

## SYLLABUS

**Professor: Alfred P. Montero**

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**Office Hours: Monday and Wednesday 10 a.m.-12 p.m. & 2-3 p.m.**

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### Course Description

This research seminar examines the contemporary institutions, processes, and challenges of modern capitalism in advanced and lesser developed countries around the world. The course begins with a review of the work of several key thinkers on modern capitalism: Marx, Weber, Schumpeter, Polanyi, Offe, Block, and Tilly. It then proceeds to an analysis of salient topics in the evolution and reform of contemporary capitalism: class structure, labor and capital, poverty and inequality, the international trade and investment regime, economic (under)development and globalization. The course then focuses on the political economy of the United States, with a salient regard to the subject of health care. Student work in this course focuses on the research and composition of a 20-25-page original work on a topic relevant to the questions covered in the seminar. Intense course participation, including classroom discussion and periodic debates, is required.

### What is Expected of Students

Students will be expected to read, think, criticize, and form arguments. That will require keeping up on reading assignments and attending class regularly. Students must be fully prepared *at all times* to discuss the readings and concepts from previous lectures. The best students will be critical but balanced in their assessments, and will develop coherent arguments that they can defend in their writing and their in-class discussion.

### Reading Materials

All the reading materials for this course are available on e-reserves. Additionally, I will occasionally distribute handouts and clippings from *The New York Times*, the *Financial Times*, the *Economist*, Google, Wikipedia, YouTube and other sources via email. Students are also invited to check out links to course relevant web pages on the professor's web page.

### Grading

As a true research seminar the assessment of students' performance will focus on the composition and completion of a 20-25 page research paper due at the end of the course. The first draft of this paper will be graded. Additionally, each student will be called upon during the course of the semester to participate in numerous debates and to present on the readings in structured critiques that will initiate all seminar discussions on the literature. The grade breakdown follows:

<b>Debates</b>	<b>15%</b>
<b>First Draft</b>	<b>25%</b>
<b>Oral Research Presentation</b>	<b>10%</b>
<b>Final Draft</b>	<b>35%</b>
<b>Class Participation</b>	<b>15%</b>

Occasionally, the students' knowledge of the topics, readings, and other assignments will be tested in periodic diagnostic evaluations. These are designed to assess the capacity of students to take copious and accurate notes. Each performance evaluation will form part of the global participation score.

### The Debates

This seminar will use a series of adversarial debates (2x2 or 4x4) to address the literature on capitalism and globalization. Students will be instructed in how to organize these debates and how to participate with an emphasis on rejoinder and argument development.

### The Seminar Paper

The culmination of student work in this seminar will be the composition of a seminar paper of 20-25 pages of text (typed, double-spaced, 12cpi, one-inch margins, paginated) and a research bibliography of a minimum of three pages, single-spaced. All drafts of the work prior to the final as well as the final must be handed in by 5 p.m. on the Courses directory on the due date (see below). All files, except for data files, must be in PDF format.

The composition of the seminar paper will be broken down into the following steps:

- (1) By Friday, Sept. 26, students will have decided upon a research topic in consultation with me.
- (2) By Tuesday, September 30, students will hand in a copy of a preliminary research bibliography of no fewer than 3 pages, single-spaced. A handout will define the proper citation and bibliographic reference format for the paper. Weak bibliographies and/or bibliographies that do not follow the required format will generate negative points assessable on the rough draft score.
- (3) By Friday, October 17, students will hand in a first draft of the argumentative section of their paper.
- (4) On Nov. 11, 13, 18, each student will orally present their research for no less than 15

minutes a piece in the research seminar. All colleagues will offer their input. If possible, we will schedule a couple of early presentations to free up the schedule at the end of the course.

(5) On Monday, Nov. 24, the final draft of the seminar paper will be due.

Consultation with me during each of these steps is crucial. We will also discuss the format and direction of paper topics and issues *as part of the normal discussion of the research seminar*. One of the most important lessons of the seminar is that good research depends upon the input and support of colleagues. Each student will be expected to contribute their share to this effort.

