**SOC 9: Global Capitalism - course outline 2019-2020**

**Times and location:**

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

Mill Lane, Lecture Room 10

**Course organiser**

Ali Meghji - [am2059@cam.ac.uk](mailto:am2059@cam.ac.uk) (course enquiries should be directed to Stuart Hogarth in Michaelmas Term: [sh339@cam.ac.uk](mailto:sh339@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, and its global expansion. The course examines general theories of the structure of capitalism in both the classical and modern literature; its historical development and fundamental institutions, such as money, the firm, work and consumerism. The course has four core themes: the interconnection between states and markets, power and structural inequalities, the historical and national varieties of capitalism, and the relationship between capitalism and other forms of economic activity.*

**Required course readings**

You are expected to have copies of the following books.


**Additional general reading**


Fernand Braudel. 1982 *Civilisation and Capitalism Vol.II. The Wheels of Commerce* (Collins)

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


# Lecture Outline

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# Lecturer contact details

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LH - Luke Hawksbee: [lh372@cam.ac.uk](mailto:lh372@cam.ac.uk)

VA - Valentina Aussenladscheider: [va284@cam.ac.uk](mailto:va284@cam.ac.uk)

MS - Matthew Sparkes: [ms2268@cam.ac.uk](mailto:ms2268@cam.ac.uk)

CL - Christel Lane: [col21@cam.ac.uk](mailto:col21@cam.ac.uk)
Michaelmas 2019

Week one: Markets and states – the origins of modern capitalism and the military-industrial complex

This session will begin with a brief introductory overview, touching on the key theoretical perspectives, themes and questions explored in this paper and providing some practical information about the organisation and delivery of the paper.

The rest of the session gives a brief history of modern capitalism with a focus on a core concern for political economy – the relationship between states and markets, explored through the concept of the military-industrial complex. Key moments in the intertwined development of the nation-state and the capitalist firm are explored, from the emergence of the first joint-stock firms as hybrid forms combining commercial and state functions, through to the contemporary military-industrial complex. Other theoretical perspectives include Tilly’s model of concentrations of coercion and capital in early modern period shaping a variety of state forms; Beckert’s model of war capitalism; Marx’s theory of primitive accumulation and Braudel’s model of monopoly capitalism.

Required reading


Additional reading


Supervision question

To what extent was the US military-industrial complex a novel reconfiguration of the relationship between economic and military power?
**Week two – Work and labour discipline**

The concept of labour discipline was central to both Marx and Weber's models of modern capitalism. In this lecture we shall explore Marxian labour process theory and its theoretical and empirical limitations, and then examine the creation of a disciplinary society beyond the workplace through the work of EP Thompson and Michel Foucault.

**Required reading**


**Additional reading**


**Supervision question**

*Disciplining and deskilling of the labour force were key developments in the capitalist mode of production. Discuss.*

**Week three – Work and gender**

This session provides an overview of gender inequality in the labour market, historical trends and explores theoretical perspectives on patriarchy and capitalism. Feminist political economy will be introduced as a key theoretical perspective for understanding both inequalities in the labour market and the failure of economists and policy makers to take proper account of women’s unpaid labour.

**Required reading**


**Additional reading**

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


**Supervision question**

*In what ways does feminist political economy challenge the view of capitalism as a totalising system?*

**Week four – Technocapitalism 1 – From industrialisation to postindustrial innovation**

Capitalism is commonly understood as a system characterised by rapid technological innovation. This lecture explores debates about technocapitalism. In the first section we examine the nature and impact of the first industrial revolution, and the role of the state in industrialisation (exemplified by USA and Korea). In the second part, contemporary ideas about innovation policy and a knowledge-based economy are interrogated with reference to the work of Mazzucato and Lazonick (on the roles of the public and private sectors). Edgerton’s critique of techno-nationalism and techno-globalism is drawn on in both sections.
**Required reading**


**Additional reading**


**Supervision question**

*Technological innovation is a nationalist project. Discuss.*

**Week five – Technocapitalism 2 – Two case studies – pharmaceutical industry and platform capitalism**

This lecture will examine aspects of contemporary industrial/innovation policy through two case studies: the pharmaceutical/biotechnology sector and platform capitalism. Key aspects of pharmaceutical industry will be explored including industrial concentration, patent-based monopolies, the lobbying power of industry, and the impact of financialisation. The state’s role in pharmaceutical innovation will also be explored including how the impact of regulation and public funding for R&D. In the second section Srnicek’s theory of platform capitalism (Srnicek) will be linked to Mozorov’s critiques of Silicon Valley’s tech sector and Hogarth’s analysis of disruptive innovation as ideology and practice.

