

**GLOBAL POLITICAL ECONOMY**

**WINTER 2018**

**SNEHASHISH BHATTACHARYA / ANIRBAN DASGUPTA**

**Class: Mondays, 2 pm – 4 pm, and Wednesdays, 11 am – 1 pm**

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This course provides an introduction to the analyses of major contemporary global economic problems, and their historical antecedents, from various political economy perspectives that critique the mainstream economic analyses. Issues to be covered in the course will include: globalization and economic integration; the agrarian question, global food regime, and rural livelihoods; post World War II development experience of advanced capitalist economies, particularly the United States; the current economic crisis in advanced capitalist economies; financialization of the global economy; global accumulation, dispossession, and property rights; and the recent Chinese growth experience.

**Evaluation:** Grading will be based on a midterm and a final examination.

The following is a tentative list of topics and readings to be covered in the course. The list will be modified/altered, and some readings may be made optional, depending on the progress of the class and interest of the students.

1. **Introduction:** "Political economy" critique of mainstream economics; Importance of theoretical differences within the discipline of economics.

[1] Richard Wolff and Stephen Resnick, "The Importance of Theoretical Differences," in *Contending Economic Theories: Neoclassical, Keynesian, and Marxian*, pp. 347-378 (Cambridge, Massachusetts and London: The MIT Press, 2012)

2. **Major contemporary schools of thought in political economy:**

Marxian, Institutional, Radical, Post-Keynesian, and Feminist.

[1] Richard Wolff and Stephen Resnick, *Knowledge and Class: A Marxian Critique of Political Economy* (Chicago and London: University of Chicago Press, 1987) [Selected parts]; and *Contending Economic Theories: Neoclassical, Keynesian, and Marxian* (Cambridge, Massachusetts and London: The MIT Press, 2012) [Selected parts]

[2] David M. Gordon, "Left, Right, and Center: An Introduction to Political Economy," in Robert Cherry et al., eds., *The Imperiled Economy*, Book II, pp. 9-24 (Union for Radical Political Economics, 1987)

[3] Stephen Resnick and Richard Wolff, "Radical Economics: A Tradition of Theoretical Differences," in Bruce Roberts and Susan Feiner, eds., *Radical Economics*, pp. 15-43 (Boston: Kluwer-Nijhoff, 1992)

- [4] Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, pp. 43-76, and "Foreword" by Joseph Stiglitz (pp. vii-xvii) and "Introduction" by Fred Block (pp. xviii-xxxviii) (Boston: Beacon Press, 1957)
- [5] William M. Dugger, "Radical Institutionalism: Basic Concepts," *Review of Radical Political Economics*, 20(1): 1-20 (1988)
- [6] Geoffrey M. Hodgson, "Institutional Economic Theory: The Old Versus the New," in D. L. Prychitko, eds., *Why Economists Disagree: An Introduction to Alternative Schools of Thought*, pp. 155-77 (Albany: State University of New York Press, 1998)
- [7] Charles K. Wilber and Robert S. Harrison, "The Methodological Basis of Institutional Economics: Pattern Model, Storytelling, and Holism", *Journal of Economic Issues*, 12(1): 61-89 (1978)
- [8] Martin H. Wolfson, "Institutional Analysis of Financial Crisis", in Amitava Krishna Dutt and Kenneth P. Jameson (eds.), *Crossing the Mainstream: Ethical and Methodological Issues in Economics* (University of Notre Dame Press, 2001)
- [9] John M. Keynes, *General Theory of Employment, Interest and Money* [chapter 12] (Cambridge: Cambridge University Press, 1936)
- [10] Michael Kalecki, "Political Aspects of Full Employment", *Political Quarterly* (1943)
- [11] Hyman P. Minsky, "The Financial Instability Hypothesis: An Interpretation of Keynes and an Alternative to "Standard" Theory", *Nebraska Journal of Economics and Business*, 16(1): 5-16 (1977)
- [12] Paul Davidson, "Post Keynesian Economics: Solving the Crisis in Economic Theory", in Daniel Bell and Irving Kristol, eds., *The Crisis in Economic Theory*, pp. 151-173 (New York: Basic Books, 1981)
- [13] Amitava K. Dutt and Edward J. Amadeo, *Keynes's Third Alternative? The Neo-Ricardian Keynesians and the Post Keynesians*, pp. 94-122 (Cheltenham and Northampton: Edward Elgar, 1990)
- [14] Martin H. Wolfson, "Minsky's Theory of Financial Crisis in a Global Context", *Journal of Economic Issues*, 36(2): 393-400 (2002)
- [15] Charles J. Whalen, "Post-Keynesian Institutionalism After the Great Recession", *Working Paper No. 724*, Levy Economics Institute of Bard College (2012)
- [16] Julie Nelson, "Feminism and Economics," *Journal of Economic Perspectives*, 9 (2): 131-148 (1995)
- [17] Julie Matthaei, "Marxist-Feminist Contributions to Radical Economics," in Bruce Roberts and Susan Feiner, eds., *Radical Economics*, pp. 117-144 (Boston: Kluwer-Nijhoff, 1992)
- [18] Lisa Saunders and William Darity Jr., "Feminist Theory and Racial Economic Inequality," in M. A. Ferber and J. A. Nelson, eds., *Feminist Economics Today: Beyond Economic Man*, pp. 101-14 (Chicago: University of Chicago Press, 2003)

