

**Welcome to the History of Capitalism.**

**INTEGRATED BUSINESS AND HUMANITIES 2BF3**

**AND HISTORY 2KK3**

**FALL 2024**

Instructor: John Weaver: Chester New Hall, 630. Office Hours: Tuesdays 8:00-10:00; Thursdays 8:00-9:00. After class, open to discussions in 'hall.'

Lectures are on Mondays and Thursdays at 9:30-10:20 in HSC 1A4. This is a classroom in the medical centre. Please consult a campus map for directions

**This is a live-in-person only class for both lectures and tutorials.**

**Your tutorials will be held in the rooms and at the times assigned in your timetable.**

**Tutorial meetings begin the week of 16-20 September.**

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**Section 1: Course Delivery**

**Questions Raised in Class**

This is a live-in-person class. Questions of clarification are welcomed during the lectures as part of our mutual inquiries into the history of capitalism.

**Avenue to Learn (A2L)**

The platform serves as the course's information centre (syllabus, some slide series used in lectures, a link to tutorial readings in eReserve) and the assignment 'drop box' locale.

**Books: Mills has eBook Copies**

Philippe Aghion et al, *The Power of Creative Destruction: Economic Upheaval and the Wealth of Nations*.

Daniel Susskind, *Growth: A History and Reckoning* is available as an eBook from Mills. **Do not use an audio version as you will not be able to footnote the essay correctly.**

### Content on Avenue

In 2021, I prepared a collection of readings for this course. Over time, the course's readings required for the tutorials has changed. However, some have been retained and you can find them in the collection on Avenue. Under Content in Avenue click on "Readings: Select Ones Designated for Tutorials." The pertinent ones for this year's tutorials are: Genoese shipping contract; Pacioli on accounting; Gelderbloom and Jonker on "The Amsterdam Capital Market;" Larry Neal on "The Monetary Architecture of Europe, 1648-1815;" Andrew Ure on the 'delights' of factory work; Legal Proceedings against Luddites; Debate on the Factory Bill; Robert Owen on the Poor of Lanark; The Communist Manifesto; Robert Owen on the Poor of Lanark; The Communist Manifesto; Lord Furness's praise of business consolidation, 1908; Count Witte on Capitalist Modernization of Russia, 1893; William Jennings's Bryan's "Cross of Gold" Speech, 1896.

### Echo360

Lectures *may be recorded* via Echo 360 and made available 7-10 days after the lecture.

There is a link to Echo 360 on Avenue.

## **Section 2: Extensions, Late Penalty, ChatGPT and other AI, Responsibility for Submitting**

**If you require an extension, you have up to one week without notifying the TA or instructor, and without activating an MFAS or SAS Accommodation letter or reporting an emergency. We assume your honesty and that the qualifying conditions do apply.**

Assignments submitted to the Avenue to Learn drop box are automatically dated. Assignments on extension may not be marked in time for your review prior to the next assignment. That is the cost of the extensions. Thus, you will not have the benefit of marking advice. Even though we grant this liberal policy on extensions, we do advise you to manage your time well for all courses throughout the term.

**The extension policy applies to each of the three assignments. However, there are no 'multiple' extensions for an assignment. Once used for an assignment, no further extensions will be granted for that particular assignment.**

**Assignments submitted after the extension has expired will be penalized at 10 marks a day.**

The use of generative AI, for example **ChatGPT**, to assist with the assignments is prohibited for this **class**. AI does not do footnotes correctly and TAs will be attentive to footnoting. Use of AI for an assignment can result in a grade of zero on that assignment since, **with this warning, AI use is now deemed evidence of an intent to deceive for academic advantage and a violation of the Senate policy on academic integrity. We are assessing how well *you* read, analyze, and write.**

Submit the correct material for each assignment because **you will be marked on what you submit, whether or not it applies to the assignment.** An incorrect file, notes, or draft will be marked as is. It is your responsibility to check what you are submitting.

### **Section 3. Course Objectives: Content and Skills**

This course has two general aims. The first and most direct ambition is to equip you, through lectures, courseware readings, several books, and tutorials, to recognize the principal roots of contemporary capitalism and assessments of capitalism. We'll have disagreements, in-class questioning, and a fine intellectual experience.

