

Fall 2017  
University of Utah  
T Th: 2:00 – 3:20

Dr. Erturk  
Office: Bldg 73, Rm 240  
W: 1-2 or by appointment

## **ECON 7003-01: POLITICAL ECONOMY I**

The class focuses on the institutional foundations of capitalism, and the role of conscious design, path dependence and conflict as they relate to emergence and transformation of property rights and agents' economic obligations and their modes of enforcement. The class starts with a discussion of the role of institutions in economics of collective action, and draws from *Game Theory* and *New Institutional Economics* to discuss central ideas from old Political Economy, and most notably from Marx, Polanyi and Veblen in relation to how markets became enforcement devices, economic obligations acquired a "contractual" form and *de jure* property rights emerged and extended to *fictitious commodities* under modern capitalism.

Class evaluation will be based on class participation (10%), two mid-term exams (30% each) and a final examination (30%).

### **COURSE OUTLINE**

#### **Part I: Political Economy – Old and New**

##### *i. Market Exchange, Institutions and Economic Analysis*

Prasch, R. (2008). "Property, Contract and the Theory of Exchange," Lecture I in his *How Markets Work*, Edward Elgar.

Bowles, S. (1992). "Markets: Indispensable Servants or Cruel Masters," in B. Silverman, R. Vogt, M. Yanowitch (eds.) *Democracy in the Transition to a Market System. A US – Post Soviet Dialogue*. Routledge (republished by ME Sharpe - 2015)

North, D. (1991). "Institutions," *Journal of Economic Perspectives*, 5(1).

##### *ii. Institutional Emergence and Change: Efficiency, Conflict and Path Dependence*

Sudgen, R. (1989). "Spontaneous Order," *Journal of Economic Perspectives*, 3(4), pp. 85-97.

Bowles, S. (2008). "Power," in S. Durlauf and L. Blume (eds.) *The New Palgrave Dictionary of Economics*, 2<sup>nd</sup> edition.

Knight, J. (1998). "Models, Interpretations and Theories: Constructing Explanations of Institutional Emergence and Change," in J. Knight & I. Sened (eds.) *Explaining Social Institutions*. Un of Michigan Press.

Veblen, T. (1898/1934). "The Instinct of Workmanship" in his *Essays in Our Changing Times*.

iii. *Economics of Collective Action and Agency: Cooperation, Coordination and Clubs*

- Greif, A. (2000). "The Fundamental Problem of Exchange: A Research Agenda in Historical Institution Analysis," *European Review of Economic History* 4(3).
- Hardin, R. (1995). "Group Power," Ch. 2 in his *One for All. The Logic of Group Conflict*. Princeton University Press.
- Ostrom, E. (2003). "How Types of Goods and Property Rights Jointly Affect Collective Action," *Journal of Theoretical Politics* 15(3).
- Hardin, G. (1968). "The Tragedy of the Commons," *Science* 162(3859).
  - Axelrod, R. & W. Hamilton (1981). "The Evolution of Cooperation," *Science*, 211, pp. 1390-16.

iii. *Social and Market Institutions of Enforcement - Property Rights and Contracts*

- Greif, A. (2005). "Commitment, Coercion and Markets: The Nature and Dynamics of Institutions Supporting Exchange," in C. Menard & M. Shirley (eds.) *Handbook of New Institutional Economics*. Springer.
- Gintis, H. (2007). "The Evolution of Private Property," *Journal of Economic Behavior & Organization*, 64, pp. 1-16.
- Veblen, T. (1934). "The Beginnings of Ownership" in his *Essays in Our Changing Times*.
- Erturk, K. (2017). "Conflictual Bargaining,"
- Hymer, S. (1980). "Robinson Crusoe and the Secret of Primitive Accumulation," in E.J. Nell (ed.) *Growth, Profits, and Property*, Cambridge University Press.

