

Reading Interrogations #2
Sociology 929: Envisioning Real Utopias
February 7, 2008
Session 3. What's so Bad about Capitalism?

1. Catherine Willis

I would like to discuss the market – state continuum of institutions. Unions and similar organisations are presented as a third way, (not state and not market coordination). Although distinct from the government and acting contrary to market interests, I wonder if they actually operate outside of the market-state coordination spectrum of institutions. Unions often rely on governments to sanction their existence, they use the force of the market to leverage their positions and governments often force the resolution of conflicts. Is their role better conceptualised as third actors or as part of state/market institutions. Can we consider these groups as organisations of change or rather as conservative agents? Is this third group more like a specific form of community trying to get the market to work for the community (and not the other way around) or more like an economic actor trying to leverage a larger piece of the capitalist pie. **[We will be discussing in some detail the issues of market/state/community in chapters 4-6 when we discuss the socialism-as-social empowerment idea. I am not quite sure how the issue you pose here on unions fits into the discussion of the “What’s So Bad About Capitalism?” chapter. But let me make one comment here: You note that unions rely on states to sanction their existence, but this is equally true for firms: private property is backed by the state. The idea that various kinds of associations – like unions – may provide a basis for coordination distinct from markets and states does not mean that they are unconnected to markets and states. The issue is whether they constitute a distinct form of power capable of shaping the allocation of resources and economic activities, and this is certainly something that is true for unions.]**

I am also interested in the distinction between community and market as illustrated by Cohen. While I really enjoy his description and find that the distinction is pertinent, I have a hard time applying the idea. I am thinking specifically of farmers markets in developing countries; the negotiated price changes depending on the financial situation and needs of both parties: the arrived at price is always one that allows both parties to get what they need out of the exchange. **[“Always” is a little strong here – in third world countries in the informal sector agricultural markets, there are people who remain hungry – which means that they do NOT get what they need.]** The tension between wanting to provide necessary goods to others and needing as much as possible in return is ever present. I can think of small scale examples (helping friends, volunteering) but have a harder time at the large scale. **[At the larger scale of “community” you should think of alternative ways health care and education systems are organized. These can certainly be organized around needs rather than profits.]**

In the section on exploitation the idea that capitalists have an interest in the vulnerability of workers is presented. This makes me think of the (exceptional) situations in which

employers strive to make the work enjoyable and fulfilling for employees. What can be learned from these examples: why are they run differently (market reasons (low unemployment) and simple goodwill are inadequate explanations) and how these businesses survive while being run less profitably. **[I think the way to think of this is that employers face a general problem of getting workers to work hard – both in the sense of effort and in the sense of diligence – while minimizing what this costs. The economic return to hiring a worker is a function of both of these variables – the quality of work effort performed and the cost of that work effort. For some kinds of labouring effort, coercive strategies work pretty well, and for these, vulnerability of labor is important. For other kinds of work processes this is not an effective strategy, an eliciting the more active consent of workers is needed.]**

2. Eduardo Cavieres

Making an extremely big effort to “name” this interrogation I would label it something like this: “The mere construction of the capitalist person attempts against its flourishing”. I have been left thinking in a phrase written by you elsewhere about the task of building the micro foundations of macro structural theory. Now, I am not sure I will be using that expression within the same framework it was originally used in. Still, while the 10 propositions made me think in the social model that comes out of capitalism, I am left wondering what happens at the micro level in terms of how people are shaped in particular ways. I am not necessarily talking here about an analysis of subjectivities or individual identities, but more in a Gramscian sense in terms of common sense formation. So, for example, you say that capitalism is a danger against individual freedom however, at the same time the process of increasing individualization of society is experimented by many as a source of empowerment tied to their new rights as consumers which at the same time redefine their identities as citizens in a very narrow way. So, if there were better distribution it seems that “people” would be happy as long as they can continue consuming. As you can see I am walking on a thin line here because you do talk about the overstress on consumerism and the omission of capitalism on important values of people. I am referring to the fact that it seems, at least up to certain level, that people do give their consent to capitalist forms willingly. You have argued in class that much of this consent rather is built upon fear. Is it only about fear? Does the process of consent include other sentiments too? If so, should we consider those beliefs too as been risky, even though they come out of “free” people? How could we say this in a Marxian language? Would it be a different kind of proposition –different from what you have said- something like: the ideology of capitalism and its effects on the consciousness of people is dangerous? (Although I have read that the notion of consciousness in Marx and the way it has been used is very debatable). **[This is indeed a pretty fundamental problem – how capitalism shapes the identities and preferences of people. And you are absolutely right that fear is only one element of the process – these sentiments and identities come out of a complex process through which people develop expectations about what kinds of lives are possible as well as active preferences for particular ways of life. Marxists have often invoked “false consciousness” around these problems – either meaning a false set of beliefs or a distorted form of identity. I don’t have a**

problem especially with the false beliefs component – I think people can indeed have false beliefs about how the world works, false notions of what is possible, etc., but I have more difficulty claiming that someone’s identity or preferences are “false”. That is why my criticism of consumerism is less that it is a superficial and empty way of life, but that the system is biased in favor of consumerism.]

3. Hanif Nu'Man

My first question evolves around the idea of the “very large disparities in access to interesting and challenging work.” You stated: “The problem is that the supply of such challenging jobs by capitalist firms is not determined by the needs of people for settings in which to do interesting work, but by profitability of such jobs for the firm, and there is no reason for profitability to in general be enhanced by creating meaningful, interesting and challenging work for people.” My question is, does it not seem to imply that it is possible to have ‘interesting’ and ‘challenging’ work for all people who are willing to work? I mean, sometimes floors have to be swept and trash cans have to be changed, and there is no way around these type of job duties. To suggest that an alternative to capitalism will entail opportunities for creativity and challenge creates a false sense of worker expectations, since there will inevitably be job duties that are innately devoid of creativity and challenge. **[I have two comments on the floor sweeping problem: 1) if jobs are boring and unchallenging and no one really likes them, then the moral ideal is for those burdens to be shared equally, for everyone do pitch in and spend some time doing the crappy work. That cis the way a fair distribution of labor occurs within a family – or on a camping trip to use G.A. Cohen’s approach. 2) If for pragmatic reasons this is not desirable, then lousy work should be very well paid. The biggest injustice is for boring and tedious jobs to also be poorly paid jobs.]**

My second question is closely related to the first, addressing again workers, you stated: “the relations of domination within capitalist workplaces constitute pervasive restrictions on individual autonomy and self-direction.” My question is, why would any alternative to capitalism promote individual autonomy and self-direction in the workplace? This is not to say that workers should be like robots - doing exactly what is asked of them at all times - but providing individual autonomy to the production of goods and services can lead to unintended results. Industries directly connected to public health and safety would be severely undermined if workers could disregard procedures in an effort to promote autonomy and self-direction. I believe these values are case specific, and should be introduced as such so that the objectives set by any production mechanism is not negatively affected by self indulgence. **[Self-direction and autonomy does not mean that individuals can simply ignore safety rules or that they have no obligations and responsibilities. It means that they are full participants in contributing to the formation of workplace rules and, whenever there are issues of governance in play, they make autonomous contributions to that governance. Of course there are technical constraints on what this means in given contexts, so the autonomy and self-direction idea means different things in different settings.]**

4. Wes Markofski

I really like the discussion and diagnosis of the problems of capitalism—particularly the weaving together of scientific and moral critique and the steady inclusion of standard arguments made by defenders of capitalism. Such ecumenical discussion and logical clarity greatly enhances the persuasiveness of the argument about capitalism's deep flaws.

