

# Final Review

PEIS 100

How did some concepts of political economy change from Plato to Lenin?

# Can you identify these quotes?

- we must expect that anti-imperialist tendencies will show themselves wherever capitalism penetrates the economy and, through the economy, the mind of modern nations -- most strongly, of course, where capitalism itself if strongest, where it has advanced furthest, encountered the least resistance, and preeminently where its types and hence democracy -- in the "bourgeois" sense -- come closest to political domination.

- For if, indeed, the German stock is to be swallowed up in Roman civilization, it were better that it had fallen before the Rome of old than before a Rome of today. The former we resisted and conquered; by the latter you have been ground to dust. Seeing that this is so, you shall now not conquer them with temporal weapons; your spirit alone shall rise up against them and stand erect.

- . "The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society....All fixed, fast-frozen relations, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind."

- . “The English have given the Continent presents of immense value in the form of subsidies, but the Continental nations have paid for them dearly by the loss of power. These subsidies acted like a bounty on exportation in favour of the English, and were detrimental to the German manufactories... if in the use of their new process [the English] merely obtain a start of a few years over the Germans, in such a case, were it not for protective duties, one of the most important and oldest branches of Germany's industry will be ruined.”

- . “It is beyond doubt, therefore, that capitalism’s transition to the state of monopoly capitalism, to finance capital, is connected with the intensification of the struggle for the partitioning of the world.”
- “Servants, labourers, and workmen of different kinds, make up the far greater part of every great political society. But what improves the circumstances of the greater part, can never be regarded as an inconvenience to the whole. No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged.”

- And how will they proceed? Will each bring the result of his labours into a common stock?--the individual husbandman, for example, producing for four, and labouring four times as long and as much as he need in the provision of food with which he supplies others as well as himself; or will he have nothing to do with others and not be at the trouble of producing for them, but provide for himself alone a fourth of the food in a fourth of the time, and in the remaining three-fourths of his time be employed in making a house or a coat or a pair of shoes, having no partnership with others, but supplying himself all his own wants?

- “Nature, which formed men for that mutual kindness, so necessary for their happiness, renders every man the peculiar object of kindness, to the persons to whom he himself has been kind.”
- “I am for a government rigorously frugal and simple...[and not] for increasing, by every device, the public debt, on the principle of its being a public blessing.”

