Course Meetings:

Wednesdays 11:30-2:30
ACE 006

Course Director Information:

John Simoulidis
Office: N744 Ross
Phone: 416 736-2100 x33464
e-mail: sims@yorku.ca
Office Hours: Wednesdays 2:30-4:30

Course Overview:

‘In the last analysis, the processes of economic development are struggles for power’ (Weber).

‘No social system can work which is based exclusively upon a network of free contracts between (legally) equal contracting parties, and in which everyone is supposed to be guided by nothing except his own short-run utilitarian interest’ (Schumpeter).

‘The specific economic form, in which unpaid surplus-labour is pumped out of direct producers, determines the relationship of rulers and ruled...it is always the direct relationship of the owners of the conditions of production to the direct producers...which reveals the innermost secret, the hidden basis of the entire social structure’ (Marx)

This course is intended to provide students with an opportunity to develop an advanced understanding of the relationship between business, society, politics, ‘ideology’ and normative issues that arise from the study of the relation between business and society. We will be investigating the history and nature of capitalism as both an economic system and as a socio-political order. The quotes above offer an indication of the way capitalism as a socio-political and economic system will be treated in this course: economic relations are fundamentally relations of power (Weber); capitalism cannot be reduced to a system based on freely contacting utility-maximizing individuals (Schumpeter); and understanding capitalism’s economic structure (however it evolves) is key to understanding the historical specificity of the capitalist socio-political order. One of the key issues to be addressed in this course is the relation between capitalism and democracy: if power is at the root of economic questions, and power is unequally distributed amongst ‘social groupings’ (with the modern corporation as the dominant ‘social grouping’), then we need to investigate
whether or not these power relations can be made more equal within capitalist social orders by extending ‘political democracy’, seeking more effective forms of accountability for those individuals, social groupings and institutions with greater power; or whether we must pursue greater ‘economic democracy’ by seeking out alternatives to the prevailing socio-economic order.

The first section is focused on the larger context of the development of the modern economy and business systems. We will concentrate on competing theories of capitalism and how to understand the relation between economic systems and ‘society’ in a broader sense. The second section deals with the rise of capitalism and the modern corporation and its political, economic and social impact on society. We will examine the origins of capitalism (in the US and Canada) and the nature of the modern corporation. Special attention will be paid to the ‘staples approach’ and gender relations to understanding Canadian economic development. In the third section, we will take a closer look at classical normative theories and examine both the justifications and critiques of the institutional arrangements (political, legal and ideological) underpinning the modern social and economic order.

Finally, we take a closer look at controversial cases and issues and students will be encouraged to think creatively about the possibilities of alternative social and economic arrangements to the existing order. Among other things, this will lead us to consider a series of issues related to: global economic crises and the neoliberal restructuring of the state and society; global governance of the international economic order; the problem of growing social and economic inequality; the business of food and food security; debates around globalization and free trade; gender and development; and alternatives to the prevailing socio-economic order.

Assignments and Grading:

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<tr>
<th>Assignment</th>
<th>Due Date</th>
<th>Percentage</th>
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<tr>
<td>1st Essay (8-10 pages)</td>
<td>Oct. 5</td>
<td>20%</td>
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<td>2nd Essay (8-10 pages)</td>
<td>by Nov. 23</td>
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<td>3rd Essay (8-10 pages)</td>
<td>by Feb. 8</td>
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<td>4th Essay (8-10 pages)</td>
<td>by Apr. 5</td>
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<td>Attendance/Participation*</td>
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* Students will submit 5 ‘Reading Reflections’ on one of the weekly readings each term. These are to be handed in at the beginning of the class, not after. This will count towards the attendance portion of your grade. Attendance in seminars constitutes 10% of the participation grade. The purpose of this assignment is to help students generate the questions and formulate the issues from the readings for discussion in the seminars. **Based on this reason, reading reflections will not be accepted after the seminar begins.** The remaining 10% of the participation grade (which can be earned even if you miss a reading reflection in any given week) is based on both the **quantity and quality** of individual contributions to class discussions.
Essays: The first essay (topics to be provided) is due in the fourth week of class and does not require secondary research. The second essay will ask you to compare and contrast two perspectives in political economy (any two weeks of readings) from Smith to “Green” political economy. It is due by Nov. 23 and secondary research is required. For the remaining two essays, students will develop their own question (in consultation with me) based on one set of weekly readings in each of the remaining two sections of the course. The due dates for these essays have been fixed in the following way: your essay is due the week following the discussion of the readings you have chosen to write on. Pick the week that best fits your interests and schedule and get started on it as soon as you can!

Required Text (available at the York Bookstore):


Note: Unless otherwise noted (*), all readings are available through the York Library system.

Schedule of Readings and Topics:

Week 1: Sept. 14  Introductions and structure of the course

I. Theorizing the Modern Economy

Week 2: Sept. 21  Economics as a Social Science


What does Heilbroner think we have to learn from the ‘Great Economists’? What are the three ways of solving the ‘economic problem’? What role have markets played in human history? How does Heilbroner define capital?

Week 3: Sept. 28  On the Difference Between ‘the Economy’ and ‘Markets’


What are the main non-market principles of economic organization outlined by Polanyi? How does the market principle of organizing an economic system
differ from those principles of organizing economic life prior to the rise of capitalism?

Week 4: Oct. 5  LIBERAL POLITICAL ECONOMY: SMITH, MALTHUS AND RICARDO

NOTE: 1ST ESSAY DUE


What are the key elements of Smith’s theory of society and the economy, according to Heilbroner? What potential obstacles to ‘improvement’ and the ‘wealth of nations’ did Malthus and Ricardo identify?

