

The 3rd Annual Forum on Capital as Power, York University, 2012

CAPITALIZING POWER: THE QUALITIES AND QUANTITIES OF ACCUMULATION

Conference & Workshop Program

Conference: September 28, Senate Chamber (N940), Ross North Building, Keele Campus ([see map](#))

Workshop: September 29-30, 172 York Hall, Glendon Campus ([see map](#))

We would like to thank our external and York University sponsors for their generous financial support: SSHRC (Connection Grant); Alumni Association; Faculty of Liberal Arts & Professional Studies; CERLAC; VP, Academic Provost; Faculty of Graduate Studies; VP, Research & Innovation; Social Science; Institute for Social Research; Graduate Program in Political Science; Communication & Culture; Sociology; Social & Political Thought; Philosophy.

Call for Papers

With the global crisis lingering, many now wonder how capital has become so powerful, and what should be done about it. Although we are eager to provide answers, the problem starts with the question itself: what exactly do we mean by 'capital', and what does it mean to say that capital is 'powerful'? The difficulty lies in the fractured nature of modern social science – both its conventional division into numerous disciplines, including economics, politics, sociology, international relations, and culture, and the habitual bifurcation of the economy itself into real and nominal spheres. These fractures create conceptual rifts: they place most aspects of power outside the economic process, and they portray capitalization as a fictitious mirror of an economic reality located in production.

The theory of Capital as Power removes these fissures by abolishing the disciplinary divisions between economics, politics, and other disciplines, as well as the economic bifurcation of the real and nominal. In doing so, the theory puts power at the centre of analysis and examines finance as the main algorithm of capitalist power. The goal is to decipher the conversion of qualities to quantities: to theorize and research how the qualities of power – the multifaceted interactions of command and obedience, force and submission, violence and resistance – are universalized and discounted to the quantities of capitalization.

We are calling for theoretical, empirical, and historical papers to engage critically with questions such as the following. How does power bear on accumulation, and how does it get capitalized? How has capitalization evolved and mutated? What are the qualitative forms of power in capitalism, and how do they compare to those that characterized earlier modes of power? What are the historical roots of capital as power? Do these roots alter the way we understand the origins of capitalism? How does capitalism convert qualities into quantities? What are the limits of capitalized power? How is capitalized power resisted and opposed? Can it be reformed or overthrown? Can these questions be addressed by mainstream and heterodox theories of capitalism – and if so, how do their answers differ from those offered by the theory of capital as power?

We are also interested in concrete areas of inquiry related to these broader questions. Suggested topics include:

- Capitalist power and labour – from proletarianization and wages to productivity and organization;
- International and regional relations and the capitalization of power;
- Capitalist and democratic accounting, including the history of discounting and its possible alternatives;
- Power and price formation – from local to global markets;
- The state as a locus of capitalization – from taxes and the law to ideology and violence;

- The role of capitalist power in contemporary crises;
- Capitalized power and nature – from genetic engineering, to energy, to the biosphere;
- Comparative modes of power: ancient and feudal, communist and fascist, capitalist and beyond;
- Capital as Power versus 'primitive accumulation' – dispossession, co-option and genocide;
- The power dimensions of 'immaterial' capitalism – from leisure and fear to knowledge and ideology;
- The psychology of capitalist power;
- Alternative visions for a de-capitalized society.

The conference will comprise two parts: public presentations open to all (day one), followed by a closed workshop for the conference participants (days two and three). The workshop will consist of longer presentations, allowing more time for debate, discussion and contemplation. Participants should be prepared to present in either part, depending on the allocation made by the organizers.

ATTENUATED TIMETABLE – Conference

Senate Chamber (Room N940), North Ross Building, Keele Campus ([see map](#))

Friday, September 28th
8:30–9:00am REGISTRATION & INTRODUCTION
9:00–10:15am (I) CAPITALIZING ATTENTION & THE VIRTUAL WORLD 1. Peter Doran 2. Dan Bousfield
10:30–11:45am (II) KEYNOTES: QUESTIONING NATURAL & COMMUNITY CAPITAL 3. Justin Podur 4. J.J. McMurtry
11:45am–1:00pm LUNCH
1:00–2:15pm (III) KEYNOTES: NEW DYNAMICS OF POWER 5. Jeffrey Harrod 6. Herman Schwartz
2:30–3:45pm (IV) OPPOSITION & RESISTANCE 7. Alesha Porisky 8. Joseph Baines
4:00–5:15pm (V) POWER FROM ABOVE, POWER FROM BELOW 9. Tim Di Muzio 10. Shimshon Bichler & Jonathan Nitzan

ATTENUATED TIMETABLE – Workshop
 172 York Hall, Glendon Campus ([see map](#))

