

The Politics of Capitalism

We suffer not only from the living, but from the dead. Le mort saisit le vif.

Instructor: Wonik Kim, wkim@lsu.edu

Class Meeting: 9:00 – 10:20 am on Tuesdays and Thursdays in 228 Coates
Virtual Office Hours: 9:00 – 10:00 am on Wednesdays, or by appointment

*There is a painting by Klee called *Angelus Novus*. An angel is depicted there who looks as though he were about to distance himself from something which he is staring at. His eyes are opened wide, his mouth stands open and his wings are outstretched. The Angel of History must look just so. His face is turned towards the past. Where we perceive the appearance of a chain of events, he sees one single catastrophe, which unceasingly piles rubble on top of rubble and hurls it before his feet. He would like to pause for a moment so far, to awaken the dead and to piece together what has been smashed. But a storm is blowing from Paradise, it has caught itself up in his wings and is so strong that the Angel can no longer close them. The storm drives him irresistibly into the future, to which his back is turned, while the pile of debris before him grows sky-high. This storm is what we call progress.*

Walter Benjamin
“Theses on the Philosophy of History” (1940)



Inequality is more important now than ever, for the world is becoming an overtly unequal place. Inequality of both conditions and opportunities is rising worldwide to the point where it poses a serious threat to actually existing democratic capitalism. Relentlessly increasing inequality synchronizes with ecological disaster, hyper-globalization, a growing number of precarious workers, the creation of burnout society, the deepening of identity politics, the rise of demagogic nationalism, and democratic backsliding. The crux of what’s going on in the world today lies in global inequality.

We will consider answers to critical questions through lectures and discussions: Why are they so rich and we so poor? Why are they so powerful and we so weak? Who are “we,” “they,” and “Others”? How do we compare? What are the historical origins of global inequality? What are the evident consequences of rising inequality around the world? How is material inequality related to ethnic, gender, and racial inequalities? Why are the facts about inequality controversial? Why does inequality matter? Why can’t democracy stop outrageous inequality? What is the essence of capitalism? What is the meaning of labor in this so-called second machine age? What does it all mean to our “everyday life” (*la vie quotidienne*)? Is there any viable alternative? Is the future already here? What is to be done?

This course provides the fundamentals of sociopolitical economy. The course is based on two firm beliefs. First, inequality is essentially a political phenomenon. Another belief is that the politics of development should be understood in terms of capitalism historically embedded in particular conditions. Hence, we study **the politics of capitalism**. Because the phenomena of growth and inequality are complex and multifaceted, we take a multidisciplinary approach so that our discussions should be based on diverse works from cultural studies, economics, history, philosophy, political science, and sociology. As such, this course has three main purposes: 1) to provide various theories and empirics of growth and inequality and a rigorous analytical framework by which we could properly evaluate them, 2) to equip us with a solid understanding of the complex relationships between politics and socioeconomic performances, and 3) to guide us through critical reflection to a possible alternative. The outline of the course is as follows.

I. Problématique

- I.1. Fundamental Facts, Conceptions, and Measurements
- I.2. Ideas and Ideologies
- I.3. Democracy and the Question of Re-presentation

II. The Dynamics of Capitalism

- II.1. The Fundamental “Laws” of the Capitalist Development
- II.2. Inequality and Growth
- II.3. The Structure of Inequality and Democratic Capitalism

III. The Politics of Inequality

- III.1. Representative Democracy in an Unequal Society
- III.2. Neoliberalism as a Political Project
- III.3. Sociocultural Conditions of “Everyday Life”

IV. What Is to Be Done?

- IV.1. The Welfare State vs. Universal Basic Income
- IV.2. Could It Be an Alternative?

READINGS

Each student is expected to read (before class) all the required readings for each session (see the reading assignments below). The required readings are books and other forms (articles and books chapters). All the required readings other than books are posted on the course Moodle. There are four required books.

1. Piketty, Thomas. 2017. *Capital in the Twenty-First Century*. Harvard University Press.
2. Gilens, Martin. 2014. *Affluence and Influence*. Princeton University Press.
3. Han, Byung-Chul. 2017. *Psychopolitics*. Verso.
4. Van Parijs, Philippe, and Yannick Vanderborght. 2017. *Basic Income*. Harvard University Press.

