

A Quarterly Review of Social Reports and Research on Social Indicators, Social Trends, and the Quality-of-Life.
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A NEW ROUND OF NEO-MARXIST BOOKS ON THE CRISIS OF CAPITALISM: LESSONS FOR SOCIAL INDICATORS/ QUALITY-OF-LIFE/WELL-BEING STUDIES

Review Essay
Kenneth C. Land

1. Introduction

Both contemporary studies in several disciplines, including philosophy, economics, political science, sociology, and journalism, and contemporary social movements continue to be influenced by the 19th century scholarly work and political activism of Karl Marx (1818-1883). Marx's theories (much of Marx's work was developed collaboratively with Friedrich Engels (1820-1895) who also supported Marx financially to do research and write *Das Kapital*) about society, economics and politics posit that human societies develop through class struggle – in the industrial capitalism era of the 19th and 20th centuries, this took the form of a conflict between ruling classes (the bourgeoisie) that control the means of production and working classes (the proletariat) that work on these means by selling their labor for wages. His theories of alienation, labor theory of value, commodity fetishism, and surplus value then describe how social relations and ideology are facilitated through commodification, inequality, and the exploitation of labor. And Marx's historical materialism theorizes how the base and superstructures (the cultural and political conditions of society and its notions of human nature) of societies are largely determined by their obscured economic foundations.

These ideas and arguments and the associated political activism were

enormously influential in the mid-to-late-19th and 20th centuries – and continue to be salient now into the 21st century. Their salience has increased in the wake of the financial crisis and Great Recession of 2008-2009 and the slow economic recovery in the years thereafter. In the scholarly world of ideas, this is evidenced in a new round of neo-Marxist books on this crisis of capitalism and democracy. This essay reviews two recent entries into this genre and the solutions to the crisis they articulate. It then will comment on the implications of this work for research on social indicators/quality-of-life/well-being in the light of recent trends in politics.

Paul Mason is an economics reporter/editor/commentator in London, England. His *Postcapitalism* commences by noting that what started in 2008 as an economic crisis has morphed into a social crisis, leading to mass unrest and a crisis of the global order. The alternatives as he sees them are either that the global elite clings on, with the cost of saving globalization (the exchange of products, services, people, money, and data across national borders) born by the ordinary people of the developed world, or that the consensus breaks, globalization falls apart, and a variant of what happened in the 1930s occurs. The solution he proposes is to save globalization by

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Mason, Paul. 2015. *Postcapitalism: A Guide to Our Future*. New York: Farrar, Straus and Giroux. ISBN 978-0-374-23554-3 (hardback); 978-0-374-71069-9 (e-book).

Harris, Jerry. 2016. *Global Capitalism and the Crisis of Democracy*. Atlanta, Georgia (USA): Clarity Press. ISBN 978-0-9860853-2-1 (paperback); 978-0-9972870-4-2 (e-book).

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Editor's Note:

This issue leads off with a review essay on two entries in a new round of neo-Marxist books on the crisis of contemporary capitalism and implications for social indicators/quality-of-life/well-being research. This is followed by a message from ISQOLS President Rhonda Phillips, a Call for Papers for the International Sociological Association Research Committee 55 on Social Indicators from Committee President Ming-Chang Tsai, and regular announcements.

SINET

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ditching its neoliberalism foundations and then save the planet and rescue ourselves from turmoil and inequality by moving beyond capitalism; hence, the book's title.

Jerry Harris is National Secretary of the Global Studies Association and a member of the International Executive Board of the Network for Critical Studies of Global Capitalism. He has been a member of the faculty of DeVry University in the Chicago, Illinois metropolitan area. Harris's *Global Capitalism and the Crisis of Democracy* echoes much of Mason's thesis and, as the title suggests, focuses on the decline of democracy in the wake of globalization. He describes several emergent variants of democracy beyond bourgeois/liberal democracy.

2. Contents of the Books

2.1. Neoliberalism and Its Consequences: Both books see neoliberalism and the variant of capitalism that it promulgates as the source of the current crisis (I would say "as the source of all evil", but that is a bit of exaggeration), so let's be clear as to the referent of this term.

Mason (p. xi) states: "Neoliberalism (emphasis added) is the doctrine of uncontrolled markets: it says that the best route to prosperity is individuals pursuing their own self-interest, and the market is the only way to express that self-interest. It says the state should be small (except for its riot and secret police); that financial speculation is good; that inequality is good; that the natural state of humankind is to be a bunch of ruthless individuals, competing with each other." Mason cites early 20th century Austrian economist Ludwig von Mises and his pupil Friedrich Hayek as prophets of neoliberalism; Hayek in turn had considerable influence on the University of Chicago monetarist economist Milton Friedman who was one of the most influential neoliberalism scholars of the late 20th century (Friedman and Friedman 1980).

Mason notes that, since 1990, neoliberalism and the trans-national organiza-

tions and trade agreements associated therewith, such as the World Bank, the World Trade Organization, and the North American Free Trade Agreement, have triggered the biggest surge in globalization and development the world has ever seen. In the process, however, neoliberalism also created contemporary problems (noted in various ways in both books), including:

exponential increases in public sector (government) debt and the money supply (fiat money);

an associated growth of the financial sector through expanded consumer debt (credit cards, overdrafts, mortgages, student loans, motor car loans) and the packaging of this into financial instruments (financialization) ;

increases in income and wealth inequality (of the 1% as compared to the 99%) to levels close to that of 100 years ago;

the remaking of the working class in developed countries through the creation of a global production system which transferred many jobs to developing countries and increased the global migration of labor;

the associated stagnation of wages and incomes of traditional working class persons in developed countries and decline of many old industrial cities and regions; and

high levels of environmental pollution and climate warming crises.

