

New analytical tools for the concise examination of capitalist political economy

Any capitalist state is obliged to undertake two potentially contradictory tasks: while ensuring accumulation of capital, legitimizing this process for those who are not in position to accumulate capital. There are two factors which might facilitate this task: firstly, institutionalization of conflict through formal bargaining institutions, secondly, different perceptions of value by wage owners and employers. Obviously the examination of the joint impact of these two factors on the management of the accumulation / legitimation dilemma would be of considerable value in evaluation of any capitalist political economy. If one may devise a concise instrument to accomplish this goal it would also be possible to undertake large n comparative studies both spatially and temporally.

In this seminar I show that by using simple concepts of vector algebra and properties of cosine function one can establish an analytical framework which may capture and depict rather complex relations underlying the management of accumulation /legitimation dilemma. By considering economic circumstances as stochastic variables, defining the interests of employers and workers by distinctive vector norms and finally by converting the propensity of interest differentiation into the cosine of the angle between real and ideal vectors, this model is capable of depicting historical processes capitalist political economies in the form of simple analytical snapshots which allow rich interpretations

After revealing the ins and outs of these analytical instruments by using simulated data I will also show the way in which they can be used and interpreted by providing some real world examples.