

# Syllabus

## Critical Political Economy: Growth, Inequality and Planetary Boundaries

Summer semester 2018

Institute of Political Science, Westfälische Wilhelms-Universität Münster

Instructor: Janina Grabs

Email: [janina.grabs@uni-muenster.de](mailto:janina.grabs@uni-muenster.de)

*"The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."*

- John Maynard Keynes, ch. 24, The General Theory of Employment, Interest and Money

### **Course description:**

This course will introduce students to critical perspectives on the global economy and the role of governments and societies in shaping markets, focusing in particular on issues related to development, inequality, growth, and the environment. After reviewing the main schools of economic thought and their contributions to how the economy is structured today, we will turn to thinkers that critically examine the limits of the market in providing social goods; rethink the contributions of economic growth and globalization to development; focus on the consequences of economic inequality on societal welfare; and provide new perspectives on the interplay of consumption, growth and the environment on a planet with limited ecological resources. The focus of this reading-heavy seminar will lie on participatory discussions on the extent to which the authors' insights apply to current challenges and future directions of economic policy-making.

### **Course aims and learning objectives:**

The goal of this course is that students develop a broad understanding of the history of political economic thought and emerging theories on the economic process, and can link those to societal challenges such as environmental degradation, income or gender inequality. Upon completion of this course, students should be able to articulate the main arguments of the examined authors, link them to their underlying ontological and normative frameworks, and critically assess their validity and contribution toward solving today's socio-economic and ecological challenges by drawing on empirical evidence.

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### Assessment overview:

- Course work: Complete required readings and participate actively during class discussions
- Studienleistung:
  - Submit 2 discussion questions for **each reading** (that is, 4 questions when we discuss 2 readings) on the LearnWeb discussion forum until 12pm (noon) of the Monday preceding the class. Refer to the Critical Reading Topics chart at the end of the syllabus to ensure that **at least half** of the questions you ask are “higher order thinking” (application, analysis, evaluation or application) questions, and not just comprehension and knowledge questions.
  - As “expert” on one author you, together with a colleague, will lead the class discussion for one session. This entails that you:
    - Have familiarized yourself with the author’s biography, background, and general body of work;
    - Have prepared discussion questions of your own;
    - Have reviewed the discussion questions that your colleagues submitted and integrated them with your questions;
    - Have thought about how the two readings interact with each other and with readings we already discussed;
    - Purposefully lead the discussion with the general theme of the class in mind (how do these insights apply to today’s world and challenges?) – think about introducing examples or case studies;
    - Ensure that at least half of discussion time is spent on “higher order thinking” (application, analysis, evaluation or application) questions, and not just comprehension and knowledge questions (refer to the Critical Reading Topics chart at the end of the syllabus);
    - And make sure that everybody gets a chance to participate (watching out for gender and other possible imbalances).
- Prüfungsleistung: The Prüfungsleistung will consist of a „Hausarbeit nach Maßgabe der Prüfungsordnung“ (term paper according to the stipulations of the examination regulations)
  - Language: German or English
  - Length: 4.500 words (ca. 13- 15 pages) including references – words, not page numbers, count!
  - Full academic references
  - **Final deadline: 30.09.2018** (submission via e-mail to [janina.grabs@uni-muenster.de](mailto:janina.grabs@uni-muenster.de))
  - You will receive the grading rubric that I use to evaluate term papers in due course.

In general, a successful paper will have all of the following:

  - A clear and focused research question;
  - A straightforward thesis statement;
  - A clear structure (e.g. Introduction – Argument 1 – Argument 2 – Argument 3 – conclusion);
  - Convincing arguments grounded in primary research as well as theoretical concepts;
  - A conclusion that summarizes the main results;
  - Uniform in-text citations and reference list, following one single citation style (I would recommend APA or Chicago).

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## Course calendar

### Part I: Introduction and foundations

“An economist knows the price of everything and the value of nothing.” – Proverb

“The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design.” – F.A. Hayek, *The Fatal Deceit*

#### Lecture 1: Introduction to political economy, sustainability, and the performativity of economics (12.04.18)

(No required reading or required discussion questions.)