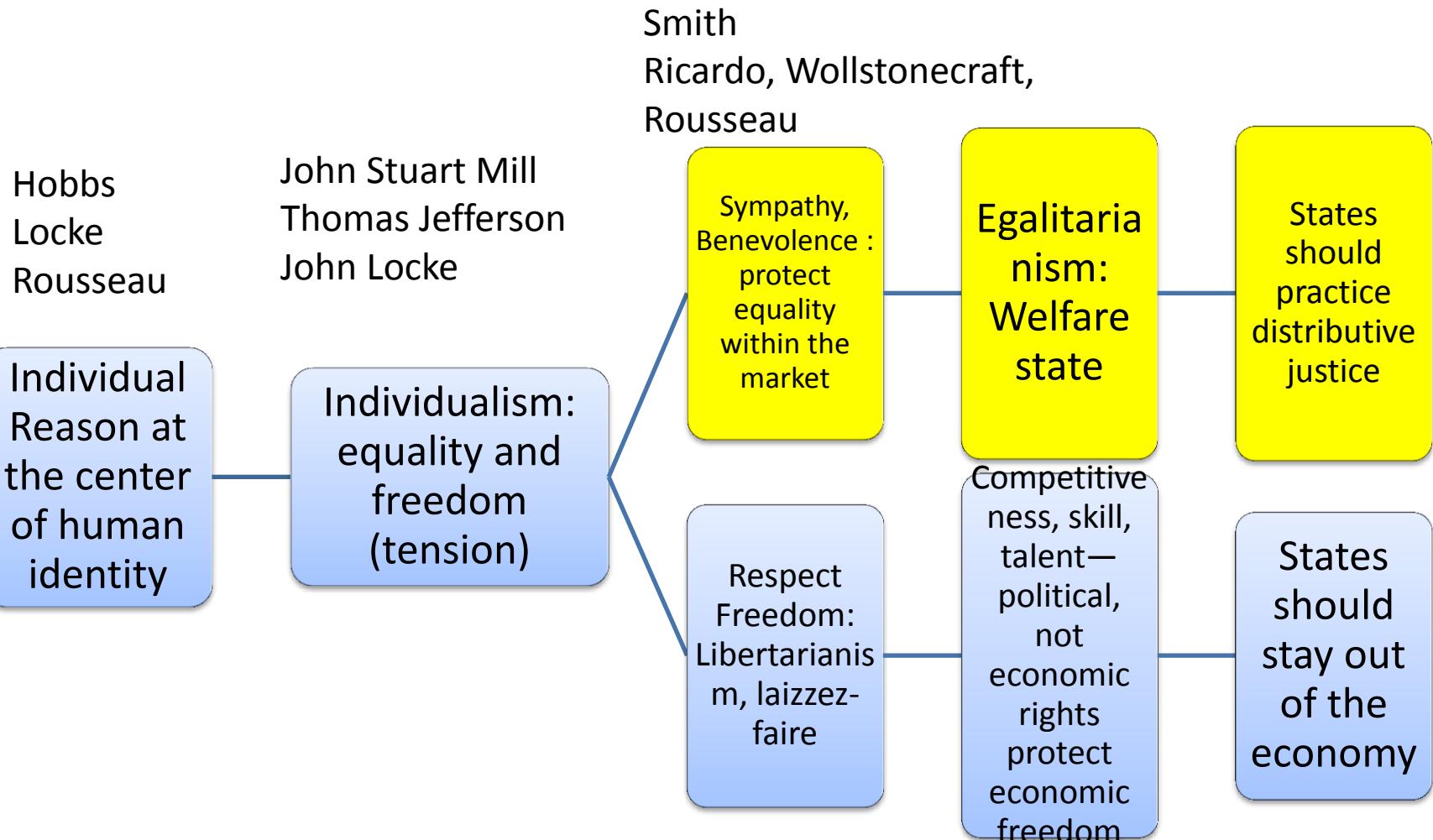
- The preposterous distinctions of rank, which render civilization a curse, by dividing the world between voluptuous tyrants, and cunning envious dependents, corrupt, almost equally, every class of people, because respectability is not attached to the discharge of the relative duties of life, but to the station, and when the duties are not fulfilled the affections cannot gain sufficient strength to fortify the virtue of which they are the natural reward.

- "If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry employed in a way in which we have some advantage."

- The intellectual creations of individual nations become common property. National one-sidedness and narrow-mindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature..... **has thus rescued a considerable part of the population from the idiocy of rural life..**
- –“Cultivators of the earth are the most valuable citizens.”

- The volume of production has been constantly rising owing to the development of modern machinery. There are two main channels to carry off these products—one channel carrying off the product destined to be consumed by the workers, and the other channel carrying off the remainder to the rich. . . . One stream carries off what the rich 'spend' on themselves for the necessities and luxuries of life. The other is simply an 'overflow' stream carrying off their 'savings.' The channel for spending, *i.e.* the amount wasted by the rich in luxuries, may broaden somewhat, but owing to the small number of those rich enough to indulge in whims it can never be greatly enlarged. . .