2.2. Information Technology and Postcapitalism: Mason (p. xiii) characterizes capitalism as a complex system "... operating beyond the control of individuals, governments and even superpowers. It creates outcomes that are often contrary to people's intentions, even when they are acting rationally." Furthermore, capitalism also is a learning organism: "... it adapts constantly, and not just in small increments. At major turning points, it morphs and mutates in response to danger, creating patterns and structures barely recognizable to the generation that came before."

And its most basic survival instinct is to drive technological change. If

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we consider not just information-technology “... but food production, birth control or global health, the past twenty-five years have probably seen the greatest upsurge in human capability ever.”

The key part of Mason’s thesis (p. xiii) is that:

the new technologies, specifically information-technologies [info-tech; that is, digitization, computerization, robotization, and electronic communication technologies], created and widely adopted since the mid-1990s, are not compatible with capitalism, so this complex, adaptive system has reached the limits of its capacity to adapt and when capitalism can no longer adapt, postcapitalism becomes necessary.

Three impacts of the new technologies make postcapitalism possible:

First, “... information technology has reduced the need for work, blurred the edges between work and free time and loosened the relationship between work and wages” (p. xv). On the reduction of the need for work, Mason (p. 174) cites a 2013 Oxford Martin School study (Frey and Osborne 2013) which suggested that 47 percent of all jobs in the United States were susceptible to automation. In the last chapter of the book on policy recommendations for managing the transition to post-capitalism, Mason (pp. 284-286), in recognition of this impact, advocates paying “... everybody of working age an unconditional basic income from the state, funded from taxation, and this replaces unemployment benefits.”

As a consequence of the emergence of info-tech, capitalism has morphed into a third form (Mason, p. 139) – following the merchant capitalism of the 17th and 18th centuries and the industrial capitalism of the 1800s and 1900s, cognitive/info-capitalism has emerged, based on global markets, financialized consumption, and immaterial labor and capital.

Second, “... information goods are corroding the market’s ability to form prices correctly... because markets are based on scarcity while information is abundant; capitalism’s defense mechanism “... is to form monopolies [e.g., Facebook, Microsoft, Google] on a scale not seen in the past 200 years – yet these cannot last” (p. xv).

This is a key feature of Mason’s argument that capitalism, even though it is a complex, adaptive system, is coming to its demise. And the argument is not a simplistic assertion; it is based on economist Paul Romer’s (1990) article in the *Journal of Political Economy* (a mainstream economics journal). In this article, Romer brought technological change into economic models of growth – that is, rather than treating technological change as exogenous (external to the growth model), Romer endogenized technological innovation (that is, made it an intrinsic part of economic growth). Defining technological change as an improvement in instructions for mixing together raw materials, that is, like a blueprint or set of instructions for making something either in the physical world or in the digital world, Romer

argued that these information products/sets of instructions are inherently different from other economic goods. The reason is that once the cost of creating a new set of instructions has been incurred, the information products can be used over and over again at no additional cost – that is, the marginal cost of producing more copies and uses is zero.

Mason uses Romer’s analysis to argue that the marginal cost and price theory of neoclassical economics no longer applies to info-capitalism and has destroyed the normal price mechanism of the system. The consequence is that the equilibrium state of an info-tech economy (p. 118) “... is one where monopolies dominate and people have unequal access to the information they need to make rational buying decisions” and that (p. 119) “With info-capitalism, a monopoly is not just some clever tactic to maximize profits. It is the only way an industry can run.”

Third (p. xv), “... we’re seeing the spontaneous rise of collaborative production: goods, services and organizations are appearing that no longer respond to the dictates of the market and the managerial hierarchy” of capitalism (e.g., Wikipedia).

Accordingly, Mason sees new forms of ownership, new forms of lending, and new legal contracts – dubbed the sharing economy by the media – creating a whole business subculture that will lead to postcapitalism. The reason for this is that (p. xvi) the “... terrain of capitalism has changed: it is global, fragmentary, geared to small-scale choices, temporary work and multiple skill sets. Consumption has become a form of self-expression – and millions of people have a stake in the finance system that they did not have before” (e.g., through retirement systems). Given this new terrain, a different path has opened up. Collaborative production “... using network technology to produce goods and services that work on when they are free, or shared, defines the route beyond the market system. It will need the state to create the framework, and the postcapitalist sector might coexist with the market sector for decades. But it is happening.”

The book elaborates in much more detail, but the foregoing is the essence of Mason’s thesis – that the new technologies are incompatible with capitalism, which accounts for the sclerotic economy since the Great Recession, and that new forms of production and consumption have emerged that need to be nourished and supported. Mason (p. xx) recognizes that the “... elite and their supporters are lined up to defend the same core principles: high finance, low wage, secrecy, militarism, intellectual property and energy based on carbon. The bad news is that they control nearly every government in the world. The good news is that in most countries they enjoy very little consent or popularity among ordinary people.”

2.3. The Transnational Capitalist Class and Participatory Democracy: The central focus of Harris’s book is the question (p.11): “Can the power of democracy overcome

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the power of global capitalism?” He states that we have “... entered a new era of the capitalist world system, one of greater economic and political centralization, less democratic participation, more austerity, and growing repression.” Three interconnected changes are impacting contemporary social relations—global production, financial speculation, and the technological revolution. Harris’s starting point is a reexamination of the relationships between the state, market, and civil society, which respectively support the three pillars of modern civilization that encompass governance, the economy, and society.

