

Sebastian Möller & Marcus Wolf
Faculty of Social Sciences (FB 08)
Institute of Intercultural and International Studies (InIIS)
Unicom 2060 (Entrance 7, "Haus Wien")
Mary-Somerville-Straße 7, 28359 Bremen
smoeller@uni-bremen.de | marcus.wolf@uni-bremen.de
www.polfinance.uni-bremen.de

Office hours: upon request (please send an email)

Seminar: The politics of debt in financialized capitalism (Summer Term 2016)

Introduction: 20 April 2016, 16-18 (UNICOM 2210, InIIS)

Bloc 1: 21/22 May 2016, 10-16:30 (SFG 1080)

Bloc 2: 25/26 June 2016, 10-16:30 (SFG 1080)

Modules: BA Pol M11 & M13, General Studies

Course description: The latest global financial crisis shed light on the conjuncture of financialized capitalism and a remarkable increase in private and public debt over the last decades. Accordingly, many social scientists of different disciplines have turned their attention towards the phenomenon of credit (e.g. Crouch 2009, Graeber 2011, Langley 2008, Porter 2012, Streeck 2014). This new academic interest in debt coincides with the ongoing debate on the financialization of contemporary societies and economies referring to an increasing influence of financial markets. After all, the rise of private assets and higher degrees of debt are clearly mutually dependent. Thus, financialization and debt are key aspects for understanding current developments in national and international politics. In this bloc seminar, we will address the questions of how debt has evolved historically as an element of capitalist societies and how it has changed the political arena especially from the late 20th century onwards. We will read and discuss both social theoretical texts on debt and financialization as well as empirical case studies to understand the role that both play in contemporary societies. At the first weekend (May 21-22) we will explore empirical trends and theoretical perspectives on the politics of debt. At the second weekend (June 25-26), you have the chance to present your (preliminary) papers on a wide range of debt-related issues. Both readings and seminar discussions will be in English language. Perfect command of English is, however, not necessary since this is not a language course.

LEARNING OBJECTIVES

- Collecting knowledge on the development of both private and public debt with a special focus on the period of financialized capitalism
- Getting familiar with both classical and recent social science literature & research perspectives on debt
- Forming or further developing and articulating an own perspective on the issue
- Practicing academic working techniques, in particular searching for literature and empirical material, writing a paper, commenting other students' papers and giving a presentation

METHODS & COURSE ORGANIZATION

- **Interactive learning:** We want you to get involved! So please engage in seminar discussions and group works and bring in your own ideas! If you find interesting newspaper articles or data that might be suitable for our discussions, please do not hesitate to bring it along.
- **Text mentorship:** We want to include you in seminar discussions and in the collective work on the texts we read – each participant is therefore requested to choose one text/article from the seminar plan that she/he wants to be a mentor for. The mentor will then be the first person to comment on the texts in the respective session.
- Besides discussions in class and the general reading, you are expected to **individually scrutinize a selected issue** between the 2 weekends & present your findings to the group
- Readings, slides and all other information will be provided via **StudIP**. Please register for the course and sign out if you do not want attend it any longer.

If you want to participate please send a mail to smoeller@uni-bremen.de until 30 April including name, matriculation number, course of study, 3CP/6CP, idea(s) for a topic, preferences for the text mentorship.

REQUIREMENTS

All students are expected to attend classes, to prepare the compulsory reading for each session and to actively participate in the seminar (e.g. in discussions and group work). You are strongly encouraged to consult and propose further readings! Each student has to take over a responsibility for one text (see above). If you want to gain credit points for the modules M11, M13 or General Studies you have two options:

- **3 CP (“MPL”):** Presentation (10 min) with handout (2 pages, including references)
- **6 CP (“GPL”):** Presentation (15 min) with seminar paper (12-15 pages)

Presentations will be held at the second weekend. We will discuss expectations and requirements for the presentations in the first session. The topic must be agreed upon with the lecturers in advance (latest on **26 May**) and you will have to **submit the handout or the first draft of the seminar paper** (including research question, empirical description of the issue, preliminary literature review) via mail **until 20 June** (this allows us to prepare the sessions and ensures a higher quality of the presentations). **The final version of the seminar paper is due on 15 September.**

You are expected to use seminar readings as well as further academic literature and empirical material that you have to search for on your own. Please consult both the **Research Guide** and the **Grading Criteria** that will be provided in the general folder in our Stud.IP course. The quality of your presentation will benefit from comprehensive reading. All sources have to be included in the references. The lecturers will further advise you if needed. Writing and referencing has to be in accordance to the **Study Guide** of the Institute of Political Science (2009) that can be accessed online (http://www.politik.uni-bremen.de/downloads/StudyGuide-1_engl.pdf). During the first bloc, you will receive more detailed instructions on the presentations and seminar papers.

