

Global Capital

Political Economy of Capitalist Power

York University, Political Science 6285 (0.3)
Fall, September 3 – December 2, 2008, Tuesday 14:30-17:30

Course Director: Jonathan Nitzan

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OVERVIEW

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 issue 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,' 'abstract 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. The accumulation of capital is the central process of capitalism, and unless we can clarify what that means, our theories remain 'bagel theories,' with a big hole in the middle.

The seminar examines such questions theoretically and historically. The first part explores basic conceptions of capital. It begins by studying three approaches to capital: one based on utility, a second based on labour value and a third based on power. The discussion then broadens to examine these three approaches in relation to technology, the corporation and the state. The second part of the seminar deals with transformations of capital. This part introduces the twin concepts of dominant capital and differential accumulation. Using these concepts, the seminar explores the historical processes of corporate mergers, globalization, stagflation, imperialism and the new wars of the twenty-first century. (There could be some deviations from the course schedule and readings as we go along.)

Format

Seminar lectures and class discussion.

Evaluation

The course grade comprises the following items:

	Weight	Maximum length	Due Date
Participation	10%	—	
Research Exercise 1	15%	—	October 21
Research Exercise 2	15%	—	November 11
Paper Proposal	10%		November 25
Term Paper	50%	6,000 words	December 30

- **Participation** (10%). Regular attendance and reading the assigned material before class are pre-requisites for effective participation.
- **Research Exercises** (15% each). The two research exercises are to be done in pairs. 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, manipulating and interpreting empirical information; and (c) to make you appreciate the importance and limitations of facts.
- **Paper Proposal** (10%). 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. In preparation for this research, you are asked to draft a proposal consisting of three paragraphs: (1) the question you seek to answer; (2) the possible answers for that question; and (3) the research methodology you will use to answer the question. This type of proposal is not easy to write, but it should greatly facilitate the research and writing of the paper itself. The proposal should be no longer than 500 words and should be emailed to me as a Word attachment (send to nitzan@yorku.ca).
- **Term paper** (50%). The paper itself must not exceed 6,000 words, including footnotes and references but excluding charts and tables. Your ingenuity and in-depth understanding will be lost unless expressed clearly. Pay attention to the structure of the essay, writing style, grammar and presentation. Three useful suggestions: (1) in your introduction, specify clearly the purpose, hypothesis and method of your paper; (2) make sure you deliver on what you promise; and (3) re-read and re-edit your paper several times before handing it in. Email the paper as a Word attachment (send to nitzan@yorku.ca).

Required Texts (available at the bookstore)

- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press.
- Hunt, E. K. 2002. *History of Economic Thought: A Critical Perspective*. 2nd, updated ed. Armonk, N.Y.: M.E. Sharpe.

- Veblen, Thorstein. 1923. [1967]. *Absentee Ownership and Business Enterprise in Recent Times. The Case of America*. With an introduction by Robert Leckachman. Boston: Beacon Press.

Recommended Texts (some are available at the bookstore)

- Galbraith, John Kenneth. 1967. *The New Industrial State*. Boston: Houghton Mifflin Company.
- Howard, Michael Charles, and J. E. King. 1989. *A History of Marxian Economics. Vol. 1, 1883-1929*. Princeton, N.J.: Princeton University Press.
- Howard, Michael Charles, and J. E. King. 1992. *A History of Marxian Economics. Volume II, 1929-1990*. Princeton, N.J.: Princeton University Press.
- Keen, Steve. 2001. *Debunking Economics. The Naked Emperor of the Social Sciences*. Annandale and London: Pluto Press Australia and Zed Books.
- Josephson, Matthew. 1934. *The Robber Barons. The Great American Capitalists. 1861-1901*. New York: Harcourt, Brace and Company.
- Nitzan, Jonathan, and Shimshon Bichler. 2002. *The Global Political Economy of Israel*. London: Pluto Press. [full text: <http://bnarchives.yorku.ca/8/>]
- Mumford, Lewis. 1967. *Technics and Human Development*. New York: Harcourt, Brace & World, Inc.
- Mumford, Lewis. 1970. *The Pentagon of Power*. New York: Harcourt, Brace Jovanovich, Inc.
- Olson, Mancur. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. New Haven: Yale University Press.
- Veblen, Thorstein. 1934. *Essays in Our Changing Order*. New York: The Viking Press.
- Veblen, Thorstein. 1904. [1975]. *The Theory of Business Enterprise*. Clifton, New Jersey: Augustus M. Kelley, Reprints of Economics Classics.
- Veblen, Thorstein. 1919. [1964]. *The Place of Science in Modern Civilisation and Other Essays*. New York: Russell & Russell.

SCHEDULE

- Sep 9: 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: No class [religious holiday]
3. Oct 7: Labour and Value: Marxist Capital
4. Oct 14: Power and Value: Veblen's Capital
5. Oct 21: Technology and Power
6. Oct 28: The Corporation

Part II: Transformations of Capital

7. Nov 4: Capital AS Power: Dominant Capital and Differential Accumulation
8. Nov 11: Greenfield, Mergers and Globalization
9. Nov 18: Cost-Cutting or Stagflation?
10. Nov 25: Capital and State: Imperialism
11. Dec 2: New Imperialism or New Capitalism?

READINGS

The required readings are available from one of the following sources: (1) required textbook; (2) course kit; (3) York Library's eResources; (4) specified URL.

Introduction and Organization

1. Capital, Capitalism and Political Economy

Required Readings

- Wallerstein, Immanuel Maurice. 2004. *World-Systems Analysis. An Introduction*. Durham: Duke University Press, Ch.1: 'Historical Origins of World-Systems Analysis. From Social Disciplines to Historical Social Sciences,' pp. 1-22. [22 pages]
- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press, 'Introduction' and Ch. 1: 'Politics and Economics,' pp. 1-32. [required textbook; 32 pages]
- Bichler, Shimshon, and Jonathan Nitzan. 2003. *Political Economy: Past and Future*. Mimeograph, Tel Aviv and Toronto. November, pp. 1-5. [<http://bnarchives.yorku.ca/64/>; 5 pages]

Background (recommended)

- Céline, Louis-Ferdinand. 1932. [1983]. *Journey to the End of the Night*. Translated by R. Manheim. np: New Directions.
- Houellebecq, Michel. 2005. *The Possibility of an Island*. Translated from the French by Gavin Bowd. 1st American ed. New York: Alfred A. Knopf.

Optional Bibliography

- Diamond, Jared M. 1999. *Guns, Germs, and Steel. The Fate of Human Societies*. New York: W.W. Norton & Co.
- Dowd, Douglas. 2000. *Capitalism and Its Economics: A Critical History*. London and Sterling, Virginia: Pluto Press.
- Heilbroner, Robert. 1980. *The Worldly Philosophers. The Lives, Times, and Ideas of the Great Economic Thinkers*. Fifth ed. New York: Simon and Schuster.
- Heilbroner, Robert. 1992. *Twenty-First Century Capitalism*. Toronto: Anansi.
- Huberman, Leo. 1936. [1961]. *Man's Worldly Goods. The Story of the Wealth of Nations*. New York: Monthly Review Press.
- Josephson, Matthew. 1934. *The Robber Barons. The Great American Capitalists. 1861-1901*. New York: Harcourt, Brace and Company.