In the first classes, I will introduce my working definition of capitalism and describe capitalism's essential 'supporting pillars:' private property rights, markets with responsive prices, contracts enforced by trusted third parties (courts and tribunals), and supportive governments

With these thoughts and materials at hand, we can set out on the journey through history which begins in Italy in the 1200s, moves on to the Netherlands in the 1600 and 1700s, to England in the 1700 and 1800s, and concludes with the United States (Capitalism's Promised Land) from the early 1800s to the present. Along the way, we will trace the emergence of economic thought about and criticisms of capitalism. Critiques of capitalism have been abundant, and definitely not all Marxist. We will point out occasions when capitalism enabled paradigm changing innovations, and we will explain some financial crises and a common pattern they seem to reveal. Economic history receives considerable attention, including datasets and the interpretation of data. We conclude by looking into several contemporary debates and data relating to capitalism, global inequality and poverty, and social justice.

The second aim is to help you with your individual writing skills. These foundation skills, essential for rewarding experiences at university and beyond, are stressed in course assignments. You will receive comments on your assignments. Guides to the evaluation of writing style and comprehension of assigned essay topics are provided at the end of the syllabus. Assignments accent "active reading" and good writing. Participation in tutorials is important and the mix of students is expected to promote debate. Challenging topics that are open for debate, include well-reasoned and/or data-supported controversies over poverty, standard of living, exploitation, creativity, property rights, and ethics.

### **Section 4. Course Perspectives (Instructor's Outlooks)**

The History of Capitalism is one of the more relevant of modern history topics. It deserves a careful, cautious discussion of what is currently known about its development. Theories are helpful for the speculation that generates questions and new topics. Therefore, a number of leading economic theories will be reviewed, although the position taken here is that the force of geographic, geopolitical, political, and dynamic-innovation factors has varied so widely across space and time that there seems no prospect for a general theory to cover a multiplicity of cases and places. We will offer some leading descriptions. Moreover, because of the importance of the state in sustaining the necessities for capitalism (*inter alia*: private property

rights, contracts enforceable by third parties, markets with responsive prices) the course is Eurocentric and even Anglo-centric, because the great empires of Asia (Ottoman, Safavid, Mughal, Ming-Qing) had to contend with undefeated nomadic adversaries within and without, and with succession crises. These England escaped after 1688. But due on 16 October.

By capitalism we mean the exchange of goods and production of goods for exchange by capitalists/entrepreneurs who combined capital with labour “bought” from “free” labour. The “free labour” condition presents complications because the slave trade in unfree labour was carried on in a capitalist fashion to the benefit of some financiers, not just plantation owners. Expect subtle and fact-laden explorations rather than tidy discussions. Historically, the dynamic implied in capitalism displaced customs and state-run command economies as means for dealing with scarcity; displacements of custom have had ruinous consequences for particular groups but, in a more positive light, have upset the unearned takings of ‘rent-seekers,’ a term to be explained. Many elites in the past and in recent times have been prodigious ‘rent-seekers’ rather than creative capitalists. We will indicate the uneven development of markets that supported the exchange of goods, labour, and finance, and that enabled wealth accumulation and further innovations. Capitalism gets credit for accelerated world growth rates since the early 19<sup>th</sup> century and for tackling inefficiencies and privileges, but there is also agreement on its dangerous volatility and on the social disruptions of ‘creative destruction.’

## **Section 5: Sequence of Lectures and Tutorials**

### **Part 1: The Setup for Understanding:**

**Please note that tutorials for this course begins on the week of 16-20 September.**

#### **1. Lectures 5-9 September**

Defining Capitalism and Discussing its Four Pillars.

#### **2. Lectures 12, 16, 19 September**

Applying the Definition: Utopian and Non-Marxist Moral Critiques.

Tutorial 1 for the week of 16-20 requires reading Susskind, pages 1-53 and **coming prepared** to discuss the Malthusian (Thomas Malthus) theory of limits to economic and population growth and later contrary theories that emphasized how growth could be achieved.

### **Part 2: Capitalism’s Roots and Ascent, 1200-1800**

#### **3. Lectures 23-26 September**

a. Applying the Definition: Why Several Substantial Economies in History Were not Capitalist and Others Were.

- b. The *Via Italia*: Long-distance Trade, Accounting, and ‘Finance;’
- c. Beginning of Dutch Industrious Revolution.

