

Freie Universität Berlin
 Prof. Dr. Dr. Giacomo Corneo
 Prof. Dr. Theodor Grigoriadis
 Dr. Markus Krecik
 Department of Economics
 Summer Semester 2021

Economic Systems

Lecture: Mondays, 14-16, Giacomo Corneo (Giacomo.corneo@fu-berlin.de) & Theodor Grigoriadis (theodor.grigoriadis@fu-berlin.de) – online via WebEx

Exercise: Tuesdays, 14-16, Markus Krecik (markus.krecik@fu-berlin.de)

Modul: *Komparative Ökonomie von Wirtschaftssystemen – Bachelor VWL, #102078*

This course provides students with an introduction to the study of alternative economic systems. After offering an overview of current fundamental criticisms against capitalism, the first part of the course (weeks 1-5) will focus on the normative underpinnings of the evaluation of economic systems: efficiency, distributive justice, autonomy. The second part of the course (weeks 6-13) will concentrate on several alternative economic systems, providing an analytical and critical view of their fundamental properties. The course grade is defined by a final exam at the end of the semester.

Required Bibliography

Selected parts of the following:

1. Corneo, Giacomo. *Is Capitalism Obsolete? A Journey through Alternative Economic Systems*. Harvard University Press 2017.
2. Elster, Jon. *Sour Grapes*. Cambridge University Press 1983.
3. Kornai, Janos. *The Socialist System: The Political Economy of Communism*. Princeton University Press 1992.
4. Nozick, Robert. *Anarchy, State, and Utopia*, 1974.
5. Roemer, John. *Theories of Distributive Justice*. Harvard University Press 1996.
6. Roland, Gérard. *Transition and Economics: Politics, Markets and Firms*. MIT Press 2000.

Recommended Bibliography:

1. Bernheim, Douglas "On the potential of neuroeconomics: A sober (but hopeful appraisal), *AEJ: Microeconomics* 1 (2009): 1-41.
2. Binmore, Ken. Rationality. In: *Handbook of Game Theory* 2015.
3. Corneo, Giacomo. "Public Stock Ownership", *Annals of Public and Cooperative Economics* 89 (2018): 11-24.
4. Knight, Frank. "The Ethics of Competition", *QJE* 1922.
5. Lange, Oskar. "On the Economic Theory of Socialism, Part One", *Review of Economic Studies*, Vol. 4, No. 1 (October 1936): 53-71.
6. Harrison, Mark. "Why did NEP fail?", *Economics of Planning*, Vol. 16, No. 2, 57-67, 1980.
7. Heal, Geoffrey. "Planning Without Prices", *Review of Economic Studies*, Vol. 36, No. 3 (July 1969): 53-71.
8. Piketty, Thomas. *Capital in the Twenty-First Century*. The Belknap Press of Harvard University Press 2014.

9. Piketty Thomas, Li Yang and Gabriel Zucman. Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015, CEPR DP 12410.
10. Roemer, John. Equality: Its justification, nature, and domain. In: *The Oxford Handbook of Economic Inequality*. Oxford University Press 2009.
11. Weitzman, Martin L. "The New Soviet Incentive Model", *Bell Journal of Economics*, Vol. 7, No. 1 (Spring 1976): 251-257.
12. Wright, Erik Olin. *Envisioning Real Utopias*. Verso 2010.
13. <https://plato.stanford.edu/entries/justice-distributive/>

Grade: Final Exam

The course is recommended for students in their 4th semester or higher.

Syllabus - Topic of the week:

1: Introduction: Critiques of Capitalism and Alternatives to Capitalism

- 12.04., Common Lecture
- Corneo, Prologue

2: Distributive Justice: Utilitarianism and Rawls

- 19.04., Grigoriadis
- Nozick, Ch. 7
 - Key concepts from Roemer, Ch. 1, 4 & 5 (slides)

3: Distributive Justice: Equality of Resources vs. Equality of Opportunity

- 26.04., Grigoriadis
- Nozick, Ch. 7
 - Key concepts from Roemer, Ch. 6, 7 & 8 (slides)

4: Autonomy of Judgment

- 3.05., Corneo
- Elster, Part I

5: Autonomy of Preferences

- 10.05., Corneo
- Elster, Part III

6: Common Ownership & Anarchy

- 17.05., Corneo
- Corneo, Ch. 2-4.

7: Central Planning

- 31.05., Grigoriadis
- Corneo, Ch. 5.

8: Soviet-Type Economy

- 7.06., Grigoriadis
- Kornai, Ch. 1-6.

9: Workers' Self-Management

- 14.06., Grigoriadis
- Corneo, Ch. 6.

10: Market Socialism & Shareholder Socialism

21.06., Corneo

- Corneo, Ch. 7-8

11: Universal Basic Income

28.06., Corneo

- Corneo, Ch. 9

12: Citizens' Wealth Fund

5.07., Corneo

- Corneo, Appendix

13: Chinese Socialist Market Economy

12.07., Grigoriadis

- Roland, Ch. 6