

Foundations of Political Economy

Politics and economics are fundamentally inseparable. Whether it be the relationship between market and state, the political power wielded by global corporations or the persistence of global inequalities, this module will help you to understand some of the ways in which political and economic spheres are connected. Warwick has an exceptionally strong record in the field with staff working on a huge variety of areas, including finance, development, international economic organisations, taxation, trade and Chinese and East Asian political economy. This module will introduce you to a selection of important issues in political economy and in the process prepare you for further study in your second and third years.

If you thought that understanding the economy was all about mathematics and graphs, then think again! This module will cover important economic issues by looking at them in their political and ethical contexts. It will introduce you to a variety of central issues and will give you some of the basic theoretical tools required in order to analyse them. Whether you just want to dip your toes into matters of political economy, or want to make it a major part of your continuing studies, this module will cover a unique range of topics and will offer you the opportunity to develop your understanding of some of the most important contemporary trends in global politics.

[Seminar accompanying the lecture Foundations of Political Economy, held in the winter terms of 2017/18 and 2018/19, at the University of Warwick]

Week One – Introduction

Housekeeping:

- Seminar is based on the readings. So, do them!
- Moodle
- Handouts available on my [website](#).
- My office hours are on Wednesdays, 9-10am, D2.09 (Social Sciences)

Readings:

Taibbi, M. (2014), 'The Vampire Squid Strikes Again: The Mega Banks' Most Devious Scam Yet', Rolling Stone, 12 February. Available from: <https://www.rollingstone.com/politics/politics-news/the-vampire-squid-strikes-again-the-mega-banks-most-devious-scam-yet-101182/> [accessed 08/10/18].

Gittlitz, A. M. (2016), 'Let them drink blood', The New Inquiry, 27 December. Available from <https://thenewinquiry.com/let-them-drink-blood/> [accessed 08/10/18].

Objectives for today's class:

- To get to know each other
- To think about some ways in which Political Economy seeks to politicise the study of Economics.

Task 1: Let's talk about the lecture. How did you like the lecture? What aspects of the lecture did you find interesting? Did you disagree on issues? Did you find anything surprising, irritating or difficult to understand?

Task 2: Why do we need IPE? Thinking about the economy from an IPE perspective means foregrounding questions of power and insisting that no matter the area of economic activity, a *cui bono?*-question always lies waiting to be answered: Who benefits, why, and how might it be changed?

2.1. Who do you think is currently the most powerful actor...

(a) ...in the global economy?

(b) ...in your countries' national economies?

(c) ...in the local economy of your hometown?

Global Corporations?



The Media?



Banks?



Governments?



Great Powers?



2.2. Is the power of any of these actors a problem? Why (not)?

Task 3: Politicising economics. A powerful methodological move of IPE has been to focus attention upon how particular accounts of the economy are being normalised, how others are being silenced, and how shifting the perspective opens-up political potential. In this sense, IPE promotes a degree of reflexivity to the practice of theorising the economy that has long been dismissed by mainstream economists, but is increasingly gaining momentum in their own discipline, too (see picture on last page). Central to the reflective approach of IPE is the postulate that ‘knowing’ the economy depends upon how you approach it. On this view, the economy is not a straightforward reality, waiting ‘out there’ to be discovered and understood. Instead, different visions or ‘theories’ of the economy prevail, inviting a wide range of methods each with their own strengths and weaknesses. This course will help you to navigate a number of these theories and teach you how to bring them into conversation with each other.

Example: I, Pencil

In 1980, Milton Friedman popularised an essay written by Leonard E. Read titled ‘I, Pencil’¹ in a video for his TV Show “Free to Choose”.² He commented:



“I know of no other piece of literature that so succinctly, persuasively, and effectively illustrates the meaning of both Adam Smith's invisible hand—the possibility of cooperation without coercion—and Friedrich Hayek's emphasis on the importance of dispersed knowledge and the role of the price system in communicating information that will make the individuals do the desirable things without anyone having to tell them what to do.”³

3.1. Watch the video, do you agree that free markets foster prosperity, peace and harmony? Does government inhibit free markets or does it create them? Are free markets (equally) beneficial to everyone?

Now read the following quote by Cynthia Enloe:



“In recent decades, hardworking and irreverent researchers, teachers, and writers [...] have revealed that making diverse women visible exposes the actual workings of international politics. Women as Chinese businessmen's mistresses, women sewing clothes for Tommy Hilfiger and washing pesticides off Chiquita's bananas, [...] women working in discos around military bases, [...] women scrubbing floors in Saudi Arabia, and women lobbying delegates in the corridors of the UN—they observe, they cope, they calculate, they strategize, and sometimes they organize. Here is what I've learned from taking these women seriously: if we pay sustained attention to each and all of these unheadlined women, we will become smarter about this world, smarter than a lot of mainstream experts.”⁴

3.2. Do you think, ‘making diverse women visible’ would render the ‘magic of the price system’ problematic?⁵ How does feminist IPE ‘politicise’ economics?

¹ Read, L. (2018|1985) ‘I, Pencil’, in M. Henderson (Ed.), *The Cambridge Handbook of Classical Liberal Thought*, Cambridge: Cambridge University Press, 73-78.

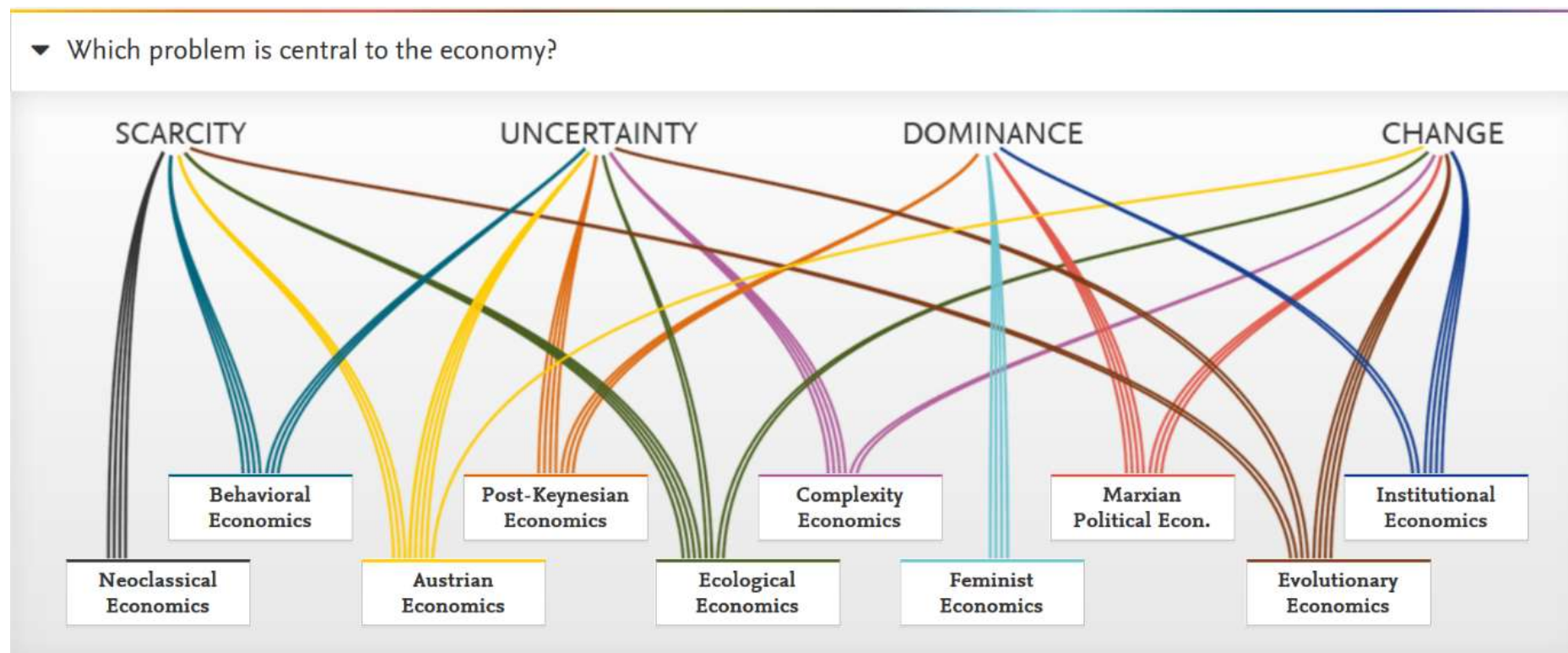
² <https://www.youtube.com/watch?v=67tHtpac5ws>, [accessed 08/10/18].

³ Friedman, M. (2018) ‘Afterword’, in M. Henderson (Ed.), *The Cambridge Handbook of Classical Liberal Thought*, Cambridge: Cambridge University Press, 79-80.