3. **Globalization, neoliberalism, economic integration, and regions of global economy:** New structures and rules of the global economy; Free trade and its impacts on underdeveloped countries; Neoliberalism and imperialism; Global commodity chains; Global institutions and global inequality; BRICS, Latin America, and Sub-Saharan Africa.

[1] Branko Milanovic, "Two Faces of Globalization: Against Globalization as We Know It", *World Development*, 31(4): 667-683 (2003)

[2] Anwar Shaikh, "Globalization and the Myth of Free Trade," in Anwar Shaikh, ed., *Globalization and the Myth of Free Trade: History, Theory, and Empirical Evidence*, pp. 51-68 (New York: Routledge, 2007)

[3] Ha-Joon Chang, *Kicking Away the Ladder: The "Real" History of Free Trade*, FPIP Special Report, Foreign Policy in Focus, 2003

[4] Ute Pieper and Lance Taylor, "The Revival of the Liberal Creed: The IMF, The World Bank, and Inequality in a Globalized Economy," in Dean Baker et al., eds., *Globalization and Progressive Economic Policy*, pp. 37-66 (Cambridge: Cambridge University Press, 1998)

[5] David Harvey, *A Brief History of Neoliberalism*, chapters 1 and 3, pp. 5-38 and 64-86 (Oxford and New York: Oxford University Press, 2005)

[6] Philip Mirowski, "The Political Movement that Dared not Speak its Own Name: The Neoliberal Thought Collective Under Erasure", *Working Paper No. 23*, Institute for New Economic Thinking (2014)

[7] David Ruccio, "Globalization and Imperialism", *Rethinking Marxism*, 15 (1): 75-94 (2003)

[8] David Ruccio, "Power and Class: The Contribution of Radical Approaches to Debt and Development," in Bruce Roberts and Susan Feiner, eds., *Radical Economics*, pp. 199-227 (Boston: Kluwer-Nijhoff, 1992)

[9] Gary Gereffi, "Capitalism, Development and Global Commodity Chains", in *Capitalism and Development*, edited by L. Sklair, pp. 211-231 (London and New York: Routledge, 1994)

[10] Pranab Bardhan, "What Makes a Miracle: Some Myths About the Rise of China and India", *Boston Review*, January/February 2008; and "Introduction: The Myths Floating Around the Giants", in *Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India* (Princeton: Princeton University Press, 2010)

