

SYLLABUS

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Office Hours: Tuesdays 7:00-9:00 p.m., Wednesdays 4:00-6:00 p.m.; or by appt. on Skype

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Course Description

This research seminar examines the contemporary institutions, processes, and challenges of modern capitalism in advanced and lesser developed countries around the world. The course begins with a review of the work of several key thinkers on modern capitalism: Marx, Weber, Schumpeter, Hayek, Polanyi, Offe, and Tilly. It then proceeds to an analysis of salient topics in the evolution and reform of contemporary capitalism with a focus on financial markets and globalization. Student work in this course focuses on the research and composition of a 20-25-page original work on a topic relevant to the questions covered in the seminar. Intense course participation, including classroom discussion and periodic debates, is required.

What is Expected of Students

Students will be expected to read, think, criticize, and form arguments. That will require keeping up on reading assignments and attending class regularly. Students must be fully prepared *at all times* to discuss the readings and concepts from previous lectures. The best students will be critical but balanced in their assessments, and will develop coherent arguments that they can defend in their writing and their in-class discussion.

Reading Materials

All the reading materials for this course are available on Moodle. This includes clippings from periodicals such as *The New York Times*, the *Financial Times*, the *Economist*, and audio and video materials. Students wishing to deepen their quantitative skills will have access to a second Moodle page with podcasts and other materials providing instruction on multiple statistical techniques.

Grading

As a true research seminar the assessment of students' performance will focus on the composition and completion of a 20-25 page research paper due at the end of the course. The first draft of this paper will be graded. Additionally, each student will be called upon during the course of the semester to participate in numerous debates and to present on the readings in structured critiques that will initiate all seminar discussions on the literature. The grade breakdown follows:

Debates	15%
First Draft	25%
Oral Research Presentation	10%
Final Draft	35%
Class Participation	15%

Occasionally, the students' knowledge of the topics, readings, and other assignments will be tested in periodic diagnostic evaluations. These are designed to assess the capacity of students to take copious and accurate notes. Each performance evaluation will form part of the global participation score.

The Debates

This seminar will use a series of adversarial debates (2x2 or 4x4) to address the literature on capitalism and globalization. Students will be instructed in how to organize these debates and how to participate with an emphasis on rejoinder and argument development.

The Seminar Paper

The culmination of student work in this seminar will be the composition of a seminar paper of 20-25 pages of text (typed, double-spaced, 12cpi, one-inch margins, paginated) and a research bibliography of a minimum of three pages, single-spaced. All drafts of the work prior to the final as well as the final must be handed in by 5 p.m. on the Courses directory on the due date (see below). All files, except for data files, must be in PDF format.

The composition of the seminar paper will be broken down into the following steps:

(1) By Friday, Sept. 23, students will have decided upon a research topic in consultation with me.

(2) By Wednesday, September 28, students will hand in a copy of a preliminary research bibliography of no fewer than 3 pages, single-spaced. A handout will define the proper citation and bibliographic reference format for the paper. Weak bibliographies and/or bibliographies that do not follow the required format will generate negative points assessable on the rough draft score.

(3) By Friday, October 21, students will hand in a first draft of the argumentative section of their paper.

(4) On Nov. 8, 10, 15, each student will orally present their research for no less than 15 minutes a piece in the research seminar. All colleagues will offer their input. If possible, we will schedule a couple of early presentations to free up the schedule at the end of the course.

(5) On Monday, Nov. 21, the final draft of the seminar paper will be due at 5:00 p.m.

Consultation with me during each of these steps is crucial. We will also discuss the format and direction of paper topics and issues *as part of the normal discussion of the research seminar*. One of the most important lessons of the seminar is that good research depends upon the input and support of colleagues. Each student will be expected to contribute their share to this effort.

Class Participation

As a research seminar, the in-class discussions play a pivotal role in this course. Prior to each meeting, a selected number of students will be assigned the task of preparing talking points and discussion questions on the readings. These talking points should form the basis for both descriptive *and* critical points about the readings. Some students will be asked to answer these questions prior to class, all will be expected to answer them in the classroom. After each meeting, some students will be asked to post their class notes. All such work will be due on Moodle. In class, each student will present arguments to lead off general discussion in the seminar. Failure to follow through on any of these tasks will be penalized on the participation score.