# Freedom AND equality as the central political economy principles



"How can a man be truly free if the fruits of his labor are not his to dispose of, But are treated as part of a common pool of public wealth" --Barry Goldwater

# The Claims of Community

Plato, Aristotle,  
Aquinas  
Rousseau, Smith  
Polanyi,  
Wollstonecraft  
Bentham,  
Mazzini, Herder,  
Fichte

**Community  
at the center  
of human  
identity**

Smith, Wollstonecraft

Emotions:  
Sympathy,  
Benevolence  
(added to  
individualism)

Egalitaria  
nism,  
social  
safety  
net

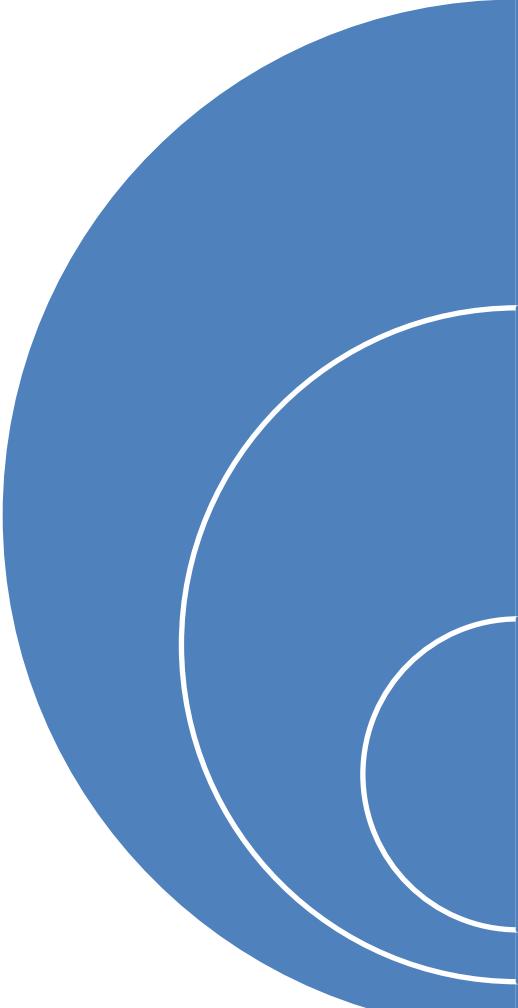
Duty,  
Virtue, greatest  
good for greatest  
number,  
economic justice

Collective, not  
individual Rights,  
disapprove private  
property

The “Good Life”  
Not connected to  
wealth and freedom

Plato, Aristotle, Rousseau, Polanyi  
(and a bit of Wollstonecraft)

## IV. Summary of Marxist Political Economy



Economic classes,  
not individuals  
are the actors



Property rights  
cement class  
inequality



Labor theory of  
value



. Class

Property

Labor creates value

Capital's expropriation of surplus value + exploitation,  
commodity fetishes, commodification and alienation

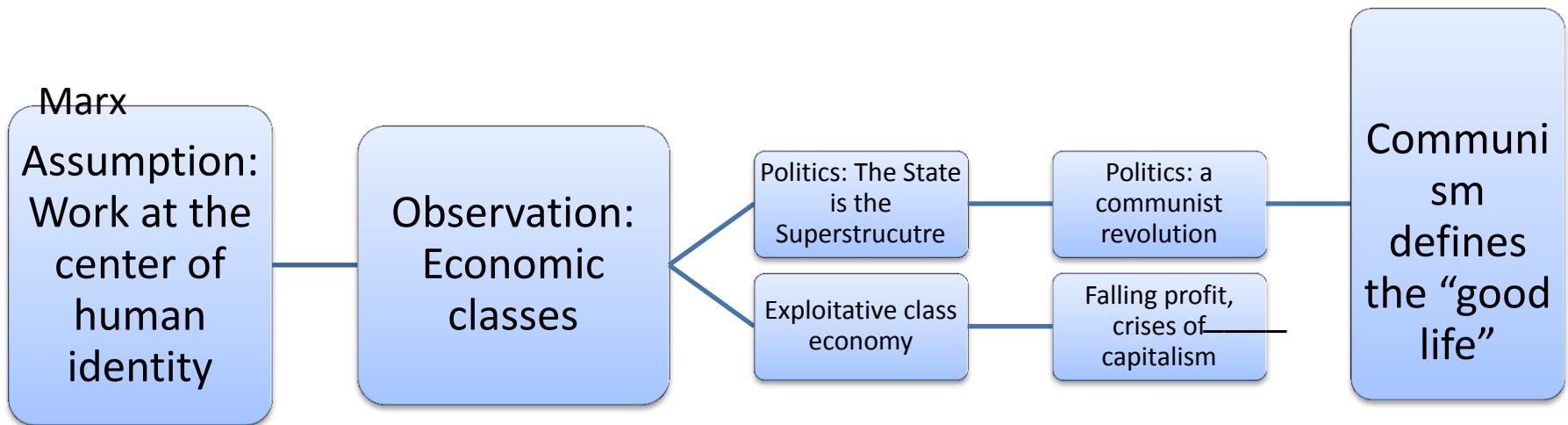
Diminishing of the surplus under market competition

