

How to criticize capitalism from a smartphone/laptop, while drinking a cappuccino.

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Capitalism, free markets

Hello there dear reader. You've probably encountered this common critique, or similar, of complaints levied against capitalism. Your life is too good to complain because phone. Don't mind the rising interest rates and bloated housing prices, the stagflation, worker insecurity or corporate hijacking of democracy. Don't consider the complete unmooring of your institutional role and personal moral compass. If you don't like to be dependent on hourly wages, go be an "entrepreneur" in the gig-economy and shut up, you silly ~~wage slave~~ employee.

Given the fact that the average joe has access to better medicine and technology than any spanish king could have dreamed of, this **socioeconomic system** of the past few hundred years **must** be the bee's knees right? I mean, just look at the price of that cheeseburger, behold your pocket sized gizmos and microwave food preparation machines! This is the time of plenty and it's all thanks to the free market or capitalism or... something! Thank you Smith, Friedman and Rand I suppose. Right?

Not so fast, buddy

To understand this clearly let's stomp out any confusing embers in the foundation. **Capitalism and markets are not the same, although some features might overlap.**

- **Capitalism** describes class relationships to production and capital.
- **A market** is a sum of transactions, wherein supply and demand determines prices.

Stick a pin in that.

Now let's glance at history

Whether it be **Stalinism**, **Maoism**, **Nazism**, **Slavery** or **Monarchy** we can typically find the same brand of postulations uttered by typical lap dogs (kommissars, journalists, CEOs etc.) of the power structure in question:

"Our socioeconomic system is the driving factor behind our technology, medicine and good times..."

"...It also happens to be the best system ever, how about that..."

"Sure, ok yes. They all said that, but this time it's actually true..."

"...What are you laughing at?"

"Officer, arrest that anarchist hooligan"

And so it goes on. But does it happen to be true **this time** then? Surely it must be.

Just Kidding - Our free enterprise system of externalization machines¹ (corporations) is killing the planet while states and technology are desperately trying to clean up after it.

- In the previous century, the **USSR** under Stalin was the second fastest growing developing country only beaten by Japan. I'm not saying the Soviet Union wasn't an authoritarian dungeon, I'm pointing out that even a commonly despised system like this can achieve growth and increased living standards. With remarkable pace even.

- Today **China** is the world's largest manufacturing economy and exporter of goods with the world's fastest growing consumer markets. This doesn't mean I'd want to live there, or advocate for moving east, it's merely to point out that the socioeconomic system is the **variable**, while technology is the **constant** when it comes to development, as we'll soon look closer at. The **Chinese**, as of 2021, also live longer than the Yanks, how can that be?²

"they became capitalists, case closed" is the common response by those who never bothered to check what the 1978 reforms were about.³

¹ https://link.springer.com/referenceworkentry/10.1007/978-3-642-28036-8_223

² <https://www.reuters.com/article/us-health-lifespan-idUSKCN1IV15L>

³ <https://www.jri.co.jp/english/periodical/rim/1999/RIMe199904threereforms/>

But hold up.

International Monetary Fund

According to the IMF, new machinery, better technology, and more investment in infrastructure that helped to raise output leading to a sharp, sustained increase in productivity i.e worker efficiency was the driving force behind the economic boom that began in 1978. ⁴

More History!

And not just any old time either, **a pivotal century, the 1700s**

Besides the signing of the American declaration of independence, two western historic events took place in this century.

One was the publication of **Wealth Of Nations** by **Adam Smith**, often called the father of capitalism.

The full title was *An Inquiry into the Nature and Causes of the Wealth of Nations*
It was published on March 9, 1776 and is considered the end of mercantilism.

Another pivotal event was the commercialisation of the **piston steam engine** invented by Thomas Newcomen. His **atmospheric engine** was the main catalyst for the industrial revolution...

Which of these would you wager to be the main catalyst of our living standards today?

⁴<https://www.imf.org/external/pubs/ft/issues8/index.htm>

To answer that, let me first say this: Markets aren't all that cracked up to be, neither is private enterprise.

Most businesses fail within 5-10 years⁵, make of that what you wish, it's not really the point I'm trying to make. I am trying to make a side note however: I've worked for moving companies when I was younger. The amount of motorized office tables, lamps and chairs that are thrown out every time a building or business changes owners is mind boggling and a huge waste. Always made me think. Anyway, back to the song:

Surely all of this sounds like pure lunacy if Adam Smith's invisible hand is jerking you off right now, I know... But hear me out.

