

Natura non facit saltum.

Alfred Marshall, *Principles of Economics* (1890)

Nowhere has liberal philosophy failed so conspicuously as in its understanding of the problem of change.

Karl Polanyi, *The Great Transformation* (1944)

The Misery of being exploited by capitalists is nothing compared to the misery of not being exploited at all.

Joan Robinson, *Economic Philosophy* (1962)

This advanced upper-level course provides the fundamentals of political economy or political socio-economics. Our central puzzle throughout the course is: "Why Are We So Rich and

Each student is expected to read (before class) all the required readings for each session (see the reading assignments below). Required books are:

- 1) Pontusson, Jonas. 2005. *Inequality and Prosperity*. Cornell University Press.
- 2) Bardhan, Pranab. 2012. *Awakening Giants, Feet of Clay*. Princeton University Press.
- 3) Piketty, Thomas. 2014. *Capital in the 21st Century*. Belknap Press of Harvard University Press.
- 4) Sandel, Michael. 2013. *What Money Can't Buy*. Farrar, Straus and Giroux.
- 5) Rifkin, Jeremy. 2014. *The Zero Marginal Cost Society*. Palgrave Macmillan.
- 6) Žižek, Slavoj. 2009. *First as Tragedy, Then as Farce*. Verso.

1) In-class midterm and final examinations (25% each)

The emphasis is on important concepts and competing explanations of various sociopolitical economic phenomena. Knowledge of some relevant historical facts is required as well.

2) Attendance and participation (20%)

It is extremely important to come to class. Attendance will be taken for each session. Students may earn credit for their attendance at each class session, while repeated and unexcused absence will cause deduction in student's total grade. In addition, students are highly encouraged to ask and answer questions, and to make appropriate comments on issues covered in class.

3) Six reaction papers (5% each, total 30%): You will write a reaction paper on Pontusson, Bardhan, Piketty, Sandel, Rifkin, and Žižek. You will write total six reaction papers in this course. A reaction paper is a short paper (no longer than two double-spaced pages), discussing some aspect of the reading. In the reaction paper you must briefly summarize the reading and evaluate some central aspect of its discussion. Note: "evaluate" means that you must identify some central aspect of the author's analysis, explain why you think this aspect is interesting/important, and present your evaluation of the author's position (note that you must try to make an argument, simply asserting your agreement or disagreement will not be sufficient). The reaction papers are due in class on the date scheduled for discussion of the readings (or, put it in my mailbox before 1:00 pm on the due date if you have to miss a class). You should submit a hard copy. Late papers will not be accepted.

Midterm examination	Thursday, March 5	1:30 – 2:50 pm
Final examination	<u>Saturday, May 9</u>	<u>12:30 – 2:30 pm</u>
1 st Reaction paper on Pontusson	Tuesday February 10	In class or before

2

No class.

Polanyi revisited. *Homo economicus* vs. *homo reciprocans*. Fundamental dilemma of liberalism. Incentives. Dangers of market society. Moral economy in the 21