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enzo fabio arcangeli
personal page <http://enzofabioarcangeli.wordpress.com/teachers-page/>

institutional page <http://>

“The Global Crisis and its Recovery. A Seminar” site: FORTHCOMING

Programma del corso di ***Economia Industriale Internazionale***. AA 2008\09



Teaching program: ***International Industrial Dynamics***, 2008\09.

A course for the 1st/2 year of the Master degree in **International Economics**

Università degli Studi di Verona \
Università in Vicenza
Facoltà di Economia

AFTER
HANNAH ARENDT ON EICHMAN:
THE NORMALITY OF SUBCRIME
«Ne abbiamo fatte di tutti i colori ma nel settore della finanza c'era più ignoranza che perfidia. E, comunque, eravamo come spacciatori in un mondo dominato dai drug lords. I nostri signori della droga, quelli che dettavano le nuove regole, stavano a Wall Street, nelle grandi banche d'affari. I titoli ad alto rischio per finanziare l'acquisto degli immobili li hanno inventati loro. Noi eravamo solo dei venditori al dettaglio.» Richard Bitner, il primo 'pentito' del settore dei mutui (Gaggi 2009).

SCAVAR BUCHE ED ELEVARE PIRAMIDI
COL CEMENTO DEI CASALESI.

Photo: the “Keynesian “ Ryugyong hotel, Pyongyang, NK ¹

¹ Sources: [http://it.wikipedia.org/wiki/Gomorra_\(romanzo\)](http://it.wikipedia.org/wiki/Gomorra_(romanzo)); <http://it.wikipedia.org/wiki/Cemento> (unfortunately wikipedia does not talk of the cement\gomorra intersection: for sure, they've NOT read the book); http://en.wikipedia.org/wiki/Ryugyong_Hotel - “The original building plans called for a structural steel internal frame, a standard requirement for any building that large. The government was unwilling or unable to supply enough steel, and instead insisted the structure be constructed entirely from reinforced concrete in order to save money.[10] The concrete used was also a poor-quality domestic variety, mixed with cheap ingredients in order to meet the cost requirements. The combination resulted in a structure which proved itself to be defective before it was even fully erected. The sagging of the interior concrete structure is reportedly so severe that most of the building's vaunted elevators are permanently inoperable due to warping of the shafts. [9]”; <http://www.forbes.com/global/2008/1027/059.html>;

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ITALIAN ABSTRACT

1. MODALITA' D'ESAME

- 4/8 saggi bibliografici a scelta --- si scelgano 4 argomenti tra gli 8 suggeriti; in ognuno si deve, in un saggio conciso di non oltre 8 cartelle, relazionare di, confrontare e discutere



- parti di almeno 3 testi (articoli o capitoli di libri) in bibliografia. Se il lavoro è fatto a coppia (max dimensione ammessa), 5 testi. - **verifica quali su Gbooks, Frinzi**
- La data del 5 maggio è tassativa: ogni studente (freq. o meno) che intenda sostenere l'esame nella sessione estiva, deve partecipare a quella lezione finale con una breve relazione (orale o power point). Presupposto: aver **consegnato entro il 21 aprile ALMENO 1 (minimo) dei 4 "compiti per casa" o essays**, per poterlo presentare quel giorno ai colleghi. Ciò vale anche per gli studenti erasmus e non regolarmente, o per nulla frequentanti. LA FREQUENZA ALLA LEZIONE-SEMINARIO sugli essays bibliografici del 31 MARZO E' PERTANTO L'UNICA **STRETTAMENTE** OBBLIGATORIA, "porta" di accesso agli esami della sessione estiva, in quanto il vostro lavoro di ricerca personale va socializzato in classe - per la sua piena efficacia didattica *peer-to-peer*.
 - **(FARE CHIARO AVVISO AGLI STUDENTI ERASMUS)**
 - 2 prove scritte in classe: set di esercizi su giochi; tema in classe sui *milestone papers*
 - - no prova orale;

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- i non freq. e gli allievi Erasmus hanno lo stesso programma e modalità d'esame, senza alcuna differenza. Pertanto, **devono comunque partecipare all'incontro di presentazione di un essay del 21 aprile; e sostenere 2 prove scritte, meglio se nelle date da programma.** ²

2. PIANO DELLE LEZIONI

Il programma è suscettibile di possibili, lievi variazioni che saranno segnalate per tempo, per la programmazione in corso di alcuni Seminari con docenti di altri atenei. Vedere il piano delle lezioni sotto, nella versione inglese.