Fun fact: [Adam Smith](#) only mentions the invisible hand once in *Wealth Of Nations*, as a critique of, or safeguard against, what we call **globalism** today.

[Emma Rothschild](#) wrote something interesting about this⁶

Smith used the words "invisible hand" on three dissimilar occasions.

The first use, in his [History of Astronomy](#), is clearly sardonic. He is talking about the credulity of people in polytheistic societies...

The second use of the invisible hand is in [The Theory of Moral Sentiments](#) (1759). The use, here, is sardonic in a different respect. Smith is describing some particularly unpleasant rich proprietors, who are quite unconcerned with "humanity" or "justice" but who in "their natural selfishness and rapacity" pursue only "their own vain and insatiable desires." They do however employ thousands of poor workers to produce luxury commodities: "They are led by an invisible hand to ...without intending it, without knowing it, advance the interest of the society.

Smith's third use of the invisible hand is in [The Wealth of Nations](#) (1776)... concerned with international trade. He argues strongly against restrictions on imports, and against the merchants who support them, forming "an overgrown standing army" who "upon many

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<https://www.forbes.com/sites/forbesfinancecouncil/2018/10/25/what-percentage-of-small-businesses-fail-and-how-can-you-avoid-being-one-of-them/>

⁶ <https://www.jstor.org/stable/2117851>

occasions intimidate the legislature" Domestic monopolies he says, are advantageous for specific industries; but if there are no import restrictions, the merchant would still prefer to support domestic industry, in the interest of "his own security." He will thereby promote the interest "of the society"; "he is in this, as in many other cases, led by an invisible hand to promote an end which is no part of his intention"

Didn't sound like the Adam Smith your *neoliberal* economics teacher portrayed? How odd. I didn't think so either...

It didn't stop your teacher from drilling it into your skull that:

The invisible hand brings you a pencil (or whatever consumer item he chose) **just when you need it. How about that?**

How about the five other pencil merchants who closed shop due to insolvency because you, for whatever reason, didn't need a pencil when they made it available to you?

What about the containers filled with pencils that are laying on the bottom of the atlantic ocean due to cost-effective safety deregulation? **What about** those pencil filled wagons on the freight train in Ohio? **How about** child labor in the global south? **How about** the exploitation of socio-economic inequality inherent in seeking cheap labor? **How about** the automatic translation of economic might into political power, challenging democratic ideals?

"Sorry, what's that? Couldn't hear you over the invisible hand fondling my balls. Still can't hear you, because now I'm eating doritos..."

"...They are **cherry and cheese** flavored by the way, which reminds me: who doesn't enjoy the variety of choices in free markets?"

Citizens who wish for public transportation, instead of dangerous and polluting cars and roads.

Citizens who wish for healthcare, welfare and public education for their children.

They can't choose that in the market.

Markets narrow choices down to ***individual consumption***

What am I trying to say with all this?

I am basically saying that our notions of market efficiency is at best *a guess*, and at worst *a pile of make believe nonsense*. Furthermore, that this system of questionable efficiency constitutes the lokomotive force behind technological development is distilled foolery brewed from concentrated nonsense. It was never the market, it was always technology. **Ironically often funded by states through taxation. More about that... Now!**

Q: Why do you have a sweet gaming rig and an iPhone?

A: Because Eisenhower wouldn't let the **Soviet Union** out-sputnik the **U.S.!**

