

David Beecher
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Lectures: TuTh 11 – 12:30 pm
Office Hours: Tu 2:30 – 4:30 pm

2040 Valley Life Sciences
101 Stephens, # 131

GSIs and Sections:

Geoff Upton geoffupton@gmail.com	101	Mon	11am – 12pm	175 Barrows
	102	Mon	3 – 4 pm	242 Dwinelle
Anna Mance anna.mance@berkeley.edu	103	Wed	10 – 11 am	105 Latimer
	104	Wed	12 – 1 pm	283 Dwinelle
Chris Casey caseyc@berkeley.edu	105	Fri	1 – 2 pm	130 Dwinelle
	106	Fri	10 – 11 am	24 Wheeler

OVERVIEW

This course introduces students to some of the major questions of political economy, development, and globalization from the heyday of the Postwar Keynesian Consensus to the rise of Neoliberalism and the Global Recession of 2008 and beyond. What role should government play in the market? Do firms have a social responsibility? What policies and institutions stimulate economic development, and how is economic development related to politics? When do international trade and investment create relationships of dependency and exploitation? What is the relationship between environmental and labor rights and the desire for economic growth? How much power should be vested in international institutions as opposed to the nation-state? What is the role of finance in our political and economic system? What has fueled economic growth in the 20th century and is it sustainable?

Over the course of the semester, we will learn how intellectuals from a variety of disciplines have approached these questions since 1944, paying particular attention to the relationship between theorists and their historical context. In the first half of the course we will focus on the various ways in which the relationship between markets, states, and societies has been imagined in contemporary liberal discourse and by its critics. In the second half of the course we will explore key trends, conflicts, and crises in international development and globalization.

PE 101 has the following pedagogical goals:

Through this course, students will:

1. Understand the key theories of contemporary political economy.
2. Learn the history and political contexts in which these contemporary theories emerged.
3. Identify links between political economy, international development, and globalization.
4. Recognize how theories of political economy relate to current issues in the world today

REQUIRED TEXTS

Friedman, Milton. *Capitalism and Freedom: Fortieth Anniversary Edition*. Chicago: University of Chicago, 2002.

Harvey, David. *A Brief History of Neoliberalism*. Oxford: Oxford University Press, 2005.

Mitchell, Timothy. *Carbon Democracy: Political Power in the Age of Oil*. London: Verso, 2011.

Polanyi, Karl. *The Great Transformation. The Political and Economic Origins of Our Time*. Boston: Beacon Press, 2001

Course Reader (2 Volumes) – You can purchase the readers at University Copy, 2425 Channing Way (marked with a * on the syllabus).

For texts (and films) to be found online internet addresses are provided.

COURSE REQUIREMENTS AND POLICIES

Lecture Attendance and Readings: Students are expected to attend lectures regularly and to complete biweekly reading assignments. The lectures will introduce the readings and place them in wider historical context. Doing well on the examinations and term paper assignment will require attending lectures and keeping up with weekly readings.

Discussion Sections: Students are *required* to attend and participate in weekly discussion sections led by the GSIs. Attendance and participation in discussion sections will have a direct impact upon final grades. Absences beyond 2 will result in the subtraction of 1 percentage point per absence from the students course grade.

Term Paper: Each student is expected to write a short paper over the course of the semester. A specific assignment description will be provided. On the date that the paper is due, it must be handed in at the beginning of lecture.

Exams: There will be two exams: a midterm and a final. The exams will have short-answer as well as essay-style questions. These questions will require knowledge of the course material and the capacity to analyze various theories and perspectives. ***Please check the dates of the examinations, particularly the final examination. All students are expected to take the exams on these dates and exceptions will not be granted, unless such requests conform to campus accommodation policies.***

Grading Structure:

Section Participation and Citizenship		20 %
Exam	In Class, Tuesday March 8 th	25 %
Term Paper	In Class, Thursday April 21 th	25 %
Final Exam	Thursday, May 12 th , 8 – 11 am	30 %

This class uses a relatively standard grading schema. All assignments, and final grades, will be computed using the following grading scheme:

A+ ≥ 98%	90 > B+ ≥ 87	80 > C+ ≥ 77	
98 > A ≥ 93	87 > B ≥ 83	77 > C ≥ 73	
93 > A- ≥ 90	83 > B- ≥ 80	73 > C- ≥ 70	(and so on)

Grade Disputes: Students who wish to dispute grades on an assignment must do so in writing. Grade disputes must be submitted no sooner than 24 hours after receiving your grade, but within one week. Any dispute should outline very specifically why you think that there is an error and it should not contain information about what grades you usually get or how long you spent on the assignment. Please note that grades may be lowered after review.

