The Second Annual Forum on Capital as Power

THE CAPITALIST MODE OF POWER: PAST, PRESENT, FUTURE

Conference Program

October 20–21, 2011, Senate Chamber, Ross Building (Room N940), York University, Toronto

We would like to thank our York University sponsors for their generous financial support: Alumni Association; Office of the Vice-President, Research and Innovation; Office of the Vice-President, Academic and Provost; Faculty of Liberal Arts and Professional Studies; Faculty of Graduate Studies; Department of Political Science.

Call for Papers

The annual conference series organized by the Forum on Capital as Power brings together a diverse range of radically minded people interested in exploring the concept of power as a basis for re-thinking and re-searching value, capital and accumulation. As the name of our forum suggests, we think that the Capital as Power framework offers a promising new, but by no means the only, alternative for pursuing radical and innovative research in political economy. By conceptualizing capital as the symbolic quantification of power, and capitalism as a mode of power, this framework challenges the foundational bifurcations between politics/economics, 'real'/'nominal' and state/capital upon which conventional theories of capitalism rest. And by re-casting accumulation as a process of differential capitalization, this framework also offers research tools for empirically exploring capitalism; something that liberal and Marxist theories, anchored respectively in problematic units of 'utility' and 'abstract labour', have difficulty providing. This combined focus on theoretical-empirical research is, for us, of paramount importance. It points the way to a more democratic form of knowledge production. And it corresponds with what we believe should be a guiding maxim of radical praxis: that in order to change the world, we first have to adequately interpret and explain it.

As with all new frameworks, the Capital as Power approach is still very much open to elaboration and refinement, as well as contestation. Our inaugural conference in 2010 marked a positive step in this regard. It generated enthusiastic discussion and debate, it produced exciting new insights and new research related to the Capital as Power approach, and it yielded original material for forthcoming publications. But there is still ample scope for further inquiry: is a focus on Capital as Power able to account for the historical origins and spread of capitalism? Is it amenable to contemporary comparative research in different geographical and social contexts? What can a focus on Capital as Power tell us about the possible future trajectories of the global capitalist order? What kind of democratic and humane alternatives to the existing order does it envision? And in what ways does Capital as Power intersect and overlap with other power-centered approaches to political economy?

With these questions in mind, our second annual conference invites contributions from those who critically engage with, extend or operationalize the Capital as Power approach in their own research. We also welcome contributions by those who present other power-centered alternatives to existing theories of capitalism. Contributions might address, but are not necessarily restricted to, the following areas:

- Capitalist power and the labour process;
- The emergence of the modern state as a locus of capitalization;
- The role of capitalist power in contemporary crises of real estate, sovereign debt or natural resources;
- The intersection of the capitalist mode of power with other modes of power;
- Capital as Power from regional and comparative perspectives;
- The role of entertainment, leisure and consumption from a capitalist perspective;
- Capitalist power over the biosphere;
- Alternative visions for the future, including alternative, democratic accounting systems.

ATTENUATED TIMETABLE

Thursday, October 20th	**Friday, October 21st**
8:30–9:15am REGISTRATION Opening Remarks	9:00–10:00am (VI) KEYNOTE ADDRESS 16. Michael Perelman
9:15–11:15am (I) STATE POWER 1. Theodore Papadopoulos 2. Francesco Macheda 3. Sandy Brian Hager 4. Joseph Francis	10:15–11:45am (VII) COMMODITIES: MATERIAL & IMMATERIAL 17. Joseph Baines 18. Joseph Francis 19. James McMahon
11:30am–1:00pm (II) BANKING, MONEY, FINANCE (part 1) 5. Jeremy Green 6. Tuna Baskoy 7. Mladen Ostojić	11:45am–12:45pm LUNCH
1:00–2:00pm LUNCH	12:45–2:15pm (VIII) FACULTY GUEST PRESENTATION 20. Jonathan Nitzan
2:00–3:30pm (III) KEYNOTE ADDRESSES 8. Bob Jessop 9. Randall Wray	2:30–4:00pm (IX) NEOLIBERALISM 21. Kean Birch 22. Joo-Hyoung Ji 23. Jordan Brennan
3:45–5:15pm (IV) BUSINESS POWER 10. Marc-Andre Gagnon 11. Eric George 12. D.T. Cochrane	4:15–5:45pm (X) ALTERNATIVES 24. Sean Starrs 25. David Hynes 26. Luis de Miranda
5:30–7:00pm (V) BANKING, MONEY, FINANCE (part 2) 13. Jongchul Kim 14. John Bradford 15. Stefano Papa	

