

Which Purpose for organizing Political Economy do you prefer?

- A. Freedom (Economic Liberalism)
- B. Freedom and Equality of opportunity (Political Liberalism 1)
- C. Freedom and Distributive Justice (Political Liberalism 2)
- D. Radical Equality and Equal Sharing

Elective affinities and circumstantial conjectures:

The Current situation in Hong Kong shows that

in that case....

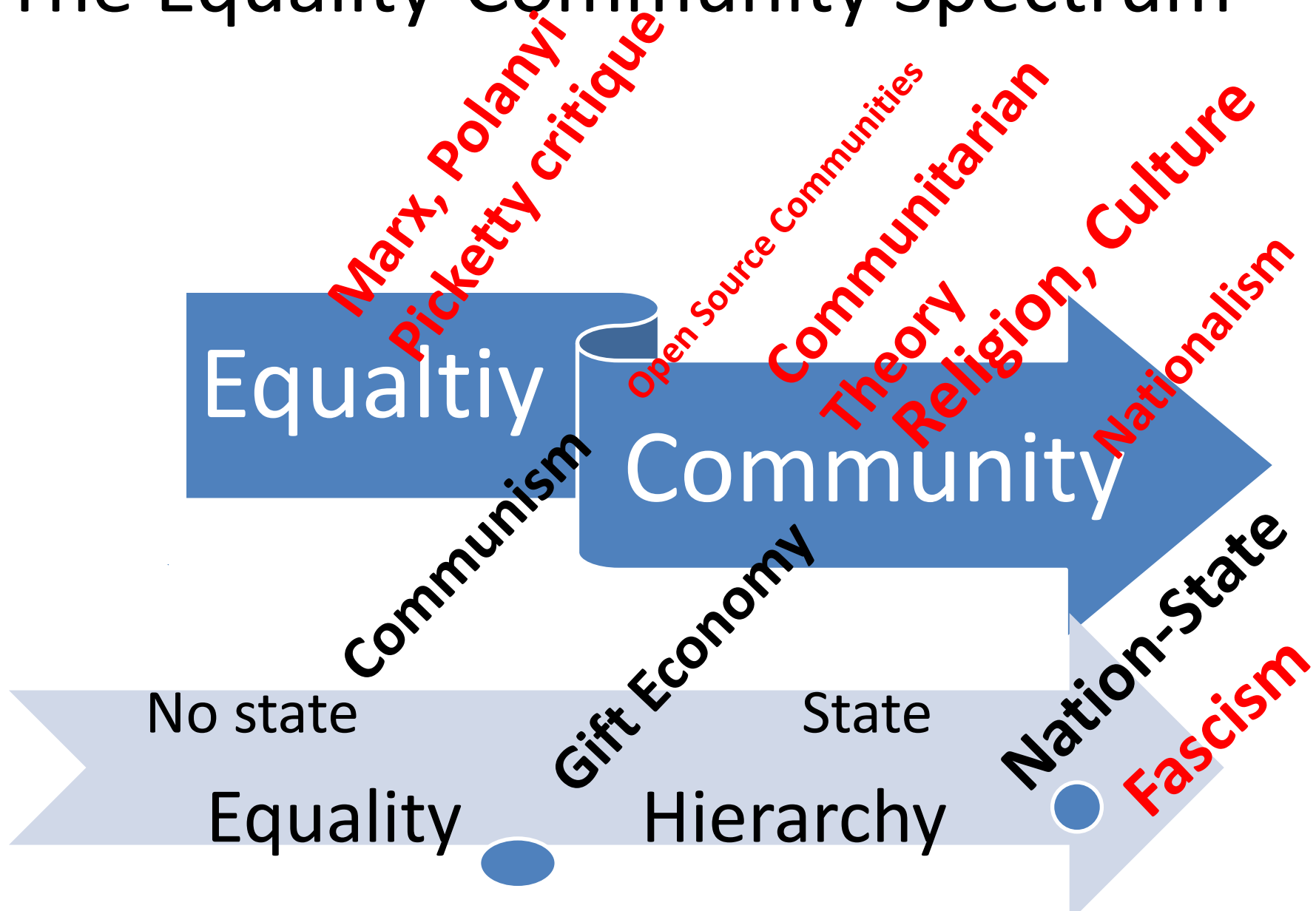
- A. free markets lead to demands for democracy
- B. markets need authoritarian states
- C. free markets do not automatically lead to democracy
- D. there is no relationship between markets and democracy-----demand for democracy is independent of a market economy
- E. What situation in Hong Kong?



