

Capitalism in Crisis

This course is not a critique of capitalism as a system in itself but rather a critical look at its unintentional or intentional mismanagement which led to the recent global financial collapse.

What factors contributed to the crisis? How is it possible that so few saw what was coming or that so many were able to ignore the warning signs? By addressing these questions and others, this course is designed to help you connect the dots and come to a better understanding of the current dimensions of the financial markets where you will soon play your own role.

The following are some examples of subjects that will be addressed in this course: subprime loans, hedge funds, derivative trading, over-the-counter financial trading, toxic assets, neoliberal economics, deregulation, etc.

Through the use of film, websites, radio and television extracts, documentaries, press articles and case studies, we will critically analyze, discuss and debate the issues at the root of our current economic situation.

Syllabus: Semester 7

Date	Themes and Activities	Homework
11/10 (1)	The roots of the crisis: the birth of the U.S. credit culture Richard Wolff: Crisis and Openings (video extract, comprehension, discussion)	Crises of Capitalism Animated Speech by David Harvey (online video)
18/10 (2)	Who's to Blame? - Crises of Capitalism (homework, discussion, vocabulary) The roots of the crisis: deregulation of financial institutions - Inside Job: How We Got Here "12:00-18:30" (video extract , comprehension, discussion)	Neoliberalism vs. Keynesian Economics An excerpt from <i>Undead Ideologies: Necro-Neoliberalism, Necro-Keynesianism and the Radical Imagination</i>
25/10 (3)	Undead Ideologies An excerpt from <i>Undead Ideologies: Necro-Neoliberalism, Necro-Keynesianism and the Radical Imagination</i> (homework, discussion, vocabulary) Derivatives: Risk management or "financial weapons of mass-destruction"	Understanding the Subprime Crisis: Tranche by Tranche <i>Junk Mortgages Under the Microscope</i>, CNN Money

	Inside Job: Derivatives “22:50-31:00” (video extract , comprehension, discussion)	
08/11 (4)	The Subprime Mortgage Crisis: “It is Utterly Mad” <i>Understanding CDOs</i>, Frank Partnoy PDF (group work, discussion) <i>Junk Mortgages Under the Microscope</i>, CNN Money	The Amplifier: Derivatives <i>Excerpt from Mark Blyth’s Austerity: The History of a Dangerous Idea</i>
15/11 (5)	Has Financial Development Made the World Riskier? Inside Job: Credit Default Swaps “35:30 – 42:30” (video extract, comprehension, discussion)	Hedging your bets <i>The Magnetar Trade: How One Hedge Fund Helped Keep the Bubble Going</i>, Propublic
22/11 (6)	Betting to lose: How hedge funds kept the bubble going - Inside Job: Betting against CDOs “47:40 – 54:30” (video extract, comprehension, discussion) <i>Case Studies</i> <i>Magnetar</i>, Propublic <i>John Paulson Bet Big on Drop in Housing Prices</i>, The Wall Street Journal	Burning down the house The Rachel Maddow Show: S&P Eyed for Role in Economic Crash (online video)
29/11 (7)	Presentations (2) The rating agencies make bank: How much for a triple A? - The Rachel Maddow Show: S&P Eyed for Role in Economic Crash (discussion, vocabulary, comprehension) <i>Triple-A Failure</i>, The New York Times	Review for TP1
06/12 (8)	TP1 Presentations (2) Capitalism hits the fan: The financial meltdown begins - Inside Job: The Crisis “57:07 – 1:12” (video extract, comprehension, discussion) - Round-up of what we know so far	America: Too Big to Fail? Excerpt from Mark Blyth’s <i>Austerity: The History of a Dangerous Idea</i>
13/12 (9)	Presentations (2) America: Too Big to Fail?	Taleb’s Black Swans and Fat-Tailed Worlds

	- Excerpt from Mark Blyth's <i>Austerity: The History of a Dangerous Idea</i> (discussion) The "Repo 105" Scam - Excerpt from MSNBC's <i>The Dylan Rattigan Show</i> (vocabulary, comprehension, discussion)	Excerpt from Mark Blyth's <i>Austerity: The History of a Dangerous Idea</i>
20/12 (10)	Presentations (2) Taleb's Black Swans and Fat-Tailed Worlds - Excerpt from Mark Blyth's <i>Austerity: The History of a Dangerous Idea</i> (discussion) <i>Knowns and Unknowns</i>, excerpt from Satyajit Das's <i>Traders, Guns & Money</i> - Excerpt from Frontline's <i>Money, Power and Wall Street</i> (episode 1) (vocabulary, comprehension, discussion)	TBA
21/12 – 05/01	Christmas Vacation	
10/01 (11)	Presentations (2) The global fall out: The pebble thrown into the pond <i>The U.S. Financial Crisis is Spreading to Europe</i>, The New York Times <i>Long-Term Implications of the Financial Crisis</i>, The Council on Foreign Relations <i>Global Economic Crisis Likely to Have Profound Consequences for US Politics, World Relations</i>, The Huffington Post	TBA
17/01 (12)	TBA	