**OVERVIEW**

**DESCRIPTION AND OBJECTIVES**

Capital is the central power institution of capitalism: it is the main force underlying the relentless transformation of power relations in capitalist societies. The course explores the accumulation of capital from three interrelated perspectives: conceptual, historical and empirical. At the conceptual level, the course examines the evolution of orthodox and critical theories of value and how these theories serve to explain and justify contending notions of accumulation. At the historical level, it traces the development of capital from its humble pre-capitalist origins to its present world dominance. At the empirical level, it studies and juxtaposes the qualitative and quantitative aspects of capital accumulation and explores what they mean for the contemporary political economy. In parallel to these explorations, the course introduces students to the art and science of empirical research. By the end of the course, students are expected to be able to develop and integrate theoretical arguments with their own empirical work.

**EMAIL AND OFFICE HOURS**

You can contact me at nitzan@yorku.ca. I’ll try to reply within 48 hours. Zoom office hours are held on a first-come-first-served basis on Monday, 19:00-20:00 https://eclass.yorku.ca/eclass/mod/lti/view.php?id=128246 (password required). You can also send me an email to make an appointment.

**COURSE MEDIA AND WEBPAGE**

This is an online seminar. The entire seminar takes place via the course’s eClass page (password required): https://eclass.yorku.ca/eclass/course/view.php?id=1289.
**Technical Requirements**

*Interactions.* The course uses several online platforms, including eClass, Zoom and email. Please review this syllabus to determine how the class meets and interacts and how office hours are conducted.

*Equipment and software.* Students are expected to use eClass and participate in weekly Zoom classes. These interactions require a computer or another device with webcam and microphone, as well as a stable, higher-speed Internet connection (use [https://www.speedtest.net/](https://www.speedtest.net/) to test your connection).

*eClass.* Please review the technical requirements and FAQs for eClass: [https://lthelp.yorku.ca/95440-student-faq](https://lthelp.yorku.ca/95440-student-faq)

*Zoom.* Please note that:

- Zoom is hosted on servers in the U.S., and that this hosting may include recordings done through Zoom.
- If you have privacy concerns, provide only your first name or a nickname when joining a Zoom session.
- The Zoom system is configured so that all participants are automatically notified when a session is being recorded. This notification means that you cannot be recorded without your knowledge.

*Useful links.* For computing information, resources and help, please consult the following sites:

- Computing for Students Website ([https://student.computing.yorku.ca/](https://student.computing.yorku.ca/))
- Student Guide to eLearning at York University ([http://elearning-guide.apps01.yorku.ca/](http://elearning-guide.apps01.yorku.ca/))

**Course Organization**

*Weekly topics.* Learning is divided into weekly subjects (see the Schedule section below). Each week, students are asked to: (1) read the topic’s required material and watch the assigned audiovisual presentations (if any) ahead of class; and (2) participate in the online Zoom class (Wednesday, unless indicated otherwise). Classes are recorded and posted on your eClass. They are not accessible to anybody outside the class.

*Pre-recorded instruction videos for your empirical work.* In preparation for their assignment and term-paper work, students must watch the pre-recorded instruction videos on the databases and Excel (see the Research Exercises section below for further details).
EVALUATION

Your course grade is based on the items listed in the table below. If you submit all the course work, your final grade will be the higher of Scheme A and B. If you fail to submit one or more of the listed course works, your grade will be calculated on the basis of Scheme A.

