

How to talk about capitalism

Introduction

In the United States capitalism is not widely understood or discussed. The word is familiar to most people and often carries complex and deeply felt associations, both positive and negative. But like many socially powerful concepts, “capitalism” is heavily veiled, a black box, centrally located in everyday life and national norms and practices but not readily named or openly referred to. Juxtaposed with their immersion *in* it, most people (including those with strong opinions *about* it) are unable to explain its fundamental elements. Beyond very cursory explanations, its principles and circuits are not taught - including in business schools and talk about it is largely absent from classrooms or communities. The session proposed here demonstrates an original, simplified framework (developed over ten years of teaching business ethics) that allows students to see the circuits of capitalism in their lives and fosters face-to-face conversations about how it works, in and outside the classroom. The framework helps students to understand the economic system more clearly and to become more thoughtful about issues facing business and society. Business school educators are encouraged to use the framework as a jumping off point for “talking capitalism”.

Theoretical Foundations/Teaching Implications

Generally, education should address capitalism more explicitly: it is fundamental to how we work, earn, pay, consume and interact in many ways. Business educators have special responsibility to address capitalism: it is the ether in which our disciplines unfold. Yet, in our classrooms even the fundamental mechanics or “functional facts” (Searle, 1995) of capitalism

are generally taken for granted – therefore unspoken - and its normative assumptions unexplored. This silence is consequential: it preempts understanding of many organizational and management activities and limits understanding of the relationship between business and the larger society. The silence limits agency.¹ Carcasson urges “deliberative pedagogy” that supports building students’ capacity for “quality conversations that help participants overcome either false certainty or false polarization” (2017: 9). Such conversations require “the time and space to deliberate with others” (*ibid*: 10). In the book, *What the Best College Teachers Do*, Bain describes how requiring students to use concepts to conduct research in their own communities builds self-esteem, self confidence in theoretical knowledge, improved abilities to collect information and greater capacity to communicate with others (2004).

This approach to discussing capitalism differs from how students often encounter economic theory: as abstracted and universal theorems. Instead, it focuses on the way capitalism is “overdetermined” by the *specifics* of distinct lives, places and times (Althusser (2006), Gibson-Graham (1996), Resnick & Wolff (1987), Wolff & Resnick (1987)). The particular version experienced by a student and her community is a specific construction of abstract “capitalism”. It is helpful to remind students that capitalism in the U.S. is not the same as capitalism in Finland, China, or Brazil, that capitalism in suburban Connecticut is not the same as capitalism in tribal South Dakota or post-industrial Gary Indiana. And that capitalism in the U.S. in 2020 is not the same as capitalism in the U.S. in 1904, 1973, or – perhaps – 2030. Uncovering a wide range of “capitalisms” in the classroom involves students sharing ideas and reflections in guided

¹ Paulo Freire, the Brazilian educator and philosopher, defined a political illiterate as “one who has an ingenuous perception of humanity in its relationship with the world...a naïve outlook on social reality (as) a given...a *fait accompli* rather than something that’s still in the making” (1985:103).

discussions that build on each of the circuits and elements of a simplified diagram of capitalism. Through these classroom exchanges, students become more aware of their “own capitalism” and are introduced to others’. The process connects to long-standing traditions of philosophy (“The elucidation of immediate experience is the sole justification for any thought; and the starting point for thought is the analytic observation of components of this experience” (Whitehead, 1941:6)) and popular education’s emphasis on the intimate dialogue between the concrete and the theoretical (Freire, 1985).² Specifically, the approach aims to:

- *defuse the anxiety* students often feel around economics by using a very simplified model;
- *introduce indeterminacy* by defining economics as “how we produce and distribute what we need”, and capitalism as one kind of economy;
- *foster agency* by showcasing their experience and honoring their insights.

The exercise described here can be used with virtually anybody: traditional undergraduate and graduate students (and high school students³) but also with a non-student population. It can be used as an organizing principle for a semester long course or in a single 50-minute class period. As part of a whole course, students conclude the semester by conducting (and reporting on) “capitalism conversations” with friends and family. The vast majority of students report that these conversations are rich and productive. By “talking capitalism” in our classrooms we can empower our students, fostering more engaged and effective businesspeople and citizens.

² To use Freire’s terms, authentic learning involves seeing and analyzing “ideological myths” and “demystifying” reality (1985:58-9).

³ The framework was used in short visits to dozens of high schools and community colleges over the course of a cross-country sabbatical.

Learning Objectives

As a result of participating in this capitalism exercise, students will begin to develop the ability to “see” capitalism in their lives. They will understand how pieces of the economy they are already intimate with (pay, work, taxes, etc.) are connected, are part of a system. This is not a theoretical presentation. Students will be encouraged to conceptualize their *own* capitalism: how do they – and their families, friends and communities - *live* the categories. As part of a course, this way of talking about capitalism also provides a framework that easily accommodates discussion of current events, and management practices and theories. “Mapped” onto the capitalism framework, a wide variety of topics are often easier to discuss and take on new dimensions and relevance.

