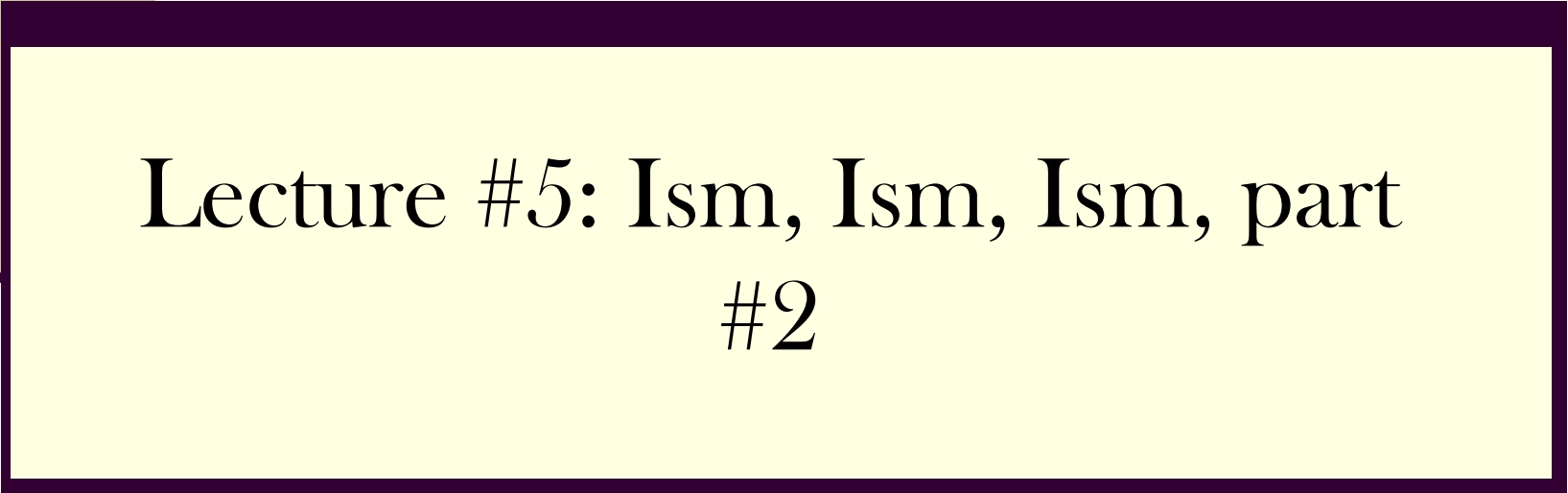





# Making of the Modern World 122



Lecture #5: Ism, Ism, Ism, part  
#2

# *On Liberty*

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- Things to understand about *On Liberty*
  - Tyranny of the Majority
  - Harm Principle
  - Paternalism
  - Free Speech and Discussion

# The Tyranny of the Majority

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- “And in general, those who have been in advance of society in thought and feeling, have left this condition of things unassailed in principle, however they may have come into conflict with it in some of its details. They have occupied themselves rather in inquiring what things society ought to like or dislike, than in questioning whether its likings or dislikings should be a law to individuals.”

# Freedom of Thought and Discussion

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- Why free thought, speech, and discussion:
  - Humans can be wrong. Free speech can correct that.
  - Mostly false beliefs can have a grain of truth.
  - Discussion of even falsehoods forces people to justify rather than accept dogma
  - Dissent encourages critical thinking and individuality.

# Human Nature

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- “Human nature is not a machine to be built after a model, and set to do exactly the work prescribed for it, but a tree, which requires to grow and develop itself on all sides, according to the tendency of the inward forces which make it a living thing.”

-John Stuart Mill

# Romantic Liberalism

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“Out of the crooked timber of humanity...”

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# The Harm Principle

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- “...the only purpose for which power can be rightfully exercised over any member of a civilized community, against his will, is to prevent harm to others. His own good, either physical or moral, is not a sufficient warrant. He cannot rightfully be compelled to do or forbear because it will be better for him to do so, because it will make him happier, because, in the opinions of others, to do so would be wise, or even right.”