⁴ Enloe, C. (2014) *Bananas, Beaches and Bases: Making Feminist Sense of International Politics*, Berkeley and Los Angeles: University of California Press.

⁵ For instance, in 1985 a study of 600 slate pencil workers found that more than half were affected by Silicosis – a fatal lung disease caused by exposure to silica dust. See: Saiyed, H., et al. (1985) ‘Silicosis in slate pencil workers: I. An environmental and medical study’, *American Journal of Industrial Medicine*, 8(2), 127-33.

How different traditions in economics approach the economy:



Source: <https://www.exploring-economics.org/en/orientation> [accessed 08/10/18]

Week Two – The politics of markets

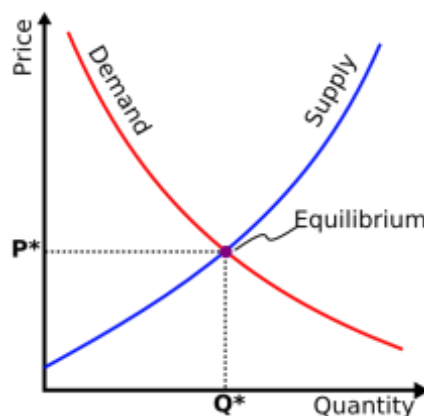
Both of this week's readings go against an image of markets that conceives of them as a *natural* occurrence; an expression of the innate human drive to truck and barter. This powerful image harks back to the dawn of classical political economy and a utopian vision of markets as the inevitable endpoint of modernisation, catalysing an unprecedented capacity for efficient resource allocation and wealth creation. However, the empirical claim that humans *naturally* organise in markets can be fundamentally problematised if we think about (a) their historical and contemporary alternatives and (b) their 'artificial' underpinnings. Moreover, the normative claim that markets (always) act as a force for good in people's lives is rendered ambiguous if we consider (c) the politics of markets and the violence and injustices inflicted on people in the name of 'marketisation'.

Readings:

Carruthers, B. G. & Babb, S. L. (2013), 'The embeddedness of markets', in *Economy/society: Markets, meanings, and social structure*, Thousand Oaks: SAGE Publications, 1-12.

Gregoratti, C. (no date) 'Handicraft' on I-PEEL website, available at: <http://i-peel.org/homepage/handicraft/> [accessed 12/10/18]

Task 1: Let's talk about the lecture. The invisible hand: rationality, competition, self-interest, commodification.



Task 2: Historical and contemporary alternatives to markets. Economies can be and have been organised by non-market institutions (for example kinship, community, state) and non-market norms (for example religious, communal and traditional), which have often limited what can be bought and sold, by whom on what terms.

- *What non-market forms of exchange are mentioned by Carruthers & Babb in the reading? What power relations do they imply?*
- *Think of two examples of non-market exchange in your own daily life: the exchange of a good and a service. Could they be organised as a market transaction?*
- *Now think of two market exchanges. Could they be organised outside the market?*

Task 3: ‘Artificial underpinnings’ of markets. Carruthers & Babb highlight four ‘artificial’ preconditions of markets: property rights, supply & demand, money, and product information.

- *Are these preconditions given in the markets below? How are they organised?*
- *Which of the markets below is most likely to emerge spontaneously?*

Columbia Road Flower Market?



Informal labour market?



Coinbase (Bitcoin) Market?



Gumtree?



What is the point, why insist that markets are not natural? In liberal, neo-liberal, or libertarian visions the seemingly natural emergence of markets often serves to de-politicise what is essentially a normative agenda of market-making. So, markets are turned into the preferred model for organising social life, while the social costs of and political resistances to their creation are ignored. Raising consciousness about the social construction of markets, in turn, means to re-politicise them; to think about the historical and political circumstances of their emergence; and to question the dynamics of power and violence that underpins them. It thus allows us to pose the core questions of political economic research to markets: *Who benefits, why, and how might it be changed?*

Task 4: The politics of markets. An important starting point to think about these questions is provided by Gregoratti's (2017) piece on handicraft. On the one hand, it points to the hugely beneficial impact that the creation of a market for Rwandan baskets has had on Rwandan women's lives. On the other hand, it raises a number of critical questions: *‘Who exactly are the empowered women in reports that celebrate entrepreneurial success? What are the tensions between business owners and employees, or between traders and cooperatives?’*

4.1. Remembering the video in Gregoratti's piece, we might consider how being female, black, less educated, or rural overlaps with Joy Ndugutse's business relationship with Macy's CEO Terry Lundgren, who is male, white, probably educated and urban. Joy gets 8 dollars for a basket that takes around 4 days to make. Lundgren sells them for 46 dollars in his shop in New York. **Is there an exploitative relationship as well as an empowering one? Does the world market perpetuate structural inequalities, or does it serve to break with them?**

4.2. We might also question the notion of empowerment that is intrinsically linked to putting women into work and instilling an entrepreneurial mindset. Here, empowerment is identical with income that can be re-invested in health and schooling of children. When placed in the context of colonial rule the promotion of markets as a means to "*civilise and domesticate indigenous women*" is clearly problematic. **Is market-empowerment a forced choice? Is there a sense in which 'the market' decides for us, what we ought to do with our lives? Must 'empowerment' mean becoming an entrepreneur?**

4.3. A long tradition of critical political economic thinking holds that markets corrupt 'social' life. On this view, the agasekes start to lose their traditional power to symbolise love and friendship in the exchange of gifts during home visits or at weddings and are turned into soulless and mass-marketed home decorations. **Are markets destroying cultural difference and local customs of living? Are there particular things and actions that should never be offered on markets? Political influence, romantic dates?**

4.4. Under the US African Growth and Opportunity Act (AGOA) and the EU Everything But Arms (EBA), Rwanda's handcraft exports enjoy duty-free access to these consumer markets. **What does that tell us about the power relations between Rwanda and the EU? Whose companies profit from the deal? Can markets be an instrument of state power? Why could this be problematic?**



Week Three – How do states and markets interact?

Last week's seminar looked at markets and problematized the view that they are somehow natural or inevitable. We talked about different meanings of the claim that markets are 'made' and the political issues they bring up. This week we will be looking at states and how they interact with markets. Again, we will see that the role of states in the economy—like the role of markets—is ambiguous, contested, and subject to political debate.

Task 1: Let's talk about the reading. This week's reading by Will Davies is quite dense. There are a lot of ideas in there and many of them are touched upon, rather than fully developed. In order not to get lost, it is helpful to think about the structure of the article, to work out its overarching line of argument. How does one part of the article work in relation to the others? Here is my way of structuring the text:

0. Introduction

1. The idea of the neoliberal state

Davies asks: What are neoliberal ideas about the state?

- Ordo-liberalism: State creates markets as a 'separate sphere'.
- Neo-liberalism: State creates markets as a 'separate sphere' **and** turns states into markets themselves.
 - a) **Competitiveness**: Prevent cartels & monopolies; Create competition in non-competitive environments (universities, state bureaucracy, between states)
 - b) **Explicitness**: Quantify and measure activities in terms of performance and outcome, cost and benefit.

2. The neoliberal state in practice

Davies asks: How are these ideas put into practice?

- 'Politics' is turned into a pejorative category
 - a) **Popular sentiment**: Anti-elite attitude, Bureaucracy bashing, Media campaigns
 - b) **Technocracy**: Independent committees, Independent Central Banks, Consultancies
 - c) **Executive decision**: Charismatic entrepreneurs, Use of police and military force, Exceptionalism

3. Contradictions of the neoliberal state

Davies asks: What are current political implications of the neo-liberal state?

- Duplicity of neoliberal politics: laissez-faire vs. surveillance & control; Entrepreneurialism vs. monopolies.
- Limits to de-politicisation: Democratic deficit, private interests in public policy, systemic crises.
- Demand for more radical version of the same, or change of direction?

4. Conclusion

Davies draws attention to the paradox role of the state in neoliberalism: While needed and used for neoliberal reform (or market expansion), it is constantly being attacked as if it was an obstacle to them. To overcome this dilemma, so Davies, the state itself is being reorganised and infused with 'market logics'. Neoliberal reform is then presented as the result of *less* state when it is really just creating a *different* state, with a different internal organisation and a different economic role. Thus, while state intervention limits 'market expansion' in certain ways, it also accommodates market expansion in others and the task is to analyse how they are mutually intertwined.

Task 2: The neoliberal state in practice; or, what does ‘neoliberalism’ even mean?

In the years immediately after the Second World War there was a widely shared consensus in the capitalist West that in order to be compatible with democratic values market mechanisms would have to be tamed by an interventionist welfare state. The state was expected to guarantee social security, labour rights, and re-distributive measures, but also to control key sectors of the economy (energy, water, transport). However, in response to economic stagnation in the 1970s, the consensus disintegrated and a ‘neoliberal’ view started to gain purchase proposing that state intervention should not tame market forces but unleash their potential.