Typically, I will begin each class session by offering a general overview of the issues to be discussed. I will also present you with a set of critical questions to structure discussion. After the overview portion, the seminar will proceed to student presentations and then general discussion. I will conclude each class session with a brief review of the authors and readings for the next meeting. Whenever possible, each class will have a brief break of about 5 minutes.

Classroom discussion will extend to non-class times in this seminar. As part of the regular participation requirement, students must contribute to an ongoing dissemination of ideas on the Caucus conference set aside for this course. The professor will moderate the discussion and be responsible for the structure of the conference.

The Grading Scale

I will be using the following grading scale in this course:

98-100 A+
94-97 A
91-93 A-
88-90 B+
83-87 B
79-82 B-
76-78 C+
72-75 C
68-71 C-

67/below D/F

Academic Misconduct

Given the fact that academe relies upon the ethical conduct of scholars, students are held to the same standards in their own work. Any act of academic dishonesty or misconduct will be referred to the Office of the Dean. For further information, see the useful handout on “[Avoiding Academic Misconduct](#).”

Special Needs

Students requiring access to learning tools/special schedules approved by Student Support Services should contact me at the beginning of the course.

NOTE: Readings must be completed for the dates assigned below.

Introduction (September 13, Tuesday)

Mohamed A. El-Erian. 2008. *When Markets Collide: Investment Strategies for the Age of Global Economic Change*. New York: McGraw Hill, ch. 1.

Thomas Friedman. 2005. *The World is Flat*, chapter 1.

Session 1: Theoretical Perspectives on the Development and Contradictions of Capitalism

Creative Destruction and the Satanic Mill: The Logic of Capitalist Evolution (September 15, Thursday)

Karl Marx. 1977 (orig. 1887). *Das Kapital*. New York: Vintage, chapters 6 (“The Sale and Purchase of Labour-Power”), 12 (“The Concept of Relative Surplus-Value”), and 32 (“The Historical Tendency of Capitalist Accumulation”).

Joseph A. Schumpeter. 1942. *Capitalism, Socialism and Democracy*. New York: Harper & Row, chapters 7 (“The Process of Creative Destruction”), 11 (“The Civilization of Capitalism”), 12 (“Crumbling Walls”), and 13 (“Growing Hostility” to p. 145).

Karl Polanyi. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press, chapters 6, 7, and 19.

Making the Political Order: The Capitalist State (September 20, Tuesday)

F.A. Hayek, *The Road to Serfdom*, chs. 1-3.

Max Weber. 1978 (orig. trans. 1968). “The Disintegration of the Household: The Rise of the Calculative Spirit and of the Modern Capitalist Enterprise” (pp. 375-380) and “Ethnic Groups” (pp. 385-398), *Economy and Society* Vol. 1; “The Distribution of Power Within the Political

Community: Class, Status, Party” (pp. 926-939), “Organizational Structure and the Bases of Legitimate Authority” (pp. 952-954), “Nature and Legitimacy of Territorial Political Organizations” (pp. 901-904) and “The Nation” (pp. 921-926), *Economy and Society* Vol. 2.

Marx, *The Eighteenth Brumaire of Louis Bonaparte* (from Karl Mark, *Surveys from Exile* Vol. 2. London: New Left Review, 1973).

Charles Tilly. 1985. “War Making and State Making as Organized Crime.” In *Bringing the State Back In*, Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds. New York: Cambridge University Press.

The Transnationalization of Capital(ism) (September 22, Thursday)

Friedman. 2005. *The World is Flat*, chapter 2, “The Ten Forces that Flattened the World.”

El-Erian. 2008. *When Markets Collide*, ch. 4.

Dooley, Michael P., David Folkerts-Landau, and Peter Garber. 2004. “The Revived Bretton Woods System.” *International Journal of Finance and Economics* 9: 307-13.

RESEARCH TOPIC DEADLINE (September 23, Friday)

Crises, Contagion, and Global Finance Capitalism (September 27, Tuesday)

Charles P. Kindleberger. 1978. *Manias, Panics, and Crashes: A History of Financial Crises*. New York: John Wiley, chs. 2-3, 6.

Nouriel Roubini and Stephen Mihm. 2010. *Crisis Economics: A Crash Course in the Future of Finance*. New York: Penguin, ch. 2.

Carmen M. Reinhart and Kenneth S. Rogoff. 2009. *This Time Is Different: Eight Centuries of Financial Folly*. Princeton: Princeton University Press, chs. 1-3, 5, 8, 10.

Wither Labor? Political Erosion and the Ascendance of Creative Workers (September 29, Thursday)

Claus Offe. 1985. “Two Logics of Collective Action,” in *Disorganized Capitalism*. Cambridge, MA: MIT Press. (ch. 6 *recommended*).

Richard Florida. 2002. *The Rise of the Creative Class*. New York: Basic Books, chapters 5-9.

Erik Olin Wright and Rachel E. Dwyer. 2003. “The Patterns of Job Expansions in the USA: A Comparison of the 1960s and 1990s.” *Socio-Economic Review* 1:3 (September): 289-325.

Larry M. Bartels. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton, NJ: Princeton University Press, ch. 1.

RESEARCH BIBLIOGRAPHY DUE (September 28, Wednesday)

Session 2: The Remaking of Capitalism (Once Again): The Financial Crisis of 2008-?

Background Study of the Crisis (October 4, Tuesday and October 6, Thursday)

Mark Zandi. 2008. *Financial Shock: A 360° Look at the Subprime Mortgage Implosion, and How to Avoid the Next Financial Crisis*. Upper Saddle River: FT Press, chs. 1-2 & 4-6.

Michael Lewis. 2010. *The Big Short: Inside the Doomsday Machine*. New York: W.W. Norton, chs. 1-3, 5-6 & 10.

Required Videos:

“Inside Job” (Dir. Charles Ferguson)

CNBC Video: “House of Cards” on-line:

<http://www.cnbc.com/id/15840232?video=1145392808&play=1>

Note: This week is dedicated to reading and research. Students wishing to prepare quantitative projects are required to watch the podcasts on their chosen techniques. Meetings with the professor this week will be mostly by appointment on Skype. (Prof. Montero will be in Toronto for the meetings of the Latin American Studies Association).

Too Big To Fail and Other Structural Problems (October 11, Tuesday)

Reinhart and Rogoff. 2009. *This Time Is Different*, chs. 13 & 15.

Andrew Ross Sorkin. 2009. *Too Big To Fail*. New York: Viking, chs. 1-2, 4-5, 14-16.

Is There a New Need for “Crisis Economics”? (October 13, Thursday)

Nouriel Roubini and Stephen Mihm. 2010. *Crisis Economics: A Crash Course in the Future of Finance*. New York: Penguin, chs., 3, 5-6, 9-10.

Reinhart and Rogoff. 2009. *This Time Is Different*, ch. 17.

Debate #1: Role of the Capitalist State in Crisis Economics (October 18, Tuesday)

Required Video:

“Too Big To Fail” (HBO Films)

Debate #2: Reform and Regulation of Capitalism or Its Overthrow (October 20, Thursday)

ROUGH DRAFT OF SEMINAR PAPER DUE (October 21, Friday)

Debate #3: Market Solutions to Capitalist Crises (October 25, Tuesday)

Session 3: The Growth Puzzle: Liberal Economic Strategies and their Alternatives

Liberal Growth Models and their Crises (October 27, Thursday)

William J. Baumol, Robert E. Litan, and Carl J. Schramm. 2007. *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven, CT: Yale University Press, chs. 4-5.

Robert Wade. 1990. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton: Princeton University Press, chapter 3 (ch. 2 recommended).

Naomi Klein. 2007. *The Shock Doctrine: The Rise of Disaster Capitalism*. New York: Picador, chs. 2, 5-7.

William Easterly. 2002. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge: MIT Press, chs 1-3.

New Growth and Development Models (November 1, Tuesday)

Robert Wade. 1990. *Governing the Market*, ch. 4.

Hernando de Soto. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, chs. 2-3.

Marcus J. Kurtz and Sarah M. Brooks. 2008. "Embedding Neoliberal Reform in Latin America." *World Politics* 60:2 (January): 231-80.

Mats Benner. 2003. "The Scandinavian Challenge: The Future of the Advanced Welfare States in the Knowledge Economy." *Acta Sociologica* 46:2 (June).

Debate #4: Is the liberal economic model the best one for growth in the 21st century? (November 3, Thursday)

Session 4: Student Oral Presentations of Research

November 8 (Tuesday), 10 (Thursday), and 15 (Tuesday)

FINAL DRAFT OF SEMINAR PAPER DUE (November 21, Monday)