Capitalism: The History

Course Proposal (suggested number 506: 392)

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Since the onset of the Great Recession in 2007-08, we've all been arguing about the nature of capitalism—asking about its past, present, and future, its global extremities and its local idiocies, and, of course, its sustainability.

This course is designed to address these and other questions. What is it, exactly, the thing, the period, the attitude, the mode of production we call capitalism? We begin with the question of the relationship between capitalism and History itself: was the advent of modernity determined by the emergence of market societies? From there we move to a series of questions about the relation between capitalism and the ideas or events we associate with the modern age—without, however, assuming that capitalism is reducible to the market or is the equivalent of the economy.

The fifteen-week course is thus composed of seven two-week units, with a canonical book attached to each (plus other, smaller or incidental readings, available online or at Sakai). The exception is a three-week session focused on the relation between modern slavery and modern capitalism. To wit:

I <u>Capitalism and History</u>
Our questions here are when, how, and why? Is capitalism a trans-historical phenomenon, or did it emerge approximately when Adam Smith, Karl Marx, and Max Weber said it did, between the 16th and 18th centuries? Can you have private property, profit motives, money, markets, and long-distance trade without capitalism—in other words, is there a historical distinction between bourgeois society and capitalism worth making?

The principal reading is Maurice Dobb, *Studies in the Development of Capitalism* (1946), still the best single book on the topic; his later chapters will appear in following weeks. Karl Marx and Friedrich Engels, *The Communist Manifesto* (1848), will serve as a supplement.

II <u>Capitalism and Slavery</u>
Did the emergence of capitalism create a market in human beings, or was modern slavery as it developed in the Western Hemisphere an aberration—a deviation from the logic of markets? Did the development of capitalism eventually require the destruction of slavery, as in the American Civil War, even though the fruits of merchant capital were harvested first from the slave trade and then from sugar and cotton cultivation in the antebellum South?

The principal readings are Walter Johnson, *River of Dark Dreams* (2013) and Greg Grandin, *Empire of Necessity* (2014).

III <u>Capitalism and Industrialization</u>
Why did Western Europe and North America industrialize? Why not China, a country that was at least as advanced as any western nation as late as the 1780s? How did this difference translate into great disparities of power by the end of the 19th century, to the point where China became the pawn of imperial rivalry between Great Britain, Germany, and France?

The principal reading is Kenneth Pomeranz, *The Great Divergence* (2000). In this unit, we also start reading Richard Powers, *Gain* (1998), a novel that, although a fiction, is the best history of American capitalism.

IV <u>Capitalism and Imperialism</u>
The history of empires is in many ways the history of the world, so what does the rise of capitalism have to do with imperialism? Does imperialism under modern industrial capitalism contain developmental possibilities, or does it undermine these very possibilities with its "transfers of technology" from advanced countries to less-developed areas (a.k.a. direct investment)? What is "globalization"? Is it a function of neo-liberal capitalism?

The principal reading is J. A. Hobson, *Imperialism* (1902), to be supplemented by contemporary assessments from American observers such as Charles Conant, and more recent analysis of the developmental effects of direct investment, by Bill Warren among others.

V <u>Capitalism and Corporations</u>
What is the difference between proprietary and corporate capitalism? How do corporations emerge as the dominant structural element of industrial economies in the early 20th century, in North America and Western Europe? How do they change the market by controlling supply, creating demand, administering prices, and so forth? How does the law come to define corporations as "persons," and what are the consequences of this legal designation?

The principal readings are James Livingston, *Origins of the Federal Reserve System* (1986), and Supreme Court decisions from *Santa Clara* (1886) to *Citizens United* (2010) on the legal standing of corporations as framed by the court's readings of the 1st and the 14th Amendments. [Royalties from my book accrue to the History department or are returned directly to students.]

VI <u>Capitalism and Democracy</u>
Did the rise of capitalism create the idea of equality by endowing all market participants with rights to property? What is the historical relation between the development of capitalism and the articulation of the modern nation-state, which

must operate on the principle of consent? In the transition from communism to capitalism in Eastern Europe, ca. 1989-present, how does democracy figure as an intended result or an unintended consequence? Has socialism disappeared as a check on, or an alternative to, capitalism, or does it somehow survive? Does neo-liberalism threaten to turn everything into a commodity?

The principal reading is Charles Lindblom, *Politics and Markets* (1977), to be supplemented by more recent assessments of this relation between capitalism and democracy, the political prospects of socialism, and the possibility of government of the people, by the people, for the people.

VII <u>Capitalism and Nature</u>
Is global warming the measurable result of industrial capitalism? How so? Are there market solutions to the environmental crises of our time? Or are free enterprise and environmental protection irreconcilable urges, making economic growth the enemy of any natural equilibrium?

The principal reading is Elizabeth Kolbert, *The Sixth Extinction: An Unnatural History* (2014)

The course will be discussion-intensive because it will be reading-intensive. 50% of student's grades will derive from their class participation, as designated leaders of discussion and as regular contributors. The other 50% of their grades will be based on two assignments, one due at midterm and the other at the end of the semester.

The midterm assignment is an old-fashioned paper that will address the "periodization" question—when, how, and why did capitalism appear on the scene of human history? In this paper, students are free, indeed encouraged, to explore the relation between "then" and "now" by asking whether the origins and early development of capitalism resemble the contemporary reality. The goal here is to equip students with the sources and the language they need to speak knowledgably about both historical realities and current events.

The final assignment will explore a question from the syllabus or address an issue raised by the readings and/or in-class discussion. Here students are free, indeed encouraged, to roam about—to experiment with the form and the content of the assignment, to make it a "project," if they like, rather than a formal term paper. For example, they can write a review of *Gain*, or of "The Wolf of Wall Street," or any other fiction that treats finance capitalism as the moral universe of our time; they can record a video about environmental damages and dangers; they can write a play; they can consider Occupy Wall Street as a symptom of "late capitalism"; and so on. With the instructor's approval, they can do almost anything relevant to the course topic.