It seems to me that many of the ten criticisms are robust enough to mobilize massive opposition to capitalism on their own terms. One thinks of existing social movements such as the environmental movement, workers' rights movements, various race, gender, and morally based economic equality movements, and democracy movements—each mobilizing in opposition to capitalism (more or less) around one or two of the specific criticisms mentioned here. This brings up some interesting strategic questions about transitions. The process of diagnosing the problems of capitalism can create strategic opportunities for anti-capitalist coalition building. On the one hand, combining moral and scientific criticisms of capitalism as done here provides great potential for broad-based opposition to social relations under capitalism. For example, individuals or groups may hold deep values about environmental protection and preservation such that capitalism should be opposed on that basis alone. Others may be deeply and primarily concerned about radical inequality or the erosion of community and the commodification of human relationships. Thus a broad diagnosis of the problems of capitalism can facilitate broad mobilization against capitalism across a variety of social, class, and political perspectives. **[Of course, many people who are concerned about the environment or the erosion of community may reject the diagnosis that it is capitalism as such that generates these programs. They may even be critical of Big Corporations but see this as simply a problem of lax regulation or too much influence in Washington, but not of capitalism itself.]**

But what are the implications of this when we start thinking about creating alternatives? While being united by opposition to existing practices of capitalism, the normative principles underlying that opposition are likely to be in conflict with those of other groups mobilized against capitalism for other reasons (environmentalists versus pro-democracy movements for instance). Are there some underlying normative principles or agreements between these different reasons for mobilizing against capitalism that might be forged to guide the development alternative institutions? **[The value of democracy could be one unifying theme across issues areas, at least if people who care about the environment or community or inequality believe that a more deeply democratic and deliberative process will help bring people together across these issues.]** Or is this another argument for ruptural transformation: minimize potential conflict about alternatives and capitalize on broad-based opposition to capitalism first (based on a variety of potentially contradictory scientific or moral critiques), worry about alternatives later? Does this transition problem give logical priority to establishing institutions that embody political justice in the process of transitions from capitalism (since there are likely to be conflicting and contradictory value hierarchies among those united in opposing capitalism)? Parenthetically, this would seem to be less of a problem under a more strict Marxian critique of capitalism and theory of transition: the 'scientific',

workers' interest based critique of capitalism has a built in unified logic of collective action that avoids these problems in theory (workers organize against capital simply because it is in their interests to do so.) **[I don't see how this really solves the problem – there would still be the issue of how to weigh things like environmental issues and poverty in constructing alternative institutions, and especially in the policies that would be pursued by those institutions, at least if there are any practical trade-offs in priorities. Saying that the alternative is to be struggled for because it is in the interests of workers does not tell you what those institutions would be like or what they would do.]**

One last short comment about Proposition 6: does the bias towards consumerism in capitalism create conditions such that macro-change is likely to be more ruptural than incremental? Or that open up conditions for radical change? A large enough anti-consumption movement in the US would have significant negative macro-economic effects that might destabilize the current system enough to create opportunities for politically achievable transformation in current relations of production. (People are more willing to try something new when there is an abrupt, negative change in current conditions.) **[It is more likely that the disruptive impact of a strong anti-consumerist movement would have the effect of undermining the movement itself than it would set the stage for a ruptural transformation. It would be pretty difficult to sustain anti-consumerism if it triggers high unemployment, bankruptcies, etc. What would need to happen, I think, is for an anti consumerist movement to be linked to a public goods movement – including strong energy and environmental public goods – since that could sustain employment. Basically this suggests the importance strategically of a shift from private to collective consumption rather than just a reduction of consumption.]**

5. RODOLFO ELBERT

I would like to have a discussion about the notion of capitalism that is presented in chapter 2. I believe that this is a key definition in a book aimed to discuss “alternatives to capitalism”, but it is not clear enough to give a theoretical framework for thinking about those alternatives. In particular, I think that there is a tension in the chapter about a more classic Marxist definition of **capitalism as a social system** and a **new (?) definition of capitalism as a form of economic organization** that could be part of a hybrid social system. When Wright has to define capitalism, it seems to me that he stands closer to a classic view, defining capitalism as a (system?) in which “the means of production are privately owned and the use of those means of production is controlled by those owners or their surrogates...In capitalism, this labor is provided by workers who do not own the means of production and who, in order to acquire an income, are hired by capitalists firms to use the means of production. The fundamental class relation of capitalism, therefore, is the social relation between capitalists and workers” (p.1). It is hard for me to relate this definition of capitalism as based on certain fundamental type of class relations with a more restricted notion of *economic organization*, thus forgetting the more classical emphasis on capitalism as a *social system*. So my question would be: **Why defining capitalism as just a way of organizing the economic activities of a society when the actual stated definitions imply much more than that?** **[I am not sure that the passage**

you quote is really “much more than” a description of the way of organizing economic activities – investment, the labor process, distribution, etc. I am not entirely clear on what you are getting at when you contrast a “social system” to a specific form of economic structure. I think what is in play here may be the problem of the level of abstraction at which one is elaborating concepts. One way of using the idea of “mode of production” as a system is to see this as an abstraction from the complex forms that make up concrete social formations (to use a term fashionable in the 1970s). Social formations, then, are always combining different distinct forms and modes of production.]

A related under-developed topic is that of the nature of the state within a capitalist society. Even if this is a fundamental topic for the book, I didn't find in this chapter a comprehensive development of this problem. The few paragraphs talking about it seems to suggest that the state is a non-capitalist cleavage within a capitalist social organization (“What is especially relevant to our discussion is that these improvements are not simply concentrated in some privileged class or stratum, but have diffused quite broadly, including, more recently, to significant parts of the developing world. While this progress cannot be attributed exclusively to capitalism as such – state action has played an important role in public health, for example - capitalism has been central to the process”, p.5). Is Wright intention to define the state as a non-capitalist institution? Can we see anti-capitalist potentialities in the modern state? [The state as such is a noncapitalist institution, just as the family is a noncapitalist institution. This leaves open the question of whether this noncapitalist institution is itself formed in such a way that it is imbued with a distinctively capitalist character. As you know from my class on Marxist perspectives, I do support the theory of the state that argues that there are structural properties of the state that have a distinctive capitalist character, but I also see this as always incompletely accomplished and that the state itself as a *concrete* institution will always contain some combination of capitalist and noncapitalist properties. When I then define “statism” as a distinctive economic structure (or mode of production), this implies that we can also talk abstractly about a statist-state just like we talk about a capitalist-state and a socialist-state, and then see the extent to which concrete states embody these different forms. One of the key issues here is the extent to which one understands a social system as an kind of organic system with highly integrated parts, or more like a loosely coupled ecology.]