Discuss one of the following three typical ‘neoliberal’ policies:

2.1. Flexible Labour: Perhaps the most emblematic neoliberal labour policy in the UK has been Margaret Thatcher’s defeat of the miner’s strike of 1984-1985, which sounded the death knell for organised labour. A more contemporary example is the rise of the so-called “gig-economy”: People working for businesses such as Uber or Deliveroo are exclusively on short-term contracts; instead of a regular salary they get paid per job – or gig; they are not entitled to the national minimum wage, or to sickness, holiday or redundancy pay; and they don’t have guaranteed working hours. Supporters hold that the gig-economy is an example for the ‘market doing its magic’ creating a flexible job market. Critics in turn claim that it has undone over a century of progress and reintroduced sweatshop conditions to the UK. **Have you worked in the gig-economy? Do you think that the gig-economy is exploitative? What should be the role of the state in enabling/curbing the gig-economy?**



2.2. Privatisation of public goods and services: If you switch on the light, take a shower, drink a glass of water, catch a bus, use a train, post a letter, or walk on a square in London, then you are making use of goods and services which are today provided by private companies, but 30 years back would have been provided by the state. A core policy of neoliberal government has been to privatise/outsource public goods and services in the belief that market pressures would lead to better quality at higher efficiency. But there have been repeated scandals of private contractors reaping large profits while running down public infrastructures. While last year was all about the crisis of railway and prison operators in the UK, this year has seen the collapse of Carillion a private company with contracts in construction, hospitals, and schools. **Can private companies be trusted with delivering public goods? Is profit-maximising an obstacle or an advantage for that purpose? Are there certain sectors that should not be governed by the need to be profitable? Think of transport, water, education, or prisons, for example.**



2.3. From welfare to workfare: Arguably one of the most heated debates is over the provision of benefits to the unemployed. In the 1960 and 70s, in times of near full-employment (of men) the hardship of unemployment was considered a collective risk that society should insure against unconditionally. The neoliberal view, in turn, framed benefits as a market distortion that created unemployment because it took pressure of receivers to search new work and allowed them to turn down unattractive jobs. This has led to major cut-backs in support allowances and a redefinition of the aims and purposes of the state. Fletcher and Wright (2017) argue that the state has taken “an authoritarian approach to unemployment, involving dramatic use of strategies of surveillance, sanction and deterrence”. **Do you think the state can help people finding work without being authoritarian? Is unemployment also an individual problem of character or personality? In what sense is Jeremy Kyle a ‘political’ TV show?**



Task 3: Are states in conflict with processes of economic globalisation?

3.1. The ‘globalisation thesis’ suggests that global markets have given international business actors unduly powers over states. For example, the possibility for a country to have a minimum wage might be compromised by calls for the cost of labour to be competitive so as to attract international business. Or the provision of free education might be undermined by the need to keep taxes low and budgets balanced so as to maintain confidence within financial markets that states will repay their debts. **Name two other concrete examples of ‘global markets’ dictating or restricting national policies!**

3.2. An alternative view suggests that governments have retained ‘room to move’. Consider the following comment published in Forbes:

‘Alibaba's Failed MoneyGram Deal’

“...China's Ant Financial withdrew its bid to acquire Dallas-based MoneyGram International. The bid was stymied by opposition from the Committee on Foreign Investment in the United States (CFIUS), a Treasury Department interagency committee that reviews foreign takeovers of U.S. companies. [...] The Treasury Department is probably right to be concerned about a Chinese company buying MoneyGram and using it to enter the U.S. payments market. After all, the Treasury Department itself uses the global dominance of Visa, Mastercard, and the SWIFT interbank payments system to exert pressure on other countries in the service of U.S. foreign policy goals. As payment systems are controlled by a small number of global giants, it is strategically important that those giants be under domestic control. Of course, the same calculation applies in China. This is a matter of national security, and the United States isn't the only country with a nation to secure. China's internet giants have thrived in a walled garden, protected from competition from the likes of Google and Facebook. The failed MoneyGram deal shows that national security cuts both ways.



Do you agree with the author, that the US and China use their global corporations to exert pressure in the service of foreign policy goals? Does that mean that global corporations such as Google, Facebook, Amazon and their Chinese counterparts Baidu, Tencent and Alibaba have a national agenda?



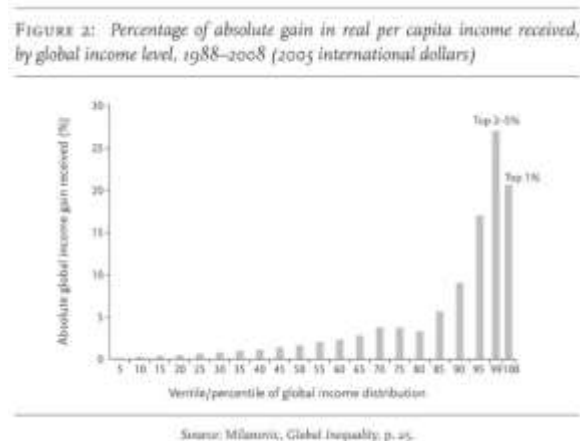
3.3. Critics of globalisation often identify a gap between *international* markets, on the one hand, and *national* politics, on the other. They believe that worldwide economic problems such as global warming require worldwide political solutions. ***What would be Rodrik's reply to this? Do you agree with him?***

Week Four – Inequality

Over the last few weeks, we did some theoretical heavy-lifting. We talked about states and markets – two foundational concepts for the study of political economy – and the two basic propositions of political economic research (a) that they are not given realities and (b) that they are mutually entwined. This week we will shift our focus to the arguably more practical issues of inequality. Inequality points into two entirely opposed but closely linked directions: grotesque poverty and exploitation, on the one hand, and bizarre wealth and privilege, on the other. The juxtaposition of both creates an important conundrum for political economic research: Is wealth the result of poverty? Why is the gap between rich and poor growing? What are the political consequences? And how might it be changed?



Task 1: Patterns of inequality. Today's reading discusses the book 'Global Inequality' by Branko Milanovic⁶ who offers the following graphs to think about recent dynamics in global income gains:



What do the graphs tell us about (A) the population in the 55th percentile of the global wealth distribution; the 'emerging middle classes' of China, India, Thailand, Vietnam and Indonesia? (B) the population in the 80th percentile; the working-class and lower-middle-class Americans, Europeans and Japanese? (C) the population in the 100th percentile; 'the 1%'?

⁶ Therborn, G. (2017) Dynamics of Inequality, *New Left Review*, 103, 1-19; discusses Milanovic, B. (2005) *Global Inequality: A New Approach for the Age of Globalization*, Cambridge, MA: Harvard University Press;

Task 2: Drivers of inequality. It is important to note, that a statistical description of the kind provided by Milanovich hardly constitutes an explanation. So, a crucial *political* question remains, what forces produce and sustain the observed inequalities? An answer to this question will necessarily vary, depending on where you look.

- a) Marxists attribute the existence of economic inequality to the imbalance of power between capital and labor. On this view, the decline in workers' share of national income in the rich countries of the West derived from their declining political power in the face of rising unemployment, businesses' offshoring strategies, and rapid technological change. This implies, that the wealth of the very rich is *at the expense* of the world's working population. ***Do you agree? Do you think that work is still a credible route to a better life? Is it a problem that houses, stocks, and bonds promise a greater financial income than work?***
- b) At the same time, it remains the case that one's country of origin has a greater impact on income than the class into which one is born. ***What is the role of states in creating inequality? Does 'globalisation' help to explain East Asia's take-off, Latin America's secular stagnation, or Africa's faltering growth? Is the wealth in the richer continents dependent on the poverty of others?***

Task 3: Problems with inequality. On a more fundamental level, we may ask why economic inequality is seen to be problematic in the first place. Consider the following facts from the Oxfam International (2018) 'Reward Work, Not Wealth'-Report⁷:

- *In 12 months, the wealth of the world's 2043 dollar billionaires has increased by \$762bn, enough to end extreme poverty seven times over. In the US the three richest people own the same wealth as the bottom half, i.e. 160 million people.*
- *Between 1990 and 2010, the number of people living in extreme poverty (i.e. on less than \$1.90 a day) halved, and has continued to decline since then, but those who have been lifted out of 'extreme' poverty often remain 'very' poor. So that more than half of the world's population lives on between \$2 and \$10 a day*
- *It takes just four days for a CEO from one of the top five global fashion brands to earn what a Bangladeshi garment worker will earn in her lifetime. In 2016, annual share dividends from fashion chain Zara to the world's fourth-richest man, Amancio Ortega, were worth approximately €1.3bn. In Myanmar, Oxfam works with young women garment workers producing clothes for global fashion brands. They earn \$4 a day, which is double the extreme poverty line. To earn this, they work six or seven days a week for 11 hours a day. Despite working such long hours, they still struggle to meet basic needs for food and medicine and frequently fall into debt.*

3.1. Why do we find these inequalities troubling? Are they (a) 'morally wrong', as egalitarians would say? (b) corrupting democracies, as liberals would fear? (c) leading to inefficiencies, as market radicals would claim? (d) or is inequality not problematic at all as long as a 'rising tide lifts all boats'? Is equality more important than wealth-levels?