### Class Participation

As a research seminar, the in-class discussions play a pivotal role in this course. Prior to each meeting, a selected number of students will be assigned the task of preparing talking points and discussion questions on the readings. These talking points should form the basis for both descriptive *and* critical points about the readings. Some students will be asked to answer these questions prior to class, all will be expected to answer them in the classroom. After each meeting, some students will be asked to post their class notes. All such work will be due on Caucus. In class, each student will present arguments to lead off general discussion in the seminar. Failure to follow through on any of these tasks will be penalized on the participation score.

Typically, I will begin each class session by offering a general overview of the issues to be discussed. I will also present you with a set of critical questions to structure discussion. After the overview portion, the seminar will proceed to student presentations, and then general discussion. I will conclude each class session with a brief review of the authors and readings for the next meeting. Whenever possible, each class will have a brief break of about 5 minutes.

Classroom discussion will extend to non-class times in this seminar. As part of the regular participation requirement, students must contribute to an ongoing dissemination of ideas on the Caucus conference set aside for this course. The professor will moderate the discussion and be responsible for the structure of the conference.

### The Grading Scale

I will be using the following grading scale in this course:

98-100 A+

94-97 A

91-93 A-

88-90 B+

83-87 B

79-82 B-

76-78 C+

72-75 C

68-71 C-

67/below D/F

## **Academic Misconduct**

Given the fact that academe relies upon the ethical conduct of scholars, students are held to the same standards in their own work. Any act of academic dishonesty or misconduct will be referred to the Office of the Dean. For further information, see the useful handout on “[Avoiding Academic Misconduct](#).”

## **Special Needs**

Students requiring access to learning tools/special schedules approved by Student Support Services should contact me at the beginning of the course.

**NOTE: Readings must be completed for the dates assigned below.**

### **Introduction (September 16, Tuesday)**

Kevin Phillips. 2008. *Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism*. New York: Viking, ch. 7.

Mohamed A. El-Erian. 2008. *When Markets Collide: Investment Strategies for the Age of Global Economic Change*. New York: McGraw Hill, ch. 1.

### **Session 1: Theoretical Perspectives on the Development and Contradictions of Capitalism**

#### **Creative Destruction and the Satanic Mill: The Logic of Capitalist Evolution (September 18, Thursday)**

Karl Marx. 1977 (orig. 1887). *Das Kapital*. New York: Vintage, chapters 6 (“The Sale and Purchase of Labour-Power”), 12 (“The Concept of Relative Surplus-Value”), and 32 (“The Historical Tendency of Capitalist Accumulation”).

Joseph A. Schumpeter. 1942. *Capitalism, Socialism and Democracy*. New York: Harper & Row, chapters 7 (“The Process of Creative Destruction”), 11 (“The Civilization of Capitalism”), 12 (“Crumbling Walls”), and 13 (“Growing Hostility” to p. 145).

Karl Polanyi. 1944. *The Great Transformation: The Political and Economic Origins of Our Time*. Boston: Beacon Press, chapters 6, 7, and 19.

#### **Making the Political Order: The Capitalist State (September 23, Tuesday)**

Max Weber. 1978 (orig. trans. 1968). “The Disintegration of the Household: The Rise of the Calculative Spirit and of the Modern Capitalist Enterprise” (pp. 375-380) and “Ethnic Groups” (pp. 385-398), *Economy and Society* Vol. 1; “The Distribution of Power Within the Political Community: Class, Status, Party” (pp. 926-939), “Organizational Structure and the Bases of Legitimate Authority” (pp. 952-954), “Nature and Legitimacy of Territorial Political

Organizations” (pp. 901-904) and “The Nation” (pp. 921-926), *Economy and Society* Vol. 2.

Charles Tilly. 1985. “War Making and State Making as Organized Crime.” In *Bringing the State Back In*, Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds. New York: Cambridge University Press.

Benjamin J. Cohen. 1998. *The Geography of Money*. Ithaca, NY: Cornell University Press, ch. 3.

