

# SOC 9: Modern Capitalism

(2016–2017 academic year)

**Times:**

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

**Room:**

17 Mill Lane, Seminar Room E ([Map](#))

**Course organizer:**

Dr. Stuart Hogarth ([sh339@cam.ac.uk](mailto:sh339@cam.ac.uk))

The paper is designed to teach students the fundamentals of the sociological or “continental” tradition of the Political Economy of Capitalism. Such a broad theme must obviously be selective, but we will cover many crucial works and topics. The student should come away with a good understanding of how the political and economic processes of modern capitalism work, with special focus on the first (the UK) and the biggest (the US) systems. We will also look at whether contemporary capitalism is implicated in the production of global poverty.

This version of political economy is distinct from the Anglo-American tradition that emphasizes individual rationality and formal mathematical models. Instead, it focuses on power in all its forms, and looks at how political and economic forces mutually interact to socially construct the market and the state. It pays special attention to social groups that are anterior to, and participate in, both economic and political struggles (like classes and status groups). Although “continental” political economy is taught and practiced in most of the social science disciplines, it has never been restricted to the academy, and various “radicals” (marxian, anarchist, or other) have always contributed to debates as well.

The course will be held in a seminar style, and students are expected to read the required material and be prepared to discuss the topic question(s). The exam will consist of two parts, each worth 50% of the final grade. In the first part, students will be required to answer 12 out of 15 questions, each in one paragraph. These questions will be drawn from all weeks of the course. In the second part, students will be required to answer 1 out of 3 essay questions.

Each seminar will be led by either Prof. Lawrence King ([lk285@cam.ac.uk](mailto:lk285@cam.ac.uk)), Dr. Stuart Hogarth, or Luke Hawksbee ([lh372@cam.ac.uk](mailto:lh372@cam.ac.uk)). Supervisions will be arranged by Luke Hawksbee, and carried out by Luke Hawksbee and Victor Roy ([victorroy@gmail.com](mailto:victorroy@gmail.com)).

It is recommended that you buy the most recent edition of the following books from any online vendor:

- (1) Who Rules America, G. William Domhoff. 2009. McGraw Hill;
- (2) Field Guide to the Global Economy, Sarah Anderson et al. 2005. The New Press;
- (3) Economics: The User's Guide, Ha-Joon Chang. 2014. Pelican.

Most required and suggested readings will be available in libraries, and as many as possible will also be made available in electronic format. Click the word 'Download' to download a .pdf file of a text on the reading list, where available.

The readings are selective, and while we will address many crucial debates no attempt has been made to assign readings on all sides of these debates or to cover all such debates. Students interested in additional material for any week's topic should contact the course organizer.

# **Class 1: Adam Smith and the philosophy of limited laissez-faire (*Date TBC*)**

## **Required reading:**

None

## **Suggested reading:**

Ha-Joon Chang, “Let a Hundred Flowers Bloom” in *Economics: The User’s Guide*, Pelican, 2014. Pp. 108-169 ([Download](#))

Robert O’Brien & Marc Williams, “Approaches to Global Political Economy” in *Global Political Economy: Evolution and Dynamics*, Palgrave MacMillan, 2010. Pp. 9-29. ([Download](#))

## **Questions to consider:**

None

## **Class 2: Marx's critique of capitalism (*Date TBC*)**

### **Required reading:**

Karl Marx & Friedrich Engels, *Manifesto of the Communist Party*. [Except "Socialist and Communist Literature" and the various Prefaces] (15 pp.) [If you have already read this, read the Economic and Philosophical Manuscripts instead] ([Download](#))

David Harvey, "The Geography of Class Power" in *Spaces of Capital: Towards a Critical Geography*, Routledge, 2001. Pp. 369-393. ([Download](#))

### **Suggested reading:**

Karl Marx & Friedrich Engels, *Manifesto of the Communist Party*. [Prefaces] (15 pp.) ([Download](#))

Karl Marx, *Economic and Philosophic Manuscripts of 1844*. (81 pp.) ([Download](#))

Adam Przeworski, "Proletariat Into a Class: The Process of Class Formation from Karl Kautsky's 'The Class Struggle' to Recent Controversies," in *Politics and Society* 7(4) 1977: Pp. 343-401. ([Download](#))

Leszek Kolakowski, *Main Currents of Marxism*, Norton, 2005. (1284 pp.) ([Download](#))

### **Questions to consider:**

(1) What are Marx's major critiques of capitalism? (2) Which predictions have been proven correct after 150 years? Which were incorrect? Why?