Like Mason, Harris sees neoliberalism and market fundamentalism as a source of recent political, economic, and social developments. He traces liberalism to the classical economist Adam Smith as embodying ingrained inequality, which leads to class conflict and the need for governmental force to protect property and wealth. Harris then argues that by the mid-1970s profits began to stagnate and decline for the capitalist class in the United States. So the capitalist class began to reorganize itself, leading to a vast expansion of the labor market with international trade agreements and the opening of China, Russia, and Eastern Europe to global markets. This globalization offered new horizons for spatial relocation of industry, which was facilitated by revolutions in information and communications technologies and transportation. This changed the nature of work in the US and other developed societies, leading to a large expansion of the “precariat”, that is, those lacking a secure work-based identity, always facing temporary job status, and lacking social or work-based benefits. This led to declines in old industrial cities and regions in developed countries like Gary, Indiana, Detroit, Michigan, and Boston, England.

A key feature of Harris’s thesis is that the transition from the old international system of nation-centric capitalist economies built inside national borders with local and regional markets to contemporary global structures of trans-national capital and production

flows is associated with the emergence of a transnational capitalist class (TCC). The TCC is (p. 61) “... that segment of the world bourgeoisie that represents transnational capital, the owners of the leading worldwide means of production as embodied in the transnational corporations and private financial institutions.” He states that this bloc is composed of the owners and managers of transnational corporations and financial institutions, the elites that manage the supranational economic planning agencies, major players in the dominant political parties, media conglomerates, and technocratic elites and state managers. Among other things, Harris cites statistics on how “global cities” such as London, New York, Los Angeles, Hong Kong, Dubai, Cape Town, Singapore, and Shanghai have seasonal shifts of ultra-wealthy populations to high levels at certain desirable times of the year and to low levels at others times – as evidence that the ultra-rich have shed their national ties and become global citizens. Associated with this is the view that taxes are to be paid by the working class and the growth of a global chain of tax havens, where the TCC deposit their wealth free from the grasp of any government.

Harris (p. 19) also notes the clashing viewpoints in early debates over modern democracy and representative government. Jean-Jacques Rousseau advocated a form of direct popular sovereignty based on the will of the people and thus for participatory democracy over elected representation. Opposing this, Edmund Burke called for limits on democracy, arguing that representatives owed people nothing more than their independent government. Harris’s then uses his review of the impacts of neoliberalism, market fundamentalism, and globalization to argue that democracy in the United States has become bourgeois representative democracy, that is, a form of Burkean democracy. As alternatives, Harris discusses recent developments of protagonist democracy (based on communal councils) and economic democracy (based on worker-owned cooperatives).

3. Discussion

Here are several comments on the contents of these two books.

3.1. Marxist Theory and History: I found the expositions of Marxist theory and history in both of these books to be intellectually stimulating. Mason’s detailed descriptions of the history of industrial capitalism and its labor movements are particularly detailed and engaging – for example, he notes (p. 181) that the first real factory, a cotton fabric spinning factory, was built in Cromford, England in 1771. His description:

In the 1770s, the room would have been full of women and children, working amid thick dust from the cotton, forbidden to speak, tending complex spinning frames operated by adult men known as ‘spinners’. Everybody in the factory had been forced to learn the new culture of work: to follow the employer’s clock instead of the body clock; strict attention to the task; the non-negligible nature of instructions, and the need to risk serious injury for thirteen hours a day. Every other group in society had roots, cultures, and traditions, but the factory workforce had none – it was new and unique. For the first thirty years, this allowed the system to be operated in a way that ruthlessly destroyed human life.

Mason then describes the 1818-1819 mass strikes and subsequent labor unrest, leading up to Marx and Engels, in the 1840s, finding in the working class a force to achieve the German middle class political left’s desire for a classless society.

It also was informative to read Mason’s (pp. 58-63) description of the fervor of socialist party activism and the updating of Marxist economics in the early 20th century. This involved such major actors as Rudolf Hilferding and Rosa Luxemburg who taught economics at the German socialist party’s training center in Berlin. Luxemburg’s reworking of Marx’s calculations then sparked subsequent debates and disputes with other socialist professors with whom she worked and with Vladimir Lenin.

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Many contemporary social scientists may never have been exposed to a history of industrial capitalism, worker unrest, and socialist thought – and/or have forgotten this history.

3.2. The Postcapitalism Thesis:

Regarding Mason's overall thesis of the end of capitalism and transition to postcapitalism, my personal reaction is that, while many of the problems in contemporary capitalism and changes in technology that he identifies and articulates are indeed quite real and salient in the contemporary world, the near future (as John Maynard Keynes famously said, in the long run we all are dead) likely will be more of a "mixed economy" than a full-blown transition to the new forms he and Harris describe. In this sense, I agree with Mason's statement quoted in Section 2.2 above that "the postcapitalist sector might coexist with the market sector for decades".

Indeed, I would conjecture that this mixture will continue indefinitely. With a 2016 world population of 7.4 billion, however, it is unlikely that massive trans-national corporate structures will be fully replaced in the foreseeable future by worker-owned cooperatives and collaborative production networks. It is very possible that these new economic forms of production and distribution will grow and thrive in certain sectors of the economy, but existing forms likely will continue to be major players in the world economy. That is, yes indeed the new technologies are disruptive and can lead to increasing diffusion and adoption of forms of cooperative production and management.

At the same time, I see efforts to preserve property rights and promote personal/corporate gains. What neither Mason nor Harris fully takes into account is the coevolution over the centuries of the economic structures of capitalism and the statutory structures of societies and the legal professional associated therewith (Reich 2015). The legal and judiciary systems in many countries are actively dealing with issues of property rights for

various forms of intellectual work, including information technology. In other words, one of the never-ending tasks of modern political systems is the definition and protection of property rights. These mitigate against the destruction of markets and revenue streams for producers of info-tech.