**Required reading**


Edward Nik-Kah. 2014. Neoliberal pharmaceutical science and the Chicago School of Economics. *Social Studies of Science*

Nick Srnicek *Platform Capitalism* (Polity Press) Chapter two

Stuart Hogarth. 2017. Valley of the Unicorns *New Genetics and Society*
Additional reading


Shoshana Zuboff. 2015. Big other: surveillance capitalism and the prospects of an information civilization. *Journal of Information Technology* 30, 75–89


Supervision question

*Should we nationalise the pharmaceutical industry?*

Week six – Welfare state: origins to neoliberal era

The emergence of modern welfare state, welfare state in the neoliberal era. Esping Andersen's model – alternatives and critiques, including Foucault (biopolitics). Welfare states in comparative perspective (inc. China)

Required reading


Additional reading


Supervision question

*Has the neoliberal reform of state welfare provision undermined the theory that there are distinct national varieties of capitalism?*

**Week seven - Land and housing**

This session will begin by exploring various theoretical perspectives on land including Polanyi’s fictitious commodity, land as an exemplar of scarcity (a key concept in economic theory), land ownership as rentiership and the environmental economics perspective. In the second section we will examine the role of the state in the housing sector (regulatory controls, direct provision, market construction) with a focus on Germany and the UK.

**Required reading**


Stewart Lansley. 1979. *Housing and public policy* (Croom Helm) Ch.1 The role of government

Josh Ryan-Collins, Toby Lloyd and Laurie Macfarlane. 2017. *Rethinking the economics of land and housing* (Zed Books) Ch.5 The financialisation of land and housing

Danny Dorling (2014) *All that is solid* (Penguin) Ch.3 Foundations

**Additional reading**


Required reading

*Supervision question*

*Scarcity is a social construct. Discuss with reference to land and housing.*

**Week eight – Beyond housing: Homelessness and its discontents**

How do people become homeless but even more importantly: how do they cope on the street? Using both statistical and ethnographic data, I will introduce the topic of homelessness by thinking through the complexity of its causes before focusing on their daily struggles. What does a normal day look like for a homeless person? How do they interact and live their social lives and how do they make homes on the street? I will end by portraying how specifically addiction and mental health issues among homeless people are a big hindrance for people both to survive on the street but also to get off the street and access housing. Is it not only structural violence that leads to homelessness but also prevents people from leaving the street behind?
Required reading


Additional reading


*Supervision question: Homelessness is mainly an issue of a lack of housing. Discuss.*

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**Lent 2020**

**Week one – Neoliberalism**

Neoliberalism is a widely contested term with many scholars having found different and conflicting ways to define and conceptualise it. This lecture seeks to outline how different conceptualisations are bound to ideological biases and how we could start to delimit neoliberalism empirically in-between these biases. With that we try to pinpoint how neoliberalism manifested itself as dominant regime and whether we see changes, crisis, or counter movements arising.

**Required reading**


**Additional reading**

Week two – Multinational companies: foreign direct investment and outsourcing

This session comprises two lectures about multinational companies (MNCs). MNCs are widely viewed as the drivers of globalization, but the nature of their impact on society and on the nation state is still insufficiently understood. While some authors view MNCs as saviours, others describe them as villains. The first lecture reviews their role in the process of globalization by focusing on processes of foreign direct investment and the creation of subsidiaries. It examines the immense economic and even political power the MNC is able to wield.

