POLITICAL SCIENCE 191
THE GOVERNANCE OF MARKETS

Fall 2018
Prof. Steven Vogel
svogel@berkeley.edu

Office Hours Mondays 2-4 PM
768 Barrows Hall
Tel. (510) 642-4658

COURSE DESCRIPTION
This course will examine how government and industry interact to govern markets by surveying debates over specific substantive issues in the advanced industrial countries, especially the United States and Japan. Topics include labor regulation, antitrust policy, financial regulation, intellectual property rights, and the digital economy.

COURSE REQUIREMENTS

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<tr>
<th>Requirement</th>
<th>Percentage</th>
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<tr>
<td>Book review or issue paper</td>
<td>15%</td>
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<tr>
<td>Book review or issue paper presentation</td>
<td>5%</td>
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<tr>
<td>Final paper (due 12/13)</td>
<td>45%</td>
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<tr>
<td>Final paper presentation</td>
<td>5%</td>
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<tr>
<td>bCourses memos</td>
<td>10%</td>
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<tr>
<td>Class participation</td>
<td>20%</td>
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READING ASSIGNMENTS
The following books are recommended for purchase:


The following books are available online through the course web site:

- Susan Crawford, *Captive Audience* (2013)

All other required readings are available on the course bCourses site.
Course Introduction (8/22)

Theories of Political Economy (8/29)
Steven Vogel, *Marketcraft* (2018), Chapter 1, Chapter 2 first section, 1-17.

The U.S. and Japanese Cases (9/5)

Labor Markets (9/12)

Antitrust Policy (9/19)
Steven Vogel, *Marketcraft* (2018), Chapter 2 Antitrust, Chapter 3 Antitrust Reform, Chapter 4 Antitrust Reform, 31-33, 57-58, 100-102.
Sector-Specific Regulation: Airlines and Telecommunications (9/26)
Steven Vogel, Marketcraft (2018), Chapter 2 Sector-Specific Regulation, Chapter 3 Regulatory Reform, Chapter 4 Regulatory Reform, 33-36, 59-62, 102-104.
Susan Crawford, Captive Audience (2013), Chapters 1, 2, 14.
View: John Oliver Last Week Tonight on Net Neutrality, June 1, 2014.

Financial Regulation (10/3)
Rajan and Zingales, Saving Capitalism from the Capitalists (2003), Chapters 1-8, 11.
[OK to skim Chapters 6, 8, 11.]
Barry Eichengreen, “Origins and Regulatory Consequences of the Subprime Crisis,” in Balleisen and Moss, eds., Governments and Markets (2010), 419-442.
“Regulating Virtual Currencies and ICOs,” Economist, April 26, 2018.

Accounting (10/10)
Steven Vogel, Marketcraft (2018), Chapter 2 Accounting, 21-23.
Veron, Autret, and Calichon, Smoke & Mirrors, Inc.: Accounting for Capitalism (2006), Introduction, Chapters 1-3, 7, Conclusion.

Corporate Governance (10/17)
Steven Vogel, Marketcraft (2018), Chapter 2 The Corporation and Corporate Governance, Chapter 3 Corporate Governance Reform, Chapter 4 Corporate Governance Reform, 17-21, 26-28, 53-55, 92-96.
Gourevitch and Shinn, Political Power and Corporate Control (2005), Chapters 1-4, 8.
[OK to skim Chapters 2-3.]
Intellectual Property Rights (10/24)
Steven Vogel, Marketcraft: How Governments Make Markets Work (2018), Chapter 2

The Digital Economy (10/31)
Mariana Mazzucato, The Entrepreneurial State (2014), Introduction, Chapters 1-5, 10. [OK to skim Chapters 3-5.]

Fabricating Markets (11/7)
Market Governance and Inequality (11/14)
Lindsey and Teles, The Captured Economy, Chapters 1, 2, 5, 6.

Student Research Paper Presentations (11/28 and Monday, 12/3, 12-2 PM)
KEEPING UP WITH THE NEWS

In addition to the assigned readings for each week, students must keep up with current events by reading at least one quality newspaper and one news magazine on a regular basis. You may also be asked to read news articles on bCourses from time to time.

BOOK REVIEW OR ISSUE PAPER AND PRESENTATION

Write a 1500-word book review or issue paper. You may use an outline (two pages single-spaced maximum) or PowerPoint slides (ten slides maximum). You will be asked to post the outline or slides under Discussions on the bCourses site by 9 p.m. the evening before the appropriate class session; give a 5-8 minute presentation during that class session; and submit the written paper under Assignments one week later. Please submit your top three choices for book review or issue paper topic assignments via email by 5 PM on 8/28. You may wish to use the book review or the issue paper as a building block for your research paper.

For the book review option, choose one of the books from the list below or select a book outside the list in consultation with me. For the presentation, briefly summarize the argument; compare/contrast the book to other course readings (especially the readings for that week); and then offer your own critique. For the paper, focus on analysis/critique rather than summary, and develop one coherent theme rather than providing a “laundry list” of comments. Make sure to get hold of your book as soon as possible.