[11] Gabriel Palma, "Latin America During the Second Half of the Twentieth Century – From the 'Age of Extremes' to the Age of 'End-of-History' Uniformity", in *Rethinking Development Economics*, Ha-Joon Chang, ed., pp. 125-151 (London: Anthem Press, 2004)

[12] Mark Weisbrot, *Latin America: The End of an Era*, Center for Economic and Policy Research, 2006

[13] Kwan Kim, "Development Crisis in Sub-Saharan Africa: Globalization, Adjustment and the Roles of International Institutions", in John-ren Chen and

David Sapsford, eds., *Global Development and Poverty Reduction*, pp. 294-320 (Cheltenham and Northampton: Edward Elgar, 2005)

[14] Jomo Kwame Sundaram, Oliver Schwank, and Rudiger von Arnim, "Globalization and Development in Sub-Saharan Africa", *DESA Working Paper No. 102*, United Nations: Department of Economic and Social Affairs (2011)

[15] James Sidaway, "Geographies of Development: New Maps, New Visions?", *The Professional Geographer*, 64 (1): 49-62 (2012)

#### **4. The agrarian question and its contemporary relevance**

[1] Harron Akram-Lodhi and Cristobal Kay, "Surveying the Agrarian Question" (parts I & II), *Journal of Peasant Studies*, 37 (1 and 2) (2010)

[2] Henry Bernstein, "Is There an Agrarian Question in the 21st Century?", *Canadian Journal of Development Studies*, 27 (4) (2006)

[3] Bruce F. Johnston and John W. Mellor, "The Role of Agriculture in Economic Development", *American Economic Review*, 51 (4): 566-593 (1961)

[4] Terrance J Byres, "The landlord class, peasant differentiation, class struggle and the transition to capitalism: England, France and Prussia compared", *Journal of Peasant Studies*, 36 (1) (2009)

#### **5. The Global Food Regime and its Implications**

[1] Marc Wuyts, "The Food Balance and Economic Growth: An Appraisal of FitzGerald's Reformulation of Kalecki", *Development and Change*, Vol. 19 (1988)

[2] Philip McMichael, "A Food Regime Genealogy", *Journal of Peasant Studies*, 36 (1) (2009)

[3] Peter Timmer, *Supermarkets, Modern Supply Chains, and the Changing Food Policy Agenda*, Working Paper No. 162, Centre for Global Development (2009)

[4] Philip McMichael, "The land grab and corporate food regime restructuring", *Journal of Peasant Studies*, 39 (3-4) (2012)

#### **6. Vulnerable Rural Livelihoods**

[1] Peter Hazell, *Is small Farm Led Development a Relevant Strategy for Africa and Asia*, Unpublished paper (2013)

[2] Henry Bernstein, "Rural Livelihoods and Agrarian Change: Bringing Class Back In", in Norman Long et. al (eds.), *Rural Transformations and Development-China in Context*, Edward Elgar (2010)

[3] David Start, "The Rise and Fall of the Rural Non-farm Economy: Poverty Impacts and Policy Options", *Development Policy Review*, 19: 491-505 (2001)

[4] D. Neves and du Toit, A., "Rural Livelihoods in South Africa: Complexity, Vulnerability and Differentiation", *Journal of Agrarian Change*, 13: 93-115 (2013)

## 7. **Structural Transformation in the global context: Theories and cases**

[1] Peter A. Timmer, *A world without agriculture: The structural transformation in historical perspective*. Aei Press (2009)

[2] Jesus Felipe, "Agriculture and Structural Transformation in Developing Asia: Review and Outlook" (with Roehlano Briones), *ADB Economics Working Paper Series No. 363* (2013)

## 8. **"Advanced" capitalist economies in the post-World War II era – The US experience:** Golden age of accumulation; Rise and demise of post-WW II social structure of accumulation; Labor market segmentation – issues of race, class and gender; Ascent of neoliberalism.