⁷ <https://policy-practice.oxfam.org.uk/publications/reward-work-not-wealth-to-end-the-inequality-crisis-we-must-build-an-economy-fo-620396> [accessed 08/10/18].



3.2. In 2010, Warren Buffett and Bill Gates invited their fellow billionaires to sign-up a ‘Giving Pledge’, committing to donate at least half of their wealth to charity. There is a long list of people and families who have made the pledge. Including Mark Zuckerberg and Priscilla Chan, Richard and Joan Branson, Michael Bloomberg, Barron Hilton and David Rockefeller. Thus, it would seem that many of the world’s richest people simply want to give their money away to good causes?

By contrast, critics argue that this new philanthropy transfers responsibility for public goods and services from democratic institutions to the wealthy, to be administered by an executive class: *‘In the CEO society, the exercise of social responsibilities is no longer debated in terms of whether corporations should or shouldn’t be responsible for more than their own business interests. Instead, it is about how philanthropy can be used to reinforce a politico-economic system that enables such a small number of people to accumulate obscene amounts of wealth.’*⁸

Is charity a viable measure to re-distribute wealth? Why do you think billionaires favour charity over taxes? Are taxes a viable measure to re-distribute wealth? Or is the root of the problem that wealth is accumulated and concentrated to such inconceivable levels in the first place? Why do we culturally celebrate wealth?

⁸ Rhodes, C., Bloom, P. (2018), ‘The trouble with charitable billionaires’, The Guardian, 24 May. Available from <https://www.theguardian.com/news/2018/may/24/the-trouble-with-charitable-billionaires-philanthrocapitalism/> [accessed 08/10/18].

Week Five – Growth

Increasing evidence of close linkages between global economic growth and global environmental catastrophe (sea-level rise, heatwaves, hurricanes, water shortages, atomic/chemical/plastic pollution, the loss of alpine glaciers, the mass dying of bees, the extinction of polar bears) show that environmental limits to economic growth are a defining challenge for contemporary IPE analyses. Because behind cosy calls to jointly save humankind, profound political dilemmas are lurking. Those contributing disproportionately to environmental destruction are less likely to bear its effects. And those benefitting from it will lose out in a 'local', 'green' or 'de-growth' world economy.



Task 1 – Let's talk about the texts. The three texts had a very different set of concerns. What were they motivated by? Which one was the easiest to read?

Task 2 – The Limits to Growth

In 1972 the Club of Rome published its influential book *'Limits to Growth'*, which predicted the collapse of the global system by the mid to late twenty-first century on current trends. Widely criticised and dismissed at the time, the book set the agenda in criticising exponential growth in a world of finite resources at a time when the 'growth paradigm' became dominant to the economic imagination of governments in the capitalist West. The 'growth paradigm' according to Dale is "the proposition that economic growth is good, imperative, essentially limitless, and the principal remedy for a litany of social problems."⁹ So, no matter the question, growth appears to be the answer.

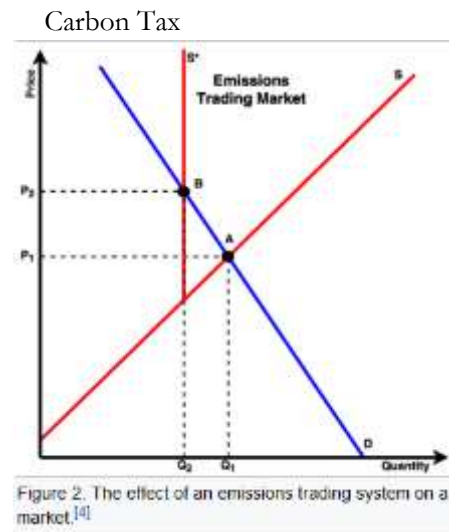
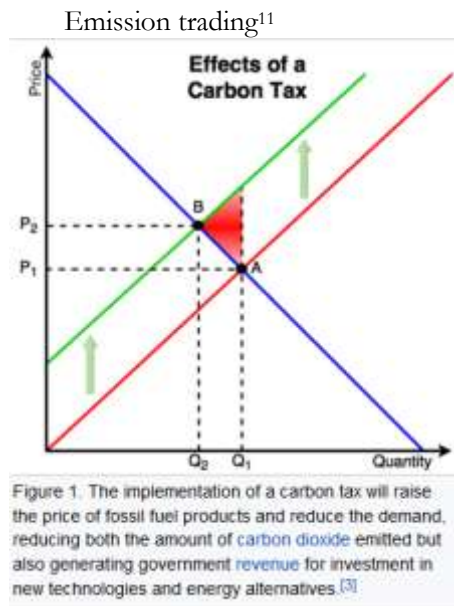
- 2.1. Historically, growth has been associated with a number of social ends. Based on Dale's article, what was the ultimate goal of growth (a) in ancient civilisations? (b) in medieval Europe? (c) in 16th and 17th century Western Europe mercantilism?
➔ (See section on 'Origins of the growth paradigm')
- 2.2. Dale echoes Marxist critiques which argue that growth has become a 'fetish': in a powerful reversal of ends and means, growth is now the ultimate end of social activity, rather than the other way around. Do you agree? Is economic growth an end in itself? And if not, what is it for?

⁹ Dale, G. (2012) The growth paradigm: a critique, *International Socialism*, 134, 27 March. Available from: <http://isi.org.uk/the-growth-paradigm-a-critique/> [accessed 13/11/2018].

Task 2 – Are economic growth and environmental protection opposed?

While the ‘limits to growth’-thesis concluded that growing beyond the physical limits of the planet would necessarily result either in managed decline or in full collapse, the business world soon countered with another idea—let markets do the work!

“Against the ‘command and control’ policies being advocated to keep humanity within planetary limits (such as regulations or prohibitions), economists promoted market mechanisms to achieve environmental goals. The two principal mechanisms are environmental taxes and emissions trading schemes (ETS); in each case, the cost of emitting carbon creates incentives for changing behaviour to avoid emissions. Decisions are therefore taken away from governments and regulators and left to individuals and companies.”¹⁰



Important disagreements persist as to whether emissions trading can indeed be effective to environmental goals. Many environmental activists and environmental justice coalitions—and indeed many political economists—think that the market approach to environmental degradation is bound to fail because it leaves a fundamental contradiction intact: Attaching a cost to pollution does not suspend the principle market rule to value profits over everything else. So, while businesses may be convinced to respect regulations, they remain indifferent to the environment. Driven to pursue profit by virtually any means, they never *abide by* the rules, they seek to transcend them. And this creates all sorts of derivative problems. For instance, carbon markets ended up causing large-scale land grabs in Africa, because rather than reducing emissions, companies started to invest in ‘carbon offset production’. They bought agricultural land and turned it into tree plantations, to increase their pollution rights, thereby displacing local communities and causing multiple food crises.

Form two groups of equal size.

- **Group 1: Collect a list of arguments supporting the claim that economic growth will always be opposed to environmental protection.**
- **Group 2: Collect a list of arguments supporting the claim that environmental protection can only be guaranteed by ‘green’ economic growth.**

¹⁰ Kirby, P., O'Mahony, T. (2017) *The Political Economy of the Low-Carbon Transition: Pathways Beyond Techno-optimism*, Basingstoke: Palgrave Macmillan, p.205.

¹¹ Pictures available from: https://energyeducation.ca/encyclopedia/Carbon_tax_vs_emissions_trading [accessed 13/11/2018].

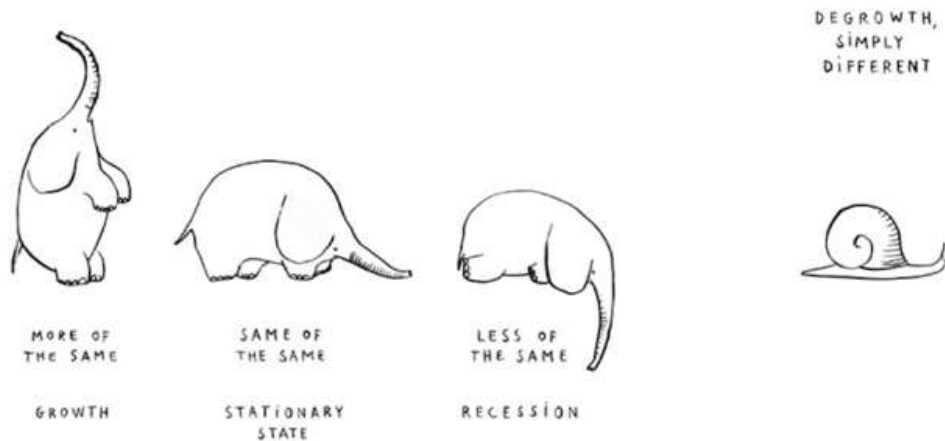
Task 3 – Global De-Growth Hack

In a desperate attempt to bring global warming to a halt, the EU's member states have decided to cap all their citizens' income at £15'000 pounds per year.