Course schedule

I Kick Off	
20/04/16	1. Organizational issues and empirical introduction
16-18	<i>Introduction of the lecturers, course overview, expectations, brainstorming debt, discussion of possible presentation issues, course requirements</i>
II The political economy of debt (Bloc 1A)	
21/05/16	2. What is debt?
10.15-11.45	<p><i>Historical roots of debt and money, debt as a social relation & the morality of debt</i></p> <p>Graeber, David (2011) Debt: The first 5,000 years. Brooklyn, NY: Melville House, 1-41 & 89-126 (selected extracts).</p> <p>Simmel, Georg (1991[1896]): Money in Modern Culture. Theory, Culture & Society 8(3): 17-31. [Also available in German]</p> <p>Simmel, Georg (2004[1900]): The Philosophy of Money. Edited by David Frisby. London: Routledge, 484-486 ("Credit"). [Also available in German]</p> <p>ADDITIONAL READINGS</p> <p>Martin, Felix (2014): Money. The Unauthorized Biography. London: Vintage, 1-30 ("What is money?") & 263-280 ("Taking money seriously")</p> <p>Scott, Brett (2016): The Future of Money Depends on Busting Fairy Tales About Its Past Want to disrupt finance? Start here. Online: https://howwegettonext.com/tagged/made-of-money</p>
21/05/16	3. Debt as a feature of capitalism
12.30-14.00	<p><i>Debt as a social relation in capitalism, debt and inequality</i></p> <p>Lazzarato, Maurizio (2011): The Making of Indebted Man. Amsterdam: Semiotext(e), 7-11 & 20-35.</p> <p>Piketty, Thomas (2014): Capital in the 21st Century. Cambridge (MA): Harvard University Press, 1-35.</p> <p>ADDITIONAL READINGS</p> <p>(in class) Marx, Karl (1844): Comments on James Mill - Éléments D'économie Politique (extract tba).</p> <p>(in class) Lepore, Jill (2009): I.O.U. In: New Yorker, April 13th 2009.</p>

<p>21/05/16</p> <p>14.15-15.00</p>	<p>4. What is financialization?</p> <p><i>Term “financialized capitalism, different perspectives and definitions of financialization, financialization and debt</i></p> <p>van der Zwan, Natascha (2014): Making sense of financialization. In: Socio-Economic Review 12 (1), 99–129.</p> <p>ADDITIONAL READING</p> <p>Lanchester, John (2012): Capital. London: Faber & Faber, 1-7.</p> <p>Lapavitsas, Costas (2013): Profiting without Producing. How Finance Exploits us all. London: Verso, 1-43.</p>
<p>15.15–16.30</p>	<p>5. Academic Perspectives on Debt</p> <p><i>How do academics from different disciplines engage with the topic? What different perspectives can be identified? Which specific questions are raised?</i></p> <p>Möller, Sebastian & Wolf, Marcus (2016): Den Schulden auf der Spur. Soziopolis, 13 April 2016 [An English version will be available soon]. Online: http://ow.ly/4mIRyO</p> <p>ADDITIONAL READING</p> <p>Pebbles, Gustav (2010): The Anthropology of Credit and Debt. Annual Review of Anthropology 39: 225-240.</p>
<p>III The empirical development of debt (Bloc 1B)</p>	
<p>22/05/16</p> <p>10.15-11.45</p>	<p>6. Private debt: Households & corporations</p> <p><i>Technical aspect of credit & banking, rise of household debt, private debt as tradeable asset (securitization)</i></p> <p>Crouch C (2009): Privatised Keynesianism: An Unacknowledged Policy Regime. The British Journal of Politics & International Relations 11(3): 382–399.</p> <p>Langley P (2008): The Everyday Life of Global Finance: Saving and Borrowing in Anglo-America. Oxford, New York: Oxford University Press, 139-161.</p> <p>ADDITIONAL READING</p> <p>Valdez, Stephen & Molyneux, Philip (2013): An Introduction to Global Financial Markets. 7th edition. New York: Palgrave Macmillan, 3-36.</p> <p><i>***(This text is very recommendable since it introduces central concepts and technical aspects of credit & banking in an understandable manner)***</i></p>

<p>22/05/16</p> <p>12.30-14.00</p>	<p>7. Sovereign debt: States & subnational entities</p> <p><i>Empirical development & theoretical interpretation of sovereign debt</i></p> <p>Streeck, Wolfgang (2014): The Politics of Public Debt: Neoliberalism, Capitalist Development and the Restructuring of the state. German Economic Review 15(1): 143-165.</p> <p>Kirchgässler, Gebhard (2014): On the Political Economy of Public Deficits and Debt. German Economic Review 15(1): 116-130.</p> <p>ADDITIONAL READING</p> <p>Canuto, Otaviano & Liu, Lili (2010): Subnational Debt Finance and the Global Financial Crisis. World Bank Economic Premise No. 13 (May 2010).</p>
<p>22/05/16</p> <p>14.15-16.30</p>	<p>8. How to do empirical research on debt? [Group work]</p> <p><i>Joint analysis of empirical material on public and private debt in groups</i></p> <p><i>Where to find data? What kind of material can be used? How to make sense of it?</i></p> <p><i>Empirical material:</i></p> <ul style="list-style-type: none"> • Economist (2013): http://ow.ly/4mOlwX • OECD Household debt: http://ow.ly/4mOIIK • WikiLeaks (2016): 19 March 2016 IMF Teleconference on Greece. Online: http://ow.ly/4mlxtA <p><i>Discussion of presentation topics & expectations</i></p>
<p>26/05/16</p>	<p>***agree upon seminar paper/presentation topics with lecturers***</p>
<p>20/06/16</p>	<p>***submit the handout or the first draft of the seminar paper***</p>

