

**AMERICAN UNIVERSITY
DEPARTMENT OF ECONOMICS**

Econ 701, Advanced Heterodox Micro Theory, Spring 2006, W 5:30 - 8 PM, MCK 204A

Professor Hahnel, rhahnel@starpower.net Office Hours, Roper 215: W 11 AM - 2 PM

Professor Meurs, mmeurs@american.edu Office Hours, Roper 202: M 2 - 4 PM,
W 9:20 - 10:30 AM by appointment only, Th 9:15AM - 12:15PM

Week 1 (1/18) (Hahnel): Introduction to Heterodox Microeconomics. No assigned readings. No assignments due.

Critique of Neoclassical Theory: Radical Welfare Theory

Week 2 (1/25) (Hahnel): Critique of Neoclassical Micro Theory

- * Robin Hahnel and Michael Albert, *Quiet Revolution in Welfare Economics* (Princeton UP, 1990), available at: <http://www.zmag.org/books/quiet.htm>. Introduction.
- * Samuel Bowles, *Microeconomics: Behavior, Institutions, and Evolution*, (Princeton UP, 2004), Prologue and chapter 6.
- * *Quiet Revolution*, chapters 1,2,3,4.
- * Michael Reich, *Racial Inequality*, (Princeton UP, 1981): 204-215.
- * Robin Hahnel, *The ABCs of Political Economy: A Modern Approach*, (Pluto, 2002), chapter 5: 103-112.
- * Robin Hahnel, "Misinterpreting the Coase Theorem," working paper.
- # Amartya Sen, *Development as Freedom*, (Anchor Books, 1999).
- # Robin Hahnel, "Amartya Sen: Late Twentieth Century's Greatest Political Economist?" in *Understanding Capitalism: Critical Perspectives*, Doug Dowd editor, (Pluto, 2002), chapter 7: 151-178.
- # Robert Frank, et. al. "Does Studying Economics Inhibit Cooperation?" in the *Journal of Economic Policy* 7(2) 1993.

Homework: Discrimination and Power

Week 3 ((2/1) (Hahnel): Radical Welfare Theory

- * *Quiet Revolution*, chapters 5,6,7,8,9,10.
- * Michael Leibowitz, "Karl Marx: The Needs of Capital vs. the Needs of Human Beings," in *Understanding Capital*, Doug Dowd editor, chapter 1: 17-36.
- * Robin Hahnel, "Listen Marketeer!" *Review of Radical Political Economics*, forthcoming.
- * Robin Hahnel, "Endogenous Preferences: The Institutionalist Connection," in *Crossing the Mainstream: Ethical and Methodological Issues in Economics*, A.K. Dutt and K.P. Jameson editors (University of Notre Dame Press, 2001).
- * Samuel Bowles, "What Markets Can and Cannot Do," *Challenge Magazine*, July 1991.

- # Samuel Bowles and Herbert Gintis, "The Revenge of Homo Economicus," *Journal of Economic Perspectives* 7(1) 1993.
- # Joseph Stiglitz, "Post Walrasian and Post Marxian Economics," *Journal of Economic Perspectives* 7(1) 1993.
- # Amartya Sen, "The Moral Standing of the Market," in E.F. Paul, et. Al., *Ethics and Economics*, (Oxford and Blackwell, 1985).

Homework: Invisible Feet, Endogenous Preferences, and the Conflict Theory of the Firm

Economic Justice, Exploitation, and Class: Income Distribution and Prices

Week 4 (2/8) (Hahnel): Economic Justice, Exploitation, Alienation, and Class

- * Robin Hahnel, "Exploitation: A Modern Approach," *Review of Radical Political Economics* 38(2), 2006.
- * *The ABCs*, chapter 3.
- * Robin Hahnel, *Economic Justice and Democracy: From Competition to Cooperation*, (Routledge, 2005), chapters 1,2.
- # *Economic Justice and Democracy*, introduction and chapter 3.
- # John Roemer, "New Directions in the Marxian Theory of Exploitation and Class," in John Roemer editor., *Analytical Marxism* (Cambridge UP, 1986).
- # Robert Nozick, "Excerpts from Anarchy, State, and Utopia," in John Arthur and William Shaw editors, *Justice and Economic Distribution*, (Prentice Hall, 1991): 64-101.
- # John Rawls, "Excerpts from A Theory of Justice," in John Arthur and William Shaw editors, *Justice and Economic Distribution*, (Prentice Hall, 1991): 13-43.
- # John Roemer, *Free to Lose*, (Harvard UP, 1984).

