

Sociology 120
Spring 2016

ECONOMY AND SOCIETY

Instructor

Christoph Hermann:
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GSIs

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Office hours

Monday 11.00 - 12.30am
Tuesday 12.00-1.30 pm
Thursday 3.00-4.30 pm
Or by appointment.

Course Description

The main objectives of this course is to introduce students to economic thinking about society and social change and to explain the functioning and transformation of capitalist societies. To this end the course is divided into four parts: The first part – Spotlights on Economic Thought – deals with major controversies in economic thinking. It does so by presenting important economists (unfortunately all men) and discussing one of their major contributions to economic thinking. The economists that are covered include Smith, Marx, Schumpeter, Veblen, Friedman, Piketty, and Sen. The topics include wealth, accumulation, innovation, waste, freedom, inequality, and justice. The different authors have in common that their writings relate to a specific economic system, capitalism, rather than the economy in general.

The second part – institutional foundations of capitalism – deals with a number of institutions that are essential for the functioning of capitalist economies. These include money and finance, markets, enterprises, and states. In addition lectures in this part will also address the internationalization of firms and production, as well as the variation of institutional frameworks as highlighted in the Varieties of Capitalism literature. The third part – capitalist transformations – introduces major concepts and theories of economic and social change, including globalization, neoliberalism, financialization, and commodification.

The fourth part is devoted to a discussion of the reasons for the Great Recession that started in 2008 and still continues in some parts of the world. The fifth part looks beyond capitalism and engages with two important debates that relate to a non-capitalist economic system: the de-growth debate and the debate about democratic planning.

Organization:

The lecture will take place twice a week (Tuesday and Thursday 9.30-11 am). In addition students are required to attend one additional hour per week to discuss course content, material, and progress with regard to their essays with one of the GSIs assigned to the class (sections). Each class or each week deals with a specific topic listed in the course schedule below. The topic is also reflected in the assigned readings for a specific class or week. In order to be able to follow the content of the class, take part in the discussions, and be prepared for the exam, students are strongly advised to complete and prepare the readings *before* the topic is presented in class. Preparation implies that students can recap the content of the readings, identify the main arguments and ask questions if they have problems to understand the whole or parts of the text.

The main purpose of the course is to learn. And to learn one has to ask questions. Students should therefore never hesitate to ask questions. Even though discussion will mainly take place in the sections, students are also encouraged to ask questions in the lecture, especially if presentations are difficult to follow or seem unclear (most likely you are not the only one who cannot follow). Presentations that are not understood are a waste of time – for the teacher and for the students. In my experience questions help teachers to make them understandable.

Course Material

All readings are available for download at the bcourses website under the heading modules. Modules resemble the different parts of the class and each module contains the corresponding readings.

Assignments and evaluation

The course evaluation will be based on three components with varying importance for the final grade:

- Attendance and participation in sections: 20%
- Essay outline: 10%
- Essay: 30%
- Final exam: 40%

Essay

The essay should be between 2,250 and 2,500 words long and the topic must relate to one of the themes of the first part of the lecture: wealth, accumulation, innovation, waste, freedom, inequality, justice. Students are required to use at least one reading from the first part and at least three additional academic sources. Academic sources include academic books, book chapters, and articles from academic journals. It does not include websites or journalistic work. Students have to consult with the GSIs to make sure that their sources qualify as academic. Using means that the sources are referenced (quoted, cited) in the text. Students have to produce and submit an

outline of the essay that includes a title, an abstract, and a list of references. Students are strongly encouraged to discuss the outline (including topic and references) with a GSI. Students have to meet at least once during the semester with a GSI during his/her office hours. Failure to do so will result in a lower participation grade. It is highly recommended to use the meeting to discuss the essay outline. Further guidelines and recommendations about writings essays will be distributed in due time.

The essay outline and the final essay have to be submitted at the bcourses website. The outline is due on February 25, 12pm and the final essay on April 5, 12pm. Late submission of essays and essay outlines will result in a subtraction of points and therefore in a lower grade.

Communication

Communication is very important for a smooth facilitation of the course. Students are strongly encouraged to visit me (Christoph Hermann) and the GSIs during our office hours, especially if they encounter any problems to follow the course or to meet the evaluation requirements. Email is a very convenient way of communication, but students should notice that we may need time to respond to emails (we will try to respond to emails within 24 hours). Also: if you need to contact us via email, please make sure to use your official Berkeley email (yourname@berkeley.edu) account when doing so and refrain from using acronyms or unnecessary abbreviations that might not be understood outside of a social networking context.

Academic Honesty

UC Berkeley's honor code states "As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others." Respect for others also includes respect for the work of other academics. Plagiarism is the unacknowledged or falsely acknowledged presentation of another person's ideas, expressions, or original research as one's own work. Please keep in mind that any paraphrasing or quotation must be appropriately acknowledged. Ignorance of what constitutes plagiarism does not excuse students.

Accommodations for Disabilities

The Disabled Students' Program (DSP) is the campus office responsible for verifying that students have disability-related needs and for planning appropriate accommodations. Students who need accommodations for disabilities must obtain a letter of confirmation from the Disabled Students' Program. If you already possess a Letter of Accommodation from the DSP, please give it to me (Christoph Hermann) immediately after receiving it or as soon as possible, so that I might be able to make necessary arrangements in a timely manner.