SESSION I: STATE POWER

9:15–11:15am

CHAIR: Jordan Brennan (York University)

1. Power Shifts in the European Union: Continuities, Changes and Crises in the Integration of European Market Societies

Theo Papadopoulos, University of Bath (T.Papadopoulos@bath.ac.uk)

This paper argues that the continuous drive towards democratically dis-embedded markets in the EU, as well as the institutional innovations pursued by European politico-economic elites in response to the sovereign debt crisis, should be seen as core elements of a political attempt to make economization the dominant mode of social instituting in the EU, in perpetuity. In the emerging EU socio-economic space individual member states are rapidly integrated under an undemocratic transnational capitalist *creorder.* A new capitalist mode of power is consolidated in the EU where the market is evolving into a form of *polity,* with permanent austerity as its policy frame. The paper comprises a conceptual and an empirical part. The conceptual part explores three key concepts – power, governance and market embeddedness – and combines them in an 'analytics of power' to understand power shifts in the EU. In the second part, these power shifts are empirically explored by means of three cases: a) the, nearly completed, re-commodification of European labour and *workfarization/marketization* of national welfare states; b) the de facto creation of an EU-wide market of national regulations for industrial relations, following a series of anti-labour rulings of the European Court of Justice; and c) the radical reduction of member states' economic sovereignty, as envisaged by the establishment of the permanent European Stability Mechanism (ESM), due to be launched in 2013.

2. The Role of Pension Funds in the Financialization of the Icelandic Economy

Francesco Macheda, Università Politecnica delle Marche (f.macheda@univpm.it)

This article explores the decisive role of pension funds in the restructuring of the Icelandic economy, arguing that, through its involvement in pension fund industry, labour unions greatly concurred to lay the foundations to the economic financialization. The socio-economic stability provided by labour organizations was the vital element on which the new financial regime of accumulation relied on. It enhanced the national economic 'credibility' that helped the internal market to attract foreign speculators as well as gaining access to loans from the international market. This involves a detailed study of the co-evolution of industrial relations with the ongoing process of economic financialization, where they adjusted to one another until a viable institutional configuration emerged. First, I examine how the structural crisis of the Icelandic economy produced an explosion of inflation and labour conflictuality in the late eighties. Second, I retrace how the implementation of a neo-corporatist pattern definitely enabled lower inflation and stabilization of the currency. Third, I analyze how the involvement of the Icelandic trade unions in the financial mechanisms through the pension industry generated a degree of identification with pro-market governmental policy on the part of union leaders, encouraging them to tailor their own strategies accordingly. In response to the low or negative real returns on safe financial assets where pension funds were invested in during the 1970s and 1980s, the unions and employers who managed them along with the financial sector lobbied successfully to create those structural conditions allowing these funds to find new channels to invest in. My point is that Icelandic unions' consensus concerning the 'stabilization program' implemented by the neo-liberal coalitions relies on their embeddedness into the financial structures of the national economy through the occupational pension funds.