Email: In general, I will respond to emails 48-72 hours after I receive them. Do not expect me to respond to last minute emails before assignments are due or before exams! Substantive questions should be saved for section or office hours. Please note that this is a very large class – do not expect long or detailed email responses.

Academic Honesty: This is a course designed to provoke critical thinking. While I encourage study groups and working together to understand course material, all written work should be your own. Please do not use other students' work for your assignments. If you cite an author or use his/her ideas, please cite properly. Plagiarized assignments will receive an F. More information on what constitutes as plagiarism is available from the UC Berkeley Campus Code of Student Conduct: <http://sa.berkeley.edu/student-code-of-conduct>. If you have any further questions, please ask.

Electronic Technology Policy: Computers (laptops, phones, tablets etc.) are not allowed in lecture. Please turn these off and put them away. The temptation to surf the web is too great. This is distracting to everyone sitting around you and it is blatantly disrespectful to me. If you would rather surf the web, please stay home. Students who fail to comply with this simple request will be asked to leave. Research shows that students who take notes by hand have a better understanding of what they write down. It also helps them to become more active (and effective) learners.

Special Needs / Accommodations for Disabled Students: In order to receive DSP accommodations you need to have a letter sent to me and notify your GSI as early as possible. I am committed to creating a learning environment welcoming of all students. If extensive accommodations are required, I will expect you to work actively together with DSP to help me find a solution. If an unexpected personal or medical challenge is interfering with your ability to complete assignments and/or attend class it is your responsibility to contact me as early as possible.

COURSE SCHEDULE

MARKETS, STATES, & SOCIETIES

LIBERALISM & THE FOUNDATIONS OF MARKET SOCIETIES

Week 1

Jan. 19 **Introduction: The End of History? Liberal Capitalism & the Great Recession**

Jan. 21 **The World Economy in the 20th Century: Between Markets & Planning**

In Class Film: *Commanding Heights: The Battle for the World Economy* (2002)

Episode 1 “Battle of Ideas” (Selections)

http://www.pbs.org/wgbh/commandingheights/shared/minitext/tr_show01.html

Question: What is the great “Battle of Ideas” of the twentieth century, where can it be found in history, and in what sense is it a battle between politics and economics?

Week 2

Jan. 26 **The Start of *Laissez-Faire*: 19th Century Classical Liberalism**

Karl Polanyi (1944) *The Great Transformation: The Political and Economic Origins of Our Time*, Chapter 1

Adam Smith, 1.1., 1.2, 1.3 in *The Wealth of Nations*

<http://www.econlib.org/library/Smith/smWN.html>

David Ricardo, “On Foreign Trade” in *On the Principles of Political Economy and Taxation*:

<http://www.econlib.org/library/Ricardo/ricP2a.html#Ch.7,%20On%20Foreign%20Trade>

Question: Why, according to classical economists like Smith and Ricardo, is the market self-regulating? What role does the self-regulating market play in Polanyi’s vision of “nineteenth century civilization”?

Jan. 28 **The End of *Laissez-Faire*: Market Failure & the Great Depression**

Karl Polanyi (1944) *The Great Transformation: The Political and Economic Origins of Our Time*, Chapter 2

*John Maynard Keynes (Quotes)

*John Maynard Keynes, “The World’s Economic Outlook” (1932)

*Paul Krugman (2007) “Introduction to General Theory” in John Maynard Keynes *The General Theory of Employment, Interest and Money*.

Question: According to Keynes and Polanyi, what were the implications of the abandonment of the gold standard in the 1930s for international politics and the world economy?

Week 3

Feb. 2 **Liberalism & Economic Planning**

*Friedrich Hayek (1944) *The Road to Serfdom*, Chapters 1-3, 7, 14.

*Carl Schmitt, "Definition of Sovereignty" in *Political Theology* (including George Schwab's Introduction)

*Question: According to Hayek, what are the advantages of a liberal state?
According to Schmitt, what are its limitations?*

Feb. 4 **Neoliberalism: Rational Man, the Free Market, and Monetarism**

Milton Friedman (1962) *Capitalism and Freedom*, Chapters 1-3, 5-6, 11.

Question: Does Friedman believe that political freedom leads to economic freedom, or vice versa? Why?

PROBLEMS WITH MARKETS, PROBLEMS WITH CAPITALISM

Week 4

Feb. 9 **Embedded Liberalism: The Self-Protection of Society**

Karl Polanyi (1944) *The Great Transformation: The Political and Economic Origins of Our Time*, Chapters 4, 6, 11, and 12.

Feb. 11 **Liberal Critiques: The Limits of Markets**

*Charles Lindblom (2001) *The Market System: What it is, How it Works, and What to Make of It*, Chapters 1, 4, 7, 8, 11.

