

Political Economy of Capital Accumulation

York University, Political Science 4292(6.0)
Fall 2019, September 4 – December 3
Monday & Wednesday, 19:00-22:00

Course Director: Jonathan Nitzan

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OVERVIEW

DESCRIPTION

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 different 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.

FORMAT

Lectures and class discussion.

EVALUATION

Your course evaluation 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 items, your grade will be calculated on the basis of Scheme A.

	Scheme A	Scheme B	Maximum length	Due Date
Participation	10%	10%	—	
Research Exercise 1	15%	0	—	Wed, October 23
Research Exercise 2	25%	0	—	Wed, November 13
Term Paper	50%	90%	4,000 words	Mon, December 16

General. All work must be typed and should not exceed the specified word limit. Late submissions will be accepted only with a valid documented reason (medical or family misfortune); otherwise, they will be subject to a penalty of 10% per day. Submitted works are final and there will be no allowance for revisions.

Attendance and Participation (10%). You are allowed to miss 2 sessions without reason. Every additional no-show reduces your participation grade by 2%. Students who miss more than 5 classes without reason will not be allowed to hand in their term paper.

Research Exercises (15% and 25%). The two research exercises are to be done in pairs (with each pair submitting a single document). 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.

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.

TEXTS

Required

- Strunk, William. 1920. *The Elements of Style*. New York: Harcourt.
[<http://www.gutenberg.org/files/37134/37134-h/37134-h.htm>]. You can also buy the newer edition: Strunk, William, and E. B. White. 2009. *The Elements of Style*. 50th Anniversary ed. New York: Pearson Longman.
- Baumohl, Bernard. 2012. *The Secrets of Economic Indicators. Hidden Clues to Future Economic Trends and Investment Opportunities*. 3rd ed. Upper Saddle River, N.J.: FT Press.
- Caporaso, James A., and David P. Levine. 1992. *Theories of Political Economy*. Cambridge: Cambridge University Press.
- Heilbroner, Robert. 1992. *Twenty-First Century Capitalism*. Toronto: Anansi.
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge. [You could buy the hard copy or use the free PDF: <http://bnarchives.yorku.ca/259/>]

Optional (some available at the bookstore)

- Bernstein, Peter L. 1996. *Against the Gods. The Remarkable Story of Risk*. New York: John Wiley & Sons.
- Keen, Steve. 2011. *Debunking Economics. The Naked Emperor Dethroned?* Revised and expanded ed. London: Zed Book.
- Nitzan, Jonathan, and Shimshon Bichler. 2002. *The Global Political Economy of Israel*. London: Pluto Press
[Free PDF: <http://bnarchives.yorku.ca/8/>]
- Galbraith, John Kenneth. 1967. *The New Industrial State*. Boston: Houghton Mifflin Company.
- Mumford, Lewis. 1967. *Technics and Human Development*. New York: Harcourt, Brace & World, Inc.
- 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.

SCHEDULE (BY WEEK)

Sep 2: Introduction and Organization +
(start topic 1 below) Capital, Capitalism and Political Economy

Part I: Conceptions of Capital

1. Sep 9: Capital, Capitalism and Political Economy
2. Sep 16: Utility and Value: Neoclassical Capital
3. Sep 23: Labour and Value: Marxist Capital
4. Sep 30: Power and Value: Veblen's Capital
5. Oct 7: Technology and Power
- Oct 14: Reading Week – no classes
6. Oct 21: The Corporation

Part II: Transformations of Capital

7. Oct 28: Capital *AS* Power: Dominant Capital and Differential Accumulation
8. Nov 4: Mergers and Globalization
9. Nov 11: Stagflation
10. Nov 18: Capital and State: Imperialism and Beyond (I)
11. Nov 25: Capital and State: Imperialism and Beyond (II)
12. Dec 2: Systemic Crisis and the Asymptotes of Power [will be covered only if time permits]