The most important aspect of one’s intellectual life is reading books, for books are the only source of creativity and peace. “In omnibus requiem quaesivi, et nusquam inveni nisi in angulo cum libro.”

LSU STATEMENT OF COVID-19

LSU strongly encourages all students, faculty and staff to get vaccinated for COVID-19. Visit www.lsu.edu/roadmap/vaccines/ to learn how to get vaccinated on campus. Vaccination helps keep our campus community safe, helps protect those among us who are most vulnerable to COVID-19, and is our path back to more normal operations and the full college experience that our students deserve.

REQUIREMENTS

1) Attendance (not required but strongly encouraged)

Due to the ongoing global pandemic of COVID-19, attendance is not required and will not be taken for your grade. However, it is vital to participate in class meetings regularly in which the texts, topics, and categories are discussed, problematized, and critiqued. Do not record a class meeting under any circumstances without permission. I will hold virtual Zoom office hours for 9:00-11:00 am on Wednesdays or by appointment. You are more than welcome to meet with me virtually if you have any questions or concerns. If you cannot come to a class meeting due to COVID-related issues, you need to see me virtually to discuss the class materials you miss. The best way to contact me for a short question is by email. I will make every effort to answer your question promptly, usually within 24 hours.

2) Weekly quiz (30% = 10 weekly quizzes × 3% for each quiz)

A weekly quiz consists of three short questions about concepts, theories, historical events, etc. Each question requires an answer with two to five sentences. It will be posted on Moodle after the Thursday class, and students have approximately three days to complete and turn it in by 6:00 pm on Sunday.

3) Two examinations (30% = 2 exams × 15% for each exam)

An exam consists of four or five essay questions. Each question requires an answer with four to seven sentences. The first exam will be an in-class test on Thursday, October 14, during our class time, 10:30-11:50 am, in our classroom. Midterm-semester grades will be reported on Tuesday, October 19. The second exam will be an online test on Moodle on Wednesday, December 8, during the official final exam day – you have 24 hours to complete it. The details about the tests will be discussed in class.

4) Four reaction papers (40% = four papers × 10% each paper)

Students will write total four reaction papers on Piketty, Gilens, Han, and van Parijs & Vanderborght. A reaction paper is a short paper (approximately three to five double-spaced pages) discussing some aspect of the book. In the reaction paper, students must briefly summarize and **critique** the text. Note that “critique” does not mean negative criticism. Instead, it means that one must identify some central aspect of the author’s analysis, explain why one thinks this aspect is interesting and important, and present *one’s own thoughts* about the author’s position. I take reaction papers very seriously, for I believe that writing critical reflection requires deep meditation and a high level of intellectual activity. A reaction paper is due on the date scheduled for discussion of the book. The deadlines for the reaction papers are as follows.

1st reaction paper on Piketty’s *Capital in the 21st Century*

Thursday, September 30

2nd reaction paper on Gilens’s *Affluence and Influence*

Thursday, October 28

3rd reaction paper on Han’s *Psychopolitics*

Thursday, November 18

4th reaction paper on van Parijs & Vanderborght’s *Basic Income*

Tuesday, November 30

GRADING SCALE

A+	100 ~ 97	B+	89 ~ 87	C+	79 ~ 77	D+	69 ~ 67	F	59 ~ 0
A	96 ~ 93	B	86 ~ 83	C	76 ~ 73	D	66 ~ 63		
A-	92 ~ 90	B-	82 ~ 80	C-	72 ~ 70	D-	62 ~ 60		

ACADEMIC INTEGRITY

All students are expected to read and be familiar with the LSU Code of Student Conduct and Commitment to Community, found online at www.lsu.edu/saa. It is your responsibility as a student at LSU to know and understand the academic standards for our community. Examples of academic dishonesty include, but are not limited to: cheating on exams, plagiarizing, buying or selling assignments, altering grades, intentional deception, and collaborating with others without permission. Posting test answers on social media or any internet sites during and after the test and emailing others with test answers during and after the test are strictly prohibited. A student suspected of violating the Code of Conduct will be referred to the Office of Student Advocacy and Accountability.