This two aspects of the definition of capitalism (social system vs. economic organization and the nature of the state) are key issues when “envisioning real utopias”. The definition of capitalism as economic organization leaves the door open to transformations within this social system, that would open up alternative forms of economic organizations towards an hybrid social system. On the other hand, the analysis of the state as a non-capitalist institutions allows us to think of transformations within the state as progressive steps towards social change or even anti-capitalist actions. Therefore, I would like to discuss how this theoretical discussions in chapter 2 affects the very definition (and making of) real utopias. [I think you are right here that my concept of capitalism as referring specifically to economic structure, and the linked idea that the state is not simply an aspect of capitalism play an important role in opening up a space for a wider range of ideas for envisioning real utopias. But note: the analysis of the institutional designs in the real utopias project does not resolve the question of the

degree to which they can be sustainably implemented within an economy (or society) in which capitalism is dominant: it could be that these designs all require that capitalism itself be destroyed because they would be unsustainable so long as capitalism is the dominant mode of production. If you take the strong functionally-integrated system view of capitalism, then I think this would be the implication.]

Editorial

Page 1: The diagnosis **of the world of the actual** provides the empirical context for exploring the world of the possible (The diagnosis of the actual world...)

6. Charity Schmidt

I truly appreciated this chapter, as it provided a very diplomatic, logical argument against capitalism. It systematically attacked the usual claims made by supporters of capitalism and provided pragmatic critiques on its effects on society. While it addressed the moral issues involved, the argument was made in a very objective and thorough fashion, a difficult and overdue task. I believe that a dialogue such as this is a very valuable tool in convincing people not only that capitalism is inefficient and brings unnecessary harms to masses of people, but that another system is possible. So, while I think this is useful in addressing the objective argument made by supporters of capitalism, I remain concerned about the ways in which we can address the subjective reality that has led to an unquestioning faith in capitalism. I believe this question has significant relevance for the U.S. Here, we are told our entire lives that we live in the best of all possible systems, 'the best country on earth.' That we are an example of democracy and economic innovation (at least until recent years) is an idea so deeply embedded in our psyches. How can we overcome this? It would seem as though it would be the subjective claims that would most influence folks to look for an alternative (**since we are well aware of the harms capitalism inflicts**), **[I don't think this is right – most people are not aware of this. The misattribution of the source of harms is pivotal.]** but perhaps it's the subjective internalization of 'living in the best of all possible systems' that is our biggest hurdle. Even when people constantly complain about the symptoms of capitalism and the unrelenting alliance between capital and the state, what keeps their eyes on the capitalist prize and prevents them from turning their head... to the left?

In short, this reading is a great tool for critiquing capitalism's claims of superiority (especially proposition #5, the argument that exposes its inefficiency) in an objective way. Yet, what tools can we create to make such arguments subjectively, and speak to the psychosocial barriers to believing not only that another system would be better (more productive, efficient, and just), but that better system is also possible? **[I think there are several different issues in play here: 1) Although capitalism inflicts harms on people, it also creates significant numbers of "winners" who have a lot to lose under more egalitarian conditions, and a larger pool of people who are near winners or winner wannabees. It is incorrect to see developed capitalism as only benefiting a tiny segment of the population relative to an egalitarian democratic alternative – my guess is that somewhere around 25-30% of the population in the**

US are “winners” when US capitalism is understood in only domestic terms, and probably 40-50% if one looks at it globally – i.e. their direct private standards of living would be lower in a dramatically more democratic-egalitarian system; 2) The issue of support for capitalism is further complicated by the uncertainties in any proposal for radical transformation relative to the predictability of existing arrangements. This is why the condition of “you have nothing to lose but your chains” is different from the world in which we live; 3) all of this means that the credibility and practical desirability of alternatives is of central importance -- showing people that alternatives that could work actually embody values people care about.]

Additionally, I think the discussion on the commodification of food, the family and community is great to include! The piece is also very useful to provide a response to the liberal notions of ‘free choice’ in the market by describing the ways in which free choice isn’t really applicable to capitalist markets, as they just determine the difficult trade offs people have to make (an example used was daycare). How do we further clarify that difference between free choice and by-default trade-offs?

7. Guillaume Neault

Chapter II: What’s so Bad about Capitalism. For this week’s intervention, I would like to raise two points about capitalism.

In your discussion, “Ten Criticisms of Capitalism”, the focus is primarily centered around the negative effects of capitalism on individuals and communities. And, it is my understanding that the critique attempts to cover capitalism in general and does not target any specific capitalist nations. I found your assessment quite comprehensive! Here, I would like to shift the attention to capitalism as a global system in order to ask the following question:

Is war integral to the logic of capitalism? Although war is not a defining feature of all capitalist nations, I believe it is worth considering its moral implications in capitalist production. Orthodox and Neo-Marxists working in the tradition of *longue durée* noted that when the economic growth of the ‘hegemon’ slows down, the state tends to boost investment through military and armament production. This observation is scientific in nature, but there is also a moral question to look at. True, belligerent countries might never deploy any of the military artillery, but what is important to consider is that private companies have no moral codes as to what goods and services they manufacture (in this case weapons and mercenaries). Worse still, I believe, is that a state might put its people’s welfare in jeopardy just to safeguard its economic position. **[It is pretty hard not to argue at a minimum that capitalism is highly integrated into warmaking, both in the simple commercial sense of capitalist firms investing in warmaking forms of production and in the more indirect sense that capitalism underwrites forms of competition that at least in most of its history underwrote militaristic territorial conflicts, especially in the form of imperialism and interimperialist rivalries. So probably I should include a discussion of capitalism and warfare. Even if it is not**

quite intrinsic in the same way that capitalism and environmental damage is inherent to capitalism (via profit-maximizing and negative externalities), still there is a close connection between the ethos and interests of capital and warmaking.]

Or, is territorial expansion integral to the logic of capitalism? The discovery of the Americas, the colonies in Africa and Asia accounts as solid facts. Historians and comparative sociologists tend to agree that capitalist powers have resorted to territorial expansion to restore the rate of profit (so the story goes). While the last four hundred years of capitalism support that thesis, I believe it can be argued that territorial expansion is not unique of capitalism. But, *what about financial systems* and the fictitious economy they create? **[The issue of imperialism is very much like my point about militarism: these are both intimately linked to the historical development of capitalism. What is inherent to capitalism is expansion, search for new markets, search for profitable investments and expanded arenas for capital accumulation. That is derived directly from the properties of capitalism as a form of economic organization. Imperialism then would be a consequence of that dynamic given other facts about the world. So it should be part of this discussion.]**

My second comment aligns very much with *Proposition 9. Capitalism corrodes Community*. I believe that capitalists systematically attempt to impose their agendas in hosts of social organizations. Not-for-profit organizations and NGOs account as good examples. It is well documented that organizations fulfilling not-for-profit mandates are often chaired by CEO and big shot investors. This raises a few embarrassing problems: investors donate large sums of money to not-for-profit in order to obtain ‘tax rebate’; moreover, the donations usually come with strings attached or specific recommendations. Second, investors acting as chairs usually exert some influence on the mandate and objectives of not-for-profit, and this might pose a conflict of interest. The point is that the image and good intentions of not-for-profit and NGOs is often usurped by capitalist interests. **[These are good points and somewhat different from my argument about corroding community: my point was about how competition and the market undermine solidarity and reciprocity. You are talking about how capitalists deploy their wealth in civil society associations – NGOs being a prime example – in ways that undermine their claims to represent “community”. That is indeed another way in which capitalism is a threat to community – or to associational life in civil society.]**