Further reading:

Campbell, J. L. (1998). Institutional analysis and the role of ideas in political economy. *Theory and society*, 27(3), 377-409.

Cochoy, Franck, Giraudeau, Martin and McFall, Liz (2010). Performativity, economics and politics: an overview. *Journal of Cultural Economy*, 3(2). pp. 139-146.

Tanner, T., & Allouche, J. (2011). Towards a new political economy of climate change and development. *IDS bulletin*, 42(3), 1-14.

#### Lecture 2: A brief history of economic thought I: Classical to Marxian thought (19.04.18)

Wight, J. B. (2007). The treatment of Smith's invisible hand. *The Journal of Economic Education*, 38(3), 341-358.

Menand, L. (2016). Karl Marx, yesterday and today. *New Yorker*, 10.10.2018. URL:  
<https://www.newyorker.com/magazine/2016/10/10/karl-marx-yesterday-and-today>

Further reading:

Barber, W. (1967). *A history of economic thought*. Penguin Books.

Blaug, M. (2001). No history of ideas, please, we're economists. *The Journal of Economic Perspectives*, 15(1), 145-164.

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### Lecture 3: A brief history of economic thought II: Keynesianism to (neo-)liberalism (26.04.18)

Jahan, S., Saber Mahmud, A., and Papageorgiou, C. (2014). What is Keynesian economics? *Finance & Development* (September 2014), pp. 53-54.

Keynes, J.M. (1930). Economic possibilities for our grandchildren, in *Essays in persuasion*. New York: W.W.Norton & Co., 1963, pp. 358-373.

Von Mises, L. (1979). 1<sup>st</sup> Lecture: Capitalism, and 3<sup>rd</sup> Lecture: Interventionism, in: *Economic policy: Thoughts for today and tomorrow*. Chicago: Gateway.

Further reading and watching:

Cherrier, B. and Backhouse, R. (2016). The age of the applied economist: the transformation of economics since the 1970s. Retrieved from [osf.io/fgrjf](https://osf.io/fgrjf)

Djelic, M.L. (2006). Marketization: From intellectual agenda to global policy-making. In: Djelic, M.-L. and Sahlin-Andersson, K. (eds). *Transnational governance: Institutional dynamics of regulation*. Cambridge: Cambridge University Press.

Hill, R. and Myatt, T. (2010). *The economics anti-textbook. A critical thinker's guide to microeconomics*. London/New York: Zed Books.

Metcalf, S. (2017). Neoliberalism: the idea that swallowed the world. *The Guardian*, 18.08.2017. URL: <https://www.theguardian.com/news/2017/aug/18/neoliberalism-the-idea-that-changed-the-world>

"Fear the Boom and Bust": Keynes vs. Hayek Rap Battle. URL: <https://www.youtube.com/watch?v=d0nERTFo-Sk>

and Round 2: <https://www.youtube.com/watch?v=GTQnarzmTOc>

### Lecture 4: International political economy and its contribution to social and environmental issues (03.05.18)

Cohen, B. (2007). The transatlantic divide: Why are American and British IPE so different? *Review of International Political Economy* 14(2): 197-219.

Clapp, J., & Helleiner, E. (2012). International political economy and the environment: back to the basics? *International Affairs*, 88(3), 485-501.

Further reading:

Cox, R. W. (1992). Global perestroika. *Socialist register*, 28(28).

Strange, S. (1995). The defective state. *Daedalus*, 124(2), 55-74.

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### Part II: Rethinking markets and their place in society

*"There is a place for the market but the market must be kept in place."* – Arthur Okun, *Equality and Efficiency: The Big Trade-Off*

*"Economics is all about how people make choices. Sociology is all about why they don't have any choices to make."* - James S. Duesenberry

#### Lecture 5: The market, society and ethics (10.05.18)

Polanyi, K. (2001 edition). Foreword (by Joseph E. Stiglitz) and Chapter 11: Man, nature, and productive organization. In: *The Great Transformation. The political and economic origins of our time*. Beacon Press.

Sandel, M.J. (1998). *What money can't buy: The moral limits of markets*. The Tanner Lectures on Human Values. Delivered at Oxford University.

