

**THE CONFERENCE HAS BEEN POSTPONED TO 2016**

***The 4th Forum on Capital as Power***

**CAPITAL AS POWER: BROADENING THE VISTA**

**A Joint Carleton-York Conference**

**Carleton University, October 1-3, 2015**

<http://www.caspconference.org/>

**TENTATIVE CONFERENCE PROGRAMME**

**Call for Papers**

The theory of capital as power (CasP) offers a radical alternative to mainstream and Marxist theories of capitalism. It argues that capital symbolizes and quantifies not utility or labour, but organized power writ large, and that capitalism is best understood and challenged not as a mode of consumption and production, but as a mode of power.

Growing interest in CasP, especially from young researchers, has contributed to a widening body of work dealing with different countries, regions, sectors, processes, methodologies and debates:

1. *Countries and regions*: The United States, Canada, Israel, Egypt, Pakistan, the Middle East, South Africa, South Korea.
2. *Sectors*: commodities, food and biofuel, petroleum, diamonds, armament, high-technology, pharmaceuticals, retailing, the art market, Hollywood, freelance creative work.
3. *Processes*: the emergence of the capitalist mode of power, ruling-class formation, protest and resistance, finance as operational symbolism, the rise and demise of distributional coalitions, the changing ownership of public debt, conspicuous consumption, speculation, crime and punishment, differential taxation, Middle East energy conflicts, mergers and acquisitions, the globalization of ownership, political regime shifts, inflation and stagflation, systemic fear and systemic crises, the asymptotes of power, the link between social hierarchies and energy use, histories of sabotage, the resurgence of the Top 1%.
4. *Methodologies*: disaggregate accounting, measures of redistribution and power, stagflation indices, energy use as an alternative to 'real' GDP, differential yardsticks for activists, the capitalist 'conversion' of quality to quantity.
5. *Debates*: the capital/state dichotomy, real vs. nominal, imperialism and financialism, the transition from feudalism to capitalism, ethical investing, the impact of trade policies, the limits of macroeconomic policy.

Most of these works, along with interviews, reviews, course material, conference proceedings and lecture videos, are available from three Creative Commons websites: [Capital as Power](#), [Review of Capital as Power \(RECASP\)](#) and [The Bichler and Nitzan Archives](#). Readers and writers are invited to engage with, contribute to and debate on the [CasP Forum](#) and [Blog](#).

Over the past decade, the Forum on Capital as Power has organized many lectures, speaker series and conferences. Our most recent international gatherings include [Capitalizing Power: The Qualities and Quantities of Accumulation](#) (2012), [The Capitalist Mode of Power: Past, Present and Future](#) (2011), and [Crisis of Capital, Crisis of Theory](#) (2010).

The 2015 conference seeks to broaden the vista. We are looking for papers that extend and deepen CasP research, compare CasP with other approaches and critique CasP's methods and findings. Articles can be general or specific, theoretical or empirical, analytical or historical. Below we list some suggestions, though other topics would be equally welcome.

1. *Expanding and deepening CasP research.* Areas of interest include: (i) the concept of power in science and society: its evolution from antiquity to the present; (ii) the origins and spread of the capitalist mode of power: from feudal Europe to the world; (iii) from 'state and capital' to the 'state of capital': CasP perspectives on state theory and international relations; (iv) the emergence and spread of finance as the key architecture of the capitalist *creorder*; (v) the role of labour, production and waste in the capitalist mode of power; (vi) capitalist power and the environment: from planetary ecology, to energy, to the genome; (vii) capitalizing the social fabric: culture, religion, ethnicity, race, gender, literature and the academy; (viii) micro-CasP: the everyday manifestations of capital as power; (ix) the asymptotes of capitalist power: what are the limits of accumulation and how approaching those limits might undermine or transform capitalism; (x) from capitalist accounting to democratic *creordering*: creating a new language for an autonomous society.
2. *CasP vs. other approaches.* Mainstream economics and heterodox political economy conceive of capital as an 'economic' entity and therefore tend to treat power as affecting accumulation from the 'outside'. According to CasP, though, power is internal to accumulation: it defines what constitutes capital in the first place and determines how quickly it grows. How important is this conceptual difference? Does it lead to alternative questions and yield different answers? To what extent does the logic of capital absorb, subsume and internalize other forms of power, such as patriarchy, race, bureaucracy and international relations? Can CasP offer new insights into these forms of power?
3. *Critiques of CasP.* What are the key shortcomings of CasP? Do these shortcomings reflect the birth pangs of a new approach, or are they inherent in its very logic? What areas of CasP need to be strengthened and developed? Where has CasP research gone astray? Are there aspects of capitalism that CasP might be conceptually unable to deal with?

The conference is open to everyone, with submissions vetted entirely on merit. We accept applications from established and new researchers, in and outside academia. However, we are particularly interested in submissions from *young* researchers of all ages, including MA and PhD students, private and public employees and free spirits. If you have an interest in the subject and something important – or potentially important – to say, please apply.

