

Exploring Economics Summer Academy – Summer Academy
Workshop: “Cooperative Economics”
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Syllabus and Reading List

Cooperatives arose as "double movements", in the language of Karl Polanyi, to fend off the immiseration and social squalor inflicted upon the growing system of liberal markets that capitalism required to flourish. Cooperatives operate and began with certain core values: trust, comradery, mutual aid, democracy, open-ness, inclusion and non-discrimination and a desire to reduce or limit the role of capital returns on organizational thinking and decision-making. Each of these values strictly challenges the premises of contemporary mainstream (read: neoclassical and offshoots) economic theory (which I refer to as competitive econ). Competitive econ uses theoretical problems like the Prisoner's Dilemma as foundational tools for describing human behavior and its ideas on Pareto optimality, welfare effects and market equilibrium are based on very strong normative assumptions of non-cooperation. These facts, and the ensuing interest in alternative economic structures, like cooperatives, renews the need for a new, moral economics. Cooperative econ takes as its basis notions advanced in interdisciplinary circles, from heterodox econ to political economy, economic sociology, anthropology and psychology and takes as given that norms form a central role in forming preferences. Whereas competitive econ assumes preferences are exogenously given and fails to open up the "black box" of preference formation, cooperative econ places a central emphasis on the process, context and path-dependence of preferences, and considers at least two distinct generators of preferences: morality (otherwise referred to as norm-based rationality) and cost-benefit analysis (akin to the neoclassical concept of utility). Within this workshop, we will learn that each of these generators is important and that to ignore one in favor of the other results in a handicapped and partial perspective on human behavior, including economic behavior. We will attempt to develop the outlines of a theory of cooperative economics in the course of the workshop, and be continually looking at various aspects of the practice of such issues in day-to-day life. Issues discussed will include the care economy, social economy, cooperative principles, issues resulting from "real competition", the limits of behavioral economy and other issues participants bring into the course.

As the course is necessarily very compact, I have tried to select a compact, dense set of readings that are typically short and to-the-point. Longer readings are included but typically not “required reading”. There are many texts here that may interest some of you more than others, and we can focus on certain texts more than others, as need be.

Modules:

1. Introduction: Foundations of a Cooperative Economy in the Moral Economy

1. Amitai Etzioni, *The Moral Dimension* (Chapter 2)
2. Moses Finley, *The Ancient Economy* (Chapter 2)
3. Karl Polanyi, *Economics as Instituted Process*
4. Marvin Brown, *Civilizing the Economy* (Introduction)
5. Karl Marx, *Theories of Surplus Value* (Chapter 1)

Additional Reading

Mark Granovetter, *The Problem of Embeddedness*
Tim Rogan, *The Moral Economists* (Introduction)

Robert Heilbroner:
Crisis of Vision (Chapter 7)
The Worldly Philosophers (Chapter II, “Economic Revolution”)

The Making of Economic Society (Chapter 13)

2. Double Movements and Common Pool Resource

6. Karl Polanyi, *The Great Transformation* (Chapters 6, 11)
7. Elinor Ostrom, *Governing the Commons* (Chapter 6)
8. Marcelo Vieta, *Workers' Self-Management in Argentina* (Chapter 4)

Additional Reading:

Margie Mendell, *Karl Polanyi and Instituted Process of Economic Democratization*

3. Social Inclinations

9. Adam Smith *Theory of Moral Sentiments* (Chapters 1 and 2)
10. Samuel Bowles *The Moral Economy* (Chapter 3)
11. Robert Aumann *A synthesis of behavioural and mainstream economics*

Additional Reading

Michael Sandel, *What Money Can't Buy* (Introduction)

Geoffrey Brennan and Phillip Pettit, *The Economy of Esteem* (Chapter 2)

4. Economic Theory

12. Ole Peters and Adanou, *An Evolutionary Advantage of Cooperation*
13. Nicholas Kyriazis and Theodore Metaxas, *The emergence of democracy: a behavioural perspective*
14. Alex Kacelnik, *Meanings of Rationality*
15. Herbert Gintis, *Bounds of Reason* (Chapter 10)
16. Robert Aumann on *Coordinated Equilibrium*
17. Samuel Bowles and Herb Gintis, *A Cooperative Species* (Conclusion)

Additional Reading:

Bowles & Gintis, *A Cooperative Species*, Chapter 10

Mahoney and Görtz, *A Tale of Two Cultures*

Robert Aumann, *Correlated Equilibrium...Bayesian Rationality*

5. Governing the Firm

18. Greg Dow, *The Labor-Managed Firm* (Chapter 14) **or**
The Labor-Managed Firm, Oliver Williamson and Me
19. Silvia Sacchetti and Ermanno Tortia "The Public Organization"
20. S. Bowles and H. Gintis on *Revenge of Homo Oeconomicus*

Additional Reading:

David Harvey, *A Companion to Marx's Capital* (from Chapter 6)

6. Toward a New Synthesis

21. Herb Gintis *Bounds of Reason* (Chapter 12)
22. Ermanno Tortia & Silvia Sacchetti *Towards A Needs-Based Organization*
23. Simon Pek, *Drawing out Democracy*
24. Rory Ridley-Duff, *Common pool resource institutions: The rise of internet platforms in the social solidarity economy*
25. Drucilla Cornell and Nyoko Muvangua, *Ubuntu and the Law* (Introduction)

Additional Reading:

David Ellerman, *Helping People Help Themselves* (Introduction)