains and dividends is the difference between successive values of the S&P500 Total Return Index.
SOURCE: U.S. Bureau of the Census through Global Insight; Global Financial Data (www.globalfindata.com).



(a) The Earth's surface temperature is shown year by year (red bars) and approximately decade by decade (black line, a filtered annual curve suppressing fluctuations below near decadal time-scales). There are uncertainties in the annual data (thin black whisker bars represent the 95% confidence range) due to data gaps, random instrumental errors and uncertainties, uncertainties in bias corrections in the ocean surface temperature data and also in adjustments for urbanisation over the land. Over both the last 140 years and 100 years, the best estimate is that the global average surface temperature has increased by 0.6 ± 0.2°C. (b) Additionally, the year by year (blue curve) and 50 year average (black curve) variations of the average surface temperature of the Northern Hemisphere for the past 1000 years have been reconstructed from "proxy" data calibrated against thermometer data (see list of the main proxy data in the diagram). The 95% confidence range in the annual data is represented by the grey region. These uncertainties increase in more distant times and are always much larger than in the instrumental record due to the use of relatively sparse proxy data. Nevertheless the rate and duration of warming of the 20th century has been much greater than in any of the previous nine centuries. Similarly, it is likely[7] that the 1990s have been the warmest decade and 1998 the warmest year of the millennium.

SOURCE: Intergovernmental Panel on Climate Change (http://www.grida.no/climate/ipcc_tar/wg1/figspm-1.htm)

The Fraction of Total World Assets Held
By British-Based and U.S.-Based Owners



SOURCE: Obstfeld, Maurice, and Alan. M. Taylor. 2004. *Global Capital Markets: Integration, Crisis and Growth*. Cambridge: Cambridge University Press. pp. 52-3.