iv. *A Brief Excursion on Private Property*

- Greif, A. (2002). "Institutions and Impersonal Exchange: From Communal to Individual Responsibility," *Journal of Institutional and Theoretical Economics*, 158(1).
- Umbeck, J. (1981). "Might Makes Rights: A Theory of the Formation and Initial Distribution of Property Rights," *Economic Inquiry* 19(1).
- Anderson, T. & P. Hill (1983). "Privatizing the Commons: An Improvement?" *Southern Economic Journal*, 50(2).
- Field, B. (1989). "The Evolution of Property Rights," *Kyklos* 42: 319-45.

iv. *Capitalism, Collective Agency and Politics of Enforcement*

- North, D. (1981). "A Neoclassical Theory of the State," Ch.3 in his *Structure and Change in Economic History*. W.W. Norton & Company.
- Harvey, D. (1976). "The Marxian Theory of the State," *Antipode*, 8(2).
- Erturk, K. (2016). "Why is the Predator State a Predator State?" mimeo.

Bates, R (2001). *Prosperity and Violence. Pol Econ of Development*, chp 2 & 3.

## Part II: Capitalism – Rise of Self-Regulating Markets and New Property Rights

### i. *Commodification of Labor Power and Dual Freedom of Labor*

Marx, *Capital*, Vol. I: Chp. 1 (section 4); Chp. 2

Marx, K. – *Grundrisse*, Introduction, pp. 83-111; 145-65; 483-488

Polanyi, K. (1944). *The Great Transformation*, Chps: 3 – 5,

Erturk, K. (1998). "Transformation of the Individual," *Review of Radical Political Economics*.

### ii. *Collective Costs, Fictitious Commodities and the Double Movement*

Marx, *Capital*, Vol. I: Chp 10 (Section 5-7).

Polanyi, K. (1944). *The Great Transformation*, Chp. 6,9,10, 14-16

- Pagano, U. (2003). "Nationalism, Development and Integration," *Cambridge Journal of Economics* 27, pp. 623-46.

### iii. *The Labor Theory of Value – Source of Profits*

Marx, *Capital*, Vol. I: Chps. 4 – 10 (Sections 1-4), 11 and 12

- Ochoa, E. (1989). "Values, Prices and Wage-Profit Curves in the US Economy," *Cambridge Journal of Economics*, 13(3).

### iv. *Organization of Production and Transformation of the Labor Process*

Marx, *Capital*, Vol. I: Chps. 13, 14, (Sections 1, 3, 4, 6) and 15

Coase, R. (1937). "The Nature of the Firm," *Economica*, 4(16).

Williamson, O. (2005). "The Economics of Governance," *American Economic Review*, 95(2), Papers and Proceedings