8. Sung Ik Cho

Agenda 1 – capitalism as an economic system or a social system

As capitalism is defined as “the economic activities of a society” (1), its most problems are explained in terms of economic aspects. But it is doubtful whether some of problems and the internal logic of capitalism can be accounted for in economic dimensions without considering social aspects. And what uses does it have that understanding capitalism as an economic system can be separated from understanding of other social dimensions? For example, although capitalism consists primarily of two crucial elements, i.e. class relations defined by the private property and the market, it is hard to imagine that those two institutions can be understood solely in an economic dimension. Across countries

there is a broad range of definition of private property, depending on varying degrees of political, legal, and cultural contexts. **[As I commented in Rudolfo's interrogation, this may be mainly a problem of levels of abstraction at which certain kinds of concepts are constructed and deployed. The question here is this: are there some distinctive mechanisms that all capitalisms have in common that a) generate effects across these forms of variation, and b) justify calling them all varieties of capitalism? Now it is possible that (b) is true but (a) is false. That is, there may be some properties that all forms of capitalism have in common (and thus justify the use of the term), and yet these properties do not themselves generate any effects of interest. All of the consequences in the world come from the specific ways in which these capitalism-defining mechanisms are connected to the other sorts of properties you mention : political, legal, cultural contexts. If this is the case, then the level of abstraction at which I attempt to identify "harms" is not useful.]**

Agenda 2 – capitalism as a universally homogeneous and consistent system?

This question is related to the first question. Though I can see such a common characteristics of capitalism as competition and individual pursuit for self-interests, also I can see the "variety of capitalism." For example, it does not seem necessary that capitalism exhaust workers' skills and talents and then throw them out by technological developments. If it is true that the radical innovation of technology marginalizes outmoded workers, capitalists should have a strong conviction that there are plenty of workers with new skills. If they don't, it seems improbable that capitalists just fire existing workers to equip new technology without any guarantee for finding workers needed. Furthermore, does capitalism explain where technological innovations come from? It seems that technological innovation comes from outside the workplace, irrelevant to workers' skills. Apart from some empirical cases like Japan and Germany where innovations have been made in close relations to workers, I think that capitalists would tend to pursue technological developments by focusing more information and knowledge workers acquire in the workplace, on the presumption that there are no other social institutions involved in scientific and technological research and training. After all, I assume that this problem is related to the relationship between institutions and structure; understanding capitalism through varieties of institutions or understanding capitalism through the economic structure of capitalism. How can we deal with this problem?

[These are all real and important issues you raise. I certainly do not want to suggest that because there is something in common across all capitalisms therefore all concrete capitalist economies must operate in the same way. Capitalists may always be profit-seekers, but precisely what this means for how they treat their workers will vary depending upon the sorts of things you suggest – the labor supply conditions, the skill levels of workers, the technological problems they face, the institutions for skill formation that are available, etc. Now, some of these "conditions" can be thought of contingent facts about the cultural and historical context; others represent specific ways in which noncapitalist economic structures are combined with capitalism – what I will call "hybrids". In terms of the envisioning real utopias argument and my critique of capitalism, one of the important issues is understanding how these kinds of processes could in fact neutralize or counteract some of the harms I talk about. If the harms can be

neutralized by processes that are not connected to what I am calling socialism and statism, then this suggests that capitalism could be rendered more benign *without transforming its capitalist character*. If the issue is truly a variety of capitalism – rather than a hybrid – in which some varieties are humane and environmentally responsible, then this would be a quite different kind of argument from the one I am making.]

Agenda 3 – the market as an ideal or as a reality

Actually, this question is also involved in two questions above. In case of economic efficiency, I think that there is a different way of explanation between allocative efficiency and dynamic efficiency. The efficiency of allocation seems to be explained on the ideal conditions of the market: perfect competitions, perfect information, etc. By contrast, it is not clear to me that dynamic efficiency can also be explicated in terms of the same ideal market conditions. If all capitalists pursue their own self-interests, and we define such behaviors as the short-term interests' rather than the long-term interests,' I can see no reasonable accounts for capitalists' risk-taking behaviors. **[Why must we define the self-interest of capitalists – understood as the owners of capital – as “short-term”? Why should we put any a priori time horizon on their self-definition of interests?]** Acknowledging the real practice of their risk-takings, dynamic efficiency seem to conceptualize the market as an ideal as well as a reality in the sense that capitalists are willing to take risks with some kinds of 'reasonable belief or convictions' for their success, which could be connected to their experience, knowledge, social networks, etc. **[I am not sure what your question is here. Are you suggesting that the case for the link between markets and efficiency is clearer for allocative efficiency than for dynamic efficiency? I think that markets at least can make a claim for dynamic efficiency, but here there is no long really a perfect information assumption – i.e. if there was perfect information there would be no risk involved in innovation and investment – but the whole point of dynamic efficiency is that it provides the right kind of rewards to risk-taking. But I think there are some of the same kinds of efficiency failures here as well, because of the negative externalities of capitalist risk-taking which is dynamically inefficient.]**

Agenda 4 – Capitalism vs. Modern Bureaucracy/rationalization

One of the problems capitalism generates is to frustrate people from developing their potential talents by its “winner-takes-all” reward system and fierce competitions for making further profits based on “relative standing” of talents. However, does the liberal idea of the market argue that the market exchange happens among traders who have different kinds of products or merits? It does not necessarily prevent the potential talents from growing. **[It is true that markets do not “necessarily” prevent people from developing their potential talents. However: a) talents take resources to develop, and because of massive market imperfections in credit markets – and the necessarily risk-aversion of poor people – markets will deprive many people of the resources needed to develop talents; b) the information asymmetries and imperfections of markets (aside from the information failures in credit markets), mean that it is extremely hard for people to know what the future demand for their talents will be and because of the time it takes to develop talents there will be many mismatches; c)**

the specific property of winner-take-all markets is that many talents gets wasted.]

Rather, it can encourage the development of each individual's various potential talents, according to the liberal view of the market. In this sense, the heterogeneity of talents should be homogenized and standardized before capitalism can actually subdue the advance of talents in terms of their "relative standing." I think this process is much closer to the modern process of bureaucratization and rationalization rather than capitalism.

9. Julia McReynolds

My main question is: *how do we analytically separate out the role of the economy from the role of the state.* That is, how to respond to the social democratic argument that the main issue is not to do away with capitalism but to reform it. This chapter makes a clear argument for the problems inherent in capitalism. But that does not logically exclude the possibility that those problems could be solved by government within a capitalist system.

Part of the point here would be a distinction between the role of the economy and the role of the state. Granted, I don't believe that these two spheres of human life can be completely separated from each other. It seems clear that markets are shaped by states and state regulation. Likewise, the nature of the state and the ability of groups to exercise power are clearly predicated on the nature of economic relations. But this does not exclude making a choice to analytically separate out the role of the economic system from the role of the state. So, one could define insuring human flourishing as a task that the state should do, as a counterweight to the competition of the capitalist economy. The state can also be defined as playing a role in regulating the economy to limit the negative effects of capitalism (setting limits on competition, ensuring justice, etc.).