-John Stuart Mill



# Individuals create Society

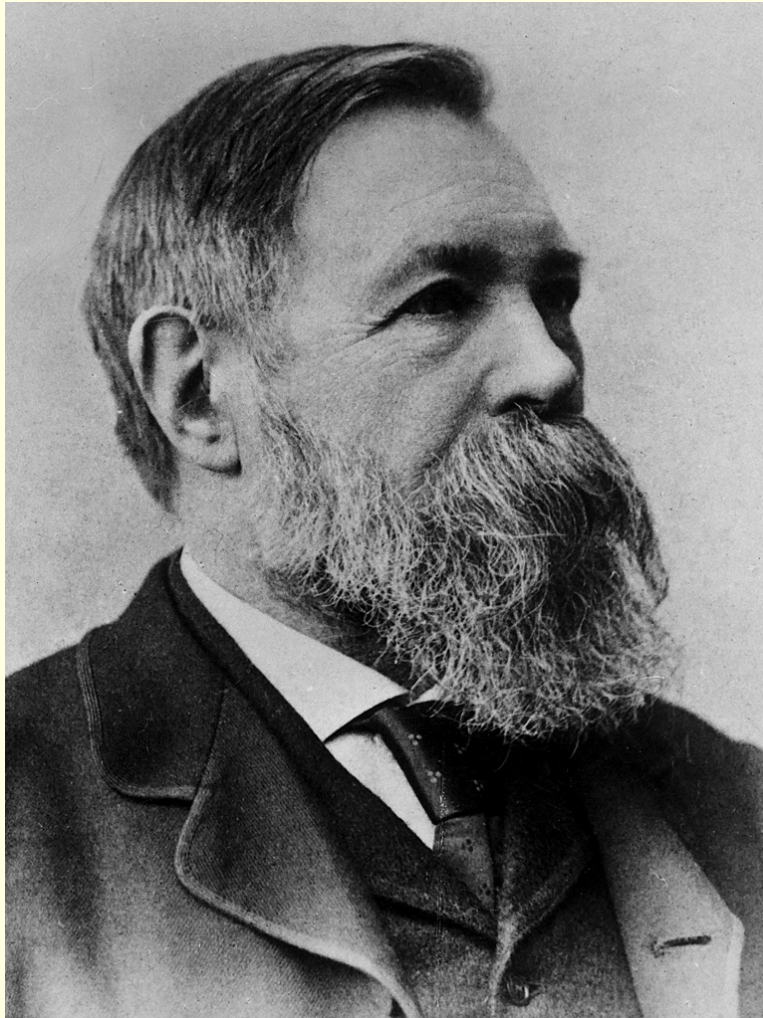
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- “The worth of a State, in the long run, is the worth of the individuals composing it;... a State which dwarfs its men, in order that they may be more docile instruments in its hands even for beneficial purposes—will find that with small men no great thing can really be accomplished; and that the perfection of machinery to which it has sacrificed everything will in the end avail it nothing, for want of the vital power which, in order that the machine might work more smoothly, it has preferred to banish.”

-John Stuart Mill

# Friedrich Engels

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- 1820-1895
- *The Conditions of the Working Class in England* (1845)
- *The Communist Manifesto* (1848)

