POLITICAL ECONOMY 158
MARKET GOVERNANCE AND THE DIGITAL ECONOMY

Spring 2023
Prof. Steven Vogel
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Office Hours Wednesdays 4-6 PM
768 Social Sciences Building

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. Topics include labor regulation, antitrust policy, financial regulation, and intellectual property rights.

COURSE REQUIREMENTS

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<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tr>
<td>Book review or issue paper presentation</td>
<td>5%</td>
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<tr>
<td>Book review or issue paper</td>
<td>10%</td>
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<tr>
<td>Final paper presentation (4/24 or 5/1)</td>
<td>5%</td>
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<tr>
<td>Final paper (due 5/10)</td>
<td>40%</td>
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<tr>
<td>bCourses memos</td>
<td>10%</td>
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<tr>
<td>Class participation</td>
<td>30%</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:


All other required readings are available on the bCourses site.
Course Introduction (1/23)

The U.S. Case (1/30)
Steven Vogel, *Marketcraft* (2018), Chapter 1, Chapter 3 Introduction and Postwar Model, and Chapter 5 (1-14, 43-51, 117-50) [OK to skim Chapter 5].

The Digital Economy (2/6)

Labor Markets (2/13)

Antitrust Policy (2/27)


Sector-Specific Regulation: Airlines, Telecommunications, and Electricity (3/6)
Steven Vogel, Marketcraft (2018), Chapter 2 Sector-Specific Regulation, Chapter 3 Regulatory Reform (33-36, 59-62).

View “Will Buttigieg Crack Down on Airline Chaos?,” YouTube (32 min.).

View John Oliver, “Net Neutrality,” Last Week Tonight, June 1, 2014 (13 min.).
[Note: read E. Vogel or Ricks et al.]

Financial Regulation (3/13)

Chapters 1 (Braun and Koddenbrock) and 12 (Pistor) in Braun and Koddenbrock, eds. Capital Claims: Power and Global Finance (2023), 1-30, 251-63.
Barry Eichengreen, “Origins and Regulatory Consequences of the Subprime Crisis,” in Balleisen and Moss, eds., Governments and Markets (2010), 419-442.

Corporate Governance (3/20)
Steven Vogel, Marketcraft (2018), Chapter 2 The Corporation, Accounting, and Corporate Governance, and Chapter 3 Corporate Governance Reform (17-23, 26-28, 53-55).

Gourevitch and Shinn, *Political Power and Corporate Control* (2005), Chapters 1 and 4 (1-14, 57-94).

[Note: read Veron, Autret, and Calichon or Gourevitch and Shinn.]


**Intellectual Property Rights (4/3)**


**Fabricating Markets (4/10)**


**Market Governance and Inequality (4/17)**


Lindsey and Teles, *The Captured Economy* (2017), Chapters 1, 2, 5, 6 (1-34, 90-126).

**Student Research Paper Presentations (4/24 and 5/1)**
KEEPING UP WITH THE NEWS

In addition to the assigned readings for each week, you should keep up with current events by reading at least one quality newspaper and one news magazine on a regular basis, either in print or online. You may also be asked to read news articles on bCourses from time to time. I will post relevant articles under Supplementary Readings.

BOOK REVIEW OR ISSUE PAPER AND PRESENTATION

Submit your top two choices for your topic for this assignment via email to the instructor by January 27.

Post an outline or slides under Discussions on the bCourses site by 10 AM the day of the appropriate class session; give an 8-10 minute presentation during that class; and submit a 1300-1600 word paper (including notes) under Assignments within four days (by Friday midnight). Please restrict the outline to two pages single-spaced or the PowerPoint to ten slides maximum. 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

Write a 4000-6000 word paper (including notes) 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 primary question and tentative argument, and consider how you can support your case with evidence. For the outline, include your thesis statement plus any sub-arguments. For the presentation (4/24 or 5/1), you will be asked to post the outline or slides on the bCourses site by 10 AM the day of the presentation, and give a 6-8 minute presentation in class.

One-paragraph proposal due by 3 p.m. on 3/23 under Discussions on bCourses; outline by 3 p.m. on 4/14 under Discussions; final paper by 3 p.m. on 5/10 under Assignments.
HONOR CODE

The student community at UC Berkeley has adopted the following Honor Code: “As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others.”
For information on plagiarism and how to avoid it, check here:
http://gsi.berkeley.edu/teachingguide/misconduct/preventplag.html

LATE PAPERS

Please contact me as early as possible to request extensions when needed. For late papers without an extension: 1/3 grade (e.g. B→B-) penalty after one-hour grace period. 1/3 grade penalty each day after that. No credit (0) after two weeks for the short papers, no credit after 5/13 for the final paper.