Saturday, September 29th	Sunday, September 30th
9:30-10:15am 11. Harald Wolf	10:00-10:45am 18. Sean Starrs
10:25-11:10am 12. Ulf Martin	10:55-11:40am 19. D. T. Cochrane
11:20am–12:05pm 13. Gibin Hong	11:50am–12:35pm 20. Lori-Ann Campbell
12:05–1:05pm LUNCH	12:35–1:35pm LUNCH
1:05–1:50pm 14. Shai Gorsky	1:35–2.20pm 21. Jongchul Kim
2:00–2.45pm 15. Hyeng-Joon Park	2:30–3.15pm 22. Sandy Hager
2:45–3:15pm BREAK	3:15–3.45pm BREAK
3:15–4:00pm 16. Eric George	3:45–4:30pm 23. Mathieu Charbonneau
4:10-4:55pm 17. David Hynes	4:40–5:25pm 24. James McMahon
5:10–6:30 ROUNDTABLE	

FRIDAY, SEPTEMBER 28th

Senate Chamber (Room N940), North Ross Building, Keele Campus ([see map](#))

Session I

CAPITALIZING ATTENTION & THE VIRTUAL WORLD

9:00–10:15am

Chair: Jordan Brennan, York University

1. Towards a Political Economy of Attention: Care of the Self, Care of the Earth and Reclaiming the Mindful Commons

Peter Doran, Queen's University Belfast (P.F.Doran@qub.ac.uk)

Advanced global capitalism – or capitalist realism – targets the human capacity for attention. This targeting has far-reaching implications for our well-being – psychologically, physically and spiritually – and for our global ecology because our innate capacity for mindfulness is the realm, the final commons, where the potential for human adaptation to new ecological boundaries must be cultivated.

Rowe (2001) coined the term ‘attention economy’, explaining that the basic resource of the new economy is not something provided to the consumer but something provided by the consumer to the capitalist complex. The processes of capitalization targeting attention via the media complex have become a form of technology designed to enclose the human imagination and notions of subjectivity, notably the consumer’s relation to the self. The culture of consumerism can be traced, in part, to this commodification of cognitive space – a new frontier in the history of enclosure, now extended to the cognitive commons or ambient mental atmosphere of daily life.

The paper will be delivered in two parts. The first part will provide an outline of a critical political economy of ‘attention’, focusing on dominant capital’s role in reproducing unsustainable consumption. The all-pervasive influence of capitalization suggests to Nitzan and Bichler (2009) that capitalism seems able to shape ‘preferences’ as effectively as any authoritarian regime. It is this shaping – the very creation of a predictable ‘representative’ consumer – that gets capitalized. The second part of the paper will set out some Buddhist philosophical and psychological teachings on mindfulness and the public sphere.

2. The Generative Power of the Corporation: Developing in the Virtual Economy

Dan Bousfield, University of Western Ontario (danbousfield@gmail.com)

Following a 2011 World Bank report on the development benefits of virtual economies, this paper explores the extent to which the online world is creating new power relations through the modern corporation. Given the estimated 100,000 workers in Southeast Asia participating in the virtual economy through ‘gold farming’, micro-work and ‘cherry blossoming’, the World Bank report argues that aggregate wealth transfer is higher online than in traditional industries (such as coffee farming). This paper explores the legal and political debates surrounding the emergence of virtual societies in the spaces created by capitalized corporate practices. Drawing on the theory of Capital as Power, the paper argues that corporate legal and regulatory practices are generative of new forms of property and new relations of power that are both symbiotic with and parasitic to the capitalization of the host corporations. In the virtual economy of the ‘World of Warcraft’, Activision is forced into regulatory, legal and administrative roles traditionally held by states, having to deal with issues

such as ascertaining the legality of 'gold farming', preventing virtual economic depressions and protecting virtual property rights for community members. Virtual economic development is based on exploiting the capitalized global economy, where generative social practices undermine and subvert regulatory norms as an alternative to traditional economic development.

Session II

KEYNOTE ADDRESSES

QUESTIONING NATURAL & COMMUNITY CAPITAL

10:30am–11:45am

Chair: Sandy Hager, York University

3. Nature, Capital, and Commodification: Ecology and the Capital as Power Framework

Justin Podur, York University (jpodur@yorku.ca)

Environmental and ecological economics offer the critique that mainstream economics fails to understand that economic activity takes place in a natural envelope and within ecological constraints – human societies are based on the appropriation of biomass and energy from nature. Approaches to addressing this gap have included the valuation of natural capital or ecosystem services, the generation of carbon and other commodity markets, and programs like the World Bank's debt exchange. How do these approaches look when a political economy framework is applied? What happens to assessments of the value of natural capital when capital is understood as a mode of power? This paper explores some of these questions.