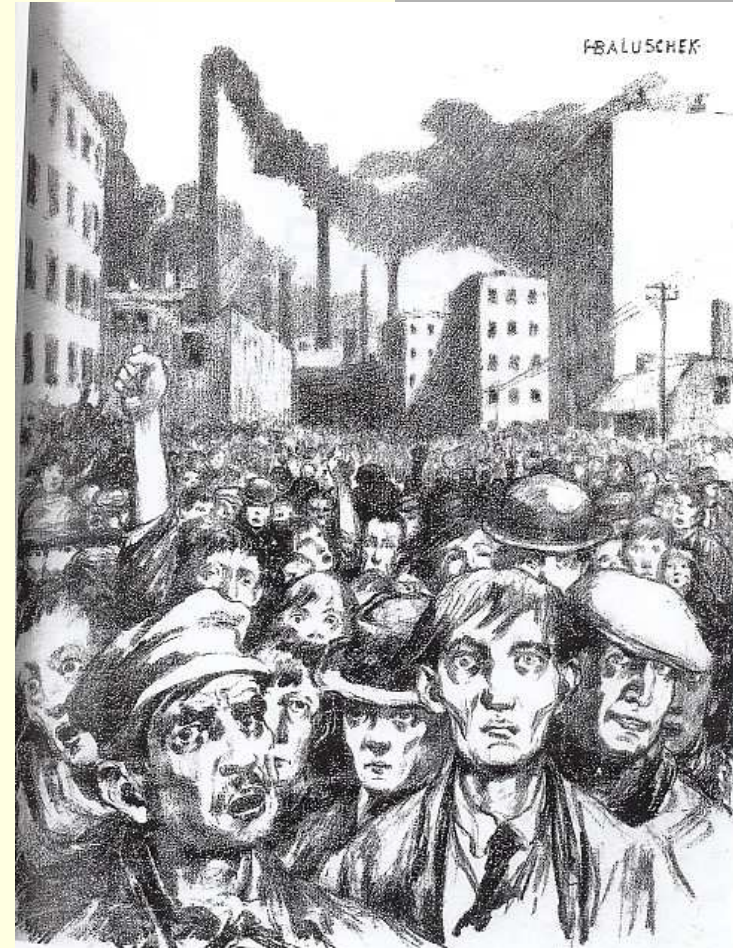
# Manchester

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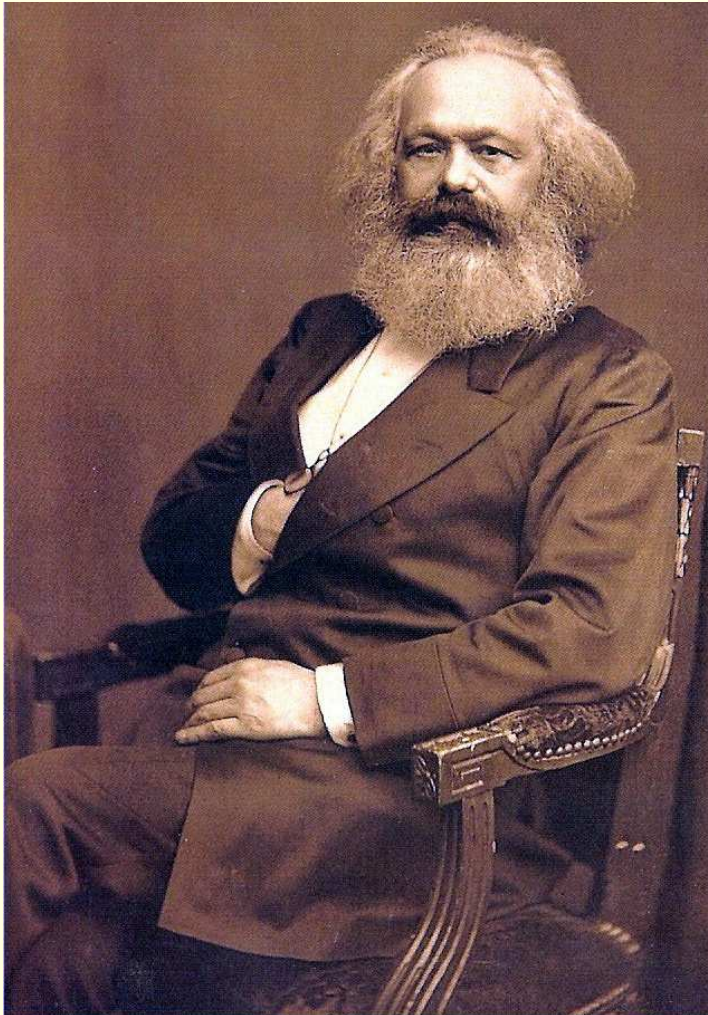




# The Proletariat



# Karl Marx



- 1818-1883
- Middle Class family
- Lives & works from London w/ Friedrich Engels
- *The Communist Manifesto* (1848)

# Historical Materialism

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- Reality is made by things rather than ideas
  - things precede ideas
- There is no “human nature”
- Our nature is created by social relations
- Society determines the individual
  - Different than Mill
- “The history of all hitherto existing society is the history of class struggles”
- The current age pits bourgeoisie vs. proletariat

# Dialectic, Hegel, and Marx

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- Hegel (1770-1831) revived the idea of dialectic in modern philosophy.
- Marx picked up the idea of dialectic from Hegel and argued that history unfolds through dialectic.
  - Thesis -> antithesis -> synthesis
  - owners -> workers -> communist utopia
- This is dialectical materialism



# Marx's Conflict Theory

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- Society is divided into two groups
  - Owners = bourgeoisie
  - Workers = proletariat

“The modern bourgeois society that has sprouted from the ruins of feudal society has not done away with class antagonisms. It has but established new classes, new conditions of oppression, new forms of struggle in place of the old ones.”

-Marx and Engels



# Conflict Theory

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- The Bourgeoisie = owners, industrialists, “middle-class”, capitalists
  - i.e. the folks with the assets
- The Proletariat = workers, urban poor, lower classes, dispossessed
  - i.e. the folks with only their labor to sell

# Surplus Value

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- Workers create more than they are paid
  - i.e. You work at a factory and create \$300 worth of stuff in a day, but your wage is \$100
- Where does the extra value go?
  - To the owner of the factory; the owner of the “means of production”

# Owners and Workers

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- Owners exploit workers and live off the money (surplus-value) which workers create
- Workers put up with this inequality because:
  - They are oppressed wage slaves and cannot fight the system.
  - They are indoctrinated by ideology and religion into believing what they are told by the powerful.

# Base & Superstructure

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- Base → Superstructure
- The modern state was established by the bourgeoisie
- The bourgeoisie made the rules for their own benefit
  - Strong property rights
  - Law & Order
  - Individualism
  - Representative democracy
  - Nationalism

# Capitalism & Crisis

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- “Modern bourgeois society, with its relations of production, of exchange and of property, a society that has conjured up such gigantic means of production and of exchange, is like the sorcerer who is no longer able to control the powers of the nether world whom he has called up by his spells.”

-Marx and Engels

# Capitalism & Crisis

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- Capitalism requires constant revolution in its means and product
  - Constant Instability
  - Cycles of boom and bust
  - Overproduction leads to crises and quest for new markets
  - Requires constant expansion
  - The crises keep getting worse
  - Links capitalists globally in common interest (cosmopolitan elites separate from ordinary people)
  - Commodifies everything, including people
    - Individuals become “labor”

# Communism

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- Abolition of property in land
- Progressive income tax
- Abolition of inheritance rights
- Nationalization of banking
- Nationalization of transport and communication
- Common planning for industry
- Free education in public schools
- A proletarian system