You are invited as creative disruptors to the 49th session of the Intergovernmental Panel on Climate Change (IPCC 49) from 14-18 May 2019, in Kyoto, Japan. And you are asked to provide the 'mobile app for the £15'000 pounds' which helps solving some of the problems this radical measure is undoubtedly going to raise.

Develop a 90 seconds pitch according to the following structure:

1. The problem you are trying to solve and your target audience.
2. The name of your team and your product.
3. The solution you have come up with and how it will change the world for the better.



Appendix: Climate Change is happening!

Extracts from Kirby and O'Mahony (2017), p.9:

Observed Changes in the Climate System

'Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and sea level has risen' (IPCC 2014c: 40).

- *Atmosphere:* 'Each of the last three decades has been successively warmer at the Earth's surface than any preceding decade since 1850' (40).
- *Oceans:* 'Ocean warming dominates the increase in energy stored in the climate system, accounting for more than 90% of the energy accumulated between 1971 and 2010 with only about 1% stored in the atmosphere' (40).
- *Ice and snow:* 'Over the last two decades, the Greenland and Antarctic ice sheets have been losing mass. Glaciers have continued to shrink almost worldwide (high confidence). Northern Hemisphere spring snow cover has continued to decrease in extent (high confidence)' (42).
- *Sea level:* 'Over the period 1901–2010, global mean sea level rose by 0.19 [0.17–0.21] m. The rate of sea level rise since the mid-nineteenth century has been larger than the mean rate during the previous two millennia' (42).

Drivers

'Anthropogenic greenhouse gas emissions have increased since the pre-industrial era driven largely by economic and population growth. From 2000 to 2010 emissions were the highest in history. Historical emissions have driven atmospheric concentrations of carbon dioxide, methane and nitrous oxide to levels that are unprecedented in at least the last 800,000 years, leading to an uptake of energy by the climate system' (44).

- *GHG concentrations:* 'Atmospheric concentrations of GHGs are at levels that are unprecedented in at least 800,000 years. Concentrations of carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) have all shown large increases since 1750 (40%, 150% and 20%, respectively)' (44).
- *Human activities:* 'About half of the cumulative anthropogenic CO₂ emissions between 1750 and 2011 have occurred in the last 40 years' (45).

Attribution of Climate Change Impacts

'The evidence for human influence on the climate system has grown since AR4 [previous IPCC report in 2007]. Human influence has been detected in warming of the atmosphere and the ocean, in changes in the global water cycle, in reductions in snow and ice, and in global mean sea level rise; and it is extremely likely to have been the dominant cause of the observed warming since the mid-twentieth century. In recent decades, changes in climate have caused impacts on natural and human systems on all continents and across the oceans. Impacts are due to observed climate change, irrespective of its cause, indicating the sensitivity of natural and human systems to changing climate' (47).

- *Human influence:* 'It is extremely likely that more than half of the observed increase in global average surface temperature from 1951 to 2010 was caused by the anthropogenic increase in GHG concentrations and other anthropogenic forcings together' (48).
- *Observed impacts:* 'In recent decades, changes in climate have caused impacts on natural and human systems on all continents and across the oceans. Impacts are due to observed climate change, irrespective of its cause, indicating the sensitivity of natural and human systems to changing climate' (49).

Extreme Events

'Changes in many extreme weather and climate events have been observed since about 1950. Some of these changes have been linked to human influences, including a decrease in cold temperature extremes, an increase in warm temperature extremes, an increase in extreme high sea levels and an increase in the number of heavy precipitation events in a number of regions' (53).

Exposure and Vulnerability

'The character and severity of impacts from climate change and extreme events emerge from risk that depends not only on climate-related hazards but also on exposure (people and assets at risk) and vulnerability (susceptibility to harm) of human and natural systems' (54).

PO133: Foundations of Political Economy

Week Five – Finance

Finance is a pervasive force in today's political economies. It dictates corporate strategy to all major global firms, which must stay attuned to the demand of shareholders and/or continuously moving market valuations; it intervenes with the political agenda of all governments, which must finance their debts, budgets, and deficits; further, it defines the ability of sub-state actors – city councils, universities, schools, hospitals, police and so on – to raise money for their respective intents. And it pervades the daily life of individuals, who use payment infrastructures (checks, cash, or cards); exchange international currencies; and save and borrow money through financial products, such as student loans and car loans, consumer debt and credit cards, mortgages and pension plans. Yet, whilst the ubiquity of finance is obvious, its politics are often less clear. How does finance work at its core? How do various parts of finance hang together? Why is finance so central to our economies? When do financial crisis occur? Who benefits most from finance, who loses out, and are there alternatives?



A number of films have portrayed finance addressing a popular fascination with finance but also developing a number of critiques. These are four of the best films.

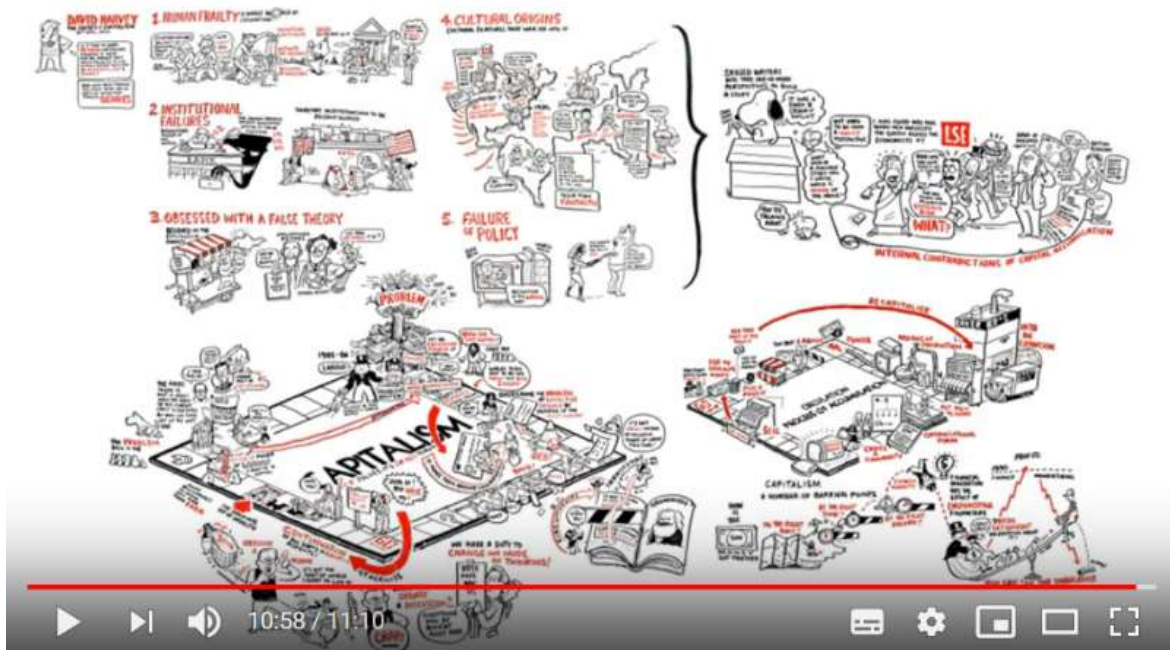
Task 1: The ‘golden age’ and the long downturn. Marc Levinson writes about the ‘End of a golden age’. From 1948 to 1973, economies grew, living standards improved and industrialisation sped ahead in most parts of the world. The industrialised West oversaw the most rapid rates of economic growth and a period of enduring economic stability. Likewise, the centrally planned economies of the Communist world did very well. The Soviet Union and Eastern Europe grew faster than Western Europe; China, grew faster than India. And meanwhile, the newly liberated colonies in Africa, Latin America, and the Middle East started to push for industrialisation, generating considerable growth by way of a set of protectionism and import-substitution.

1.1. According to Marc Levinson, why did the ‘golden age’ come to an end? And what does it mean for finance?

1.2. Watch the video below. How does David Harvey’s explanation differ from Marc Levinson’s? According to Harvey, why does the end of the ‘golden age’ coincide with the rise of finance?

1.3. Do you find finance has too much power in today’s society? Has finance become more, or less powerful since the crisis?

Crisis of Capitalism https://www.youtube.com/watch?v=qOP2V_np2c0, [last accessed 16/11/2018].