READINGS**Introduction and Organization**Overview

- Bichler, Shimshon, Jonathan Nitzan, and Piotr Dutkiewicz. 2013. Capitalism as a Mode of Power: Piotr Dutkiewicz in Conversation with Shimshon Bichler and Jonathan Nitzan. In *22 Ideas to Fix the World: Conversations with the World's Foremost Thinkers*, edited by P. Dutkiewicz and R. Sakwa. New York: New York University Press and the Social Science Research Council, pp. 326-354. [<http://bnarchives.yorku.ca/372/>]
- Bichler, Shimshon, and Jonathan Nitzan. 2018. The CasP Project: Past, Present, Future. *Review of Capital as Power* 1 (3, April): 1-39. [<http://bnarchives.yorku.ca/536/>]

1. Capital, Capitalism and Political EconomyRequired Readings

- Heilbroner, Robert. 1992. *Twenty-First Century Capitalism*. Toronto: Anansi. [required textbook; 118 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]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Chs. 1-4, pp. 1-63 [required textbook; 63 pages]

- Bichler, Shimshon, and Jonathan Nitzan. 2012. Capital as Power: Toward a New Cosmology of Capitalism. *Real-World Economics Review* (61, September): 65-84. [<http://bnarchives.yorku.ca/343/>; 20 pages]

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.
- 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

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]
- Hunt, E.K., and M. Lautzenheiser (2011) *History of Economic Thought. A Critical Perspective*, 3rd edition (Armonk, N.Y.: M.E. Sharpe), 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. 286-315; 434-458. [Moodle; 55 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 5, 'Neoclassical Parables,' pp. 67-83; Ch. 8, 'Accumulation of What?,' pp. 125-137 [required textbook; 30 pages]
- Fix, Blair, Shimshon Bichler, and Jonathan Nitzan. 2019. Real GDP: The Flawed Metric at the Heart of Macroeconomics. *Real-World Economic Review* (88, July): 51-59. [<http://bnarchives.yorku.ca/609/>; 8 pages]

Optional Bibliography

- Arnsperger, Christian, and Yanis Varoufakis. 2006. What Is Neoclassical Economics? The Three Axioms Responsible for its Theoretical Oeuvre, Practical Irrelevance and, Thus, Discursive Power. *Post-Autistic Economics* (38, July). [<http://www.paecon.net/PAERreview/issue38/ArnspergerVaroufakis38.htm>].
- 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.
- Fisher, Irvin. 1896. What is Capital? *The Economic Journal* 6 (24, December): 509-534.
- Fix, Blair. 2015. Putting Power Back into Growth Theory. *Review of Capital as Power* 2 (1): 1-37. [<http://bnarchives.yorku.ca/444/>]
- Keen, Steve. 2011. *Debunking Economics. The Naked Emperor Dethroned?* Revised and expanded ed. London: Zed Book. Ch. 7, 'The Holy War Over Capital', pp. 142-157.
- Morgan, Jamie, ed. 2016. *What is Neoclassical Economics? Debating the Origins, Meaning and Significance*. London and New York, NY: Routledge.
- 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, J. (1971) 'The Relevance of Economic Theory,' in J. Schwartz, J. (ed.). (1977) *The Subtle Anatomy of Capitalism* (Santa Monika: Goodyear), pp. 16-21.
- 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.
- 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

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., and M. Lautzenheiser (2011). *History of Economic Thought. A Critical Perspective*. 3rd ed. New York: M.E. Sharpe, Ch. 9, 'Karl Marx,' pp. 202-246. [Moodle; 55 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 6, 'The Marxist Entanglement I', pp. 84-109; Ch. 7, 'The Marxist Entanglement II,' pp. 110-124; Ch. 8, Accumulation of What?,' pp. 138-144 [required textbook; 48 pages]

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.
- 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.
- 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.
- Fine, Ben, and Laurence Harris. 1979. *Rereading Capital*. New York: Columbia University Press. Chs. 1-3, pp. 3-57.
- Foley, Duncan K. 1986. *Understanding Capital. Marx's Economic Theory*. Cambridge, Massachusetts and London, England: Harvard University Press.
- Foley, Duncan K. 2000. Recent Developments in the Labor Theory of Value. *Review of Radical Political Economics* 32 (1): 1-39.
- Harvey, David. 1982. [1999]. *The Limits to Capital*. London and New York: Verso. Ch. 1, 'Commodities, Values and Class Relations,' pp. 1-38.
- 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.
- Keen, Steve. 2011. *Debunking Economics. The Naked Emperor Dethroned?* Revised and expanded ed. London: Zed Book. Ch. 17, 'Nothing to Lose But Their Minds', pp. 412-443.
- 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.
- 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