4. Community Capital: The Pitfalls and Promise of Local Power

J.J. McMurtry, York University (jmcmurtr@yorku.ca)

The question of economic, social and cultural power is an urgent one in search of an answer for community economic activists. According to its adherents, the framework of Capital as Power 'offers a radical alternative to both liberal and Marxist political economies. In this framework, capital is viewed not as a productive economic entity, but as the central power institution of capitalist society at large, while capitalism as a whole is seen not as a mode of production and consumption, but as a mode of power'. A key question for such a proposal therefore becomes 'How is capitalized power resisted and opposed, and can it be reformed or overthrown?' It is this question that this paper engages, examining nascent alternatives of the local, co-operative, and community economic movements from the perspective of a rigorous political economy theory that the Capital as Power framework suggests.

The reality of local, co-operative, and social economy activities however makes this 'community capital' movement resistant to internalizing political economy analysis, partially because this movement has internalized the liberal capitalist power framework, but also because of the legacy of Marxist practice and theory over the twentieth century. As a result, the promise of the local power movement as an alternative locus of power has been mired in theoretical lacuna ranging from individualist anarchism through social democratic nationalism to libertarian capitalism. This paper examines how these lacunae have been created and the pitfalls they present, as well as the promising potential that these movements represent as sites of resistance as well as laboratories for a less oppressive future social reality.

Session III

KEYNOTE ADDRESSES

NEW DYNAMICS OF POWER

1:00–2:15pm

Chair: Gibin Hong, Global Political Economy Institute, Seoul

5. Global Weimarism: The Demise of Cohesive Global Power?

Jeffrey Harrod, University of Amsterdam (harsum@bart.nl)

The 1919 Weimar Republic in Germany collapsed when the political liberal government could not prevent the rise of the authoritarian right. There were three key elements in the Weimar situation – the collapse of the elite aristocratic government, the immobilism of the political liberal Weimar government in power and the rise and success of the right populist party. This essay argues these three elements are currently found at the global level. The first element is represented by the attempt in the last quarter of the twentieth century to create a cohesive governing global elite centred on core banks and corporations. For reasons that will be explained, this attempt failed, and national and regional elites have returned to frankly imperial or aggressive competition over extraction from the different societies over which they have power. Current governments, almost all existing within a political liberal hegemony, have been unable to make the changes necessary to deal with the changed global power structure and prevent the third element of Weimar – the rise of right populism – especially in Europe. However, at the global level the emergence of a left populism in Latin America and elsewhere makes a global outcome similar to the failure of the Weimar Republic less certain.

6. Intellectual Property Rights, Collective Action, and the Continuing Power of ‘Finance’

Herman Schwartz, University of Virginia (hms2f@virginia.edu)

The current system of economic governance in OECD countries clearly does not produce stability. Much like the great depressions of the 1870s and 1930s and the great inflation of the 1970s, the on-going global financial crisis has revealed the inadequacies and contradictions of existing institutions and social practices matching supply to demand and regulating accumulation at the macro-economic level. This paper asks three increasingly abstract questions about this instability. Why didn't 'main street' organize against an increasingly predatory financial sector? Can a new form of regulation – in the French Regulation School sense – emerge from the current crisis? What is the utility, if any, of an evolutionary economics perspective on the current and prior crises of regulation? I answer the first and second questions by pointing to the consequences that flow from having intellectual property rights as a major source of profit for 'main street' firms. The predominance of IPRs – of 'franchise goods' – throws up barriers to collective action around macroeconomic stabilization by incentivizing a search for tailored state regulation of individual IPRs. By contrast, the profitability of Fordist-era firms rested on a combination of public goods (state macro-economic stabilization) and private goods (efficient management of the assembly line). The salience of franchise goods suggests that current political conflicts will not produce a stable form of regulation; a second 'Bretton Woods' moment is unlikely. Finally, an evolutionary perspective is useful because it focuses our attention on the balance between and composition of public, private and franchise goods in the creation of actual production structures and the accumulation of profit.

Session IV

OPPOSITION & RESISTANCE

2:30–3:45pm

Chair: D. T. Cochran, York University

7. Opposition to Capitalized Power: The Limitations of the Theory of Capital as Power in Explaining the Rise of Social Movements

Alesha Porisky, University of Toronto (alesha.porisky@mail.utoronto.ca)

Much as Polanyi (1945) argued that the ‘double movement’ was a spontaneous reaction, the theory of Capital as Power argues that it is impossible to systematically theorize the oppositions that occasionally disrupt the system of order created by capitalized power. The theory views these spontaneous oppositions as a realization of human potential and creativity that exist separately from the *capitalist creorder*, as *humane society*, and which cannot be predicted. Thus the opposition potential of this *humane society* exists entirely separately from the logical order imposed by capitalized power.

Using a comparative analysis of a number of major social movements over the past decade, including the Arab Spring Revolutions, this paper argues that, while there is certainly a measure of human agency which gives rise to opposition, the grievances that drive resistance are created by failures of the system itself and therefore cannot be viewed as separate from capitalized power. This paper further demonstrates how the failure of the theory of Capital as Power to explain how and why opposition arises makes it difficult to use the theory to understand social movements. Finally, the paper proposes amendments to the theory that would incorporate a greater understanding of the underlying causes of the rise of social movements and demonstrates how, even when it is not predicted, opposition is rooted in structures that surpass the ingenuity of human agency.

