

Capitalism

The Path to Student Awareness





History of Capitalism

Political Theory:

- Karl Marx described Capitalism was nothing more than a necessary stepping stone for the progression of man, which would then face a political revolution before embracing the classless society. Marxists define capital as "a social, economic relation" between people -- rather than between people and things.
 - Marx despised capitalism because he believed it created prosperity for only a few (rich people), and poverty for all.

Private Property:

- Marx furthered his labor theory by arguing that capitalism and private property work hand in hand to effectively deepen the gap between the rich and the poor, where the rich would get richer and the poor would get poorer due to private property rights allowing the owner to have all rights for the product and the workers (& their pay). Racist practices such as blockbusting, redlining, gentrification, and urban renewal ensure that only some would benefit economically and politically from owning property, while others would not.



Capitalism

Under Trump, the United States has begun to epitomize crony capitalism, whereby political leaders extend benefits and protection to businesses in exchange for political acquiescence and economic favors.

A “level playing field”—where all economic actors receive equal treatment under the law—is precisely what systems on the crony-capitalist spectrum lack. When a successful business model requires paying off government authorities, overall economic performance inevitably deteriorates, even if profitability improves.



Economic Capitalism



Capitalism is an economic system where the means of production are owned by private individuals.



Companies live by the profit motive. They exist to make money. All companies have owners and managers.



It is the government's job by enforcing laws and regulations to make sure there is a level playing field for privately-run companies.




Racial Capitalism

Racial capitalism – the process of deriving social and economic value from the racial identity of another person – is a longstanding, common, and deeply problematic practice.

Racial capitalism has serious negative consequences both for individuals and for society as a whole. The process of racial capitalism relies upon and reinforces commodification of racial identity, thereby degrading that identity by reducing it to another thing to be bought and sold.

Communism in China

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- The Communist Party of China, commonly known as the Chinese Communist Party, is the founding and sole governing political party of the People's Republic of China.

Modern Communism in China

- The current constitution was created in 1982 and been continually revised since. The constitution includes many civil rights: free speech, press, worship, the right to trial, and the right to own private property. However, in practice this constitution has widely not been followed. There has been very little done to ensure that new laws instituted follow the constitution. The judicial system does not provide any particular method for review of new laws.
- Currently, there are over 210 million internet users and over 400 million mobile phone users. There is a huge increase of the computer users in China, and ethics of technology has become increasingly prominent over the years. In particular, privacy, censorship, public ownership, and work ethic have become series ethical issues. The party also has a tight grip on the media and the internet to silence dissent.
- The party has led the country from the era of Chairman Mao to become the economic powerhouse is it today, but along the way has tolerated no opposition and quashed dissent.
- China is effectively a one-party government.
- The Communist Party's leading role is enshrined in the constitution and while there are several other small parties, they are obliged to support the Communists.



Socialism

Socialism is a political term applied to an economic system where public properties are owned and managed by the government. Unlike communism, socialist individuals are rewarded based on the workload they accomplish for their society, meaning they can still have private ownership. Socialism abolishes individual decisions and advocates the ones that are beneficial to the whole society.

Socialism Ideas:

Equal working conditions, Equitable distribution of wealth, Redistribute the money from rich to poor, Collective interest, Often leads to independentist movement



Socialist Countries

Socialism in Canada:

- Welfare programs: unemployment
- Free Healthcare
- Taxes: tax rate in Canada is 28 percent (United States is 18 percent)

Sweden, Denmark, Finland, Norway, and Iceland:

- Free Education

Norway Democratic Socialism

Poverty rate - 10%
Life expectancy of 81.7 years.
Infant mortality 2 per 1,000 births.
A murder rate of 0.51 per 100,000.
Incarcerations: 74 per 100,000.
GDP of \$75,500 per person
70% workers protected by Unions
Ranks 2nd -Happiest Country
Free Universal health care
Free higher education
Financial security for seniors
83% home ownership
Living wage as minimum
8 weeks paid vacation per year
35 weeks paid parental leave