Required Readings

- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 12, 'Accumulation and Sabotage,' pp. 217-248 [required textbook; 32 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* XXII (1, November): 104-136. [eResources; 33 pages]

Optional Bibliography

- Cochrane, D. T. 2011. Castoriadis, Veblen and the 'Power Theory of Capital'. In *Depoliticization: The Political Imaginary of Global Capitalism*, edited by I. S. Straume and J. F. Humphreys. Copenhagen: Aarhus University Press, pp. 89-123. [<http://bnarchives.yorku.ca/310/>; 45 pages]
- 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., and Mark Lautzenheiser. 2011. *History of Economic Thought. A Critical Perspective*. 3rd ed. Armonk, N.Y.: M.E. Sharpe, Ch. 12, 'Thorstein Veblen' (pp. 316-346).

- 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.
- Tiltman, 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. 1923. [1967]. *Absentee Ownership and Business Enterprise in Recent Times. The Case of America*. With an introduction by Robert Leckachman. Boston: Beacon Press.
- Veblen, Thorstein. 1934. *Essays in Our Changing Order*. New York: The Viking Press.

5. Technology and Power

Required Readings

- Galbraith, John Kenneth. 1967. *The New Industrial State*. Boston: Houghton Mifflin Company. Read particularly Chs. I-XV (pp. 1-178). [eResources; 178 pages]
- Mumford, Lewis. 1967. *Technics and Human Development*. New York: Harcourt, Brace & World, Inc. If possible, read cover to cover, with special emphasis on Chs. 6-11 (pp. 126-262). [Scott library reserve; 137 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 13, 'The Capitalist Mode of Power,' pp. 263-274 [required textbook; 12 pages]

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.
- 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.
- Martin, Ulf. 2019. The Autocatalytic Sprawl of Pseudorational Mastery. *Review of Capital as Power* 1 (30, May): 1-30. <http://bnarchives.yorku.ca/606/>; 30 pages]
- 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 Pentagon of Power*. New York: Harcourt, Brace Jovanovich, Inc.

6. The Corporation

Required Readings

- Coase, Ronald H. 1937. The Nature of the Firm. *Economica* 4 (16, November): 386-405.. [eResources; 20 pages]
- Marglin, Stephen A. 1974. What Do Bosses Do? The Origins and Functions of Hierarchy in Capitalist Production. *Review of Radical Political Economics* 6 (2, July): 60-112. [eResources; 53 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]
- 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. [Moodle; 54 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 12, 'Accumulation and Sabotage,' pp. 248-262 [required textbook; 15 pages]

Optional Bibliography

- 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).
- Berle, Adolf Augustus, and Gardiner Coit Means. 1932. [1967]. *The Modern Corporation and Private Property*. Revised ed. New York: Harcourt, Brace & World.
- 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.
- De Loecker, Jan, and Jan Eeckhout. 2018. Global Market Power. *NBER Working Paper Series* (24768, June): 1-15.
- La Porta, Rafael, Florencio Lopez-De-Silanes, and Andrei Shleifer. 1999. Corporate Ownership Around the World. *Journal of Finance* 54 (2, April): 471-517.
- Screpanti, E. 1999. Capitalist Forms and the Essence of Capitalism. *Review of International Political Economy* 6 (1): 1-26. [26 pages]
- 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.
- Herman, Edward S. 1981. *Corporate Control, Corporate Power*. Cambridge and New York: Cambridge University Press.
- 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.