TRASCRIVI - qui solo sintesi

NON C'E' LEZIONE LA SETTIMANA 15-21 marzo

- Nel Seminario finale congiunto Arcangeli - Fini - Tondini, gruppo D** (nel nostro piano delle Lezioni), esploreremo, e per la prima volta in modo consapevole, controllato e strategico, la tecnica pedago-didattica: Targeting the Median Student in Seminars. In realtà, "non potendo non dirci Cristiani" (B. Croce), correggeremo quella tecnica
- incoraggiando la produttività e l'imparare facendo della coda più dinamica (la forma del Seminario lo consente più della Lezione *ex-cathedra* che ha altri pregi, perché consente una maggiore varietà di percorsi individuali e di class subsets
 - allo stesso tempo, terremo ben presente anche la coda di studenti per qualsiasi motivo in difficoltà - e.g., inventeremo tutti gli modi possibili per coinvolgere più del solito gli studenti-lav.
 - NOTA DOLENS --- gli incoming Erasmus dovranno far pratiche ferroviarie sull'asse VR-VI (con l'abbonamento il prezzo è irrisorio), **almeno** per il Seminario - sennò che sono venuti a fare l'Erasmus qui? **Per il papà del Gnocco?** (Son gnocchi industriali adesso, non vale più la pena) Offriamo un seminario **appena oltre, some step behind** la frontiera mondiale della didattica economica sui DRAMMATICI problemi istantanei, quelli TRAGICI e le Grandi Sfide di prospettiva. e le loro lontane radici STRUTTURALI. Se sarete bravi, vi faremo parlare con i Nobel Kenneth Arrow e Paul Krugman! Abbiamo studiato per anni i corsi dal titolo analogo, nelle top *Faculties & Executive Bus. Schools* nel mondo, e fatto meglio di loro - almeno quest'anno e nei buoni propositi-
 - Ora, già il solo fare "*International Industrial Dynamics*", in Italia (si vedano, e.g., gli amici Bocconi- Malerba, e Parma- Daveri), automaticamente fa pattuglia di "avanguardia didattica-didattico- futurista".
- e) il CdF ha testé eliminato questo corso. Quindi siete l'ultima generazione della nostra Laurea Magistrale a**

² Per quanto riguarda le 2 prove scritte in classe: al limite, gli allievi che per motivi seri non potessero venire nelle date del (nel seguito precisate, appena verificata la disponibilità di un'aula), affronteranno ½ delle prove in classe alla data d'esame, ma non tutte e due nella stessa data: è impossibile. Semmai, se dovessero proprio ridursi all'ultimo momento (lo si sconsiglia), possono sostenere 1 prova in classe a ciascun appello estivo, quindi un esame esteso su due appelli (come abbiamo già fatto in precedenza).

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poterne usufruire. Poi il corso sparisce dal biennio.
Baciatevi le manine, Millennial col vento in poppa...

3. I TESTI DI BASE



FULL ENGLISH VERSION

NOTE 4 INCOMING ERASMUS STUDENTS

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TRANSLATE:

Nel Seminario finale congiunto Arcangeli - Fini - Tondini, gruppo D (nel nostro piano delle Lezioni), sperimenteremo, e per la prima in modo consapevole, controllato e strategico, la tecnica pedago-didattica: [Targeting the Median Student in Seminars](#).