Of course, maybe this is really a false dichotomy between state and market, making this a semantic argument. So if states actually accomplished these tasks what they would have done would be in effect to overthrow capitalism. **[We will discuss this when we grapple with my formulations in chapter 4. When the state regulates capitalism – say by imposing health and safety conditions on production – one view is that the resulting economic structure is every bit as capitalist as it would be without the regulation, so that we then have pure capitalism + state regulation. The alternative is to say that what happens when the state regulates capitalist production is that some aspects of private property rights have been taken away from the owners of capital and vested in the state as a power center for economic organization. I call this "statism" and see the resulting economic structure as a hybrid between capitalism (power over means of production is vested in private owners) and statism (power over means of production is vested in the state). Once such regulations emerge then a pivotal problem for capitalism is insuring the effective subordination of those regulations to the interests of capital. That subordination is accomplished through a variety of mechanisms which minimize the tension between statism and capitalism. But such regulation also opens up the possibility for more social-ist forms of regulation, forms of regulation that are not fully integrated into the interests of capital.]**

10. Tod Van Gunten

I haven't had a chance to read the whole chapter yet, but here is my response based on my partial reading:

Should global inequality be added to the list of the wrongs of capitalism? Global inequality, I take it, refers not just to inequalities between all individuals in the world but to the clustering of richer and poorer in space. Of course, the case would have to be made that in fact capitalism *inherently* creates patterns of unequal development or spatial clustering of inequality; this seems like a relatively easy case to make, because we have no empirical evidence of a capitalist world without this kind of global inequality. Arguments that global inequality is eliminable under capitalism therefore rely on theoretical speculation, whereas the argument that global inequality is inherent to capitalism can at least rest on empirical evidence of the structures that reproduce these conditions. Why should global inequality be considered a problem with capitalism above and beyond the fact of inequality, period? I can think of a few answers:

- Large geographical concentrations of poverty create tendencies to political instability that can create violence and additional harms
- Disparities in resources available to national states (or whatever other territorial unit) create disparities in power in negotiations between these states in international relations
- Global inequality can create political friction between states that can lead to violence, in part because some states have incentives to dominate other states. The whole question of imperialism is relevant here.
- Because citizenship is an ascriptive status which is difficult to change (short of elimination of all barriers to migration), disparities between states are attached to disparities between individuals, affecting individuals in various ways.

[These are all excellent points. I think another dimension that needs to be made explicit here is the uneven spatial distribution of productive infrastructure and forces of production, so that capital intensive and labor intensive forces of production are not evenly distributed. This is captured in the expression “patterns of uneven development”, but this is what constitutes the material basis for the spatial clustering of poorer and richer people. I think spatial inequalities are something that is generated by capitalism, although as many people argue, given a long enough period and a pure enough form of global capitalism – *which would have to include free movement of labor globally* – the spatial inequalities would be reduced. National borders and citizenship rules are, in this sense, noncapitalist obstacles to the “free market”.

11. Edo Navot

As I read ch. 2 I found that I had many marginal comments – most of which consisted of “yes, and I would add...” – but no substantial critique of the content. The chapter provides explanations at levels of generality sufficiently abstract that they are, I think, incontrovertible. (I'm thinking, for instance, of the explanation on p.6 that describes the

irreducible antagonism between workers and capitalists on the basis of common-sense relations that anybody who has ever held a job knows.) Plus, the list of criticisms feels complete. In short, I feel like I have very little to say. In compensation of this I will resort to writing something extra long, consisting mostly of quibbles, and occupying myself with tasks that the chapter deliberately postpones ;-b

Many of the problems of capitalism that this chapter explicates are widely recognized and understood even in the most mainstream institutions of neoclassical economics. The advantage of this is that the economic concepts from this chapter won't generate enormous amounts of controversy in the halls of academia. **[I think you are underestimating the ways in which things like claims about eliminable human suffering, or deficits in freedom, or even consumerism are controversial when these are seen as inherent flaws of capitalism.]** The question is whether these critiques are sufficiently strong to merit the overthrow of capitalism, or simply its reform. A liberal economist would certainly concede all the problems of capitalism mentioned – externalities, public goods, information asymmetries, etc. Giants in the field like Solow, Stiglitz, or Krugman would certainly agree. They would further agree that the solutions to these problems often constitute a necessary violation of market principles and capitalist competition. But they may rebut that the notion of an entirely free market has always been a myth, that some affirmative state action has always been necessary to support capitalism but that this in absolutely no way merits or justifies the abolition of capitalism. Certainly many economists would disagree and vehemently with what I just wrote but these points are not outside the liberal mainstream of economics. **[But isn't the issue here : how much modification of the free-ness of the market and the free choice of investors is needed to seriously remedy these problems. Particularly when you get to the democracy-deficit issues – including the democracy within work deficits, but also the inherent democracy deficit of private decisions over resource allocations – then I don't think remediation leaves the capitalistness of the system intact].**

So, which of the ten propositions are sufficient and which are necessary to justify anti-capitalism? What combination will logically result only in necessary reform of capitalism? Erik, you specifically write that you're not trying to write propositions that necessitate the overthrow of capitalism (p. 4). **[What I meant by this – I think—is that these propositions do not logically entail the complete abolition of capitalism, but I do think that they entail anticapitalism].** I thought it might be worthwhile to think about it a little bit anyway.

Some of the criticisms are worded like: “the dynamics of capitalism systematically and necessarily undermine the mechanism to solve this problem...” as in the last paragraph of proposition 1. I think prop 1 gives the moral core for the condemnation of capitalism; it demonstrates the inherent contradictions of capital: “It is precisely because capitalism creates the potential to eliminate material deprivation, but itself cannot fully actualize that potential that it can be indicted for perpetuating eliminable forms of human suffering,” (p. 8). I think it remains the vital job of Marxian economists to explicate why this is the case... to build, for instance, on what Marx wrote in Ch. 25 of vol. 1 of Capital.

Other criticisms in the chapter are worded something like “the important point here is that the solution constitutes a weakening of ‘pure’ capitalism/market social relations.” The first phrase (above) provides a critique of capitalism that sufficiently justifies total overthrow; the second phrase does not. Propositions 1, 2, and 3 do I think require the abolition of capitalist property relations to be satisfied. Propositions 4, 5, 7, and 9 debatably have solutions that do not require rewriting capitalist social relations. For instance, does the level of equality achieved in the Scandinavian countries sufficiently meet the liberal egalitarian values of social justice? The four inefficiencies of capitalism may have solutions (not necessarily perfect solutions, but not necessarily any worse than a post-capitalist system) achievable through a well-run affirmative liberal state. Also, we can imagine a friendlier capitalism that doesn’t jeopardize community. While such a capitalism may be achieved through a “less capitalistic” society, what would that matter if it could be **achieved without the cataclysm of revolution?** **[Revolution – as you are using it here -- refers to the process of transformation, not the character of the definition. Metamorphosis may be a possible means and yet the transformations at the end of the process may be postcapitalist.]** Prop. 6 and 8: these critiques do not have solutions “within” capitalism, as far as I know, but alone (or even together?) they may not be convincing as justifications for overthrowing capitalism. Prop. 9 is partly solvable within capitalism. Publicly financed elections, proportional representation, strict controls on campaign contributions, etc. may provide a strong enough cocktail to sufficiently limit the deleterious effects of wealth inequality on democratic decision-making. But it remains the case that if all the citizens of a democracy were to truly have collective control over the processes that affect their common fate then this would undermine a fundamental right of private property.