7. Capital AS Power: Dominant Capital and Differential Accumulation

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 textbook; 22 pages]
- Sweezy, Paul M. 1991. Monopoly Capital After Twenty-Five Years. *Monthly Review* 43 (7): 52-57. [eResources; 8 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 14, 'Differential Accumulation and Dominant Capital,' pp. 305-333 [required textbook; 29 pages]

Optional Bibliography

- Bowles, Samuel, M. Franzini, and Ugo Pagano. 1999. *The Politics and Economics of Power*. London and New York: Routledge.
- Di Muzio, Tim, ed. 2013. *The Capitalist Mode of Power: Critical Engagements with the Power Theory of Value*. RIPE Studies in Global Political Economy. London and New York: Routledge.
- Di Muzio, Tim. 2015. The Plutonomy of the 1%: Dominant Ownership and Conspicuous Consumption in the New Gilded Age. *Millennium* 43 (2): 492-510.
- Fix, Blair. 2019. How the Rich are Different: Hierarchical Power as the Basis of Income and Class *Working Papers on Capital as Power* (2019/02, April): 1-79. [<http://bnarchives.yorku.ca/594/>]
- Galbraith, John Kenneth. 1983. *The Anatomy of Power*. Aldershot Hants, England and Brookfield, Vermont, USA: Houghton Mifflin Company.
- Hager, Sandy Brian. 2013. What Happened to the Bondholding Class? Public Debt, Power and the Top One Per Cent. *New Political Economy*: 1-28, published electronically on April 16. [preprint: <http://bnarchives.yorku.ca/356/>]
- McMahon, James. 2013. The Rise of a Confident Hollywood: Risk and the Capitalization of Cinema. *Review of Capital as Power* 1 (1): 23-40. [<http://bnarchives.yorku.ca/362/>]
- 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.
- 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). [75 pages]
- Park, Hyeng-Joon. 2016. Korea's Post-1997 Restructuring: An Analysis of Capital as Power. *Review of Radical Political Economics* 48 (2, May): 287-309.
- 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.

8. Mergers and 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) [Moodle; 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. [Moodle; 19 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 15, 'Breadth,' pp. 334-360 [required textbook; 27 pages]

Optional Bibliography

- Baines, Joseph. 2014. Wal-Mart's Power Trajectory: A Contribution to the Political Economy of the Firm. *Review of Capital as Power* 1 (1): 79-109. [<http://bnarchives.yorku.ca/394/>]
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9. Stagflation

Required Readings

- Hirschman, Albert O. 1985. Reflections 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. [Moodle; 25 pages]
- Kotz, David M. 1982. Monopoly, Inflation, and Economic Crisis. *Review of Radical Political Economics* 14 (4, Winter): 1-17. [eResources; 17 pages]
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 16, 'Depth,' pp. 361-382 [required textbook; 22 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]

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- Nitzan, Jonathan. 1990. Inflation and Market Structure. Discussion Paper, Department of Economics, McGill University, Montreal, pp. 1-59. [<http://bnarchives.yorku.ca/161/>]
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- 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/>]
- Weintraub, Sidney. 1978. *Capitalism's Inflation and Unemployment Crisis. Beyond Monetarism and Keynesianism*. Reading, Mass. Don Mills, Ont.: Addison-Wesley.

10 & 11. Capital and State: Imperialism and Beyond

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. [Moodle; 38 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. [Moodle; 20 pages]
- 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. [eResources; 26 pages]
- Machover, Moshé. 1999. The 20th Century in Retrospect. *Worker's Liberty* (# 59): 1-13. [<http://archive.workersliberty.org/wlmags/wl59/moshe.htm>; 13 pages]
- Bichler, Shimshon, and Jonathan Nitzan. 2012. Imperialism and Financialism: The Story of a Nexus. *Journal of Critical Globalization Studies* (5, January): 42-78. [<http://bnarchives.yorku.ca/329/>; 37 pages].
- Nitzan, Jonathan, and Shimshon Bichler. 2009. *Capital as Power. A Study of Order and Creorder*. RIPE Series in Global Political Economy. New York and London: Routledge, Ch. 13, 'The Capitalist Mode of Power,' pp. 274-302 [required textbook; 29 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]
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- 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.
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- 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.
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- 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.