Finally, as noted above in Section 2.2, while Mason recognizes that capitalism is a complex, adaptive system with many actors competing with others and promoting technological innovations to gain an edge in this competition, he underestimates this adaptive feature. A major characteristic of this complexity property is its relative lack of a top-down, centralized line of authority and control to which all individual and corporate actors must conform – it is this property that gives capitalism more capacity to adapt and morph than systems such as state capitalism and feudalism (see the next two sections). Indeed, one of the major precipitating structural conditions of the periodic financial crises of capitalism (such as 2008) is the concentration financial/banking structures into "banks too big to fail." Given the global interconnectedness of contemporary economies this may need structural changes (see Section 3.7 below).

3.3. Protests, Strikes, and the Failure of State Socialism:

Both Mason and Harris see increases of various forms of protests and strikes since the Great Recession as indicative of the crises of capitalism and democracy. Mason sees this as facilitated by info-tech, which capitalism has fostered and which is producing and reproducing worldwide a networked lifestyle and consciousness, at odds with the hierarchies of capitalism:

In the past twenty years, capitalism has mustered a new social force that will be its gravedigger, just as it assembled the factory proletariat in the nineteenth century. It is the networked individuals who have camped in the city squares, blockaded the fracking sites, performed punk rock on the roofs of Russian cathedrals, raised defiant cans of beer in the face of Islamism on

the grass of Gezi Park, pulled a million people on to the streets of Rio and Sao Paulo and now organized mass strikes across southern China.

My take is that there will continue to be waves of increase and decrease in such collective actions, which, indeed, are facilitated by electronic communications systems and mobile devices. And when they are directed towards specific problems for which alternative approaches can be adopted and around which a consensus can be formed, they can produce changes. The main problem with these activities leading to major transformations transformation of extant economic systems is that there also is a loss of vision of an alternative form of economy-society. This became very clear with the "Occupy Wall Street" movement of 2011-2012 in New York City. Yes the young people involved new something was wrong but they did not really know what to do about it.

The problem, as both Mason and Harris describe in various ways, is that the major vision of an alternative way of organizing economic production and consumption, namely that of Karl Marx – which led to the state socialism experiments of the late-19th/early-20th centuries – failed. It failed for two reasons.

First, there is the problem of motivation of individuals to work hard and be productive and efficient in such systems. For example, in a stochastic production efficiency analysis of the comparative performance of 17 Western European market economies and 7 East European planned economies using data for each of the three years 1978, 1979, and 1980 on real Gross Domestic Product per worker as output and aggregate energy usage per worker and aggregate net capital stock per worker as inputs, Land, Lovell, and Thore (1994) found that 6 of the 7 East European countries were 40 to 55 percent as efficient as the West European countries with the 7th (Bulgaria) reaching only 79 percent relative efficiency (for a qualitative account of low worker motivation and production

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inefficiency in Communist Russia, see Smith 1976). Neither Mason nor Harris deals with this production efficiency deficit of the state socialism experiments of the 20th century.

The second problem with state socialism is that when the state bureaucracy runs everything significant about the economy this creates opportunities for bureaucrats to rake in personal gains from opportunistic uses of their bureaucratic positions. For example, in contemporary China which still maintains state bureaucratic control of its economic system, President Xi Jinping recently launched a crackdown on bureaucratic corruption to which there has been a reaction: "Many officials are angry [with Xi] because he has ripped up the compact by which they have operated and which said that they could line their pockets, so long as corruption was not flagrant and they did their jobs well" (The Economist, April 2, 2016, p. 9). And with Xi's recent crackdown on bureaucratic corruption in China, there has been an increased flow of investments from Chinese citizens in US real estate – in efforts to get their funds out of China and into perceived safe investments. To be sure, bureaucratic corruption occurs in capitalist economies as well, but generally the problems are less prevalent when there is less state control of economic production, more political openness, and a free press to seek out and expose such corruption.

3.4. Economic Certainty and the Essence of State Socialism: One insight that I had from reading Mason's descriptions of early industrial capitalism and Marxist theory and political activism is that – stripped of the goal of creating a classless society – the late-19th and early-20th century European socialists were pining for, and working to return to, what is essentially a form of feudalism in the sense that one thing that greatly disturbed them about industrial capitalism, in addition to its exploitation of workers, was its periodic boom-bust crises and the associated uncertainties of employment, work, and family lives associated therewith. That is, think of feudalism essentially as a form of a mafia-type

protection racket whereby the guy in the castle on the hill (the lord) agrees to protect the peasant down below (the vassal) from external forces in return for some service (e.g., military) or revenue (e.g., payment of a portion of the vassal's agricultural product) to the lord – that is, in its essential features, this is an "either you pay me to protect you or I will not protect you and let that other guy on the other hill beat you up" system.

This system provided some predictability in life – everyone knew their place and life was routine and stable. Then along came the emergence of industrial capitalism in the late-18th and early-19th centuries with factories for production leading to possibilities for exploitation of labor by the industrialists together with an expanded banking system and the subsequent expansions and contractions of the economy with the associated uncertainties of life. These phenomena were distasteful to Marx and the 19th century socialists. They accordingly advocated forms of state socialism that essentially would replace the uncertainties of capitalism with state-directed (i.e., again from the top down) economic forms, and, at the same time, produce a classless society by eliminating the distinction between the proletariat and the bourgeoisie. This is a highly simplified depiction of certain structural features of feudalism and state socialism, but on these dimensions at least there are some similarities.

