Advanced Topics in Political Economy: Marxist Crisis Theory

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Class Meeting Time: Tuesdays 6:15 PM to 8:45 PM
Class Location: Thompson Hall 9th Floor Seminar Room

Requirements
1) One class report on a particular crisis tendency or theory, in Section 5 of the course outline. A written version of the report will be due after the class presentation.
2) Either of the following:
   a) Take-home final exam.
   b) A term paper due by the end of the semester, on a topic approved by the instructor. The term paper must have broader coverage than the single crisis tendency or theory for the class report.

Grades
Class report -- written: 40%
Class presentation and leadership of discussion following presentation: 10%
Final exam or term paper: 50%

Course Outline

1. Introduction (Jan. 20)

2. History of Marxist Crisis Theory (Jan. 20, 27)

3. General Approaches to Crisis Theory (Feb. 3)

4. Specific Crisis Tendencies, or Theories (Feb. 3, 10)

5. Class Reports on Specific Crisis Tendencies, or Theories
   A. Underconsumption (Feb. 24)
   B. The Reserve Army Crisis Tendency (March 3)
   C. Rising Unproductive Expenditure (March 3)
   D. The Tendency of the Rate of Profit to Fall (March 10)
   E. Over-Investment in Fixed Capital (March 24)
   F. Money and Credit Theories of Crisis (March 31)
   G. Regulation Theory (April 7)
   H. Social Structure of Accumulation Theory (April 14)

6. Applications to particular crises
   A. The Great Depression of the 1930s (April 21)
   B. The Crisis of the 1970s (April 21)
   C. The Current Crisis (April 28)
Readings

An asterisk (*) indicates required reading for all students.

Abbreviations for journals:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Journal Name</th>
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<tbody>
<tr>
<td>CJE</td>
<td>Cambridge Journal of Economics</td>
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<tr>
<td>MR</td>
<td>Monthly Review</td>
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<tr>
<td>NLR</td>
<td>New Left Review</td>
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<tr>
<td>RRPE</td>
<td>Review of Radical Political Economics</td>
</tr>
<tr>
<td>S&amp;S</td>
<td>Science and Society</td>
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</tbody>
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Finding the Readings:

This course uses Moodle. Most of the readings are on Moodle.

1) Sweezy, Paul M. *Theory of Capitalist Development*, can be ordered from various websites, if you do not already have a copy.

2) Other required readings in books: either on reserve at the library or available on Moodle, indicated by "R" for reserve or "M" for Moodle.

3) Required readings from journals: on Moodle

4) Readings not required for all students: books and journal articles should be available at the library but are not on reserve.

Readings for Sections 1-4

*Marx, Karl, selections from *Capital* and *Theories of Surplus Value*. (M)

*Sweezy, Paul M. *Theory of Capitalist Development* ch. 6, 8-12. (R)

*Itoh, Makoto, *Value and Crisis*, ch. 4, 5. (M)

*Wright, Erik Olin, "Historical Transformations of Capitalist Crisis Tendencies," in *Class, Crisis, and the State*. (M)

*Harvey, David, *The Limits to Capital*, updated edition 2006, ch. 7; ch. 10 section 9; ch. 13 sections 5-6. (M)


Readings for Section 5

5A. Underconsumption

*review Sweezy, *Theory of Capitalist Development*, ch. 10-12 (from sections 1-4)

*review Wright, "Historical Transformations...," pp. 138-147 (from sections 1-4)

*Baran, Paul, and Paul M. Sweezy, *Monopoly Capital* ch. 3-7. (R)


5B. The Reserve Army Crisis Tendency
*Marx, *Capital*, vol. I, ch. 25, section 1. (R)
*review Sweezy, *Theory of Capitalist Development*, ch. 9 (from sections 1-4)
*review Itoh, *Value and Crisis*, ch. 4-5 (from sections 1-4).
*review Wright, "Historical Transformations...," pp. 147-154 (from sections 1-4)

5C. Rising Unproductive Expenditures
*review Wright, "Historical Transformations...," pp. 154-163 (from sections 1-4)

5D. The Tendency of the Rate of Profit to Fall [Note: readings continue on following page]
*Marx, *Capital*, volume III, part III. (R)
*review Sweezy, *Theory of Capitalist Development*, ch. 6 (from sections 1-4).
*review Wright, "Historical Transformations...," pp. 126-138 (from sections 1-4)
*Roemer, John, "Continuing Controversy on the Falling Rate of Profit: Fixed Capital and Other Issues, *CJE*, 3, 1979, 379-398. (M)


5E. Over-Investment in Fixed Capital


Foster, John Bellamy, "Is Overcompetition the Problem?," *MR* 51:2, June 1999.


5F. Money and Credit Theories of Crisis

*Crotty, James, "The Centrality of Money, Credit, and Financial Intermediation in Marx's Crisis Theory," in Resnick and Wolff (eds.), *Rethinking Marxism*, 1985. (M)


*review Harvey, David, *The Limits to Capital*, ch. 10 section 9. (M)


5G. Regulation Theory


5H. The Social Structure of Accumulation Theory
*Gordon, David, Richard C. Edwards and Michael Reich, Segmented Work, Divided Workers, 1982, ch. 2. (M)

Readings for Section 6

6A. The Great Depression of the 1930s
*Baran, Paul., and Paul M. Sweezy, Monopoly Capital, ch. 8. (R)
*Dumenil, Glick, & Rangel, "Theories of the Great Depression: Why Did Profitability Matter?", RRPE, 19:2, Summer 1987. (M)
*Gordon, R.A., Economic Instability and Growth: The American Record, ch. 2-3. (M)
*Corey, Lewis, The Decline of American Capitalism.
*Galbraith, J.K., The Great Crash.

6B. The Crisis of the 1970s
*Bowles, Gordon, and Weisskopf, "The Arithmetic of Economic Decline," from After the Wasteland, 1990, ch. 4. (M)
*Shaikh, Anwar, "The Falling Rate of Profit and the Economic Crisis in the U.S.," in Robert Cherry et. al. (eds), The Imperiled Economy: Book 1 Macroeconomics from a Left Perspective, 1987, 115-126. (M)
*Gordon, Weisskopf, and Bowles, "Power, Accumulation, and Crisis: The Rise and Demise of the Postwar Social Structure of Accumulation,: in Robert Cherry et. al. (eds), The Imperiled Economy: Book 1 Macroeconomics from a Left Perspective, 1987, 43-57. (M)
Bowles, Gordon, and Weisskopf, After the Wasteland, 1990, ch. 5-7.

[Readings for this section continue on next page]

6C. The Current Crisis

*__________, "What Can Cause a System-Threatening Crisis of Capitalism?," S&S, 74:3, July 2010, 362-279. (M)
*__________, "Social Structures of Accumulation, the Rate of Profit, and Economic Crises," in Capitalism on Trial: Explorations in the Tradition of Thomas E. Weisskopf, by Robert Pollin and Jeannette Wicks-Lim (eds), Edward Elgar, 2013, 335-349. (M)
__________, The Rise and Fall of Neoliberal Capitalism, chapter 5 pp. 127-154. (M)