

# SOC 9: Modern Capitalism

## Course Outline 2017-2018

### Times:

Monday, 11am-1pm (Each week in Michaelmas & Lent; Easter revision session date(s) to be confirmed)

### Room:

Mill Lane, Room 10

### Course organiser:

Stuart Hogarth: [sh3339@cam.ac.uk](mailto:sh3339@cam.ac.uk)

These lectures seek to develop an understanding both of capitalism in general - its fundamental structure and functioning - and of its historical and national varieties. Last, the global extension of capitalism receives consideration. The course of lectures covers two main areas. The first examines general theories of the structure of capitalism in both the classical and modern literature; its historical development, in particular merchant/war capitalism and industrial capitalism, and fundamental institutions, such as the money, the state and the market. The second half of the course focuses on the contemporary era starting with two lectures on post-the Bretton Woods era (from 1945-1980) and the subsequent lectures cover the neoliberal era (1980-present day).

### Required course readings

You are expected to have copies of the following books.

Geoffrey Ingham. *Capitalism* (Polity Press, 2008) There will be readings from this excellent introduction to the discipline of political economy in most sessions of Michaelmas term.

James Fulcher. *Capitalism: a Very Short Introduction* (Oxford University Press, 2015)

Robert O'Brien and Marc Williams. *Global Political Economy: Fifth Edition* (Palgrave, 2016)

### Additional general reading

Nina Bandelj and Elizabeth Sowers. *Economy and State: A Sociological Perspective* (Polity Press, 2010) NB Available as an **e-book** from the University Library

Ha-Joon Chang. *Economics: the User's Guide* (Pelican, 2014)

Paul Hirst, Graeme Thompson and S Bromley. *Globalization in Question* (Polity Press, 2009)

Fernand Braudel. *Civilisation and Capitalism Vol.2*

David Graeber *Debt, the first 5,000 years* (Melville House, 2014)

Jurgen Kocka. *Capitalism: a Short History* (Princeton University Press, 2016)

Leo Panitch and Sam Gindin *The making of global capitalism: the political economy of American empire* (Verso, 2013)

## Lecture Outline

Week	Date	Lecture	Lecturer/s
1	9 October	Introduction	Stuart Hogarth *
2	16 October	Trade and war	Stuart Hogarth
3	23 October	Markets and states	Stuart Hogarth
4	30 October	Money and financial markets	Stuart Hogarth
5	6 November	Labour and technology	Stuart Hogarth
6	13 November	The household – gender and capitalism	Stuart Hogarth
7	20 November	Politics and class	Luke Hawksbee **
8	27 November	Consumerism and debt	Stuart Hogarth *
9	22 January	Welfare state	Stuart Hogarth
10	29 January	Dependent development	Stuart Hogarth
11	5 February	Neoliberalism	David Lane
12	12 February	Financialisation in the neoliberal era	Luke Hawksbee **
13	19 February	Globalisation	David Lane
14	26 February	The multinational corporation	Christel Lane
15	5 March	Innovation & the knowledge-based economy	Stuart Hogarth
16	12 March	What next? Rethinking capitalism.	Stuart Hogarth *

\* with Luke Hawksbee

\*\* with Stuart Hogarth

## Lecturer contact details

Luke Hawksbee: lh372@cam.ac.uk

Christel Lane: col21@cam.ac.uk

David Lane: dsl10@cam.ac.uk

## Week 1 Introduction

### Required reading

Robert O'Brien & Marc Williams, "Approaches to Global Political Economy" in *Global Political Economy: Evolution and Dynamics*, Palgrave MacMillan, 2010. pp.9-29.

Geoffrey Ingham. *Capitalism* (Polity Press, 2008) pp.1-35 and 52-62

Ha-Joon Chang. *Economics: the User's Guide* (Pelican, 2014) pp.47-106

Jurgen Kocka. *Capitalism: a Short History* (Princeton University Press, 2016) pp.1-24

### Additional reading

Charles Perrow *Organizing America: wealth, power and the origins of corporate capitalism* (Princeton, 2002) Ch.1

Nina Bandelj and Elizabeth Sowers *Economy and State: A Sociological Perspective* (Polity Press, 2010) Chapter one, pp1-25 NB Available as an **e-book** from the University Library

## Week 2 Trade and War

### Required reading

Sven Beckert Building war capitalism. Chapter 2 *Empire of Cotton. A New History of Global Capitalism* pp29-55

Charles Tilly. War Making and State Making as Organized Crime in *Bringing the State Back In* edited by Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985).