## **Class 3: The transition from feudalism to capitalism** *(Date TBC)*

### **Required reading:**

Robert Brenner, “Property and Progress: Where Adam Smith Went Wrong” in Chris Wickham, *Marxist History-writing for the Twenty-first Century*, British Academy Occasional Papers, 2007. Pp. 49-111. ([Download](#))

### **Suggested reading:**

*The Brenner Debate*, Edited by T. H. Aston & C. H. E. Philpin, Cambridge University Press, 1987. (352 pp.) ([Download](#))

### **Questions to consider:**

(1) What are the major differences between economic life under feudalism and capitalism? (2) What are the differences between the long-term economic tendencies of feudal and capitalist social property relations? (3) Why did Great Britain emerge as the dominant economic power in the world by the 18<sup>th</sup> century? (4) Is this analysis still important today?

## **Class 4: Capitalist development and the state (*Date TBC*)**

### **Required reading:**

Ha-Joon Chang, “Kicking Away the Ladder: The ‘Real’ History of Free Trade”, FPIF Special Report December 2003: Pp. 1-20. ([Download](#))

Ha-Joon Chang, “Leviathan or the Philosopher King?” in *Economics: The User’s Guide*, Pelican, 2014. Pp. 375-403. ([Download](#))

Geoff Ingham, “Schumpeter and Keynes” in *Capitalism*, Polity Press, 2008. Pp. 36-52. ([Download](#))

### **Suggested reading:**

Greg Grandin, “What the Modern World Owes Slavery (It’s More Than Back Wages),” 2014. (5 pp.) ([Download](#))

Richard Kozul-Wright, “The myth of Anglo-Saxon Capitalism: Reconstructing the history of the American State” in H.-J. Chang & R. Rowthorn (eds.), *The Role of the State in Economic Change*, Clarendon Press, 1995. Pp. 81-113. ([Download](#))

Fred Block, & 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. ([Download](#))

Wolfgang Schluchter, “Modes of Capitalism” in *Rationalism, Religion, and Domination*, University of California Press, 1989. Pp. 281-314. ([Download](#))

### **Questions to consider:**

(1) What is the role of the state in capitalist development? (2) The US economy is often portrayed as the acme of free markets and private property, which is also seen as the key to its great wealth. Is this common understanding accurate? (3) What is the relationship between “the state” and “the market” in modern capitalism?

## **Class 5: Capitalism, democracy and dictatorship** *(Date TBC)*

### **Required reading:**

Goran Therborn, “The Rise of Capital and the Rule of Democracy” in *New Left Review* (103) 1977: Pp. 3-41. ([Download](#))

Ian Kershaw, “Politics and Economics of the Nazi State” in *The Nazi Dictatorship*, Oxford University Press, 2000. Pp. 47-68. ([Download](#))

Martin Gilens & Benjamin Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens” forthcoming in *Perspectives on Politics* (Fall) 2014. (42 pp.) ([Download](#))

### **Suggested reading:**

Doug McAdam, “The Historical Context of Black Insurgency 1876-1954” in *Political process and the development of black insurgency, 1930-1970*, University of Chicago Press, 1999. Pp. 65-115. ([Download](#))

John D. Stephens, Dietrich Rueschemeyer, & Evelyn H. Stephens, *Capitalist Development and Democracy*, University of Chicago Press, 1992. (398 pp.) ([Download](#))

### **Questions to consider:**

(1) Is it true that “no bourgeoisie, no democracy?” (2) What is the relationship between capitalist social property rights and democracy? (3) Were the classical liberals correct to worry about the incompatibility of democratic government and capitalist class relations? If they were wrong, why?

## **Class 6: The cohesion and power of the capitalist class (*Date TBC*)**

### **Required reading:**

G. William Domhoff, “The Class-Domination Theory of Power,” February 2012. (13 pp.) ([Download](#))

G. William Domhoff, “Class and Power in America” in *Who Rules America?* McGraw Hill, 2009. Pp. 1-19. ([Download](#))

G. William Domhoff, “How the Power Elite Dominate Government” in *Who Rules America?* McGraw Hill, 2009. Pp. 85-113, 147-209. ([Download](#))

### **Suggested reading:**

G. William Domhoff, *Who Rules America?* McGraw Hill, 2013. (288 pp.) ([Download of Fifth Edition](#))

G. William Domhoff, “Interlocking Directorates and the Corporate Community,” October 2013. (~13 pp.) ([Download](#))

G. William Domhoff, “Social Cohesion & the Bohemian Grove,” April 2005. (~14pp.) ([Link](#))

John Scott, *Who Rules Britain?* Polity, 1991. Pp. 63-152 ([Download](#))

### **Questions to consider:**

(1) Is there a “ruling class” in the US? What about in the UK? (2) If so, who are they made up of? (3) How are the answers different (in the US from the UK)?