*John K. Galbraith (1967) *The New Industrial State*, Chapter 19.

*John K. Galbraith (1958) *The Affluent Society*, Chapters 9-11, 17.

Week 5

Feb. 16 **Liberal Critiques: The Business Cycle – Instability and Crises**

*Charles Kindleberger and Robert Aliber (1978, 2011) *Manias, Panics, and Crashes: A History of Financial Crises*, Chapters 1-2.

Feb. 18 **How Rational is Rational Economic Man?**

*Raj Patel (2009) *The Value of Nothing: How to Reshape the Market Society and Redefine Democracy*, Chapter 2.

*Richard Thaler and Cass Sunstein (2009) *Nudge: Improving Decisions about Health, Wealth, and Happiness*, Introduction, Chapter 4.

Week 6

Feb. 23 **The Modern Corporation**

In Class Film: *The Corporation* (Selections)

Milton Friedman (1962) *Capitalism and Freedom*, Chapter 8

*Alfred Chandler Jr. (1977) *The Visible Hand: The Managerial Revolution in American Business*, Introduction and Conclusion.

*Charles Lindblom (2001) *The Market System: What It Is, How it Works, and What to Make of It*, Chapter 5, 17.

Feb. 25 **Creative Destruction: Entrepreneurs and the State**
*Joseph Schumpeter (1942) *Capitalism, Socialism, and Democracy*, Chapters 5-7.
*Mariana Mazzucato (2014) *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, Introduction, Chapters 1, 9-10.

Week 7

Mar. 1 **Marxist Critiques: Capital Accumulation**
*Karl Marx (1847) *Wage, Labour and Capital* (edited version in the Marx-Engels Reader).
*Paul Sweezy (1972, 2009) “Modern Capitalism” and “On the Theory of Monopoly Capitalism” in *Modern Capitalism and Other Essays*.

Mar. 3 **Exam Review**

Week 8

Mar. 8 ***** EXAM*****
In Class Exam
Covers readings and lecture material up to and including Mar 1st.

ECONOMIC DEVELOPMENT & GLOBAL CAPITALISM

THE PROJECT OF DEVELOPMENT

Mar. 10 **Bretton Woods and Development Economics**
*Walt W. Rostow (1965) *Stages of Economic Growth: A Non-Communist Manifesto*, Chapters 1-2.
*Albert Hirschman (1981) “The Rise and Decline of Development Economics” in *Essays in Trespassing*, Chapter 1.

Week 9

Mar. 15 **Development Critiques: Structuralist and Post-Structuralist**
*Immanuel Wallerstein (1974) “The Rise and Future Demise of the World Capitalist System” *Comparative Studies in Society and History*, 16(4): 387-415. (Selections)
*Arturo Escobar (1995) *Encountering Development: The Making and Unmaking of the Third World*, Pages 3-12, 63-85.

Mar. 17 **Neoliberalism and Structural Adjustment**
*Deepak Lal (1985) “The Misconceptions of Development Economics” *Finance & Development*, 10-13.
*William Canak (1989) *Lost Promises: Debt, Austerity, and Development in Latin America*, Chapter 1.
David Harvey (2005) *A Brief History of Neoliberalism*, Introduction, Chapter 1.

Mar. 22 & 24 **SPRING BREAK—No Class**

Week 10

Mar. 29

“Free” Trade, Fair Trade

In Class Film: *Black Gold*

*Dani Rodrik (2011) *The Globalization Paradox: Democracy and the Future of the World Economy*, Chapters 3, 9.

Mar. 31

Neoliberalism, Globalization, Neoliberalization

David Harvey (2005) *A Brief History of Neoliberalism*, Chapters 3, 4 (skim pages 98-115), 6.

*Jamie Peck (2010) *Constructions of Neoliberal Reason*, Preface and Chapter 1.

GLOBAL CAPITALISM IN THE 21ST CENTURY

Week 11

Apr. 5

Carbon Democracy 1

Timothy Mitchell (2011) *Carbon Democracy: Political Power in the Age of Oil*, Introduction, Chapter 1 and skim Chapters 3-4.

Apr. 7

Carbon Democracy 2

Timothy Mitchell (2011) *Carbon Democracy: Political Power in the Age of Oil*, Chapters 5, 6 (p 162-172), 7.

Week 12

Apr. 12

Financialization

*Greta Krippner (2011) *Capitalizing on Crisis: The Political Origins of the Rise of Finance*, Chapters 1, 6.

*Christian Marazzi (2011) *The Violence of Financial Capitalism*, Chapter 2, 3.