Charles Tilly *Coercion, Capital and European States AD 990-1992* (Blackwell 1992) C.2 pp38-66

Kevin O'Rourke, L Prados de la Escosura and G Daudin. In Stephen Broadberry and Kevin O'Rourke *The Cambridge Economic History of Modern Europe Vol 1: 1700-1870* (CUP, 2010) Ch.4 Trade and empire. pp.96-121

### Additional reading

Oliver Cox, *Foundations of Capitalism* (New York 1959) Chapter XVI—English Commercial and Industrial strategy

Ellen Meiksins Wood, *The Origin of Capitalism: A Longer View* (2002) Chapter 7—The Origin of Capitalist Imperialism]

## Week 3 Markets and states

### Required reading

Geoffrey Ingham *Capitalism* Chapter 5 Market Exchange pp92-118

Ha-Joon Chang. Breaking the mould: an institutionalist political economy alternative to the neo-liberal theory of the market and the state. *Cambridge Journal of Economics* 2002, 26, 539-559

Ha-Joon Chang, "Kicking Away the Ladder: The 'Real' History of Free Trade", FPIF Special Report December 2003: Pp. 1-20.

Geoffrey Ingham *Capitalism* Chapter 8 The State pp175-203

Richard Kozul-Wright. The Myth of Anglo-Saxon Capitalism: Reconstructing the History of the American State. In H-J Chang and R Rowthorn (eds). *The Role of the State in Economic Change*. (Oxford University Press, 1995)

### Additional reading

Block, Fred, & Peter Evans, "The State and the Economy" in *Handbook of Economic Sociology (second edition)*, edited by Richard Swedberg & Neil Smelser, Princeton University Press, 2005. Pp. 505-526.

L Panitch and S Gindin The DNA of American capitalism Chapter one of *idem The making of global capitalism: the political economy of American empire*

## Week 4 Money and financial markets

### Required reading

Geoffrey Ingham *Capitalism* Chapter 7 Capital and financial markets pp147-174

Geoffrey Ingham Money is a Social Relation *Review of Social Economy*, Vol. 54, No. 4, (WINTER 1996), pp. 507-529

Josh Ryan-Collins, Tony Greenham, Richard Werner and Andrew Jackson *Where does money come from?* (nef, 2012) Ch. 3 The nature and history of money and banking, pp28-57

Craig Muldrew (1993) Interpreting the market: The ethics of credit and community relations in early modern England, *Social History*, 18:2, 163-183

### Additional reading

David Graeber *Debt, the first 5,000 years* (Melville House, 2011) Ch 3, pp.43-71

Andrew Sayer *Why we can't afford the rich* (Policy Press, 2016) Ch.5, 59-82

## Week 5 Labour and technology

### Required reading

Craig Littler and Graeme Salaman Bravermania and beyond: recent theories of the labour process. *Sociology* 1982 16(2) pp. 251-269

EP Thompson Time, work-discipline, and industrial capitalism *Past and Present* 38(1), 56-97 (1967)

Michael Burawoy Between the labor process and the state: the changing face of factory regimes under advanced capitalism. *American Sociological Review*, (1983), 48(5) pp. 587-605

Raphael Samuel 'The workshop of the world: steam power and hand technology in mid-Victorian Britain.' In *History Workshop*, 3: 6-72. Spring 1977

John Rule Against innovation? Custom and resistance in the workplace, 1700-1850 in Harris, T (ed) *Popular culture in England c.1500-1850*

Gerard Hanlon *The dark side of management. A secret history of management theory.* (Routledge) Chapter one: Management's authoritarian heart, pp23-52

### Additional reading

Anson Rabinbach. The emergence of labour power in *idem The Human Motor Energy fatigue and the origins of modernity* (California: UCP, 1992)

Marc Levinson *The box : how the shipping container made the world smaller and the world economy bigger*

Peter Linebaugh and Marcus Rediker The Many-Headed Hydra: Sailors, Slaves, and the Atlantic Working Class in the Eighteenth Century *Journal of Historical Sociology* Vol. 3 No. 3 September 1990

## Week 6 The Household – gender and capitalism

Nancy Folbre The unproductive housewife: her evolution in nineteenth-century economic thought. *Signs*, Vol. 16, No. 3 (Spring, 1991), pp. 463-484

Folbre, N and Hartmann, T. The rhetoric of self-interest: ideology and gender in economic theory. in Edited by Arjo Klamer, Donald N. McCloskey and Robert M. Solow (Eds) *The consequences of economic rhetoric* (Cambridge University Press, 1988)

Sonya Rose. Gender antagonism and class conflict. *Social History* 1988, 13:2, 191-208

Michèle Barrett, *Women's Oppression Today: Problems in Marxist Feminist Analysis* Ch.5 Gender and the division of labour (Verso)

### Additional reading

Johanna Brenner & Maria Ramas, "Rethinking Women's Oppression" in *New Left Review* (144) 1984: 33-71.