What is the trade-off of such systems? The historical record suggests that both feudalism and state socialism were characterized by relatively low productive efficiency and slow technological innovation – that is, the tradeoff was stability for productive efficiency and innovation.

3.5. Globalization, Factor Price Equalization, and the Proletarian Rebellions of 2016: As noted in Section 3.1 above, both Mason and Harris see neo-liberalism and the globalization of the world's economies that it has fostered and promoted over the past three decades as a major source of stagnation of wages and incomes of traditional working class persons and

the decline of many old industrial cities and regions in developed countries. For instance, Mason (p. 5) states: "This is the real austerity project: to drive down wages and living standards in the West for decades, until they meet those of the middle class in China and India on the way up." But Mason (p. 102) also reports data showing that between 1988 and 2008 the real incomes of two-thirds of the world's people grew significantly.

So here is the dilemma: Neoliberalism and the globalization era it fostered over the past three decades produced the greatest advancement in incomes and living standards of the world's population in modern times and, indeed, in all of human civilization. But that advancement came at the expense of the traditional working classes (those involved in domestic manufacturing) of the developed world. What is going on? Why? Is this all a ploy of the capitalist class to increase their wealth and incomes and to become what Harris has characterized as the transnational capitalist class?

Given the imperatives of private capital ownership, preservation, and expansion in market economies, there is no doubt that the owners and managers of major corporations and the financial industry used globalization to extend markets for their corporate goods and their wealth and that they have used their political influence to obtain changes in legal structures and tax laws that are favorable to them. That is what they do. On the other hand, to infer that all of the leaders of developed world countries and international organizations such as the World Bank and the World Trade Organization deliberately sought to force a stagnation of living standards for the working classes of the developed world by fostering globalization is a bit of a stretch.

An alternative explanation is that these leaders, as part of their buy-in to the general neo-liberalism framework had some exposure to, and believed in, a variant of what is known in neoclassical general equilibrium economics as the factor price equalization theorem

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(Brems 1968, pp. 260-279). Versions of this theorem were developed by, among others, mid-20th century Nobel Prize winning economist Paul Samuelson (1948, 1949). It has been an accepted part of economic theory for decades, and no other social science has as much influence on economic policy, including international economic development, as economics.

This theorem, derived under simplified assumptions in formal economic models, states that when two countries (e.g., the United States and Mexico) that initially have very different "factor prices" for inputs (e.g., costs of labor and land) to the production of outputs (e.g., clothing and food) freely trade and move the outputs back and forth each of the two inputs will have the same real wage rate or real rental rate defined in terms of either output. This is the Strong Factor Price Equalization Theorem. The Weak Factor Price Equalization Theorem states that relative prices of the two inputs, that is, the ratio of the prices of labor and land in each country, will be equal. Applied more generally to the "developed world" and the "developing world", these theorems basically say that the factor prices of the two groups of countries will, under conditions of free trade, reflect the relative supplies of the factors (working age populations, land) of the two countries.

It is this theorem and related economic theory that has provided the policy framework for international trade and development organizations and trade agreements and fostered globalization over the past three decades. And, as noted in Section 3.1, it has promoted economic development and raised living standards in much of the developing world, including parts of Eastern Europe, China, India, Southeast Asian, and Latin America.

The problem with the theorem is that it is about the beginning and end points – it does not theorize about the length of time that it may take for the factors to equalize, and, in the real world, not in the world of economic theory, this may take decades or even centuries. And

while the labor input (wages) in China have risen in recent years to the point that it is economical to "re-shore" some US production that was "off-shored" to China years ago, that is only China. There also is a huge underdeveloped population in India, not to mention Africa and parts of Latin America.

So this can cause huge political problems of the type both Mason and Harris identify in their books – people go through their adult working lifetimes in about three decades, not centuries. And, after decades of lost jobs, stagnant wages, and no improvements in living standards, political reactions can set in. It is, for example, part of what is behind the 2016 Donald Trump wave in US politics – middle-aged folks who lost their reasonably well-paying industrial production jobs and either had to take Social Security disability benefits or work for low wages at commercial establishments (e.g., Walmart).

A related feature of the globalized world economy is the international mobility of labor – the increased levels of migration (both legal and illegal) of workers into the developed countries which workers in developed countries blame for low and stagnant wages as well as for disrupting their ways of life, neighborhoods, and cultures. This also has fueled the Proletarian Rebellions of the developed world in 2016 – the Donald Trump phenomenon in American Presidential politics, the Brexit vote in the United Kingdom, and the nationalist political movements in France, the Netherlands, and other countries.

3.6. Long Waves, an Expanded Service Sector, Bullshit Jobs, and Minimum Wages: A major part of Mason's characterization of the contemporary capitalism crisis is his use (pp. 31-48) of the theory of long-wave economic cycles – with an upswing of about 25 years driven by the deployment of new technologies and high capital investment followed by a downswing of about the same length usually ending in a depression – developed by Russian Marxist economist Nikolai Kondratieff (1892-1938). This theory was later encompassed in the Austrian-born Ameri-

can economist Joseph Schumpeter's (1883-1950) Business Cycles (1939) in which he argued that capitalism is shaped by interlocking wave cycles, ranging from short three-to-five year stock inventory cycles to the 50-year cycles Kondratieff had observed. Mason's analysis builds on these works and posits that industrial capitalism has gone through four long cycles: 1790-1848 (driven by the factory system, steam-powered machinery, and canals); 1848-mid-1890s (driven by the telegraph, ocean-going steamers, stable currencies, and machine-powered machinery); 1890s-1945 (driven by heavy industry, electrical engineering, the telephone, scientific management and mass production); late-1940s-2008 (driven by transistors, synthetic materials, mass consumer good, factory automation, nuclear power and automatic calculation). Mason sees the peak of this fourth wave as the oil price shock of October 1973 and its end as the Great Recession. This is convenient for his thesis as he then adds a fifth wave beginning in the late-1990s and overlapping with the end of the fourth wave (driven by network technology, mobile communications, a truly global marketplace, and information goods) and argues that this wave is stalled both due to neoliberalism and the nature of information-technology (as described in Sections 2.1 and 2.2 above).