2. Utility and Value: Neoclassical Capital

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 Readings

- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press, Ch. 4: 'Neoclassical Political Economy,' pp. 77-99. [required textbook; 23 pages]
- Braudel, F. (1979) *The Wheels of Commerce. Civilization & Capitalism 15th-18th Century. Vol. 2* (New York: Harper & Row, Publishers), 'Capital, capitalist, capitalism,' pp. 231-249. [course kit; 19 pages]
- Hunt, E.K. (1992) *History of Economic Thought. A Critical Perspective* (New York: HaperCollins Publishers), Ch. 11, 'Neoclassical Theories of the Firm and Income Distribution: The Writings of Marshall, Clark and Böhm-Bawerk'; Ch. 16, 'Annulment of the Myth of the Measurable Productivity of Capital: The Writings of Sraffa,' pp. 351-388; 527-548. [course kit; 60 pages]
- Robinson, Joan. 1971. The Relevance of Economic Theory. In *The Subtle Anatomy of Capitalism*, edited by J. Schwartz. Santa Monica, California: Goodyear Publishing Company, Inc. pp. 16-21. [course kit; 6 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2000. Capital Accumulation: Breaking the Dualism of 'Economics' and 'Politics'. In *Global Political Economy: Contemporary Theories*, edited by R. Palan. New York and London: Routledge, pp. 67-88. [<http://bnarchives.yorku.ca/19/>; 22 pages]

Background (recommended)

- Huxley, Aldous. 1932. *Brave New World*. With a special Forward by the author. New York: The Modern Library.

Optional Bibliography

- Böhm-Bawerk, Eugen von. 1891. [1971]. *The Positive Theory of Capital*. Translated with a Preface and Analysis by W. Smart. Freeport, New York: Books for Libraries Press.
- Clark, John Bates. 1899. [1965]. *The Distribution of Wealth*. New York: Augustus M. Kelley.
- Harcourt, Geoffrey C. 1972. *Some Cambridge Controversies in the Theory of Capital*. Cambridge: Cambridge University Press.
- Marshall, Alfred. 1920. *Principles of Economics. An Introductory Volume*. 8th ed. London: Macmillan. (First published in 1890).
- Fisher, Irvin. 1896. What is Capital? *The Economic Journal* 6 (24, December): 509-534. [eResources]
- Keen, Steve. 2001. *Debunking Economics. The Naked Emperor of the Social Sciences*. Annandale and London: Pluto Press Australia and Zed Books. Ch. 6, 'The Holy War Over Capital,' pp. 129-147.
- Mirowski, Philip. 1989. *More Heat Than Light: Economics as Social Physics, Physics as Nature's Economics, Historical Perspectives on Modern Economics*. Cambridge and New York: Cambridge University Press.
- OECD. 2001. *Measuring Capital. Measurement of Capital Stocks, Consumption of Fixed Capital and Capital Services*. OECD Manual. Paris: OECD Publication Services, <http://www.oecd.org/dataoecd/61/57/1876369.pdf>.
- Robinson, Joan. 1962. *Economic Philosophy*. Chicago: Aldine Pub. Co. Ch. 3, 'The Neo-Classics: Utility,' pp. 48-70.

- Robinson, Joan. 1981. *What Are the Questions? and Other Essays*. Armonk, NY: M. E. Sharpe. 'Controversy,' pp. 96-140.
- Schumpeter, J.A. (1954) *History of Economic Analysis*, Ed. from manuscript by E.B. Schumpeter (New York: Oxford University Press), Section 6.5 'Capital', pp. 625-645.
- Sraffa, Piero. 1926. The Law of Return Under Competitive Conditions. *The Economic Journal* 36 (144, December): 535-550. [eResources]
- Sraffa, Piero. 1960. *Production of Commodities by Means of Commodities. Prelude to a Critique of Economic Theory*. Cambridge: Cambridge University Press.
- Veblen, Thorstein. 1908. [1961]. Professor Clark's Economics. In *The Place of Science in Modern Civilisation and Other Essays*. New York: Russell & Russell, pp. 180-230.

3. Labour and Value: Marxist Capital

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

Required Readings

- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press, Ch. 3: 'Marxian Political Economy,' pp. 55-78. [required textbook; 24 pages]
- Hunt, E. K. 1992. *History of Economic Thought. A Critical Perspective*. 2nd ed. New York: HarperCollins Publishers. Ch. 9, 'Karl Marx,' pp. 249-303. [course kit; 55 pages]
- Keen, Steve. 2001. *Debunking Economics. The Naked Emperor of the Social Sciences*. Annandale and London: Pluto Press Australia and Zed Books. Ch. 15, 'Nothing to Lose But Their Minds,' pp. 269-299. [course kit; 31 pages]
- Castoriadis, Cornelius. 1984. Value, Equality, Justice, Politics: From Marx to Aristotle and from Aristotle to Ourselves. In *Crossroads in the Labyrinth*. Translated from the French by Kate Soper and Martin H. Ryle. Brighton, Sussex: The Harvester Press Limited, pp. 260-339. [course kit; 80 pages]
- Elson, Diane. 1979. The Value Theory of Labour. In *Value. The Representation of Labour in Capitalism*, edited by D. Elson. London and Atlantic Highlands, N.J.: CSE Books and Humanities Press, pp. 115-180. [course kit; 66 pages]

Background (recommended)

- Orwell, George. 1937. *The Road to Wigan Pier*. London: V. Gollancz Ltd.
- Sinclair, Upton. 1906. *The Jungle*. New York: Grosset & Dunlap.

Optional Bibliography

- Avineri, Shlomo. 1968. *The Social and Political Thought of Karl Marx*. London: Cambridge University Press, Chs. 2-3, pp. 8-64.
- Baumol, William J. 1974. The Transformation of Values: What Marx 'Really' Meant (An Interpretation). *Journal of Economic Literature* 12 (1, March): 51-62. [eResources]
- Castoriadis, Cornelius. 1987. *The Imaginary Institution of Society*. Cambridge: The MIT Press.
- Fine, Ben, and Laurence Harris. 1979. *Rereading Capital*. New York: Columbia University Press. Chs. 1-3, pp. 3-57.

- Foley, Duncan K. 2000. Recent Developments in the Labor Theory of Value. *Review of Radical Political Economics* 32 (1): 1-39.
- Foley, Duncan K. 1986. *Understanding Capital. Marx's Economic Theory*. Cambridge, Massachusetts and London, England: Harvard University Press.
- Freeman, Alan, Andrew Kliman, and Julian Wells, eds. 2000. *The New Value Controversy and the Foundations of Economics*. Cheltenham, UK and Northampton, Massachusetts: Edward Elgar.
- Harvey, David. 1982. [1999]. *The Limits to Capital*. London and New York: Verso. Ch. 1, 'Commodities, Values and Class Relations,' pp. 1-38.
- Harvey, Philip. 1985. The Value-Creating Capacity of Skilled Labor in Marxian Economics. *Review of Radical Political Economics* 17 (1/2): 83-102. [eResources]
- Howard, Michael Charles, and J. E. King. 1992. *A History of Marxian Economics. Volume II, 1929-1990*. Princeton, N.J.: Princeton University Press. Part IV, 'Value and Exploitation' (pp. 225-308).
- Kay, Geoffrey. 1979. Why Labour is the Starting Point of Capital. In *Value. The Representation of Labour in Capitalism*, edited by D. Elson. London and Atlantic Highlands, N.J.: CSE Books and Humanities Press, pp. 46-66.
- Kliman, Andrew. 2007. *Reclaiming Marx's Capital. A Refutation of the Myth of Inconsistency*. Lanham, MD: Lexington Books.
- Marx, Karl. 1909. *Capital. A Critique of Political Economy*. 3 vols. Chicago: Charles H. Kerr & Company.
- Robinson, Joan. 1962. *Economic Philosophy*. Chicago: Aldine Pub. Co. Ch. 2, 'The Classics: Value,' pp. 28-47.
- Robinson, Joan. 1981. Aspects of Marxism. In *What Are the Questions? and Other Essays*. Armonk, NY: M. E. Sharpe, pp. 155-202.
- Savran, Sungur, and Ahmet E. Tonak. 1999. Productive and Unproductive Labour: An Attempt at Clarification and Classification. *Capital & Class* (68, Summer): 113-152. [eResources]
- Sayer, Derek. 1987. *The Violence of Abstraction. The Analytic Foundations of Historical Materialism*. Oxford, UK and New York: Basil Blackwell.
- Shaikh, Anwar. 1990. Capital as a Social Relation. In *The New Palgrave. Marxian Economics*, edited by J. Eatwell, M. Milgate and P. Newman. New York and London: W.W. Norton & Company, pp. 72-78.
- Shaikh, Anwar M., and E. Ahmet Tonak. 1994. *Measuring the Wealth of Nations. The Political Economy of National Accounts*. Cambridge and New York: Cambridge University Press.
- Sweezy, Paul M. 1942. *The Theory of Capitalist Development. Principles of Marxian Political Economy*. New York and London: Modern Reader Paperbacks. 'Part One: Value and Surplus Value' and Ch. VII 'The Transformation of Values into Prices,' pp. 11-71, 109-130.
- Tsuru, Shigeto. 1993. *Institutional Economics Revisited*. Raffaele Mattioli lectures. Cambridge and New York: Cambridge University Press. Ch. One, 'Reappraisal of Marxian Political Economy as "Institutionalism" in the Broad Sense of the Term,' pp. 3-16.