RSA ANIMATE: Crises of Capitalism

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1.4. Now read the following excerpt from Max Haiven's book 'Cultures of Financialisation', p.44:

"While its suburban picket fences, home appliances and nuclear families existed for a small portion of the white working class, the vast majority of humanity continued to encounter tremendous precarity. For the Third World, this was an age of anti-colonial struggle and neocolonial retrenchment that, if anything, only exacerbated the sacrifice of non-capitalist peoples and cultures to the market, throwing millions into increasingly urbanized precarity. The raw materials of the South, bought with the precarity of whole nations, furnished a small sub-section of Northern workers with material prosperity and the illusion of non-precariety. Even within the post-war global North, large racialized underclasses suffered a precarity exacerbated by racist laws and cultural norms, and their cheapened labour produced the commodified accoutrements, privileges and luxuries of the middle-class, non-precariety existence. But, even within the white Northern middle class, life was far from non-precariety. For queer folk, life, love and physical and mental health were extremely precarious, under threat at all times from a conservative culture that based its stability (non-precariety) on repression and oppression. Likewise, women paid the price for post-war non-precariety, compelled to provide free reproductive labour in the home, which was the sine qua non and ultimate cultural referent for stability, and denied access to most occupations and ways of being."

Do you agree with Haiven, that growth in the 'golden age' was at the expense of neo-colonial, racist, and sexist exploitation? Or were these mere residues that were gradually retreating and disappearing from society?

Task 2: Creating money ‘from thin air’. Within the context of finance’s near-collapse in 2007, the massive bailouts and subsequent austerity, finance has come under increased public scrutiny. One of the major points of debate is the power of private banks to create money. In the UK, the ‘Positive Money Campaign’, for instance, has started to oppose the creation of money on the basis of debt. Watch the following campaign video from their website: ‘Inequality: Why are the rich getting richer?’, available from <https://youtu.be/ZzCegQVldY>, [last accessed 16/11/2018].



2.1. What would it mean to organise money creation ‘democratically’? Can banks be trusted? Can states be trusted? Should we organise currencies locally? What do you know about digital currencies?

2.2. Based on the video, how are student loans part of the creation of money?

Task 3: Securitisation: “Securitization” names the process of breaking up and re-bundling assets into new securities, so as to realise future payment flows in the present and pass on the risk of default to a third party. For example, in December 2017, the Department for Education completed its first sale of securitised student loans to private investors:

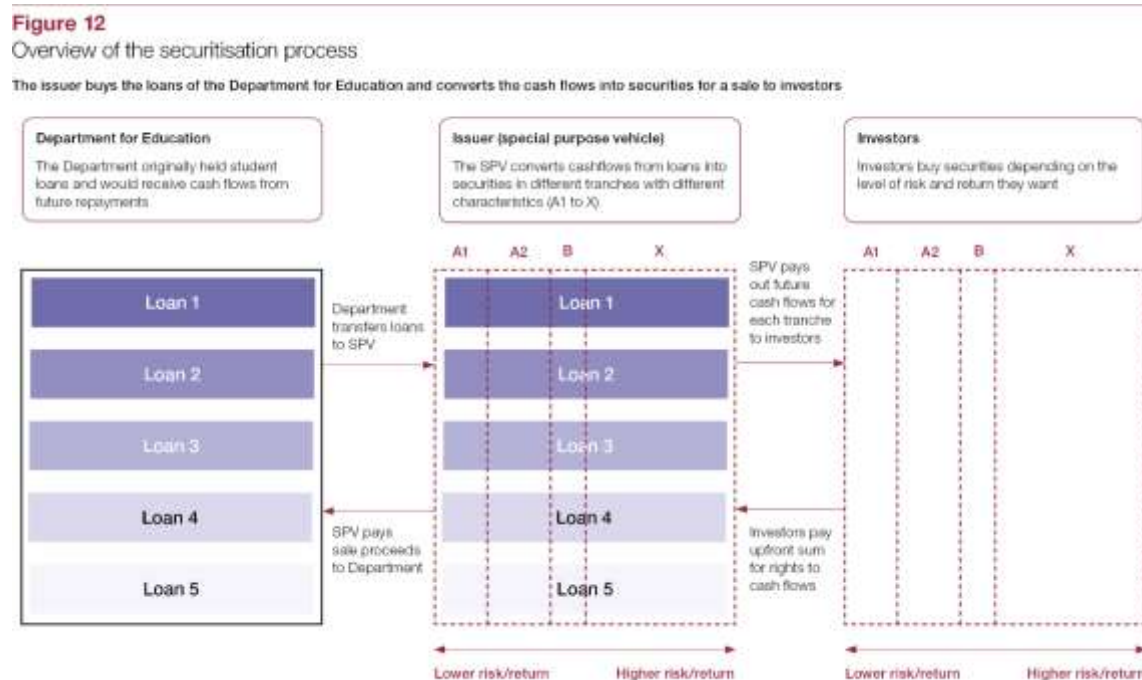


Figure available from: <https://www.nao.org.uk/report/the-sale-of-student-loans/>

The department had three objectives: (a) to reduce public sector net debt (b) to ensure there was no detrimental impact on borrowers and (c) to achieve value for money. In its press release the department states: *“The government has, in effect, sold an uncertain stream of future repayments in exchange for a lump sum upfront. The loans, which had a face value of £3.5 billion, were sold for £1.7 billion, meaning that government received 48p for every £1 of loans sold. When issuing loans, government does not expect to receive all the money back from borrowers, estimating in its latest accounts that for loans issued before 2012 only 65-70% by value will be repaid. The sold loans are expected to have even lower repayment rates because they are older loans and nearly half had been repaid in full by the time of the sale.”*¹²

- **Who is benefitting from the student loans. The students, the government, or the investor?**
- **The government expects that 65-70% of loans will be repaid and 30-35% will default. Does the difference between *expected* and *actual* default rate have an impact on your answer to the question above?**
- **What expectations would likely lead to a student loan asset-backed security bubble?**

¹Available from <https://www.nao.org.uk/press-release/the-sale-of-student-loans/>.

Week Eight – The value of work

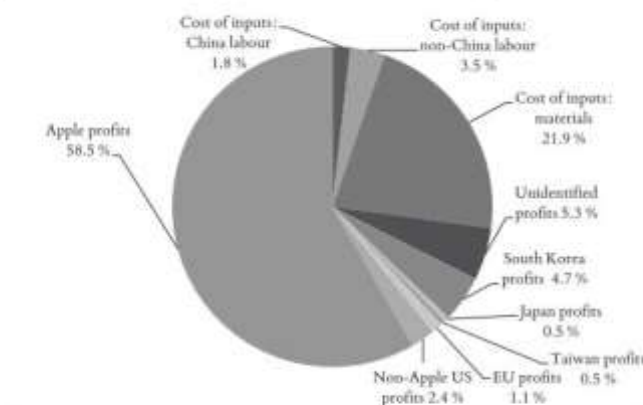
Asking about the value of work complicates facile claims about the profitability of ‘ideas’ or ‘machines’ and focuses our attention on the contribution of employees in the realisation of profits. It helps us to challenge the ease with which owners of capital often claim that their return on investment is ‘deserved’, because they bear the risk, own the machinery/land, or came up with the business idea. Continuous struggles over employment rights, fair wages, and acceptable working conditions further testify to the fact that those endowed with the task to manage a profitable business (are forced to?) treat work as a cost factor – and not as a source of value. Thus, employees’ livelihoods are rendered a secondary concern. Often with brutal consequences. As always, the who-deserves-what-questions, are not easily resolved.



Task 1: Is the distribution of value along the iPhone commodity chain fair? Consider Phillips’ description of the global value chain of Apple’s iPhone:

“What jumps out immediately is that more than half of the total value, across the whole of the production process, is captured by the lead firm—Apple—as profit. The figures for labour costs, by contrast, offer an insight into the relationship between capital and labour in the global economy, and the relative proportions of value that are captured by each. The costs of materials involved in production are vastly greater than the human input costs associated with labour. The proportion of profits flowing to the principal countries in which the iPhone is produced are insignificant compared with the profits that flow to a single private company” (Phillips, 2017, ‘Power and inequality in the global political economy’, p.43

Figure 2: Distribution of value for the iPhone, 2010



Source: Kenneth L. Kraemer, Greg Linden and Jason Dedrick, ‘Capturing value in global networks: Apple’s iPad and iPhone’, July 2011, http://pcic.merage.uci.edu/papers/2011/value_ipad_iphone.pdf; reproduced with permission.

