How does capitalism work (or not work)? What is the condition of the global economy today—and how is it changing? Are we living in a "new economy" and, if we are, how is it different from the old one? What causes an economy to grow or to slide into a recession? When a recession occurs, what factors determine its depth and duration? Can government action help to bring about and speed up a recovery—and if it can, what are the most effective policies to be pursued? This course presents the theoretical concepts and factual information needed to understand and participate in contemporary debates about the economy. We will trace the historical evolution of capitalism and examine various theories that have been offered to explain its workings, focusing in particular on the ideas of Adam Smith, Karl Marx, and John Maynard Keynes as well as those of contemporary economists following in their footsteps. The main work of the course will be to present alternative perspectives and evaluate their usefulness. To do this work we will use two quite different textbooks—a mainstream one, Economics for Dummies by Sean Masaki Flynn, and a radical one, Understanding Capitalism by Samuel Bowles, Richard Edwards, and Frank Roosevelt. Throughout the course we will apply the theoretical concepts being studied to events actually happening in “the real world.” To this end, students will be encouraged to focus their conference work on current issues. Documentary films will be screened, and regular reading of either The New York Times or The Wall Street Journal—or both—will be essential.

Required books:
Course Reader
Sean Masaki Flynn, Economics for Dummies
Samuel Bowles, Richard Edwards, and Frank Roosevelt, Understanding Capitalism (3rd edition)
Eugene Kamenka, ed., The Portable Karl Marx
Milton Friedman, Capitalism and Freedom
E. K. Hunt, Property and Prophets (updated 7th edition)
Diana Hacker, A Pocket Manual of Style
Gordon Harvey, Writing with Sources: A Guide for Students

Course requirements: In each semester, there will be two or three class papers, several quizzes, and an end-of-the-semester worksheet essay. There will also be regular writing (minimum of 10 pages each semester) based on conference work. Prompt attendance is expected at all classes and conferences.
COURSE OUTLINE: FIRST SEMESTER

A. Introduction (Sept. 8th)
   Flynn, Sean M., *Economics for Dummies* (henceforth “Flynn”), Introduction (pp. 1-6) and browse the rest as you wish

B. Before capitalism: feudal economy and society (two classes)
   Power, Eileen, *Medieval People*, Ch. II, pp. 18-26 (*Course Reader*)
   Roosevelt, F., graphic: “Feudal Agrarian Structure” (*Course Reader*)
   Film: “The Tree of Wooden Clogs” (1978, 3 hours, 1st half to be shown in class)
   Roosevelt, F., notes on “The Tree of Wooden Clogs” (*Course Reader*)
   Roosevelt, F., “Comparison of Feudalism and Capitalism” (*Course Reader*)

First writing assignment (4-5 pages, typed, double-spaced, due Tues., Sept. 15th):
   Either: Imagine that you are “Bodo” or “Ermentrude” (see Eileen Power) — or one of the characters in “The Tree of Wooden Clogs” — and that you have somehow been transported to your hometown. Write an essay describing and reflecting on your experiences over a period of a few days. (Assume that you are a literate individual, and please focus more on economic/social institutions and relationships than on technology.)
   Or: Compare and contrast the feudal way of life and economic/social structure with those of the U.S. or a country in which you have lived.

C. The transition from feudalism to capitalism (two classes)
   Flynn, Ch. 1, pp. 10-12
   Bowles, Edwards, Roosevelt, *Understanding Capitalism* (henceforth “BER”), Ch. 1
   Hunt, E. K., *Property and Prophets*, Chs. 1, 2, and 3
   Smith, Adam, *The Wealth of Nations*, Book III, Ch. IV (excerpts in *Course Reader*)
   Roosevelt, F., “Smith and Marx on the transition from feudalism to capitalism” (*Course Reader*)

D. The origins of economics
(1) **Adam Smith and classical liberalism** (six classes)

Flynn, p. 317  
BER, Ch. 4, pp. 73-76  
E. K. Hunt, *Property and Prophets*, Ch. 4  
Film: “Adam Smith and the Wealth of Nations” (Liberty Fund)  
Roosevelt, F., “Questions for Smith, Marx, and Keynes” (*Course Reader*)  
Roosevelt, F., “Adam Smith's Assumptions” (*Course Reader*)  
Stigler, ed., Selections from *The Wealth of Nations*, entire (except pp. 72-80)  
Smith, *The Wealth of Nations*, Book I, Ch. VIII, “Wages of Labor” (*Course Reader*)  
Smith, *The Wealth of Nations*, Book IV, Ch. II, on “invisible hand” (*Course Reader*)  
Smith, *The Wealth of Nations*, Book V, Ch. I, on the harmful effects of the division of labor (*Course Reader*)  

Quiz

(2) **Karl Marx: radical political economy** (six classes)

(a) **Marx as humanist**  
Roosevelt, F., “Marx as a Moral Thinker” (*Course Reader*)  
“Private Property and Communism” in Kamenka, pp. 146-52