12. Systemic Crisis and the Asymptotes of Power

Required Readings

- Bichler, Shimshon, and Jonathan Nitzan. 2010. Systemic Fear, Modern Finance and the Future of Capitalism. Monograph, Jerusalem and Montreal (July), pp. 1-42. [<http://bnarchives.yorku.ca/289/>]
- Bichler, Shimshon, and Jonathan Nitzan. 2012. The Asymptotes of Power. *Real-World Economics Review* (60, June): 18-53. [<http://bnarchives.yorku.ca/336/>]
- Nitzan, Jonathan, and Shimshon Bichler. 2014. Can Capitalists Afford Recovery? Three Views on Economic Policy in Times of Crisis. *Review of Capital as Power* 1 (1): 110-155. [<http://bnarchives.yorku.ca/414/>]
- Bichler, Shimshon, and Jonathan Nitzan. 2016. A CasP Model of the Stock Market. *Real-World Economic Review* (77, December): 119-154. [<http://bnarchives.yorku.ca/494/>]
- Baines, Joseph, and Sandy Brian Hager. 2019. Financial Crisis, Inequality, and Capitalist Diversity: A Critique of the Capital as Power Model of the Stock Market. *New Political Economy OnlineFirst* (January 9): 1-18. [<http://bnarchives.yorku.ca/599/>]

Optional Bibliography

- Bichler, Shimshon, and Jonathan Nitzan. 2014. No Way Out: Crime, Punishment and the Limits to Power. *Crime, Law and Social Change*. 61 (3, April): 251-271. [<http://bnarchives.yorku.ca/391/>]
- Kliman, Andrew, Shimshon Bichler, and Jonathan Nitzan. 2011. Systemic Crisis, Systemic Fear: An Exchange. Special Issue on 'Crisis'. *Journal of Critical Globalization Studies* (4, April): 61-118. [<http://bnarchives.yorku.ca/314/>]

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, 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 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 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 print your tables and charts neatly.

- I strongly recommend reading the short book by Strunk, William. 1920. *The Elements of Style*. New York: Harcourt. [<http://www.gutenberg.org/files/37134/37134-h/37134-h.htm>]. Alternatively, you can buy the newer edition: Strunk, William, and E. B. White. 2009. *The Elements of Style*. 50th Anniversary ed. New York: Pearson Longman. This book remains one of the clearest and most useful guides to English writing.

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) *Global Insight* and (c) *Global Financial Data*. Two identical sessions will be given early in the term. You are required to attend one of them:

- Session I: Tue, September 10, 2019, 17:00-18:30, Scott Library, Instruction Room 530.
- Session II: Wed, September 18, 2019, 17:00-18:30, Scott Library, Instruction Room 530

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 here: <http://researchguides.library.yorku.ca/nitzan>.

Exercise 1 (15%)