<table>
<thead>
<tr>
<th></th>
<th>Scheme A</th>
<th>Scheme B</th>
<th>Maximum length</th>
<th>Due Dates</th>
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<tbody>
<tr>
<td>Online class attendance</td>
<td>10%</td>
<td>10%</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Research Exercise 1</td>
<td>15%</td>
<td>0</td>
<td>—</td>
<td>October 19-23</td>
</tr>
<tr>
<td>Research Exercise 2</td>
<td>25%</td>
<td>0</td>
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<td>November 16-20</td>
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<tr>
<td>Term Paper</td>
<td>50%</td>
<td>90%</td>
<td>4,000 words</td>
<td>December 18</td>
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*General.* All work must be typed and should not exceed the specified word limit. Longer works will not be accepted. Work should be submitted as a Microsoft Word document (so I can comment directly in the text). Assignment due dates offer a time-range to give you greater flexibility. Late submissions will be accepted only with a valid documented reason (medical or family misfortune); otherwise, they will be subject to a penalty of 5% per day (so if you are 5 days late, your grade will be reduced by 25% points). Submitted works are final and there will be no allowance for revisions.

*Online class attendance (10%).* You are allowed to miss 2 online course meetings without reason. Every additional no-show reduces your attendance grade by 2% points (for example, if you miss 5 meetings without reason, your attendance grade will fall to 6% points). Students who miss more than 3 meetings without valid reasons will not be allowed to hand in their term paper.

*Research Exercises (15% and 25%).* The purpose of the exercises is threefold: (a) to familiarize you with some of the data sources available for the study of political economy; (b) to give you hands-on experience in obtaining, using and interpreting empirical information; and (c) to make you appreciate the importance and limitations of facts. The two research exercises should be done in groups of 2-3 students (students who insist on working alone should get my approval). The main reason for group projects is that collaboration makes research easier and is great for learnings. Note that each aspect of the exercises is meant to teach you a particular skill, so do not divide the work between you. Engage with it jointly with your research partners.

*Take Home Essay (50%).* This essay is to be written and submitted individually. The purpose is for you to creatively combine theoretical discussion with empirical analysis, building on the course material.

**Academic Honesty and Integrity**

*York Policy on Academic Honesty.* Students should familiarize themselves with the meaning of academic integrity by completing SPARK’s Academic Integrity module at the beginning of the course. All instances of academic dishonesty in this course will be dealt with according to the Senate Policy on Academic Honesty.
TEXTS

These texts are available from the bookstore and the library. Some can be found online.

Required


Recommended

  [OR]

Optional

PE of Capital Accumulation

**SCHEDULE (by Zoom Meeting Dates)**

*Sep 14:* Introduction and Organization

**Part I: Conceptions of Capital**

1. *Sep 16:* Capital, Capitalism and Political Economy  
2. *Sep 23:* Utility and Value: Neoclassical Capital  
3. *Sep 30:* Labour and Value: Marxist Capital  
4. *Oct 7:* Power and Value: Veblen’s Capital
   *Oct 14:* Reading Week – no classes
5. *Oct 21:* Technology and Power  

**Part II: Transformations of Capital**

7. *Nov 4:* Capital AS Power: Dominant Capital and Differential Accumulation  
8. *Nov 11:* Mergers and Globalization  
9. *Nov 18:* Stagflation  
10. *Nov 25:* Capital and State: Imperialism and Beyond (I)  
11. *Dec 2:* Capital and State: Imperialism and Beyond (II)  
12. *Dec 7:* The Asymptotes of Power and Systemic Crisis (if time permits)

**READINGS**

1. **Capital, Capitalism and Political Economy**

   **Questions for discussion**
   1. What is capital? What is capitalism?  
   2. What is the difference between ‘politics’ and ‘economics’? Can they be studied separately?  
   3. What were the main theoretical turning points in the history of political economy?

   **Required Audiovisuals**

   **Required Readings**

**Optional Bibliography**


2. Utility and Value: Neoclassical Capital

**Questions for discussion**

1. What are the main assumptions of neoclassical political economy?

2. How does neoclassical political economy explain prices and quantities?

3. Can capital be measured in ‘real terms’?

**Required Audiovisuals**

• Nitzan, Jonathan (2020), Neoclassical Political Economy: Skating on Thin Ice. [https://www.youtube.com/watch?v=LsUS3ynhAKY]

**Required Readings**


**Optional Bibliography**

3. Labour and Value: Marxist Capital

Questions for discussion

1. Why is Marx’s theory of value based on a labour?
2. How are labour values ‘transformed’ into prices?
3. Does Marxism depend on the labour theory of value?