Tutorial 2 for the week of 23-27 September deal with the documents Genoese shipping contract; Pacioli on accounting.

#### 4. Lectures 30 September – 3 October

- a. The Low Countries: Civic Merchant Competition and All Four of Capitalism’s Pillars.
- b. Details on Dutch Prosperity and Capitalism, 1600-1700.

Tutorial 3 for the week of 30 September- 4 October deal with the Dutch advances in capitalism. Readings required are Hugo Grotius and extracts on “Freedom of the Sea,” 1609 (available on Avenue as a special item under Content). Also the important articles by Gelderblom and Jonker on “The Amsterdam Capital Market” and Larry Neal on “The Monetary Architecture of Europe, 1648-1815.”

First assignment due 4 October.

Daniel Susskind raises several problems with a full endorsement of unbridled economic growth but accepts that growth has made possible great historic advances in human welfare: the reduction of impoverishment and unemployment, and general improvements in living standards. For an essay on Susskind’s position, first, describe the negative and positive elements that he brings out in his book and, second, describe and evaluate his proposals for keeping the good things and reducing the problems.

#### 5. Lectures 7-10 October

- a. Why the Exceptionalism of the North Europe in World Economic History? Deep-sea Long-distance Trade, Early Finance: Currency, Banking, and Insurance.
- b. Advantage England: Rural and Industrial Capitalism. Coal on Land and Sea. The English Political Economists: Smith, Ricardo, Senior, and Mill.

Tutorial 4 for the week of 7-11 October concerns the first assignment and the broad subject on innovation as acclaimed in Philippe Aghion, *The Power of Creative Destruction*, see especially pages 125-212.

### 14 -20 October Fall Recess

#### 6. Lectures 21-24 October

- a. The English Industrial Revolution and its Export. The Marginal Importance of Industrialisation for a History of Capitalism (?).

- b. “The Hungry Forties.”
- c. The Long Industrial Revolution.

Tutorial 5 for the week of 21-25 October deals with documents on contemporaries’ discussions about factories: Andrew Ure on the ‘delights’ of factory work, Legal Proceedings against Luddites, Debate on the Factory Bill.

### Part 3: Capitalism’s Patterns in Economic History, 1700-1850

#### 7. Lectures 28-31 October

- a. Classical and Utilitarian Political Economists and Studies of Capitalism. The Moral Economists.
- b. Marx as Economist. Economics as Politics.

Tutorial 6 for the week of 28 October -1 November deals with documents on critiques of industrial capitalism: Robert Owen on the Poor of Lanark; The Communist Manifesto.

### Part 4: Up and Running, 1850-Present Day

#### 8. Lectures 4-7 November

- a. Economists and other Commentators on Capitalism (continuation of previous lecture).
- b. Capitalism’s Promised Land: USA and its Variations on Rural and Industrial Capitalism. The Corporation, Corporate Consolidation, Collusion, and Anti-trust.

Tutorial 7 for the week of 4-8 November. A Variety of Viewpoints on ‘Robber-Baron’ Capitalism: Lord Furness’s praise of business consolidation, 1908; Count Witte on Capitalist Modernization of Russia, 1893; William Jennings’s Bryan’s “Cross of Gold” Speech, 1896.

#### 9. Lectures 11-14 November.

- a. and b. Transnational Corporations and Global Integration: Banks, Resource Extraction, Shipping, and Branch Plant Manufacturing.

No tutorial week of 11-15 November.

Submit second assignment on 11 November. Please note the date.

#### 10. Lectures 18-21 November

Continuation of Transnational Corporations and Global Integration: Banks, Resource Extraction, Shipping, and Branch Plant Manufacturing.

Tutorial 8 week of 18-21. Having read Aghion and Susskind, and having submitted your paper, come prepared to discuss whether the two books are in opposition, or are in agreement. Come prepared to discuss the future of capitalism, focusing on the place of innovation, the requirements for a culture of innovation in current and future economies, and the idea of controls on growth that can offset the negatives that Susskind sees.

#### 11. Lectures 25-28 November

Introduction to Mode of Labour: Unfree Labour in Relation to Capitalism. Indigenous Depopulation, *Encomienda* Consolidation, Slavery, Indentured Labour, Master Servant Acts in Britain and Empire.

No tutorial the week of 25-29 November.