4. Power and Value: Veblen's Capital

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

Required Readings

- Nitzan, Jonathan, and Shimshon Bichler. 2006. New Imperialism or New Capitalism? *Review* XXIX (1, April), Section III: 'Capital Accumulation: Theory in Paralysis' and Section IV: 'Capital As Power,' pp. 13-30. [<http://bnarchives.yorku.ca/203/>; 18 pages]
- Veblen, Thorstein. 1908. On the Nature of Capital. *Quarterly Journal of Economics* XXII (4, August): 517-542. [eResources; 26 pages]
- Veblen, Thorstein. 1908. On the Nature of Capital: Investment, Intangible Assets, and the Pecuniary Magnate. *Quarterly Journal of Economics* XXIII (1, November): 104-136. [eResources; 33 pages]
- Veblen, Thorstein. 1923. [1967]. *Absentee Ownership and Business Enterprise in Recent Times. The Case of America*. With an introduction by Robert Leckachman. Boston: Beacon Press. Read cover to cover, with special emphasis on Chs. I-VI (pp. 3-118), Chs. VIII-IX (pp. 205-228) and Chs. XI-XIII (pp. 284-445). [302 pages]

Background (recommended)

- Golding, William. 1960. *Lord of the Flies*. Harmondsworth, Middlesex: Penguin Books.
- London, Jack. 1907. [1957]. *The Iron Heel*. New York: Hill and Wang.
- Orwell, George. 1948. *Nineteen Eighty-Four*. London and Toronto: Secker & Warburg and S. J. Reginald Saunders & Co. Ltd.

Optional Bibliography

- Bolbol, Ali A., and Mark A. Lovewell. 2001. Three Views on Stock Markets and Corporate Behaviour: Tobin, Veblen, and Marx. *Journal of Post Keynesian Economics* 23 (3, Sprint): 525-543.
- De Soto, Hernando. 2000. *The Mystery of Capital. Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books.
- Dorfman, Joseph. 1934. *Thorstein Veblen and his America*. New York: Viking Press.
- Dowd, Douglas Fitzgerald. 1965. *Thorstein Veblen. A Critical Reappraisal*. Lectures and essays commemorating the hundredth anniversary of Veblen's birth. Ithaca, New York: Cornell University Press.
- Dugger, William M., and Howard J. Sherman. 2000. *Reclaiming Evolution. A Dialogue Between Marxism and Institutionalism on Social Change*. London: Routledge.
- Hunt, E. K. 1992. *History of Economic Thought. A Critical Perspective*. 2nd ed. New York: HarperCollins Publishers, Ch. 12, 'Thorstein Veblen' (pp. 389-428).
- Nitzan, Jonathan. 1992. From Olson to Veblen: The Stagflationary Rise of Distributional Coalitions. Paper read at the annual meeting of The History of Economics Society, May 30 - June 2, at Fairfax, Virginia. [<http://bnarchives.yorku.ca/176/>]
- Riesman, David. 1953. *Thorstein Veblen. A Critical Interpretation*. New York: Scribner.
- Sweezy, Paul M. 1946. [1953]. Thorstein Veblen: Strengths and Weaknesses. In *The Present as History. Essays and Reviews on Capitalism and Socialism*. New York and London: Monthly Review Press.
- Sweezy, Paul M. 1991. Monopoly Capital After Twenty-Five Years. *Monthly Review* 43 (7): 52-57.

- Tilman, Rick. 1992. *Thorstein Veblen and His Critics, 1891-1963. Conservative, Liberal, and Radical Perspectives*. Princeton, New Jersey: Princeton University Press.
- Veblen, Thorstein. 1898. [1934]. The Beginning of Ownership. In *Essays in Our Changing Order*, edited by L. Ardzrooni. New York: The Viking Press, pp. 32-49.
- Veblen, Thorstein. 1904. [1975]. *The Theory of Business Enterprise*. Clifton, New Jersey: Augustus M. Kelley, Reprints of Economics Classics.
- Veblen, Thorstein. 1919. [1964]. *The Place of Science in Modern Civilisation and Other Essays*. New York: Russell & Russell.
- Veblen, Thorstein. 1919. [1934]. *The Vested Interest and the State of Industrial Arts*. New York: B. W. Huebsch.
- Veblen, Thorstein. 1934. *Essays in Our Changing Order*. New York: The Viking Press.

5. Technology and Power

Is technology an empowering factor of production, or is itself a form of power?

Required Readings

- Galbraith, John Kenneth. 1967. *The New Industrial State*. Boston: Houghton Mifflin Company. Read particularly Chs. I-XV (pp. 1-178). [course kit; 178 pages]
- Mumford, Lewis. 1967. *The Myth of the Machine. Technics and Human Development*. New York: Harcourt, Brace & World, Inc. Read cover to cover, with special emphasis on Chs. 6-11 (pp. 126-262). [course kit; 137 pages]
- Marcuse, Herbert. 1941. [1998]. Some Social Implications of Modern Technology. In *Technology, War and Fascism*, edited by D. Kellner. London and New York: Routledge, pp. 41-65. [course kit; 25 pages]

Background (recommended)

- *Modern Times*. 1936. Written and Directed by Charles Chaplin.
- Hasek, Jaroslav. 1937. *The Good Soldier: Schweik*. Translated by P. Selver. Garden City New York: The Sun Dial Press, Inc., Publishers.
- Xenophon. 1901. *The March of the Ten Thousand*. Translation of the Anabasis, preceded by a life of Xenophen, by H. G. Dakyns, M.A. Reprinted with Corrections from Volume I of *The Works of Xenophon*, translated. by H.G. Dakyns, 1890. London and New York: The Macmillan company.