“Oh! So THAT’S how it works!”

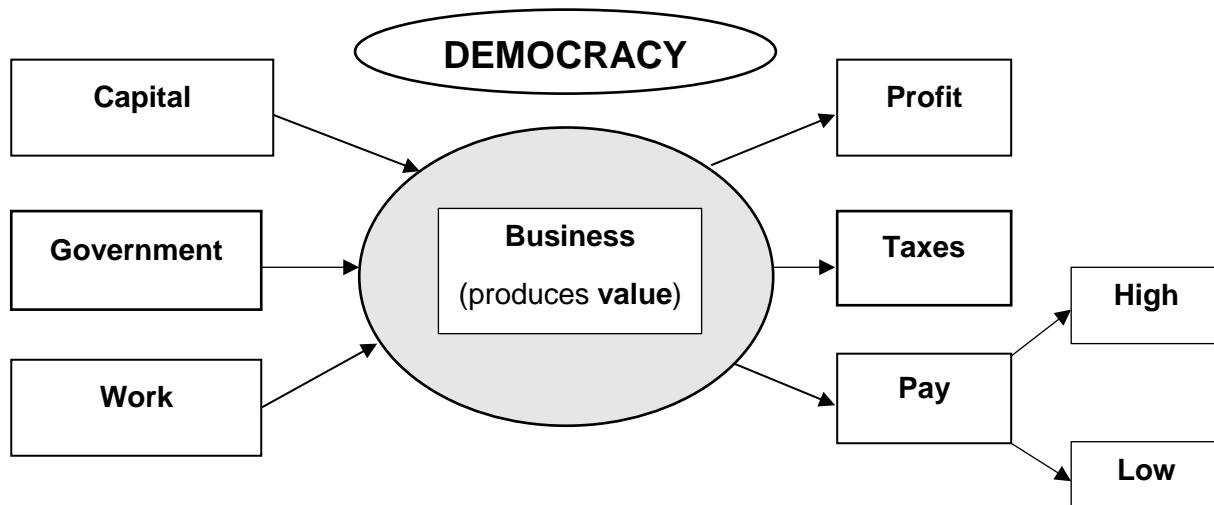
Student about to graduate with undergraduate degree in management, on seeing capitalism framework for first time

Exercise Overview

The exercise uses one diagram and two equations. These are condensed into the one-page student handout reproduced below. In their focus on “functional facts” they echo *Businessweek* as much as *Capital*. The simplicity and ideological indeterminacy of the framework are key: they help to make them readily comprehensible and give students a scaffolding to use in developing narratives of their own capitalism. While teaching, these handouts serve as reference, but discussion focuses on a drawn version of the diagram and figures on a central whiteboard (see images, below).

Capitalism Framework (student handout)**Nuts and bolts:**

- *Economies* are ways we produce and distribute goods and services.
- Economies are closely related to *political* systems (how we organize rights & authority), i.e. democracy.
- Capitalism is a way of organizing economic *and* political systems.
- In U.S. capitalism business and democratic institutions *interact*.



WORK = how most of us LIVE:

WORK \iff PAY = \$ to BUY what we need to survive...

SO, how much money we make as pay matters.

Why is some pay high and some pay low?

CAPITAL = money that makes money (profit).

Where does capital come from?

PROFIT = Revenue (\$ coming in) minus Costs (\$ going out).

How do businesses make more profit?

When businesses “do well”, who does well?

GOVERNMENT contributes to making value – how?

Where do the government’s *authority* (to regulate and tax) and *responsibility* (for providing services) come from?