Required Readings

Optional Bibliography

4. Power and Value: Veblen’s Capital

Questions for discussion

1. Veblen speaks about ‘strategic sabotage’. What does he mean by that term?
2. What is capitalization? How does it differ from neoclassical and Marxist notion of ‘real capital’?

Required Readings


Optional Bibliography

5. Technology and Power

Questions for discussion

1. Is power separate from technology?
2. Can we think of power itself as a technology?

Required Readings


Optional Bibliography


6. The Corporation

Questions for discussion

1. Why do corporations exist?
2. Who owns the corporation? Do the corporation’s owner actually control it?
3. Do large corporations matter for how we study capitalism?

Required Readings


Optional Bibliography


7. Capital AS Power: Dominant Capital and Differential Accumulation

Questions for discussion
1. What drives capitalists? What do they try to achieve?
2. What is the difference between dominant capital and capital in general?
3. What is the difference between differential accumulation and absolute accumulation?

Required Readings

Optional Bibliography


8. Mergers and Globalization

*Questions for discussion*

1. What is the difference between mergers & acquisitions and greenfield investment?

2. Why has the value of the former risen relative to the latter?

3. How has corporate centralization affected globalization?

*Required Readings*


*Optional Bibliography*


9. Stagflation

Questions for discussion

1. Inflation today is different than it was a century ago. How?

2. How is stagflation (inflation together with stagnation) possible?

3. Do you agree that inflation is ‘neutral’ in its effect?

Required Audiovisuals


Required Readings


Optional Bibliography


10 & 11. Capital and State: Imperialism and Beyond

*Questions for discussion*

1. The past half century has seen many wars in the Middle East. Are these wars ‘imperialist’?

2. How do Middle East conflicts relate to inflation, stagflation and accumulation?

*Required Audiovisuals*

• Nitzan, Jonathan. 2008. Accumulation Through Crisis: Global Stagflation and the New Wars. Paper read at Confronting Empire: Five Years of War in Iraq, March 18, at Harvard Law School. https://www.youtube.com/watch?v=sCfR6w3DSXs&list=PLRDWc3O8rT9hZWdHkoBWu-GyQ6DoKNTjM&index=11

*Required Readings*


Optional Bibliography


12. The Asymptotes of Power and Systemic Crisis

Questions for discussion

1. Is the stock market a reflection of the ‘economy’, or is it a manifestation of power?
2. Is growth a threat to or a boon for accumulation?
3. What are systemic crises? Would you say that capitalism today is in such crisis?

Required Audiovisuals

- Bichler, Shimshon, and Jonathan Nitzan. 2013. Can Capitalists Afford Recovery? Economic Policy When Capital is Power. Video presentation at the Department of Political Science and the Graduate Programme of Social and Political Thought, October 29. [https://www.youtube.com/watch?v=t5E_g8uaAAk]

Required Readings


Optional Bibliography


**RESEARCH EXERCISES 1 AND 2**

**Purpose.** The goal of the exercises is threefold: (a) to familiarize you with some of the data sources available for the study of the political economy; (b) to give you hands-on experience in obtaining, manipulating and interpreting empirical information; and (c) to make you appreciate the importance and limitations of facts.

**Work in a group of 2-3 students.** Collaborating with others is beneficial for several reasons. First, it encourages discussion and debate and entices the imagination. Second, it helps prevent panic when things don’t work out. And, third, it gives me less to grade. If you insist on working alone, that’s OK, but get my approval first.