**ATTENUATED TIMETABLE**

Thursday, October 1	Friday, October 2	Saturday, October 3
<b>8:00–8:30am</b> REGISTRATION	<b>8:30–10:15am</b> (5) DERIVATIVES  Suhail Malik; Ulf Martin; Joseph Baines	<b>8:30–10:15am</b> (9) HEARTS, MINDS AND STOMACHS  Emily Rosamond; Fredrick Pitts; Phillip H. Howard
<b>8:30–9:00am</b> INTRODUCTION	<b>10:30am–12:15pm</b> (6) <i>PLENARY</i> : INTERROGATING CASP  Randall Germain	<b>10:30am–12:15pm</b> (10) <i>PLENARY</i> : THE CASP ALGORITHM  Jonathan Nitzan and Shimshon Bichler
<b>9:00–10:45am</b> (1) TECHNOLOGIES OF POWER: PRICING, MONEY, PRODUCTION  DT Cochrane; Jeremy Green; Ilirjan Shehu	<b>12:15am–1:45pm</b> LUNCH	<b>12:15am–1:45pm</b> LUNCH
<b>11:00–12:45am</b> (2) <i>PLENARY</i> : CONCEPTS OF POWER, MODES OF POWER  Shimshon Bichler and Jonathan Nitzan	<b>1:45–3:30pm</b> (7) NEW METHODS  Blair Fix, Shai Gorsky; James McMahon	<b>1:45–3:00pm</b> (11) PHYSICAL SPACE  Adrian Blackwell; Burçin Mizrak
<b>12:45am–2:15pm</b> LUNCH	<b>3:45–5:30pm</b> (8) INFORMATION, GLOBALIZATION, TAXATION  Mehrene Larudee; Fathima Musthaq and Volker Schmitz; Mladen Ostojic	<b>3:15–4:30pm</b> (12) INSTITUTING CAPITAL AS POWER  Gibin Hong; Jongchul Kim
<b>2:15–4:00pm</b> (3) ENERGY  Tim Di Muzio and Matthew Dow; Samuel Rogers; Max Grubman	<b>7:30pm</b> SPEAKERS’ DINNER	<b>4:45–6:00pm</b> (13) STATE AND CAPITAL  Joseph Francis; Phillip Leech
<b>4:15–6:00pm</b> (4) CAPITAL AS POWER: CRITIQUES AND EXTENSIONS  Luis de Miranda; Lee Doran; Hyeng-Joon Park		

**REGISTRATION**

8:00–8:30am

**INTRODUCTION**

8:30–9:00am

**Session 1**

**TECHNOLOGIES OF POWER: PRICING, MONEY, PRODUCTION**

9:00–10:45am

Chair: Blair Fix

**1A. Power & Price Construction in Capital as Power**

DT Cochrane, York University ([vis.formandi@gmail.com](mailto:vis.formandi@gmail.com))

Perhaps the most contentious concept in the power theory of value (CasP) is that of power itself. While social scientists have grappled with how to measure power, CasP postulates that the capitalists have solved the problem for themselves via capitalization. This postulate gives a prominent, and under-considered, role to the process of price construction. The power expressed in capital values transcends the ‘power over’ and ‘power to’ conceptions that have divided theorists. Price construction uses information about the past – power over – as the basis for expectations of capitalist action in the future – power to.

The role of the concept of power in social scientific analysis is not to explain social events. Rather, the efficacy of CasP is its ability to identify power distributions that must then be explained. In other words, I argue that power is the *explanandum*, not the *explanans*.

This interpretation will be demonstrated via an analysis of the twentieth-century accumulatory trajectory of General Electric (GE). GE is the only corporation other than Exxon to have been among the top 10 firms ranked by market capitalization from 1925 through 2014. However, the firm has still had consequential differential ups and downs. I will use both quantitative and qualitative analysis to suggest causes for these fluctuations across various capitalist collectives as well as causes affecting GE in particular.

**1B. Governing the Price Architecture: Central Banks as Power-Distributional Agents**

Jeremy Green, University of Bristol ([jeremy.green@bristol.ac.uk](mailto:jeremy.green@bristol.ac.uk))

The controversial distributional consequences of ‘Quantitative Easing’ policies have highlighted the socio-economic impact of central banking and challenged notions of independence. These challenges are likely to intensify as the inequalities characterising contemporary capitalism deepen. Despite these dynamics, our theoretical understanding of central banks within political economy remains limited. Many accounts focus upon the politics of central banks while ignoring the deeper power-distributional contents of key central-bank functions such as interest-rate setting, money creation/destruction and the semantic forward guidance of future trends. The economics literature is similarly deficient, largely confining itself to abstract formal modelling of central-bank policies founded upon dubious neoclassical assumptions. In the economics literature, power is notable only in terms of its conceptual absence. The fundamental ontology of central banking remains, therefore, elusive. This paper addresses that deficiency by theorising central banks as power-distributional agents anchoring the symbolic order of contemporary capitalism.

## 1C. Understanding Technological Change as a Power Process

Ilijar Shehu, Carleton University ([ilijarshehu76@gmail.com](mailto:ilijarshehu76@gmail.com))

Technological change is most often presented as neutral to power. From one perspective, competition among individuals or individual firms is seen as the force behind innovation and technological change. Another perspective concentrates on production and labour power as the distinctive features of capitalism, but it too views technological change only as a means for increased efficiency and competition among firms. According to a third perspective, technological change has become an autonomous process over which humans have lost control. The debate centers around questions on the use of technology: is it inherently beneficial or should its application be restricted? Technological change, however, is not a process that exists in a vacuum. To transform Robert Cox's famous saying, technological change is always for someone and for some purpose. The question to be asked, then, is whose interest does technological change serve? The hypothesis of the paper is that technological change is instrumentally necessary for the continuation of a profit system based on capital. It makes possible a continuous increase of power through increased control over the production process. It also helps capitalists increase their share of power in the distributional grid. In its modern form, power is represented by capital. In order to analyze this hypothesis, the process needs to be looked at from a power rather than a scientific or market perspective.

