

Global Capitalism

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Office Hours: Tuesdays 2-4PM

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In this course we are going to try to solve the problem of financial regulation: how do you capture the (at least alleged) benefits of a strong and innovative financial sector without letting finance blow up the economy? No prior knowledge of finance or economics is necessary. We begin with journalistic treatments of the issue, move into scholarly work in economic sociology and political sociology, and conclude with students submitting both a scholarly paper and a proposal for improving the current structure of financial regulation. If a student or group of students does manage to come up with a brilliant idea for improving the regulatory architecture, I'll work with you to get it out to think tanks and media. I don't *expect* you to solve the question of finance in 10 weeks, but I do want you to *aim* to do so, because aiming in that direction will have the side effect of teaching you a great deal about contemporary economic sociology and political sociology. The focus is on finance in the contemporary U.S., but insights from the course will be useful to students studying other areas of regulation and/or other countries.

Required Books

(ordered at Norris bookstore and on reserve at library)

- Austerity: The History of a Dangerous Idea, Mark Blyth, ISBN-13: 978-0199389445
- Managed by the Markets, Gerald R. Davis, ISBN-13: 978-0199691920
- Liquidated, Karen Ho, ISBN-13: 978-0822345992
- Capitalizing on Crisis, Greta Krippner, ISBN-13: 978-0674066199
- The Big Short, Michael Lewis, ISBN-13: 978-0393353150

(available for free online)

- The Dodd-Frank Act, U.S. Congress, <https://www.gpo.gov/fdsys/pkg/PLAW-111publ203/pdf/PLAW-111publ203.pdf>

Recommended Books (on reserve at library or available online)

Markets on Trial

Financial Crisis Inquiry Report (online)

Raghuram Rajan, Fault Lines (on reserve and also available online through NU library)

Caitlin Zaloom, Out of the Pits

Course Requirements

This course is a seminar and requires active participation from all members. Students are asked to submit memos each week discussing the readings and updating their evolving understandings of what caused the crisis (due by 5 PM each Tuesday on Canvas, Discussions → “discussion questions for [date]”); to write a 5-10 pp memo outlining and defending suggested improvements in the current financial regulatory architecture (due November 14); to write a 12-15 pp critical analysis of the books we read (due by 10AM on December 5, over email); and to participate in discussion every week, including signing up for particular readings and leading class as will be discussed.

A *lot* has been written about the financial crisis, and there is a lot that we have to learn. We are going to put together a division of labor to cover as much as possible. In addition to the core

books that everyone will read, all students are required to lead two class sessions presenting additional material on the crisis. This material may come from the recommended books and articles, or it may be material that students seek out on their own based on our developing conversation.

Prepare a 20-30 minute presentation on these materials. In addition to summarizing the text, it would be helpful if you could try to integrate it in with the readings of the week—what does this additional material suggest about what the required texts argue? How might some of the arguments we’ve been making change if we took the recommended reading into account? And it always helps to come up with discussion questions to try to spark discussion. (Hint: prepare your presentation on these as if you were teaching to an undergraduate class. Handouts, Powerpoint, anything to bring the reading alive.)

Plagiarism Policy

Plagiarists will automatically fail the course, and will also be subject to disciplinary action. If you are unsure of what constitutes plagiarism, please consult the student handbook. You are responsible for knowing and following the rules presented there.

Schedule of Readings

Required books are available for purchase at Norris and are on reserve at the library. Recommended articles are on Canvas and recommended books are on reserve or available online.

	Required Readings	Recommended Readings
September 26	Introduction	
October 3	The Big Short, Lewis	Barnett-Hart senior thesis, NPR “ Giant Pool of Money ,” other media treatments of the crisis
October 10	Skim the Dodd-Frank Act	Read the Dodd-Frank Act
October 17	Liquidated, Ho	Caitlin Zaloom, Out of the Pits
October 24	Managed by the Markets, Davis	Markets on Trial
October 31	Capitalizing on Crisis, Krippner	Financial Crisis Inquiry Report
November 7	Austerity, Blyth	Raghuram Rajan, Fault Lines
November 14	All the economic sociology you need to know	
November 21	All the political sociology you need to know	
November 28	Presentations of policy memos and final papers	

Final papers due:
 December 5, 10AM, by email, to m-prasad@northwestern.edu