3. Who Bears the Burden? Public Debt, Redistribution and Power

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

Since the birth of political economy in the eighteenth century, both liberals and radicals have debated the role that public indebtedness plays in redistributing wealth between social groups. Yet with the consolidation of national accounting in the twentieth century, there have been no convincing empirical methods developed to substantiate these longstanding theoretical arguments. Empirical efforts to map the redistributionary effects of public debt during the past century have been dominated by liberals, who debate whether or not government borrowing burdens the problematic category of 'future generations'. And despite the rhetoric of class struggle underpinning state finance, Marxists have not formulated alternative empirical tools to challenge the liberal focus on inter-generational redistribution.

This paper offers a critique of and alternative to the main empirical accounts of the redistributionary effects of public debt: Keynesian, public choice and the Ricardian Equivalence Theorem (RET). It argues that Keynesian approaches, in their penchant for aggregate categories, pay only lip service to the redistributionary effects of public debt. Meanwhile the latter two approaches are flawed because they try to explain the inherently political process of redistribution using purely 'economic' concepts anchored in subjectivist utility. As a result, liberals are unable to adequately address the fundamental question of redistribution: who are the winners and losers in the historical expansions and contractions of public debt and how does this pattern change over time? The paper goes on to offer a 'capital as power' alternative that regards differential ownership as the basis of power in capitalist societies. Analyzing data on corporate taxation and government debt owned by the US corporate sector, it shows that over the past half century the US government has acted as a mechanism for staggering redistribution in favour of the largest corporations. The data helps shed light on the current US public debt crisis and the limits to fiscal reform.

4. Actually Existing States: The Gaping Hole in State Theory

Joseph Francis, LSE (j.a.francis@lse.ac.uk)

Standard theories of the state have little relevance to most people in the world today. State theorists have generally followed Weber in identifying the state as a monopoly on the use of legitimate force. Such a definition presupposes legality, yet most states have been – and continue to be – characterized by illegality. It is argued that Weber's definition has remained prominent due to the geographical concentration of state theorists in parts of the world where the rule of law has largely been achieved: Northwestern Europe and its offshoots in North America. As a result, they have taken for granted one of the major aspects of progress during the past 500 years: the constraint of the state by law in these regions. From their privileged locations, they have then concerned themselves with the question of which laws the state should follow. The paper concludes with a discussion of 'capital as power', which illustrates how even a radical attempt to rethink the state assumes the rule of law. Consequently, it has questionable relevancy to most people, who must continue to live under actually existing states that are generally illegitimate, ineffective and corrupt.

SESSION II: BANKING, MONEY, FINANCE (Part 1)

11:30am–1:00pm

CHAIR: Sean Starrs (York University)

5. Bank Power and the Struggle for Eurodollar Market Supremacy

Jeremy Green, York University (ldxjg1@yorku.ca)

The emergence of the Eurodollar markets in the late 1950s sounded the death knell for the Bretton Woods system of capital controls before it was ever officially implemented. In a booming global economy flush with dollars, the City of London soon became a vast offshore and unregulated repository for international dollar holdings. During the 1960s, with the volume of lending increasing exponentially, the Eurodollar market became an increasingly integral source of finance for expanding multinational corporations. After early domination by British banks, American banks, marginalized at first, had expanded their control of Eurodollar lending from 17% to 54% by 1969. This development raises important questions regarding the balance of power between American and British banking institutions in the 1960s and their controlling influence over a key source of global finance. Using aspects of the Capital as Power approach, this paper evaluates the shifting power of British and American banks in relation to their capitalization of Eurodollar lending. Competition between British and American banks is examined within the broader context of Anglo-American relations during the period. The following questions are explored: How and why did British banks relinquish their position of early dominance so rapidly? And secondly, how does the tone of broader Anglo-American relations account for the quiescence of British authorities regarding acceptance of American bank expansion into London and the subsequent American capture of Eurodollar market control?

6. Capital and Global Financial Crisis: Collapse of Merrill Lynch and Bear Stearns

Tuna Baskoy, Ryerson University (tbaskoy@politics.ryerson.ca)

The global financial crisis in 2007–8 demonstrated that even the healthiest and most successful business firms like Bear Stearns and Merrill Lynch could cease to exist suddenly. Just before the crisis, they were well-capitalized, healthy and churning out billions of profit every year. Their surprising disappearance raises a number of critical questions: What is capital? What is liquidity? How does business competition work and produce such catastrophic results?