Optional Bibliography

- Galbraith, John Kenneth. 1958. *The Affluent Society*. Boston: Houghton Mifflin.
- Galbraith, John Kenneth. 1983. *The Anatomy of Power*. Aldershot Hants, England and Brookfield, Vermont, USA: Houghton Mifflin Company.
- Mumford, Lewis. 1934. *Technics and Civilization*. New York: Harcourt Brace and Company.
- Mumford, Lewis. 1943. [1973]. Marx: Dialectic of Revolution. In *Interpretations and Forecasts: 1922-1972. Studies in Literature, History, Biography, Technics, and Contemporary Society*. New York: Harcourt Brace Jovanovich, Inc., pp. 199-208.
- Mumford, Lewis. 1970. *The Myth of the Machine. The Pentagon of Power*. New York: Harcourt, Brace Jovanovich, Inc.

6. The Corporation

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

Required Readings

- Berle, Adolf Augustus, and Gardiner Coit Means. 1932. [1967]. *The Modern Corporation and Private Property*. Revised ed. New York: Harcourt, Brace & World. Read 'Property, Production and Revolution. A Preface to the Revised Edition' (pp. vii-xxvii), 'Implications of the Corporate Revolution in Economic Theory' (pp. xxix-xxxvii). [course kit; 31 pages]
- Chandler, Alfred D. Jr. 1977. *The Visible Hand: The Managerial Revolution in American Business*. Cambridge: Harvard University Press. 'Introduction: The Visible Hand' (pp. 1-12). [course kit; 12 pages]
- Zeitlin, Maurice. 1974. Corporate Ownership and Control: The Large Corporation and the Capitalist Class. *American Journal of Sociology* 79 (5): 1073-1119. [eResources; 47 pages]
- La Porta, Rafael, Florencio Lopez-De-Silanes, and Andrei Shleifer. 1999. Corporate Ownership Around the World. *Journal of Finance* 54 (2, April): 471-517. [eResources; 47 pages]
- Coase, Ronald H. 1937. [1996]. The Nature of the Firm. In *The Economic Nature of the Firm. A Reader*, edited by L. Putterman and R. S. Kroszner. Cambridge: Cambridge University Press, pp. 89-104. [course kit; 16 pages]
- Marglin, S.A. 1974. [1996]. What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production. *Review of Radical Political Economics* 6 (2): 60-112. Reprinted in *Radical Political Economy: Explorations in Alternative Economic Analysis*, edited by V.D. Lippit. Armonk, N.Y. and London: Sharpe, pp. 19-59. [course kit; 41 pages]
- Baran, Paul A., and Paul M. Sweezy. 1966. *Monopoly Capital. An Essay on the American Economic and Social Order*. New York: Modern Reader Paperbacks. Ch. 2, 'The Giant Corporation' (pp. 14-51) [38 pages]
- Arrighi, Giovanni, Kenneth Barr, and Shuji Hisaeda. 1999. The Transformation of Business Enterprise. In *Chaos and Governance in the Modern World System*, edited by G. Arrighi and B. J. Silver. Minneapolis and London: University of Minnesota Press, pp. 97-150. [course kit; 54 pages]

Background (recommended)

- *Rollerball*. 1975. Written by William Harrison, Directed by Norman Jewison.
- *The Corporation*. 2003. Written by Mark Achbar, Joel Bakan, and Harold Crooks, Directed by Jennifer Abbott and Mark Achbar.

Optional Bibliography

- Blair, John M. 1972. *Economic Concentration: Structure, Behavior and Public Policy*. New York: Harcourt, Brace Jovanovich.
- Chandler, Alfred D. Jr. 1962. *Strategy and Structure. Chapters in the History of the Industrial Enterprise*. Cambridge, Mass.: The M.I.T. Press.
- Chandler, Alfred D. Jr. 1965. The Beginning of 'Big Business' in American Industry. In *New Views on American Economic Development. A Selective Anthology of Recent Work*, edited by R. L. Andreano. Cambridge, Mass.: Schenkman Publishing Company, pp. 277-306.
- Chandler, Alfred D. Jr. 1977. *The Visible Hand: The Managerial Revolution in American Business*. Cambridge: Harvard University Press.

- Chandler, Alfred Dupont, and Takashi Hikino. 1990. *Scale and Scope. The Dynamics of Industrial Capitalism*. Cambridge, Mass.: Belknap Press.
- Chandler, Alfred D. Jr., Franco Amatori, and Takashi Hikino, eds. 1997. *Big Business and the Wealth of Nations*. Cambridge: Cambridge University Press.
- Screpanti, E. 1999. Capitalist Forms and the Essence of Capitalism. *Review of International Political Economy* 6 (1): 1-26. [26 pages] [eResources]
- Scherer, F. M., and David Ross. 1990. *Industrial Market Structure and Economic Performance*. 3rd ed. Boston: Houghton Mifflin. Ch. 3, 'Industry Structure' (pp. 58-96).
- Edwards, Richard. 1979. *Contested Terrain. The Transformation of the Workplace in the Twentieth Century*. New York: Basic Books.
- Eichner, Alfred S. 1976. *The Megacorp and Oligopoly. Micro Foundations of Macro Dynamics*. Cambridge, England and New York: Cambridge University Press.
- Foster, John Bellamy. 1986. *The Theory of Monopoly Capitalism. An Elaboration of Marxian Political Economy*. New York: Monthly Review. Ch. 3, 'Free Competition and Monopoly Capital,' pp. 51-73.
- Herman, Edward S. 1981. *Corporate Control, Corporate Power*. Cambridge and New York: Cambridge University Press.
- Moore, Thomas Gale, ed. 1983. *Corporations and Private Property*. A Conference Sponsored by the Hoover Institution. Special issue of *The Journal of Law & Economics* XXVI (2, June).
- Parkinson, C. Northcote. 1974. *Big Business*. Boston: Little Brown.
- Putterman, Louis G., and Randy Kroszner, eds. 1996. *The Economic Nature of the Firm. A Reader*. 2nd ed. Cambridge and New York: Cambridge University Press. 'The Economic Nature of the Firm: A New Introduction,' pp. 1-31.
- Scott, J. 1997. *Corporate Business and Capitalist Classes*. Oxford: Oxford University Press.
- Steindl, Josef. 1945. *Small and Big Business. Economic Problems of the Size of Firms*. Institute of Statistics, Monograph No. 1. Oxford: Basil Blackwell.
- Sweezy, Paul M. 1939. [1953]. Interest Groups in the American Economy. In *The Present as History. Essays and Reviews on Capitalism and Socialism*. New York and London: Monthly Review Press, pp. 158-188.
- Sweezy, Paul M. 1942. [1953]. The Illusion of the Managerial Revolution. In *The Present as History. Essays and Reviews on Capitalism and Socialism*. New York and London: Monthly Review Press, pp. 39-66.
- Tool, Marc R., and Warren J. Samuels, eds. 1989. *The Economy as a System of Power*. 2nd completely revised ed. New Brunswick, N.J.: Transaction Books.
- Wolff, Edward N. 1995. *Top Heavy: A Study of the Increasing Inequality of Wealth in America*. An Expanded Edition of a Twentieth Century Fund Report. New York: The New Press.

7. Capital AS Power: Dominant Capital and Differential Accumulation

Is capital connected to power, or is capital itself a form of power?

Required Readings

- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press. Ch. 7, 'Power-Centered Approaches to Political Economy,' pp. 159-180. [required text; 22 pages]
- Olson, Mancur. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*. New Haven: Yale University Press. Read as much as you can, with special emphasis on Chs. 1-3, pp. 1-75. [required textbook; 75 pages]

- Sweezy, Paul M. 1991. Monopoly Capital After Twenty-Five Years. *Monthly Review* 43 (7): 52-57. [eResources; 8 pages]
- Nitzan, Jonathan. 1998. Differential Accumulation: Toward a New Political Economy of Capital. *Review of International Political Economy* 5 (2): 169-217. [<http://bnarchives.yorku.ca/9/>; 48 pages]

Background (recommended)

- Puzo, Mario. 1969. *The Godfather*. New York: Putnam.
- Schulberg, Budd. 1941. [1990]. *What Makes Sammy Run?* New York: Vintage Books.