For the issue paper option, choose a topic from the list below or select another topic in consultation with me. For the presentation, identify the key facts on the topic; describe the most important policy/scholarly debates; and offer your own position. For the paper, feel free to condense the factual material, but make sure to develop an argument.

RESEARCH PAPER

One-paragraph proposal due 3 p.m. 10/12 under Discussions on bCourses, outline 3 p.m. 11/9 under Discussions, final paper 3 p.m. 12/13 under Assignments.

Write a 5000-word paper on a topic related to this course. See the list of topics below for ideas. You should consult with me about your topic early in the semester. For the proposal, make sure to identify your research question and some tentative hypotheses. For the outline, include your thesis statement plus any sub-arguments in specific sections. For the presentation (11/28 or 12/3), you will be asked to post the outline or slides on the bCourses site by 9 p.m. the evening before, and give a 5-minute presentation in class.

bCOURSES READING MEMOS

Write a short (150 words maximum) memo on the week’s readings and post it under the appropriate topic on the bCourses site by 9 p.m. the evening before class any 8 weeks that readings are assigned during the semester. Make sure to read your classmates’ memos before class. The memos may take a variety of forms: 1) a critique of one or more of the readings, 2) a comparison/contrast of two or more authors, 3) a proposal of a topic for class discussion. Feel free to experiment. We will discuss some of the memos in class.
BOOKS FOR REVIEW

The U.S. and Japanese Cases

Labor Markets

Antitrust Policy

Sector-Specific Regulation

Financial Regulation
Kathryn Lavelle, *Money and Banks in the American Political System* (2013)
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<th>Category</th>
<th>Author(s)</th>
<th>Title</th>
<th>Year</th>
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<tbody>
<tr>
<td><strong>Accounting</strong></td>
<td>Buthe and Mattli</td>
<td><em>The New Global Rulers: The Privatization of Regulation in the World Economy</em> (2011)</td>
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<td><strong>Corporate Governance</strong></td>
<td>David Moss</td>
<td><em>When All Else Fails: Government as the Ultimate Risk Manager</em> (2002)</td>
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<td>* P. Culpepper</td>
<td><em>Quiet Politics and Business Power: Corporate Control in Europe and Japan</em> (2011)</td>
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<td>Adam Winkler</td>
<td><em>We the Corporations: How American Businesses Won Their Civil Rights</em> (2018)</td>
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<td>W. Patry</td>
<td><em>How to Fix Copyright</em> (2011)</td>
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<td>B. Christophers</td>
<td><em>The Great Leveler: Capitalism and Competition in the Court of Law</em> (2016)</td>
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<td><strong>The Digital Economy</strong></td>
<td>Tim Wu</td>
<td><em>The Master Switch: The Rise and Fall of Information Empires</em> (2011)</td>
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<td>Brown and Marsden</td>
<td><em>Regulating Code: Good Governance and Better Regulation in the Information Age</em> (2013)</td>
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<td><strong>Market Governance and Inequality</strong></td>
<td>J. Stiglitz</td>
<td><em>Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity</em> (2016)</td>
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CLASS PRESENTATION AND/OR PAPER TOPICS

Labor Markets
The decline of unions
Labor market reforms (various countries)
“Right-to-work” laws, no compete clauses, or mandatory arbitration
Recent Supreme Court cases

Antitrust Policy
National variations in antitrust policy
Big tech and antitrust policy (Google, Amazon)
Merger cases (e.g. AT&T Time Warner, Sprint-T Mobile)
Google case (US and Europe)

Sector-Specific Regulation
Airline regulation
Electricity regulation (or the California energy crisis, or Enron, comparisons by region)
Telecommunications regulation (or a subtopic such as opening the cable box)
Net neutrality
The Trump Administration deregulation program

Financial Regulation
The Dodd-Frank Bill, or Dodd-Frank reforms
Financial reforms in other countries
Consumer finance regulation (the CFPB, payday lending)
Regulating electronic exchanges, cyber-currencies

Accounting
Fair value/ mark-to-market accounting
Harmonizing international standards

Corporate Governance
Corporate governance reform in the United States, other countries
Independent directors, executive pay, share buybacks, or stock options
Minority shareholder rights, proxy voting

Intellectual property rights
The patent thicket, patent trolls, or patent reform
Copyrights for films or music in the digital age
Pharmaceutical patents

The Digital Economy
Promoting innovation
Internet commerce, business to consumer or business-to-business
The Cloud
The platform economy (Uber, Airbnb)
Privacy regulation
Fabricating Markets
Spectrum auctions
Cap-and-trade schemes
Fabricated financial markets (e.g. markets for mortgage-backed securities)
Social impact bonds, or local currencies
Matching markets for human organs, schools, medical residencies, etc.

Market Governance and Inequality
Occupational licensing
Land use/ housing regulation
Labor regulation and inequality
Antitrust and inequality
Financial regulation and inequality
Corporate governance and inequality
Intellectual property rights and inequality