In any case, associated with the fourth and especially the fifth waves in the developed world is a large expansion of service-sector jobs driven by the increasing efficiency and globalization of industrial production and by the expansion of the information economy. Mason (p. 242) states that this large expansion, rather than rapidly automating work out of existence, has led to the creation of "bullshit" jobs with low pay and that this is associated with the stagnation of many economies.

Here is an issue that developed economies have to face up: When such relatively low-level service sector jobs are mainly populated by high school and college age kids working part-time and leaning about real life, employers who have such jobs (e.g., fast food res-

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taurants) could get away with paying relatively trivial minimum wages. But what has emerged over the past two decades in the US is the growth of such jobs populated by adult persons who have responsibilities for maintaining households, raising children, etc. My perception is that this is one of the main forces behind the movement to raise the minimum wage in the US to \$15/hour. With two adults in a household working 40 hour weeks at \$15/hour, their annual income is in the middle class range, and even if there is only one such adult earner in the household the annual income is above the poverty line. What conservative US politicians (neoliberals in Mason and Harris's terminology) who oppose raising the minimum wage need to come to grips with is that either we pay such people \$15/hour or we have to provide public sector welfare services (food stamps, health care, rent subsidies, etc.) financed by taxes – which they argue against as well. And all of us, as consumers of service sector goods need to realize that, in this day and age of adults spending much or all of their working lives in low-level service sector jobs the former alternative implies that we really should pay more for the services, i.e., higher wages.

3.7. Mason's Socialize the Financial System Proposal: Both Harris and Mason have concluding chapters. Harris (pp. 242-275) advocates moving to post-liberal democracy based on cooperative ownership, collaborative enterprises, and local community assemblies. Mason's top-level goals for the postcapitalist project (pp. 269-270) are to rapidly reduce carbon emissions, stabilize the finance system, deliver high levels of material prosperity and well-being to the majority of people, and gear technology towards the reduction of necessary work. These are laudable goals.

To stabilize the finance system, Mason (pp. 280-284) actually proposes to "Socialize the Finance System" by nationalizing the central bank, restructuring the banking system into a mixture of utilities earning capped profits, and leave a well-regulated

space for complex financial activities. My sense is that the US and most developed countries are not quite ready to go there as yet – but, and this is a big but, if actors in the Wall Street-big bank/finance sector (Goldman Sachs, Citigroup, etc.) manipulate the system again and create another 2008 type financial crisis, then I think the public will be more supportive of "utilitizing" certain key parts of the system, that is, treating it much like, e.g., electric utilities. The reason is very clear: Throughout the history of industrial capitalism to the present, banking/financial crises have occurred periodically, some of them such as the 2008 collapse quite severe with long-lasting consequences. Given the size of the world's population today and its interconnectedness and dependence on the banking/finance system, the tolerance for crises created by financial system actors has narrowed.

4. Lessons for Social Indicators/Quality-of-Life/Well-Being Studies

We in the social indicators/quality-of-life/well-being (SI/QoL/WB) studies community should carefully contemplate the accounts of changes in economic and political structures in these books and think about their implications for our research and development work. Here are some initiating comments.

A first lesson from doing so is the obvious point that the world today has changed quite dramatically from that of the origin of the social indicators movement in the 1960s and 1970s and the rise of quality-of-life/well-being constructs as a central organizing principles in the 1990s (see also Land and Michalos 2016). Using terms defined in Sections 3.1 and 3.2 above, the social and economic world today is a much more globalized and interconnected world than 50 years ago. And in this world our lives are defined by info-tech, with ever-present electronic communication and the automation and robotization of work. The economy has moved from a late-industrial capitalism phase to a post-industrial, globalized, info-tech era.

Among other things, this has vast implications for jobs, occupations, work lives and careers – that is, for the quality-of-life/well-being of traditional working classes. In the late-industrial economy of the 1960s, employers in developed countries sought both blue- and white-collar workers who had integrity, a work ethic, and a capacity for team work and getting along. With the transition to the post-industrial economy and employment and the globalized economy, the premium qualities for employment have shifted either to technical training with certifications and/or advanced college and post-graduate schooling and degrees. These attainments are positively correlated with cognitive ability and intelligence as measured by IQ and related aptitude tests, which are not distributed uniformly across the population. It is estimated, for example, that only about one in three American high school students achieves scores on such tests that enable them to get along and do well in college. What occupational opportunities are left for the other two thirds? The answer is either technical training and certification for info-tech and other skilled jobs or Mason's bullshit low-level service sector jobs.

As part of the transformation to cognitive/info-tech capitalism, both income and wealth inequality have greatly increased both within developed and developing countries. This, of course, is a topic of much public discussion as well as of much research by social scientists. Both Mason and Harris make a strong case that this increased concentration is due to neoliberalism and the globalization it stimulated and to the destruction of labor's bargaining power and political influence associated therewith. In addition, however, this increased concentration also is a function of the sheer increases in population size and total volume of income and wealth that globalization and info-tech facilitated. That is, as has been found both empirically and in analytic studies of inequality indices such as the Gini index inequality in the distribution of wealth and income

(and other status characteristics) is determined by population size on the one hand and total volume of wealth and income on the other (Mayhew and Schollaert 1980). In any case, SI/QoL/WB researchers need to take these huge increases into account in their studies.