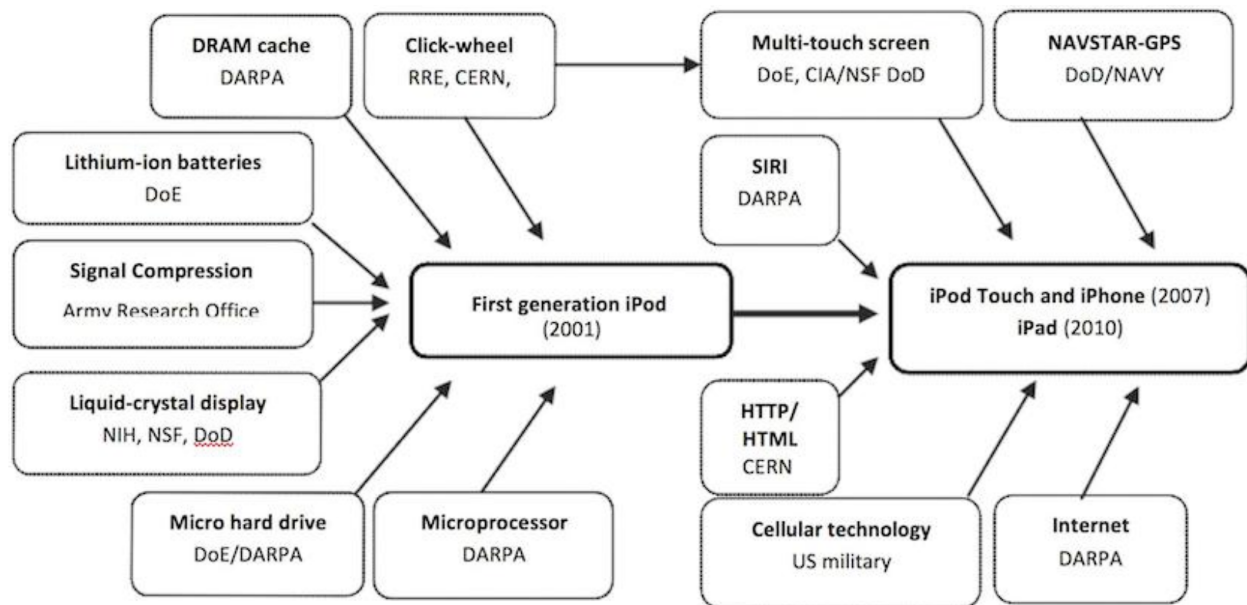


While **Mr. Smith** is wiping his hands and reconsidering his values, let's go through your smartphone or laptop **one patent/technology at a time**⁷:

- Computer Mouse = Funding from NASA
- Time-Sharing = DARPA
- Internet and Network = IPTO, DARPA
- Touchscreen = DoE, CIA/NSF DoD
- Processor = DARPA
- GPS = DOD/NAVY Navstar program
- HTTP/HTML = CERN
- Signal Compression = Army Research Office
- Micro HDD = DoE/Darpa

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<https://www.businessinsider.com/the-us-military-is-responsible-for-almost-all-the-technology-in-your-iphone-2014-10?r=US&IR=T>



Mariana Mazzucato, *The Entrepreneurial State: Debunking the Public vs. Private Sector Myths*. London: Anthem.

In fact **The Economist** called DARPA the agency "*that shaped the modern world*" pointing out that DARPA not only played a major role in the development of Moderna's Covid Vaccine, but also weather satellites, Global Positioning System (GPS), Drones, Stealth Technology, voice interface, the PC and the Internet.

DARPA was established in 1958 by Dwight D. Eisenhower in response to the successful launch of Sputnik 1 into orbit by 1957.

By collaborating with academia, industry, and government partners, DARPA would formulate and execute research and development projects to expand the frontiers of technology and science, **often beyond immediate U.S. military requirements.**

Mission statement "to make **pivotal investments in breakthrough technologies** for national security"

MOST HIGH TECH SHIT YOU OWN WAS RESEARCHED AND DEVELOPED FOR DECADES IN THE STATE SECTOR, BEFORE BEING HANDED OVER TO PRIVATE BUSINESS.

Private enterprises took all this military technology and made sure that:

- The cobalt and lithium is sourced from [child labour](#), and forced labour camps.⁸⁹
- [Planned obsolescence](#) continuously wastes resources and creates pollution.
- The price of your hightech life that taxation paid for, delivers a huge return for private investors by, among many things, [exporting the jobs](#) required to manufacture the products.
- [Environmental concerns](#) are ignored at all costs, unless proven to buy more PR value than capital spent, as per legal requirements. (Corporations can only be good when cameras are on according to investor rights laws in most countries, look up yours today)

A rational private investor will not throw money after opportunities that "might" turn profitable 30 years in the future. It's not reasonable to expect that either.

Many of the groundbreaking technologies in your phone could never have been realized in a market system where most investors, [i.e. those who make decisions about production](#), seek profits in the next quarter, **not the next century.**

Therefore the ***dynamic state sector*** has to play a substantial role in **high tech industries.**

If it was up to [private investment](#) alone we might just have stationary rotary phones by now and still be sailing across the atlantic.

Time to face it

Free human creative expression is the driving force behind technological advancement.