### Session 2

#### PLENARY: CONCEPTS OF POWER, MODES OF POWER

11:00am–12:45am

Chair: DT Cochrane

Shimshon Bichler, Israel ([tookie@barak.net.il](mailto:tookie@barak.net.il)) and Jonathan Nitzan, York University ([nitzan@yorku.ca](mailto:nitzan@yorku.ca))

To speak about a capitalist mode of power is to imply the existence of other modes of power – but what are they? Similarly, to prioritize power as the key organizing process of society is to imply a clear concept of power – but what is it? The purpose of this paper is to offer a historical/theoretical framework in which these questions might be examined. Concepts of power (COPs) and modes of power (MOPs), we argue, are deeply connected historical entities: both date back to the earliest civilizations; both have been radically transformed over time, often beyond recognition; and the evolutions and revolutions of both have been intimately intertwined. They need to be examined not separately but jointly, as COP-MOPs.

What are the key attributes of a COP-MOP? In other words, what properties define a COP and what features characterize a MOP? In what ways and to what extent can we view COPs and MOPs as historical 'mappings' of each other? How are MOPs *creordered*? What brings a MOP into existence, what transforms it, and what causes it to collapse or give way to another MOP? What is special about the capitalist COP-MOP? How did it emerge from previous regimes and what enabled its universal spread? What are the inherent asymptotes of social power in general and of capitalist power in particular? Last but not least, how can we integrate these questions into a broad research project for the study of COP-MOPs, past and present? What might the initial components of such a project be?

### Session 3

#### ENERGY

2:15–4:00pm

Chair: Fathima Musthaq

#### **3A. Energy, Violence and Critical IPE: Carbon Capitalism and the Petrolization of Indigenous Land**

Tim Di Muzio, University of Wollongong ([tdimuzio@uow.edu.au](mailto:tdimuzio@uow.edu.au)) and Matthew Dow, York University ([mattdow@yorku.ca](mailto:mattdow@yorku.ca))

This paper investigates how far and in what ways carbon energy is integral to the social reproduction of capital as power. We begin by offering a new conceptual lens through which to theorize the relationship between energy, violence and social reproduction and argue that the genealogical relationship extends far deeper into the past than the era of coal, oil and natural gas. We then offer a historical sketch on the rise of carbon capitalism and the global political economy that focuses on capitalization rather than economic growth. This discussion sets the stage for our final section, which examines how energy, violence and social reproduction can be used to think about the ‘petrolization’ of indigenous land in Canada and its more global and historical connections.

#### **3B. Oil, Gas and Economic Crisis: Russia in Central and Eastern Europe**

Samuel Rogers, University of Bristol ([samuel.rogers@bristol.ac.uk](mailto:samuel.rogers@bristol.ac.uk))

Major Russian Oil and Gas Multi-National Corporations (ROGMNCs) continue to search for ways to increase their revenues and meet investor expectations in order to counteract competitive forces, falling productivity and cost pressures, amongst other challenges. Since the onset of the Global Recession (GR) in 2007, major ROGMNCs have continued to see positive revenues year-on-year, whilst many (European) sovereign states have experienced widespread financial crisis. This situation has increased inequality, often to the detriment of local financial institutions, national governments and society in general, measured in GDP rates, government stability, unemployment levels, and other ways. In this paper, I link Bichler and Nitzan’s *theory of differential accumulation* to the hypothesis that, from the beginning of the current economic crisis, large ROGMNCs have been using their power to put pressure on the governments of states in which they operate or intend to operate in order to obtain (more) favourable conditions. Whilst it is unlikely that ROGMNCs are responsible for creating the economic crisis, I posit that they are, to an extent, capable of lengthening crises to their financial benefit in order to maximise revenues and ‘beat the average’. This conclusion suggests that it is time to move away from the normative procedure of laying the blame for the GR solely at the feet of major financial institutions, and that ROGMNCs need to take their share of responsibility.

#### **3C. Global Capital, Local Capitalists: Beating the World Average in the Israeli Natural Gas Sector**

Max Grubman, Israel/Cost Rica ([maxgr@walla.com](mailto:maxgr@walla.com))

The recently discovered natural gas reserves off the Israeli coast have created high expectations for the capital group that controls them. Through an alliance between an international energy company, Global Energy, and local capitalists like Yitzhak Tshuva, the newly established sector is expected to yield profits at a rate more than double the world average in the natural gas sector. The outperformance seems to be the result of a various and combined power processes: while Global Energy controls production and knowledge in the industry, the local capitalists provide their ‘added value’ through the direct and indirect influence over government bureaucracy and regulation. The combined effect reshapes production plans, government policy and taxation, market competition, military spending, current and future consumption and more – all against opposition from progressive and environmental groups in the country. But now the alliance seems to have reached an obstacle: it has done too well and has become a monopoly with no challengers in sight, and that contradicts the ideology of ‘market competition’. Without its ideological veil, it faces mounting resistance from liberals as well as progressives.

## Session 4

### CAPITAL AS POWER: CRITIQUES AND EXTENSIONS

4:15–6:00pm

Chair: Tim Di Muzio

#### **4A. Esprit de Corps and the Perfect Act: How the Power to “Creorder” Our Society Can Be Produced Outside the Logic of Money**

Luis de Miranda, University of Edinburgh ([luis.demiranda@ed.ac.uk](mailto:luis.demiranda@ed.ac.uk))

In this paper, I will argue that there are at least two historical forces that are radically different from capitalistic power, namely esprit de corps and what I shall call the Perfect Act.