Wage suppression, outsourcing, technological advance,  
search for new markets, capture of the state

But continued diminishing of the surplus

Inevitable decline of Capitalism or Revolution?

# Marx's Critique of Capitalism, prediction of its downfall, and Principles of Communal Equality



# Community as the basis for political economy decisions

Plato, Aristotle,  
Aquinas, Polanyi  
Bentham, Mazzini, Herder,  
Fichte, List, Hamilton,  
Rousseau, Marx's  
communism

Community  
(Nation) at  
the center of  
human  
identity

Duty,  
Virtue, greatest  
good for greatest  
number, economic  
justice, nation first  
before individual

Collective, not  
individual Rights,  
and distribution

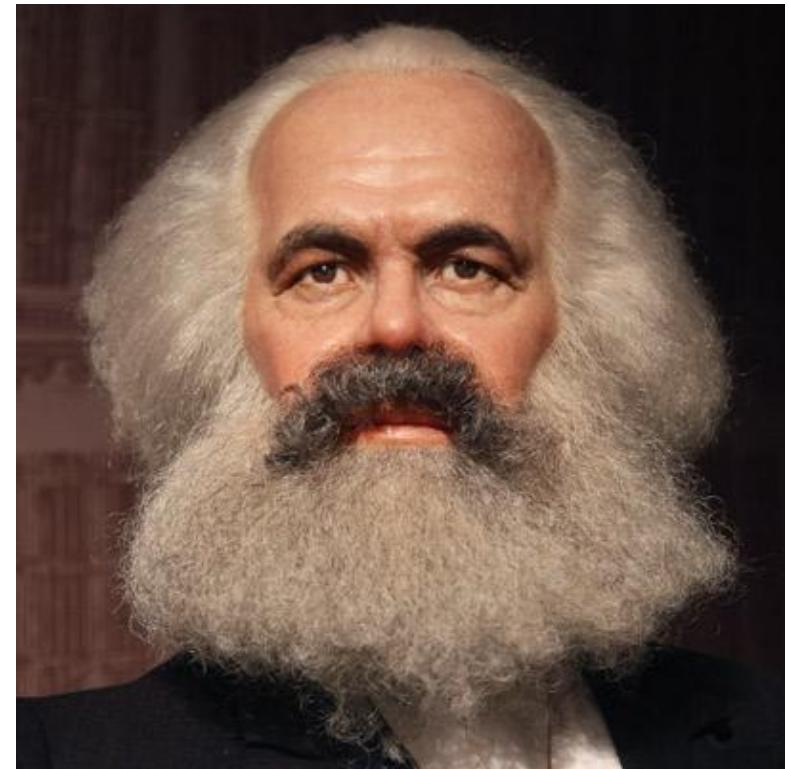
The “Good Life”  
Not connected to  
wealth and  
freedom

# **Why Nationalism? Failures of Liberalism.....**

## **And Marxism.....**

**Freedom leaves out important social needs**

**Equality (the Marxist critique of Liberalism)**



# Civic (Liberal) Nationalism vs. Ethnic Nationalism

- Ethnic Nationalism is squarely in the “Community” camp
- Why?
- Who is associated with this school of thought?
- Civic (Liberal) Nationalism straddles the Freedom and Community camps
- Why?
- Who is associated with this school of thought?

# A. Venn Diagram

## Group Identity