In this paper, the underlying argument is that capital, defined as a constantly changing construct of the human mind, can only be understood in relation to profitability in the process of business competition. Defined as an expression of business behavior and as a mechanism that disciplines business firms, business competition is the key to unravel the linkage between capital, power, profitability, liquidity, and bankruptcy. While the first section proposes a theoretical framework following Thorstein Veblen and Karl Marx, the second part examines the disappearance of Merrill Lynch and Bear and Stearns as independent investment banks. The third section assesses the empirical evidence and summarizes the findings.

7. Corporate Taxation: The Case of American Banking

Mladen Ostojić, York University (mladen@yorku.ca)

The rise of corporate power in modern capitalism has been the subject of extensive analysis, but there is a relative lack of empirical study regarding the tax considerations accompanying this trend. While it is generally understood that falling taxation has contributed to corporate growth in the past, closer examination of effective corporate tax rates over time has also revealed large disparities between different sectors. Particularly, banks in the United States since the early twentieth century have enjoyed a lower tax burden than the corporate American average while their profits have grown at a faster rate. Yet within the banking sector itself, the largest banks have also endured the highest effective tax rates. This paper presents the empirical evidence supporting these findings and considers some of the broader political-economic implications surrounding the historically preferential taxation of American banking.

SESSION III: KEYNOTE ADDRESSES

2:00–3:30pm

CHAIR: Joseph Baines (York University)

8. Differential Accumulation: Explanans, Explanandum, or Both? Critical Realist Reflections on Power and Capital

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

9. Money and the Public Purpose: The Modern Monetary Theory Approach

Randall Wray, Keynote Speaker, University of Missouri (wrayr@umkc.edu)

SESSION IV: BUSINESS POWER

3:45–5:15pm

CHAIR: Joe Francis (LSE)

10. Veblenian Analysis of Big Pharma's Intangible Assets: Capitalizing Medical Bias

Marc-Andre Gagnon, Carleton University (ma_gagnon@carleton.ca)

Since the mid-1980s, a curious paradox is found in the pharmaceutical sector: while the therapeutic innovation is constantly decreasing, the rate of profit for dominant pharmaceutical firms is constantly growing. Veblen's analysis of capital as a mean of control over the industry and the community allows one to better understand this paradox. A more detailed analysis of Big Pharma's earning-capacity shows that profits are not related to the production of innovative products, but to the growing corporate control over medical research and medical practice. Producing the right medical discourse through massive promotional campaigns has become central in developing "blockbuster drugs", even when these drugs are in fact less efficacious than previous ones. After measuring profits and innovation in the pharmaceutical sector, the presentation will show that promotion expenditure dwarfs research and development. Analyzing in more details the promotional campaigns put in place by Big Pharma, it will be possible to show that they create important bias in medical knowledge. Such corporate bias serves well the interests of the shareholders' wallets to the detriment of patients' health.

11. The Consolidation of the U.S Arms Business Since 1990

Eric George, York University (ericgeorge04@gmail.com)

This paper is an investigation into the determinants and effects of the U.S arms business consolidation wave of the early 1990s. It asks: how has the amalgamation of U.S arms firms shaped their patterns of capital accumulation since the end of the Cold War? In the *Global Political Economy of Israel,* Nitzan and Bichler viewed U.S arms business consolidation as a strategic response to the imminent stagnation in the wake of Pentagon budget cuts. Since the publication of that work, the prolonged campaigns in Afghanistan and Iraq as well as increased scrutiny over the direction of the U.S federal budget have led to renewed debate over the future of the defense industry in the U.S. Prior theories of the military industrial complex related U.S arms expenditures to institutionalized waste, military-Keynesianism and to its functional role in U.S world dominance. Do these theories still hold true in view of contemporary developments? In seeking a preliminary answer to these questions, I take my cue from the theory of capitalist breadth as elaborated in the *Capitalist Mode of Power*, examining the performance of U.S arms firms vis-à-vis dominant capital from a historical perspective.