8. Restructuring against Resistance: The Encumbered Expansion of Wal-Mart in the Retail Business

Joseph Baines, York University (josephbaines714@gmail.com)

By some measures, Wal-Mart is the world’s largest corporation. The retail giant has garnered more annual revenues than any other business for seven of the last ten years. And with 2.2 million people employed by the company; it has about as about many men and women in uniform as the Chinese People’s Liberation Army. Although these facts attest to the size of Wal-Mart; they only give us a partial insight into the company’s control over society. What is required is an analysis which advances a diachronic and relative conceptualization of the actual trajectory of Wal-Mart’s power. I argue that an analytical focus on differential accumulation, as derived from the Capital *as* Power approach, enables the researcher to chart this power trajectory. Building on discussions in *Critical Mass* (www.yorku.ca/cmss/forum/), I show that although Wal-Mart has rapidly augmented its power for much of the 1970s, 1980s and 1990s, the company appears to have reached a pecuniary ceiling. The presentation explores Wal-Mart’s arc of growth by marshalling qualitative insights into the corporation and by offering new quantitative means of understanding its pecuniary slowdown. In particular, the presentation focuses on how intensified processes of social resistance and market saturation in Wal-Mart’s US operations, combined with international trade and investment liberalization, have spurred the company’s expansion into foreign consumer markets. While a few of Wal-Mart’s operations outside of the US have been successful, for the most part Wal-Mart has had problems realizing its ambitions to colonize retail environments abroad. This failure, I argue, is a result of Wal-Mart’s difficulty in transforming

alien labour markets, consumer cultures and infrastructural landscapes in a manner that increases its future earning capacity.

SESSION V: POWER FROM ABOVE, POWER FROM BELOW

4:00–5:15pm

Chair: Ulf Martin

9. The Plutonomy of the 1%: Differential Consumption in the New Gilded Age

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

In 2005, Citigroup released a report that echoed a famous quote from F. Scott Fitzgerald: ‘Let me tell you about the very rich. They are different from you and me’. Penned by a team of global equity strategists, their report – *Plutonomy: Buying Luxury, Explaining Global Imbalances* – advanced the thesis that the world was dividing into two main blocs: 1) the plutonomy powered by the conspicuous consumption of the wealthy; and 2) the rest of humanity. The report also argued that income disparities were likely to deepen in the future, making the global rich the key drivers of differential-equity returns. Although this paper explores some of the quantitative dimensions of the plutonomy thesis, its main aim is to draw out some of the qualitative dimensions connected to the differential power *and* consumption patterns of the global rich in the New Gilded Age. It does so by advancing the idea that money does not just represent a store of value, a medium of exchange and a unit of account, but also the power to claim the labour of others and natural resources in commodity form.

10. No Way Out: Crime, Punishment and the Limits of Power

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

Capitalist power rests on a basic contradiction: greater power means upward redistribution of income and assets; but from a certain point onward, the higher the inequality-read-power, the more difficult it is to increase that power further. The current crisis illustrates this contradiction. In the United States, income inequality has soared to an all-time high, with the top 10% of the population appropriating 50% of the income. In order to reach these extreme levels of inequality-read-power, the underlying population has been put under increasing pressure on various fronts. One of these is state punishment. While crime rates have declined since the 1980s, the ‘correctional population’ has more than doubled: it rose hand-in-hand with inequality, reaching an all-time high of 5% of the labour force. Is this mode of power sustainable? Can ‘redistribution through punishment’ continue, with ever-increasingly inequality supported by ever-rising rates of incarceration? Is there a limit beyond which a backlash is likely to fracture capitalist power? The paper examines the historical relationship between capitalist power and state punishment in the United States, arguing that, as in the 1930s, capitalist power may be approaching its asymptotes.

9:30–10:15am

Moderator: Sean Starrs, York University

11. Capital as an Imaginary Institution of Power

Harald Wolf, University of Goettingen and University of Kassel (hwolf1@gwdg.de)

In *Capital as Power*, Nitzan and Bichler (N/B) allude several times to eminent French social theorist Cornelius Castoriadis and his magnum opus *The Imaginary Institution of Society*. But the references don't connect the two theoretical outlooks in a really systematic manner. My contribution aims to provide a preliminary comparison of some of the main topics of the 'Capital as Power' and 'society as imaginary institution' theoretical frameworks in order to prepare a more systematic connection or reciprocal elucidation. Such a comparison promises to be useful for the enhancement of both frameworks. I propose the following comparative topics:

- *Capitalism as a rationalization and control project*: there are many points in common in this respect, but I will ask whether N/B's conception of this project may not be too 'one-dimensional';
- *Capital and labour*: after the critical elimination of 'labour value' in N/B, there seems to be a kind of blind spot on the labour side that could be filled with theorems by Veblen (already mentioned by N/B) and Castoriadis;
- *Capital and market*: one can agree with N/B's argument against the 'expulsion' of power from apologetic as well as 'critical' market discourses – but is N/B criticism of Castoriadis's (and Braudel's) understanding of the relation of capitalism and the market valid?
- *The imaginary of capital and the imaginary of power*: I will ask whether N/B have a tendency to grasp capital too much as a kind of power 'technology', and if this tendency could be revised by applying the concept of the imaginary institution.