**Library resource page and database instructions.** The library resource page for this course is here: http://researchguides.library.yorku.ca/nitzan. The business librarian, Dr. Xumei Li, prepared online instruction videos for your course. These videos explain how to work with (a) the *World Development Indicators*, (b) *IHS Markit Connect* and (c) *Global Financial Data*. The videos also show how to download data series and present them in an Excel chart. You must watch these videos in order to be able to do the assignments. If you need further assistance, Dr. Li’s webpage is here: http://www.yorku.ca/lixuemei/, and her email is lixuemei@yorku.ca.

**Start immediately.** Things always take longer than you think. Start working on the first exercise ASAP.

**Back up your work.** Computers can eliminate any trace of your work if you are not careful. Make sure to save frequent backups.

**Excel.** There are no shortcuts here. You should familiarize yourself with this spreadsheet programme, simply since it is the most widely used. If you know how to plot data in another programme, that’s fine too.

**Presentation.** Pay very close attention to aesthetics. Write your answers with care, trying to be concise but precise. Type your answers and insert your tables and charts neatly.

Exercise 1 (15%)  

Due date. October 19-23. Please email your assignment as a Word document to nitzan@yorku.ca.

Data and presentation. This exercise uses the World Bank’s World Development Indicators; it requires you to use Microsoft Excel or a comparable charting programme.

Questions

1. (75%) Using data from the World Bank’s World Development Indicators, plot the ‘General Government Final Consumption Expenditure (% of GDP)’ for both the ‘High-Income countries’ and the ‘Low and Middle-Income countries’. The data for the two series begin in 1960 and 1970, respectively, and extend to the late 2010s (the World Bank constantly updates its data, so your own figure may include more/less/modified observations). Using Excel to chart the result, try to make your figure look exactly as the one given below (including chart proportions, font size, line style, etc.). Embed the Excel chart in your Word document along with your answer.

2. (25%) Using the data charted in your figure, assess the following statement: ‘Since the early 1980s, the hallmark of neo-liberalism was smaller government’. Differentiate between the experience of High-Income and Low and Middle-Income countries (Maximum 250 words).


SOURCE: World Development Indicators, Online, 2020
Exercise 2 (25%)  

Due date. November 16-20. Please submit your assignment as a Word document to nitzan@yorku.ca.

Data and presentation. This exercise uses data that can be retrieved from World Development Indicators, Global Financial Data, IHS Markit Connect and Mergent (you can also use other sources if you wish). The exercise requires you to use Excel or a comparable charting programme. Document your data, including the sources and variable names, and explain all your computations. Review the figure below and turn to the questions on the next page.

NOTE: ‘Real’ series are computed by dividing the nominal series by the CPI.

1. (25%; up to 500 words) The top part of the figure on the previous page compares two U.S. time series, each expressed as a 10-year trailing average. One is a 'flow' series: the 'real' hourly wage rate in manufacturing. The other is a 'stock' series, also expressed in 'real' terms: the total return index of the S&P500 group of companies (the term 'total' indicates that the measure incorporates both capital appreciation and dividends). The bottom part of the figure computes a 'differential' index: the ratio between the nominal total return index and the nominal wage rate (also expressed as a 10-year trailing average). Answer the following questions:
   a. Explain the difference between 'stock' and 'flow' data.
   b. Explain the difference between nominal and 'real' measures.
   c. Explain the meaning of a differential index and how it differs from 'real' measures.
   d. What conclusions can you draw from the data presented in the figure?

2. (25%; up to 400 words) A good data source for this question is the IMF’s International Financial Statistics database available through IHS Markit Connect. Using time series data for a country of your choice (other than the United States), produce a chart similar to the one plotted on the previous page. The chart should compare the evolution of the 'real' wage rate to the evolution of the 'real' total return from investing in the stock market (if you cannot find a total return index, use a stock price index instead). The chart should also calculate the 'differential' ratio between the total return index of the stock market and the wage rate. What conclusions can you draw from your computations?