Katrine Marcal *Who Cooked Adam Smith's Dinner? A Story about Women and Economics* (Portobello, 2015)

### **Suggested viewing**

*Made in Dagenham* – film about landmark UK strike over equal pay for women

## **Week 7 Politics and class**

### **Required reading**

G. William Domhoff, "The Class-Domination Theory of Power," February 2012. (13 pp.)

G. William Domhoff, "Class and Power in America" in *Who Rules America?* McGraw Hill, 2009. Pp. 1-19.

G. William Domhoff, "How the Power Elite Dominate Government" in *Who Rules America?* McGraw Hill, 2009. Pp. 85-113, 147-209.

### **Suggested reading:**

G. William Domhoff, *Who Rules America?* McGraw Hill, 2013. (288 pp.)

G. William Domhoff, "Interlocking Directorates and the Corporate Community," October 2013. (~13 pp.)

John Scott, *Who Rules Britain?* Polity, 1991. Pp. 63-152

## **Week 8 Consumerism and debt**

### **Required reading**

Thorstein Veblen, *The Theory of the Leisure Class*. (184 pp.) (Download)

Sharon Zukin and Jennifer Smith McGuire, Consumers and consumption. In *Ann Rev Sociology*

Louis Hyman, "Making Credit Modern: The Origins of the Debt Infrastructure in the 1920s" in *Debtor Nation: The History of America in Red Ink*, Princeton University Press, 2011. pp. 10-44.

### **Additional reading**

Cohen L. 2003. *A Consumer's Republic: The Politics of Mass Consumption in Postwar America*. New York: Knopf

Zelizer V. 2004. Culture and consumption. In *Handbook of Economic Sociology*, ed. N Smelser, R Swedberg. Princeton, NJ: Princeton Univ. Press.

Naomi Klein *No Logo* (Picador 2000)

## **Week 9 Welfare State**

### **Required reading**

Esping-Andersen G., *The three worlds of welfare capitalism*. London: Polity, 1990.

Wil Arts and John Gelissen, Three worlds of welfare capitalism or more? A state of the art report *Journal of European Social Policy* 2002, 12 (2): 137–158

Claus Offe, Democracy against the welfare state? Structural foundations of neoconservative political opportunities. *Political Theory*, 1987, 15 (4), 501-537

### **Additional reading**

Esping-Andersen G., *Social foundations of post-industrial economies*. Oxford: Oxford University Press, 1999.

## **Week 10 Dependent Development**

### **Required reading**

Ha-Joon Chang, *Bad Samaritans*, Bloomsbury Press, 2007. Ch.1 pp.1-22

Peter Evans *Dependent Development: the Alliance of Multinational, State and Local Capital in Brazil*. (Princeton 1979) Ch.1 pp.14-54

Paul Hirst, Graeme Thompson and S Bromley *Globalization in Question* (Polity Press, 2009) Ch.5 Emerging markets and the advanced economies pp.31-157

Nina Bandelj and Elizabeth Sowers *Economy and State: A Sociological Perspective* (Polity Press, 2010) Ch.6 pp.137-163 NB Available as an **e-book** from the University Library

### **Additional reading**

Leander Heldring and James Robinson Colonialism and development in Africa. *African Economic History Working Paper Series* 5/2012.

Robert Gilpin *Global Political Economy: Understanding the International Economic Order* (Princeton 2001) Ch. 12 The state and economic development, pp.305-340

Michael Chossudovsky, *The Globalization of Poverty and the New World Order*, Global Research, 2003. Pp.15-72.

Paul A. Baran, *The Political Economy of Growth*, Monthly Review Press, 1957. (475 pp.) [Very advanced]

## **Week 11 Neoliberalism**

### **Required reading**

Andrew Gamble, *Hayek: The Iron Cage of Liberty*, Cambridge: Polity Press. 1996.

David Harvey, *A Brief History of Neo-Liberalism*. Oxford: Oxford University Press 2005.

### **Additional reading**

F.A. Hayek, *Individualism and the Economic Order*. University of Chicago Press, Chicago and London. 1980: p. 78.

Williamson, John, What Washington means by policy reform. In J Williamson (Ed) *Latin American Adjustment: How Much Has Happened?* Washington D.C. Institute for International Economics, 1990.

Dumenil G., and D. Levy, 'Costs and benefits of neoliberalism: a class analysis'. *Review of International Political Economy*, 8 (4). pp. 283-345

Dic Lo, *Alternatives to Neoliberal Globalisation*. Palgrave 2012.

