

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 technological innovation and its influence on the market, while also placing an emphasis on the role of the government in such a process. Firstly, Schumpeter lays the foundation for our discussion by framing capitalism as "an evolutionary process", one which "never is and never can be stationary" (Schumpeter 1942, 82) implying that growth is implicit in the structure of capitalism. Furthermore, he argues that "the opening up of new markets", or in other words innovation, "incessantly destroys the old [economic structure]" and "incessantly creates a new one" (Schumpeter 1942, 83), a process which he calls "creative destruction". Essentially, the capitalist engine promotes innovation, but this innovation necessarily requires that old markets collapse to make way. Mazzucato expands upon this notion of innovation by arguing that not only does innovation dictate the market, but also that the state "acts as a catalyst for change, the spark that lights the fire" (Mazzucato 2015, 80). To her, the state is a necessary driver of innovation, since the state is able "to invest in areas with much higher risk" and at "lower expectations of future returns" (Mazzucato 2015, 25). As an example, Mazzucato points to the "algorithm that led to Google's success" being "funded publicly by the National Science Foundation" (Mazzucato 2015, 27), distinctly highlighting the role of the government in innovation.

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)

Schumpeter argues that we shouldn't exclude the "depression from 1929 to...1932" from our analysis of capitalism's success, since depressions "of this severity occur roughly once every fifty-five years" (Schumpeter 1942, 64). This argument seems rather incomplete however, as he fails to consider the circumstances that caused this depression, which was largely due to the economic consequences of WWI, a large-scale conflict that should be considered more of an outlier than a patterned occurrence in human history.

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)

How is Schumpeter able to conclude that even while considering improvements in efficiency and quality that the percentage increase in the annual rate of growth would still increase?

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)

Mazzucato's argument that states are "entrepreneurial markets" reminds me of last week's discussion of Krippner's perspective on governments acting in competition with one another.