12. Accounting for Power: From Quality to Quantity and Back Again

D.T. Cochrane, York University (dtc@yorku.ca)

Capital as power (CasP) is a theory to explain the meaning of nominal financial quantities. Against the prevailing 'dual quantity' theories of value, CasP considers these quantities the outcome of subjective assessments of the complex qualitative world. As such, the theory motivates empirical research into the historical and on-going processes that constitute 'capitalism.' A similar motivation is found in recent work by economic sociologists (e.g. Knorr-Cetina and Bruegger, 2002; Callon and Muniesa, 2005; Miller, 2008) who have taken an interest in financial markets. Despite their interest in concrete 'centres of calculation' (Latour, 1987), including the work of financiers, accountants and other market participants, consideration of quantitative output of these centres is conspicuously absent. I argue in this paper that the important work of the economic sociologists will be strengthened with the adoption of the power theory of capital, as it will allow them to integrate quantities into their financial ethnographies.

SESSION V: BANKING, MONEY, FINANCE (Part 2)

5:30–7:00pm

CHAIR: Jeremy Green (York University)

13. The Nature of Modern Finance and Its Reform

Jongchul Kim, Max Planck Institute for the Study of Societies (jazzchul@hotmail.com)

The recent global financial crisis is attributable, some critical scholars argue, to both a neo-liberal corporate governance model based on the ideology of "shareholder value" and banks' power of money creation. A few of the scholars have identified that shareholders' rights under the neo-liberal model are a hybrid between debt and property, i.e. between creditors' rights and property owners' rights. For a programme for corporate governance reform, these scholars argue in favour of abolishing this hybridity, i.e., radically reconceptualize shareholders as creditors. However, scholars have not yet identified that banks' power of money creation and other recent financial schemes, such as mutual funds, are also the hybrid. This paper includes the neo-liberal corporate governance model, banks' power of money creation, and various recent financial schemes *under the same concept*—hybrid between debt and property known as trust. By doing so, the paper contributes to suggesting a general reform principle for the modern financial system—to abolish the hybridity, i.e. to clearly distinguish all investors' rights into *rights in rem* (property owners' rights) or *rights in personam* (creditors' rights) rather than to blur the lines of them.

14. Capital, the State, and the Monetary Mode of Power

John Hamilton Bradford, University of Alabama (john.h.bradford@gmail.com)

In this paper I make three broad criticisms of Nitzan & Bichler's work: first, their elimination of the distinction between economics and politics renders any empirical test of their ostensible integration impossible; second, they do not adequately define their main concepts, including capital, capitalization, capitalism, and power; and third, they do not acknowledge the possibility that the patterns they attribute to power may in fact be self-organized. This paper argues that money is a claim to wealth, not wealth itself. Money is a medium of credit, that is, a means of mobilizing (human and natural) resources. Credit denotes one end of a credit-debt relationship, and thus expresses and exercises the power to mobilize resources only by virtue of its command over the obliged. The monetary relation of credit and obligation is the prevailing form of power in capitalism today, supplanting (but of course not entirely replacing) and conditioning relationships of command and obedience.

