

Crisis of Capital
POLS 5140-01
Wednesday 17:00 – 19:40

Professor: Sean McMahon, Ph.D.

Sept. – Dec. 2016

Office: 2017 HUSS

Office Hours: U 13:00-15:30 and W 16:00-17:00, or by appointment

Course Description and Objectives

POLS 5140 conceptualizes and studies the ongoing crisis of capital.

POLS 5140 familiarizes students with the causes and effects – if you are into that kind of philosophy – of political economic crisis, as well as the relations and processes that produce and circulate crisis in and through the totality of global capital and particular bodies politic. More specifically, the course, *inter alia*, reviews economic considerations of crisis such as secular stagnation and the global savings glut; historicizes our contemporary neoliberal moment in social terms; analyzes the politics (and necessity) of processes such as financialization, privatization, monetarization, commodity devaluation, and social reproduction and destruction; examines expressions of crisis such as democratic delegitimation and competitive currency depreciation; problematizes the power function of hegemonic ideals such as freedom, reform and market utopianism; and explores the relation between the money supply, velocity of money, commodity price inflation and average price level. Through the course, students will make sense of ideals that power intentionally obfuscates, including zero percent interest rate policy (ZIRP), quantitative easing, derivatives, credit default swaps, and – the ultimate fetishism – “too big to fail.” Special attention is paid to the particular modes of appearance of crisis in the Middle East.

Course Expectations and Assignments

The course work for POLS 5140 consists of five elements: 1) attendance and participation in class discussions, 2) in-class presentations, 3) reading reviews, 4) an annotated bibliography of cultural expressions of crisis, and 5) essays.

First, POLS 5140 is a senior-level seminar course. As such, a premium is placed on student attendance and a high level of participation in class discussions. All students will read thoughtfully and thoroughly the assigned readings and come to class prepared to discuss the readings. Moreover, they will also critically and constructively engage the works of their peers. Attending class, without participating or engaging peers, is not sufficient and will produce an extremely poor grade.

University policy stipulates that a student who misses more than the equivalent of three weeks of class meetings during a semester for any reason may be assigned a reduced grade for the course — including the grade of “F” — solely on the basis of inadequate attendance, regardless of excuse. Students who miss fewer than three weeks of class sessions may not be penalized on the grounds of attendance alone. Students are personally responsible for making up any academic tasks and assignments missed due to their absence.

This seminar is rooted in constructivist learning. Students will be the meaning makers and constructors of knowledge in this environment. They will make meaning and construct knowledge through extensive collaboration and peer-teaching and -learning.

Second, in addition to regular class participation, students will make two presentations on *all* of the day’s assigned readings over the course of the term. These presentations are to be of a critical nature. Do not write descriptive summaries – you can assume the professor and other students have read the material and do not require a synopsis. The presentations are critical commentaries designed to 1) highlight salient aspects of the readings, 2) make inter-textual connections between the day’s texts as well as with other material encountered in the course, 3) reference and/or illuminate recent events, and 4) raise provocative questions for class discussion. Special attention should be paid to how the assigned material speaks to contemporary modes of appearance of crisis. The presentations should be approximately 10-15 minutes in length and the questions will serve to guide the day’s engagement with the readings. Students must submit a written copy, typed and properly formatted, of their presentation to the professor on the day of presentation.

Third, students will submit five reading reviews over the course of the semester. Each review will identify the author and title of the week’s reading as well as outline the theses, argumentation, analyses and/or conclusions of the texts. Ideally, students will relate the texts to other readings encountered throughout the course and/or in the larger discourse of global political economy. Each review is not to exceed two pages in length and is due *before* the start of the class when the selected readings are discussed. Students cannot submit reviews of readings on which they make presentations; presenting on a set of readings precludes a student from submitting a review of those same readings.