In *Capital as Power*, Nitzan and Bichler contend that capital represents a particular mode of organized power, maintained by dominant capitalistic groups in order to shape – or *creorder* – society according to the symbolic rules of money. The “gravitational force” that produces our social reality is power, and power, they claim, is reproduced by differential accumulation, viz. inequality of means regarding the capacity to *creorder* the world. “For the capitalist, accumulation is a simple process in which money makes money” and that therefore produces or maintains power.

In *Mille Plateaus*, Deleuze and Guattari call “esprit de corps” the virtue of a rebellious group that opposes any totalitarian domination. Invented by the French Musketeers in the early eighteenth century as an enthusiastic military value, a cohesive fighting élan, esprit de corps was considered by Durkheim a positive phenomenon of solidarity and community that could protect us from general agonism and create partial dynamics of social equality. Esprit de corps for Deleuze/Guattari is a “nomad war machine”, a form of solidarity that is a “secret power”.

Since Aristotle, but also in Eastern traditions, the idea of a “perfect act” has oscillated between ethical and religious discourse. Even if only god was considered capable of a perfect act (*actus purus*), viz. of creation, some men were thought capable of manifesting the power of action, through meditation, focus, and fraternity. Over the last century, these traditions have been taken over by politics and modern ethics and associated with the idea of historical *event*.

#### **4B. This Might Change Something: Capitalism for Humanity**

Lee Doran, Toronto ([Lee@ecowrite.net](mailto:Lee@ecowrite.net))

In 2014, Naomi Klein published *This Changes Everything: Capitalism vs. the Climate*. As with all Ms. Klein’s work, the book’s impact was meme-changing. Surprisingly, however, as pointed out by Drew Nelles in the *Globe and Mail*’s otherwise laudatory review, “... it is never quite clear what she means when she refers to ‘capitalism’...”. To address that gap, I use the Capital as Power (CasP) framework and analytical approach (empirical and non-ideological) to summarize the specifics of what cutting-edge capitalism is and does today. Specifically, I describe the Who, What, Why, When, Where and How of contemporary Finance Capitalism. The analysis shows that: 1) CasP provides the single most coherent, comprehensive and consilient understanding of this apex capitalism (finance), and 2) the CasP synthesis provides the tools to substantively address specific issues that have been articulated by multiple global social movements about capitalism-as-practiced-recently.

#### **4C. The Conditions for ‘Capital in the Twenty-First Century’**

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

Paul Krugman, a Nobel laureate economist, hailed Thomas Piketty’s *Capital in the Twenty-First Century* as a revolution in our understanding of long-term trends in inequality. Indeed, by tracking the concentration of income and wealth back to the late eighteenth century, it has disproved the Kuznets’ curve, one of the key ideological pillars of capitalism. Moreover, reigniting debates about growing inequality not only in the US, but also elsewhere, Piketty’s

book lives up to its name, which echoes Marx's *Capital*. However, it is doubtful whether his theoretical work in the book meets the challenge posed in its title. Ignoring century-long debates on the problematic notion of capital, including the Cambridge capital controversy, Piketty has tried in vain to derive capitalist laws of motion (i.e. growing inequality) from *the production function*. As the saying goes, "New wine must be put into new bottles." This paper tries to reinterpret Piketty's revolutionary empirical analysis on inequality from the viewpoint of Capital as Power.

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FRIDAY, OCTOBER 2

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## Session 5

### DERIVATIVES

8:30-10:15am

Chair: Joseph Francis

#### 5A. Financiality, Finance, and Futurity

Suhail Malik, Goldsmiths University of London ([suhailmalik@gmail.com](mailto:suhailmalik@gmail.com))

Following the identification of the concept of 'financiality' as the constitutive logic of price as such (Malik 2014, Malik and Phillips 2012), this paper examines the relation between this conceptual-architectonic condition of pricing, made in the wake of Nitzan and Bichler's power theory of capital, and the operational constructions of finance markets. Paying close attention to the basic operational logic of derivatives instruments, the paper argues that pricing and financiality are a power ordering predicated on the uncertainty and unknowability of the future. Not only is the standard criticism of capitalism from the humanities as a reduction of the unknown future on the basis of the known present thereby refuted; the determination of power that Nitzan and Bichler themselves rely upon for the political charge of their analysis also has to be revised in favour of a somewhat counterintuitive determination of price as the propagation of an order of uncertainty.

#### 5B. The Babylonian Tower of Financial Derivatives as Subsumption of the Capital Power Process under Itself

Ulf Martin, Germany

"Capital is power quantified in monetary terms" (Bichler/Nitzan). Power is the ability to create/shape/control the social process (*gesellschaftliches Gestaltungsvermögen* in German). Power is accumulated when this ability is used to increase this ability, i.e. when power is used self-referentially. Quantification through monetization, a symbolic activity, of *Gestaltungsvermögen* in modern capitalism adheres to the understanding of the meaning of symbols in modernity, "operative symbolism" (S. Krämer). The symbolic form through which capital institutionalizes social processes, thus subverting them symbolically under its nomos, is the IOU, the nominal obligation. As a self-referential process, accumulation needs to gain control not just over the rest of society, but also over itself. Capital thus subjects nominal obligations to the logic of its own control process, creating IOUs whose subject is other IOUs, resulting in the tower of financial derivatives, which are therefore part and parcel of the capital power process.