Three more unrelated comments:

1. The chapter covers many evils of capitalism. But it didn’t mention that market relations produce pervasive free rider problems and prisoners’ dilemmas. That is, situations in which rationally self-interested behavior encouraged by capitalist social relations will lead to socially harmful outcomes. **[You’re right that this is important and, of course, it is quite distinct from the negative externality problem. I think that collective action problems from individualized markets is part of some of the criticisms I raise, although I may not have made this explicit enough. For some aspects of the environmental problems the collective action problem would be central rather than just negative externalities. Perhaps also the erosion of community could be framed in part as an intensification of collective action problems.]**

2. People often think that the assertion that exploitation is a necessary feature of capitalism forms the basis for the Marxist moral critique of capitalism. Yet Marx conceded that some exploitation would have to be retained after capitalism. For instance, a fund to ameliorate the suffering endured from natural disasters, catastrophe, obsolescence of skills, support of the elderly, etc will have to come out of the surplus labor of productive workers. The fact that the core critique in the chapter is in terms of eliminable suffering and systematically undermined human flourishing is a fantastic strength. I would only like to add this: yes, exploitation is necessary in capitalism and presumably it would be reduced under an egalitarian post-capitalist society. Yet the key

difference, I think, is that the rate of surplus value extraction and its allocation will be made subject to collective, democratic decision-making. I think exploitation duly deliberated and freely chosen is qualitatively different from exploitation imposed by the boss and market discipline. **[I am not sure that democratically reallocated surplus is really “exploitation”. This is more like a collective gift: are gifts to friends “exploitation”? Or it is like collective insurance: producers generating a fund for universal welfare guarantees as a kind of insurance contribution. Anyway, I don’t think it really satisfies my criteria for exploitation.]**

3. The one thing that I truly felt was missing from the chapter is something I hesitate to mention because it is a stylistic choice and I feel that it would be a unfair to critique it. So, I mention this not as a critique but just to offer an opinion on personal taste. It may be the voice of impetuous youth speaking, but I miss good old-fashioned Marxian outrage over the evils of capitalism. I don’t know if these shibboleths were ever really instrumental in motivating people into anti-capitalism, but what ever happened to “Capitalism is a blight to human dignity!” – sort of stuff?

Erik, the following comments do not, I think, provide any basis for discussion. Nonetheless, for what they’re worth (not much, I admit), I thought you might want to see them. I wrote them assuming you won’t post them.

p. 6, footnote 7 – Strictly speaking, this statement is of course true. In the context of growth both employers and employees may experience gains from productivity incentives like efficiency wages. However, it remains the case that *ceteris paribus* a gain in real wages also necessarily means a loss of the profit share of total income. Sraffa proved this to be true of *n* commodities in an expanding economy. I know you know this – I just think this is important to emphasize, since every boss in the world knows it but economists and many of the rest of us tend to forget it.

p. 7 – On technology, I would like to add that capitalist competition also produces redundancy in innovation wherever competing companies race to be the first to patent or invent a technology. Double resources are used to the same end in different firms, and in the end usually only one commodity is viable in the market, making investment in the competing firm obsolete. **[This kind of redundancy could, in principle, be efficient in the long term. It is a bit like the efficiency that comes from have more skills than needed for give technologies, since this enhances flexibility and enables transitions to go more smoothly. So perhaps sloppiness and redundancy in the R&D process actually increases the input-output efficiency overall. This is separate from the patent problem.]** Furthermore, there is a paradox in innovation that is never mentioned in economics. To ensure proper incentives to innovation investment, capitalist countries have settled on the institution of patents, copyrights, and other intellectual property that effectively grant their owners monopolies. This means that the price of capitalism’s innovation pace is, in reality, inefficient (in the neoclassical sense) pricing and therefore non-pareto optimal distribution of goods. Finally, innovation follows the profit motive, not the social good. Innovation investment is biased towards consumers who possess more effective demand (most dramatically, I think, in pharmaceuticals, as in the invention of viagra but neglect of malaria medication).

p. 9 – “A vibrant market economy is also generally corrosive of various forms of noneconomic status inequality, such as those based on gender, race, ethnicity and religion, at least insofar as competitive labor markets create incentives for employers to seek out talent regardless of such ascriptive attributes.” I’m familiar with Jackson’s argument in *Destined for Equality* but I think this is only true at the highest level of abstraction. For instance, an employer who is able to distinguish between two groups of workers may be able to act as a discriminating monopsonist of labor and extract neoclassically exploitative wages from these workers. There are many instances we can think of that give employers significant incentives to perpetuate discrimination. **[This is of course true. The question is whether it is dynamically the case that the corrosive effects tend to be stronger than the discrimination-reproduction effects. I don’t know any models that really tackle this, and I suspect that the balance between these two forces also depends on the costs of struggle issue.]**

p. 9 – Lotteries are mentioned several times in the chapter as examples of an unfair institution. I think this merits some more discussion. To be more specific, one could argue that lotteries are a fair *process* because each player has an equal probability of winning (assuming 1 person, 1 “ticket”). Your point seems to be that lotteries are unfair with respect to *outcomes*, because they produce a grossly unequal final distribution of goods. I think its worth the clarification. **[It is of course a complex issue because of problems of myopia, option luck vs brute luck, and more generally the fact that in the “lottery of life” even with equal starting gate positions the actors are not in a position to have meaningful information on the long term implications of throwing the dice.]**

p. 12 – On the ways in which capitalism undermines freedom, I would add that the type of freedom we have under capitalism (in fact the entire bourgeois notion of freedom) is limited. Capitalism and capitalist democracy provide adjudicative freedom, power to choose freely (ideally, not in reality) between a given set of options [a, b, c]. A more genuine freedom, I think, which I get from Hannah Arendt is the power to make one’s own *d*. I think this is a little more expansive than Parijs’ idea of “real freedom”, which I understand as power to actualize ideal choices, rather than produce wholly new solutions/opportunities, etc. **[PvP’s idea of real freedom includes putting ones life projects into action and this can include creating *d* I think]**

p. 14 – One further manifestation of capitalist inefficiency is a perverse incentive to waste that can sometimes occur. For instance, farmers may have incentive to destroy a portion of crop yields /animal products/whatever to reduce supply and drive up commodity prices. **[Individual farmers acting on their own without collusion would not have this incentive, even if it would be in their interests if all farmers did this, for prisoner-dilemma reasons.]**

12. Molly Noble

Conditioning and Empowerment

In the opening section of the chapter, you talk about a “radical democratic egalitarianism” that can challenge “the social and cultural practices that generate inequalities in access to the material and social conditions for human flourishing, and all conditions that obstruct

people from empowered political participation.” In order to conceive of such a radical democratic egalitarianism, I think it is important to ask the question: where does empowerment come from? Is it a function of our economic/social/political/cultural conditioning and if so, how do you reverse the trend of such historic conditioning of disempowerment. **[By “conditioning” do you mean the formation of dispositions and subjectivities within actors? Are you mainly talking here about identity issues and expectations, or what?]** What role does/should institutional reform play in reconditioning the factors that contribute to a person's sense of empowerment? Is there a difference between having a sense of empowerment and being empowered, if so, what is the relation between the two? **[My own view is that the sense of empowerment comes from the practice of empowerment: participatory institutions are “schools of democracy” both in the sense of teaching skills through learning-by-doing, but also in changing dispositions and expectations.]** How can empowerment be generated through institutions? How to you undue a lifetime of conditions that have marginalized and disempowered groups? These are the questions that come to mind when I think about empowerment. The idea of empowerment is also related to the third point in proposition ten regarding capitalism and democracy. I think one of the major adverse effects of capitalism on democracy is that people who are rendered vulnerable by capitalism, victims of social and political injustice, are less likely to engage in the democratic process to begin with. **[I am not sure that these subjective conditions are such a deep problem. Oppressed people constantly engage in struggle and participation when the opportunities arise. In various sites studied by Archon Fung of “empowered participatory governance” in my book with him, *Deepening Democracy*, one of the problems to participation is what could be called the “cynicism barrier,” but this was overcome relatively easily once people saw that participation wasn’t a scam. Of course there are instances of complete demoralization and despair, settings where people feel they are not capable of engaging. But mostly, I think, this is highly context dependent and that there are all sorts of tipping points and snowball effects which can transform these self-understandings.]**

