

TOTAL CTE Word Count for inclusive of quotations and citations (350 STRICT word limit): 350 words

(**NOTE:** Include the prompts. Do not exceed one page or the word limit. Upload as a 1-page PDF to Gradescope by deadline.)

1. Identify and articulate ONE cross-cutting theme (or debate) from this week's materials. Remember that a theme is not a topic. "This week's theme is competition" is insufficient. What do this week's materials together say *about* competition? A better theme would be "this week's readings discuss the complex and controversial role of the state in the creation and management of markets." Reference and cite at least THREE readings. Use this citation format: (Smith 2019, 4). (~ 225 words)

This week, we discussed the origins of financialization in today's economy, its relations to the labor market and the formation of unions. As Krippner puts it, financialization refers to "the tendency for profit making...to occur...through financial channels rather than through productive means" (Krippner 2018, 4). In other words, the method by which we make money has fundamentally shifted away from practices which increase our productivity but instead through the movement of money. Krippner argues that America's shift to financialization was "an inadvertent result of the state attempts to solve other problems" (Krippner 2018, 1). Specifically, Krippner points to the "deregulation of financial markets" (Krippner 2018, 23) as one of the primary reasons for the rise of financialization, "open[ing] the door to...nonunion firms and independent owner-operators" (Western and Rosenfeld 2012, 90). Contrary to this, Davis argues that financialization emerged as a result of a "Copernican revolution", as we shifted toward the "efficient market hypothesis – the claim that financial markets generally get it right" (Davis 2011, 19-20). He further argues that the "financial market became...increasingly important...to policymakers", to the point where "states...became more like corporations – less a sovereign than a vendor of laws" (Davis 2011, 23-24). Unlike Krippner, Davis almost characterizes the shift into financial markets almost as a "natural" transition which the government did not play a major role in.

2. Pick ONE reading and carefully critique the author's methodology, evidence, tone, underlying assumptions, and/or biases. Do not praise the author or work. Rather, be critical and be specific. Include ONE citation. (~75 words)

Krippner argues that the "state had assumed responsibility for both providing direction to the economy and for managing the social consequences of growth" (Krippner 2011, 16), leading to several crises which necessitated the introduction of financialization. However, she does not examine why financialization was the only solution policymakers could have taken. If this is not the only path, then it calls into question whether financialization truly did result directly from government policies.

3. Offer ONE clarifying question about one of the readings (e.g., something you didn't understand) OR a thoughtful question for discussion section (e.g., "can market competition be regulated in states?"). Your question could link to ideas from another week or to current affairs. Avoid questions that are too general or rhetorical. Be specific. (~25 words)

Would Adam Smith disagree with the philosophy behind financialization, a method of earning money which does not rely on the production of goods, be the proper transition away from a production-based market?

4. What reactions – or connections - do you have to this week's materials? Consider: What were you surprised to learn? To what extent are these materials relevant to today? We are looking for thoughtful reflections. (~25 words)

Krippner's interpretation of governments competing against each other was very insightful – it resonates very much with previous discussions we've had about the influence governments had on markets.