Homework: Corn Model I

Week 5 (2/15) (Hahnel): Corn Model Extensions and Introduction to the Sraffa Model

- * *ABCs*, chapter 9: 208-220.
- * Appendix B in Robin Hahnel, *Panic Rules! Everything You Need to Know About the Global Economy* (South End Press, 1999): 111-118.
- * Robin Hahnel, "Unequal Exchange" working paper.
- * Ashok Kotwal and Mukesh Eswaran, "Credit and Agrarian Class Structure," in Pranab Bardhan editor, *The Economic Theory of Agrarian Institutions*: 167-184.
- * *ABCs*, chapter 5: 112-127.
- # John Roemer, "Unequal Exchange, Labor Migration, and International Capital Flows" in P. Desai editor, *Marxism, Central Planning and the Soviet Economy*, (MIT press, 1983)
- # John Roemer, *A General Theory of Exploitation and Class*, (Harvard UP, 1982).

Homework: Corn Model II

Homework: Sraffa Model I

Week 6 (2/22) (Hahnel): Piero Sraffa: Income Distribution, Prices and Technical Change

- * Robin Hahnel, "Sraffa After Frobenius Perron," unpublished monograph.
- * John Roemer, *Analytical Foundations of Marxian Economic Theory*, (Cambridge UP, 1981), chapter 4:87-111.
- # Ian Steedman, *Marx After Sraffa*, (Verso, 1977), chapters 1-4.
- # Abraham-Frois and Berrebi, *Theory of Value, Prices and Accumulation: A Mathematical Integration of Marx, vonNeuman and Sraffa*, (Cambridge UP, 1979): 1-31.
- # Piero Sraffa, *Production of Commodities by Means of Commodities* (Cambridge UP, 1960).

Homework: Sraffa Model II

Coordination, Conflict, Competition, Contracts and Power

Week 7 (3/1) (Meurs): Norms and Conventions

- * Robert Sugden, "Spontaneous Order," *Journal of Economic Perspectives* 3(4) 1989.
- * Bowles, *Microeconomics*, chapter 2.
- * Bowles, "Cooperation, Reciprocity, and Punishment in Fifteen Small-Scale Societies," *American Economic Review*, May 2001.
- * Olivier Bochet, Talbot Page and Louis Putterman, "Communication and Punishment in Voluntary Contribution Experiments," Brown University Working Paper, 2005.
- # Bowles, *Microeconomics*, chapters 1 and 3.

Homework: Norms

Week 8 (3/8): Midterm Exam (Does NOT include material from Week 7)

Week 9 (3/22) (Meurs): Coordination Failures and Institutional Responses

- * Bowles, *Microeconomics*, chapter 4.
- * Pranab Bardhan, "Irrigation and Cooperation: An Empirical Study," chapter 11, *Scarcity, Conflicts and Cooperation* (Cambridge: MIT Press, 2005).
- # Bowles, *Microeconomics*, chapters 5,11,12,13.

Homework: Coordination Failures

Week 10 (3/29) (Meurs): Theories of the Household: Cooperation and Power

- * Joris Ghysels, chapter. 1, "Theoretical Models of Household Decision-Making," *Work, Family and Childcare* (Edward Elgar, 2004).
- * Paula England and Barbara Kilbourne, "Markets, Marriages and Other Mates: The Problem of Power," in R. Friedland and A.F. Robertson, editors, *Beyond the Marketplace*, (Aldine de Gruyter, 1990):163-188.

* Bina Agarwal, "Bargaining and Gender Relations: Within and Beyond the Household," *Feminist Economics* 3(1) 1997.

Shelly Lundberg and Robert Pollak, "Bargaining and Distribution in Marriage," *Journal of Economic Perspectives* 10(4), 1996.

