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Uncertainty or incommensurability? Ideas, production structures and the problems securing a new and stable regime of accumulation

Abstract:

What form of regulation – in the French regulation school sense – is likely to emerge from the current crisis? The current economic/financial crisis has overturned all the certainties of the past thirty years. Much like the great depressions of the 1870s and 1930s and the great inflation of the 1970s, the crisis has revealed the inadequacies and contradictions of existing institutions and social practices matching supply to demand and regulating accumulation at the macro-economic level. This paper argues that the sources of profitability in the current economy create particularly acute conflicts, because the bulk of leading sector firms generate profitability from intellectual property rights. This suggests that a stable regime of accumulation is unlikely to emerge because of a misfit between objective (relations of production) and subjective (concepts of accumulation) features of the new economy. IPRs are characterized by non-rival consumption but the potential for excludability. They are thus neither public nor private goods. The profitability of IPRs rests on entrepreneurs' ability to secure a stable franchise from state regulation, which creates profitability by creating excludability. By contrast, the profitability of fordist-era firms rested on a combination of public goods (state macro-economic stabilization) and private goods (efficient management of the assembly line). This analysis suggests that a) actors currently face a particularly complicated and conflictual environment in their efforts to create a stable political environment for investment because franchise goods are closer to the uncertainty end of the risk-uncertainty spectrum, and b) an economy built on franchise goods cannot generate a positive sum set of regulatory institutions. Regulation in a franchise goods economy is inherently zero sum.