[1] Samuel Bowles, David Gordon, and Thomas Weisskopf, "The Rise and Demise of Post-war Social Structure of Accumulation," in *After the Waste Land: A Democratic Economics for the Year 2000*, pp. 47-79 (Armonk, NY, and London: M E Sharpe, 1990)

[2] Robert Boyer, "From Canonical Fordism to Different Modes of Development", and Robert Boyer and Michel Juillard, "The United States: Goodbye, Fordism!", in Robert Boyer and Yves Saillard, eds., *Regulation Theory: The State of the Art*, pp. 231-246 (London and New York: Routledge, 2002)

[3] Phillip A. O'Hara, "Household Labor, the Family, and Macroeconomic Instability in the United States," in *Marx, Veblen, and Contemporary Institutional Political Economy*, pp. 219-40 (Northampton, MA: Edward Elgar, 2000)

[4] Randy Albelda and Chris Tilly, "Towards and Broader Vision: Race, Gender, and Labor Market Segmentation in the Social Structure of Accumulation Framework," in David Kotz et al., eds., *Social Structures of Accumulation: The Political Economy of Growth and Crisis*, pp. 212-230 (Cambridge and New York: Cambridge University Press, 1994)

[5] Martin H. Wolfson, "Neoliberalism and the Social Structure of Accumulation," *Review of Radical Political Economics*, 35(3): 255-262 (2003)

[6] Gérard Duménil and Dominique Lévy, "Neoliberal Income Trends: Wealth, Class and Ownership in the USA," *New Left Review*, 30: 105-33 (November-December 2004)

## 9. **Current economic crisis in the "advanced" capitalist economies:** Theories of capitalist crisis; Critical perspectives on the recent crisis; Brexit, Trump, and emergent situations

[1] Anwar Shaikh, "An Introduction to the History of Crisis Theories," in *US Capitalism in Crisis*, pp. 219-41 (New York: URPE and Monthly Review Press, 1978)

[2] Stephen Resnick and Richard Wolff, "The Economic Crisis: A Marxian Interpretation," *Rethinking Marxism*, 22 (2): 170-86 (2010)

[3] Anwar Shaikh, "The First Great Depression of the 21<sup>st</sup> Century," in Leo Panitch et al., eds., *Socialist Register 2011: The Crisis This Time*, pp. 44-63 (London and New York: Merlin Press and Monthly Review Press, 2010)

[4] Antonio Callari, "2008: A New Chapter for U.S. Imperialism," *Rethinking Marxism*, 22(2): 210-218 (2010)

[5] David Kotz, "The Financial and Economic Crisis of 2008: A Systemic Crisis of Neoliberal Capitalism", *Review of Radical political Economics*, 41 (3): 305-317 (2009)

[6] Engelbert Stockhammer, "Rising Inequality as a Cause of the Present Crisis", *Cambridge Journal of Economics*, 39 (3): 935-958 (2013)

[7] Owen Worth, "Reviving Hayek's Dream", *Globalizations*, 14 (1): 104-109 (2017)

[8] Nancy Fraser, "The End of Progressive Neoliberalism", *Dissent Magazine* (2017)

[9] Wolfgang Streeck, "The Post-Capitalist Interregnum: The Old System is Dying, but a New Social Order cannot yet be Born", *Juncture*, 23 (2): 68-77 (2016)

[10] Slavoj Žižek, "The Violence of the Liberal Utopia", *Distinktion: Scandinavian Journal of Social Theory*, 9 (2): 9-25 (2008)

**10. Financialization:** Shareholder revolution; Role of finance in corporate management; Financialized capital and the real economy; Global value chains.

