Economics 100 (Section 1): Fall 2010
Wealth, Poverty and Power in America

Professor Don Goldstein
Office hours: *Tu, Th 3-5; Wed 4-6*
Quigley 225 / 332-3340 / *dgoldste*

Course objectives:

To introduce microeconomic tools and a radical political economic analysis of the U.S. economy.

Over the years, there has evolved a standard body of theories of how market economies work. Underlying this body of theories is a set of microeconomic concepts, whose basics we will learn in this course. Many economists understand those theories to mean that market-based capitalist economies produce the best possible outcomes, generally without government intervention. The course also utilizes a different, more critical tradition of economic analysis (sometimes called "radical political economics"). This tradition emphasizes that while capitalism has (in places like the U.S.) created great wealth and certain kinds of progress, it has also fostered waste, poverty, and tremendous imbalances in political and economic power. How these outcomes arise, and what might be done to improve them, will be studied along with the standard microeconomic tools.

We will follow two, parallel tracks. On the first, we will read accounts of wealth, poverty and power in the U.S. today – focusing on the unemployed poor, the working poor, the "downsized" middle class, and the big corporations whose decisions affect them all. The second track will take us into the mechanics of microeconomics: how decisions by individual companies, employees, and consumers are modeled in standard economic theory, and how these decisions shape and are influenced by overall capitalist development.

Expectations: *The two-track structure described above makes this a highly challenging course.*

Students are expected not just to memorize economic models, but also to learn to apply them flexibly and creatively to life in modern day America. All students should plan to do the readings *before class*, attend class and contribute to discussion, and participate actively in the service learning project.

There will be no use of cell phones in the classroom for any reason. If you want to use a laptop for note-taking, please see me.

Grading *(if the above expectations are met):*

Grading will consist of three tests each worth 25%, and three quizzes worth 25% total.

Service learning project: A team-based initiative in which course concepts are applied in a project with a local community service agency. The project will be assigned early in the semester, and will be graded via incorporation into the three tests.

Materials:

Course Reader: Wealth, Poverty and Power in America. Available at the Bookstore.
Alex Kotlowitz. *There Are No Children Here.* New York: Anchor Books. 1991.
David Shipler. *The Working Poor: Invisible in America.*. New York: Knopf. 2004.
Sakai web site for the course: http://sakai.allegheny.edu/

Approximate Schedule: Fall 2010

Week		Topic	Readings
26-Aug		Introductions; **America as a class society**	*Reader*, "Introduction" 1: Yates
31-Aug		**Class society** (continued)	*Reader*, "Intro" 2: Harrison & Bluestone
7-Sep		**Inner city survival**	*No Children Here* (ix—116)
		Demand and supply	*Reader*, "Micro Mechanics" 1 (to 94)
14- Sep			*No Children Here* (119—210)
QUIZ 1		Elasticity of demand	*Reader*, "Micro Mechanics" 2
21-Sep		Externalities	*Reader*, "Micro Mechanics" 3
			No Children Here (211—305)
28- Sep			**Test 1**
		The working poor	*Working poor* (Intro)
5-Oct		Demand for labor	*Working poor* (2)
			Reader, "Micro Mechanics" 4
12- Oct			**FALL BREAK**
		Supply of labor	*Working poor* (5)
19- Oct		Minimum wage	*Reader*, "Micro Mechanics" 1 (94-105)
QUIZ 2			*Working poor* (3)
26- Oct		*Mon. 25-Oct Sonia Nazario*	*Working poor* (8)
			Working poor (10&11)
2-Nov			**Test 2**
		Economic "self-sufficiency"	*Reader*, "Living Wage"
9- Nov			*Reader*, "Overlooked and Undercounted"
		Corporate power & "Middle America"	*Reader*, "Downsizing of America" 1
16- Nov		The "competitive" firm & industry	*Reader*, "Micro Mechanics" 5
QUIZ 3			*Reader*, "Downsizing…" 2
23- Nov		**Team presentations**	
			THANKSGIVING BREAK
30- Nov		Market power	*Reader*, "Micro Mechanics" 6&7

			Reader, "Downsizing…" 3
7-Dec			*Reader*, "The American Middle…"
11-Dec		**(Saturday, 7pm)**	**Test 3**

Course Reader Contents:

Introduction: America as a class society

1. Michael Yates. "Poverty and Inequality in the Global Economy." *Monthly Review* 55:9, February 2004.
2. Bennett Harrison and Barry Bluestone. *The Great U-Turn*, Chapter 1, pp. 3-20. United States of America: Basic Books. 1988.

Micro Mechanics

1. William Rohlf, Jr. *Introduction to Economic Reasoning.* Reading, Massachusetts: Addison-Wesley. 1996. From Chapter 3, "Demand and Supply…", through p. 105.
2. Rohlf, from Chapter 4, "The Elasticity of Demand…"
3. Rohlf, from Chapter 8, "Market Failure: Externalities…"
4. Paul Gregory. *Essentials of Economics.* From Chapter 12, "Factor Markets: The Pricing of Labor…" Glenview, Illinois: Scott, Foresman/Little, Brown. 1990.
5. Howard Sherman et al. *Economics: An Introduction to Traditional and Progressive Views*, 7th Ed. Armonk, NY: M.E. Sharpe. 2008. Chapter 32, "…Perfect Competition."
6. Sherman et al., Chapter 33, "…Monopoly."
7. Sherman et al., Chapter 34, "…Monopolistically Competitive and Oligopolistic Industries."

The Working Poor

1. Jon Gertner. "What Is a Living Wage?" *New York Times Magazine*, p. 38, January 15, 2006.
2. "Overlooked and Undercounted: Struggling to Make Ends Meet in Pennsylvania," Diana Pearce. PathWays PA, Center for Women's Welfare, and PA Dept. of Labor & Industry. May 2009.

Corporate power & "Middle America"

1. "On the Battlefield of Business, Millions of Casualties," Louis Uchitelle and N.R. Kleinfield. *Downsizing of America* (*The New York Times*), March 3, 1996.
2. "The Company as Family, No More," N.R. Kleinfield. *Downsizing of America* (*The New York Times*), March 4, 1996.
3. "Big Holes Where the Dignity Used to Be," Rick Bragg. *Downsizing of America* (*The New York Times*), March 5, 1996.
4. Louis Uchitelle. "The American Middle, Just Getting By." *The New York Times*, p. 1, Section 3. August 1, 1999.