



Capitalism and its Alternatives

MGBU3436 – Professor Michael Pirson, pirson@fordham.edu
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Fordham University, Spring 2016, Keating Hall 215, T 2:30-5:00

The objective of this course is to make sense of current debates about politics and economics, including the role of the government in steering the economy. At the end of the course, students should have gained literacy on several prominent frameworks (e.g. Keynesian, Marxist, neoliberal) about political economy. The course has four main questions:

- What are the philosophical foundations of capitalism?
- What is the Marxist critique of capitalism?
- What are the stakes of the debate between Keynes and the Mont Pèlerin Society?
- What are the alternatives, if any, to capitalism in the 21st century?

The course begins by discussing Thomas Piketty's thesis in *Capital* that we are entering a new Gilded Age of great wealth disparities. The course then looks to the philosophical foundations of capitalism in the Greek philosopher Adam Smith and the Scottish Enlightenment philosopher Adam Smith. The course then examines Karl Marx's critique of capitalism, and intimations of an alternative, in "The German Ideology" and the *Grundrisse*.

The course then jumps to the Great Depression and the aftermath of World War II. The British economist John Maynard Keynes argued for the state to use monetary and fiscal measures to prevent prolonged economic downturns. Members of the Mont Pèlerin Society—including Ludwig von Mises, Friedrich von Hayek, and Milton Friedman—on the contrary, thought that the state should act as an umpire and let the market govern itself. The battle between these two sides continues today among democratic socialists and libertarians, Democrats who see a powerful role for the state and Republicans who would prefer to unleash the power of the market.

The course concludes by entering current debates within management studies and political theory about capitalism and its alternatives.

Books

James Fulcher, *Capitalism: A Very Short Introduction* (Oxford) ISBN: 9780198726074
Peter Singer, *Marx: A Very Short Introduction* (Oxford) ISBN: 9780192854056
Adam Smith, *The Wealth of Nations, Volume 1* (Liberty Fund) ISBN-10: 0865970068
Friedrich von Hayek, *The Road to Serfdom* (Chicago) ISBN-10: 0226320553
Milton Friedman, *Capitalism and Freedom* (Chicago) ISBN-10: 0226264211
Michael Pirson et al., *From Capitalistic to Humanistic Business* (Palgrave): ISBN: 9781137468185
Sanford F. Schram, *The Return of Ordinary Capitalism* (Oxford 2015) ISBN: 9780190253028

Course Requirements

(1) One week before the midterm, we will distribute 6 essay questions, and on the day of the exam we will roll a die to determine 2 questions. Well-written essays should incorporate material from the lectures, readings, and presentations. You may study in groups, but the exam is close-booked. The exam is 1 hour.

(2) The final has the same format as the midterm.

(3, 4, 5, 6) Early in the semester, the professors will assign each student four dates in which they will be responsible for leading class discussion. At the beginning of class, students will turn in 2-3 page papers summarizing the main argument of the assigned reading and raising questions and concerns. Ideally, students will connect the material to current political events and may use video clips or newstories to prompt class discussion. For the class on Keynes, for example, students may talk about the 2009 “stimulus package” and the controversy that it has caused.

(7) Class participation. Students are expected to come to class on time prepared to discuss the readings.

Grade Distribution

Midterm	20
Final	30
Response paper 1	10
Response paper 2	10
Response paper 3	10
Response paper 4	10
Class participation	10

Introduction

1. January 19 – Introduction to the Course (NT, MP)
 - Thomas Piketty, Capital, [Excerpt from the Introduction](#)
 - James Fulcher, *Capitalism: A Very Short Introduction*
 - *Pirson et al*: Transforming Capitalism
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2520295

The philosophical foundations of capitalism

2. January 26 – Adam Smith and the philosophic origins of capitalism (MP)
 - Dierksmeier, C. ; Pirson, M.: “Oikonomia and Chrematistike: Learning from Aristotle about the future of business”
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1556857
 - Adam Smith, *The Wealth of Nations*, Volume I, Introduction, Books I
 - Huehn, M., Dierksmeier, C., “Will the real Adam Smith please stand up?”
3. February 2 – Adam Smith’s hope and concerns (NT)
 - Adam Smith, *The Wealth of Nations*, Volume I, Book III

- E.G. West, “Adam Smith’s Two Views on the Division of Labor”

Marx’s critique of capitalism

4. February 9 – Marx’s Critique of Capitalism, Part 1 (NT)
 - Karl Marx, “The German Ideology”
 - Peter Singer, *Marx: A Very Short Introduction*, chapters 1-7
5. February 23 – Marx’s Critique of Capitalism, Part 2 (MP)
 - Karl Marx, “The Grundrisse”
 - Peter Singer, *Marx: A Very Short Introduction*, chapters 8-10
6. March 1 – Midterm

The debate between Keynes and the Mont Pèlerin Society

7. March 8 – John Maynard Keynes
 - The Essential Keynes: Chapters 9, 11, 18, 31 (NT)
8. March 15 – The Mont Pèlerin Society, Part I (MP)
 - “Two essays by Ludwig von Mises”
 - Rachel S. Turner, “The rebirth of liberalism: The origins of neo-liberal ideology”
9. March 29 – The Mont Pèlerin Society, Part II (NT)
 - Friedrich von Hayek, *The Road to Serfdom*, esp. chapters 4, 5, 7
10. April 5 – The Mont Pèlerin Society, Part III (MP)
 - Milton Friedman, *Capitalism and Freedom*

Alternatives to capitalism

11. April 12 – From Capitalistic to Humanistic business (MP)
Section I and II
12. April 19 – From Capitalistic to Humanistic business (MP)
Section III and IV
13. April 26 – Sanford Schram on Neoliberalism (NT)
 - Sanford Schram, *The Return of Ordinary Capitalism*, Chapters 1, 2
14. May 3 – Sanford Schram on Radical Incrementalism (NT)
 - Sanford Schram, *The Return of Ordinary Capitalism*, Chapters 3, 6, 8
 - Professor Schram will visit us for the second half of class!

15. Final exam - May 16, 1:30 pm