15. Saving as a Social Practice

Stepfano Papa, University of Vienna (stefano.papa@univie.ac.at)

In 'The Limitations of Marginal Utility' (1909) Thorstein Veblen focuses on two aspects of a critique of the 'hedonistic intepretation of modern economic phenomena'. The first is of a theoretical nature and bears on the problem of intertemporal phenomena (growth, accumulation, crisis). Veblen argues that 'marginal-utility economics' as a 'doctrine of value' is by its very theoretical disposition unable to cope with phenomena of growth and change (of the financial system as well as of the technological type). My suggestion is that a similar point (a Veblerian sociology of economic theory) can be made concerning a specific and highly regarded piece of economic theory, F.P. Ramsey's Mathematical Theory of Saving (1928). Such a critique aims to show that Ramsey's question 'how much savings should be', ought to be reformulated as follows: what are the institutional constraints on saving which give a social system (capital) a structure and prevent it to be in a state of indifference (entropy)? Whereas saving pertains to economic structure or the lack of it (economical entropy), there is a distinct form of disorder, social entropy. I propose to define the latter as condition of system with a minimum of symbolic interaction and where the social interactions tend to collapse into economical valuation (where everything can be bought). Both economic and social entropy reduce labour to forms of subsistence.

The second aspect of Veblen's essay on marginal utility regards the institution of money and the financial system, 'commercialization' in Veblen's saying. In this regard theory has a pragmatic functioning as well which could be labelled the manufacture of social software (after Rohit Parikh). A theory of saving seems at first sight essentially concerned with spelling the semantic or ultimate aspects of social practices; what is the contribution of saving as a social practice to the functioning of the 'institutional fabric'?

FRIDAY, OCTOBER 21st

SESSION VI: KEYNOTE ADDRESS

9:00–10:00am

CHAIR: Sandy Brian Hager

16. The Power of Economics *vs.* The Economics of Power

Michael Perelman, California State University (michael.perelman@gmail.com)

SESSION VII: COMMODITIES: MATERIAL & IMMATERIAL

10:15–11:45am

CHAIR: D.T. Cochrane (York University)

17. The Power of Agribusiness Traders in an Era of Global Food Price Crises

Joseph Baines, York University (josephbaines@yahoo.co.uk)

In 2007-2008, there was a massive rise in food prices, and the number of undernourished people in the world increased to a record high of over 1 billion. Food riots erupted in 30 countries. After temporary reprieve from price hikes, much of humanity is now engaged in another brutal round of agflation (*ag*ricultural food price in*flation)*. By January this year, world food prices had surpassed the levels of the previous crisis. And again widespread social unrest has ensued. From Algeria to Bolivia and from Mozambique to Yemen, people have descended onto the streets and called for the costs of living to be set according to social need rather than market diktat. In this context of global tumult, one country has descended into civil war, two heads of state have been ousted from power and the command of other governments looks decidedly shaky. This presentation will offer my preliminary research into the possible role of the major agricultural commodities traders (Archer Daniels Midland, Bunge and Cargill) in engendering food insecurity. In particular, it will inquire into why their pecuniary earnings levels seem to sky-rocket during sudden spikes in human misery.

18. Commodity Booms, Stock Market Bubbles and Merger Waves: Joining the Dots

Joseph Francis, LSE (j.a.francis@lse.ac.uk)

Since the beginning of the twentieth century, there have been four major merger waves. In each, companies have preferred buying already existing productive capacity to building new capacity. New estimates of 'buy-to-build indicators' for the United Kingdom and the United States suggest that these waves occurred concurrently in the two countries. Each wave was accompanied by a bubble in the US stock market, while booms in world commodity prices occurred as the waves receded. A hypothesis on the origins of these relationships is outlined: Mergers become waves due to companies' attempts to achieve 'countervailing power' vis-à-vis their buyers and suppliers; primary producers are those least able to achieve this power, so merger waves result in falling commodity prices; a bubble forms on the stock market due to the large premiums paid in merger deals; the merger wave ends, however, as the pool of potential targets dries up, typically due to some kind of limit imposed by government; in response, the stock market bubble bursts, so capital flows into commodity exchanges, leading to a boom in commodity prices; a new merger wave then begins, as companies attempt to re-establish their control over costs through greater consolidation. Whether this cycle repeats itself in the future is an open question.