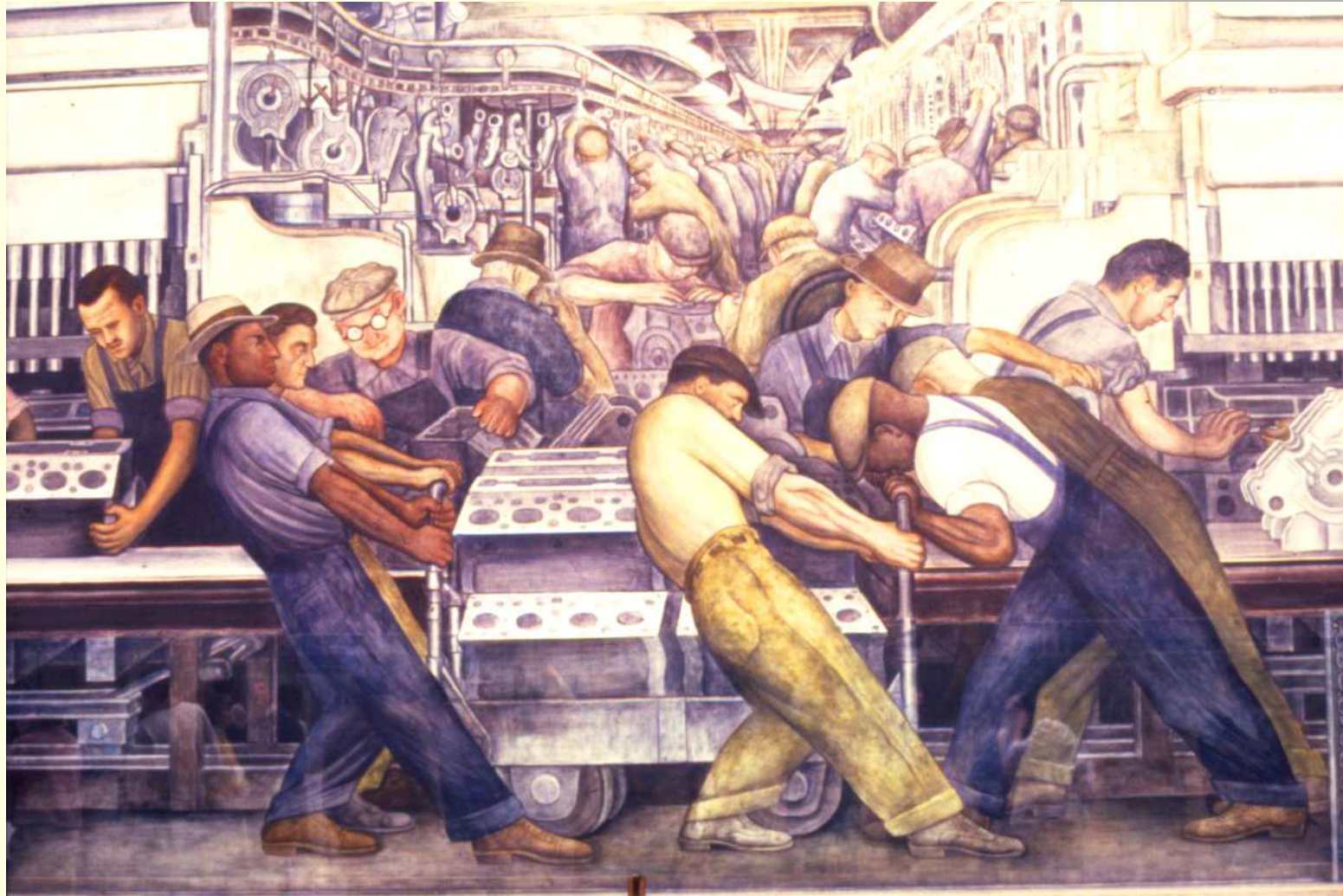
# Summary

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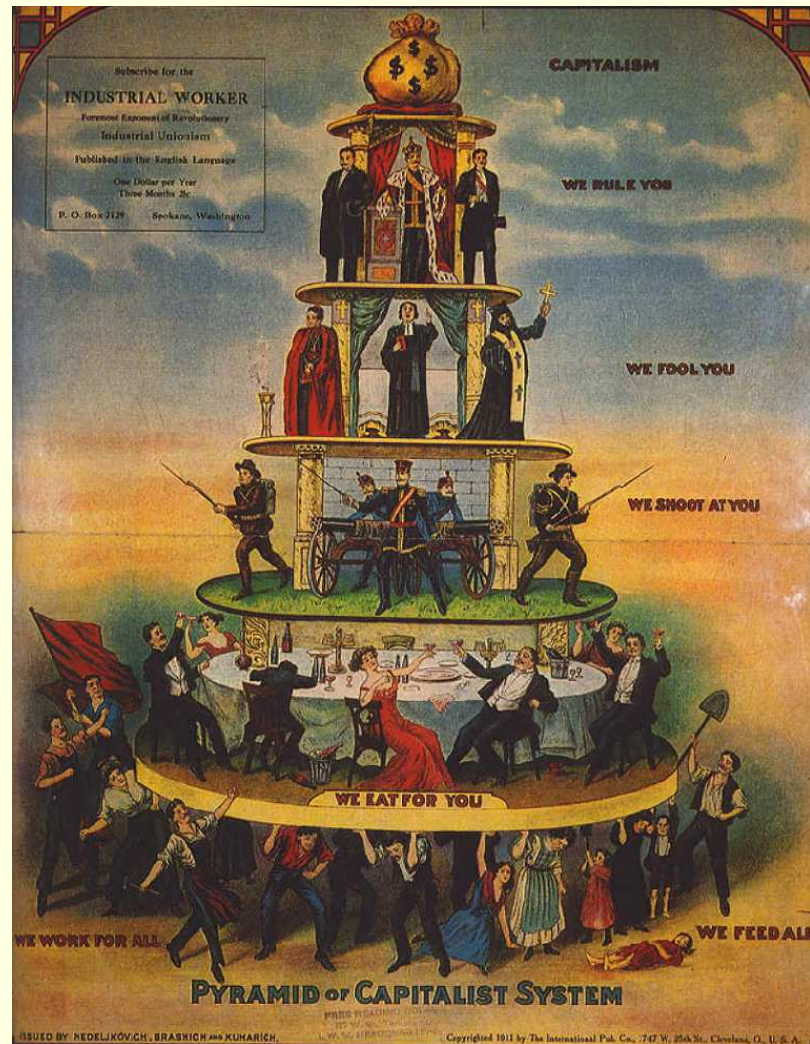
- Situates capitalism historically
- Old “progress” is replaced by new “progress”
- Material things drive society
- Workers share a common interest everywhere
- International Communism to change the world