(b) **Marx as social-scientific historian: the materialist conception of history**  
Flynn, pp. 318-319  
BER, Ch. 4, pp. 76-78  
Hunt, E. K., *Property and Prophets*, Ch. 6  
“Preface” (1859) in Kamenka, pp. 158-161  
Roosevelt graphic on “The Progress of Modes of Production” (*Course Reader*)

(c) **Marx as political-economic analyst of capitalism**  
Hunt, E. K., *Property and Prophets*, Ch. 7  
Kamenka, ed., *The Portable Karl Marx*, “Editor’s Note,” pp. 369-374  
*Capital*, Vol. I, Ch. 1, excerpts in Kamenka, pp. 437-461  
*Capital*, Vol. I, Ch. 6, excerpt on “spheres of circulation and production” (*Course Reader*)  
Roosevelt, F., diagrams on “Marx’s four stages of capitalist development”  
*Capital*, Vol. I, Ch. 14, excerpts on “Division of Labour and Manufacture”  

(d) **Marx as visionary-utopian proponent of communism**  
“Critique of the Gotha Programme,” in Kamenka, pp. 533-555
Second writing assignment (5 pages, typed, double-spaced, due: ____):

Either: Write an imaginary dialogue between Adam Smith and Karl Marx on capitalism.
Or: Compare and contrast the views of Adam Smith and Karl Marx on capitalism.

E. Contemporary approaches (ten classes)

(1) Mainstream economics
Flynn, Chs. 1, 2, 3, and pp. 175-188 of Ch. 9
(first program in “Econ. U.S.A.” series)
Friedman, Milton, Capitalism and Freedom, Chs. I, II
Friedman, Milton, video: “Free to Choose: The Tyranny of Control”
OPTIONAL: Klein, Naomi, The Shock Doctrine, Chs. 2-6 (on reserve)

(2) A feminist perspective
Power, Marilyn, “Social Provisioning as a Starting Point for Feminist Economics,”
Feminist Economics, Nov. 2004, pp. 3-19 (on reserve)

(3) Radical economics: a three-dimensional approach
BER, Chs. 2, 3, 5, and 6

FINAL ASSIGNMENT OF FIRST SEMESTER (3-5 pages, due Dec. 18th):
Write a WORKSHEET ESSAY, to be attached to your student worksheet (the latter will be provided by the instructor), reviewing, summarizing and reflecting on what you have learned in this course this semester.

SECOND SEMESTER

F. American capitalism: profit, accumulation, and change (2 or 3 classes)
BER, Chs. 7 and 10
Flynn: these topics not covered except for brief treatment in Ch. 1, pp. 10-12
G. Prices, markets, and economic coordination (2 or 3 classes)

Flynn, Ch. 8
BER, Chs. 8 and 9

Third writing assignment (5 pages, typed, double-spaced, due ____):

Either: Write an imaginary dialogue between Samuel Bowles et al. (“Sam”), on the one hand, and Sean Flynn (“Sean”), on the other, on what the study of an economy involves.

Or: Compare and contrast the ways in which Bowles et al., on the one hand, and Sean Flynn, on the other, approach the study of economics.

H. Microeconomics: firms, consumers, and workers

(1) The mainstream theory of the firm (4 or 5 classes)
Flynn, Chs. 10 and 11

(2) The three-dimensional theory of the firm (4 or 5 classes)
BER, Chs. 11, 12 and 13
Video: “The Corporation” (by Achbar, Abbott, and Bakan)

Fourth writing assignment (5 pages, typed, double-spaced, due ____):

Compare and contrast the mainstream and three-dimensional approaches to representing and analyzing the operations of a capitalist firm (corporation).

Do (3) and (4) here if time permits:

(3) Imperfect competition
Flynn, Chs. 12 and 13

(4) The distribution of income and wealth
Friedman, Milton, Capitalism and Freedom, Ch. X
BER, Chs. 14 and 15

I. Macroeconomics: employment, inflation, and growth (6 or 7 weeks)

(1) Mainstream macroeconomics, starting with John Maynard Keynes
Flynn, pp. 319-320
BER, pp. 80-83

Keynes, J. M., Essays In Persuasion: (all in Course Reader)
--”A Short View of Russia” (pp. 297-311)
--”The End of Laissez-Faire” (pp. 312-322)
Fifth writing assignment (5 pages, typed, double-spaced, due ____)

Either: Write an imaginary conversation between Keynes and Smith or between Keynes and Marx (or among all three).

Or: Compare and contrast the ideas of John Maynard Keynes with those of Adam Smith and/or Karl Marx.

Video: “J. M. Keynes: What Did We Learn from the Great Depression?”

Hunt, E. K., Property and Prophets, Ch. 12
Flynn, Chs. 4, 5, 6, and 7

Quiz

(2) Three-dimensional macroeconomics
BER, Chs. 16, 17, and 18

Quiz

FINAL ASSIGNMENT OF THE YEAR (3-5 pages, typed, double-spaced, due in last class):

Write a WORKSHEET ESSAY, to be attached to your student worksheet (which will be provided by the instructor), reviewing, summarizing and reflecting on what you have learned in this course this semester.