10:25–11:10am

Moderator: Lori-Ann Campbell, Memorial University

12. Rational Control and the Magma of Reality

Ulf Martin (ulfmartin@web.de)

'Capital is power quantified in monetary terms.' Quantification (generally: mathematical procedures) is central to the organization of society. Modernity features a distinct mode of symbolism (including mathematics): operational symbolism. Here symbols are objects, or tokens, whose meaning is determined by game-like, rule-based procedures or computations: i.e., by symbolic machines. Earlier symbolisms (magical and ontological) assumed that symbols are 'abstracted' from reality.

Symbolic machines become the paradigm for rationality. They are applied by interpretation: modern science is a machine used to create knowledge about the world; modern technology is the use of modern science to shape

the physical world (phusis); and, in social affairs, order (nomos) is imposed by symbolic machines like the bureaucracy, civil law, and modern finance.

Central to the capitalist mode of power is negation. Essential for power in the social sphere (nomos) is the negation of others' access to resources – or, in a word, property. In the physical sphere (phusis), it is the dialectics of destruction and production. The labour process lies at the intersection of phusis and nomos. The productive/destructive action is subsumed under the logic of rational control (labour capital).

Capitalism deals with negation in a universally formalized way, successfully integrating resistance against itself into a supporting feedback: it needs systemic conflict in order to evolve. But the symbolic machine of capitalist power struggle is confined to the logic of differential accumulation. A symbolic machine cannot integrate what is conceptually beyond itself. To some extent, this problem is solved by 'positive' resistance: people act against the logic of capitalization in order to protect it from collapse. Yet, society being a magma, it remains to be seen whether types of resistance that capitalism cannot deal with will emerge. Operational symbolism may not necessarily be confined to the organization of power; there may be 'democratic machines', as envisioned in scientific research or the free software movement.

11:20am–12:05pm

Moderator: Jongchul Kim, Max Planck Institute for the Study of Societies, Cologne

13. The Rationality of Capital Accounting as the Quintessence of Capitalism: Max Weber's and Werner Sombart's Non-materialist Views of Capitalism

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

Max Weber and Werner Sombart, the great economic historians belonging to the last generation of the German Historical School, are known to have made the 'Spirit' the pivotal concept in their theories of capitalism. Many sociological studies of Max Weber, excessively obsessed with the so-called Weberian Protestant Thesis, have misrepresented his theory of capitalism as if its concern were restricted to the 'cultural' aspects of capitalism. Weber and Sombart had much more comprehensive views of the nature and evolution of capitalism. Both emphasized the centrality of capital accounting and viewed capitalism as a social system in which the rationality of capital accounting becomes the supreme order of everything in the social world. Moreover, Weber elaborated on the institutional structure in which a 're-ordering' of social relations in the image of the rationality of capital accounting is made possible. In this sense, their theories of capitalism may be said to have anticipated some aspects of Jonathan Nitzan and Shimshon Bichler's *creorder* theory. However, crucial differences exist between the two Germans and our two contemporaries. The most prominent difference is that the notion of power, the pivotal concept in Nitzan and Bichler's theory, does not occupy a central place in the theories of Weber or Sombart. Nitzan and Bichler's concept of the 'mode of power' will be contrasted with Weber's *Herrschaft* and Sombart's 'modern sovereign state'.

1:05–1:50pm

Moderator: Mathieu Charbonneau, Carleton University

14. Understanding Dominant Capital: The Case of Israeli Commercial Banks

Shai Gorsky (shiegorsky@yahoo.com)

The presentation will focus on quantitative methods in the analysis of the Israeli political economy, following and expanding upon Bichler and Nitzan's *The Global Political Economy of Israel*.

I will begin by comparing two Tel-Aviv Stock Exchange branch indices: 'Commercial Banks' and 'Land, Construction and Development'. The first prices a cohesive sector well rooted in the highest echelons of the Israeli political economy, hence standing for 'dominant capital'. The second consists of hundreds of smaller firms, thus representing 'non-dominant capital'.

The ratio of the first to the second depicts in a nutshell the history of Israeli capitalism. Four major accumulation regimes are reflected as 'waves' in this history. Additional analysis of 5-year moving correlations between the branches' indices focuses attention on periods of structural change.