Optional Bibliography

- Bowles, Samuel, M. Franzini, and Ugo Pagano. 1999. *The Politics and Economics of Power*. London and New York: Routledge.
- Galbraith, John Kenneth. 1983. *The Anatomy of Power*. Aldershot Hants, England and Brookfield, Vermont, USA: Houghton Mifflin Company.
- Lukes, Steven. 1974. *Power: A Radical Analysis*. London and New York: Macmillan.
- Mann, Michael. 1986. *The Sources of Social Power*. 2 vols. Cambridge, UK and New York: Cambridge University Press.
- Olson, Mancur. 1965. *The Logic of Collective Action. Public Goods and the Theory of Groups*. Harvard economic studies, Vol. 124. Cambridge, Mass.: Harvard University Press.
- Sherman, Howard J. 1985. Monopoly Capital vs. the Fundamentalists. In *Rethinking Marxism. Struggles in Marxist Theory. Essays for Harry Magdoff & Paul Sweezy*, edited by S. Resnick and R. Wolff. Brooklyn, NY: Autonomedia, pp. 359-377.
- Tool, Marc R., and Warren J. Samuels, eds. 1989. *The Economy as a System of Power*. 2nd completely revised ed. New Brunswick, N.J.: Transaction Books.

8. Greenfield, Mergers and Globalization

Can a mere change in ownership boost accumulation? What is the link between corporate merger and capitalist globalization?

Required Readings

- Scherer, F. M., and David Ross. 1990. *Industrial Market Structure and Economic Performance*. 3rd ed. Boston: Houghton Mifflin. Ch. 5, 'Mergers: History, Effects, and Policy' (pp. 153-198) [course kit; 46 pages]
- Lebowitz, Michael A. 1985. The Theoretical Status of Monopoly Capital. In *Rethinking Marxism. Struggles in Marxist Theory. Essays for Harry Magdoff & Paul Sweezy*, edited by S. Resnick and R. Wolff. Brooklyn, NY: Autonomedia, pp. 185-203. [course kit; 19 pages]
- Nitzan, Jonathan. (2001) 'Regimes of Differential Accumulation: Mergers, Stagflation and the Logic of Globalization. *Review of International Political Economy* 8 (2): 226-274. [<http://bnarchives.yorku.ca/3/>; 49 pages]

Optional Bibliography

- Browne, Lynn E., and Eric S. Rosengren, eds. 1987. *The Merger Boom. Proceedings of a Conference Held in October 1987*. Melvin Village, New Hampshire: Federal Reserve Bank of Boston.

- Dicken, Peter. 2003. *Global Shift. Reshaping the Global Economic Map in the 21st Century*. 4th ed. London and New York: Guilford Press, Ch 7: Transnational Corporations, pp. 198-237.
- Hirst, Paul, and Grahame Thompson. 1999. *Globalization in Question. The International Economy and the Possibilities of Governance*. Cambridge: Polity Press.
- Hymer, Stephen H. 1960. [1976]. *The International Operations of National Firms: A Study of Direct Foreign Investment*. Cambridge, Mass and London, England: The MIT Press.
- Hymer, Stephen H. 1970. The Efficiency (Contradictions) of the Multinational Corporation. *American Economic Review, Papers and Proceedings* 60 (2, May): 441-448. [eResources]
- Hymer, Stephen H. 1972. [1975]. The Multinational Corporation and the Law of Uneven Development. In *International Firms and Modern Imperialism. Selected Readings*, edited by H. Radice. Harmondsworth, Middlesex, England: Penguin Books, pp. 37-62.
- Kindleberger, Charles Poor. 1984. Direct Investment in Less Developed Countries: Historical Wrongs and Present Value. In *Multinational Excursions*. Cambridge, Mass.: MIT Press, pp. 60-76.
- Kindleberger, Charles Poor. 1984. *Multinational Excursions*. Cambridge, Mass.: MIT Press.
- Lamoreaux, Naomi R. 1985. *The Great Merger Movement in American Business, 1895-1904*. Cambridge, England and New York: Cambridge University Press.
- Pitelis, Christos, and Roger Sugden, eds. 2000. *The Nature of the Transnational Firm*. 2nd ed. London and New York: Routledge.
- Pryor, Frederic L. 2001. Dimensions of the Worldwide Merger Boom. *Journal of Economic Issues* 35 (4, December): 825-840. [eResources]
- Ravenscraft, David J., and F. M. Scherer. 1987. *Mergers, Sell-Offs, and Economic Efficiency*. Washington, D.C.: The Brookings Institution.
- United Nations Conference on Trade and Development. Annual. *World Investment Report*. New York and Geneva: United Nations.
- Vernon, Raymond. 1977. *Storm Over the Multinationals: The Real Issues*. Cambridge, Mass.: Harvard University Press.
- Vernon, Raymond. 1998. *In the Hurricane's Eye. The Troubled Prospects of Multinational Enterprises*. Cambridge, Mass.: Harvard University Press.

9. Cost-Cutting or Stagflation?

Can capital accumulation thrive on stagnation and inflation?

Required Readings

- Hirschman, Albert O. 1985. Reflection on the Latin American Experience. In *The Politics of Inflation and Economic Stagnation*, edited by L. N. Lindberg and C. S. Maier. Washington D.C.: Brookings Institution, pp. 53-77. [course kit; 25 pages]
- Kotz, David M. 1982. Monopoly, Inflation, and Economic Crisis. *Review of Radical Political Economics* 14 (4): 1-17. [course kit; 17 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2002. *The Global Political Economy of Israel*. London: Pluto Press, Ch. 4: 'The Making of Stagflation,' pp. 137-197 [<http://bnarchives.yorku.ca/8/>; 61 pages]

Background (recommended)

- Zweig, Stefan. 1943. *The World of Yesterday. An Autobiography*. New York: Viking Press.