Fourth, students will author an annotated bibliography of 10 cultural expressions of capital in crisis. The forms of expression documented in the bibliography are at the discretion of the student, and can include, but are not limited to, movies such as *The Big Short*, songs such as Springsteen’s “Death to My Hometown,” and street art in spaces such as Athens and Madrid. For each entry, students will identify and briefly explain the expression and relate it to the ongoing crisis of capital. The annotated bibliography is due **12 October 2016**.

Fifth, students will write two essays for POLS 5140. Each essay will apply the conceptual tools and/or analyses encountered in different phases of the course, say for example the liberal mental conception of the self-regulating market or that neoliberalism is capital’s counter-attack on the working class, to analyse an aspect of our contemporary historical moment. The essays are opportunities for students to

think critically and more deeply about contemporary issues of interest and import to them. Students are encouraged to discuss their topics with the professor prior to writing and submitting the essays. Each essay, worth 15 per cent of the final grade, is to be 8-10 pages in length (double-spaced with proper 12 point font and margins). The first essay, using concepts and/or analyses explored between 7 September and 26 October, is due **26 October 2016**. The second essay, using concepts and/or analyses explored between 26 October and 7 December, is due **7 December 2016**.

In all of the written work for this course, students must use footnotes and provide a proper bibliography (in-text citations and “Works Cited” pages are not acceptable) in order to acknowledge their intellectual indebtedness. Use of the Chicago Manual of Style is mandatory. Consult the following link for a proper citation guide: www.chicagomanualofstyle.org. You will be penalized if you do not follow this format.

Finally, research conducted and used for POLS 5140 must be of an academic nature. Wikipedia, for example, is not an acceptable resource. Its content is not evaluated according to academic standards. If a student is in doubt as to the quality or academic relevancy of a particular resource, (s)he should discuss it with the professor.

Grades, Assessment and Interaction

Course grades will be assigned as follows:

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| 1) Attendance and Participation | 20% |
| 2) Presentations (2 X 10%) | 20% |
| 3) Reading Reviews (5 X 2%) | 10% |
| 4) Annotated Bibliography of Expressions of Crisis | 20% |
| 5) Essays (2 X 15%) | 30% |

The following scale will be employed in the assessment of undergraduate student work:

Letter Grade	Percentage	Letter Grade	Percentage
A	93+	C+	77-79
A-	90-92	C	73-76
B+	87-89	C-	70-72
B	83-86	D+	67-69
B-	80-82	D	60-66
		F	Below 60

Assignments are submitted only in hardcopy and are due during class time. Assignments submitted on the due date, but after class time are late. The penalty for late assignments is five per cent per day (including weekends).

The American University in Cairo is committed to the highest standards of academic integrity and honesty. Academic dishonesty in any form will not be tolerated and, in accordance with departmental policy, will result in the immediate assignment of a grade of “F” for the course.

Students are expected to be familiar with the standards regarding academic honesty and to uphold the policies of the university in this respect. Students are particularly urged to familiarize themselves with their rights and responsibilities and avoid any behavior which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offense. Academic dishonesty is a serious offence and will be treated as such.

Two final points: POLS 5140 is supported by a Moodle site. It can be accessed through the following URL: <http://moodle.aucegypt.edu>. Also, the professor does not use email. Email undermines the professor-student relationship, is heavily surveilled by state apparatuses, atomizes communities and decreases productivity. All class related conversations will be had during the assigned office hours, which are extensive, or by appointment. Exceptions will be made *only* in case of emergency (smcmahon@aucegypt.edu).

Required Texts

There are two required texts for this course:

Polanyi, Karl. *The Great Transformation: the Political and Economic Origins of Our Time* (Boston: Beacon Press, 1944).

Harvey, David. *A Brief History of Neoliberalism* (Oxford: Oxford University Press, 2007).

In addition to doing the assigned readings, students are encouraged to regularly follow the movement of commodity (wheat, oil) prices, the Bloomberg *Surveillance* podcast, Joachim Fels’ blog entries for PIMCO, and Bill Gross’ “Monthly Investment Outlook,” and consult critical publications such as *Monthly Review*, *New Left Review*, the *Review of Radical Political Economics*, the World Socialist Web Site (www.wsws.org) and the Socialist Worker website (www.socialistworker.org).

Schedule of Readings (note: this is a guideline and subject to change)

Date	Topic	Readings and Course Material
Sept. 7	Welcome	Course overview and sign-up for presentations
Sept. 14	EID EI ADHA	EID EI ADHA
Sept. 21	The First Movement	Polanyi, K. Chapters 1-10, in <i>The Great Transformation: the Political and Economic Origins of Our Time</i>

		(Boston: Beacon Press, 1944), pp. 3-129.
Sept. 28	The Second Movement	Polanyi, K. Chapters 11-21, in <i>The Great Transformation: the Political and Economic Origins of Our Time</i> (Boston: Beacon Press, 1944), pp. 130-258B
Oct. 5	Historicizing Neoliberalism I	<p>Harvey, D. "Introduction," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 1-4.</p> <p>Harvey, D. "Freedom's Just Another Word," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 5-38.</p> <p>Harvey, D. "The Construction of Consent," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 39-63.</p> <p>Harvey, D. "The Neoliberal State," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 64-86.</p> <p>Harvey, D. "Uneven Geographical Developments," in <i>A Brief History of Neoliberalism</i>, (Oxford: Oxford University Press, 2007), pp. 87-119.</p>
Oct. 12	Historicizing Neoliberalism II	<p>Harvey, D. "Neoliberalism 'with Chinese Characteristics'," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 120-151.</p> <p>Harvey, D. "Neoliberalism on Trial," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 152-182.</p> <p>Harvey, D. "Freedom's Prospect," in <i>A Brief History of Neoliberalism</i> (Oxford: Oxford University Press, 2007), pp. 183-206.</p>

Oct. 19	Causes of Crisis	<p>Galbraith, J.K. "Cause and Consequence," in <i>The Great Crash of 1929</i> (New York: Avon Books, 1979), pp. 149-172.</p> <p>Bernanke, B. "Causes of the Recent Financial and Economic Crisis." Testimony Before the Financial Crisis Inquiry Commission, Washington, D.C. 2 September 2010. Available at: www.federalreserve.gov/newsevents/testimony/bernanke20100902a.htm</p> <p>Gordon, R. "The Ascent and Descent of Growth," in <i>The Rise and Fall of American Growth: The U.S. Standard of Living since the Civil War</i> (Princeton: Princeton University Press, 2016), pp. 1-23.</p>
Oct. 26	Slowed Expansion and Stagnation	<p>Summers, L. "The Age of Secular Stagnation: What It Is and What to Do About It," <i>Foreign Affairs</i> March/April 2016.</p> <p>Despain, H. "Secular Stagnation: Mainstream Versus Marxian Traditions," <i>Monthly Review</i> September 2015: 39-55.</p> <p>Bernanke, B. "Why are interest rates so low, part 3: The Global Savings Glut," <i>The Brookings Institute</i>, 1 April 2015. Available at: https://www.brookings.edu/blog/ben-bernanke/2015/04/01/why-are-interest-rates-so-low-part-3-the-global-savings-glut/</p>
Nov. 2	(Delayed) Crisis of Democratic Harmonization	<p>Carr, E.H. "The Harmony of Interests," in <i>The Twenty Years' Crisis 1919-1939: An Introduction to the Study of International Relations</i> (New York: Palgrave, 2011), pp. 42-61.</p> <p>Streek, W. "From Legitimation Crisis to Fiscal Crisis," in <i>Buying Time: The Delayed Crisis of Democratic Capitalism</i> (London: Verso, 2014), pp. 1-46.</p>