Film: PBS Frontline: “Tax Me If You Can” (Showing Sept. 21 & 22, 8 p.m. – also available on-line in streaming video: <http://www.pbs.org/wgbh/pages/frontline/shows/tax/view/>)

*Recommended (extra credit on caucus discussion):*

Marx, *The Eighteenth Brumaire of Louis Bonaparte* (from Karl Mark, *Surveys from Exile* Vol. 2. London: New Left Review, 1973).

### **The Transnationalization of Capital(ism) (September 25, Thursday)**

Thomas Friedman. 2005. *The World is Flat*, chapter 2, “The Ten Forces that Flattened the World.”

El-Erian. 2008. *When Markets Collide*, ch. 4.

Kenneth Lieberthal and Geoffrey Lieberthal. 2003. “The Great Transition.” *Harvard Business Review* 81:10 (October).

### **RESEARCH TOPIC DEADLINE (September 26, Friday)**

#### **Wither Labor? Political Erosion and the Ascendance of Creative Workers (September 30, Tuesday)**

Claus Offe. 1985. “Interest Diversity and Trade Union Unity” and “Two Logics of Collective Action,” in *Disorganized Capitalism*. Cambridge, MA: MIT Press.

Richard Florida. 2002. *The Rise of the Creative Class*. New York: Basic Books, chapters 5-9.

John Howkins. 2001. *The Creative Economy: How People Make Money from Ideas*. New York: Penguin, ch. 3.

### **RESEARCH BIBLIOGRAPHY DUE (September 30, Tuesday)**

#### **Session 2: What About the Poor? Poverty and Inequality in Contemporary Capitalism**

##### **Class Structure and Social Mobility in Contemporary Capitalism (October 2, Thursday)**

Erik Olin Wright and Rachel E. Dwyer. 2003. “The Patterns of Job Expansions in the USA: A Comparison of the 1960s and 1990s.” *Socio-Economic Review* 1:3 (September): 289-325.

Larry M. Bartels. 2008. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton, NJ: Princeton University Press, ch. 1.

Alejandro Portes and Kelly Hoffman. 2003. "Latin American Class Structures: Their Composition and Change during the Neoliberal Era." *Latin American Research Review* 38:1 (February): 41-82.

Janeen Baxter and Erik Olin Wright. 2000. "The Glass Ceiling Hypothesis: A Comparative Study of the United States, Sweden, and Australia." *Gender and Society* 14:2" 275-295.

Amy Bellone Hite and Jocelyn S. Viterna. 2005. "Gendering Class in Latin America: How Women Effect and Experience Change in the Class Structure." *Latin American Research Review* 40:2 (June): 50-82.

*Recommended (extra credit on caucus discussion):*

Bartels. 2008. *Unequal Democracy*, chs. 4-5.

### **Travails of the Social Welfare State (October 7, Tuesday)**

Herman Schwartz. 2001. "Round up the Usual Suspects!: Globalization, Domestic Politics, and Welfare State Change." In *The New Politics of the Welfare State*. Paul Pierson, ed. New York: Oxford University Press.

Torben Iversen. 2005. *Capitalism, Democracy, and Welfare*. New York: Cambridge University Press, chs. 3-4.

Alex Segura-Ubierno. 2007. *The Political Economy of the Welfare State in Latin America: Globalization, Democracy, and Development*. New York: Cambridge University Press, chs. 3-4.

### **The Transnationalization of the Problems of Poverty and Inequality (October 9, Thursday)**

World Bank. 2005. "Millennium Development Goals."

<http://www.un.org/millenniumgoals/>

William Easterly. 2002. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge: MIT Press, chs 1-3.

Giovanni Arrighi, Beverly J. Silver, and Benjamin D. Brewer. 2003. "Industrial Convergence, Globalization, and the Persistence of the North-South Divide." *Studies in Comparative International Development* 38:1 (Spring): 3-31.

Glenn Firebaugh. 2004. "Does Industrialization No Longer Benefit Poor Countries? A Comment on Arrighi, Silver, and Brewer, 2003." *Studies in Comparative International Development* 39:1 (Spring): 99-105.