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 10 AM the day of class for 1/30 and 2/6 any then for any six other 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.

CLASS ATTENDANCE

You are expected to attend all classes for the full period. You are only allowed one unexcused absence during the semester to get credit for the course. You must post a reading memo for any missed classes, and it will not count toward your reading memo total.

CLASS PARTICIPATION

Class participation will be evaluated holistically: including attendance, class discussions, small group exercises, debates, peer reviews, and office hours. For some class sessions, sub-groups will be given particular assignments, such as to focus on certain readings or to look into a particular topic. In some cases, this may include a small amount of Internet research beyond what is listed on the syllabus. Make sure to check announcements for these assignments.

PEER REVIEWS

You will be asked to conduct a peer review of one first presentation and one paper outline. I will post the reviewer/reeviewee assignments on bCourses. Please email your review directly to your classmate with copy to me. Send the presentation review within 48 hours of the presentation, and the outline review within one week after the outline deadline (i.e. by 4/21).
BOOKS FOR REVIEW

The U.S. Case

The Digital Economy
Brown and Marsden, Regulating Code: Good Governance and Better Regulation in the Information Age (2013)
Vili Lehdonvirta, Cloud Empires: How Digital Platforms Are Overtaking the State and How We Can Regain Control (2022)

Labor Markets
Jake Rosenfeld, What Unions No Longer Do (2014)
Sanford Jacoby, Labor in the Age of Finance: Pensions, Politics, and Corporations from Deindustrialisation to Dodd-Frank (2021)
* Jake Rosenfeld, You’re Paid What You’re Worth, And Other Myths of the Modern Economy (2021)
Dukes and Streeck, Democracy At Work: Contract, Status and Post-Industrial Justice (2022)
Ferreras, Battilana, and Méda, Democratizing Work: The Case for Reorganizing the Economy (2022)

Antitrust Policy
Barry Lynn, Cornered: The New Monopoly Capitalism and the Economics of Destruction (2010)
Zephyr Teachout, *Break ‘Em Up: Recovering Our Freedom from Big Ag, Big Tech, and Big Money* (2020)

**Sector-Specific Regulation**

**Financial Regulation**
Howarth and James, *Bank Politics: Structural Reform in Comparative Perspective* (2022)
Andrea Binder, *Offshore Finance and State Power* (2023)

**Corporate Governance**
Pepper Culpepper, *Quiet Politics and Business Power: Corporate Control in Europe and Japan* (2011)
Adam Winkler, *We the Corporations: How American Businesses Won Their Civil Rights* (2018)
* Hayden and Bodie, *Reconstructing the Corporation: From Shareholder Primacy to Shared Governance* (2020)

**Intellectual Property Rights**
William Patry, *How to Fix Copyright* (2011)
Fabricating Markets

Market Governance and Inequality
* Thomas Piketty, *Capital and Ideology* (2020)
Destin Jenkins, *The Bonds of Inequality: Debt and the Making of the American City* (2021)
CLASS PRESENTATION AND/OR PAPER TOPICS

The Digital Economy
The history of the Internet
Internet commerce, business to consumer or business-to-business
The Cloud
The platform economy (Google, Amazon, Facebook, Apple)
Cybersecurity
Data privacy/ regulation
Election interference
Web3, decentralized autonomous organizations (DAOs)
US industrial and technology policy under the Biden administration

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
Labor in the “gig” economy (Uber)
Artificial intelligence and the future of work
US labor policy under the Biden administration

Antitrust Policy
National variations in antitrust policy
Big tech and antitrust policy (Google, Amazon, Facebook)
Merger cases
Google cases (US and/or Europe)
Antitrust policy and supply chain resiliency
Antitrust/ competition and inflation
US antitrust policy under the Biden administration

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

Financial Regulation
The global financial crisis
The Dodd-Frank Bill and/or revisions
Financial reforms in other countries
Regulating electronic exchanges
Crypto-currencies/ regulation
Consumer finance regulation (the CFPB, payday lending)
Bankruptcy law/ regulation
Private equity
Corporate Governance
The Silicon Valley finance model
Fair value/ mark-to-market accounting
Harmonizing international accounting standards
Corporate governance reform in the United States, other countries
Independent directors, executive pay, share buybacks, or stock options
Minority shareholder rights, proxy voting
Environmental, Social and Governance (ESG) disclosures, indexes

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

Fabricating Markets
Spectrum auctions
Cap-and-trade schemes and other market governance measures to mitigate climate change
Fabricated financial markets (e.g. markets for mortgage-backed securities)
Social impact bonds, social impact markets, local currencies
Matching markets for human organs, schools, medical residencies, etc.
Obamacare health care markets

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