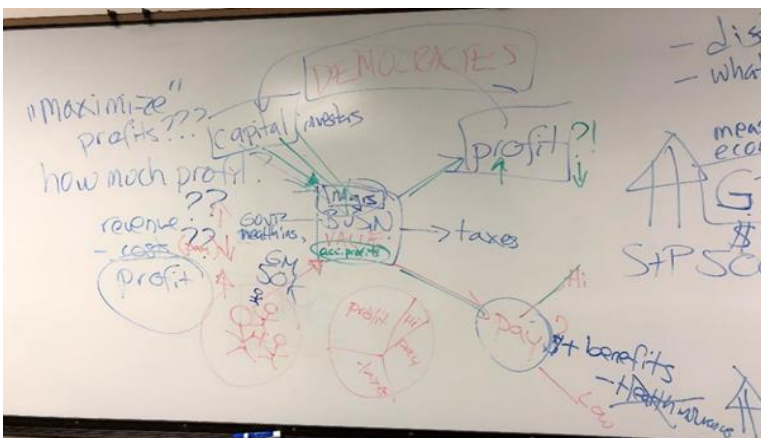
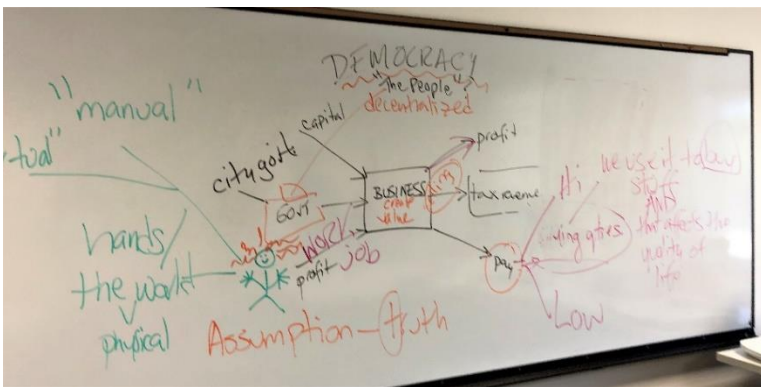
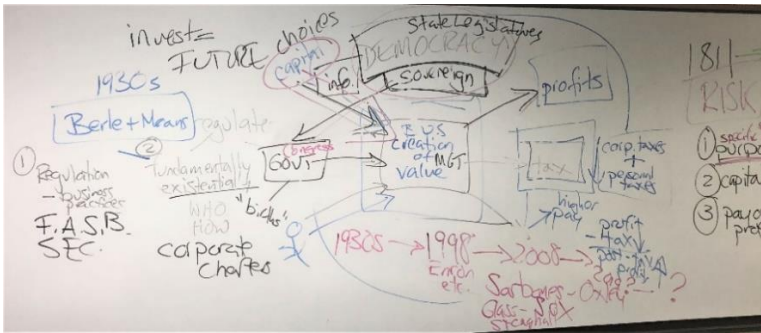
As noted above, the capitalism framework can be used as an organizing principle for a semester long course or in a single 60-minute period. For a single class period, or at MOBTS, the exercise is loosely divided in four parts:

- 1) Initial question posed to participants: “what does the word ‘capitalism’ mean to you?” Among undergraduates this tends to elicit a range of responses, from “money” to “I don’t know”, to “an economic system based on markets and private property”. Each contribution should be briefly considered and validated.
- 2) Distribute handout. Discussion of “*Nuts and Bolts*” section, emphasizing that capitalism is an economic system (among many) and that it works differently depending on time, place, who’s involved, etc.
- 3) Starting with a blank white board, “walk through” the elements and relationships in the framework, starting with the overarching element of DEMOCRACY (this usually requires a little side bar), drawing the distinction between the people as source of authority and the government as implementors of policy.⁴ For each element of the diagram (profit, pay, taxes, etc.), ask participants many questions to identify familiar examples from their own lives. Also discuss the two “equations”: *work-pay-buying what we need* and *revenue-costs=profit*. Inevitably many intriguing jumping off points arise, including (among students) questions such as: “how is money in your pocket different than capital?”, “why do

⁴ I like Buber’s distinction between *government* (“a non-technical, but ‘constitutionally’ limited power”) and *administration* (“a capacity for making dispositions...limited by the available technical facilities”) (1992: 215). But in working with students the broader distinction of government = *source of authority* vs. administration = *implementation of policies* seems more effective.

school bus drivers make so much less than LeBron James?”, “what’s the difference between your uncle’s barber shop and Amazon?”, etc.

The process of face-to-face layering of a classroom of student understandings of capitalism with the framework is inherently messy, as the images of classroom whiteboards (below) demonstrate.



- 4) Ask participants to fill out a sheet of simple questions: how do they see capitalism in their own lives? what do they think works well? What do they think doesn't work well? "What would they change and why?". Finally, ask them to draw their own picture of their capitalism.

Session Description

(ideally this would be a 90-minute session, but it can be done 60 minutes if necessary)

1. **Introduction** (15 minutes):
 - a. Identify the silence around capitalism, its consequences, the need to address it.
 - b. Describe how I developed the framework, how I've used it in a wide variety of settings, and (generally) what the results have been.
2. **Capitalism exercise** (45 minutes): go through four steps outlined above, engaging with participants as I would in an undergraduate classroom, creating our own (messy!) whiteboard version of capitalism, and individual work sheets/diagrams. This is very participatory!
3. **Debrief** (25 minutes):
 - a. Ask for feedback, including suggestions for adapting, improving etc.
 - b. Share website, images and text from student work.

"It opened my eyes to how everything in the economy is interconnected at some level...I think it give me more knowledge (and) will allow me to make smarter decisions in the real world – since everything we discussed was from real life experiences..." Student

"I think that this activity really helps prepare individuals for the real world because it's affects our daily lives – it has to be something we're comfortable talking about as well as being able to understand the concepts in order to make change." Student

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4) What do YOU think doesn't work well?

5) What would you change – and why?

6) Draw your OWN picture of how YOU see capitalism working: