DESCRIPTION: What is capital? Is capital the same as machines, or is it merely a financial asset? Is it material or social? Is it static or dynamic? Surprisingly, these questions have no clear answers. The form of capital, its existence as monetary wealth, is hardly in doubt. The problem is with the content, the ‘stuff’ which makes capital grow, and on this there is no agreement whatsoever. For example, does capital accumulate because it is ‘productive,’ or due to the exploitation of workers? Does capital expand ‘on its own,’ or does it need non-capitalist institutions such as the state? Can capital grow by undermining production and efficiency? What exactly is being accumulated? Does the value of capital represent a tangible ‘thing,’ ‘dead labour’ or perhaps something totally different? What units should we use to measure its accumulation?

Despite centuries of debate, none of these questions has a clear answer. Yet they have to have answers. Capital is the essence of capitalism, and unless we can clarify what it means, our theories remain ‘bagel theories,’ with a big hole in the middle.

Trying to address these issues, the seminar focuses on the institution of capital and its broader role in the development of the global political economy. Topics are organized around four broad themes. Part I examines the concept of capital from neoclassical, Marxist and Veblenian perspectives, focusing particularly on their different understanding of the connection between production and distribution. Part II deals with the complex relationships between technology, organization and power, exploring their implications for the differential nature of accumulation. Part III looks at the business corporation, assessing various theories of the firm, the historical evolution of transnational capital, and state-business transformations. Part IV examines the political economy ramifications of global capital, concentrating in particular on their dynamic aspects. The discussion is structured around a conceptual dichotomy between horizontal expansion (“breadth”) and vertical redistribution (“depth”), with illustrations drawn from several cases studies: (1) The relationship between corporate mergers and acquisitions, globalization, and the spread of world crisis. (2) The post-war development of the armament and oil business, their convergence in the Middle East, and their role in the ongoing cycle of “energy conflicts.” (3) The changing significance of Asia for global accumulation and crisis. And (4) the political U-turns in South Africa and Israel in light of the evolving pattern of global accumulation.

NOTE: There could be some deviations from the course schedule and readings as we go along.

FORMAT: Combination of overview lectures by the instructor and student-led seminars.

COMPLEMENTARY COURSES:

Political Economy of Global Finance (POLS 4295/5295). Examines the financial dimensions of capital power and its ramifications for the global political economy.

Political Economy: Major Themes (POLS 6272): An in-depth critical introduction to major themes of political economy.
The course grade comprises the following items:

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<th></th>
<th>Weight</th>
<th>Maximum length</th>
<th>Due date</th>
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<tbody>
<tr>
<td>Research paper</td>
<td>60%</td>
<td>6,000 words</td>
<td>Topic: March 1st · Final paper: April 30th</td>
</tr>
<tr>
<td>Participation and presentations</td>
<td>25%</td>
<td>–</td>
<td>One week before presentation</td>
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<tr>
<td>Presentation outlines</td>
<td>–</td>
<td>One page</td>
<td>One week before presentation</td>
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<tr>
<td>Written presentations</td>
<td>15%</td>
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<td>One week after relevant seminar</td>
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<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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**Research paper (60%)**
- Students are asked to write a research paper, on a topic of their choice, relevant to the seminar. The paper could be (1) a critical appraisal of one or more aspects of the literature; (2) an empirical study, preferably in reference to a theoretical debate; or (3) a more ambitious attempt to formulate and assess your own hypothesis or theory. The paper must not exceed 6,000 words, including footnotes and references, but excluding charts and tables (it could be shorter, of course). You should clear the topic of your paper with me as soon as possible, and no later than March 1st. The due date for the final manuscript is April 30th. The paper should be sent as a Word attachment to nitzan@yorku.ca. Late papers will be accepted only with a valid medical reason or family misfortune.

**Participation & presentations (25%)**
- Regular attendance and reading the assigned material before class are pre-requisites for effective participation.
- During the course, you will be asked to lead one or more seminars (depending on the number of students). This consists of a critical presentation, followed by open discussion. A one-page outline should be given to me one week before the talk, and handed out in class at the beginning of your presentation.

**Written presentation (15%)**
- This is the hard copy of your verbal presentation. It should be written as a talk, not as an academic paper, and should match closely with your talk plus the relevant bibliography. The due date is in the seminar meeting one week following your presentation. The paper should be sent as a Word attachment to nitzan@yorku.ca.
The following books are available from the bookstore at York Lanes, as well as from the Reserve Section of Scott Library:

Global Capital Course Kit (POLS 6285). This kit contains the required readings other than the books below and readings found in the library’s electronic resources (eRESOURCES). It can be acquired at the Keele Copy Centre (telephone 416-665-9675).


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**SCHEDULE**

1. Jan 8 Introduction and organization

I. What is capital?

2. Jan 15 Neoclassical parables
3. Jan 22 Marxist controversies
4. Jan 29 Veblen

II. Power and productivity

5. Feb 5 Technology and power: mega-machine or technostructure?
6. Feb 12 Capital as power: distributional coalitions and differential accumulation

III. The corporation

Feb 19 [Reading Week – No Class]
7. Feb 26 The modern corporation: efficiency or control?
8. Mar 5 Transnational capital: state-business transformations

IV. Regimes of differential accumulation

9. Mar 12 “Breadth” and “Depth”
10. Mar 19 Depth: the “Weapondollor-Petrodollor Coalition”
12. Apr 2 Political pendulum of differential accumulation: the case of South Africa & Israel
READINGS

NOTE: Readings marked with [eRESOURCES] are available from York's electronic library.