Homework: Neoclassical vs. Feminist Gender Models

Week 11 (4/5) (Meurs): Labor and Credit Markets Revisited

* Bowles, *Microeconomics*, chapter 8.

* George Akerlof and Rachel Kranton, "Identity and the Economics of Organizations," *Journal of Economic Perspectives*, 19 (1) 2005: 9-32.

Bowles, *Microeconomics*, chapters 7,9,10.

Homework: Stackleberg Model

Alternatives to Capitalism

Week 12 (4/12) (Hahnel): Market Socialism and Community Based Economics

* *Economic Justice and Democracy*, chapter 7.

* John Roemer, "A Future for Socialism," *Newsletter of the Committee on the Political Economy of the Good Society*, Winter 1993.

* David Schweickart, "Socialism, Democracy, Market, Planning: Putting the Pieces Together," *Review of Radical Political Economics* 24(3&4), 1992. Or, Schweickart, "Market Socialism: A Defense," in *Socialism* (Humanity, 2001), Michael Howard editor, chapter 7: 117-130.

* Fred Curtis, "Eco-localism and Sustainability," *Ecological Economics* 46, 2003: 83-102.

* Robin Hahnel, "When Is Small Beautiful And When Is Small Simply Small?" *Green Horizons Quarterly* 1(3), Fall 2004.

Economic Justice and Democracy, chapters 4,5,6.

Pranab Bardhan and John Roemer, "Market Socialism: A Case for Rejuvenation," *Journal of Economic Perspectives* 6(3) Summer 1992: 101-116.

Howard Hawkins, "Community Control, Workers' Controls, and the Cooperative Commonwealth," *Society and Nature* 1(3), 1993.

Michael Howard, *Self-Management and the Crisis of Socialism*, (Rowan & Littlefield, 2000).

Bookchin, Murray and Janet Biehl, *The Politics of Social Ecology*, (Black Rose, 1998).

Rob Knowles, *Political Economy from Below: Economic Thought in Communitarian Anarchism, 1840-1914*, (Routledge, 2004).

Socialism, Michael Howard editor, (Humanity Books, 2001), chapters 1,2,3,4,5,6.

Homework: Market Socialism

Week 13 (4/19) (Hahnel): Participatory Planning

* *Economic Justice and Democracy*, chapters 8,9.

* Michael Albert and Robin Hahnel, "Socialism As It Was Always Meant to Be," *Review of Radical Political Economics* 24(3&4), 1992. Or, Albert and Hahnel, "Participatory Planning," in *Socialism* (Humanity Books, 2001), Michael Howard editor, chapter 8: 131-146.

* Albert and Hahnel, *The Political Economy of Participatory Economics*, (Princeton UP, 1991), chapter 5.

*Tom Weisskopf, "Toward a Socialism for the Future, in the Wake of the Socialism of the Past," *Review of Radical Political Economics* 24(3&4), 1992.

Pat Devine, "Market Socialism or Participatory Planning?" *Review of Radical Political Economics* 24(3&4) 1992.

Science & Society 66, 1: Special Issue: Alternatives to Capitalism. Spring 2002.

Socialism, Michael Howard editor, (Humanity Books, 2001), chapters 9,10,11,12,13,14,17,18,19.

Pat Devine, *Democracy and Economic Planning: The Political Economy of a Self-governing Society*, (Westview Press, 1988).

Homework: Participatory Economics

Week 14 (4/26) (Hahnel) (4/21): From Competition to Cooperation

* *Economic Justice and Democracy*, chapters 10,11,12,13,14.

* Robert Pollin, *Contours of Descent*, (Verso, 2003), chapters 2,3,4,6.

* Bowles, *Microeconomics*, chapter 14.

J. Magnus Ryner, *Capitalist Restructuring: Globalisation and the Third Way*, (Routledge, 2002).

Michael Harrington, *Socialism: Past & Future*, (Little Brown, 1989).

T.M. Thomas Isaac and Richard W. Franke, *Local Democracy and Development: The Kerala People's Campaign for Decentralized Planning*, (Rowman & Littlefield, 2002).

Short Essay: Critical Analysis of an Economic Reform Campaign

Week 15 (5/10): Final Exam (Covers ONLY material from Week 7 to Week 14)