In raealtà, "non potendo non dirci Cristiani" (B. Croce), correggeremo quella tecnica

- a) **ON THE ONE HAND**, incoraggiando la produttività e l'imparar facendo della coda più dinamica (la forma del Seminario lo consente più della Lezione ex-cathedra che ha altri pregi, perché consente una maggiorv arianza di percoasri individuali e di class subsets
- b) **ON THE OTHER HAND**, terremo ben presente anche la coda di studenti per qualsiasi motivo in difficoltà - e.g., inventeremo tutti glii modi possibili per coinvolgere più del solito gli studenti-lav.
- c) **NOTA DOLENS** --- gli incoming Erasmus dovranno far pratiche ferroviare sull'asse VR-VI (con l'abbonamento il prezzo è irrisorio, affordable), **almeno** per il Seminario - sennò che sono venuti a fare l'Erasmiius qui? Offriamo un seminario **ben oltre** la frontiera mondiale, vi faremo parlare con i Nobel Kenneth Arrow e Paul Krugman!

1. The evaluation process and teaching organisation

Elements of the evaluation, in the following proportion:

- **2 written essays in the classroom = 25% (12,5% each) - individual proof**
- **4 homework bibliographical essays = 50% (12,5% each) - one or two people**
- **1 participation (in small groups) to the Seminar = 25%** (the latter is a joint evaluation with the colleagues of Analisi Fondamentale dei Mercati, so that it will also participate pro quota to your evaluation for that exam). As for non attending students, they are invited to join Seminar groups mixed with attending ones, otherwise they will have to prepare the Seminar part of the course traditionally, and pass an oral examination just on that part.

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- no oral colloquium is an element of evaluation (with the just mentioned exception).

materials: available both from the Department of Economics site, teacher's page; and from the teacher's personal blog (enzofabioarcangeli.wordpress.com), indifferently. Students can write their essays either in Italian or English.

2. Lectures

Lecturing will be **in English**. We'll shift to Italian only in the 4th Section of the course (Seminar). Some lectures will start with a short reading from the day's international media - press - social media, and selected economic blogs (AsiaTimes, BBC, Bloomberg, Calculated Risk, The Economist, Financial Times, A Folha, Google blogs, Lloyds, Naked Capitalism, Noise from Amerika, Mail & Guardian, mpettis.com, Reuters, Nouriel Roubini's rge-monitor, Brad Setser, Technorati, The Times of India, Wall Street Journal; economiapolitica, il sole 24 ore and its radio, lavoce.info). Also a chance to read and debate alternative economic schools, behind the lines of an analysis, or a policy proposal.

SECTION A. GAME THEORETICAL TOOLS FOR INDUSTRIAL ECONOMICS

- 1 - Monday Feb. 23. Introduction. Lecture 1.** The subjects of industrial economics. Theories of the firm. Chrysler-Daimler: a transfirm (xxx). (Cabral chs. 1, 3)
- 2 - Tuesday Feb. 24. Lecture 2.** Elements of games theory. "Solving games". (Cabral ch. 2)
- 3 - Mon March 1. Lecture 3 - part I.** Symmetrical 2x2 games: a taxonomy.
- 4 - Tue March 2. Lecture 3 - part II.** Symmetrical 2x2 games: an elementary sociology and normative social choice theory.
- 5 - Mon March 9. Lecture 4.** Applications to duopoly -oligopoly. (Cabral chs. 7, 8)

SECTION B. INTERMEDIATE LEVEL INDUSTRIAL ECONOMICS

- 6 - Tue March 10. Lecture 5.** Economic methodology; a simple introduction to complexity. Technique of industry studies (preconditions, structure, conduct, performance) under stationary conditions. The case of non-stationarity. (Cabral chs. 9, 14, 15)
- i. Wed. 11 or Frid. 12 - **MANDATORY CLASSROOM EXERCISE:** Games theory, duopoly and welfare (We'll decide the date under students' revealed preferences and space availability constraints: a social choice exercise).
- March 16, 17: A pause. NO LECTURE, NOR MEETING WITH STUDENTS

- 7 - Mon March 23. Lecture 6.** Some "classics" in the Industrial Organisation literature: a reading guide (preparation to the 2nd classroom written essay).

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8 - Tue March 24. Lecture 7. Investing for differentiating products; Hotelling. Market structures and infrastructures (networks). (Cabral chs. 12-13, 16-17)

i bis. Wed. 25 or Thursd. 26 - CLASSROOM EX. on Games theory - retrieval.