Further reading:

Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91(3), 481-510.

Okun, A. (1975). Chapter 1: Rights and dollars. In *Equality and efficiency: The big tradeoff*. Washington, D.C.: The Brookings Institute.

Sen, A. (1987). Chapter 1: Economic behavior and moral sentiments. In *On ethics and economics*. Oxford: Blackwell Publishing.

#### Lecture 6: The market, state and authority (17.05.18)

Galbraith, J.K. (2012). Predation from Veblen until Now: Remarks to the Veblen Sesquicentennial Conference. In Reinert, Erik S., and Francesca L. Viano, eds. *Thorstein Veblen: Economics for an age of crises*. Anthem Press.

Cutler, C.A. (1999). Locating "authority" in the global political economy. *International Studies Quarterly*, 43(1), 59-81.

Further reading:

Levi-Faur, D. (2005). The global diffusion of regulatory capitalism. *The Annals of the American Academy of Political and Social Science*, 598(1), 12-32.

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### Part III: Rethinking development and globalization

*“Human development, as an approach, is concerned with what I take to be the basic development idea: namely, advancing the richness of human life, rather than the richness of the economy in which human beings live, which is only a part of it.” – Amartya Sen*

#### Lecture 7: Development (31.05.18)

Sen, A. (1990). Development as capability expansion. In: *The Community Development Reader*, 2nd ed.; DeFilippis, J., Saeger, S., Eds: 319-327.

Escobar, A. (1995). Chapter 1: Introduction and the anthropology of modernity and Chapter 3: Economics and the space of development: Tales of growth and capital. In: *Encountering development. The making and unmaking of the Third World*. Princeton University Press.

Further reading:

Santos, B. S. (2016). Epistemologies of the South and the future. *From the European South* (1), 17-29.

Timms, B. F. (2008). Development theory and domestic agriculture in the Caribbean: recurring crises and missed opportunities. *Caribbean Geography*, 15(2), 101.

Ziai, A. (2007). Chapter 1: Development discourse and its critics: an introduction to post-development. In: *Exploring Post-development. Theory and practice, problems and perspectives*. Routledge.

#### Lecture 8: Globalization (07.06.18)

Rodrik, D. (2012). Chapter 1: Of markets and states: Globalization in history's mirror and Chapter 7: Poor countries in a rich world. In: *The globalization paradox: Democracy and the future of the world economy*. WW Norton.

Sassen, S. (2002). Global cities and survival circuits. In: Ehrenreich, B. and Russell Hochschild, A. (eds). *Global woman. Nannies, maids and sex workers in the New Economy*. Metropolitan/Owl.

Further reading:

Saval, N. (2017). Globalisation: the rise and fall of an idea that swept the world. *The Guardian*, 14.07.2017. URL: <https://www.theguardian.com/world/2017/jul/14/globalisation-the-rise-and-fall-of-an-idea-that-swept-the-world>

Stiglitz, J. (2006). *Making globalization work*. New York: WW Norton.

Strange, S. (1985). Protectionism and world politics. *International Organization*, 39(2), 233-259.

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### Part IV: Rethinking economic and gender inequality

“The average well-being of our societies is not dependent any longer on national income and economic growth. ... But the differences between us and where we are in relation to each other now matter very much.” – Robert Wilkinson

#### Lecture 9: Income and wealth inequality and its effect on society (14.06.18)

Piketty, T. (2014). New thoughts on capital in the twenty-first Century. TEDSalon Berlin 2014.

URL:

[https://www.ted.com/talks/thomas\\_piketty\\_new\\_thoughts\\_on\\_capital\\_in\\_the\\_twenty\\_first\\_century](https://www.ted.com/talks/thomas_piketty_new_thoughts_on_capital_in_the_twenty_first_century)

Wilkinson, R. (2011). How economic inequality harms societies. TEDGlobal 2011. URL:

[https://www.ted.com/talks/richard\\_wilkinson#t-988616](https://www.ted.com/talks/richard_wilkinson#t-988616)

Coburn, D. (2000). Income inequality, social cohesion and the health status of populations: the role of neo-liberalism. *Social Science & Medicine*, 51(1), 135-146.