POLICY ON DEADLINES

The course takes deadlines seriously, so everyone must adhere to this policy. I recognize, however, that there are legitimate reasons for missing a deadline. If you encounter a problem that prevents you from meeting a deadline, please contact me. I understand that problems can arise, and I will accommodate difficulties that you may encounter. But please be prepared to provide appropriate documentation, such as a doctor's note. Makeup exams will not be given unless the instructor is notified in advance and agrees that the absence is a university-excused absence (Note PS-22).

DISABILITY

The University is committed to making reasonable efforts to assist individuals with disabilities in their efforts to avail themselves of services and programs offered by the University. To this end, LSU will provide reasonable accommodations for persons with documented qualifying disabilities. If you have a disability and feel you need accommodations in this course, you must present a letter to me from Disability Services in 115 Johnston Hall, indicating the existence of a disability and the suggested accommodations.

DIVERSITY STATEMENT

Diversity is fundamental to LSU's mission and the University is committed to creating and maintaining a living and learning environment that embraces individual difference. Cultural inclusion is of highest priority. LSU recognizes that achieving national prominence depends on the human spirit, participation, and dedicated work of the entire University community. LSU strives to create an inclusive, respectful, intellectually challenging climate that embraces individual difference in race, ethnicity, national origin, gender, sexual orientation, gender identity/expression, age, spirituality, socio-economic status, disability, family status, experiences, opinions, and ideas. LSU proactively cultivates and sustains a campus environment that values open dialogue, cooperation, shared responsibility, mutual respect, and cultural competence – the driving forces that enrich and enhance cutting edge research, first-rate teaching, and engaging community outreach activities.

THE COURSE SCHEDULE AND SPECIFIC TOPICS

I. PROBLÉMATIQUE

Week 1: August 23-29 **Fundamental Facts**

Introduction. Critical issues at stake. Conceptualization of the capitalist system. Fundamental facts about capitalist development. “All that is solid melts into air.” Modern growth. Great divergence and great convergence. Elephant curve. U-shaped curve.

Week 2: August 30-September 5 **Fundamental Puzzle**

Material inequality and social inequality. Rising populism and nativist nationalism. Deepening of political polarization. Fundamental puzzle in capitalism. Enigma of capital.

- Quiz 1

Week 3: September 6-12 **Concepts and Measurements**

GDP as a measure of output. Purchasing power parity (PPP). Human Development Index (HDI). Gini-coefficient as a measure of inequality. Lorenz curve. Kuznets curve.

- Read: Cypher, James. 2014. *The Process of Economic Development*, Chapter 2.
- Quiz 2

Week 4: September 13-19 **Ideas and Ideologies**

Role of idea and ideology. False consciousness. Hegemony. Left-right linear spectrum. Horseshoe spectrum. Three major ideologies: Liberalism, conservatism, and socialism. Anarchism. Communism. Fascism. Neoliberalism.

- Read: Heywood, Andrew. 2014. *Political Ideologies: An Introduction*, Chapter 1.
- Quiz 3

Week 5: September 20-26 **Democracy and the Question of Re-presentation**

Political regime. Meaning of contestation. Suffrage and inclusion. Strategic interactions among relevant political forces. Contingent outcome of conflicts. Miracle of democracy. Re-presentation in a capitalist democracy. Simultaneously egalitarian and inegalitarian characteristics. Democratic paradox.

- Read: Mouffe, Chantal. 2009. *The Democratic Paradox*, Introduction and Chapter 1.
- Quiz 4

II. THE DYNAMICS OF CAPITALISM

Week 6: September 27-October 3 **The Fundamental “Laws” of the Capitalist Development**

Why is Piketty so popular? Capitalism revisited. Classical economics vs. neoclassical economics. Critiques of mainstream economics. U-shaped curve revisited. *Trente glorieuse*. Turning points in history.

- Reaction paper on Piketty due in class (or before) on Thursday, September 30
- Quiz 5

Week 7: October 4-10 The Fundamental “Laws” (Continued)

Conception of capital and wealth. Physical capital vs. human capital. Data. Measurement issues. First and second fundamental “laws.” Elasticity of the substitution between capital and labor.

- Keep reading/consulting Piketty.
- Quiz 6

Week 8: October 11-17 Inequality and Growth

Trade-off between efficiency and equity? Effects of inequality on growth: theoretical formulations. Statistical findings. Wealth inequality \equiv power inequality. Societal fragmentation and social separatism.