# Fanfare for the Working Man



# Marx & Inequality





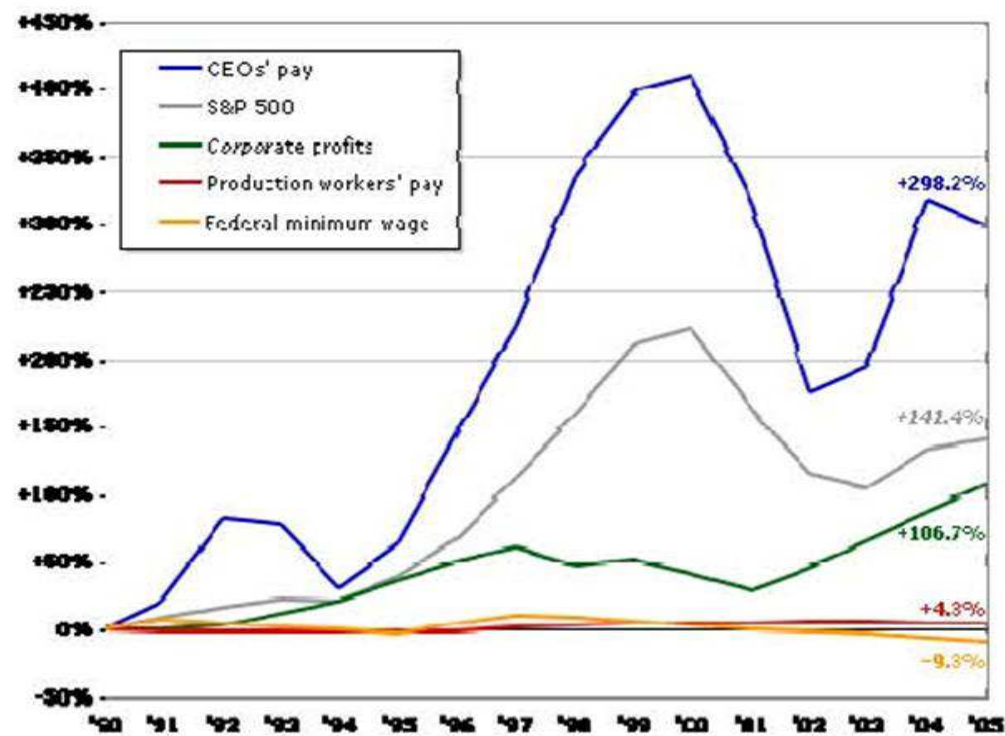
# Marx & Modern Times

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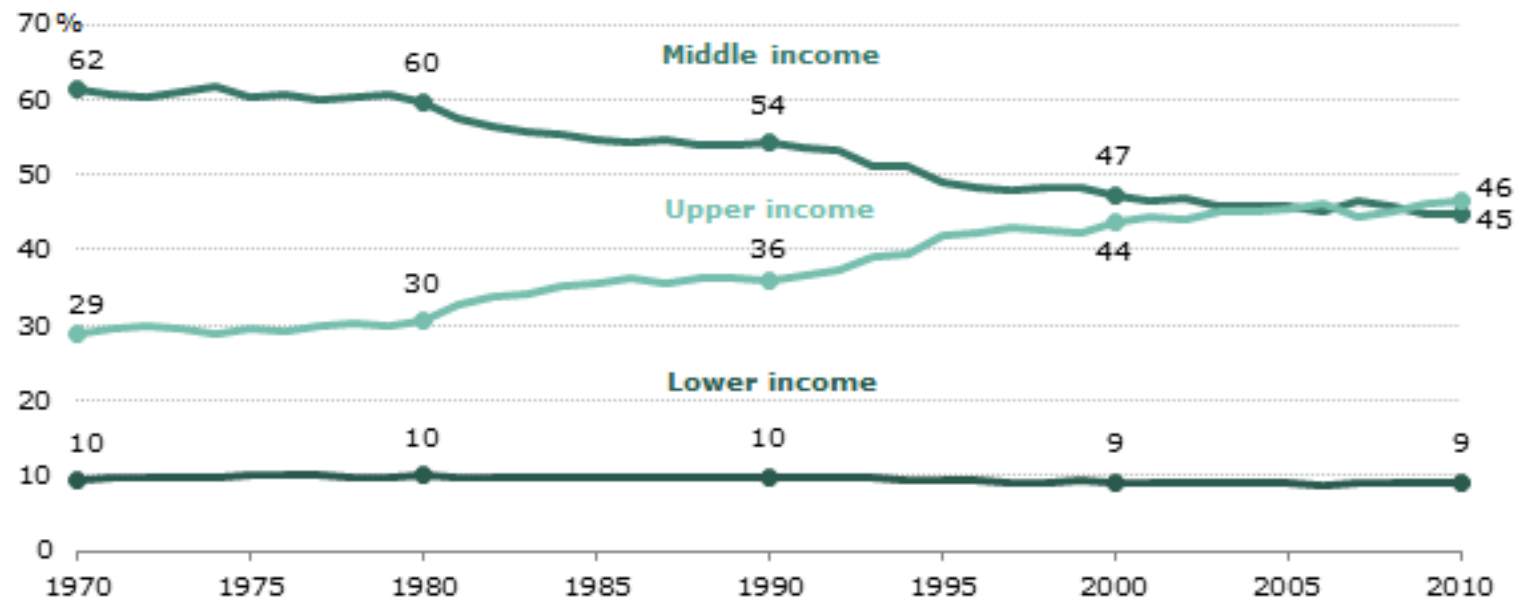
# Inequality in America

CEOs' average pay, production workers' average pay, the S&P 500 Index, corporate profits, and the federal minimum wage, 1990-2005 (all figures adjusted for inflation)



# Inequality in America

**Percentage Distribution of U.S. Aggregate Household Income, by Income Tier, 1970-2010**



Notes: Households are assigned to income categories based on their size-adjusted income in the calendar year prior to the survey year (e.g., 2010 income is reported in the 2011 survey). Their unadjusted incomes are then totaled to compute the share of an income group in U.S. aggregate household income. Percentages in each year may not add to 100% due to rounding.