3. (25%; up to 400 words) Consider the figure on the next page. The chart shows the rate of growth of U.S. 'real' GDP (i.e., GDP measured in constant prices). It uses quarterly data, with each observation showing the annual per cent change from the same quarter in the previous year (e.g. Q1 1998 relative to Q1 1997, Q2 1998 relative to Q2 1997, etc.).
   a. Use Global Financial Data (GFD) to obtain quarterly data for the 'real' GDP of a country other than the United States. You must choose a country whose quarterly 'real' GDP data begin in 1960 or earlier (note that GFD’s quarterly data may go back only so far, and that for earlier years it reports only annual data; these annual data must be deleted from your dataset for the purpose of the presentation here). Using quarterly data, calculate the annual growth rate of the country’s ‘real’ GDP and plot it similarly to the figure on page 19.
   b. Based on the growth rates of the U.S. and the country you have chosen, assess the following statement: ‘Neoliberalism, which started in the early 1980s, has made the two countries more unstable’.

4. (25%; up to 400 words). Use Mergent to obtain the following time-series data for a corporation of your choice: (a) net income (profit after taxes), and (b) sales revenues. Both series have to go back at least 10 years. Using these data, compute the times series for the corporation’s markup (the ratio of net profit to sales revenues). Plot all three series on the same chart: net income and sales on the left axis and the markup on the right axis (use a log scale if needed). Document the exact sources of your data, including variable names when appropriate (try to quantify your answer by assessing the relative deviations of each variable).

   What is the main cause of the variation of profit – is it changes in sales or changes in the markup?

   What substantive conclusion can you draw from this answer? (Note that, since profit is the product of sales and the markup, it is co-determined by both measures, by definition. The question here concerns the relative importance of their respective variations.)
US 'Real' GDP
Annual Growth Rate

per cent

NOTE: The figure shows quarterly data. 'Real' GDP is expressed in constant 2012 dollars. The year-on-year rate of growth is computed between the same quarters in adjacent years. The last data point is for 2020:Q1.

TERM PAPER (50%)

Due date. December 18. Email your work to nitzan@yorku.ca.

General instructions. Write an essay on one of the topics listed below. Your paper should provide a thoughtful theoretical examination of the issue, backed by empirical evidence. The theoretical arguments should draw on the course material and readings (required and optional); you are encouraged (but not obliged) to use additional sources. The empirical evidence could draw on secondary sources, but it must also contain your own data analysis using the skills acquired in the course. The listed topics are very broad. This generality gives you considerable flexibility; but it also means that you have to carefully – and explicitly – narrow down your question/topic to make it manageable.

How to write the paper. Your ingenuity and in-depth understanding will be lost unless it is expressed clearly. Pay attention to the structure of the essay, writing style, grammar and presentation: (a) your paper must be divided into at least three sections, with proper headings; (b) in your introduction, specify clearly the purpose, hypothesis and method of your paper; (c) make sure you deliver on what you promise; and (d) re-read and re-edit your paper several times before handing it in.

Submission. The paper must be submitted as a single Word attachment. Make sure this single attachment includes all text and graphics. The paper should not be longer than 4,000 words of text (including references and notes), plus charts and tables. Longer papers will not be accepted.

Suggested Topics. The topics below are broadly framed, so they can accommodate a wide varieties of term papers. If you wish to research something else, please discuss it with me beforehand.