#### 5C. Profiting from Instability? Agricultural Commodity Traders and the Political Economy of Derivatives Reform

Joseph Baines, London School of Economics ([josephbaines714@gmail.com](mailto:josephbaines714@gmail.com))

The passing of the Dodd-Frank Act in July 2010 promised to be a watershed moment in the regulation of agricultural derivatives markets. In a bid to mitigate the price instability attributed to 'excessive speculation', the Act mandated the implementation of position limits on all futures market participants except those commercial firms engaged in *bona fide* hedging. Accordingly, these position limits would essentially place a cap on the number of commodity futures contracts that financial entities engaging in speculation could hold. Yet in spite of the fanfare that surrounded the Act, the implementation of position limits has long passed the deadline of April 2011 set by Congress. This presentation examines the role of the commodity traders in the reform process. I argue that the trading houses have



sought to scuttle the implementation of new commodity derivatives regulations for two reasons. Firstly, they have largely been beneficiaries of the price instability associated with 'excessive speculation'. Secondly, they are concerned that, in spite of their long-running regulatory designation as commercial hedgers, their risk management operations will be reclassified as speculative, and as a result they will be covered by position limits from which they have historically been exempt. These findings affirm the importance of the methods of the CasP approach in helping to illuminate the distributional consequences of price movements, and they underscore the spuriousness of categories, such as 'speculation' and 'hedging' and 'finance' and 'commerce', that tend to be taken for granted by other political economy approaches.

### Session 6

#### **PLENARY: INTERROGATING 'CAPITAL AS POWER': THE CAPITALIST MODE OF POWER THROUGH KARL POLANYI AND EH CARR**

10:30am–12:15pm

Chair: James McMahon

Randall Germain, Carleton University ([Randall.Germain@carleton.ca](mailto:Randall.Germain@carleton.ca))

The Capital as Power framework considers only one change to have occurred in the capitalist mode of power from antiquity through to the modern period, from a feudal mode to a capitalist mode. I explore this claim by considering another major change in the political organization of capitalism, namely the change from the capitalism of the late nineteenth century to that of the late twentieth century. I will use the work of two theorists of this change, Karl Polanyi and EH Carr, to interrogate how far the capitalist mode of power has remained unchanged in its structural characteristics throughout the contemporary period. Using Polanyi and Carr to explore the capitalist mode of power will help us to consider what is missing or needs to be modified in the Capital as Power framework to make it a holistic means of apprehending power in the contemporary era.

### Session 7

#### **NEW METHODS**

1:45–3:30pm

Chair: Ulf Martin

#### **7A. A Real-World Theory of Income Distribution**

Blair Fix, York University ([blairfix@gmail.com](mailto:blairfix@gmail.com))

Mainstream theories of personal-income distribution begin by assuming that an individual's income is proportional to his/her *ability* (measured in terms of marginal productivity). Although intuitive, this approach leads to a dilemma: evidence suggests that human abilities are *normally* distributed, yet personal income does *not* follow a normal distribution. Instead, the distribution of income has an extremely "fat tail", meaning that the majority of wealth flows to a small minority of the population.

In order to escape this dilemma, I propose a radically different approach in which status and power (not ability) determine one's income. This approach is based on the following observations of the real world:

- (1) Personal income is earned by either working for or owning an *institution*.
- (2) The vast majority of institutions are hierarchically organized.
- (3) Income is usually proportional to one's hierarchical status.

Based on these observations (and other empirical evidence), this paper develops a model that explains income distribution in terms of intra-institutional hierarchy and inter-institutional competition. As well as accurately simulating the US distribution of income, this approach is able to recreate the observed scaling between executive pay and firm size as well as the distribution of firms owned by the wealthiest individuals.

### **7B. Hidden Markov Models in the Context of the Capital as Power Framework**

Shai Gorsky, University of Utah ([shiegorsky@yahoo.com](mailto:shiegorsky@yahoo.com))

Which firms can be identified as ‘dominant capitals’ at a given point in time? How can regimes of differential accumulation be identified and quantified? How do differential profits and differential market values relate under different regimes of accumulation?

Hidden Markov models (HMMs) are a class of probabilistic models in which an unobserved ‘state’ variable is determined in every point in time according to a Markovian random process. The state variable then determines the parameters of a distribution according to which an observed variable is assumed to be distributed.

In recent years, the conceptual flexibility and statistical tractability of HMMs have rendered them popular in finance and economics. One particular phenomenon easily modeled by HMMs is ‘regime switching’. The unobserved state variable is thought of as one or another ‘regime’, and the observed data points of a time series are classified as likely to originate from a distribution that is associated with one of the regimes.

In this paper, we will explore the merits and limitations of HMMs in the context of the Capital as Power framework. We will evaluate a simple ‘regimes of accumulation’ HMM for differential profits and differential market value time series for a large number of registered firms, present a second, complementary HMM in which the hidden states for a firm are thought of as ‘being dominant capital’ or ‘being non-dominant capital’ and show how these analyses may enhance our understanding of the above and other questions.

### **7C. The Order of Hollywood Cinema: Risk and the Distribution of Box-Office Revenues**

James McMahon, York University ([jamesmcmahon30@gmail.com](mailto:jamesmcmahon30@gmail.com))

This paper will present some of my updated data on risk in the Hollywood film business, some of which builds from a publication that was first presented at the “Forum on Capital as Power” conference in 2012. This paper explores another empirical method to corroborate the argument that Hollywood’s degree of confidence relates to low risk. This method involves measuring the likelihood that films will “outperform” their station, with respect to their rank in opening theatres. In the years from 1984 to 2013, we have an order of cinema in which financial success has an increasing degree of predictability: lower-rank films are unlikely to significantly outperform films that open in a larger number of theatres. Moreover, the performance of films in the lower ranks is more volatile than that of films that open in a bigger number of theatres.