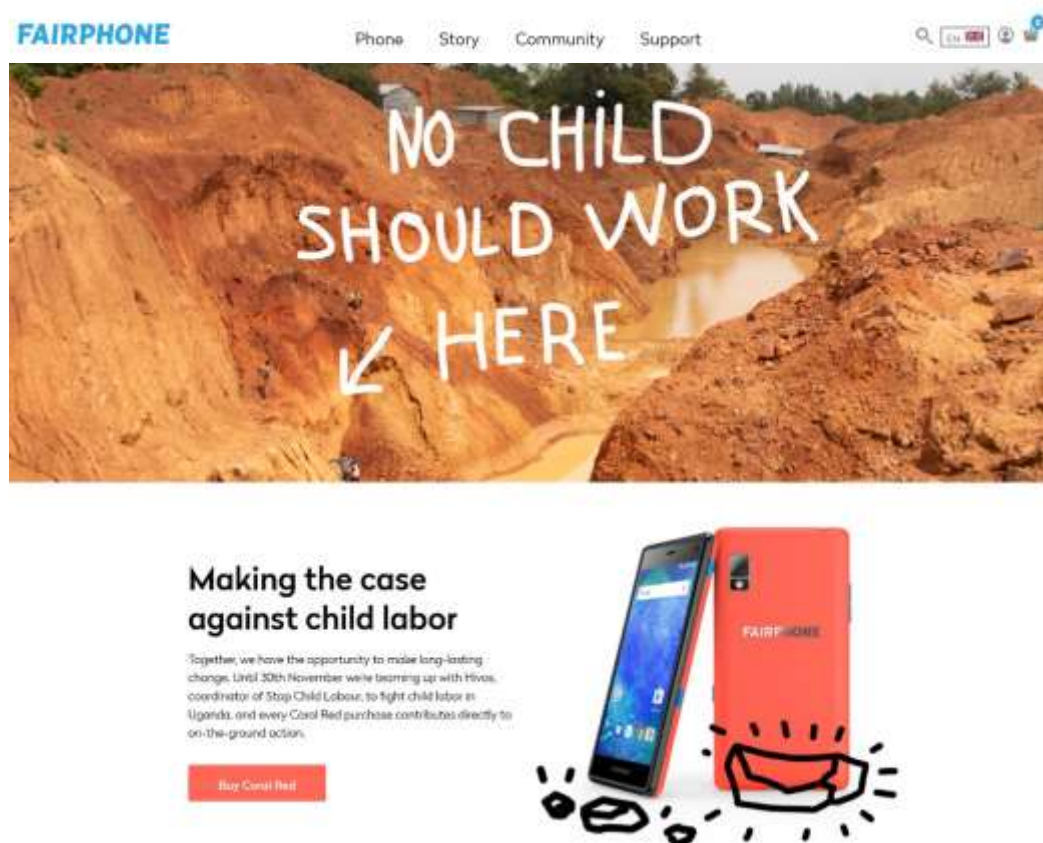
1.1. Phillips suggests that Apple's global value chain unfairly benefits capital income over salaries. Do you agree? Form two groups of equal size:

- **Team 'Milton Friedman':** You find that there are good reasons for the current distribution of value, make a list of arguments supporting your claim!
- **Team 'David Harvey':** You find that the current distribution of value is grotesque and unfair, convince the other team!

1.2. Are there further relations of power at play? Reflect on the following social structures of inequality – race, gender, nationality. In how far are they constitutive of the Apple value chain? Find one example for each of them.

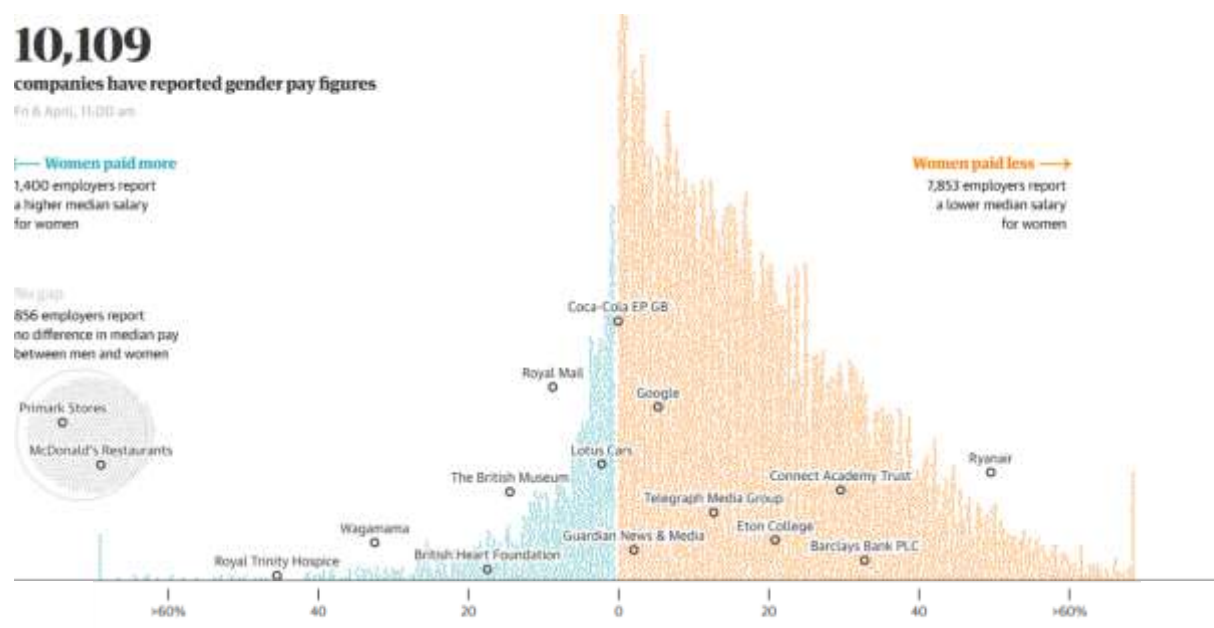
1.3. **The role of consumers:** 'Fairphone' is an enterprise that aims to build a movement for fairer electronics by presenting every step of the production line (including mining of minerals, selection of manufacturing partners and distribution of profits) on its webpage. Apart from promoting a controlled 'ethical' value chain, Fairphone presents smartphones as storytelling devices with the potential to uncover how products are made. It allows consumers to monitor the enforcement of social standards.

Such 'ethical' consumption presents scholars of IPE with a complex dilemma. On the one hand, it offers a powerful critique of 'commodity fetishism' and serves as an important tool to politicise unacceptable working conditions. On the other hand, 'ethical' products are big business. A sense emerges whereby ethical concerns are commoditised and marketed to particular consumer segments, only to leave the larger contours of global capitalism intact. **What can be done? Could 'ethical' production become universal? Who should be made responsible for this task? Governments? Producers? Consumers? Who can afford ethical, organic, or Fair Trade produce?**



Week Nine – Gender

Gender can be understood either as an empirical category or as an analytical lens. The former treats gender as a binary trait and uses it to divide populations into subgroups (usually only two), to address the systematic inequalities that exist between them. The latter treats gender as a governing code and seeks to reveal and subvert binary stereotypes that limit our thinking and our potential to act. Both understandings are present in today's readings. Marilyn Waring's study 'If Women Counted' powerfully challenges the untroubled ease with which Economics has been able to narrow down the *empirical* focus to the experience of men – men in businesses, men in governments, men in unions, men on Wall Street, and so forth. She urges us to account for the experiences of women – women working at home, women providing care, women working in factories – to make visible the structural divide between genders and close it. Elias' tile 'Care' and Gunawardana's tile 'Clothing' both support this view. But they also use gender *analytically* to challenge powerful social norms. Gunawardana points out how women's concerns about marital status can force them to tolerate and endure sexual harassment, verbal abuse and physical insecurity. Elias emphasizes how care jobs are 'feminised', i.e. devalued economically because they are considered to be 'women's work'.



Source: <https://www.theguardian.com/news/ng-interactive/2018/apr/05/women-are-paid-less-than-men-heres-how-to-fix-it>

Task 1 - Gender as an empirical category: There have been huge changes in the composition of the workforce in the past decades, with women entering paid employment outside the home in large numbers, experiencing the liberating impact of regular wages in ways that their grandmothers and even their mothers could only have dreamt of. Yet, the graph above reveals but one of many aspects of gender inequality, observable not only in the UK economy but in almost all economies world-wide. So, though more women are working, they are regularly paid less than men, they are more likely to be in part-time or informal work and they are overrepresented in sectors with little protection and few rights. And whilst there are some high-profile women CEOs and female head of states, the very top of industries and governments, remain firmly male. What can be done?

- 1.1. **Whilst clearly unjust, gender inequality is often presented as a women's problem that can only be resolved at the expense of men. Against such a view, can you think of ways in which the gender pay gap may be a men's problem, too? Think of three examples for how gender equality could improve the economic lives of men!**

- 1.2. Gender diversity in firms' top pay band is positively correlated to smaller gender pay gaps. Should governments introduce mandatory quotas for women on the boards of directors of their nations' largest companies?

Task 2 - Gender as an analytical category: In addition to an empirical concept of gender which serves to highlight the structural inequalities between women and men, we may also use gender analytically, to start questioning the constitution of gendered divisions in the first place; this means thinking about the way binary or gendered conceptions of particular roles – workers, consumers, entrepreneurs, and so on – define how we think and act in the economy.