Source: Pew Research Center tabulations of the Current Population Survey, Annual Social and Economic Supplements, 1971-2011

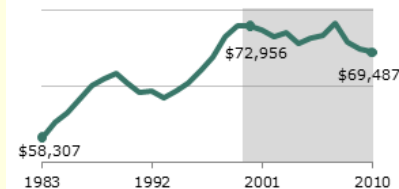
PEW RESEARCH CENTER

# Inequality in America

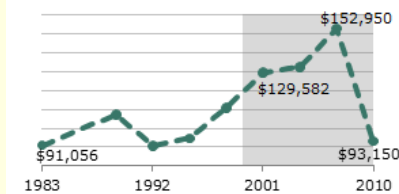
## A Decade of Decline

### Middle-Tier Median Household Income Falls ...

Incomes are scaled to reflect a three-person household (in 2011 dollars)

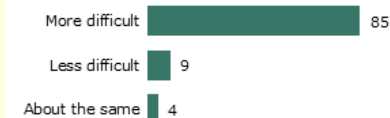


### ... Median Net Worth Plummets ... in 2011 dollars



### ... and the Middle Class Says its Lifestyle is Harder to Maintain

% of middle-class who say it is ... for middle class to maintain standard of living today than 10 years ago



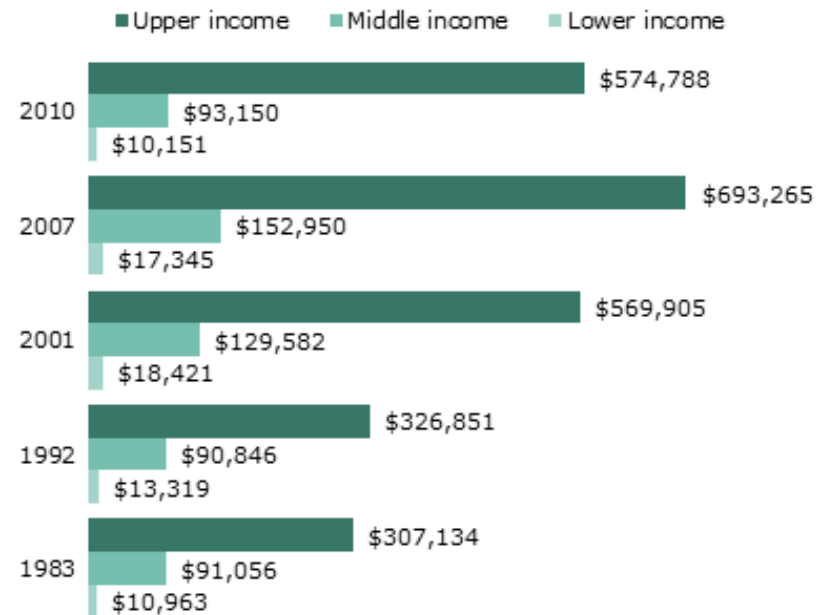
Notes: Income and wealth trends based on households with household-size adjusted incomes 67% to 200% of the national median. Attitudes chart based on respondents who say they are middle class, n=1,287. "About the same" is a volunteered category. "Don't know/Refused" not shown.