#### 12. Lecture 2 December.

- a. Finance Capitalism. The Products, Institutions, Markets, and Regulation.
- b. The Oil Shocks of 1970s and the Demise of Global Economic Management. The Great Financial Crisis. Back to Where We Began.
- c. Renewed Interest in Capitalism; Recent International and Intra-national Studies on Inequality and Poverty.

#### 13. Review. 5 December.

### **Section 6: Required Documents and Books**

All readings specified for tutorials and the two books:

### **Section 7: The Assignments**

These assignments are *not book reviews*, but short essays that answer a stated question using *only* the information from the book assigned for that question. All major points and quotations should be footnoted. The format preferred in this course is author, full book title, place of publication, publisher, date of publication, page number. Example: for the initial footnote: Please, footnote quotes, examples, and locations where the idea appears. Example:

**First assignment due 4 October.**

Daniel Susskind raises several problems with a full endorsement of unbridled economic growth but accepts that growth has made possible great historic advances in human welfare: the reduction impoverishment and unemployment, and general improvements in living standards. For an essay on Susskind's position, first, describe the negative and positive elements that he brings out in his book and, second, describe and evaluate his proposals for keeping the good things and reducing the problems.

1200-1500 words and 25-30 footnotes.

**Submit second assignment on 11 November.** Please note that it is due on a Monday.

Susskind's Growth and Aghion's The Power of Creative Destruction come together on many points related to economic growth. However, for this assignment write an assessment of each that identifies and explains their major differences.

1500-1800 words and 40 or more footnotes.

### **Section 8: Determination of Final Grade**

Susskind book assignment: 20%

Aghion, Antonin, and Bunel book assignment: 30%

Tutorial Participation, 25%. For tutorial mark: 1 for attending, 1 for a contribution, 1 more for notable contributions = potential of 3.0 per tutorial. Eight tutorials = potential of 24 marks prorated by multiplying by 1.05 for 25 %.

Final Exam (no mid-term), 25%. A two-and-a-half-hour exam that covers the course's core themes and information. There will be some choice available.



### Section 9: Marking Guidelines used by the TA

Student Name	Student Number	Mark on Ideas and Analysis	Mark on Style and Organization	Final Assignment Mark			
Ideas and Analysis	Excellent	Excellent to Very good	Very Good	Good	Problems	A Narrow Pass	Failure
1. Ability to deal with complexity	Full appreciation of complexity and retains a focus	Reasonable balance of detail and big picture	Good detail and big picture but dwelling on only a few examples	Examples thin; some reference to the big picture	Examples thin and big picture is missing	Rushed paper, few examples, little sense of themes and the book's importance	Weak and lacking coherence, no idea of book's importance
2. Evidence of clear understanding	Clear, makes significant general comments, adds original observations based on the material	Clear and makes good valid general comments that relate to examples, slightly less originality	Clear and some points are well supported by examples and some less so	Not as clear statement of the organizing argument as one would expect	Points not clearly explained and evidence of wandering	Weak presentation with only simple or invalid assertions and not much evidence of working with the material	Very confused
3. Evidence of scope of coverage	Extensive, nicely compressed, attention to most examples or themes	Extensive, nicely compressed	Wide ranging but missing some leading examples	Reasonable range of examples but drawn from too limited a selection of pages	Limited range of examples	Far too few examples and only a very few pages cited	Extremely thin
Style and Organization							
1. Grammar, suitable word choices	Virtually no errors and wonderful articulation of ideas	Minor errors and fine expressions and word choices	Minor errors and fine expressions and word choices	More errors than one would expect in a carefully reviewed paper	Frequent and serious errors	Errors significantly impair readability	Errors significantly impair readability to an extreme degree
2. Readability, good flow	Elegant style, polished	Comfortable with writing, easy to follow	Effective writing, some places where meaning is unclear	Reading is slowed by awkward sentences or phrases	Style is generally awkward, more than a few examples	Awkward sections dominate and get in the way of understanding	Hastily written and confusing
3. Organization	Structure enhances argument; strong paragraphs and there is a seamless flow	Strong paragraphs that fit together well	Paragraphs not as well structured; need better topic sentences and links to the next paragraph	Some choppy prose and/or redundancies and/or repeats	Choppy, disconnected sections, no sense of overarching organization	Needs significant improvement to the paragraphs and the overall structure	Very poor organization deprives the paper of direction; haste is evident