Further reading:

Ramos Pinto, P. (2016). The inequality debate: why now, why like this? *ITEMS*, 20.09.2016. URL:

<http://items.ssrc.org/the-inequality-debate-why-now-why-like-this/>

#### Lecture 10: The role of women in the economy (21.06.18)

MacDonald, M., Phipps, S., and Lethbridge, L. (2005). Taking its toll: The influence of paid and unpaid work on women's well-being. *Feminist Economics*, 11(1), 63-94.

Himmelweit, S. (1995). The discovery of “unpaid work”: the social consequences of the expansion of “work”. *Feminist Economics*, 1(2), 1-19.

Eicker, J., & Keil, K. (2017). Who cares? A convergence of feminist economics and degrowth.

*Exploring Economics*. <https://www.exploring-economics.org/de/entdecken/who-cares/>

Further reading:

Dengler, C., & Strunk, B. (2017). The monetized economy versus care and the environment:

Degrowth perspectives on reconciling an antagonism. *Feminist Economics*, 1-24.

Hoskyns, C. & Rai, S.M. (2007) Recasting the global political economy: Counting women's unpaid work. *New Political Economy*, 12(3), 297-317.

Wolfers, J. (2018). Why women’s voices are scarce in economics. The New York Times, 02.02.2018.

URL: <https://www.nytimes.com/2018/02/02/business/why-womens-voices-are-scarce-in-economics.html>

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### Part V: Rethinking growth, consumption and planetary boundaries

*"It does not require more than a simple act of insight to realize that infinite growth of material consumption in a finite world is an impossibility."* – E.F. Schumacher

#### Lecture 11: The perfect consumer? (28.06.18)

Veblen, T. (1899). Chapter 5: The pecuniary standard of living. In: *The theory of the leisure class: An economic study of institutions*. Aakar Books.

Galbraith, J.K. (1958). Chapter 11: The dependence effect. In: *The affluent society*. Houghton Mifflin Harcourt.

Maniates, M. F. (2001). Individualization: Plant a tree, buy a bike, save the world?. *Global Environmental Politics*, 1(3), 31-52.

Further reading:

Galbraith, J.K. (1958). Chapter 10: The imperatives of consumer demand. In: *The affluent society*. Houghton Mifflin Harcourt.

Kahneman, D. (2003). Maps of bounded rationality: psychology for behavioral economics. *The American Economic Review*, 93(5), 1449-1475.

#### Lecture 12: Limits to growth (05.07.18)

Daly, H. (2005). Economics in a full world. *Scientific American*, 293(3), 100-107.

Rockström, J., et al. (2009). Planetary boundaries: exploring the safe operating space for humanity. *Ecology and Society*, 14(2), 32.

Raworth, K. (2012). A safe and just space for humanity: Can we live within the doughnut? Oxfam Discussion Papers.

Further reading and discovering:

Meadows, D., Randers, J., and Meadows, D. (2012). Chapter 1: Overshoot and Chapter 7: Transitions to a sustainable system. In: *Limits to growth – The 30-year update*. Chelsea Green Publishing.

Schumacher, E.F. (1973). *Small is beautiful: A study of economics as if people mattered*. Harper Perennial.

University of Leeds. (2018). A good life for all within planetary boundaries. URL: <https://goodlife.leeds.ac.uk/>

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### Part VI: Ways forward

*"What is needed is a new creation of the imagination that is of unprecedented importance..., a creation which would put at the centre of human life other meanings than the mere expansion of production and consumption, one which would offer goals in life that are recognized by other human beings as being worthwhile [...] This is the immense difficulty we are faced with. We should want a society in which economic values have ceased to be central (or the only ones), where the economy is put back in its place as a means for human life and not as its ultimate goal, and in which we therefore give up the mad race to consume more and more. This is not only necessary to avoid the final destruction of the planet's environment, but it is also and especially needed to rescue fellow human beings from psychological and moral misery". – C. Castoriadis, La montée de l'insignifiance.*

#### **Lecture 13: Finding a balance (12.07.18)**

Booth, W. J. (1994). On the idea of the moral economy. *American Political Science Review*, 88(3), 653-667.