19. Mass Culture and Capitalist Power

James McMahon, York University (jamesmcmahon30@gmail.com)

I will use this conference presentation to share data from my ongoing research on one sector of mass culture: the major filmed entertainment firms of Hollywood. The Capital as Power (CasP) framework will be used to think about the relationship between the differential earnings of major filmed entertainment firms and the social habits of mass culture. Through the CasP framework the following points will be emphasized: (1) Entertainment firms operate according to the logic of capitalization. They discount expected future earnings to the present according to their perception of the dynamics of pleasure in society. (2) While filmmaking is commonly thought to be a very risky business enterprise, many of the characterizations of risk happen to downplay or completely neglect how filmed entertainment firms attempt to organize the social-historical state of culture. For instance, in the case of Hollywood we find major filmed entertainment firms trying to synchronize creativity and pleasure in society. With respect to creativity, the major filmed entertainment firms must find means of strategically sabotaging the industry of filmmaking in order for pecuniary gain to even be possible. While not always directly controlled, the control and organization of sublimation is also instrumental for those that are investing in the individual's need for pleasure. A controlled order of pleasure is necessary because the tastes of the consumer society can be reproduced by willing consumers, but they also can be rejected and transformed by the *demos.* Thus, although it includes production, the capitalization of filmed entertainment concerns the overall 'health' of mass culture.

SESSION VIII: FACULTY GUEST PRESENTATION

12:45–2:15pm

CHAIR: Mladen Ostojić

20. The Asymptotes of Power

Jonathan Nitzan, York University (nitzan@yorku.ca)

SESSION IX: NEOLIBERALISM

2:30–4:00pm

CHAIR: James McMahon (York University)

21. Have We Ever Been Neoliberal?

Kean Birch, York University (keanbirch@gmail.com)

The central purpose of this paper is to explore the evolution of neoliberal thought and the evolution of international financial markets in order to look at the relationship between the processes of neoliberalization and financialization. The paper starts by outlining some of the new literature in history, sociology, geography and elsewhere on the original formulation of neoliberal thought in order to outline the tensions between different varieties of neoliberal thinking. In looking anew at neoliberalism, the paper aims to illustrate that one strand of neoliberalism (second generation Chicago School) came to dominate political-economic debates during the 1960s and 1970s. This version of neoliberalism, however, has not driven political-economic restructuring over the last 30–40 years. Rather, the paper argues that Anglo-Saxon countries have undergone a process of global financialization in which the expansion of the (national) public debt has been a key mechanism for instituting a new asset-based economic system. The role of neoliberalism, as theory or policy, in this restructuring is far from clear, since it started with the emergence of Euromarkets in the late 1950s.

22. Neoliberalism as the Complex of Financialization, Class Power and Privatization: A Strategic-Relational Approach

Joo Hyoung Ji, Sogang University (pepe@sogang.ac.kr)

Neo-liberalism is often equated with the retreat of the state, deregulation, labour flexibilization, financialization, and so forth, and it has been analyzed as ideology, policy, governmentality, political project, and accumulation project. However, it is hard to find a systematic and integrative account of neoliberalism. This article explains why these diverse elements become part of neo-liberalism and what constitutes the core of neo-liberalism in a systematic and integrated way. First, it critically examines various accounts of neo-liberalism that focus on its ideology, policy, class political project, or privatized governmentality. Second, it suggests financial accumulation as the critical feature of neo-liberal global political economy, especially the operation of an accumulation strategy that works through investment in financial instruments based on risk management and its resultant asset value growth in globally integrated capital markets. Third, it defines the neo-liberal order as a complex order in which the privatization of risk management, class political project, and financial accumulation are contingently coupled to produce necessary structural effects. Finally, it discusses what such a redefinition of neo-liberalism means for our reflection on the future of neo-liberalism after the recent global financial crisis. The complex order of neo-liberalism does not collapse easily since it is strengthened and maintained by financial accumulation, class domination and privatization that are intertwined with and support one another. However, as their structural coupling is not necessary, the financial crisis is becoming a fiscal crisis of the state, and as the neo-liberal mode of calculation is seriously put into question, the neo-liberal order is now more open to dismantling.