Source: Pew Research tabulations of the Current Population Survey, Annual Social and Economic Supplements, 1984-2011, and Survey of Consumer Finances, 1983-2010; Pew Research survey, July 16-26, 2012

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## Median Net Worth of Lower-, Middle- and Upper-Income Families, 1983-2010

In 2011 dollars



Notes: Median net worth is the difference between the assets owned and liabilities held by a family. Families are assigned to income categories based on their size-adjusted family income.

Source: Pew Research Center tabulations of Survey of Consumer Finances data, 1983-2010

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# Unequal Democracy?

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Robert Dahl in *Who Governs?* studying Connecticut politics in the 1950s asked:

- “In a political system where nearly every adult may vote but where knowledge, wealth, social position, access to officials, and other resources are unequally distributed, who actually governs?”
- Dahl concluded that power is widely dispersed.

# But is that still true?

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- Political Scientist, Larry Bartels, wrote the book *Unequal Democracy: the Political Economy of the New Gilded Age* (2008).
- Bartels uses data from the Senate Election Study, which has detailed questions about the attitudes of almost 10,000 US citizens of voting age, on various issues legislations and their general attitudes. He compares this to voting patterns of the representatives from the 101st, 102nd and 103rd Congresses (elected in 1988, 1990 and 1992).



# Inequality & Politics

Bartels (2008)	101 <sup>st</sup> Congress	102 <sup>nd</sup> Congress	103 <sup>rd</sup> Congress	1989-94 (Pooled)
Low- Income	-.11 (.61)	-.50 (.59)	-.39 (.55)	-.33 (.44)
Middle- Income	2.47 (.72)	2.91 (.71)	2.58 (.65)	2.66 (.60)
High- Income	4.73 (1.03)	4.43 (.99)	3.22 (.92)	4.15 (.85)

Ordinary least squares regression coefficients (with standard errors in parentheses)

# Unequal Democracy

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**Bartels's Conclusion:** Senators highly “responsive” to (i.e., highly correlated with) their high income voters, somewhat responsive to their middle-income voters and not responsive at all to their low income voters (in fact negatively associated if anything, though not significant).

# Why?

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- Bartels argues that politicians are responsive to campaign contributions.
- Also, as a whole, politicians are also themselves quite wealthy.
- Similar result in Martin Gilen's *Affluence and Influence: Economic Inequality and Political Power in America* (2012)

“There are two things that matter in politics. The first is money. I can’t remember the second..”

-Mark Hanna (President McKinley’s campaign manager)

# Wealth & Congress

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- Average wealth of a US Senator: ~13 million (2009)
- Average wealth of a member of the House of Representatives: ~5 million (2009)

# Wealth & Congress

<u>Darrell Issa (R-Calif)</u>	\$303,575,011
<u>Jane Harman (D-Calif)</u>	\$293,454,761
<u>John Kerry (D-Mass)</u>	\$238,812,296
<u>Mark Warner (D-Va)</u>	\$174,385,102
<u>Jared Polis (D-Colo)</u>	\$160,909,068
<u>Herb Kohl (D-Wis)</u>	\$160,302,011
<u>Vernon Buchanan (R-Fla)</u>	\$148,373,160
<u>Michael McCaul (R-Texas)</u>	\$137,611,043
<u>Jay Rockefeller (D-WVa)</u>	\$98,832,010
<u>Dianne Feinstein (D-Calif)</u>	\$77,082,134

# Money & Politics

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## 2008 Presidential Election (\$ Raised)

- Barack Obama (\$745 million)
- John McCain (\$368 million)

# Citizens United v. FEC (2010)

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Decision by the United States Supreme Court that corporate funding of independent political broadcasts in candidate elections cannot be limited under the First Amendment.

# The Opinion of the Court

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“If the First Amendment has any force, it prohibits Congress from fining or jailing citizens, or associations of citizens, for simply engaging in political speech.”

-Justice Anthony Kennedy



# The Dissenting Opinion

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“At bottom, the Court's opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining self government since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt. It is a strange time to repudiate that common sense. While American democracy is imperfect, few outside the majority of this Court would have thought its flaws included a dearth of corporate money in politics.”

-Justice Stevens (in dissent)

# So, what do we think?

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- Let's consult two philosophers: John Stuart Mill and Karl Marx

# Mill and Free Speech

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- Mill argued in his work *On Liberty* that free speech is crucial to the greatest happiness for the greatest number, for happiness in the long term can only be achieved through knowledge, and only free speech promotes knowledge; restricting free speech ultimately stifles knowledge and learning.
- But free speech isn't always free. It costs money, so does this matter?

