Preliminary Schedule and Reading Guide

Please note that in addition to the readings listed below, I will occasionally hand out further required readings. Some readings below are linked from the course website on Moodle.

**March 22** Course syllabus, important administrative details, grading, expectations. What is this course about? How does it relate to the economics curriculum? Why is it relevant? What is an economic system? What approaches will we take to studying it? What are the important features of an economic system? We will discuss the methodology of economic science in general and this subfield in particular.

*Readings: Course syllabus.*

**March 24** What is an economic system? How do we describe it? How can we compare and evaluate economic systems? How do deep, philosophical assumptions about human nature play a role in our views of economic systems? What is the nature of society, and what should it be? What is the informational role of an economic system, and why is it so important?


**March 29** What is a “free market economy” like? What’s good about it and what’s not? What is the free market’s role in an economic system? What are the characteristics of capitalism?


**March 31** Institutions of capitalism; types of capitalist systems. Historical development of institutions of capitalism. The role of entrepreneurship and innovation.

*Readings: Baumol et al., *Good Capitalism, Bad Capitalism* (on Moodle); Schumpeter, *Creative Destruction* (on Moodle); Easterly, *Institutions: Top Down or Bottom Up?* (Moodle).*
April 5 (Note: start thinking seriously about presentation topics.) What kinds of economic organizations are there, and what are their roles? Theories of the firm. Science, technological progress, and R&D.

*Readings: Simon, Organizations and Markets; Chandler, Organizational Capabilities and the Economic History of the Industrial Enterprise.*

April 7 The US economic system: its historical development, strengths, weaknesses, unique features and current challenges.

*Readings: Landes, Chapter 19; Economist articles (“Seeking a perfect model,” on Moodle); Graham, Entrepreneurship in the US.*

April 12 The Great Recession

*Readings: Ferguson on the crisis (Moodle); Florida, The Great Reset (on Moodle); Sen: Capitalism after the crisis (on Moodle).*

April 14 (Note: bring presentation topic ideas to class. For each topic, define three subtopics, including the one you’d like to take on.) The historical roots of the Japanese economic system. The role of business groups. Cultural determinants of the economic system.

*Readings: Landes, Chapters 22 and 23; Readings on Moodle.*

April 19 Do the Swedes have a democratic socialist system or a welfare capitalist system? Can an extensive welfare system be compatible with free market capitalism? Nordic capitalism. As Sweden is turning away from its extensive welfare state, is the US turning into one?

*Readings: Goodin et al., Welfare Capitalism; Gladwell, The Moral Hazard Myth; Economist articles on Moodle.*

April 21 (Topic descriptions due.) Equality and Efficiency: The Big Tradeoff

*Reading: Okun’s book.*

April 26 Midterm Exam

May 3 Is socialism a better, more humane and equitable system than capitalism? Is socialism even possible? The “calculation debate.”

May 5  Marxian theory and Marxist practice. The Soviet economic system, its historical roots and cultural aspects. “Socialism,” “communism,” and other misnomers. The state as economic agent. Hungary: a case study in reform and transition
Readings: Kornai, Efficiency and the Principles of Socialist Ethics; Handouts.

May 10 Many look to China as the next superpower. China’s unique economic system.
Readings: Landes, Chapter 21; The Economist, Government in China, and Entrepreneurship in China (Moodle).

May 12 No class.

May 17 The role of education in the economic system. Comparison of various national systems of education.
Readings: Brinton: Education and Economy (Moodle); Green: The many faces of lifelong learning (Moodle).

May 19 Some have interpreted recent advances in economic science as a justification of a more extensive role for the state in individual decision making. Would we be better off with a more paternalistic state? An “avuncular” state? What is the appropriate role for the state?
What have we learned? Why does it matter? How does this change your view of the world? Of your country? Of the monumental changes currently taking place in the US economic system?
Readings: Glaeser, Paternalism and Psychology; The Economist, The state is looking after you; The Economist, Taming Leviathan (on Moodle); Landes, Chapters 27, 28, 29.

May 24–26 Presentations.