Course Schedule

Part I: Spotlights on economic thought

Jan 19 Introduction

Jan 21 SMITH: Capitalism and wealth

A. Maddison, 'Interpreting Capitalist Development' (from his book *Dynamic Forces in Capitalist Development*), pp. 5-29.

Jan 26 MARX: Capitalism and accumulation

D. Harvey, 'Endless Compound Growth' (from his book *Seventeen Contradictions of Capitalism*), pp. 222-245.

Jan 28: SCHUMPETER: Capitalism and innovation

C. Freeman, 'Schumpeter's Business Cycles and Techno-Economic Paradigms' (from W. Drechsler, R Kattel & E. S. Reinert, eds., *Techno-Economic Paradigms*), pp. 125-144.

Feb 2: VEBLEN: Capitalism and waste

J. Schor, 'From Consumer Boom to Ecological Bust' (from her book *Plenitude*), pp. 25-64.

Feb 4: FRIEDMAN: Capitalism and freedom

Chapters 1 from his book *Capitalism and Freedom*, pp. 7-21.

Feb 8: PIKETTY: Capitalism and inequality

Chapter 5 from his book *Capital in the Twenty-First Century*, pp. 164-199.

Feb 11: SEN: Capitalism and justice

Chapter 11 from his book *The Idea of Justice*, pp. 225-252.

S. Gindin 'Anti-Capitalism and the Idea of Social Justice', *Monthly Review*, pp. 1-9.

Part II: The institutional foundations of capitalism

Feb 16: MONEY AND FINANCE

G. Hodgson, 'Money and Finance' (from his book *Conceptualizing Capitalism*), pp. 147-172.

G. Krippner, 'The Social Politics of US Financial Deregulation' (from her book *Capitalizing on Crisis*), pp. 58-85.

Feb 18 and 23: MARKETS

G. Hodgson, 'Commodity Exchange and Markets' (from his book *Conceptualizing Capitalism*), pp. 129-146.

N. Fligstein, 'Markets and Institutions' (from his book *The Architecture of Markets*), pp. 27-44.

Feb 25 and Mar 1: ENTERPRISES

W. Lazonick, 'Organizations and Markets in Capitalist Development' (from his book *Business Organization and the Myth of the Market Economy*), pp. 59-91.

N. Fligstein, 'The Rise of the Shareholder Value Conception' (from his book *The Architecture of Markets*), pp. 147-169.

Feb 25: SUBMISSION OF ESSAY OUTLINE!

Mar 3: FROM MULTINATIONAL FIRMS TO GLOBAL VALUE CHAINS

J. Bair, 'Global Commodity Chains' (in J. Bair, ed., *Frontier of Global Commodity Research*), pp. 1-34.

Mar 8 and 10: STATES

P. Cerny, 'Paradoxes of the Competition State', *Government & Opposition* 32/2, pp. 251-274.

M. Mazzucato, 'The US Entrepreneurial State' (from her book *the Entrepreneurial State*), pp. 73-86.

Mar 15: VARIETIES OF CAPITALISM

D. Coates, 'Capitalist Models and Economic Growth', (from his book *Models of Capitalism*), pp. 1-10.

Part III: Capitalist transformations

Mar 29 and 31: GLOBALIZATION

P. Hirst, G. Thompson and S. Bromely: 'Globalization and the History of the International Economy' (from their book *Globalization in Question*), pp. 24-67.

L. Panitch and S. Gindin: 'Governing Globalization' (from their book *The Making of Global Capitalism*), pp. 223-234

Apr 5 and 7: NEOLIBERALISM

D. Harvey, 'Freedom's Just Another Word...' (from his book *A Brief History of Neoliberalism*), pp. 5-38.

G. Dumenil and D. Levy, 'The Neoliberal (Counter-)Revolution' (from A. Saad-Filho and D. Johnston, eds., *Neoliberalism: A Critical Reader*), pp. 9-19.

APRIL 5: SUBMISSION OF ESSAY!

Apr 12: FINANCIALIZATION

G. Krippner, 'What is Financialization?' (from her book *Capitalizing on Crisis*), pp. 27-47.

Apr 14: COMMODIFICATION

C. Leys, 'Markets, Commodities, Commodification' (from his book *Market-Driven Politics*), pp. 81-107.

Part IV: Capitalism in crisis

Apr 19 and 21: CAUSES AND CONSEQUENCES OF THE GREAT RECESSION

A. Shaik, 'The First Great Depression of the 21st Century', *Socialist Register 2011*, pp. 44-63.

E. Stockhammer, 'Rising Inequality as Cause of the Present Crisis', *Cambridge Journal of Economics 2015/39*, pp. 935-958.

Part V: Alternatives to capitalism

Apr 26: DE-GROWTH

S. Latouche, 'A Concrete Utopia' (from his book *Farwell to Growth*), pp. 31-66.

Apr. 28: DEMOCRATIC PLANNING

M. Lowy, 'Eco-Socialism and Democratic Planning' (*Socialist Register 2009*), pp. 294 - 309.

MAY 16: FINAL EXAM!