Average personal tax rate- 38.52%

United States Unfettered Capitalism

Poverty rate - 29%
Life expectancy of 79.6 years.
Infant mortality 5.7 per 1,000 births.
A murder rate of 4.74 per 100,000.
Incarcerations: 860 per 100,000.
GDP of \$59,500 per person
11.3% workers protected by Unions
Ranks 14th -Happiest Country
Unpaid/Insurance based health care
Expensive higher education
No security for seniors
63% home ownership
Poverty wage as minimum
No paid vacation per year
No paid parental leave

Average personal tax rate- 37%

	Capitalism	Socialism
Ownership	Assets owned by private firms	Assets owned by government/ co-operatives
Equality	Income determined by market forces	Redistribution of income
Prices	Prices determined by supply and demand	Price controls
Efficiency	Market incentives encourage firms to cut costs	Government owned firms have fewer incentives to be efficient
Taxes	Limited taxes/ limited government spending	High progressive taxes / Higher spending on public services
Healthcare	Health care left to free-market	Healthcare provided by government free at point of use
Problems	Inequality, market failure, monopoly	Inefficiency of state industry, less incentives,
Advantages	Dynamic economy, incentives for innovation and economic growth	Promotion of equality. Attempt to overcome market failure.

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Democratic socialism	
Pros	Cons
<ul style="list-style-type: none"> • More equal society • Reduction of poverty • Regulates excesses of free market – externalities, monopoly and monopsony • Universal health care improves living standards and labour productivity • Promotes common good and social welfare rather than selfish aims • More equal society increases social cohesion • Can promote protection of environment 	<ul style="list-style-type: none"> • Higher tax reduces incentives to invest and work • Entrepreneurs may prefer to move to tax havens abroad • Welfare state can create disincentives to work • Government failure in regulation and ownership of industry • Excess labour market regulation can lead to less employment and structural employment • Powerful unions cause antagonism between workers and owners

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“Two-Party System”

- A dominant two-party structures in many countries (the United States, United Kingdom, and Germany) are common in the way that they reproduce capitalism
- The two parties only differ on which variant of capitalism they prefer:
 - One side prefers private ownership of productive resources and market exchanges to connect the private owners with one another and everyone else
 - On the other side are devotees of government economic intervention to correct, moderate or offset the many flaws and weaknesses they find in private property and markets.
 - The winning party adjusts government economic interventions accordingly to alter the social mix of private and state enterprises, redistribute income and wealth toward more or less economic and social inequality, and so on.
 - They continue to display the same basic employer-employee organization.
- The avoidance of any explicit discussion, debate or focus on alternative enterprise organizations serves to hide how both parties support the capitalist mode of enterprise organization.
- The “socialism” they sometimes promote as an alternative to capitalism usually turns out not to involve any basic change in the organization of enterprises. They remain trapped in the old debate between more or less government intervention, private versus state enterprises etc.



Technological Redlinings w/ Google

****trigger warning****

- ❖ “Technological redlining”: a term that recognizes digital decisions being used to enforce unjust practices (to benefit capitalism & perpetuate racial, cultural, and economic inequities).
- ❖ Ex. Google: multi-billion dollar technology company that profits off of capitalism.
(the search engines are economically & racially biased)
 - In 2015, *U.S. News and World Report* reported a “glitch” in Google’s algorithm leading to “a number of problems through auto-tagging and facial-recognition software” where the photo application tagged African Americans as “apes” and “animals.” Another issue reported from Google Maps was the search of the “N-word house” showing up as the White House during Obama’s presidency.
 - In 2011, when one searched up “black girls,” they were directed to a page where most of the search results gave options about “Black Porn.” This was a clear display of predatory behavior and fetishization of Black women, and depiction of racial and gender exploitation.
 - Safiya Noble, *Algorithms of Oppression: How Search Engines Reinforce Racism*

Pictures in
next slide*



Figure 1.4. Tweet by Deray McKesson about Google Maps search and the White House, 2015.

trigger warning



Figure 1.2. First page of search results on keywords "black girls," September 18, 2011.



Discussion Questions

1. How do we reform the election system to prioritize all parties equally?
2. Should wealthy/high class people get taxed more even if they worked hard for it in a socialist society?
3. Is a socialist society good enough for equality for all?
4. What can we do to hold Google and other big corporate businesses accountable for putting profits over people?
5. What type of socialist policies and practices can we implement to move away from our capitalist society?
6. Is there middle ground where capitalism and a democracy can successfully live together?