Much of this evidence challenges some of the mainstream assumptions about the force of “word-of-mouth” activity on the part of consumers, according to which word of mouth has the capacity to derail, for better or worse, the expected financial performance of any film, regardless of size. Instead, this paper shows how dominant Hollywood firms are gaining the power to protect films with the widest releases from the fickleness of word-of-mouth behaviour.

## Session 8

### INFORMATION, GLOBLIZATION, TAXATION

3:45–5:30pm

Chair: Luis de Miranda

#### **8A. Some Mechanisms of Capital as Power: Feedback Loops of Wealth, Power, and Information**

Mehrene Larudee, University of Massachusetts, Amherst ([mehrenelarudee@gmail.com](mailto:mehrenelarudee@gmail.com))

While many theories analyze capitalism by focusing solely on profit flows, this paper argues that capital gains, reaped in asset markets through inside information or power, are central to an adequate theory of political economy. Feedback loops in which wealth confers power and power confers greater wealth partly explain rising inequality. Evidence is reviewed from political science and economic studies that participants likely to have exceptional power or information, such as legislators or corporate executives, earn higher than average returns. A model is presented in which each element of the triad *wealth*, *power*, and *information* can be used to gain more of the others. For example, political influence can be used to change the rules governing economic transactions, circumvent existing rules, or gain preferences or assistance under existing rules, and so earn higher than average gains.

#### **8B. Capital as Power and the Challenges of Gradual Globalization**

Fathima Musthaq, Indiana University ([fmusthaq@gmail.com](mailto:fmusthaq@gmail.com)) and Volker Schmitz, Indiana University ([vschmitz@imail.iu.edu](mailto:vschmitz@imail.iu.edu))

Jonathan Nitzan and Shimshon Bichler's Capital as Power (CasP) framework is perhaps the most innovative approach to understanding modern capitalism in recent years. In this paper, we critically examine this approach and re-evaluate the presentation of accumulation regimes with regard to recent waves of financialization and globalization. While we conclude that CasP provides a persuasive narrative bolstered by an impressive array of supportive data, we find that the approach underestimates several empirical realities: 1. The enduring existence of power that is not capital, particularly in, although not limited to, emerging and developing economies; 2. The characteristics of the global economic system, which is marked by *both* U.S. hegemony *and* a lack of unified political structures; 3. Following the first two points, the *gradual* nature of globalization, and hence the possibility of the simultaneous implementation of different strategies for dominant capital; 4. The effects of several decades of financialization of the U.S. economy; 5. The potential for growth, and especially for a massive consumer base outside advanced industrialized economies. We close with some suggestions on possible augmentations of CasP that can help address these issues in future research.

#### **8C. Differential Taxation: The Case of American Banking**

Mladen Ostojic, Toronto ([ostojicmlad@gmail.com](mailto:ostojicmlad@gmail.com))

This paper maps an empirical history of corporate profit and taxation in the United States, with a special focus on the differential profit and taxation of banks relative to other corporations. An examination of these trends reveals a striking anomaly within the American banking sector: from the early 1980s until the financial crisis of 2007-2008, its after-tax profits sharply outpaced those of the corporate average despite the fact that its effective tax rates simultaneously increased relative to those of the corporate average. This curious combination of improved differential performance and an increased differential tax burden may have been due to banking deregulation – strong enough to boost pre-tax profits so much that they more than offset the effects of increased taxation and also raised after-tax profits along the way. In addition, these trends reveal a convergence of interests between American banking and government, with the former earning higher profits and the latter earning higher tax revenues. Whether it was implicitly or explicitly created for this purpose, this tax arrangement also bloated the American banking sector with unsustainable profitability, and ultimately fell apart during the financial crisis of 2007-2008.

**Session 9**

**HEARTS, MINDS AND STOMACHS**

8:30-10:15am

Chair: Samuel Rogers

**9A. Character, Power and the Reputation Economy**

Emily Rosamond, Goldsmith University of London ([emrosamond@gmail.com](mailto:emrosamond@gmail.com))

Since *Capital as Power* was published, there has been a surge in what has often been termed the reputation economy. So-called “World 3.0” businesses such as Uber, Task Rabbit and Airbnb offer users access to peer-to-peer shares, services and experiences, scaled up via online platforms. Users of these platforms rely on reviews to determine whom they can trust. Peer-to-peer lending platforms allow borrowers to sidestep banks. “Fintech” startups such as ZestFinance and VisualDNA afford borrowers with poor credit scores better interest rates, using big data analytics to calculate their creditworthiness more effectively than a FICO® credit score. As VisualDNA’s website puts it, “not everyone has a credit score... but everyone has a personality.” In this world, arguably, reputation and character become forms of currency. For Rachel Botsman and other apostles of the reputation economy, data-driven collaborative consumption puts something “human” back into the economy and empowers individuals, as micro-entrepreneurs, to rely less on corporate infrastructure. For sceptics such as Alison Hearn, the reputation economy, far from diffusing corporate power, merely increases the performative pressures placed on neoliberal subjects. Can the reputation economy, in its ostensible diffusion of power, under any circumstances drive toward what Nina Power has recently termed decapitalism: “cutting off the heads of those who control technology – decapitating capitalism, as it were”? Or is reputation merely another manifestation of power as “confidence in obedience”? An answer to these questions, I argue, necessitates an expansion of *Capital as Power*’s discussion of private regulation to include individuals’ acts of projecting, disciplining and self-disciplining personal behaviour.