A severe drop in the power of banks during the early 1980s stands out. This episode is generally referred to as the 'bank crisis' of 1983. However, a closer inspection reveals a story of strategic sabotage, a story that differs markedly from the commonly accepted one.

The entire analysis relies on the ability to differentiate 'dominant' from 'non-dominant' capital. It may well be that in this example, the comparison of the branch indices can prove fruitful in this respect, but it is not so in the general case. As an opening point for future discussion, I will suggest that in order to widen our scope and make it rigorous, two (intertwined) essential features are missing: a systematic mapping of ownership relations, and a quantitative measure of the 'dominancy' of a business unit.

2:00–2:45pm

Moderator: Joseph Baines, York University

15. The Transnationalization of Korea's Dominant Capital and Its Differential Accumulation in the Post-1997 Period: Beyond the Dichotomy Between Productive Industrial Capital and Unproductive Financial Capital

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

After the 1997 financial crisis, the neo-liberal restructuring of the Korean political economy accelerated dramatically. While there is a general consensus that Korean society, which has undergone a tremendous transformation, is not the same as before, heated debates on the nature of the change are still ongoing. The purpose of this paper is to cast a new light on the post-1997 restructuring of Korean society from the perspective of Capital as Power, an approach developed by Nitzan and Bichler (2009; 2002).

Development economists have led the controversies over the nature of neo-liberal globalization in Korea. Defining the nature of the problem as the subordination of 'productive' domestic industrial capital to 'unproductive' foreign financial capital, they argue that we need to empower the Korean *chaebols*

(conglomerates) so that they can engage in rapid industrial development. In my view, they confuse the differences between both business and industry in the Veblenian sense and industrial and financial capital.

This paper offers an alternative understanding of Korea's neo-liberal reform from the perspective of Capital as Power. It argues, first, that the kernel of the post-1997 restructuring is the establishment of *capitalization* as the *creorder* of Korean society. Second, it argues that the nature of globalization is the incorporation of Korea's dominant capital into the global structure of absentee owners through the *transnationalization* of ownership and accumulation. Lastly, it argues that the reduction of green-field investment, relative to the pre-1997 period, is to be explained by the shift of the regime of differential accumulation rather than the subordination of 'productive' industrial capital to 'unproductive' financial capital.

3:15–4:00pm

Moderator: Peter Doran, Queen's University Belfast

16. Law and Economics and Private Ordering

Eric George, York University (eg84@yorku.ca)

Law and Economics (L & E) is a sophisticated, quantitatively based approach to legal studies that was pioneered at the University of Chicago and that has subsequently emerged as a serious contender to rival approaches in U.S law schools. This school of thought is notable for having imported the same neo-classical utility-maximizing assumptions used by economists to the study of jurisprudence. It is relevant to the practice of capitalization in so far as it affords private actors a set of tools to help them deal with diverse legal problems associated with business practice – the efficiency of corporate regulation, the assessment of vulnerability to punitive damages arising from civil suits, and the effect of anti-trust cases on prices, to name only a few. In this paper, I argue that L & E has had important ramifications in ideologically framing the rubric of legitimate legal discourse used in the American legal profession. At a more practical level, L & E has played a crucial role in the rise of corporate alternative dispute resolution, legal mechanisms that are increasingly used by businesses to address problems like intellectual property, class-action suits, collective bargaining and environmental law. I will show how a critical examination of this school of thought can contribute to an understanding of the changing role of the legal field in relation to the exercise of economic power.

4:10–4:55pm

Moderator: Dan Bousfield, University of Western Ontario

17. Structures of Sabotage: State-Corporate Blocs

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

A symbiotic relationship exists between corporations and states whereby the power of states increases in proportion to the power of the transnational corporations that they host and protect. Far from being relatively autonomous from one another, corporations and their state sponsors make up institutional constellations that must be seen as power blocs in the global political economy.

Quantitative and qualitative evidence will be presented for the continued existence of distinct, nationally-based ruling classes that seek to differentially accumulate vis-à-vis both the underlying population in their own states

and the ruling classes of other blocs through the coordinated activity of the state and business institutions under their control. These blocs may also be transnational, and not strictly confined to one nation-state, and evidence for such alliances will also be presented. These links will be established through a comparative study of an emerging bloc, China and its corporate sector, with the established bloc of the United States and allied governments and their national corporate sectors.

This presentation will draw on the theoretical models of the developmental state, Capital as Power, and work by Veblen, Carroll, and Arrighi.

