The course meets Tuesdays, 6–8 p.m., beginning August 28, in the Conference Room, 9.63.24.

Course requirements:
Class participation; midterm exam, October 30; term paper project, due in various stages throughout the semester (see below); final exam, December 18.

Overview:
The course has roots in both the economics discipline of “Comparative Economic Systems” and the critical tradition in political economy associated with the classical work of Marx and Engels. The Comparative Economic Systems field tacitly assumed — past tense here because after the demise of the East Bloc planned economies after 1991 the field has pretty much been dropped from standard economics department curricula — that the orthodox (“neoclassical”) economics forming the foundation of the subject in Western academic circles is the unquestioned foundation, and that “systems” (planned, market) are institutional embellishments and historical particulars, to be described in terms of that foundation. We will examine some major statements of that view, but we will also question it, from the vantage-point of the Marxist theory of modes of production: capitalism, and socialism/communism.

We will cover the major themes in the comparative-systems field, including classical statements from the “free market” perspective and classical Marxist writings. But the core of the course is study of visions, or models, of socialism, variously called “market socialism,” “negotiated coordination,” the new central planning, “the participatory economy,” and others, put forward by present-day proponents of alternatives to capitalism. The capstone is the instructor’s own model, developed
over many years, called “Multilevel Democratic Iterative Coordination” (hereafter MDIC), which will be elaborated in detail.

While the focus of the readings and class sessions will be on socialist theory, we will also consider the most relevant historical experiences. Rather than a hurried survey of a large number of case histories and situations, however, we will pick out, for emphasis, the one that is arguably still central to the issue of transcending capitalism: the 20th-century experience of the Soviet Union, with reference to other countries that were affiliated with the USSR.

There are no requirements placed on students to accept or support any particular theoretical approach or interpretation of historical reality — either at the most general level or in terms of particulars. All viewpoints are welcome, including everything from libertarian and individualist standpoints to the range of commitments to various visions of the future that exist among progressive thinkers today. (The only, and obvious, exception to this, of course, is racist or misogynist views, or other expressions of hatred and bigotry, and these are not anticipated.) To learn about anything, you need to engage it from your own perspective, and in the context of your own experiences and feelings. Still, rather than simply present an eclectic parade of positions, from which a student may conclude that there is no way to decide among them and anything is possible, I will focus on systematic development of my own synthesis, thus hoping to provide a model not only of principled investigation of all alternatives, but also of a strategy to synthesize the best elements of various views and open a pathway to progress in the envisioning of social alternatives.

There has been a resurgence of popular writing on alternatives to “capitalism” (or whatever people choose to call the system of the present), which address the entire range of social contexts and issues (ecological, feminist, anti-racist, anti-heteronormative, etc.), essentially calling for a society that is infused with democratic, anti-elitist, egalitarian, participatory and humane values. Your instructor needless to say, shares these values! (As, I would guess, most of you do as well.) However, one theme in this course will be to argue that economics has something indispensable to say about envisioning an alternative system, and that students in this program must take their field seriously and use its tools and concepts to develop operational answers to the inevitable question, from people who share our critique of the capitalist present: what would you do differently? If capitalists — or markets (what is the difference?) — are no longer running things, who (or what) will be? How will it actually work?

From what has been said above, students should gather that the course will combine
directed presentation of material with effective student participation. (You can’t have a participatory economy without a participatory classroom!) I hope to avoid both formal lectures, on one side; and disorganized discussion, on the other. For this to work, I am hoping for the greatest possible student commitment to preparation: regular and timely attendance, and keeping up with the reading. Like building socialism, this will be an imperfect process, but one that is well worth pursuing.

**Term paper:**
Students will be asked to find their *burning question*, and write on that. Hopefully we can use our group discussions and collective energy to elicit a topic from you. Finding the topic is the single most important part of a research-and-writing project; you have to really *want to know* the answer(s) to the questions that you pose. When students ask me how long does the paper have to be, I always answer: “If you are trying to figure out how to make it *longer*, you have not yet achieved the first stage of the project; your problem should be how to make it *shorter*.“ I hope to carve out some time around class sessions 4 or 5 for the class to go around and tell us their preliminary proposals. I will set a due date for the paper itself of December 4, and we will devote the final two sessions of the course to presentations and discussion, of all or some of the papers. (Details to be worked out once we know how many of us there are.)

**Class session topics:**
These topics are a rough guide; I don’t assume that we will be able to adhere to this schedule exactly, and we may decide to compress or remove some things, in order to follow up on others.

The readings listed will be available on line, but also in printed and compiled form, from the Bookstore. Details, including price, will follow.

1. (Aug. 28) “Socialism” and “Communism.” Five historical contexts for the emergence of this pair of terms

2. (Sept. 4) “Comparative Systems” and Orthodox Economics. The free market perspective and its transcendence
   Readings: AA.Balassa; BB.Hayek; CC.MacPherson

[The two-week break in Tuesday classes (no classes Sept. 18, 25) offers a good opportunity for reading ahead, especially the reading coded GG1 – GG8]
3. (Sept. 25) Marxist Political Economy: An Overview
   Reading: DD.Marx

4. (Oct. 2) Socialism: Stages, Transitions, Levels of Abstraction
   Readings: EE.Marx; FF:Laibman

5. (Oct. 9) Socialism: Models
   Readings: GG1–8.Designing Socialism

6. (Oct. 16) MDIC1: Central Planning. The network flow minimization problem
   Reading: HH.Laibman

7. (Oct. 23) MDIC2: The Iterative Process. Decentralized solution to production
   equations, incentives and evaluation
   Reading: [same as topic 6]

8. (Oct. 30) Midterm Examination

9. (Nov. 6) Taxonomy of Models: MDIC overview
   Reading: [same as topic 6]

10. (Nov. 13) The Soviet Experience
    Reading: II.Laibman

11. (Nov. 20) Critique of Central/Decentral Planning, and Response. The Collective
    Morale Function
    Reading: [Laibman, “Incentive Design”. Not included in packet; we need to
             figure this one out!]

12. (Nov. 27) The Full Communist Economy
    Reading: JJ.Sherman

13. (Dec. 4) Presentation of Papers, Open Discussion

14. (Dec. 11) Presentation of Papers, Open Discussion

15. (Dec. 18) Final Examination

The Readings:


EE. Marx — Karl Marx, *Critique of the Gotha Programme*, 1875