[1] David Kotz, "Financialization and Neoliberalism", in *Relations of Global Power: Neoliberal Order and Disorder*, edited by Gary Teeple and Stephen McBride, pp. 1-18 (Toronto: University of Toronto Press, 2011)

[2] William Lazonick and M. O'Sullivan, "Maximizing Shareholder Value: A New Ideology for Corporate Governance", *Economy and Society*, 29 (1): 13-35 (2000)

[3] William Milberg, "Shifting Sources and Uses of Profits: Sustaining US Financialization with Global Value Chains", *Economy and Society*, 37 (3): 420-51 (2008)

[4] Gérard Duménil and Dominique Lévy, "The Real and Financial Components of Profitability (United States, 1952-2000)", *Review of Radical Political Economics*, 36 (3): 82-110 (2004)

[5] James Crotty, "If Financial Market Competition is so Intense, Why are Financial Firm Profits so High? Reflections on the Current 'Golden Age' of Finance", *Political Economy Research Institute Working Paper 134*, University of Massachusetts, Amherst (2007)

[6] Costas Lapavistas, "Theorizing Financialization", *Work, Employment and Society*, 25 (4): 611-626 (2011)

[7] Richard Wolff and Stephen Resnick, *Knowledge and Class: A Marxian Critique of Political Economy*, chapter 4 (Chicago and London: University of Chicago Press, 1987)

**11. Political Economy of Chinese growth:** Consumption, investment, export, and profitability; Inequality and poverty; Labor surplus; Excess capacity and overaccumulation; Class and the “new” poor.

[1] Giovanni Arrighi, “Origins and Dynamic of the Chinese Ascent”, in *Adam Smith in Beijing: Lineages of the Twenty-First Century*, chapter 12, pp. 351-378 (London and New York: Verso, 2007)

[2] Wang Hui, *China’s Twentieth Century: Revolution, Retreat and the Road to Equality*, pp. 179-221 (London and New York: Verso, 2016)

[3] Jesus Felipe, Editha Lavin and Emma Xiaoqin Fan, “The Diverging Patterns of Profitability, Investment and Growth of China and India During 1980–2003”, *World Development*, 36(5): 741–774 (2008)

[4] World Bank, *From Poor Areas to Poor People: China’s Evolving Poverty Reduction Agenda*, chapters 1 and 2 (Washington DC: World Bank, 2009)

[5] Jinghai Zheng, Arne Bigsten and Angang Hu, “Can China’s Growth be Sustained? A Productivity Perspective”, *World Development*, 37(4): 874–888 (2009)

[6] Andong Zhu and David M. Kotz, “The Dependence of China’s Economic Growth on Exports and Investment”, *Review of Radical Political Economics*, 43(1): 9-32 (2011)

[7] Ho-fung Hung, “Rise of China and the Global Overaccumulation Crisis”, *Review of International Political Economy*, 15 (2): 149-179 (2008)

[8] Zhi Li and Minqi Li, “China’s Falling Rate of Profit and the Coming Economic Crisis”, *Economic and Political Weekly*, L (41): 27-31 (2015)

[9] Barry Naughton, “Is China Socialist?”, *Journal of Economic Perspectives*, 31 (1): 3-24 (2017)

**12. Accumulation, dispossession, global property rights regime, and postcolonial capitalism:** Primitive accumulation and accumulation by dispossession; “Enclosures” and “commons”; Contradiction between accumulation and need/subsistence in postcolonial capitalism.

[1] Karl Marx, *Capital*, Volume 1, Chapter 26 and 27 (Chicago. Charles H. Kerr and Company)

[2] Michael Perelman, *The Invention of Capitalism: Classical Political Economy and the Secret History of Primitive Accumulation*, Chapter 1 (Durham: Duke University Press, 2000)

[3] David Harvey, *The New Imperialism*, chapter 4, pp. 137-82 (Oxford and New York: Oxford University Press, 2003)

[4] Massimo De Angelis, “Separating the Doing and the Deed: Capital and the Continuous Character of Enclosures”, *Historical Materialism*, 12(2): 57-87 (2004)

[5] Kalyan Sanyal, *Rethinking Capitalist Development: Primitive Accumulation, Governmentality and the Post-colonial Capitalism* (New Delhi and UK: Routledge, 2007) [Selected parts]