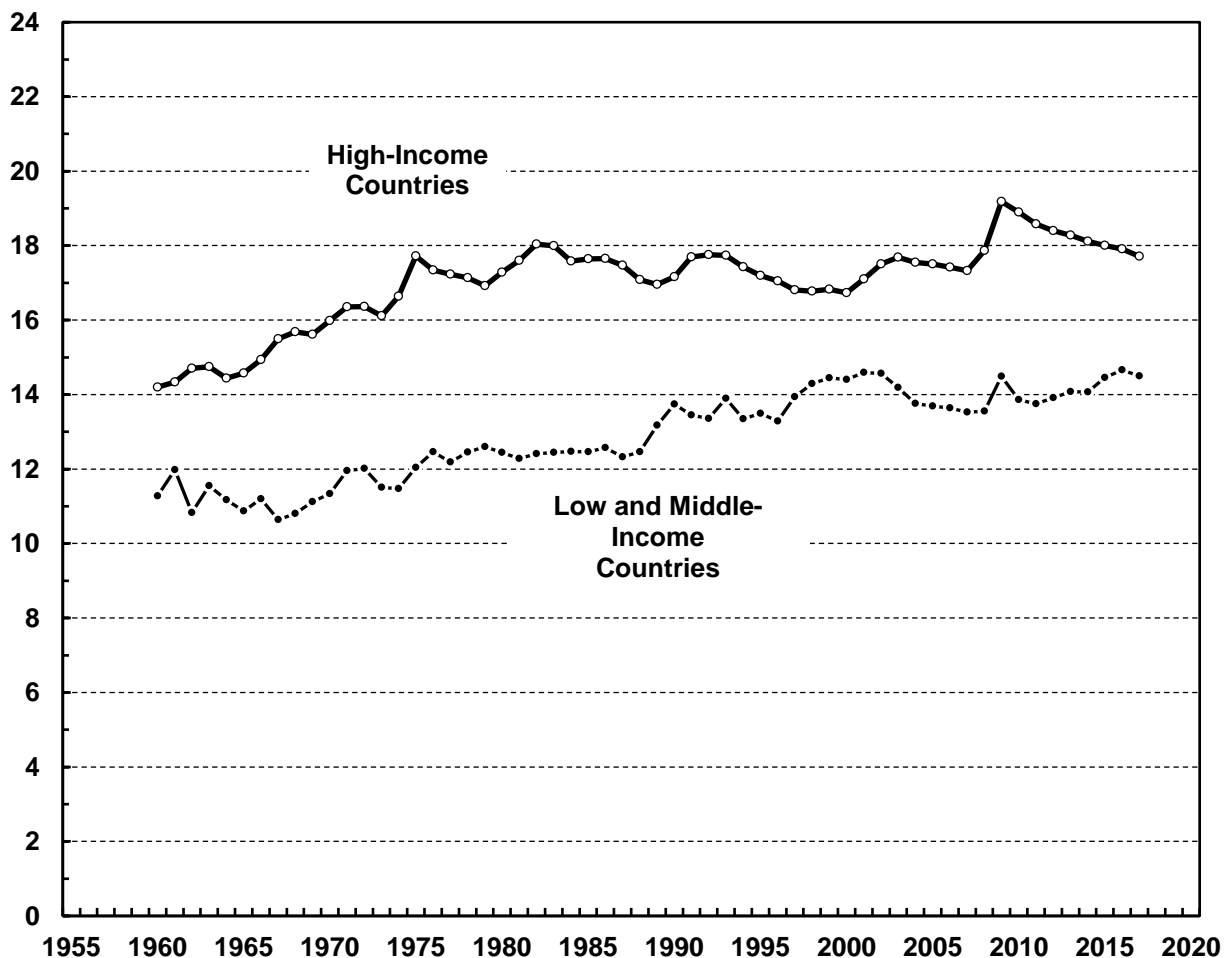
Due date. October 23, hard copy in class.

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

- (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 late 2010s (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 and Low and Middle-Income countries (Maximum 250 words).

