

Title: The Postmodern Character of Capital

Author: James E Sawyer, Seattle University

ABSTRACT

Economic postmodernism is characterized by consumer satiation of basic goods and services, technological acceleration, a widening dispersion between the "haves" and the "have nots," environmental limits, and the qualitative pursuit of lifestyle, among others. In mature industrial societies - the object of Keynesian stabilization policies during the Great Depression - capital investment was a technically specified, homogeneous quantity. Unemployment could be resolved, theoretically, by a government stimulus of a specific magnitude, regardless of the form in which the stimulus might be introduced. By contrast, in contemporary postmodern societies, investment may possess qualitative as well as quantitative aspects. It becomes whatever society deems it shall be in order to connect the incremental reality of the present with the rational attainment of some future scenario. It is the innate character of choices and sacrifices made by the contemporary generation in order to empower future generations with regard to environment and lifestyle, among other manifestations.

In free societies, the qualitative nature of capital is resolved through non-market collective choice. It becomes the asset base necessary to move from the status quo toward some other preferred socio-economic scenario. This requires voters, today, to select among alternative scenarios, in order for the one that is chosen to come to fruition some number of years into the future. Such a process of nonmarket choice is indicative planning. Literally, it is the qualitative act by society of "indicating" among various scenarios, the one that will become politically and economically mandated.

With the nature of capital resolved, the appropriate rate of profit on capital becomes that minimum rate necessary to call forth a given quantity of the agreed upon qualitative stock of assets. A goal of public policy in this regard should be to encourage capitalists to remain "married" to their assets for some relevant period. Subsidies and favorable public treatment are among the ways that positive incentive structures may be reinforced. Similarly, taxation and regulation are among the disincentives that may be applied to dissuade "rentier" behavior associated with the mere perpetuation of the status quo.

Jim Sawyer
Political Science Department
Seattle University
Seattle, WA 98122
jsawyer@seattleu.edu
206.296.5457