1. Introduction and organization

Required (in preparation for the course)

2. Neoclassical parables

What are the key contradictions of the neoclassical understanding of capital? What are their origins and what do they imply for the edifice of neoclassical theory as a whole?

Required

Recommended

### 3. Marxist controversies

**Is there a contradiction between the qualitative and quantitative labour theory of value? Can it be reconciled?**

**Required**


**Recommended**


4. Veblen

How does Veblen’s understanding of “capital as finance and only finance” differ from the neoclassical and Marxian views?

Introduction


Required


Recommended


Veblen, Thorstein. 1919. [1964]. The Place of Science in Modern Civilisation and Other Essays. New York: Russell & Russell.


5. Technology as power: mega-machine or technostructure?

<table>
<thead>
<tr>
<th>Is technology an empowering “factor of production,” or is itself a form of power?</th>
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**Required**


**Recommended**


6. Capital as power: distributional coalitions and differential accumulation

<table>
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<tr>
<th>How could power be incorporated into the definition of capital? Should it?</th>
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**Introduction**


**Required**


**Recommended**


7. The modern corporation: efficiency or control?

Why has the corporation become the dominant form of organizing capital in the twentieth century?

Introduction


Required


Recommended


8. **Transnational capital: state-business transformations**

**How is the emergence of the transnational corporation related to changing nature of the state?**

**Required**


9. “Breadth” and “Depth”

Capital accumulation is often propelled by growth and price stability; can it also thrive on stagnation and inflation? What are the dynamic relationships between these two regimes? What are their broader societal implications?

Required


[Recommended]


### 10. Depth: the “Weapondollar-Petrodollar Coalition”

**To what extent was the international political economy of the Middle East shaped by accumulation conflict?**

**How is this conflict related to the rise and fall of global stagflation?**

#### Introduction


Bromley, Simon. 1991. *American Hegemony and World Oil. The Industry, the State and the World Economy*. Cambridge, U.K.: Polity Press. Read as much as you can, especially Chs. 1-4 (pp. 1-162), and Ch. 6 (pp. 205-242) [200 pages]


#### Required


**OR (instead of the above readings):**


#### Recommended


How could a massive amalgamation of productive capacity lead to a decumulation of capital? Was the origin of the Asian crisis regional or global? Can such crisis be “resolved”?

Introduction


Required


Recommended


12. The political pendulum of accumulation: the case of South Africa and Israel

How are the socio-political U-turns in South Africa and Israel related to the changing nature of global and domestic accumulation?

Introduction


Required


Recommended


Useful textbooks


Selected data sources

The amount of financial information is virtually endless. Much of it is useless noise, but some of it is rather useful, provided you know what you are looking for, and use what you find critically and with extra care. The following short list of sources can get you started.

- Bank for International Settlements (BIS)

  *This international institution provides well researched, if conservative overviews of global financial conditions and developments, along with a wealth of data.*

- CANSIM
The official database of Statistics Canada, available through the Library’s web site (Electronic Library). HINT: Use the Cansim Directory to find what you are looking for, and then the Cansim site to retrieve/plot it.

- **COMPUSTAT**
  Probably the most extensive source for corporate statistics. York subscribes to the network version, but you can purchase your own student version (which is identical to the university’s) for $120 (the regular price is $16,500 US). To learn more, speak to the data librarian at the Business and Government Publications Library, Walter Giesbercht, (walterg@yorku.ca).

- **Datastream**
  Provides access to millions and millions of data series from around the world. To learn more on how to use it, speak to the data librarian at the Business and Government Publications Library, Walter Giesbercht, (walterg@yorku.ca).

- **International Monetary Fund (IMF)**.
  A wealth of reports and data. You can access their International Financial Statistics, Direction of Trade Statistics and Balance of Payment Statistics through Datastream.

- **Organization for Economic Cooperation and Development (OECD)**.
  Analysis and data pertaining mainly to the developed countries. The OECD economic indicators and national accounts databases are available through Datastream.

- **Statistical Abstract of the United States, annual**.
  Perhaps the best “entry point” into US statistics. The 1,500 or so data tables are instructive pointers for additional data sources. Available in print, CD or on the web. Many of the series are also available through Datastream.

- **US Department of Commerce**
  US national accounts and more.

- **US Federal Reserve Board (Fed)**
  Provides the most systematic Flow of Funds data in the world, as well as many other financial data and regular analysis.

- **US Internal Revenue Service (IRS)**
  Provides, among other things, detail breakdown of US income and assets by type and size. Available both in print, as well as through the IRS web site.

- **US Securities and Exchange Commission (SEC)**
  A wealth of data and information on listed companies, directly from their regulator. A gold mine if you know what you’re looking for.

- **World Bank**
  Data and analysis, primarily on less developed countries.

- **United Nations Commission on Trade and Development (UNCTAD)**
  Excellent coverage of global trade and investment flows, along with systematic coverage of development pertaining to transnational corporations.