**9B. Capital as Power and Creative Freelance Work: Rhythms of Risk and Responsibility**

Frederick H. Pitts, University of Bath ([frederickharrypitts@gmail.com](mailto:frederickharrypitts@gmail.com))

In this paper I apply the theory of Capital as Power to freelance work in the creative industries. The paper reports findings from research conducted at Erasmus University Rotterdam as part of a project funded by the EU COST Action on Dynamics of Virtual Work. I use CasP as a means through which to understand some of the global processes in which freelance work is situated and the conflicts and tensions between employees and management in creative work. In doing so, I also explore how Nitzan and Bichler develop Veblen’s conceptualisation of the tension between ‘industry’ and ‘business’. The sabotage of the former by the latter, Nitzan and Bichler suggest, produces a dissonance that is the driving force of capital accumulation. In the case of the creative industries, the conflict between the freedom to be creative and the management of creativity is not a deficiency, but the moving principle. Finally, I suggest that there is a link between the theorisation of resonance and dissonance and Lefebvre’s ‘rhythmanalysis’. Applying this link to the relationship of risk and responsibility in freelance creative work, I explore how dissonant rhythms manifest in everyday life.

**9C. Creordering Consumption: CasP in Packaged Food and Beverage Industries**

Phillip H. Howard, Michigan State University ([howardp@msu.edu](mailto:howardp@msu.edu))

The top packaged food and beverage makers constantly run into the limited size of our stomachs in efforts to increase their power. There is only so much we can physically eat or drink, and only so much that firms can do to reduce their costs as well. Generating profits that outperform the average for other industries therefore requires continually

steering our purchases in new directions. This paper focuses on two key qualitative strategies these firms use to influence consumption patterns and increase their differential capitalization: deskilling and spatial colonization.

Deskilling is a term that is frequently used in reference to labor, when capitalists reshape jobs in order to decrease wages. It can also apply, however, when capitalists reshape social-cultural practices to influence purchases—by, for instance, sabotaging food self-provisioning in order to create mere “consumers.” Spatial colonization refers to not only geographic expansion to new locations and markets, but also the domination of shelf space (e.g. grocery stores’ planning the placement of the products of direct competitors, offering many very slight variations of a product) and “mind space.” The latter refers to brand recognition and loyalty, a resource whose limits are surmounted via massive and constant marketing efforts (e.g. product placement in television/films, exclusive advertising agreements).

This paper explores the application of these strategies for three products—beer, soymilk and bagged salads—and the enormous energy expended to restrict our eating and drinking habits. It also examines the possibilities for challenging this power.

### **Session 10**

#### **PLENARY: THE CASP ALGORITHM**

10:30am–12:15pm

Chair: Gibin Hong

Jonathan Nitzan, York University ([nitzan@yorku.ca](mailto:nitzan@yorku.ca)) and Shimshon Bichler, Israel ([tookie@barak.net.il](mailto:tookie@barak.net.il))

The term ‘algorithm’ is often used to denote a specified set of steps to generate a transformation. In this sense, the concept of Capital as Power – or CasP – is a dynamic, multilayered algorithm: it constantly reorders society by continuously quantifying the qualities of power. To affect this quality-to-quantity transformation, the CasP algorithm relentlessly arrests, harnesses and shapes the various facets of the social process, translates these changes into measures of earnings, risk and the normal rate of return, and discounts the resulting numbers to the universal quantum of differential capitalization. The purpose of this paper is to propose a general CasP algorithm, a flexible template with which we can examine, theorize and map the ongoing qualitative-quantitative reordering of the capitalist mode of power – as well as identify its asymptotes, fault lines and possible breaking points.

### **Session 11**

#### **PHYSICAL SPACE**

1:45–3:00pm

Chair: Rosamond Emily

#### **11A. Spatial Fixing of Unequal Exchange Relations in Shenzhen**

Adrian Blackwell, University of Waterloo ([adrian.blackwell@uwaterloo.ca](mailto:adrian.blackwell@uwaterloo.ca))

Capital, as power, requires a physical force to direct activity. While the police and military enforce economic relations in the last instance, property in land, and its elaborations in landscape, architecture, and urbanism, act as an everyday force of coercion that fixes inequitable trade relations.

In 1960, the “Coasean revolution” transformed neoclassical economics by arguing that different institutional arrangements – from individual owners to small and large firms, monopolies, and even governments – could be evaluated according to their relative transaction costs. However, Ronald Coase’s “discovery” of transaction costs came many years after Thorstein Veblen’s same discovery in *The Theory of Business Enterprise*. Unlike Coase’s “New” In-

stitutional Economics, Veblen's theories acknowledged that transaction costs were not simply barriers to free exchange, but rather functional tools used to fix property in asymmetric exchange relations advantageous to dominant capital. Coase's and Veblen's work can help to expand on geographer David Harvey's concept of the "spatial fix" as a way to articulate how people are fixed within spaces of differential value.

Chinese economists began looking to New Institutional Economics in the late 1990s in order to better explain the transitional nature of the Chinese economy. This paper will use the experimental city of Shenzhen as a model through which to study and critique existing theories of uneven development, arguing that the apparatus of contemporary urbanization physically delineates space in order to unevenly develop proximate spaces of differential capitalization, thus facilitating unequal exchange between them.