Middle Class

One of the things that strike me as absent from your description of capitalism, for which you make an amendment in the footnotes, is the middle class. Where do they fit in here? Keeping in mind the audience, I think that absence of an even brief account of the middle class could result in a failure for readers to identify with the players of the book. The middle class, while not uniformly possessing the described traits of the capitalists and workers would effectively respond to the conditions of their position similarly to the way in which capitalists and workers respond to the conditions of their positions. **[A lot of the criticisms impact on the middle class, however they are defined: all of the criticisms around freedom, democracy, efficiency, community, values, and even the interesting and challenging work problem. Perhaps this just needs to be more explicit.]**

Noneconomic status inequality

Under Proposition 2. – material inequality and flourishing, you say that a “vibrant market economy is also generally corrosive of various forms of noneconomic status inequality...” However, I might challenge this on the grounds that, while there may be “incentives for employers to seek out talent regardless of such ascriptive attributes,” those

same ascriptive attributes create just as many disincentives for employers to hire marginalized groups. I would also argue that inequality generated by discrimination of ascriptive attributes places higher levels of vulnerability on some groups over others so that incentives to hire such groups is at the cost of greater exploitation. Thus instead of corroding noneconomic status inequality, a vibrant market economy effectually increases degrees of exploitation is historically marginalized groups. **[It is true that a vibrant market economy increases the exploitation of historically marginalized groups, but once they are less marginalized by being fully integrated into the capitalist economy, there is also a tendency for their relative disadvantages to erode over time. How strong that tendency is, to be sure, depends upon other issues – like the forms of labor supply and labor scarcity, and also the extent to which struggles over discrimination are themselves costly. But perhaps I have stated this positive effect too strongly without qualification.]**

Interrogations from the parallel seminar at the University of Buenos Aires

13. Rodrigo Salgado

One of the features of capitalism is that in its development, its necessary progress on new horizons that allow increasing capital recovery and the construction of new markets, it generates most labor-power that can consume.

This can be observed into territories where productive capitalist mode is not yet dominant, or in hybrid forms where coexists with other productive forms. In these areas can be seen how the development of the capitalist system produces processes of expropriation on immense masses of individuals that "free" of the means of production and their previous work tools, fail to fully inserted in the productive mode that expropriated them.

The system then, appears to generate more labor-power that could consume productively, fails to subsume in its entirety and under capitalist conditions the individuals that had expropriated.

Often the reaction of the masses has not been the defense of life forms and modes of production prior to the expropriation, but rather the claim to be included or subsumed fully productive capitalist mode.

Here the problem appears to be different from that raised in the chapter, not try to end the exploitative relationships (basis of the capitalist system), but instead include vast sectors of the population to such relationships. This becomes even more problematic when the same masses expropriated claiming the inclusion, frequently invoking "the legitimate right of citizens to decent work."

Is it possible to reconcile a radical anti-capitalist perspective, rising to the need to end the exploitation and oppression, with situations where only under capitalist relations

of exploitation workers seem to ensure conditions of existence? If this is so, how do you reconcile these positions?

From my point of view I think it is necessary to take into account and with the same importance not only the relations of exploitation to which they are subjected workers in capitalist relations of production, but also the temporarily previous processes of expropriation that allow such relationships exploitation possible.

[The British economist Joan Robinson is famous for once having said: “The one thing worse than being exploited in capitalism is not being exploited”, by which she meant that unemployment is worse than exploitation. In my general work on class relations I define this as the problem of nonexploitative economic oppression. I think this is an important aspect of the problem of my first critique of capitalism: “Capitalism perpetuates unnecessary forms of human suffering” and that it should be added. In my discussion there of the impact of technological change I stress the way in which new technologies destroy old skills and make many workers redundant, but I don’t talk about the expropriation of direct producers from their means of existence. Of course expropriation is also accomplished by noncapitalist means – the “primitive accumulation” of violent expropriation in various forms. But I think the way in which capitalist markets drive small holders, farmers, artisans, out of business and turn them into a “relative surplus population” deserves attention here as well.]

14. Pablo Dalle

The chapter focuses on the economic structures and social mechanisms of capitalism that block democratic and emancipatory institutions. I agree with the two central dimensions that define capitalism: class relations and economic coordination by market. According to these assumptions, my questions are: i.) Besides the prior necessity of getting resources for social reproduction, which other disciplinary mechanisms **force** workers to go to their jobs everyday? **[I think you need to distinguish between disciplinary mechanisms which *force* workers to go work, and the much wider array of mechanisms which *motivate* workers to go to work. The coercive aspect is surely mostly about the lack of alternative means for acquiring their standard of living – resources for their reproduction. One could add the nature of credit markets which create debt for workers which further tie them to work in order to pay off loans, and in places like the US things like health care benefits which are tied to jobs. All of this is still basically about reproduction. However, workers are motivated to work through a range of other mechanisms: prospects for mobility, social solidarities and friendships, habit and identity, etc.]** ii.) How far a growing of middle classes blinds the core relationship between capitalists and workers? **[The importance of the middle class is not just as a “smokescreen” that obscures the “true” core relation; it is a real form of complexity that changes the conditions faced by actors in the class structure. In a class structure in which 30-40% of the population are “middle class” – or what I call “contradictory class locations” – the actual interests of people are more complicated and there are more difficult problems of class formation than in a more polarized structure. Transforming capitalism in a democratic egalitarian way does**

harm certain interests, and to the extent there is a large middle class more individuals – and families – will have ambivalent stakes in the transformations. So, this is not just a mystification, but a real set of contradictions and dilemmas.]

In the analysis of exploitation, how can we interpret the experiences of capitalist development based on the internal market (and so on the increasing of workers' salaries)? When do capitalists obtain more profits: in a growing economy with full employment or in a profound crisis with a big rate of unemployment and wide social conflicts? **[When you pose this as an extreme, the answer is the growing economy with full employment. But if you ask: which is the condition in which capitalists will have a high long-term rate of profit – an economy with a chronically low rate of unemployment year after year, or an economy with a moderate rate of unemployment with occasional increases and decreases – then the answer is probably the second.]**

Which is the meaning of social justice? Could capitalism assume principles of social justice? I am thinking in Populism regimes in Latin America that support the compromise of classes maintaining inherent inequalities between them. How can we interpret populist experiences in the framework of a radical democratic egalitarianism project? I think that some kind of social justice has an intrinsic anti-emancipatory value but it can also contribute to -at least- improve the living conditions to many citizens. **[Of course the term "social justice" means many things. I am not sure that any form of social justice is actually anti-emancipatory – that is, it reduces the conditions for human flourishing relative to what they would be in the absence of any form of social justice –but the general point you are making is valid: not all conceptions of social justice constitute sharp challenges to capitalist inequality and privilege. Indeed, when social justice is mainly about *exclusion* based on ascriptive characteristics, demands for social justice can be equivalent to demands for full inclusion into capitalist competition.]**

15. Julian Rebon

The chapter tackles a central subject-matter and it is centered in a perspective very stimulant intellectually. Next I raise some questions and comments.