Any socioeconomic system, while being the vehicle of distribution and knowledge, can almost only impede on this force in varying degrees. Therefore a system of minimum impedance should be sought.

⁸⁹ <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods/supply-chains/lithium-ion-batteries>

<https://www.theguardian.com/environment/2021/jan/03/child-labour-toxic-leaks-the-price-we-could-pay-for-a-greener-future>

The electricity analogy

In order to pass a current you need a medium. A **copper wire** is at one time the medium that allows the movement of a charge from A to B, but can at the same time only impose a degree of impedance on the free movement of electrons. We measure that in Ohm. Free electrons in the covalent bond that are affected by magnetism will move if unimpeded, but the only way we can allow zero impedance is via **superconductors**. This means that although being the medium for transporting a charge it can never be the driving force behind the current.

Electrons = Free Human Creative Expression and Inquiry

Copper Wire = Socioeconomic System

In order to *not impede* the creative expressions of humans you need the socio-economic equivalent to a superconductor, **a utopia**.

So markets and capitalism didn't really cultivate our high tech lifestyles, what else can't capitalism do? Well...

Capitalism just describes the relationship between workers, owners, capital and production. For some reason we insisted on **democracy in our political lives**, but kept the **monarchy in our work lives**.

Your **boss** is the equivalent of a **king**. He or she better like you, or else. The boss decides whether you have a secure monthly income or a personal economic crisis tomorrow. Either or!

Better smile and xerox that memo!

Many people will excuse this by mentioning the fact that

"they can choose to work for someone else"

Sure. You can hope to rent your labor out to any of the kings that so desire. The fact remains however, that on aggregate you are forced to do so, or starve. The only thing cushioning that blow is a welfare state that's being hollowed out as we speak. Or winning the lottery (Only works for people who doesn't understand probability)

Every corporation at its core is the private equivalent of what we socially call fascism, a **tyranny**.

Every decision is top down, and all work reflects the desires of the owners.

This **internal inequality** of control and wealth leads to great **external inequality**, with a majority of people struggling while a shrinking elite minority has its economic might translated into political power automatically.

Early in the previous century corporations gained the legal status of persons, and today they have more rights than you or me.¹⁰

Owners of **Exxon** don't need to be politically involved. A legion of economics teachers will quell any leftists bright ideas of corporate taxation by **threat of capital flight**. If you are sufficiently wealthy you can lean back and let the intellectuals of society defend your very existence, even the necessity of the inequality that you benefit immensely from.

That covers almost everything, but what about the **cappuccino**?

As you can probably guess by now, our **housewife-cocaine** is not ethically sourced either.¹¹

Why the hell would it be, right? I may be a dreamer, but I can't be the only one who imagines a distant future wherein our not so humble place in history will be treated as the **Socioeconomic Dark Age** that it is. And this is before we even start to cite **Piketty** and **Oxfam** to talk about the **atrocious exploitations of the global South**.

Many old "conservatives" with *eggs in the basket* (usually real estate, the value of which has blown out of proportion during the never ending housing bubble that no one seems to understand*) won't like that you tell them how it is: **That the handle isn't actually attached and the bottom is gone**. The only reason they haven't found out is because the eggs block the pavement and they haven't had to pick up the basket yet.

If they are lucky they won't be here when need comes.

****more on that in a future post. It's a topic in itself.****

¹⁰

<https://www.npr.org/2014/07/28/335288388/when-did-companies-become-people-excavating-the-legal-evolution>

¹¹ <https://borgenproject.org/labor-exploitation-in-coffee-production/>

Thanks for reading and subscribe for more! F.I.Dusenberg 'preciates the hell out of it. I'll leave the last words to the O.G. of capitalism himself. Please check up on all of this yourself.



Adam Smith

The interest of the masters generally prevailing upon that of the workers

What are the common wages of labor, depends every where upon the contract usually made between those two parties, whose interests are by no means the same. The workmen desire to get as much, the masters to give as little as possible. The former are disposed to combine in order to raise, the latter in order to lower the wages of labor.

It is not, however, difficult to foresee which of the two parties must, upon all ordinary occasions, have the advantage in the dispute, and force the other into a compliance with their terms. The *masters, being fewer in number, can combine much more easily; and the law, besides, authorizes, or at least does not prohibit their combinations, while it prohibits those of the workmen.*

- Adam Smith, *Wealth of Nations*, Book I, Chapter VI