### **11B. The Capitalization of Green Certifications in the Building Sector**

Burçin Mizrak, Bauhaus University Weimar ([mizrakburcin@yahoo.com](mailto:mizrakburcin@yahoo.com))

The global capitalization of green certifications in the building sector is investigated through the power theory of value. First, the study asks why environmental problems and climate change are among the first items on the building sector's agenda, and it explores the ideas of scholars who approach the subject skeptically. Second, it discusses third-party governance, institutionalization and the monopolization of practices in the green building sector and attempts to explain why this sector is so heavily monopolized. It examines the role of excessive institutional investments in green labels, new sustainability funds and incentives, new insurance coverage, tax cuts, advertisements and publications in contributing to this monopolization. Third, the study critically examines the consequences of the adoption of rating systems as the mainstream green building movement in the twenty-first century – the emergence of new sustainable material and technology industries associated with green building labels, new green job opportunities and buildings still addicted to carbon markets. This study claims that certifications in the green building sector restrict and limit the designers and also sabotage the quality and creativity of the buildings, but guarantee and increase the current and future profits of institutional investors.

## **Session 12**

### **INSTITUTING CAPITAL AS POWER**

3:15–4:30pm

Chair: Volker Schmitz

### **12A. Asian Capitalism as a Unique Variety of Capitalism**

Gibin Hong, Global Political Economy Institute, Seoul ([tentandavia@naver.com](mailto:tentandavia@naver.com))

The "Varieties of Capitalism" approach suggested the binary categories of "liberal market economy (LME)" and "co-ordinated market economy (CME)" to conceptualize different types of national capitalism. However relevant these categories may be for national capitalisms in the Atlantic world, their relevance is clearly limited in the case of Asian economies such as South Korea and Japan. This paper argues that the dichotomy of state and/or market cannot be innocently understood and utilized in the context of the Asian economies. In contrast to the Weber/Moore thesis, capitalism in these two countries was created by the ruling bloc rather than by an independent bourgeoisie, and the state and market have been the two institutional apparatuses through which the ruling bloc's power is exercised over human and material resources. In this context, the theory of Capital as Power is very relevant for analyzing Asian capitalism(s) because it enables us to view ruling-bloc formation and capital accumulation as two sides of the same process. Based on the theory, we propose that the "Asian variety of capitalism" should be theorized in reference to the notion of "state-conglomerate coalition".

## **12B. Does Neoliberal Individualism Contradict Corporate Collectivism?**

Jongchul Kim, Sogang University ([jongchul323@gmail.com](mailto:jongchul323@gmail.com))

Corporations were traditionally not an instrument of individual freedom, but rather a governing tool of the state, used to regulate civil activities such as trade. The collective personality of corporations was granted from the top down, by the Crown or state. The fact that our economy and politics are now dominated by organized corporate powers therefore seems to contradict the neoliberal ideal of individual atomism. My presentation tries to debunk this seeming contradiction and explains how the neoliberal ontology of the self has inevitably generated the world of organized corporate powers. This paper thus contributes to explaining the relationship between individualism and collectivism in modern society. To understand this relationship properly, it argues, we have to explore how the peculiar ideas and institutions of property and trusts have contributed to both the coexistence of the modern individual self and the corporate collectivity and the evolution of former toward the latter.

### **Session 13**

#### **STATE AND CAPITAL**

4:45–6:00pm

Chair: Fredrick Pitts

## **13A. José Alfredo Martínez de Hoz: An Argentine Capitalist as Politician**

Joseph A. Francis, Wales ([joeFrancis505@gmail.com](mailto:joeFrancis505@gmail.com))

José Alfredo Martínez de Hoz was a scion of one of Argentina's largest landowning families and had a successful career as a businessman and politician, most notably serving as Minister of Economy during the military dictatorship of 1976-83. Nevertheless, when he died in 2013 at the age of 87, Martínez de Hoz had spent much of the previous three decades under house arrest and embroiled in legal battles relating to his activities during the dictatorship. Placing his life within a broader analysis of Argentina's political economy suggests that he had sacrificed himself for the greater good of Argentine capitalism, as the reforms that he implemented as Minister of Economy greatly weakened those who had sought to establish an alternative social order. This illustrates how the 'revolving door' between business and government is an essential aspect of capital as power.

## **13B. After 'Statebuilding': Whither Palestinian Political Economy?**

Phillip Leech, Council for British Research in the Levant ([phil.leech@gmail.com](mailto:phil.leech@gmail.com))

In spite of various high-profile moves (at the UN and elsewhere), there has been little change in terms of the subjugation of Palestinians. Though Israel's occupation remains the most obvious cause of this situation, Palestinians' agency is also contained and constrained by a range of forces, including Palestinian elites and the more global hierarchy of power.

In this context, control over Palestinian access to capital remains an integral part of maintaining the status quo. Following Nitzan and Bichler (2002), Bullion (2004), Hanieh (2011; 2013; 2015), Khalidi (2012) and Khalidi and Samour (2011), this paper addresses how capital is used as power in contemporary Palestine. It highlights the following: (a) use of donor funding to support "statebuilding as counterinsurgency" (Turner 2014); (b) the hierarchical nature of Palestinian politics and the domination of the – however moribund – private sector by a few elite interests; and (c) the adoption and then relaxation of austerity-focused neoliberal reforms by the PA since 2009, which have disproportionately targeted the already vulnerable.

More broadly, it presents an alternative to the apparently ubiquitous "one-" or "two-state solution", which has become a conceptual horizon, offering instead an interpretation of power based on a Gramscian understanding of a "war of position". This paper's findings are based on detailed primary research undertaken between 2007 and 2015.