## **Class 7: Corporate capitalism and the mass media** *(Date TBC)*

### **Documentary:**

*Manufacturing Consent: Noam Chomsky and the Media*, 1992, directed by Mark Achbar & Peter Wintonick. (167 min.) ([Stream](#))

### **Required reading:**

Edward Herman & Noam Chomsky, *Manufacturing Consent: The Political Economy of the Mass Media*, Pantheon Books, 1988. Pp. 1-35. ([Download](#))

Noam Chomsky & Edward Herman (interview by Andrew Mullen Andrew Mullen), “The Propaganda Model after 20 Years” in *Westminster Papers in Communication and Culture* (November) 2009. (6 pp.) ([Download](#))

### **Suggested reading:**

Edward Herman & Noam Chomsky, *Manufacturing Consent: The Political Economy of the Mass Media*, Pantheon Books, 1988. (393 pp.) [Strongly suggested: at least one other chapter] ([Download](#))

Jeffery Klaehn, “A Critical Review and Assessment of Herman and Chomsky’s ‘Propaganda Model’” in *European Journal of Communication* 17(2) 2002: Pp. 147-182. ([Download](#))

### **Questions to consider:**

(1) Does the Propaganda Model apply to Great Britain? If not, why not? (2) What would the propaganda model predict for the coverage of the “Great Recession”?

## **Class 8: Capitalism and social democracy (*Date TBC*)**

### **Required reading:**

Adam Przeworski, "Social Democracy as a Historical Phenomenon" in *New Left Review* (122) 1980: Pp. 27-58. ([Download](#))

Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Polity Press, 1996: Pp. 35-78. ([Download](#))

### **Suggested reading:**

Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, Polity Press, 1996. (229 pp.) ([Download](#))

### **Questions to consider:**

(1) What does a two-by-two table that summarizes Esping-Andersen's typology of welfare states look like? What is the causal process that explains which country goes into which box? (2) How does the class model stand-up in today's world? That is, have changes in the class structure had an effect on the welfare systems of the advanced capitalist countries? (3) Can social democracy "transcend" capitalism?

## **Class 9: Capitalism, inequality and social mobility** *(Date TBC)*

### **Required reading:**

Simon Szreter, “Wealth, Population, and Inequality: A Review Essay” in *Population and Development Review* 41(2) June 2015: Pp. 343-368.

[\(Download\)](#)

Reinhard Bendix, “Inequality and Social Structure: A Comparison of Marx and Weber” in *American Sociological Review* 39(2) April 1974: Pp. 149-161.

[\(Download\)](#)

Thomas Piketty (interview), “Dynamics of Inequality” in *New Left Review* (85) 2014: Pp. 103-116. [\(Download\)](#)

Aaron Bernstein. “Waking up from the American Dream,” in *Businessweek*, November 30, 2003. (2 pp.) [\(Download\)](#)

### **Suggested reading:**

Richard Wilkinson & Kate Pickett, *The Spirit Level: Why Equality is Better for Everyone*, Bloomsbury Press, 2011. (230 pp.) [\(Download\)](#)

### **Questions to consider:**

(1) Why is inequality not just a question of poverty? (2) How is wealth inequality reproduced over time, including between generations? (3) Why do societies accept significant inequalities?

## **Class 10: Capitalism and gender (*Date TBC*)**

### **Required reading:**

Johanna Brenner & Maria Ramas, “Rethinking Women’s Oppression” in *New Left Review* I(144) 1984: 33-71. ([Download](#))

Christine Delphy, “The Main Enemy” in *Feminist Issues* (Summer) 1980: 23-40. ([Download](#))

Frances Fox Piven, “Globalizing Capitalism and the Rise of Identity Politics” in *Socialist Register* (31) 1995: Pp. 102-116. ([Download](#))

Jeffery M. Paige, *Abstract Subjects: 'Class', 'Race', 'Gender' and Modernity*, Manuscript (work in progress), 2000. Pp.13-17 ([Download](#))

### **Suggested reading:**

Angela Davis, “The Approaching Obsolescence of Housework: A Working-Class Perspective” in *Women, Race and Class*, Women’s Press, 1981. (10 pp.) ([Download](#))

Christine Delphy, “Housework or domestic work” in *Close to Home*, University of Massachusetts Press, 1984. Pp. 78-92. ([Download](#))

Lise Vogel, “Domestic Labor Revisited” in *Science and Society* 64(2), 2000: 155-165. ([Download](#))

JaneMaree Maher, Sharon Pickering & Alison Gerard, “Women’s Work Conditions and Sexual Services” in *Sex Work: Labour, Mobility and Sexual Services*, Routledge, 2013. Pp. 26-53. ([Download](#))

### **Questions to consider:**

(1) Is domestic labor undervalued? (2) What makes labor economically ‘productive’? (3) How has gendered labor been reorganized under capitalism as more women have entered the work-force?