5:10–6:30pm

Moderator: Jonathan Nitzan (York University)

ROUNDTABLE

10:00–10:45am

Moderator: Hyeng-Joon Park, Global Political Economy Institute, Seoul

18. How Do We Quantify the Qualities of Corporate Power?

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

We all know that the world's top corporations are 'powerful'. They shape, control, and capitalize virtually all aspects of existence and even beyond. But how do we quantify this power? How can we determine whether Corporation A has more power to shape the human condition than Corporation B, or that Corporation C is increasing its power over Earth while the power of Corporation D is declining? Capital as Power has a simple answer: condense all these multifarious power processes into a single formula – capitalization – and we can see which corporations are more powerful by looking at their different market values. While it is clear that capitalization is the formula to predict future expected income, whether or not this amounts to the quantification of power is a totally different matter. This paper casts serious doubt on this approach by presenting data and raising a series of questions. The data shall list the top corporations by market value over time, and also by other metrics such as assets and profit – all of which give different lists of corporations. The power implications of each metric will be discussed, as will the divergence between sectors, spawning even more questions. Indeed, perhaps the most salient question is *can* we quantify corporate power? This paper does not pretend to offer answers to any of these questions, but hopefully the mere asking of them will spark discussion on ways forward for Capital as Power.

10:55–11:40am

Moderator: Shai Gorsky

19. Accounting for Power: The Actors, Networks and Theories of Accumulation

D. T. Cochrane, York University (dtcochrane@gmail.com)

According to the theory of Capital as Power (CasP; Nitzan & Bichler, 2009), the quantities of capital measure the distribution of power. Accumulation is achieved through a relative expansion of power. With its focus on differential accumulation, CasP provides tools for mapping the constantly shifting asymmetries of power. At the same time, the theory rejects any suggestion of a universal, necessary or determinant source of power accumulation. Instead, power is painstakingly maintained, defended and expanded through endless work. These efforts transform myriad entities, from government policies to individual desires, from ideologies to infrastructure. Therefore, the task of locating where and how power is constructed can seem daunting, if not insurmountable. I suggest that actor-network theory (ANT; Latour, 2005) provides some guidance on how the task might be approached.

In the early 1940s, the De Beers diamond cartel reversed a long-term trend of differential deaccumulation. Through CasP, it is possible to detect this trajectory of loss and gain of power while also rejecting any *ex ante* explanation for why it occurs. The 'flat ontology' of ANT forces us to account for the wide range of actors in the construction of this power while preventing us from falling back into concepts and categories based on now-rejected theories of value. With my presentation, I will use this period in De Beers' history to explore the

concepts of CasP and ANT and argue that together they can help produce much richer, yet grounded and coherent, accounts of business.

11:50am–12:35pm

Moderator: Eric George, York University

20. International Expropriation Law, Canadian Environmental Protection Policy and the Subnational Capitalization of Power in Newfoundland and Labrador

Lori-Ann Campbell, Memorial University (mezzo_piano@hotmail.com)

This presentation contributes to understanding Nitzan and Bichler's Capital as Power hypothesis by applying it to a public-policy case study in the Canadian province of Newfoundland and Labrador. Specifically, on Dec. 16th 2008, the provincial government of NL passed legislation to expropriate the majority of US-based Abitibi-Bowater's assets, irrespective of the implications of the action under Chapter 11 of the North American Free Trade Agreement. This sudden policy decision not only resulted in a formal NAFTA complaint, it also factored largely into a Quebec Supreme Court decision to interpret the NL government's subsequent environmental clean-up orders, issued to Abitibi-Bowater months after it declared insolvency, as financial claims rather than statutory obligations under Canadian bankruptcy law. Drawing on the thematic of this conference – how the quantitative nature of capitalization-of-power processes shape qualitative social-policy outcomes – this presentation contributes to a better understanding of the events leading up to the passage of the Abitibi Act than the official version of events provided by the government. Finding a positive correlation between Nitzan and Bichler's understanding of the role of 'strategic business sabotage' and a series of actions taken by the NL government against the company, we suggest that the expropriation was reflective of a customary political effort to gain differential control over nature and society rather than a novel legislative means of ensuring sub-national environmental-resource protection in an age of globalization.

1:35–2:20pm

Moderator: David Hynes, York University

21. Capitalist Power and a Hybrid between Property and Debt

Jongchul Kim, Max Planck Institute for the Study of Societies, Cologne (jongchul323@gmail.com)

This presentation aims to ask the theory of Capital as Power (CasP) to incorporate *the idea of the hybrid ownership of property and debt* seriously, for three reasons.

First, finance, as the form in which capitalist power exists, is a hybrid. Modern banks can create money because they utilize the hybrid ownership known as the trust. This trust in its origin conveyed the ontological, cultural, and political specificities of Anglo-Saxon society, the specificities from which goldsmith-banking and, later, joint-stock banking grew. This hybridity is still exploited by the shadow banking of the twenty-first century and caused the financial crisis of 2008. And the shareholders' ownership of business corporations is a hybrid between owners' rights and creditors' rights.

Second, the capitalist form of organization is a means through which property owners utilize this hybridity and, as a result, enjoy the rights of both debtors *and* owners while minimizing their responsibility as owners.