Third, the economic and social costs of globalization have been unequally distributed in the developed countries – in particular, these costs largely have been borne by their traditional proletariat/working classes. And we blew it – we failed to detect and study this. By contrast, this has been a major theme of the new round of Neo-Marxist critiques and these two books in particular. This, of course, is natural, given the historical connections to the working classes/proletariat of Marxist theory, research, criticism, and political activism. In any case, Neo-Marxists detected and studied the differential impacts of neoliberalism and globalization on workers at different levels of the occupational structures of developed societies, especially the price paid by the working classes/proletariat in the form of greatly increased productivity over the past three decades but stagnant wages and levels of living and the growing restlessness and dissatisfaction therewith, and we did not! Why? We need to face up to this and related questions. What is it about our conceptual structures, databases, and methods of analysis such that we failed to anticipate the proletariat rebellions that have blown up and become so obvious in developed societies in 2016?

These questions merit serious attention, and it would be good for the International Society for Quality-of-Life Studies to focus thereon in order to stimulate new conceptualizations and research. Here are a couple of conjectures.

First of all, with our national sample survey databases of responses to questions about levels of happiness or life satisfaction, we tend to focus on population averages and track those over time to obtain an assessment of whether our “national happiness

indices” are getting better, staying about the same, or deteriorating. Since about 1980, however, the occupational structures of developed societies have had shifts of employment towards jobs characteristic of post-industrial employment, i.e., the professional jobs in business, law, medicine and other sectors that require those advanced degrees noted. These jobs tend to be associated with higher incomes and their occupants tend to have higher levels of happiness and life satisfaction. At the same time, the relative shares of jobs in the developed countries in the traditional worker/proletariat levels have declined with globalization of production. The result is that, except during economic downturns, the population averages of the happiness/life satisfaction responses have tended to be stable or slightly drift upwards. The implication is that we need to zoom in on segments of the population to complement our studies of trends in the population averages – in particular, we need to focus on potentially vulnerable sub-populations.

A second possible reason for our failure to detect the simmering frustration of the proletariats in developed countries is that we need to do a better job of taking into account the consequences of large scale immigrant populations associated with globalization for the social organization and lives of domestic worker communities – their neighborhoods, the schools their children attend, and so forth. In other words, we may need more holistic measures of their lives rather than responses to singular questions.

Again, these are only two possible aspects of our work and databases to which we should attend. They are only meant to start a conversation.

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Call for Papers

RC55 Research Committee on Social Indicators International Sociological Association

2017 Mid-term Conference The Future of Social Indicators: Regional Responses to Global Challenges Research Center for Humanities and Social Sciences, Academia Sinica, Taiwan April 21st-22nd, 2017

The RC55-Social Indicators of the International Sociological Association encourages submission and participation for the 2017 Mid-term Conference, co-hosted with Taiwanese Sociological Association (TSA), which will take place in Research Center for Humanities and Social Sciences (RCHSS) of Academia Sinica, Taiwan on April 21st-22nd, 2017.

Theme

The main theme for the RC55 2017 Mid-term Conference is The Future of Social Indicators: Regional Responses to Global Challenges. The future can be open to various possibilities, and yet at some time points in specific domains it is closed at one end. This constitutes a challenge for social indicator researchers to capture the main elements, and represent its basic formats, and explain the underlying rationales of social change of various scales. Of course, the wide ranges of regional and local experiences along social transformations demands attention. For instance, increase of inequality in material possession is apparent in many wealthy societies, while expansion of individualization generates impacts even in less developed countries. Additionally, more of the ordinary public cannot afford decent housing across the globe, and the feeling of relative deprivation becomes rampant consequently. Against all these, level of happiness increases in human society over time. A fuller and deeper understanding of the social world through the lens of social indicators is our mission. Practically, our goal is to capture, describe and analyze these trends, routes, paths along the movement to the future. We encourage submissions that focus on yet are not limited to the following topics:

- * The futures in social indicators: comparing regional and global phenomenon
- * Inequality of happiness, capabilities, resources, and public goods
- * Distribution of wellbeing at micro- and macro levels
- * “Livability” and its outcomes across continents, countries or social groups
- * Happiness in life course perspective
- * New theories and methodologies for a new generation of social indicators
- * Critiques of current social reporting
- * Social indicators and public policy

Important Dates and Deadlines

Abstract submission deadline: October 31, 2016

Acceptance notification: November 30, 2016

Abstract Submission

Please submit a two-page abstract (no more than 1,000 words) and the following information: Full Name, Email, Paper Title, Paper Author(s), Current Position, and Affiliation(s) to: Ginger Chiang (gingertw@gate.sinica.edu.tw) by October 31, 2016. The abstract should outline the primary research issue, theoretical approach, methods, data sources and the results from empirical or theoretical analysis.

Accommodation

For those participants of accepted papers, we will offer the accommodation at Campus Hotel, Academic Activities Center of Academia Sinica for up to 3 nights from April 20th to April 23rd. Breakfast is included. The accommodation reservation will be finalized according to your itinerary.

Scientific committee: Rob Bijl (The Netherlands Institute for Social Research); Thung-hong Lin (Academia Sinica, Taiwan); Christian Suter (University of Neuchatel, Switzerland) Ming-Chang Tsai (Academia Sinica, Taiwan).