- Read: Van der Weide, Roy, and Branko Milanovic. 2018. “Inequality is Bad for Growth for the Poor (but Not for That of the Rich).” *The World Bank Economic Review* 32(3): 507-530.
- **First In-class Exam: 10:30 – 11:50 am on Thursday, October 14**

Week 9: October 18-24 The Structure of Inequality and Democratic Capitalism

Importance of inheritance. Patrimonial capitalism. Politics of redistribution. Progressive income tax and global wealth tax. Social state. Generic problems with the mainstream social science model of comparative statics.

- Keep reading/consulting Piketty.
- Fall Break: No class meeting on Thursday, October 21

III. THE POLITICS OF INEQUALITY

Week 10: October 25-31 Representative Democracy in an Unequal Society

Rich, middle class, and poor. Who are the rich? Survey method. Policy preferences and policy responsiveness. “The most unsettling graph in American Politics.” Representational inequality. Interest groups and special interests. Money buys votes and policies. Question of re-representation revisited. Is the US an anomaly or a part of the global pattern? Racial politics.

- **Reaction paper on Gilens due in class (or before) on Thursday, October 28**
- Quiz 7

Week 11: November 1-7 Capitalist Democracy and the Rise of So-Called Populism

Structural dependence of the state on capital. Sociological origins of the state. Capture theory. The state in capitalism vs. the capitalist state. Hegemony revisited. Is democracy “the best possible political shell for capitalism”? The nature of democracy revisited. Class politics vs. identity politics. Populism, racism, and demagogic politics. Tribalism, nationalism, and primordialism. “Empathy wall.”

- Keep reading/consulting Gilens.
- Read: Rodrik, Dani. 2019. “What’s Driving Populism?” *Project Syndicate*.
- Read: Broz, Lawrence, Jeffry Frieden, and Stephen Weymouth. 2021. “Populism in Place: The Economic Geography of the Globalization Backlash.” *International Organization* 75(2): 464-94.
- Quiz 8

Week 12: November 8-14 Neoliberalism as a Political Project

Liberalism and neoliberalism. Mont Pèlerin Society. Protestivals in the 60s: “*Il est interdit d’interdire.*” Trilateral Commission. Crises of the 70s. From class compromise to class domination. Washington Consensus. TINA (There Is No alternative). Shock doctrine. Privatization. Flexibilization. Financialization. “Never let a serious crisis go to waste.” Strange non-death of neoliberalism.

- Read: Przeworski, Adam. 2014. “Choices and Echoes: Stability and Change of Policy Regimes. In *Economic Crises and Policy Regimes*, pp. 33-55.
- Quiz 9

Week 13: November 15-21 Sociocultural Conditions of “Everyday Life”

Disturbing consequences of neoliberal policies. Fundamental liberal dilemma. Market society. “The entrepreneur of the self.” High-risk society. Panopticon society. Burnout society. Liquid society. *La vie quotidienne*. Déjà vu of *Belle Époque*? Power of ideology. Power of big data. Neoliberal subject. Are we living in a more Orwellian or Huxleyian world? “Slow cancellation of the future.”

- Reaction paper on Han due in class (or before) on Thursday, November 18
- Quiz 10

Week 14: November 22-28 Conference and Thanksgiving Holiday

No class meeting

IV. WHAT IS TO BE DONE?

Week 15: November 29-December 5 The Welfare State vs. Universal Basic Income

Why does inequality matter? Unconditionality. Universalism. Funding issues. Pro-poor growth reform. Critiquing critics of capitalism. Meaning of work in capitalism. Blueprints: desirability and feasibility [transformability and sustainability]. Envisioning real utopias. Importance of politics as contingency. Dynamism as the essential feature of capitalism. Walter Benjamin’s “angel of history.”

- Read: Kalecki, Michal. 1943. “Political Aspects of Full Employment.” *Political Quarterly* (14)4: 322-31.
- Read: Robeyns, Ingrid. 2019. “What, If Anything, Is Wrong with Extreme Wealth?” *Journal of Human Development and Capabilities* 20(3): 251-266.
- Reaction paper on Van Parijs & Vanderborght due: 9:00 am on Tuesday, November 30
- Second Online Exam on Wednesday, December 8, during the official final exam day