Political Economy of Community

Varieties of Community

The Equality-Community Spectrum



The Community Menu:

- What Are Communities and why are they important in Theories of Political Economy?
- Communities of equality
 - Communist communities
 - Gift economies
 - Polanyi's examples
 - Digital Communities and anti-rival goods
- Communities governed by hierarchy
 - Religious community
 - Islamic Economics
 - Cultural Community—Lee Kwan Yew
 - Nation as Community
 - Liberal nations
 - The State as the spiritual embodiment of the Nation
 - Fascism

Why community as a purpose: Even more than freedom and equality, humans long for community

- People crave for an identity bigger than themselves
- This was Marx's utopian vision
- "this is an age of economic interdependence and Welfare States...but also an age of spiritual insecurity..."
- Community provides security

Political Economy of Community: Basic Principles of communitarianism

- No individuals or classes-- **identification with the community**
- No rational self-interest, profit or class struggle, **altruism, diffuse reciprocity, and “self-realization” through contribution to the community**
- No Market competition, no equal opportunity, or distributive justice.....**communal sharing**
- No private property.....**communal stewardship**
- Instead of freedom or equality.....**communal solidarity and security**

Political Economy of Community

POWER, Purpose

Distributed equally
Or hierarchies of
authority

AND

Security and Community
well being in line with a
Moral /cultural
/Ideological code

Distributed equally or
equitably in order to
meet Social priorities

WEALTH

Communities of equality: Communism and Communal sharing among equals

- **Communal Sharing (CS)**
everyone is equivalent
and undifferentiated

Marx:

“to each according to
his need, from each
according to his ability



Review: Communal Sharing and Kibbutzim: Why the Decline? Can such communities really last?

- **The strengths:** security, radical distributive justice, public goods
- **The Decline:** Members left and Kibbutzim became less equal
- **Why?**, Adverse selection, Moral Hazard, Brain Drain
- Does this support the Liberal Economic model?
 - Individual rationality trumps communal equality?
 - Free riders
 - inequality of talent/inequality of income/tolerance of economic inequality and the insecurity of the market

Review: Extreme Equality and Community as the purpose of political economy: “gift economy”

- property is owned by the community—stewardship, not ownership
- labor and the fruits of labor are shared
- **social status ?**
- **Diffuse reciprocity**
- **gifts create community**
- **Value is not determined by price but by communal solidarity**
- **Polanyi’s Examples**
- **Open Source and shared economies**

Review: Digital technology may be creating community through a “gift economy”

- Radically different Mode of production
- Property is communal
- Challenges the profit system
- Overcomes problems of collective action



Is this a community like Marx's communist utopia?

- "We are enabling Internet users to author their own content. Think of it as empowering citizen media. We can help smash the elitism of the Hollywood studios and the big record labels. Our technology platform will radically democratize culture, build authentic community, create citizen media."



No because it creates freedom



Equality, AND community.....



How? Digital goods are are ‘anti-rival’”

- If I consume it, I don't take it away from you
- But how does it get provided when there are free riders?



Incentives.....

- Money? Profit? No.
- High compensation doesn't attract the very best. It attracts the greediest.”
- Truly great people strive for **more than** wealth
- Could a “gift economy” satisfy human needs and desires?
- **Could a Gift economy really work?**

Maybe not.....Digital goods undermine market economies

- What about exchange?
- What about price?
- What about profit?
- What about intellectual Property?

The market will find ways
To make a profit!



Social Media: Equality, community, Big Brother, or another form of market manipulation?



Community Purpose under Hierarchies and unified moral/ideological code

- They work better than communities of equality
- Why? Political power backed by moral/ideological code can keep the market at bay or use the market to assist the community purpose
 - Religious communities
 - Cultural communities
 - National communities
 - Liberal nationalism?
 - fascism

Religious Community: Islamic Economics (Mohammad Umar Chapra)

- Three characteristics:
 - Multifaceted ownership
 - Freedom within limits: personal and external
 - Principle of social justice—much like distributive justice
- Corporatism...Combines religious norms with the market
- Communitarian principles: (Nisbet)
 - Assumptions about Human Well being
 - Assumptions about scarcity: More is not necessarily better than less. May be better if.....
 - Social Interest must constrain Self-Interest
 - No harmony between self-interest and social interest
- The filter of moral values
 - Two levels of filtering
- Role of the State
- Implementation of Islamic Economics: Banking, finance, and Zakat