Jackson, T. (2009). Chapter 3: Redefining prosperity. In: *Prosperity without growth? Economics for a finite planet*. Earthscan.

Ostrom, E., Burger, J., Field, C. B., Norgaard, R. B., & Policansky, D. (1999). Revisiting the commons: local lessons, global challenges. *Science*, 284(5412), 278-282.

#### Further reading:

Adler, P. S. (2001). Market, hierarchy, and trust: The knowledge economy and the future of capitalism. *Organization Science*, 12(2), 215-234.

Green, D. (2012). Chapters "Going for growth" and "Sustainable Markets", In: *From poverty to power: How active citizens and effective states can change the world*. Oxfam International, pp. 148 – 162.

#### **Lecture 14: Wrap-up (19.07.18)**

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### Expectations

In my classroom, I have one main expectation: Respect. I respect you in your time, your interests, and your opinions, and you do the same for me and your colleagues. This includes that class will start and end on time; that we are attentive to each other during lectures and discussions; and that we respect each other's opinions, even if we don't agree.

You can use computers to take notes, but I reserve the right to confiscate it until the end of the class if I see you on social media or other non-class related sites. Same goes for cell phone use during class time.

You are free to eat or drink during the class as long as it is not disruptive.

Your attendance and participation in class sessions are paramount for this course to be successful, and your leading one discussion session is **mandatory** for course credit. However, if you have a very valid reason why you cannot attend on your chosen date, please come to me and we will find another solution (valid reason: sickness or death in the family; non-valid reason: I have another paper due the same day.)

### Critical reading topic categories

Category	Keywords	Examples
<b>Higher-order learning topics</b>		
<b>Creation Topics:</b> These statements or questions invite the class to utilize the author's viewpoint to develop their own unique position or an artifact such as a policy paper, law, ad campaign, or agenda.	Assemble, construct, create, design, develop, formulate	Use the main points in Wendell Phillips's argument to develop an agenda for the next abolitionist meeting.
<b>Evaluation Topics:</b> These statements or questions invite the class to take a position on the author's argument.	Appraise, agree, evaluate, defend, disagree, judge, support	What is your appraisal of Wendell Phillips's position that it is impossible to work with slaveholders, and it would be better to form a separate country without any slave-holding interests in it?
<b>Analysis Topics:</b> These questions or statements invite the class to distinguish between the author's various stances or, as students, to compare the author's ideas to another author's position.	Analyze, compare, contrast, differentiate, distinguish, examine	How would you differentiate Wendell Phillips form of abolition with the one espoused by Frederick Douglass?
<b>Application Topics:</b> These questions or statements challenge the class to reformulate the text's main concepts so that they can be utilized in a different context.	Demonstrate, dramatize, employ, illustrate, interpret, use	How would the members of the mid-twentieth century civil rights movement interpret Wendell Phillips's arguments on slavery and the Constitution?

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<b>Lower-order learning topics</b>		
<p><b>Comprehension and Knowledge Topics:</b> These questions or statements ask the class to describe, to remember, and to explain information. They do not ask students to take a position on the issues that the author articulates.</p>	<p>Discuss, define, explain, identify, list, memorize, recall, repeat, reproduce, state</p>	<p>What are the constitutional clauses that Wendell Phillips discusses?</p>
<b>Non-valid topics</b>		
<p><b>Non-relevant Topics:</b> These statements or questions feature ONE of the following criteria: (1) They do not directly relate to the text; (2) They mention the text's theme but do not reference a specific point raised by the author; (3) The questions incorrectly reference the author's facts or arguments.</p>	<p>N/A</p>	<p>Are you an abolitionist? Do you agree with Wendell Phillips? In what ways does Wendell Phillips think that the Constitution supports freedom?</p>

*Table from: Daniel M. Mulcare & Allan Shwedel (2017) Transforming Bloom's Taxonomy into Classroom Practice: A Practical Yet Comprehensive Approach to Promote Critical Reading and Student Participation, Journal of Political Science Education, 13:2, 121-137, DOI: 10.1080/15512169.2016.1211017*