## **Class 11: Capitalism, race and global poverty (*Date TBC*)**

### **Required reading:**

Sarah Anderson et al, *Field Guide to the Global Economy*, The New Press, 2005. Pp. 28-95. ([Download](#))

Walter Rodney, *How Europe Underdeveloped Africa*, Bogle-L'Ouverture, 1983. Pp. 224-238. ([Download](#))

Manning Marable, "The Black Poor: Highest Stage of Underdevelopment" in *How Capitalism Underdeveloped Black America: Problems in Race, Political Economy and Society*, South End Press, 1999. (~15 pp.) ([Download](#))

Jeffery M. Paige, *Abstract Subjects: 'Class', 'Race', 'Gender' and Modernity*, Manuscript (work in progress), 2000. Pp.9-13 ([Download](#))

### **Suggested reading:**

Michael Chossudovsky, *The Globalization of Poverty and the New World Order*, Global Research, 2003. Pp.15-72. ([Download](#))

Ha-Joon Chang, *Bad Samaritans*, Bloomsbury Press, 2007. (280 pp.) ([Download](#))

John Perkins, *Confessions of an Economic Hitman*, Berrett-Koehler, 2004. (250 pp.) ([Download](#))

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

Robert Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism" in *New Left Review* (104) 1977: Pp. 25-92. [Very advanced] ([Download](#))

### **Questions to consider:**

(1) Is there too much or too little global capitalism? (2) Why are the Advanced Capitalist countries so much richer than the Less Developed Countries? (3) Are the Advanced Capitalist countries responsible for global poverty? (4) How does race factor into wealth inequality within and between countries?

## **Class 12: Oligopoly, innovation and the state in contemporary American capitalism (*Date TBC*)**

### **Documentary:**

*Taken for a Ride*, 1996, directed by Jim Klein. (55 min.) ([Stream](#))

### **TED Talk:**

*Government - Investor, Risk-taker, Innovator* by Mariana Mazzucato, (14 min.) ([Stream](#))

### **Required reading:**

Elon Musk, “All Our Patent Are Belong To You” on the Tesla Motors blog ([Link](#))

Fred Block & Matt Keller, “Where do Innovations Come From? Transformations in the U.S. National Innovation System 1970-2006” in *Socio-Economic Review* 7(3) 2009: 459-483. ([Download](#))

Mariana Mazzucato, “The State behind the iPhone” in *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, Anthem Press, 2013. Pp. 87-140. ([Download](#))

Walter Adams & James Brock, *The Bigness Complex*, Stanford University Press, 2004. Pp. 3-76. ([Download](#))

### **Suggested reading:**

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

Marcia Angell, *The Truth about the Drug Companies: How They Deceive Us and What to Do About It*, Random House, 2005. (319 pp.) ([Download](#))

### **Questions to consider:**

- (1) What is the relationship between large corporations and the American state?
- (2) What are the political consequences of giant corporations?
- (3) Is America the best functioning capitalist system in the world, or the worst?
- (4) Does America have an “inverse socialism” or “socialism for the rich”? That is, is American political economy characterized by state subsidy for big business and reliance on private markets for workers?

## **Class 13: Finance, crisis and austerity (*Date TBC*)**

### **Documentary:**

*Inside Job*, 2010, directed by Charles Ferguson. (120 min.) ([Stream](#))

### **Required reading:**

Gerald Epstein, “Financialization: There’s Something Happening Here” 2015 (20 pp.) ([Download](#))

Robert Brenner, “Towards the Precipice” in *London Review of Books* 25(3) 2003: 18-23. ([Download](#))

Suzanne J. Konzelmann, “The Political Economics of Austerity” in *Cambridge Journal of Economics* 2014. (41 pp.) ([Download](#))

Barry Ritholtz with Aaron Task, “The Backwards, Rate-Driven Economy” in *Bailout Nation*, Wiley, 2009. (11 pp.) ([Download](#))

### **Suggested reading:**

Geoffrey Ingham, *Capitalism Divided*, Palgrave MacMillan, 1984. Pp.40-151. ([Download](#))