1. ‘Capital has become the most important form of politics, both domestically and globally’. Write an essay articulating your agreement or disagreement with the above statement.
2. ‘Capitalism has become a bubble economy, in which financial markets are increasingly de-linked from the ‘real world’. Discuss critically the logic and empirical bases of this statement.
3. Who rule the corporation, how do they rule it, and why does it matter? Assess these questions theoretically and empirically.
4. ‘Money and finance, essentially, are mechanisms of intermediation. They help the real economy function, but have little impact on the final outcomes themselves’. Critically assess the theoretical debates and historical evidence pertaining to this statement.
5. Examine the political economy of privatization in a country of your choice. What were the causes of the process? Who benefited, who lost, and how? What were the broader ramifications for society? (Some interesting countries to look at: Argentina, Brazil, China, Israel and Russia, among others.)
6. ‘Real investment brings growth and prosperity, whereas financial investment is fictitious and wasteful. Capitalist prosperity therefore depends encouraging the former and restricting the latter’. Assess the validity of this claim in light of the theoretical and empirical connection between capitalist production and capitalist ownership.
7. During the Apartheid era, South African capital was subject to capital controls. Most of these controls were lifted during the 1990s. Assess the impact of this change on the political economy of the country.
8. ‘A growing proportion of financial assets is owned by workers through pension funds. If this trend continues, the basic conflict between capital and labour will eventually be eliminated’. Do you agree with the first part of this statement? Do you agree with its conclusion? Explain your answer theoretically and empirically.
9. Is ‘economics’ a science or is it an ideology? Discuss from at least two different perspectives.
10. Can ‘capital’ be measured? Discuss from three different perspectives.
11. Compare and contrast the fundamental assumptions of the ‘utility’, ‘labour value’ and ‘power’ theories of capital.
12. ‘Capital accumulation requires a state’. Assess this statement theoretically and empirically.
13. Over the past half century, economic growth in the industrial countries has trended downward. Explain this deceleration from the perspective of at least two theories of capital accumulation.
14. Since the 1940s, the developed countries have experienced nearly uninterrupted inflation. Was this inflation ‘good’ or ‘bad’ for capital accumulation? Discuss from the viewpoint of at least two different theories of accumulation.

15. Where does the ‘normal rate of return’ come from? Answer this question from two theoretical viewpoints and, if possible, support your answers with empirical evidence.

16. Using charts, examine the long-term correlation between inflation and growth in three countries of your choice. How are your findings related to the process of capital accumulation?

17. Examine the effects of ‘globalization’ and/or ‘deglobalization’ on capital accumulation in a country of your choice.

18. Write a paper that analyses, empirically and theoretically, the relationship between power and accumulation in a country of your choice.

19. Examine, theoretically and empirically, the process of corporate centralization in a sector or a country of your choice.

20. Is contemporary capitalism ‘imperialist’? Examine this question analytically and empirically.

21. ‘The new wars of the 21st century are necessary for capital accumulation’. Using theory and empirical evidence, explain why you agree or disagree.

22. Is knowledge a ‘factor of production’? How do intellectual property rights affect the process of capital accumulation? Examine these questions analytically and empirically.

23. ‘The environment is a public “externality”; privatizing it will boost the accumulation of capital’. Assess the theoretical and empirical validity of this statement.

24. Examine, theoretically and empirically, the underlying political economy of accumulation for a particular corporation or group of corporations.

25. Using empirical evidence, examine a particular capitalist crisis from at least two theoretical perspectives.

26. Using empirical evidence and theoretical arguments, write a paper on the relationship between the Covid19 pandemic and the accumulation of capital. Has the pandemic altered capitalism in any fundamental way?

27. Environmental processes – such as global warming, pollution and ‘Peak Oil’ – affect society in multiple ways. But do they threaten the rule of capital? Discuss this question theoretically and empirically.

28. Environmental degradation such as pollution, climate change and the destruction of natural habitats are considered ‘social ills’, but they can have positive implications for individuals and groups. Examine the interaction between environmental degradation and capital accumulation in a specific case of your choice.

29. Using empirical data, examine the connection between the accumulation of capital on the one hand and gender or race relations on the other. Does gender and race discrimination undermine or benefit capitalists – and if so, how?

30. How could giant tech companies like Google and Facebook profit when they give their services for free? Analyse the profitability of such ‘freebie’ companies historically and explain whether their accumulation rests on utility, labour and/or power.