ISQOLS PRESIDENT'S MESSAGE

Dear ISQOLS colleagues,

The last few years have been a time of transition and growth for our society. We have welcomed returning members and many new members to our community of scholars. We have hired Jill Johnson as our Executive Director who has developed online registration and membership systems and helped us develop new ways to connect members via social media platforms, among many other activities. Our publications have gained increased recognition; our official journal, *Applied Research in Quality of Life*, has moved much higher in rankings. As a group, we decided to hold annual conferences beginning with our 2015 convening. Later this month, we will hold our 2016 conference in Seoul, Korea at Seoul National University. Next September, 2017, we will meet in Innsbruck, Austria and in 2018 we will hold our conference in Hong Kong. Look for future conference dates announced soon.

It has been an honor to serve the last three years as your president. I appreciate the wonderful support our members have provided, helping develop our society even further. It is with great pleasure that we welcome Mariano Rojas as our next president and I ask that you join me in providing full support to help move ISQOLS to even higher levels of achievement and excellence!

Rhonda Phillips
ISQOLS President
Rphillips@purdue.edu

INTERNATIONAL SOCIETY FOR CHILD INDICATORS

2017 CONFERENCE ANNOUNCEMENT

The Planning Committee of the International Society for Child Indicators (ISCI) announces its

6th Conference "Children in a World of Opportunities: Innovations in Research, Policy and Practice" which will convene in Montreal, Canada on June 28-30, 2017.

This conference will bring together researchers, practitioners, policy makers, and child advocates from around the world to share and discuss innovations in research methods and the latest research findings on child indicators as well as implications for policy and practice. You can find out more about the conference and contact the Planning Committee at www.isci2017.org. Updated information on the program, travel and registration will be posted regularly.

The conference will include oral paper presentations, organized symposia and poster presentations. If you develop and use indicators to measure the status of child wellbeing at the local, national, regional, or international levels, we encourage you to join us! Online submission of abstracts will end on September 30th, 2016.

If you have any questions, please contact us at isci2017@mcgill.ca. We look forward to seeing you at ISCI 2017 in Montreal!

Prof. Mónica Ruiz-Casares, PhD.

THE INTERNATIONAL SOCIETY FOR QUALITY-OF-LIFE STUDIES: CENTRAL OFFICE AND WWW HOMEPAGE

The International Society for Quality-of-Life Studies (ISQOLS) was formed in the mid-1990s. The objectives of ISQOLS are: 1) to stimulate interdisciplinary research in quality-of-life (QOL) studies within the managerial (policy), behavioral, social, medical, and environmental sciences; 2) to provide an organization which all academic, business, nonprofit, and government researchers who are interested in QOL studies can coordinate their efforts to advance the knowledge base and to create positive social change; and 3) to encourage closer cooperation among scholars engaged in QOL research to develop better theory, methods, measures, and intervention programs. For more information, see the ISQOLS webpage: www.isqols.org

Jill Johnson is the ISQOLS Manager at the ISQOLS Central Office. Contact information: Jill Johnson, ISQOLS Office Manager, P.O. Box 118, Gilbert, AZ 85299 USA (Gilbert, AZ is a suburb of Phoenix, AZ). Email: office@isqols.org Membership dues can be paid directly on the updated website. Anyone interested in knowing more about ISQOLS should contact Jill Johnson at office@isqols.org

SINET HOMEPAGE

SINET has a homepage entry on the World Wide Web. It is located on the homepage of the Department of Sociology at Duke University and thus can be accessed by clicking on Department Publications on the address of that page, namely, <http://www.soc.duke.edu> or by typing in the full address <http://www.soc.duke.edu/resources/sinet/index.html>. The homepage for SINET contains a description of the Contents of the Current Issue as well as of Previous Issues. In addition, it has Subscription Information, Editorial Information, Issue-Related Links, and a link to the homepage of ISQOLS, the International Society for Quality-of-Life Studies. The Issue-Related Links button has links to World Wide Web locations of data for the construction, study, and analysis of social and quality-of-life indicators that have been identified in previous issues of SINET. When you are surfing the Web, surf on in to our homepage.

Call For Papers

Applied Research in Quality of Life

The Official Journal of the International Society for Quality-of-Life Studies

Applied Research in Quality of Life (ARQOL) presents conceptual, methodological and empirical papers dealing with quality-of-life studies in the applied areas of the natural and social sciences. It aims to publish papers that have direct implications for, or impact on practical applications of research on the quality of life. The articles are crafted from interdisciplinary, inter-professional and international perspectives. ARQOL guides decision making in a variety of professions, industries, nonprofit, and government sectors, including healthcare, travel and tourism, marketing, corporate management, community planning, social work, public administration, and human resource management. It helps decision makers apply performance measures and outcome assessment techniques based on such concepts as well-being, human satisfaction, human development, happiness, wellness and quality-of-life. ARQOL is the official journal of the International Society for Quality-of-Life Studies (ISQOLS). www.isqols.org

Daniel Shek is the Editor-in-Chief of ARQOL, who is assisted by Editors A. C. Michalos and J. Sirgy. Authors interested in submitting manuscripts for publication should consult the Website <http://www.editorialmanager.com/ariq/>. Further information may be obtained by contacting one of the journal's Editors: Daniel Shek, The Hong Kong Polytechnic University (HK), daniel.shek@polyu.edu.hk; Alex C. Michalos, Emeritus, University of Northern British Columbia (Canada), Michalos@BrandonU.CA; M. Joseph Sirgy, Virginia Polytechnic Institute & State University (USA), sirgy@vt.edu.

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