Apr. 14

Wealth and Inequality

*Thomas Piketty (2014) *Capital in the Twenty-First Century*, Introduction and Conclusion

*Joseph Stiglitz (2012) *The Price of Inequality*, Preface and Chapters 5-6

Week 13

Apr. 19

Globalized Labor

*Stanley Aronowitz (2014) *The Death and Life of American Labor*, Introduction, Chapter 1 (selections), and Chapters 3-5

*Mark Anner (2001) *Solidarity Transformed: Labor Responses to Globalization and Crisis in Latin America*, Chapters 1, 2, and 7.

Apr. 21

*******Term Paper Due At The Start of Lecture*******

McJihad

*Benjamin Barber (1992) “Jihad vs. McWorld” in *Atlantic Monthly*, March.

Timothy Mitchell (2011) *Carbon Democracy: Political Power in the Age of Oil*, Chapter 8, Conclusion.

OUR CRISES AND OUR FUTURE

Week 14

Apr. 26

Public Higher Education in Crisis

*Christopher Newfield (2011) *Unmaking the Public University: The Forty-Year Assault on the Middle Class*, Introduction, Conclusion.

*Henry Giroux (2011) *Neoliberalism's War on Higher Education*, Chapter 2.

Apr. 28

Financial Crisis, the Great Recession, and the Future of Capitalism

Film (on your own time): *Inside Job*: <http://documentary-movie.com/inside-job/>

*Robert Reich (2007) *Supercapitalism: The Transformation of Business, Democracy, and Everyday Life*, Introduction, Chapter 6.

*Tony Judt (2010) *Ill Fares the Land* (selections).

*David Harvey (2010) *The Enigma of Capital and the Crises of Capitalism*, Chapter 1.

*Walden Bello (2013) *Capitalism's Last Stand?*, Chapter 8 and Conclusion.

Week 14

May 3 & 4

RRR Week

FINAL EXAM

Thursday May 12, 8-11 am

Campus Resources

Disabled Students' Program (DSP)

<http://dsp.berkeley.edu>

260 César Chávez Student Center, University of California, Berkeley
642-6376

The Disabled Student's Program serves students with disabilities of all kinds. Services are individually designed and based on the specific needs of each student as identified by DSP's Specialists. The Program's official website includes information on DSP staff, UC's disabilities policy, application procedures, campus access guides for most university buildings, and portals for students and faculty/proxy respectively.

Student Learning Center

<http://slc.berkeley.edu>

César Chávez Student Center, University of California, Berkeley
642-7332

As the primary academic support service for students at the University of California at Berkeley, the Student Learning Center (SLC) assists students in transitioning to Cal; navigating the academic terrain; creating networks of resources; and achieving academic, personal and professional goals. Through various services including tutoring, study groups, workshops and courses, SLC supports students in Biological and Physical Sciences, Business Administration, Computer Science, Economics, Mathematics, Social Sciences, Statistics, Study Strategies and Writing.

Educational Opportunity Program (EOP)

<http://eop.berkeley.edu>

119 César Chávez Student Center, University of California, Berkeley
642-7224

Educational Opportunity Program (EOP) is an academic counseling/advising service that assists all undergraduate students, with a primary focus on Education Opportunity Program students and students who participated in outreach programs. The SLAS office assists students in developing the skills required to succeed at Berkeley and beyond by taking a comprehensive approach to counseling/advising on academic, personal and social matters.

Ombudsperson for Students

<http://sa.berkeley.edu/ombuds>

102 Sproul Hall, University of California, Berkeley
642-5754

The Ombudsperson for Students provides a confidential service for students involved in a University-related problem (academic or administrative), acting as a neutral complaint resolver and not as an advocate for any of the parties involved in a dispute. The Ombudsman can provide information on policies and procedures affecting students, facilitate students' contact with services able to assist in resolving the problem, and assist students in complaints concerning improper application of University policies or procedures. All matters referred to this office are held in strict confidence. The only exceptions, at the sole discretion of the Ombudsman, are cases where there appears to be imminent threat of serious harm.

Tang Center Counseling and Psychological Services

<http://uhs.berkeley.edu>

2222 Bancroft Way, University of California, Berkeley
642-9494

The UHS Counseling and Psychological Services staff provides confidential assistance to students managing problems that can emerge from illness such as financial, academic, legal, family concerns, and more. In the realm of sexual harassment, UHS coordinates education programs, crisis counseling, advocacy, and medical care for women and men who have been harassed or assaulted (Tang Center, 2222 Bancroft Way; Prevention, 642-7202; Victim Assistance and Counseling, 642-6074; Counseling Services, 642-9494; Medical Care, 642-3188).