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



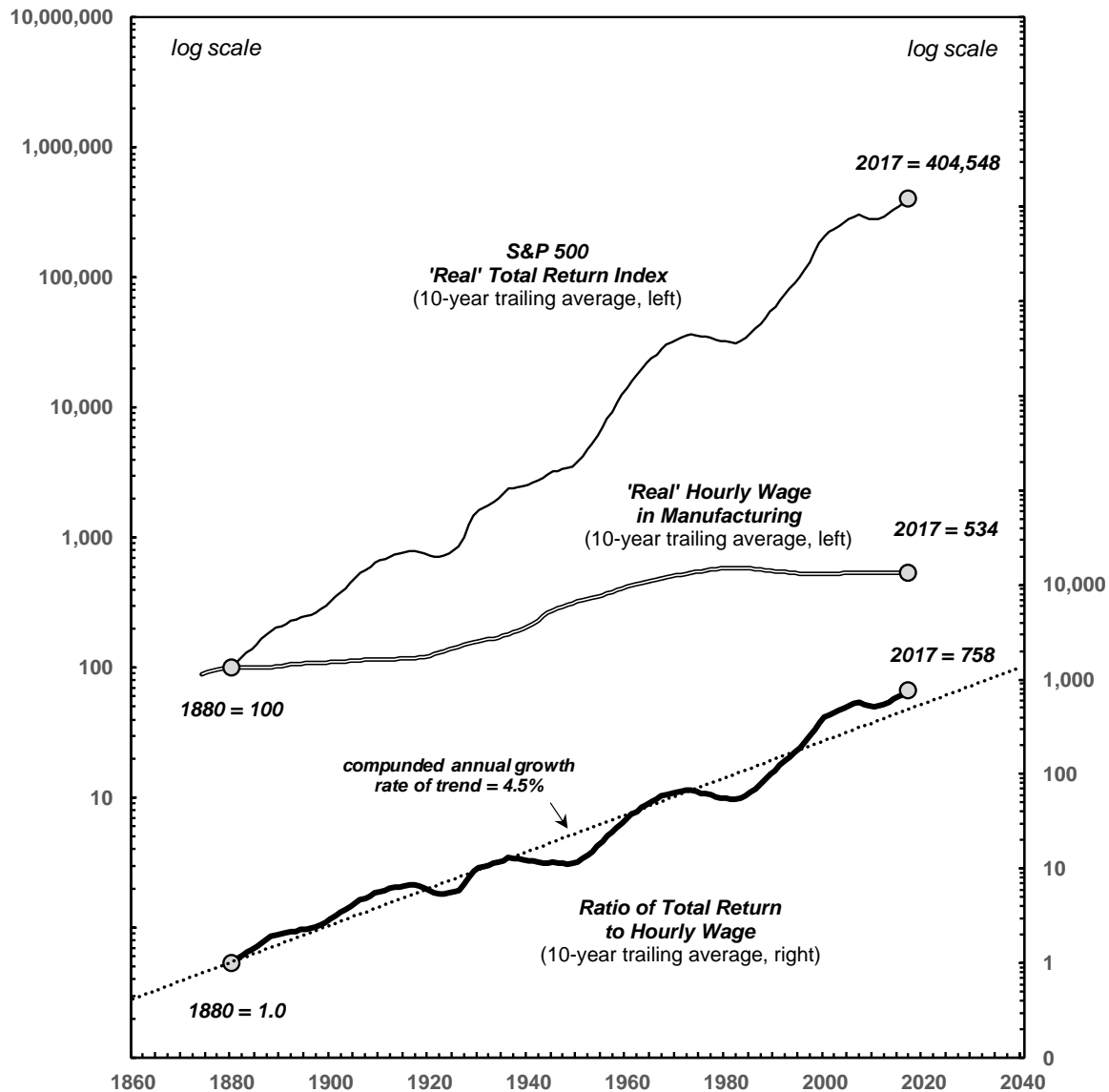
NOTE: Cutoff point between Middle- and High-Income countries: \$12,055 Gross National Income per Capita in 2017 (using the World Bank Atlas Method).

SOURCE: *World Development Indicators*, Online, 2019

Exercise 2 (25%)

Due date. November 13, hard copy in class.

Data and presentation. This exercise uses data that can be retrieved from *World Development Indicators*, *Global Financial Data*, *Global Insight* and *Mergent* (you can also 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. **Review the figure below and turn to the questions on the next page.**

