I. Social Construction of Free Market System aka Capitalism

A. Claim/Conventional Wisdom

1. discovered by scientists

2. autonomous sphere

3. governed by laws of cause and effect

4. laws of market in harmony with human nature and laws of nature

a. supply and demand

b. accumulation and reinvestment of profit

c. workers will necessarily benefit

d. laissez faire

5. best and only possible system

a. natural

b. based on human nature: greed (self-interested individualism)

c. privatization of property for ownership

d. allows maximization of individual self-interest

i. individual pursuit of personal wealth

ii. ownership of private property

e. rewards entrepreneurial spirit (hard work, imagination, creativity and risk)

f. social progress: wealth and well-being of nation and every person

B. Social Construction

1. “private property” involved coercion, ideological justification, state political and legal violation of rights, political revolutions.

a. appropriation and privatization of land

i. church land

ii. commons

poorest peoples life support system

incompatible with capitalism

led to rent and wages

iii. traditional lands (nobility) for sale or lease

iv. lands of other peoples

b. means:

i. acts of enclosure

ii. forcible and illegal evictions

iii. rent racking (higher and higher rents)

iv. violation “copyholding” rights

iv. violating rights guaranteed by Magna Carta called

Charter of the Forest

v. terra nullius: “land belonging to no one”

vi. undermining indigenous traditions

2. social construction of wage labor

a. destruction of means of subsistence

b. forced off the lands into cities

c. work in factories or work for wages on land

d.. destruction of traditional forms of labor organization

3. rise of nation-state

a. political revolutions

i. overthrow feudal state

ii. end of feudal economic arrangement

iii. ideology: “people”

iv. reality: power to bourgeoisie

“Liberty cannot be provided for in the general sense, if property be preserved.”

“[government] in reality is instituted for the defense of the rich against the poor, or of those who have some property against those who have none at all.”

“Government was created for the protection of property.”

b. capitalist state

i. physical infrastructure

ii. financial infrastructure

iii. legal infrastructure

-elimination of rights of “copyholders”

-criminalization of poverty: “voluntary criminals”

-laws guaranteeing the rights of property

-Napoleonic Code

iv. systems of measurement: weights and measures

v. police and military

-control domestic resistance

-further international interests

vi. externalization of social costs

4. capitalist state and the creation of empire: colonialism

a. goals of empire

i. resources

ii. labor

iii. markets

b. means

i. military conquest

ii. political control

iii. economic dependency

no industrialization

infrastructure for export

c. Example: India

5. reproduction of workers

a. public education

i. emerged with the great transformation

ii. primary function: socialization

iii. “enduring boredom”

b. unpaid labor: “women’s work”

6. technologies of production

a. funded by new bourgeoisie/capitalist state

i. extractive techniques

ii. modes of transportation

iii. factories

iv. modes of distribution

b. factories and new division of labor

c. disempowerment of the worker: deskilling

d. what technology was not funded?

7. ideological justifications

a. John Locke and “private property”

i. natural rights of “man” are life, liberty and property

ii. “By his labor a man acquires as his property the products of his labor.”

property becomes a possession (private) when

one mixes one’s labor with it

not worked “properly” can be taken by someone who

will work it properly.

if there is enough land left for everyone else

disproportionates ownership of land can be sanctioned by the state with the consent of the people

iii. private property teaches values of “frugality and prudence”

to the “backward” peoples

b. Thomas Hobbes and “human nature”

i. human beings in state of nature in perpetual conflict

ii. human nature: competitive, maximizing individuals

iii. individual is fundamental unit of social organization

c. Economists and discovery of free market

i. objective, neutral scientists of the economy

ii. discovered market place and its laws

iii. it is natural, inevitable

d. classical social theory

i. social evolution

ii. society following law-like stages

iii. progress towards utopia

iv. instrumental theory of technology

e. Reformation

i. free market system has transcendent significance

i. individual pursuit of profit, accumulation of wealth point to

something beyond

ii. individual salvation

C. early “free market system” in U.S.

1. legal and political invention of the “corporation”

2. Social Darwinism