Thomas Palley, “Financialization: What It Is and Why It Matters,” 2007. (31 pp.) ([Download](#))

Robert Brenner, *What’s Good for Goldman Sachs is Good for America: The Origins of the Current Crisis*, 2009. Pp. 1-73. ([Download](#))

Matt Taibbi, “The Great American Bubble Machine” In *Rolling Stone* (1082-83) 2010. ([Download](#))

James Crotty, “The Great Austerity War” in *Cambridge Journal of Economics* (36) 2012: Pp. 79-104. ([Download](#))

Pasquale Tridico, “Financial Crisis and Global Imbalances” in *Cambridge Journal of Economics* (36) 2012: Pp. 17-42. ([Download](#))

### **Questions to consider:**

(1) How has financialisation transformed the global economy? (2) What are the causes of the financial crisis and Great Recession? (3) How have austerity policies been legitimized in the wake of the crisis? (4) What lessons should we learn from the experience of the crisis and the austerity that followed?

## **Class 14: Consumerism and credit (*Date TBC*)**

### **Documentary:**

*Happiness Machines* (Episode 1 of *Century of the Self*), 2002, directed by Adam Curtis. (58 min.) ([Stream](#))

### **Required reading:**

Juliet Schor, “A Life at Hard Labor”: Capitalism and Working Hours” in *The Overworked American*, BasicBooks, 1993. Pp. 43-82 ([Download](#))

Juliet Schor, “The Insidious Cycle of Work-and-Spend” in *The Overworked American*, BasicBooks, 1993. Pp. 107-138. ([Download](#))

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: 94-120. ([Download](#))

### **Suggested reading:**

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. ([Download](#))

Kevin Leicht & Scott Fitzgerald “The Real Reason 60 Is the New 30: Consumer Debt and Income Insecurity in Late Middle Age” in *Sociological Quarterly* 55(2) 2014: 236-260. ([Download](#))

Naomi Klein, *No Logo: Taking Aim at the Brand Bullies*, Picador, 1999. Pp. 25-78. ([Download](#))

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

### **Questions to consider:**

(1) Why has Keynes’ vision of a fifteen-hour workweek not materialized? (2) Does consumer credit affect the economy differently from corporate credit? (3) If so, how and why?



## **Class 15: The rise of the corporation (*Date TBC*)**

### **Documentary:**

*The Corporation*, 2003, directed by Mark Achbar & Jennifer Abbott. (165 min.) ([Stream](#))

### **Required reading:**

Ha-Joon Chang, “Dramatis Personae” in *Economics: The User’s Guide*, Pelican, 2014. Pp. 170-201. ([Download](#))

Ted Nace, *Gangs of America*, (Table 1.1) Berret-Koehler, 2005. (2pp.) ([Download](#))

TRAC – *U.S. Prosecution of Corporate Crime Varies Widely by Location, Program and Agency*, 2016. ([Download](#))

### **Suggested reading:**

Ted Nace, *Gangs of America*, Berret-Koehler, 2005. Pp. 19-140. ([Download](#))

Charles Perrow, *Organizing America*, Princeton University Press, 2005. (232 pp.) ([Download](#))

### **Questions to consider:**

(1) What is the Power Elite? (2) Are corporations able to dominate the American state? If so, how? (3) Is the US different from the UK, or Continental Europe? If so, in what ways and why?

## **Class 16: Prospects for the future (*Date TBC*)**

### **Required reading:**

Terry Mollner, “Mondragon: A Third Way,” in *Review of Social Economy*, 42(3) 1984: 260-271. ([Download](#))

Jesse Myerson, “The Right to a Dignified Life” in *Jacobin* (online), August 2015. (~7 pp.) ([Download](#))

Hilary Wainwright, “From Grass Roots Organizing to New Economic Networks” in *Arguments for a New Left: Answering the Free-Market Right*, Blackwell, 1993. ([Download](#))

### **Suggested reading:**

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

Diane Elson, “Market Socialism or Socialization of the Market?” in *New Left Review* (172) 1988: 3-44. ([Download](#))

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. ([Download](#))

Nick Srnicek & Alex Williams, “Post-Work Imaginaries” in *Inventing the Future*, Verso Books, 2015. (18pp.) ([Download](#))

### **Suggested listening:**

New Economics Foundation, “Inventing the Future” episode of *Weekly Economics Podcast*, June 2016. (30 min.) ([Stream](#))

### **Questions to consider:**

(1) Are there viable alternatives to the current organization of Advanced Capitalist economies? (2) Are we stuck with capitalism forever? If so, is that a bad thing? (3) What would be good ‘first steps’ towards reorganizing the economy?