Optional Bibliography

- Ackley, G. 1959. Administered Prices and the Inflationary Process. *American Economic Review, Papers and Proceedings* 49 (2, May): 419-430. [eResources]
- Blair, John M. 1974. Market Power and Inflation: A Short-Run Target Return Model. *Journal of Economic Issues* 8 (2, June): 453-478.
- Fischer, David Hackett. 1996. *The Great Wave. Price Revolution and the Rhythm of History*. New York and Oxford: Oxford University Press.
- Friedman, Milton. 1976. *Inflation and Unemployment: The New Dimension of Politics*. The 1976 Alfred Nobel Memorial Lecture. London: The Institute of Economic Affairs.
- Galbraith, John Kenneth. 1957. Market Structure and Stabilization Policy. *Review of Economics and Statistics* 39 (2, May): 124-133.
- Hall, R. L., and C. J. Hitch. 1939. Price Theory and Business Behaviour. *Oxford Economic Papers* (2): 12-45.
- Kalecki, Michal. 1943. [1971]. Costs and Prices. In *Selected Essays on the Dynamics of the Capitalist Economy, 1933-1970*. Cambridge: Cambridge University Press, pp. 43-61.
- Kotz, David M. 1982. Monopoly, Inflation, and Economic Crisis. *Review of Radical Political Economics* 14 (4): 1-17.
- Kirshner, Jonathan. 1998. Disinflation, Structural Change, and Distribution. *Review of Radical Political Economy* 30 (1, Winter): 53-90. (eResources)
- Lindberg, Leon N., and Charles S. Maier, eds. 1985. *The Politics of Inflation and Economic Stagnation. Theoretical Approaches and International Case Studies*. Washington, D.C.: The Brookings Institution.
- Means, Gardiner C. 1935. Price Inflexibility and Requirements of a Stabilizing Monetary Policy. *Journal of the American Statistical Association* 30 (June): 401-413. (eResources)
- Nitzan, Jonathan. 1990. Inflation and Market Structure. Discussion Paper, Department of Economics, McGill University, Montreal, pp. 1-59. [<http://bnarchives.yorku.ca/161/>]
- Nitzan, Jonathan. 1990. Macroeconomic Perspectives on Inflation and Unemployment. Discussion Paper, Department of Economics, McGill University, Montreal, pp. 1-46. [<http://bnarchives.yorku.ca/159/>]
- Nitzan, Jonathan. 1990. Price Behaviour and Business Behaviour. Discussion Paper, Department of Economics, McGill University, Montreal, pp. 1-33. [<http://bnarchives.yorku.ca/160/>]
- Nitzan, Jonathan. 1992. From Olson to Veblen: The Stagflationary Rise of Distributional Coalitions. Paper read at the annual meeting of The History of Economics Society, May 30 - June 2, at Fairfax, Virginia. [<http://bnarchives.yorku.ca/176/>]
- Phillips, A. W. 1958. The Relation Between Unemployment and the Rate of Change of Money Wages in the United Kingdom, 1861-1957. *Economica* New Series 25 (100, November): 283-299.
- Rowthorn, R. E. 1977. Conflict, Inflation and Money. *Cambridge Journal of Economics* 1 (3, September): 215-239.
- Stigler, George Joseph, and James Keith Kindahl. 1970. *The Behavior of Industrial Prices*. New York: National Bureau of Economic Research; distributed by Columbia University Press.
- Weintraub, Sidney. 1978. *Capitalism's Inflation and Unemployment Crisis. Beyond Monetarism and Keynesianism*. Reading, Mass. Don Mills, Ont.: Addison-Wesley.

10. Capitalism and State: Imperialism

Does capitalism imply imperialism?

Required Readings

- Arrighi, Giovanni. 1993. The Three Hegemonies of Historical Capitalism. In *Gramsci, Historical Materialism and International Relations*, edited by S. Gill. Cambridge: Cambridge University Press, pp. 148-185. [course kit; 38 pages]
- Marx, Karl. 1990. *Capital. A Critique of Political Economy*. Introduced by Ernest Mandel and translated by Ben Fowkes. 3 vols. Harmondsworth, Eng.: Penguin in association with New Left Review, Vol. 1, 'Genesis of the Industrial Capitalist' and 'Historical Tendency of Capitalist Accumulation,' pp. 914-930. [course kit; 17 pages]
- Magdoff, Harry. 1972. Imperialism. A Historical Survey. In *Imperialism: From the Colonial Age to the Present. Essays by Harry Magdoff*. New York: Monthly Review Press, pp. 94-113. [course kit; 20 pages]
- Schumpeter, J. [1919] (1955) *Imperialism and Social Classes. Two Essays*, Introduction by B. Hoselitz, Translated by H. Norden (New York: Meridian Books), 'The Problem,' pp. 3-7, 'Imperialism and Capitalism,' pp. 64-98 (and endnotes, pp. 172-176). [course kit; 35 pages]

Background (recommended)

- Traven, B. 1979. *The White Rose*. Translated from the German by Donald J. Davidson. Originally Published in 1929. Westport, Conn.: L. Hill.
- *The Coca-Cola Kid*. 1985. Written by Frank Moorhouse, Directed by Dusan Makavejev

Optional Bibliography

- Arrighi, Giovanni. 1978. *The Geometry of Imperialism. The Limits of Hobson's Paradigm*. Translated by Patrick Camiller. London: NLB.
- Arrighi, Giovanni, and Beverly J. Silver. 2001. Capitalism and World (Dis)order. *Review of International Studies* 27 (Special Issue, December): 257-279.
- Brewer, Anthony. 1990. *Marxist Theories of Imperialism. A Critical Survey*. London and New York: Routledge.
- Ferguson, Niall. 2001. *The Cash Nexus. Money and Power in the Modern World, 1700-2000*. New York: Basic Books.
- Ferguson, Niall. 2003. *Empire. How Britain Made the Modern World*. New York: Basic Books.
- Hardt, Michael, and Antonio Negri. 2000. *Empire*. Cambridge, Mass.: Harvard University Press.
- Hilferding, Rudolf. 1910. [1981]. *Finance Capital. A Study of the Latest Phase of Capitalist Development*. Edited with an Introduction by Tom Bottomore, from a Translation by Morris Watnick and Sam Gordon. London: Routledge & Kegan Paul.
- Hobson, John. A. 1902. [1965]. *Imperialism. A Study*. Ann Arbor: University of Michigan Press.
- Hudson, Michael. 2003. *Super Imperialism. The Origin and Fundamentals of U.S. World Dominance*. 2nd ed. London and Sterling, Va.: Pluto Press.
- Kautsky, Karl. 1970. Ultra-Imperialism. Original German version published in 1914. *New Left Review* 59 (Jan/Feb): 41-46.
- Lenin, Vladimir I. 1917. [1987]. Imperialism, The Highest State of Capitalism. In *Essential Works of Lenin. 'What Is to Be Done?' and Other Writings*. New York: Dover Publications, Inc., pp. 177-270.

- Magdoff, Harry. 1969. *The Age of Imperialism. The Economics of U.S. Foreign Policy*. 1st Modern Reader ed. New York: Monthly Review Press.
- Mann, Michael, Giovanni Arrighi, Jason W. Moore, Robert Went, Kees van der Pijl, and William I. Robinson. 2001-2002. The Transnational Ruling Class Formation Thesis: A Symposium. *Science & Society* 65 (4, Winter): 464-508. [eResources]
- Radice, Hugo, ed. 1975. *International Firms and Modern Imperialism. Selected Readings*. Harmondsworth, Middlesex, England: Penguin Books.
- Radice, Hugo. 1999. Taking Globalization Seriously. In *Socialist Register 1999. Global Capitalism Versus Democracy*, edited by L. Panitch and C. Leys. London: Merlin Press, pp. 1-28.
- Robinson, William I., and Jerry Harris. 2000. Toward A Global Ruling Class? Globalization and the Transnational Capitalist Class. *Science & Society* 64 (1, Spring): 11-54. [eResources]
- Shaikh, Anwar. 1978. An Introduction to the History of Crisis Theories. In *Capitalism in Crisis: The Union for Radical Political Economics*, pp. 219-241.
- Veblen, Thorstein. 1915. [1966]. *Imperial Germany and the Industrial Revolution*. Introduction by Joseph Dorfman. Ann Arbor: The University of Michigan Press.
- Vernon, Raymond. 1977. *Storm Over the Multinationals: The Real Issues*. Cambridge, Mass.: Harvard University Press.
- Vernon, Raymond. 1998. *In the Hurricane's Eye. The Troubled Prospects of Multinational Enterprises*. Cambridge, Mass.: Harvard University Press.
- Went, Robert. 2002-2003. Globalization in the Perspective of Imperialism. *Science & Society* 66 (4, Winter): 473-497. [eResources]

11. New Imperialism or New Capitalism?

Has the transformation of capital altered the nature of capitalism?