The second lecture critically reviews a second field of MNC activity, driving global economic integration. The focus here falls on processes of outsourcing manufacturing and service operations and off-shoring them to nominally independent contractor firms in mostly less developed countries. Governance of the resulting cross-national value chains, as well as the often very negative impact of such off-shoring activities on labour will be examined.

The Multinational Corporation:

1. Foreign direct investment (FDI)

Required reading


Additional Reading.


2. Outsourcing

Required Reading


Additional Reading


Lane, C. and Probert, J. 2009, National Capitalisms, Global Production Networks. Fashioning the Value Chain in the UK, USA and Germany. Chapter 2.3. and chapter 10. Oxford: OUP. (Book is on outsourcing in the clothing industry).

Supervision questions

1. What are the bases of the immense power now wielded by global MNCs?

2. Is it still meaningful to speak about the home base of giant global companies?

3. Are western MNCs responsible for the maintenance of low labour standards and rights in developing/transition societies?
**Week three – Money, banks and finance**

Explaining the basics of finance, especially money and banking. The role of finance in relation to industry and commerce. A historical and functional overview of money, credit/debt, and the creation of both (including money as debt and vice versa). A brief primer on equity and the trading thereof (both primary and secondary markets).

**Required reading**


**Additional reading**


*Supervision question: How do popular (mis)conceptions about finance (including money, banks and debt) distort public understanding of political economy?*

**Week four – Finance and imperialism**

Outlining the significance of finance in world-systems, particularly its role in contemporary economic hegemony and imperialism. International capital flows, debt relations, and dependent development. Trade, foreign currency exchange, reserves, and the ‘exorbitant privilege’ of the US dollar functioning as world money.

**Required reading**


**Additional reading**


**Supervision question:** How important is finance to underpinning global North–South/core–periphery relations, and how does it do this?

**Week five – Neoliberal Financialisation**

Describing the means, effects, and limits of financialisation on non-financial firms. Finance capital in the early 20th century contrasted with more financially autonomous non-financials under neoliberal financialisation. How financial pressures and the hegemony of financial theories, perspectives and metrics affect business models. The new stage of ‘financial capitalism’ vs the continuity of finance as a core phenomenon of capitalism.

**Required reading**


**Additional reading**


Supervision question: How and to what extent is contemporary capitalism distinct from prior capitalist eras as a result of neoliberal financialisation?

Week six – Financialisation 4: Venture capital: tech and its kingmakers

Venture capital – equity investors into new companies – are the first filter of how our economy will look like in the future. Linking the technocapitalism lectures from the first term to the recent financialisation lectures, we will in this lecture dive into a specific kind of financial intermediary that is native in Silicon Valley (and more recently also in Silicon Roundabout). What is their role in the economy? What does their incentive (and value) structure look like? What effects do their decisions have?

Required reading


Additional reading

Florida, R and Kenney, M Venture capital-financed innovation and technological change in the USA. Research Policy, 17, 119-137

Shapin, S The Scientific Life: A Moral History of a Late Modern Vocation (University of Chicago, 2008) Ch. 8


Supervision question: Venture capitalists are important for our economy. Discuss.

Week seven (2 Mar) – Consumerism and debt

In this seminar we will examine the intersections between consumerism and debt, with a particular emphasis on the underlying class mechanisms. In the process we will cover the emergence of debt-based consumerism (exemplified by USA and UK), including how the infrastructural power of the state is used to widen access to debt and the impact of financial markets classification of borrowers.
Required reading


Additional reading

Veblen, T. The Theory of the Leisure Class. (184 pp.) pp. 49-77 (Download)


Supervision question: How does class(ification) influence the relationship between consumerism and debt in neoliberal societies?

Week eight – Class, capital and power

Exploring materialist theories of power outside the workplace. Wealth as the economic basis of social and political power, including the class-domination theory of power. Capital as itself a form of socially-organised power, and value as expression/metric of that power.

Required reading

Domhoff, GW. 2012. “The Class-Domination Theory of Power.” Available at: https://whorulesamerica.ucsc.edu/power/class_domination.html


Additional reading


Supervision question: How should we understand the relationship between capital, class and power in a capitalist society?