**Debate #1: Can the international community substantially alleviate global poverty and inequality? (October 14, Tuesday)**

Easterly, *The Elusive Quest for Growth*, chs. 6-7.

Hernando de Soto. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, chs. 2-3.

**Debate #2: Can capitalism evolve solutions to poverty and inequality? (October 16, Thursday)**

Easterly, *The Elusive Quest for Growth*, chs. 9, 11-12.

Immanuel Wallerstein. 2005. "After Developmentalism and Globalization, What?" *Social Forces* 83:3 (March): 1263-1279.

de Soto, *The Mystery of Capital*, ch. 6.

**ROUGH DRAFT OF SEMINAR PAPER DUE (October 17, Friday)**

**Session 3: The Growth Puzzle: Liberal Economic Strategies and their Alternatives**

**Liberal Growth Models and their Crises (October 21, Tuesday)**

William J. Baumol, Robert E. Litan, and Carl J. Schramm. 2007. *Good Capitalism, Bad Capitalism, and the Economics of Growth and Prosperity*. New Haven, CT: Yale University Press, chs. 4-5.

Robert Wade. 1990. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton: Princeton University Press, chapter 3 (ch. 2 recommended).

Naomi Klein. 2007. *The Shock Doctrine: The Rise of Disaster Capitalism*. New York: Picador, chs. 2, 5-7.

Andrew Powell and Leandro Arozamena. 2003. "Liquidity Protection versus Moral Hazard: The Role of the IMF." *Journal of International Money and Finance* 22:7 (December).

Alfred P. Montero. 2005. "From Democracy to Development: The Political Economy of post-Neoliberal Reform in Latin America." *Latin American Research Review* 40:2 (June): 253-267.

**Developmentalism Strikes Back? New Growth Models (October 23, Thursday)**

Robert Wade. 1990. *Governing the Market*, ch. 4.

Marcus Kurtz. 2001. "State Developmentalism Without a Developmental State: The Public Foundations of the 'Free Market Miracle' in Chile." *Latin American Politics and Society* 43:2

(Summer): 1-25.

Mats Benner. 2003. "The Scandinavian Challenge: The Future of the Advanced Welfare States in the Knowledge Economy." *Acta Sociologica* 46:2 (June).

Areendam Chanda. 2005. "The Influence of Capital Controls on Long-run Growth: Where and How Much?" *Journal of Development Economics* 77:2 (August).

*Recommended (extra credit on caucus discussion):*

Charles Gore. 2000. "The Rise and Fall of the Washington Consensus as a Paradigm for Developing Countries." *World Development* 28:5 (May).

**Debate #3: Is the liberal economic model the best one for growth in the 21<sup>st</sup> century?  
(October 28, Tuesday)**

**Session 4: Limits of the Market Mechanism: A Case Study of Health Care in the United States**

**Health Care and Its Reform in the U.S. (October 30, Thursday)**

Jonathan Cohn. 2007. *Sick: The Untold Story of America's Health Care Crisis – and the People Who Pay the Price*. New York: Harper Collins, ch. 3.

Michael E. Porter and Elizabeth Olmsted Teisberg. 2006. *Redefining Health Care: Creating Value-Based Competition on Results*. Cambridge: Harvard Business School Press, chs. 2-3.

Grant Reeher. 2003. "Reform and Remembrance: The Place of the Private Sector in the Future of Health Care Policy." *Journal of Health Politics, Policy and Law* 28:2,3 (April-June).

Eric Cohen. 2004. "The Politics and Realities of Medicare." *The Public Interest* 156 (Summer): 37-51.

Film: "Sicko" (dir., Michael Moore, 2007; showing Oct. 27 & 28, 7:30 p.m.).

**Debate #4 (in 2 parts): Does the market mechanism need more or less government regulation in the 21<sup>st</sup> century? (November 4 and 6, Tuesday and Thursday)**

**Session 5: Student Oral Presentations of Research**

**November 11 (Tuesday), 13 (Thursday), and 18 (Tuesday)**

**FINAL DRAFT OF SEMINAR PAPER DUE (November 24, Monday)**