1) I do not think that the order and hierarchy of the first criticism ("capitalist relations perpetuate yourself eliminable forms of humans suffering") is the best one. I believe that problems are tackled at different levels "exploitation, technological change and Profit-maximizing competition" not all has the same analytical relevancy. In my point of view, capital takes the profit-maximizing as his logic. The basic structure that arranges the social formation is the extended reproduction of the capital. This structure assumes different forms in the different stages of his history as social formation. But it operates permanently with a double mechanism: primary formation of the capital based on the expropriation of conditions of existence of the populations and the materialization of the capitalist accumulation in strict sense based on the exploitation. I believe that the absence of the concept of "expropriation" (appropriation without compensation of the value of change) limits our comprehension of the effects of the capitalism. In fact at present an important part of the struggles and social movements take place against the

expropriation of social rights, territories, natural resources, knowledge and diverse forms of goods and services (for example the Zapatism). Obviously, expropriation and exploitation are indissolubly articulated. I believe that the analysis of this link is the one that better allows understand the effects of the capitalism. In my opinion, the effects of the competition and the technological change turn out to be subordinated to the effects of this dynamics. Perhaps by this absence of interdependence of these mechanisms there does not appear with clarity the notion relative surplus population. This concept is very important in order to understand the social disconformity in the nowadays capitalism. What do you think about this? **[I am not quite sure that I fully understand the thrust of your comment here – this may be a language issue. I agree that “expropriation of the conditions of existence” of workers is the essential condition which makes “exploitation of the direct producers” possible. Isn’t this identical to saying that private ownership of the means of production is what makes exploitation possible? If these are equivalent, then in my exposition I begin by defining capitalism in terms of private ownership of the means of production combined with workers being separated from those means of production. Exploitation – and various other properties of capitalism – are then derived from those basic structural features.]**

2) In the criticism about the inefficiencies of the capitalism, it is not specified with regard to that speaks about efficiency. The efficiency does not exist in abstract, this one recounts the maximizing of a process according to a target. The best allocation of resources depend of the goal. To establish the target is a head office of that time, some allocations can be inefficient in reason of the improvement of the conditions of life of the population but for the capitalism very effective. I believe that the paragraph would win in clarity if it was defining better the goal in relation which are considered to be the efficiency. **[It is clearly important to have a precise definition of efficiency. But certain questions do not hinge so much on this. One doesn’t need to invoke some grand aggregate social-welfare function view of efficiency to show the ways in which capitalism is inefficient even in ordinary economic terms. This is most striking with respect to the issue of negative externalities which result in inefficient uses of resources *even in the narrow market-logic terms of capitalism*. The same is true about the time horizon problem and the resulting inefficient allocation of resources over time. My point here was to establish that even in straightforward efficiency terms capitalism has serious inefficiencies.]**

3) Other questions about the chapter: why is almost absent the topic of the territorial inequality in the development of the capitalism? Are imperialism, dependency and underdevelopment intrinsic attributes of the capitalism or not? If they it are: are his social effects important? Why to use the term developing countries when several of these countries are not developing? **[I agree that there is a problem in the chapter because of a lack of discussion of imperialism and global inequalities – or uneven development. I would add war & militarism to the list as well. Even though uneven development and imperialism are in a sense direct extensions of the first criticism – capitalism perpetuates unnecessary human suffering – it probably has sufficient specificity to justify a separate heading.]**

4) Why is the topic of the crisis absent? Is not it an intrinsic element to the capitalism and that produces serious effects and social discomforts? **[I have considered**

including crisis as another specific criticism, but perhaps I could add this to the “perpetuates unnecessary human suffering” since it represents an intensification of the ordinary inequalities in life conditions of capitalism – in this case the risks of suffering serious deprivations are intensified by crisis.]

So far, some of my questions and comments. Thanks for your attention and pardon for my English,

16. Santiago Rodriguez

- a) How could be created social emancipatory institutions that neutralize the pernicious effects of capitalism? **[The strategic question of how to create such institutions will be the focus of the last few sessions in the semester].**
 - b) Could it be possible to combine these institutions with a free market economy? **[I do not think you can combine institutions for social emancipation with free markets, because as soon as you have institutions which move in the direction of egalitarian and democratic principles of justice there would be constraints imposed on the functioning of markets – that is, they would no longer be genuinely “free”. This is an important point: the contrast is not between 1) fully planned authoritative coordination of economic activities and 2) free market coordination. Rather the issue is the form, character and degree of constraint imposed on market interactions. The more purely capitalist is a market, the less it is subjected to social regulation, but this is not a binary.]**
 - c) I ask whether in dependent countries most people live under capitalist relations of production. **[I am not sure precisely what “live under” really means. Most people’s lives is deeply affected by the dominance of capitalist relations of production even if most people do not directly work in capitalist firms. But note: In Sweden most people do not work in capitalist firms: children and retired people do not work at all – that is probably 30% or so of the population. And 40% of the labor force works for the state. Then there is at least some people who work in the social economy sector – I don’t know what it is – and self-employed people who are not under capitalist relations directly.]**
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17. Ruth Sautu

1) Given the influence of Paulo Freire and critical pedagogy on several generations of Argentine education leaders and the prominent role they played in the design of education policies in the last 20 years: how to explain the poor result in achieving justice and equality and the low quality of our basic education? How to close the gap between ideas and planning and policy implementation? **[I don’t really know anything about the actual practice of Argentine education nor precisely what is entailed by the effort at implementing Pablo Freire’s ideas. But one thing to note is that Pablo Freire was not mainly concerned with how education systems could be reformed in ways which would enhance the future labor market capacity of people,**

and it is the effects of education on earnings capacity in labor markets which mainly shapes the ways in which education might contribute to justice and equality (at least if this is understood in economic terms). More significantly, I don't think that schools are at the leading edge of equality-enhancing policies, or at least they are not unless they are deeply connected to other projects for job creation, tax redistribution, and perhaps even wealth redistribution. As a stand alone institution, educational policy could at best have modest effects.

2) Given the working of international financial system: how to control it in Real Utopian project? [I have not tackled at all the problem of global finance as such, but there are a range of proposals for how the global system of finance could at least be brought under greater constraint (if not exactly greater democratic control). The Tobin tax, for example, would reduce speculative finance by increasing transaction costs; social tariffs which impose tariffs based on social and environmental conditions of production but then send the revenues to the producing country to remedy those conditions can reduce the competitive advantage of capital mobility to places with severe deficits in environmental protection and labor rights without simply protecting the advantages of already privileged countries. Who decides what knowledge is produced and how and when to use it? [I wasn't quite sure what issue is being raised in this question. Is this meant to be knowledge concerning international finance, or knowledge in general?]