Required Readings

- Harvey, David. 2003. The 'New' Imperialism: Accumulation by Dispossession. In *The New Imperial Challenge. Socialist Register 2004*, edited by L. Panitch and C. Leys. London: Merlin Press, pp. 62-87. [course kit; 26 pages]
- Machover, Moshé. 1999. The 20th Century in Retrospect. *Worker's Liberty* (# 59): 1-13. [course kit; 13 pages]
- Wallerstein, Immanuel Maurice. 1987. World-System Analysis. In *Social Theory Today*, edited by A. Giddens and J. H. Turner. Stanford: Stanford University Press, pp. 309-324. [course kit; 16 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2002. *The Global Political Economy of Israel*. London: Pluto Press, Ch. 5: 'The Weapondollar-Petrodollar Coalition,' pp. 198-273
[<http://bnarchives.yorku.ca/8/>; 86 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2006. New Imperialism or New Capitalism? *Review* XXIX (1, April), pp. 1-86 [<http://bnarchives.yorku.ca/203/>; 86 pages]

Background (recommended)

- Bey, Essad. 1932. *Blood and Oil in the Orient*. Translated from the German by Elsa Talmey. New York: Simon and Schuster.

Optional Bibliography

- Adelman, M.A. (1995) *The Genie Out of the Bottle: World Oil Since 1970* (Cambridge, MA.: MIT Press).
- Bichler, Shimshon, and Jonathan Nitzan. 2004. Dominant Capital and the New Wars. *Journal of World-Systems Research* 10 (2, August): 255-327. [<http://bnarchives.yorku.ca/1/>]
- Blair, J. (1976) *The Control of Oil* (New York: Vintage Books).
- Bromley, S. (1991) *American Hegemony and World Oil: The Industry, the State System and the World Economy* (Pennsylvania: Pennsylvania State University Press).
- 'Drowning in Oil,' *The Economist*, March 6th, 1999, p. 19. 'The Next Shock?,' *The Economist*, March 6th, 1999, pp. 23-25. [eResources]
- Frank, L.P. (1985) 'The First Oil Regime,' *World Politics*, 37(4): 586-598. [13 pages]
- Griffin J.L., J.A. Devine and M. Wallace (1982) 'Monopoly Capital, Organized Labor and Military Expenditures in the United States, 1949-1976,' in M. Burawoy and T. Stocpol (eds.) *Marxist Inquiries: Studies of Labor, Class and States. American Journal of Sociology*, 88, Supplement (Chicago and London: The University of Chicago Press), pp. S113-S153.
- Krause, K. (1992) *Arms and the State: Patterns of Military Production and Trade* (Cambridge: Cambridge University Press), Ch. 1, 'Motive Forces in the Evolution of the Arms Transfer and Production System,' pp. 12-33; Ch. 4, 'An Overview of the Post-1945 Global Arms Transfer System,' pp. 81-98; Ch. 5, 'The Dominance of First Tier Producers and Suppliers,' pp. 99-126.
- Nitzan, Jonathan, and Shimshon Bichler. 2003. It's All About Oil. *News From Within* XIX (1, January): 8-11. [<http://bnarchives.yorku.ca/38/>]
- Nitzan, Jonathan, and Shimshon Bichler. 2004. Clash of Civilization, or Capital Accumulation? *News From Within* XX (3, June-July): 4-6. [<http://bnarchives.yorku.ca/28/>]
- O'Meara, Dan. 2006. 'Empire' and 'Imperialism' After the War in Iraq. Concepts 'Without Address' or Without Clothes? Paper presented at the 47th Convention of the ISA, San Diego, 22-26 March, Département de science politique, Université du Québec à Montréal, Montreal, pp. 1-19.
- Penrose, E. (1987) 'The Structure of the International Oil Industry: Multinationals, Governments and OPEC,' in J. Rees and P. Odell (eds.) *The International Oil Industry* (New York: St. Martin's Press), pp. 9-18.
- Sampson, Anthony. 1975. *The Seven Sisters: The Great Oil Companies and the World They Shaped*. New York: Viking Press.
- Sampson, A. (1977) *The Arms Bazaar. From Lebanon to Lockheed* (New York: The Viking Press).
- Smith, R.P. (1977) 'Military Expenditure and Capitalism,' *Cambridge Journal of Economics* 1(1): 61-76.
- Tsuru, S. (1961) 'Has Capitalism Changed?' in S. Tsuru (ed.) *Has Capitalism Changed? An International Symposium on the Nature of Contemporary Capitalism* (Tokyo: Iwanami Shoten), pp. 1-66.
- Wilson, E.J. III (1987) 'World Politics and International Energy Markets,' *International Organization*, 41(1): 125-149.
- Yergin, D. (1991) *The Prize: The Epic Quest for Oil, Money and Power* (New York: Simon and Schuster).

RESEARCH EXERCISES 1 AND 2

Purpose. The purpose 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 pairs. Working with someone else is beneficial for a number of reasons. First, discussing and debating your ideas is a catalyst for the imagination. Second, it helps prevent panic when things don't work out. And, third, it gives me less to grade. If you nevertheless want to work alone, that's OK, but clear it with me first.

Start immediately. Things always take longer than you think. Attend one of the library instruction sessions (see schedule below), and start working on the first exercise.

Back up your work. Computers can be quick to 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 spread sheet 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 print your tables and charts neatly.

Library database instructions. I have arranged with Walter Giesbrecht of Scott Library (walterg@yorku.ca) to offer a basic instruction session to students in this seminar. The instruction will cover: (a) the World Bank's *World Development Indicators*, (b) *International Statistical Yearbook* and (c) *Global Insight*. Two identical sessions will be given early in the term. You are required to attend one of them:

- Session I: Tuesday, September 16, 2008, 19:00-20:00, Scott Library, Instruction Room 531.
- Session II: Monday, September 22, 2008, 19:00-20:00, Scott Library, Instruction Room 531

The session will help you get started with the first assignment. The librarians are also very helpful beyond the seminar. Don't be shy to seek help – with the databases as well as with other questions. The library resource page for this course could be found in this list: <http://tinyurl.com/6owxl>.

Exercise 1 (15%)

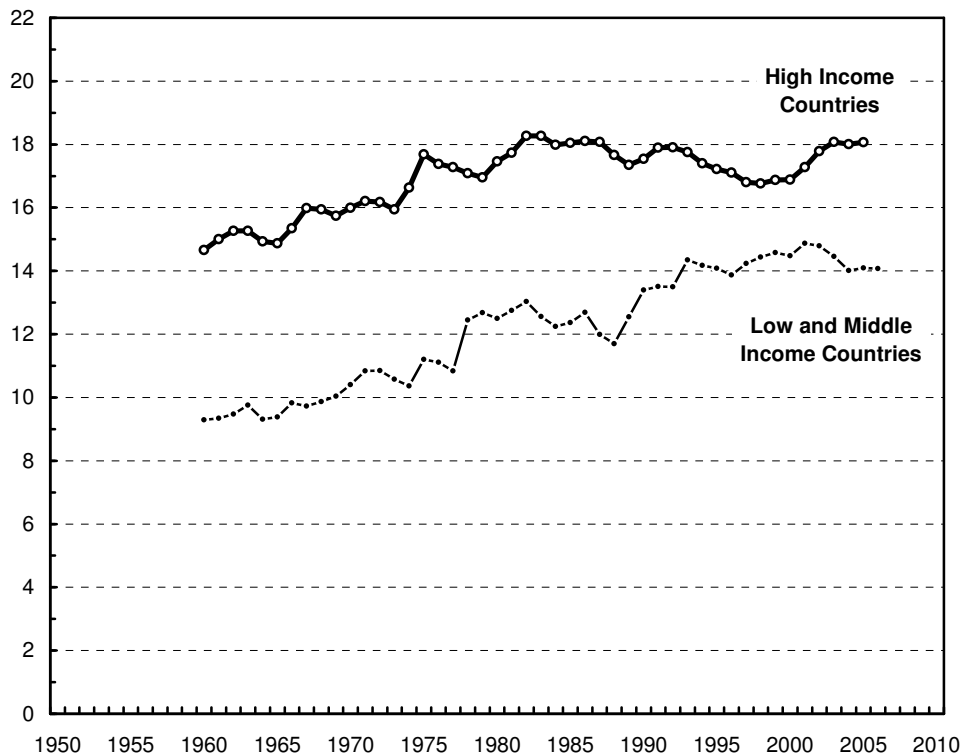
Due date. October 21, hard copy in class.