Public debt, the first systematic capitalization of power, also represents a hybrid ownership in the relation of rulers and the ruled: rulers in capitalism are both the owners of the absolute power to rule the ruled and debtors who borrow the power from the ruled.

Third, incorporating the idea of hybridity allows the theory of CasP to imagine a way of abolishing capitalist power. Capitalist power can be abolished by abolishing this hybridity, i.e. by clearly separating capitalist ownership into *rights in rem* (property owners' rights) and *rights in personam* (creditors' rights).

2:30–3:15pm

Moderator: Tim Di Muzio, University of Wollongong

22. What Happened to the Bondholding Class? The Political Economy of US Public Debt Ownership

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

In 1887 Henry Carter Adams produced a pioneering study that theorized and empirically mapped the ownership of the US public debt. Adams demonstrated that the ownership of government bonds was heavily concentrated in the hands of a 'bondholding class'; a wealthy elite that lent to and therefore, in Adams' view, controlled the government much like dominant shareholders control a corporation. According to Adams, the interests of this bondholding class clashed with the interests of the wider population, whose burdensome taxes were used to service the interest payments on government bonds.

Since the late-nineteenth century there has been plenty of political and academic debate about the ownership of public debt and the possible redistributive effects associated with a given pattern of ownership. But the empirical evidence offered to support the various arguments has been scant. As a result, political economists have few answers to important questions first raised by Adams over century ago: how has the pattern of public-debt ownership changed? Has ownership of government bonds become more or less concentrated? Can we still speak of a powerful 'bondholding class'? Do the interests of bondholders really conflict with those of taxpayers, and does public debt redistribute wealth from the latter to the former? Analyzing US data on public-debt ownership, interest payments and taxation from World War II to the present, this paper develops a new theoretical-empirical framework to address these questions. The research indicates a staggering pattern of concentration in the ownership of US public debt in the hands of the wealthiest individuals and corporations since the early 1980s. This concentration of ownership has led to a massive redistribution of income to the dominant owners of government bonds. Though much has changed since Adams' time, the analysis in this paper indicates that there is indeed still a powerful bondholding class in the US, one whose power has augmented rapidly over the past three decades.

3:45–4:30pm

Moderator: Harald Wolf, University of Goettingen and University of Kassel

23. Towards a Political Economy of the Insurance Industry: Between Veblenian Institutionalism and the Theory of Regulation?

Mathieu Charbonneau, Carleton University (mathieucharbonneau@cmail.carleton.ca)

Although social scientists have recently begun to consider private insurance, there has been no extensive research on the political economy of the insurance industry. Indeed, it is necessary to have a better understanding of the nature of insurance capital. There is thus a need to explore institutional economics as the theoretical basis of future research on the insurance industry. Considering existing evidence, we suggest that a critical political economy of insurance could originate from the intersection of Veblenian institutionalism (VI) – or the Capital as Power approach – and theory of regulation (TR). After a short review of the literature, we first present the debate over the insurability of catastrophic risks and the case study of terrorism insurance. We show that the industry insures against terrorism risks through four means: precaution, responsabilization, state collaborations and financialization. Secondly, while the study of insurance represents a major gap in the regulationist literature, we note that TR sheds light on private insurers' core function in monetary systems as well as on their function as institutional investors. Thirdly, the insurance industry is a highly concentrated sector, and recent sociological studies have shown that private insurers are characterized by institutionalized fraud and deceptive selling. Hence, VI appears as a good lens through which one can analyze insurance capital's differential accumulation, by virtue of intense M&A activities and the implied sabotage of efficiency and solidarity. We conclude with a discussion concerning the problems of bridging VI and TR, especially in terms of a theory of value.

4:40–5:25pm

Moderator: Alesha Porisky, University of Toronto

24. The Spectre of Radical Creation: Capitalist Power, Social Signification and the Qualities of Strategic Sabotage

James McMahon, York University (jmcmahon@yorku.ca)

My presentation aims to explicate strategic sabotage, a concept that was created by Thorstein Veblen, and which is central to Jonathan Nitzan and Shimshon Bichler's theory of capitalist power. This presentation will circle around one question: what theoretical generalizations can be made about strategic sabotage as it relates to the complex qualitative dimension of social creativity? This is an important question if the power of business over industry is expressed qualitatively as much as it is expressed quantitatively, in prices. Moreover, the social dynamics of creation, including how a community uses what is created, are somehow incorporated into capitalization. With examples from my current research on the political economy of Hollywood cinema, I will argue that power is necessary to the capitalization of creativity: business interests understand the human power of creation, even if they cannot exactly affirm its potential without the presence of sabotage. *Autonomous* creation is a threat to capitalist interests because the non-determinable nature of creation is incompatible with capitalization. For the purposes of calculating expectations about future earnings, business predetermines, as best as possible, the place of new creation in a field of social significations.