- 2.1. What problematic gender stereotypes were flagged up by the readings?
- 2.2. What gendered assumptions are put forward by the ads below? Do you think there is a hetero-sexist bias in advertising? Do you know of other ads that promote problematic stereotypes?
- 2.3. Are adverts responding to these stereotypes or are they complicit in creating them?



Assessment Advice

References and citations

Referencing is absolutely necessary on three occasions. You must give your sources for:

- all statements of 'fact'
- all opinions and arguments that are not your own
- direct quotations (including the relevant page numbers of the original)

Formative Assessment

- What does it mean to be studying political economy as opposed to economics?
- What does it mean to say markets are 'social constructions'?
- Are multinational corporations a threat to the sovereignty of states?
- Should we be concerned about growing economic inequality?
- Are environmental issues necessarily opposed to economic growth and competitiveness?

'What does it mean?' = 'What is at stake?'

No categorical answers, please. Qualify them!

The quality of argument matters, not the political views.

Use the readings. You need to show that you have read and understood them.

Example: What does it mean to 'gender' the study of global finance?¹³

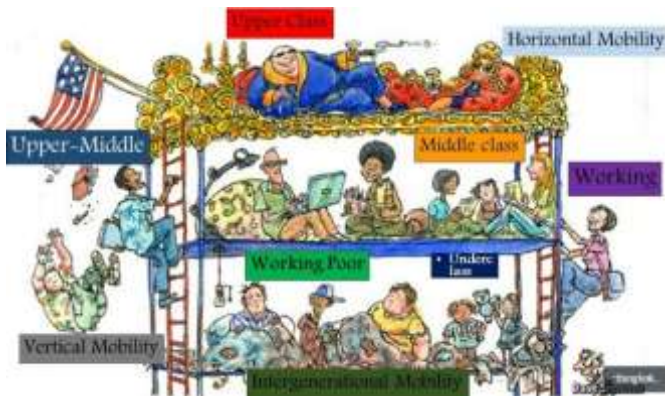
1. **Intro (1-2 sentences):** "Policy and media responses to the global financial crisis have often used domestic analogies. 'Governments', we are told, should get their 'houses in order', they should 'live within their means', 'tighten their belts', and 'make tough decisions' on spending."
2. **Argument (1-2 sentences):** "This paper argues that gendering the study of global finance reveals how the deployment of such household analogies works to legitimate (or delegitimate) financial policies. It demonstrates that the domestic analogies implicitly entail a moral valorisation of women, which has served to legitimate dominant images of Christine Lagarde and Angela Merkel after the crisis as the 'saviours' of global finance."
3. **Discussion:** An important precursor for feminist analyses of finance is Marieke De Goede's 'Mastering Lady Credit'. In that article, De Goede makes the argument that...
While this paper is clearly influenced by De Goede's argument, it also suggests that her account of the hetero-normative politics of global finance is limited, because...
The examples of Lagarde and Merkel implies that...
4. **Conclusion (1-2 sentences):** To conclude, gendering the study of global finance allows us to see how gendered idea about the good housewife have been mobilised by Christine Lagarde and Angela Merkel to support policies of austerity and fiscal rectitude in Germany and the EU.

¹³ Example inspired by but not representative of the arguments found in Brassett and Rethel, 2015, 'Sexy money: the hetero-normative politics of global finance', *Review of International Studies*, 41, p. 429-449.

Week Ten – What are economic classes?

- *Housekeeping: Questions about feedback, essay –please get in touch! There is a smashing line-up for the IPE debate: 'Decolonising IPE'. 02 May, 5pm - 6:30pm, S0.21, come along! How did you like the text?*
-

Today we are going to talk about *class*, a term that has a long and interesting history and in its broadest sense refers to an ordering of society into more privileged and less privileged groups. Sociological approaches to class tend to follow Max Weber¹⁴ in defining class in relatively static terms, as social groups distinguished by their access to social opportunity—political representation; social and occupational mobility; educational access; wealth; illness and mortality. IPE approaches, in turn, tend to follow Karl Marx's¹⁵ more dynamic view of class defined as the relationship between people and the wider system of production from which individual life chances are seen to follow. In both lines of thought the notion of class has served an important role for critiquing the political economy, for highlighting the systematic injustices it produces and for demanding political and economic rights.



Task 1: Talk about class! Do you identify with a specific social class (upper, middle, working, precariat, or other, see also Appendix 1)? Can you easily identify other people's class background? Are there particular stereotypes attached to class? Is class more/less pervasive in different countries? Did you think class was important in the recent strike here at the university?

Task 1 - Class currents in the capitalist West. For Marxists, society is stratified in classes based on people's relations to production. Marx, writing during the heyday of British industrialisation, observed that a fundamental asymmetry of power had emerged through the division of labour that developed progressively from handicraft, to manufacture, to large-scale industry. In the process, those who produced, workers, were stripped of the means of production, as all the modern tools, equipment, and machines which became necessary to produce at a competitive price, not to speak of the land, were owned privately, by capitalists. Thus, Marx famously wrote, the abolition of serfdom, had left workers free only in the double sense of *being able to sell* their time freely on the labour market at the same as *being forced to sell* it in order to live. They had been freed not only from serfdom but also from the means to lead a self-sufficient life and were thus vulnerable to exploitation. Capitalists could blackmail them into devastating labour conditions, because the choice to not sell labour was not an option. Marx' analysis fiercely countered the triumphant theses of liberty, fairness and equality underpinning the theories of liberal thinkers at the time (Smith, Ricardo, Bentham) and neoliberal thinkers later (Hayek, Friedman) insisting that there is nothing more unequal than the equal treatment of unequals. It laid the basis for workers across the world to acknowledge their common disposition, and to organise, resist, and press collectively for fairer working conditions and a fairer distribution of wealth.

¹⁴ Weber, Max (1948), *From Max Weber: Essays in Sociology*, translated, edited and with an introduction by Hans H. Gerth and C. Wright Mills, London: Routledge and Kegan Paul.

¹⁵ Marx, Karl (1885/1990), *Capital: A Critique of Political Economy*, Volume I, translated by Ben Fowkes, London: Penguin Classics.



After the deep shock of the world wars, organised labour became an important building block for a class-compromise in Europe, whereby demands for collective ownership over capital was dropped in return for a higher labour share of returns and welfare compensations. The time between 1945-75 is still widely regarded by many scholars as 'les trente glorieuses' of the Western world, a happy time of industrial citizenship, labour militancy, expanding welfare state, and stable economic growth. However, there are several dimensions along which this can be problematised. Most notably, it wasn't a particular happy time for women, LGBT people, ethnic minorities or more generally non-Westerners. Conflicts around gender, sexuality or race, soon began to expose the privileged role that a white, male, able-bodied worker aristocracy had assumed in the West under post-war conditions. Second, it wasn't such a happy, secure time for workers either, as for most people repetitive, boring, and physically exhausting factory jobs were the day-to-day reality of their jobs. Already half-way through the glorious thirty years, in 1968, the youth took to the street.

Task 2 – Precariat, the new 'dangerous class'? Since the coup d'état of neoliberalism (discussed in week 3) the situation of workers has changed dramatically. Globalisation allowed businesses to offshore labour (e.g. use cheap Chinese labour in Prato, Italy) and displace traditional worker solidarities (giving way to Lega Nord), leading to globally declining wage shares and widespread precariousness among working classes even in the richest countries of the world. **What, according to Standing (2011, p.12-13) are the seven groups in the new class structure? Why do you think, Standing is most interested in the precariat? Is there precarity also in other classes? How do you think are the chances for precarious workers to organise across occupations, income groups, or regions? Have you worked yourself in precarious work (as an intern, waiter, Deliveroo driver)? Should the precariat agree on a common political programme/agenda?**

Task 3 – Using class in political economic analysis One advantage of using *class* to think about the political economy is that it complicates claims about the profitability of 'ideas' or 'machines' and focuses our attention on the contribution of workers to the realisation of profits. This allows us to question the ease with which business owners often claim that their personal wealth is 'deserved', because they bear the risk, own the machinery/land, came up with the idea. But it also allows us to dissect the precariousness of individual capitalists, who struggle not only with workers but also with competing capitalists over their share of profits. Thus, through



the lens of class we can discern a set of structural dynamics which explain why workers and capitalists are pushed into particular circumstances and thus begin to question who benefits most and how it might be changed for the better. **The richest person in the world to date is Amazon CEO Jeff Bezos with an estimated wealth of \$105 billion. In how far has the precariat contributed to his wealth? In how far has a class of business owners/politicians/armed forces contributed to his wealth? Why does a man of Bezos' wealth accept precarious working conditions in the warehouses of his company? Should we accept the existence of billionaires?**

Appendix 1