IV Case studies (Bloc 2)	
25/06/16 10.15-11.00	<p>9. Warming up: What are the politics of debt?</p> <p><i>Review of bloc 1, development of common questions for the case studies</i></p>
25/06/16 11.00-12.15	<p>10. Household debt: Credit cards & student loans</p> <p><i>Student presentations & group discussion</i></p> <p>Langley, Paul (2014): Consuming Credit. <i>Consumption Markets & Culture</i> 17(5): 417-428.</p> <p>ADDITIONAL READING</p> <p>Carrillo, Raúl (2016): How Wall Street Profits From Student Debt. One person's debt is another person's asset. <i>Rolling Stone</i>, 14 April 2016. Online: http://ow.ly/4mIxTY</p>
25/06/16 13.00-14.30	<p>11. Financial crisis: Mortgages and “subprime loans”</p> <p>Foster, John Bellamy & Magdoff, Fred (2009): The Great Financial Crisis. Causes and Consequences. New York: Monthly Review, 27-62.</p> <p>Mian, Atif & Sufi, Amir (2015): House of Debt. How They (and You) Caused the Great Recession, and How We Can Prevent It from Happening Again. Chicago: University of Chicago Press, 1-30.</p> <p>ADDITIONAL READINGS</p> <p>Harvey, David (2011): The Enigma of Capital And the Crises of Capitalism. London: Profile Books, 1-39.</p> <p>Packer, George (2013): The Unwinding. An Inner History of the New America. New York: Farrar, Straus and Giroux, 190-208.</p>
25/06/16 14.45-16.30	<p>12. Household debt: Store cards, payday loans & microfinance</p> <p><i>Student presentations & group discussion</i> <i>Marcus: Financial literacy (research project)</i></p> <p>Mader, Phil (2013): Rise and Fall of Microfinance in India: The Andhra Pradesh Crisis in Perspective. <i>Strategic Change</i> 22: 47-66.</p> <p>ADDITIONAL READING</p> <p>Ossandón, José (2014): Sowing consumers in the garden of mass retailing in Chile. <i>Consumption Markets & Culture</i> 17(5): 429–447.</p>

<p>26/06/16</p> <p>10.15-12.15</p>	<p>13. Politics of debt: Debtor movements & debt relief campaigns</p> <p><i>Student presentations & group discussion</i></p> <p>Caffentzis, George (2013): Reflections on the History of Debt Resistance: The Case of El Barzón. <i>South Atlantic Quarterly</i> 112(4): 824–830.</p> <p>Ross, Andrew (2014): Creditocracy and the Case for Debt Refusal. <i>OR Books</i>, 1-29.</p> <p>ADDITIONAL READING</p> <p>Kaminer, Ariel (2012): Occupy Wall St. Offshoot Aims to Erase People’s Debts. <i>New York Times</i>, November 13 2012. Online: http://ow.ly/4mOmgI.</p> <p><i>Instructions for paper writing</i></p>
<p>26/06/16</p> <p>13.00-15.00</p>	<p>14. Sovereign debt: IMF, Eurozone crisis & debt brakes</p> <p><i>Student presentations & group discussion</i></p> <p><i>Sebastian: Derivatives deals of over-indebted cities (research project)</i></p> <p>Hager, Sandy Brian (2014): What Happened to the Bondholding Class? Public Debt, Power and the Top One Per Cent. <i>New Political Economy</i>, 19(2): 155–182.</p> <p>Blyth, Mark (2013): Austerity. The history of a dangerous idea. Oxford: Oxford University Press, 1-18.</p> <p>ADDITIONAL READINGS</p> <p>Guzman, Martin & Stieglitz, Joseph (2016): How Hedge Funds Held Argentina for Ransom. <i>New York Times</i>, 1 April 2016. Online: http://ow.ly/4mIxgW</p> <p>Matthijs, Mathias (2014): The Eurozone crisis. Growing pains or doomed from the start? In: M. Moschella and C. Weaver (eds.): <i>Handbook of Global Economic Governance. Players, power and paradigms</i>. London: Routledge, 201-217.</p>
<p>26/06/16</p> <p>15.15-16.30</p>	<p>15. Conclusion</p> <p><i>What have learned? Open questions? Political dimensions od debt</i></p> <p><i>How do the different case studies relate to the texts of the first weekend?</i></p> <p>Graeber, David (2014): Debt: The first 5,000 years. Brooklyn, NY: Melville House, (new edition: updated and expanded), 361-391.</p>
<p>15/09/16</p>	<p>***hand in seminar papers***</p>