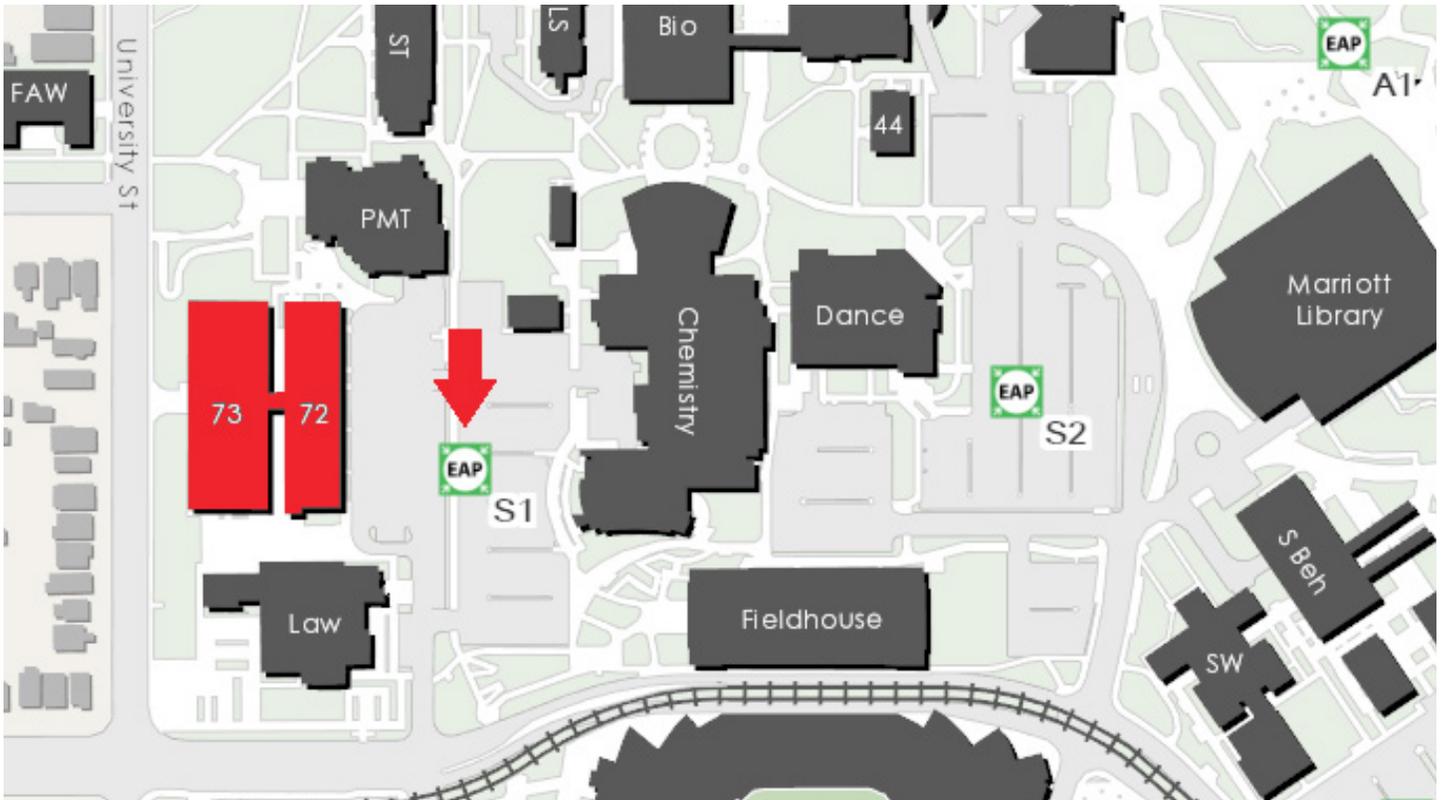
- Bowles, S. (1985). "Production Process in a Competitive Economy, Walrasian, Neo-Hobbesian and Marxian Models," *American Economic Review* 75(5).
- Bowles, S. & H. Gintis (1988). "Contested Exchange: Political Economy and Modern Economic Theory." *American Economic Review*, 78, 145–50.

### v. *Accumulation of Capital and Technological Change*

Marx, *Capital*, Vol. I: Chps. 23 – 25

- Goodwin, R. (1967). "A Growth Cycle," in C. Feinstein (ed.) *Socialism, Capitalism and Economic Growth*. Cambridge University Press.

# CSBS EMERGENCY ACTION PLAN



## BUILDING EVACUATION

EAP (Emergency Assembly Point) – When you receive a notification to evacuate the building either by campus text alert system or by building fire alarm, please follow your instructor in an orderly fashion to the EAP marked on the map below. Once everyone is at the EAP, you will receive further instructions from Emergency Management personnel. You can also look up the EAP for any building you may be in on campus at <http://emergencymanagement.utah.edu/eap>.



## CAMPUS RESOURCES

**U Heads Up App:** There's an app for that. Download the app on your smartphone at [alert.utah.edu/headsup](http://alert.utah.edu/headsup) to access the following resources:

- **Emergency Response Guide:** Provides instructions on how to handle any type of emergency, such as earthquake, utility failure, fire, active shooter, etc. Flip charts with this information are also available around campus.
- **See Something, Say Something:** Report unsafe or hazardous conditions on campus. If you see a life threatening or emergency situation, please call 911!

**Safety Escorts:** For students who are on campus at night or past business hours and would like an escort to your car, please call **801-585-2677**. You can call 24/7 and a security officer will be sent to walk with you or give you a ride to your desired on-campus location.