Chris Rogers, *Capitalism and its Alternatives*, Zed books 2014

## **Week 12 Financialisation in the neoliberal era**

### **Required reading**

Gerald Epstein, "Financialization: There's Something Happening Here" 2015 (20 pp.)

Thomas Palley, "Financialization: What It Is and Why It Matters," 2007. (31 pp.)

Matt Taibbi, "The Great American Bubble Machine" In *Rolling Stone* (1082-83) 2010.

Barry Ritholtz with Aaron Task, "The Backwards, Rate-Driven Economy" in *Bailout Nation*, Wiley, 2009. (11 pp.)

Gabriel Fineberg, "Mobile Credit: The Effect of Credit Cards on Consumer Spending in the United States in the Second Half of the Twentieth Century" in *Penn History Review*, 20(1) 2013: 94-12

### **Additional reading**

Andrew Haldane. The costs of short-termism in Michael Jacobs and Mariana Mazzucato (eds). *Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth* (Wiley-Blackwell 2016) pp66-76

## **Week 13 Globalisation**

### **Required reading**

F.J. Lechner and J. Boli, *The Globalisation Reader*. Blackwell 2<sup>nd</sup> Edition 2004. (This is a comprehensive reader, note particularly articles by I. Wallerstein, The Rise and Future Demise of the World Capitalist System, and L. Sklair, Sociology of the Global System). (There is also a Third edition 2008).

David Held and Andrew McGrew, 'The End of the Old World Order? Globalization and the Prospects for World Order', *Review of International Studies*, Vol 24 (December 1998).

### **Additional reading**

Martin Wolf, *Why Globalization Works: The Case for the Global Market Economy*. 2005. Yale.

L. Sklair, The Emancipatory Potential of Generic Globalisation, *Globalizations*, December 2009. Vol 6, No 4, 525-539.

A. Buzgalin and A. Kolganov, Critical political economy: the 'market-centric' model of economic theory must remain in the past- notes of the post-Soviet School of Critical Marxism. *Cambridge Journal of Economics* 2015. Vol 40, 575-598.



Paul Mason, *PostCapitalism: A Guide to Our Future*. London: Allen Lane, 2015.

David Held, *Global Covenant: The Social Democratic Alternative to the Washington Consensus*. Cambridge: Polity 2004. Especially chapter 10.

## **Week 14 The multinational corporation**

*This lecture has two parts. The first examines patterns of foreign direct investment (FDI) and focuses on the MNC's power and influence. In the second part of the lecture, the focus shifts to the analysis of global value chains and the processes of outsourcing and off-shoring entailed.*

### **Week 14, Part 1. Foreign Direct Investment: the Power of the Multinational Company**

The lecture examines the current spread of companies' global influence by looking at patterns of foreign direct investment. It focuses on multinational companies' power and its impact on the nation state and investigates whether MNCs remain domestically embedded or have become placeless.

#### **Reading:**

Wilks, S. 2013, *The Political Power of the Business Corporation*, Chapter 1. Edward Elgar.

Centeno, M. and Cohen, J. 2014, *Global Capitalism*. 5<sup>th</sup> edition. Cambridge: Polity Press.

Hirst, P., Thompson, G. and Bromley, S. 2009, *Globalization in Question*. Chapter 2, pp. 40ff and chapter 3. Third and fully revised edition. Cambridge: Polity Press.

UNCTAD (various years), *World Investment Report*. (available on line).

Crouch, C. 2010, 'The global firm: the problem of the giant firm in democratic capitalism', D. Coen, W. Grant and G. Wilson eds, *Business and Government*, pp. 148-172. Oxford: OUP

Thun, E. 2014, 'The globalization of production', J. Ravenhill ed., *Global Political Economy*. Fourth edition. OUP.

Bakan, J. 2005, *The Corporation. The pathological pursuit of profit and power*. London: Constable

Holton, R. 2011, *Globalization and the Nation State*, chapter 3, pp. 72-80. 2nd edition.

Held et al 1999, *Global Transformations*, chapter 5. Cambridge: Polity Press.

or

Held and McGrew 2007, *Globalization/Anti-Globalization*, chapter 5. 2nd edition. Cambridge: Polity Press.

Wolf, M. 2004, *Why Globalization Works. The case for the global market economy*. New Haven: Yale University Press, chapter 11, selecting his view of MNCs.