Week 5: Oct. 12  MARXIST POLITICAL ECONOMY: UTOPIAN VS SCIENTIFIC SOCIALISM


Who were the Utopian Socialists and what kinds of economic arrangements did they advocate for? How did Marx respond to them? What kind of theory of ‘perfect capitalism’ did he develop in ‘Capital’? Why is it wrong to focus on income instead of class difference in understanding capitalism?

Week 6: Oct. 19  LIBERAL POLITICAL ECONOMY II: KEYNES


[https://www.youtube.com/watch?v=w9ms2WOZi74](https://www.youtube.com/watch?v=w9ms2WOZi74)

What did Keynes see as problematic about the Versailles Treaty? Can we make any comparisons between this and contemporary structural adjustment policies? How did Keynes attempt to explain the causes of business cycles? What role did he envision government playing in promoting economic recovery?
Week 7: Oct. 26  
**SCHUMPETER ON CREATIVE DESTRUCTION**


*What reasons does Schumpeter offer for to support his claim that his theory of the capitalist economy (creative destruction) is superior to the neoclassical general equilibrium model? What is ‘creative destruction’ and how does it drive capitalist development? What does Heilbroner think is the central contradiction of Schumpeter’s theory of capitalism?*

**NOTE: Reading Week Oct. 27-Oct 30**

Week 8: Nov. 2  
**FEMINIST POLITICAL ECONOMY**


*What does Muszynski think is problematic about Marx’s labour theory of value? What has been the relationship between Marxism and Feminism? What do feminists have to learn from Marxism, and vice versa? How do Maroney and Luxton trace the development of feminist political economy in Canada with respect to sex/gender divisions of labour?*

Week 9: Nov. 9  
**GREEN POLITICAL ECONOMY**


*How do ecological economists, like Daly and Farley, view the economy in a different way from neoclassical economists? How, for example, do they differ in their understanding of ‘efficiency’? What is ‘social ecology’, according to Bookchin? How does ‘ecology’ differ from ‘environmentalism’?*
II. The Rise of Capitalism and the Corporation

Week 10: Nov. 16  THE RISE OF CAPITALISM IN THE US


Did capitalism exist right from the start (‘capitalism came on the first ships’) or did certain preconditions—primitive accumulation and ‘free labour’—need to be secured before capitalism could develop? How does Post use conceptual models of different ‘modes of production’ (slave, petty commodity and capitalist) to explain the development of capitalism in the US?

Week 11: Nov. 23  THE THEORY AND HISTORY OF THE FIRM

NOTE: SECOND ESSAY DUE


What are the main theories of the firm and what do they seek to explain? How does Braverman explain the rise of management within the firm? Does the firm arise out of the demands for efficiency or control? What does Chandler think are the defining features of ‘managerial capitalism’?

Week 12: Nov. 30  CANADIAN ECONOMIC DEVELOPMENT


How does Pentland define ‘capital’ and it’s relation to different ‘modes’ or ‘stages’ of organizing labour? Why might it be wrong to characterize pre-
Confederation Canada as capitalist? Why have feminists been critical of traditional and Marxist accounts of economic development in Canada?

Schedule of Readings: Winter

III. Ethics, Economics and Political Order

Week 1: Jan 11  
ETHICS AND ECONOMICS: I


What are the two origins of economic thinking Sen traces out? What has happened to the ‘ethical’ strand since the early 20th C? Why does he think ethics is an essential component of economic thinking? How does Hunt distinguish between social economics and non-social economics? Why does he think the former is more fundamental than the latter?

Week 2: Jan 18  
ETHICS AND ECONOMICS: II


What is ‘freedom’ and does capitalism promote or undermine it? According to Brenkert’s interpretation of Marx’s theory, how does capitalism undermine the freedom of individuals? How does Mill define the concept of freedom and the different dimensions of individual freedom? How might Marx critique Mill or Mill, Marx?

Week 3: Jan. 25  
CAPITALISM AND FREEDOM


How does Friedman define ‘free voluntary exchange’? What do Bowles and Gintis think is wrong with this understanding of exchange? What do they mean by ‘socially consequential exercise of power’?
Week 4: Feb 1  PRIVATE PROPERTY AND THE LIBERAL(-DEMOCRATIC) STATE


What is McMurtry’s critique of Locke’s theory of property? How does this theory of property help legitimize inequality? Why does Nozick think that a more equitable distribution of income and resources would be unjust? Is it legitimate to equate redistributionist taxation policies with theft?

IV. Business, Regulation and Alternatives

Week 5: Feb. 8  UNDERSTANDING CAPITALIST CRICES
NOTE: LAST DAY TO HAND IN ESSAY FOR SECTION III


Week 6: Feb 15  GLOBALIZATION, REGULATION AND GOVERNANCE


Reading Week Feb. 18-24 – NO CLASSES

Week 7: Mar 1  CAPITALISM AND INEQUALITY

Week 8: Mar 8  
**FREE TRADE: FOR AND AGAINST**


Week 9: Mar 15  
**THE BUSINESS OF FOOD AND FOOD SECURITY**


Week 10: Mar 22  
**GLOBALIZATION, GENDER AND DEVELOPMENT**


Week 11: Mar 29  
**SOCIO-ECONOMIC ALTERNATIVES TO CONTEMPORARY CAPITALISM**


Week 12: Apr 1  
**YEAR IN REVIEW**

**FINAL ESSAY DUE**