		<p>Streek, W. "Neoliberal Reform: From Tax State to Debt State," in <i>Buying Time: The Delayed Crisis of Democratic Capitalism</i> (London: Verso, 2014), pp. 47-96.</p>
Nov. 9	Maybe it was something capital ate...	<p>Panitch, L. and S. Gindin. "Capitalist Crises and the Crisis this Time," in <i>The Crisis This Time: Socialist Register 2011</i>, edited by Leo Panitch, Greg Albo and Vivek Chibber (Pontypool: Merlin Press, 2011), pp. 1-20.</p> <p>Huws, U. "Crisis as capitalist opportunity: new accumulation through public service commodification," in <i>The Crisis and the Left: Socialist Register 2012</i>, edited by Leo Panitch, Greg Albo and Vivek Chibber (Pontypool: Merlin Press, 2012), pp. 64-84.</p> <p>Soederberg, S. "Cannibalistic Capitalism: The Paradoxes of Neoliberal Pension Securitization," in <i>The Crisis This Time: Socialist Register 2011</i>, edited by Leo Panitch, Greg Albo and Vivek Chibber (Pontypool: Merlin Press, 2011), pp. 224-241.</p>
Nov. 16	Alternatives to, and Local Iterations of, Global Capitalist Crisis	<p>Albo, G. "The crisis and economic alternatives," in <i>The Question of Strategy: Socialist Register 2013</i>, by Leo Panitch, Greg Albo and Vivek Chibber (Pontypool: Merlin Press, 2013), pp. 1-25.</p> <p>Hung, H. "China: Saviour or Challenger of the Dollar Hegemony." <i>Development and Change</i> 6 (2013): 1341-1361.</p> <p>van Apeldoorn, B. "The European capitalist class and the crisis of its hegemonic project," in <i>Registering Class: Socialist Register 2014</i>, edited by Leo Panitch, Greg Albo and Vivek Chibber (Pontypool: Merlin Press,</p>

		2014), pp. 189-206.
Nov. 23	Processes of Financialization and Predation	<p>Lapavistas, C. <i>Profiting Without Producing: How Finance Exploits Us All</i> (London: Verso, 2013), pp. 1-12 and 260-305.</p> <p>Das, S. <i>Traders, Guns and Money: Knowns and Unknowns in the Dazzling World of Derivatives</i> (New York: Pearson, 2010), pp. 23-61.</p> <p>Patterson, S. <i>Dark Pools: The Rise of the Machine Traders and the Rigging of the U.S. Stock Market</i> (New York: Crown Business, 2013), pp. 281-296.</p>
Nov. 30	“Reforming” the Education Process and Democratic Relations	<p>Giroux, H. “The New Right-Wing Assault on Higher Education,” in <i>The University in Chains: Confronting the Military-Industrial-Academic Complex</i> (Boulder, CO: Paradigm Publishers, 2007), pp. 137-199.</p> <p>Brown, W. “Neoliberalism and the End of Liberal Democracy,” in <i>Edgework: Critical Essays on Knowledge and Politics</i> (Princeton: Princeton University Press, 2005), pp. 37-59.</p> <p>Saull, R. “Capitalism and the Politics of the Far Right,” in <i>The Politics of the Right: Socialist Register 2016</i> (Pontypool: Merlin Press, 2016).</p>
Dec. 7	Egypt’s Particular Expression of Global Crisis	<p>McMahon, S. “The Dialectics of Egypt’s Crisis Moment,” in <i>Crisis and Class War in Egypt</i> (London: Zed Books, 2017).</p> <p>McMahon, S. “Fetishisms and Factions,” in <i>Crisis and Class War in Egypt</i> (London: Zed Books, 2017).</p> <p>McMahon, S. “Factional Realignments and Reform,” in <i>Crisis and Class War in Egypt</i> (London: Zed Books, 2017).</p>
Dec. 14	Course Reprise	What is to be done, ideally and materially?

*This semester there is one so-called “make up” class for Wednesday courses. In lieu of a Saturday on-campus class, students will watch two videos for the week of 14 December 2016: 1) Dr. David Harvey’s lecture entitled “The 17 Contradictions of Capitalism” (available at: <https://www.youtube.com/watch?v=AULJlwoI3TI>) and 2) *The Inside Job* (available at: <http://documentary-movie.com/inside-job/>).