# Marx and Free Speech

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- “The ideas of the ruling class are in every epoch the ruling ideas, i.e. the class which is the ruling material force of society, is at the same time its ruling intellectual force”
- Marx argues that society’s ideology is important, because it confuses alienated groups and can create false consciousness such as commodity fetishism

# Inequality and free speech: Campaign Finance Reform

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- The wealthy are capable of purchasing advertisements on behalf of politicians and issues. The poor are less able to do so. Rich people are capable of more “free speech” than the poor.
- Is this a problem?
- Should we attempt to limit the free speech of individuals in order to limit this inequality?

# Mill on the Party System

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- “In politics, ... a party of order or stability, and a party of progress or reform, are both necessary elements of a healthy state of political life”
- “Unless opinions favorable to democracy and to aristocracy, to property and to equality, to co-operation and to competition, to luxury and to abstinence, to sociality and individuality, to liberty and discipline, and all the other standing antagonisms of practical life, are expressed with equal freedom, and enforced and defended with equal talent and energy, there is no chance of both elements obtaining their due...”

# “Creating a World After Its Own Image”

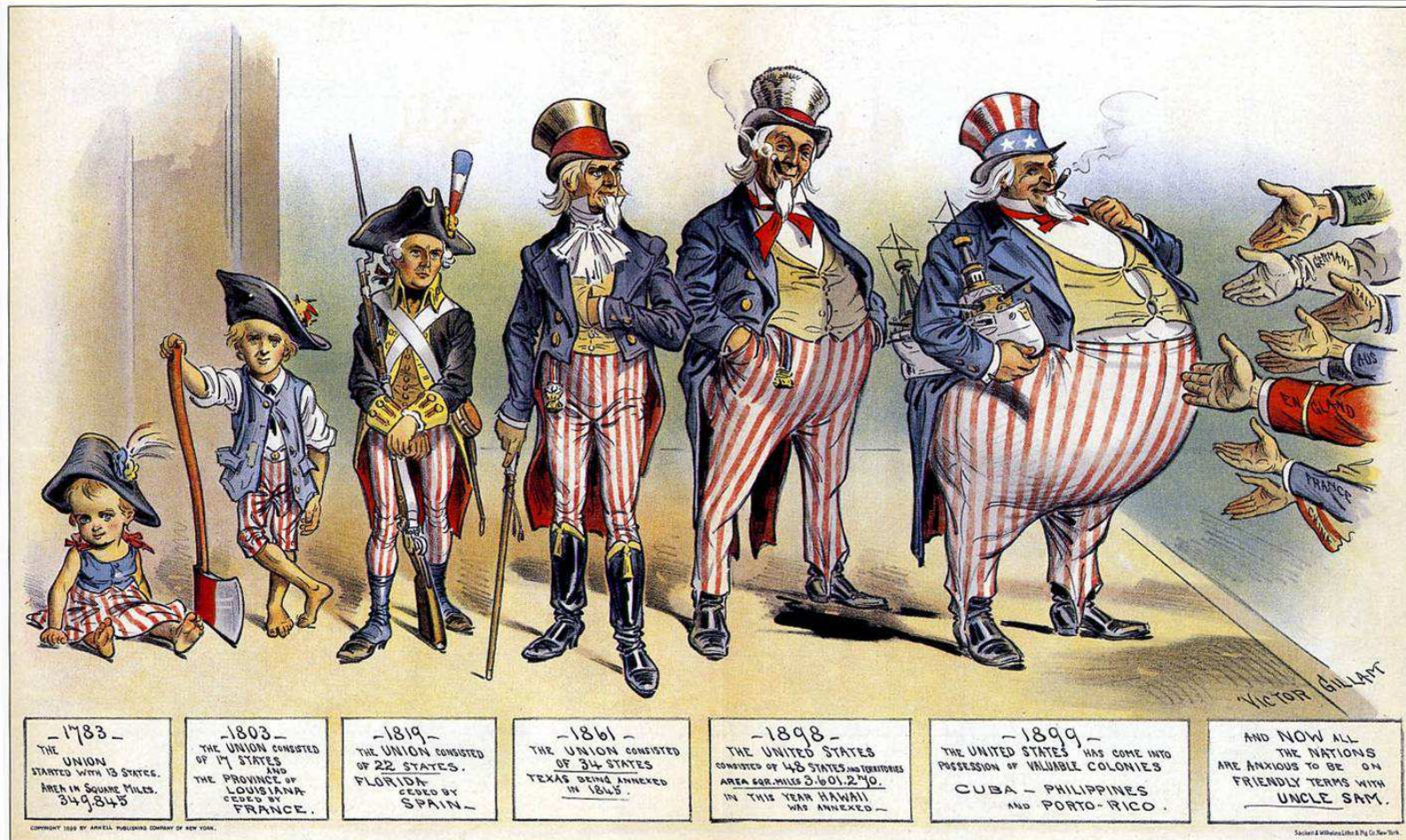
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“The need of a constantly expanding market for its products chases the bourgeoisie over the entire surface of the globe. It must nestle everywhere, settle everywhere, establish connections everywhere...”

“It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image.”



# Imperialism



"A LESSON FOR ANTI-EXPANSIONISTS."  
 "Showing how Uncle Sam has been an expansionist first, last, and all the time."  
 Judge, Arkell Publishing Company, New York, 1899 [artist: Victor Gillam]