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

Questions

- (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 begin in 1960 and extend to the mid 2000s (the World Bank constantly updates its data, so your own figure may include additional/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.). You should hand in the Excel sheet of the graph with your answer.
- (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 countries on the one hand and low and middle income countries on the other (Maximum 250 words).

**General Government Final Consumption Expenditure
(% of GDP)**



NOTE: Cutoff point between Middle and High Income countries: 11,456 Gross National Income per Capita in 2007.

SOURCE: *World Development Indicators* 2008

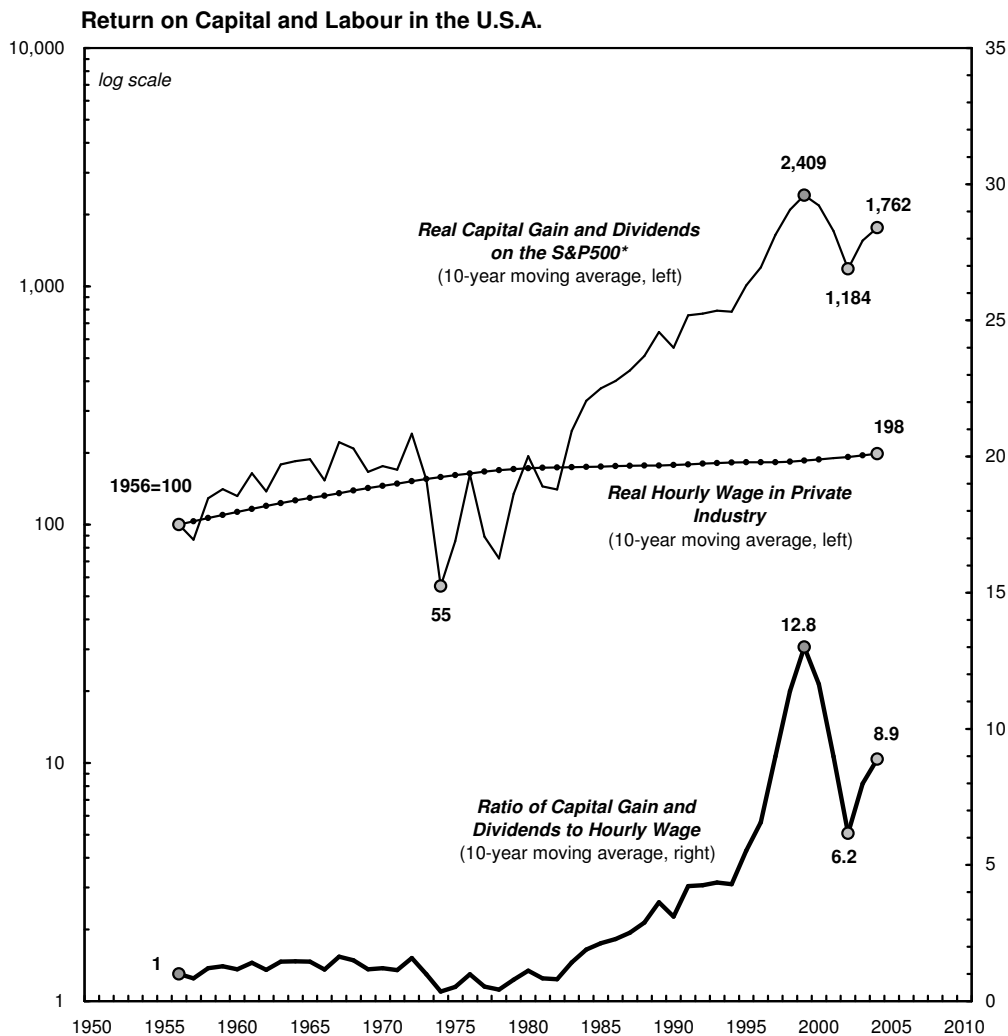
Exercise 2 (25%)

Due date. November 11, hard copy in class.

Data and presentation. This exercise uses data that can be retrieved from *World Development Indicators*, the *International Statistical Yearbook* or *Global Insight* (you can use other sources if you wish). The exercise also requires you to use Excel or a comparable charting programme. Document your data, including the sources and variable names, and explain all your computations.

Questions

- (25%) The top part of the figure below compares two U.S. time series. One series is the 'real' hourly wage rate in private industry. The other series, also expressed in 'real' terms, is the sum of capital gains and dividends earned from investing in the S&P500 index. The bottom part of the figure computes a 'differential' index: the ratio between the nominal wage and the nominal capital gains and dividends. (a) Explain the difference between nominal and 'real' measures of income. (b) Explain the meaning of a 'differential' index and how it differs from 'real' measures of income. (c) What conclusions can you draw from the data in the figure? (up to 500 words).



NOTE: real series are computed by deflating nominal data by the CPI.

* Capital gains and dividends is the difference between successive values of the S&P500 Total Return Index.

SOURCE: U.S. Bureau of the Census through Global Insight; Global Financial Data (www.globalfindata.com)

2. (25%) 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 'real' capital gains from investing in the stock market. Note that capital gains/losses denote the increase or decrease of the market index between successive years (in the computation, you can use either the stock price index or the stock market total return index). The chart should also calculate the 'differential' ratio between the gains from investing in the stock market on the one hand, and the wage rate on the other. What conclusions can you draw from your computations? (up to 400 words).

(25%) Assess the following claim for a country of your choice: 'The rise of neoliberalism since the early 1980s has made [country X] more unstable.' Your answer should be based on the historical evolution of the following three variables, each plotted on a separate chart. Go back with the data as far as you can, so as to make the comparisons historically meaningful (up to 400 words).

- a. The annual rate of growth of GDP, using quarterly data. This index should show the per cent rate of change of 'real' GDP, measured between the same quarters in successive years (e.g. Q1 1998 relative to Q1 1997).
 - b. The annual rate of growth of the country's stock market index, expressed in 'real' terms, and using monthly data. This index should show the per cent rate of change of the 'real' stock market index, measured between the same months in successive years (e.g., Jan 1998 relative to Jan 1997).
 - c. The annual rate of change of the country's exchange rate relative to the \$US, using monthly data. This index should show the rate of change of the exchange rate, measured between the same months in successive years (e.g., Dec 2005 relative to Dec 2004).
3. (25%). For a corporation of your choice, obtain the following annual time-series data for at least 10 years: (a) net profit after taxes, and (b) sales revenues. Compute the time series for the corporation's markup (the ratio of net profit to sales revenues). Plot all three series on the same chart (profit and sales on the left axis, the markup on the right axis). 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 for the change in profit – changes in sales or changes in the markup? What conclusion can you draw from this answer? (up to 400 words).