23. From 'Golden' to 'Gilded' Age: Differential Investiture and Redistribution in the Canadian Political Economy

Jordan Brennan, York University (jbrennan79@sympatico.ca)

Three pieces of research have come out in recent years, the joint significance of which has yet to be grasped. The first is Wilkinson and Pickett's The Spirit Level (2009), which demonstrates that less relative inequality, even in a society with lower absolute wealth, produces better social outcomes. The second is the collective effort of economists from all over the world to map domestic top income shares over the last century. This collaborative research, compiled in The World Top Incomes Database, shows that rising income inequality over the last generation is being driven by the top

percentile. If the evidence suggests that less relative inequality is better for everyone then we require a satisfactory explanation for why income inequality has risen over the last generation. The third piece of research, Nitzan and Bichler's Capital as Power (2009), may be of some assistance in this regard. They argue that capital is best thought of as a broad power institution, and by implication, that distribution is ultimately a power process. This paper will compare and contrast income inequality and differential business performance in Canada over two periods: the post-war 'golden age' (1945 to the 1980) and the new 'gilded age' (1980–2007). It will argue that there is a strong link between the dramatic shift in the top income share and the rising differential power of capital.

SESSION X: ALTERNATIVES

4:15–5:45pm

CHAIR: Jordan Brennan (York University)

24. Mapping the Global Distribution of Wealth… and Power?

Sean Starrs, York University (Sean.starrs@yahoo.ca)

This paper seeks to map out the global distribution of wealth both across space and time. That is, it is guided by two questions: where is wealth concentrated in the world, and how is this changing over time? I shall measure wealth using indicators that can be organized into three categories: 1) indicators measuring corporate wealth such as profit, assets, and market capitalization; 2) indicators measuring aggregate national wealth such as gross national income and per capita gross domestic product; and 3) indicators measuring personal wealth, such as the numbers of billionaires and millionaires by nationality. Unfortunately, the availability of these indicators is not consistent across space or time; taken all together, however, the data will hopefully provide an adequate mapping of the global distribution of wealth, and its dramatic changes over the past thirty years or so (longer if available).

25. Institutional Confusion

David Hynes, York University (david.m.hynes@gmail.com)

This paper will evaluate the various understandings, Marxist, Liberal, and "Capital as Power," of the separation of the political from the economic. How should we understand the separation? What purpose does it serve? We will argue that the separation, while an institutional reality, is ultimately untenable and inclines towards reunification, because of the cash nexus that binds together and makes interdependent all large institutions. The separation, intended to promote individual liberty and productive efficiency, will be examined in the modern context of the large business corporation, especially in regards to the use of physical force.

26. Cosmos as Creal, Society as Orthopoïesis

Luis de Miranda, novelist and philosopher (crealiste@gmail.com)

Crealist philosophy renames the cosmic flow as the Creal, an ever creative and mostly invisible immanent process, metamorphosis of all the possibles, from which humans actualize, on a recurrent basis, a minimal part in order to shape an habitable territory, the realities. Our coded realities are created, and being human is being a technological animal.

The crealities that allow us to survive are systems of shapes. Those shapes are formed by our labelization, a naming that creates a framing. Since the first satellite Sputnik was launched on space in 1957 the hypothesis of Gaïa is no longer a speculation: the earth has become an individual, and therefore we can consider it as our ever-transforming work of art.

Numerism and crealism have always been the dialectical crescendo of humanity: we name, calculate, organize, and even our nature is now the result of a technology of transformation. But in order not to become coded robots, technological zombies, automatons, we need to keep a fidelity to the vital forces of the Creal, which nourish our poďetical capacities. If History is an orthopoïesis, we have to explain how certain places of the Creal tend to become technical, or, in other words: why are there forms or a spiritual perception of forms? Why does life need realities?