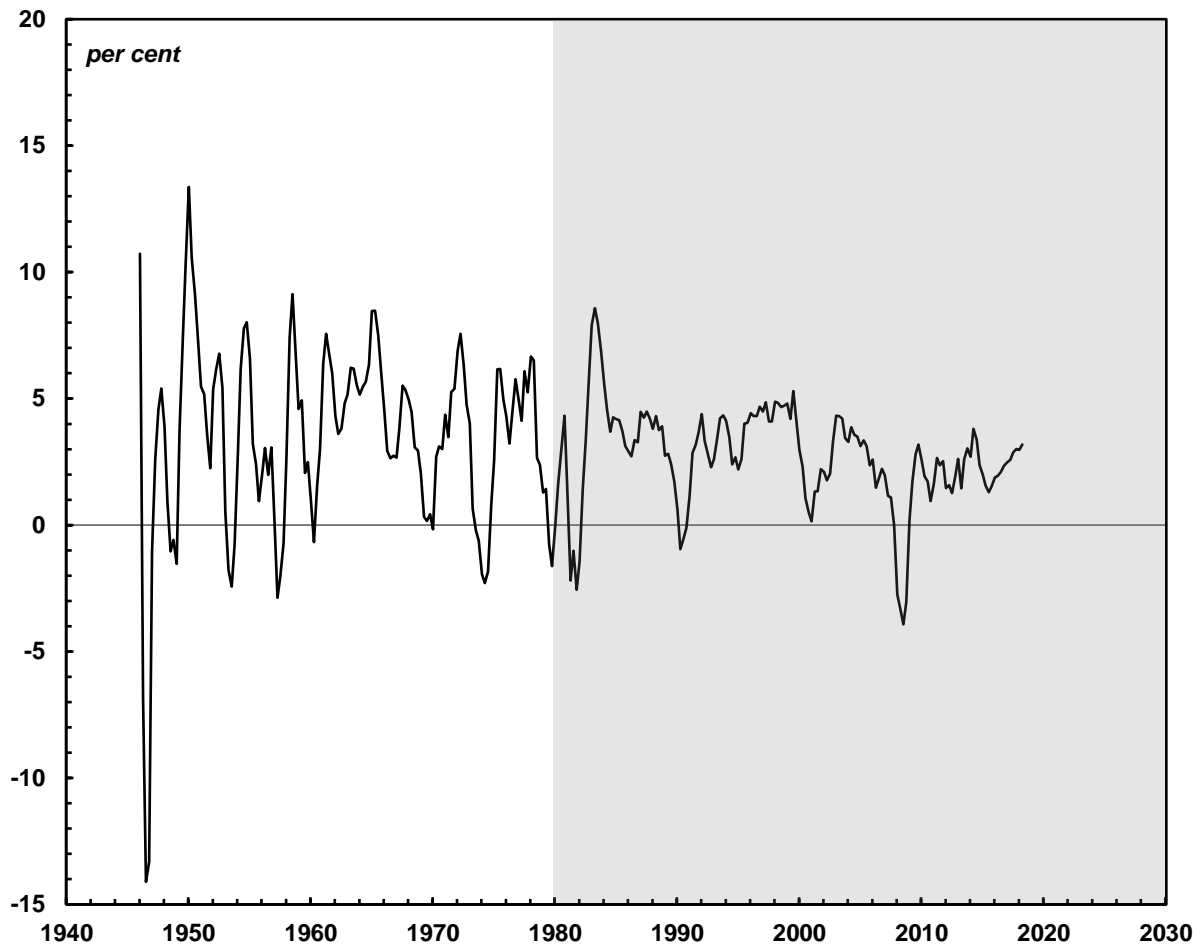


NOTE: 'Real' series are computed by dividing the nominal series by the CPI.

SOURCE: The S&P total return index is from Global Financial Data (till 1969) spliced with data from Global Insight (1970 onward, series code: SP500TRI). The hourly wage rate is constructed by splicing the following series. *Historical Statistics of the United States*, Millennial Edition Online: Ba4290 (hourly wages in manufacturing, all trades, 1865-1889), Ba4299 (hourly earnings in manufacturing, all industries, 1890-1913), Ba4362 (weekly earnings of production workers in manufacturing, 1914-1918), Ba4361 (hourly earnings of production workers in manufacturing, 1919-1938); Global Insight: AHPMFNS (average hourly earnings of production workers in manufacturing, 1939-present). The CPI is from Global Financial Data (till 1946) spliced with Global Insight (1947 onward, series code: CPIU).

1. (25%; up to 500 words) The top part of the figure on page 17 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 stock prices are augmented by reinvested 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* databank available through Global Insight. Using time series data for a country of your choice (other than the United States), produce a chart similar to the one plotted on page 17. 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? (up to 400 words).
3. (25%; up to 400 words) Consider the figure on page 19. The chart shows the rate of growth of U.S. 'real' GDP (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). 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 for 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* – changes in sales or changes in the markup? What 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, by definition. The question here concerns the relative importance of their respective *variations*.)

US 'Real' GDP Annual Growth Rate



NOTE: The figure shows quarterly data. 'Real' GDP is expressed in constant 2009 dollars. The year-on-year rate of growth is computed between the same quarters in adjacent years. The last data point is for 2019:Q1

SOURCE: Global Financial Data (series code: GDPCUSA).

TERM PAPER (50%)

Due date. December 16 (a Word file – not PDF – emailed as an attachment to nitzan@yorku.ca).

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.

The paper must be emailed to me as a single Word attachment. Make sure this single attachment includes all text and graphics (insert graphics in Word by using “insert” → “picture” → “from file”; this pasting method will reduce the file size). 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.

How to write the paper. 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: (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.

Topics

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? 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?

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' 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 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.