### **Week 14, Part 2. Outsourcing and Off-Shoring: Global Value Chains.**

Part 2 examines the roles played by MNCs in processes of outsourcing and off-shoring. It focuses both on global value chains and off-shoring of production and services and on outsourcing by the British state of service provision from the NHS, the prison system etc

## Reading

- Thun, E. 2014, 'The globalization of production', J. Ravenhill ed., *Global Political Economy*. Fourth edition. OUP.
- White, A. 2017, *Who really Rules Britain?* London: One World. (On outsourcing by British state).
- Wilks, S. 2013, *The Political Power of the Business Corporation*. (Chapters on outsourcing by the British state). Edward Elgar.
- Dicken, P. 2011, *Global Shift*, chapter 3, and sections on particular industries in Part III.
- Bair, J.D. et al 2014, *Workers' Rights and Labor Compliance in Global Supply Chains*, New York/London: Routledge.
- Bair, J. (ed.) 2009, *Frontiers of Commodity Chain Research*. Stanford University Press.
- Gereffi, G. 2005, 'The Global Economy: organization, governance and development', N. Smelser and R. Swedberg eds, *The Handbook of Economic Sociology*. 2nd edition. Princeton and Oxford: Princeton University Press.
- Gereffi, G. 2006, 'The New Off-Shoring of Jobs and Global Development'. Geneva: ILO. On the web.
- Bulut, T. and Lane, C. 2010, 'The private regulation of labor standards and rights in the global clothing industry: an evaluation of its effectiveness in two developing countries', *New Political Economy*, 16, 1: 41-71.
- Lane, C. and Probert, J. 2009, *National Capitalisms, Global Production Networks. Fashioning the Value Chain in the US, the UK and Germany*. Oxford: OUP.
- Henderson, J. et al 2002, 'Global production networks and the analysis of economic development', *Review of International Political Economy*, 9, 3: 436-64.

## Week 15 Innovation and the Knowledge-Based Economy

### Required reading

- Drahos, P. and Braithwaite, J. (2004). "Who owns the knowledge economy?" *Corner House Briefing*, No. 32. Available at: <http://www.thecornerhouse.org.uk/resource/who-owns-knowledge-economy>
- Jessop, B (2010) The knowledge economy as a state project. In Boss, M (ed) *The nation-state in transformation. Economic globalisation, institutional mediation and political values*. (Aarhus University Press)
- Lazonick, W, and O. Tulum. 2011. "US biopharmaceutical finance and the sustainability of the biotech business model. *Research Policy* 40: 1170-1187.
- Mariana Mazzucato, "The State behind the iPhone" in *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, Anthem Press, 2013. Pp. 87-140.

Slaughter, S. and Rhoades, G. (1996). The emergence of a competitiveness research and development policy coalition and the commercialization of academic science and technology. *Science, Technology, & Human Values*, 21(3), 303-339.

McGuire, S (1997) National policy for internationalized industries: neo-liberal interventionism and the UK aerospace industry, *Journal of European Public Policy*, 4:2, 190-205

### **Additional reading**

David Edgerton, D (2007) The contradictions of techno-nationalism and technoglobalism: a historical perspective *New Global Studies*, 1(1) : 1-32

Loeppky, R. (2005) History, technology, and the capitalist state: the comparative political economy of biotechnology and genomics. *Review of International Political Economy*, 12(2), 264-286.

Walter Adams & James Brock, *The Bigness Complex*, Stanford University Press, 2004. (386 pp.)

Luigi Orsenigo *The emergence of biotechnology*. (Pinter: London, 1989)

## **Week 16 What next? Rethinking capitalism**

### **Required reading**

Michael Jacobs and Mariana Mazzucato *Rethinking capitalism: an introduction in idem. Rethinking Capitalism: Economics and Policy for Sustainable and Inclusive Growth* (Wiley-Blackwell 2016) pp1-27

Terry Mollner, "Mondragon: A Third Way," in *Review of Social Economy*, 42(3) 1984: 260-271.

Varvarousis, A. & Kallis, G., 2017. Commoning against the crisis. In: Manuel Castells et al. (eds). *Another Economy Is Possible. Culture and Economy in a Time of Crisis*. Cambridge. Polity Press

### **Additional reading**

Erik Olin Wright, *Basic Income as a Socialist Project*, 2005. (5pp.)

Gill Seyfang, "Working for the Fenland Dollar: An Evaluation of Local Exchange Trading Schemes as an Informal Employment Strategy to Tackle Social Exclusion" in *Work, Employment & Society* 15(3), 2001: 581-593.

Nick Srnicek & Alex Williams, "Post-Work Imaginaries" in *Inventing the Future*, Verso Books, 2015. (18pp.)

### **Suggested listening:**

New Economics Foundation, "Inventing the Future" episode of *Weekly Economics Podcast*, June 2016. (30 min.)