9 - Mon March 30. Lecture 8. Baumol, Shapiro-Varian, Tirole. (Cabral ch. 17)

Industry studies: examples. The international dimension of firms systems: empirics.

SECTION C - MICROFOUNDATIONS OF INTERNATIONAL ECONOMICS

10 - Tue Mar 31. Lecture 9. Location theory and *Alfred Weber's prophecy*. The location-trade duality (Ohlin and Loesch). New Economic Geography (Krugman).

ii - Wed. 1 or Frid. 2 April. **MANDATORY CLASSROOM** Essay on: Coase 1934, Richardson 1971, Dasgupta and Stiglitz 1980, Teece 1986 and Winter 2006.

11 - Mon April 6. Lecture 10. Introduction to Regional Growth theory (Borts and Stein, Capello, HW Richardson).

12 - Tue April 7. Lecture 11. Clio-essentials of globalisations in history. The millennial role of winds regimes; technological transition in 19th Century shipping.

ii bis - Wed. 8 or Thursd. 9 - CLASSROOM Essay on classics: retrieval.

13 - Mon April 20. Lecture, no. 12. What we know about the BRIC and SANE ([Alessandrini and Enowbi Batuo 2008](#)) countries. Brad Setser "follows the money" and discovers, [behind Chimerica, Chieuropa](#). No one else had yet. WB Vice-President O. Canuto is the only man that can teach something to Brad Setser about "following the money" in international circuits: at least as far as Brazil is concerned.

14 - Tue April 21. Students' Seminar: (MANDATORY) short presentation of one (1/4) of your homework bibliographical essays.

SECTION D. JOINT SEMINAR: WHAT DO WE KNOW ABOUT MEAN STREET - WALL STREET RELATIONS? KEYNESIANS VERSUS NEO-CLASSICS, VERSUS NEO-AUSTRIANS ³

"The Global Crisis and its Recovery.

3

The Seminar will be a collective and creative work in the classroom, with your active participation in reading groups, referring to the classroom. The teachers and Invited Speakers will set the stage, then the class will selforganise in small groups, working both on the supplied materials, and on original printed or Web sources. Invited speakers will talk about International Finance and derivatives, Keynesian and neoAustrian theory. As for the latter extreme position in the theoretical spectrum:

"But maybe we simply don't have the knowledge to repair the economy from Washington. The economy is complex and the interaction between the financial sector and the real economy - between Wall Street and Main Street - is not well understood." (Russell Roberts, http://www.boston.com/bostonglobe/editorial_opinion/oped/articles/2009/02/02/stimulus_just_digs_debt_hole_deeper/)

"In other words, if you don't know what you're doing, don't do it. Hayek's argument in two sentences." (comment by David Henderson, http://econlog.econlib.org/archives/2009/02/russ_roberts_on.html). Both neoclassicals and Keynesians do not accept such a view.

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A Seminar”

The Seminar is conducted by the two courses together: Arcangeli (*International Industrial Economics*), Tondini and Fini (*Fundamental Analysis of Markets*), also with some external interventions, and teachers' Lectures within the Seminar.

It covers a total of **18 hours of “frontale” (i.e., F2F: face-to-face) meeting**, after one year of preparation (of our Lecturing, and accurately selected documentation supply within the Seminar, to support and optimise your own work), and your own **research in March-April**. Calculate and plan, in March-April, **no less than a working week, let's say min. 42 hours** of your homework for the Seminar, within groups that we will establish immediately (42 hours, just a rough est., include, e.g.: 2 hh group division of labour, 24 hh, or 3-4 full days of individual search-and-read, 6 hh group synthesis; Office 10' Presentation to be submitted to the Seminar: 2 h design and at least 4 hh writing):

15 - 17 Monday all day and Tuesday afternoon, April 27-28

18 - 20 idem (the 2 courses together again), May 4-5.

AN OUTLINE OF THE MAJOR SEMINAR ISSUES. Its logical scheme is:

A) Seminar Lecture, FORECASTED (subject to check): MONDAY MORNING, Recalling some basics. A box of theories and models. NOT NECESSARILY politically and very often not (please note that ANALITICALLY Miltie Friedman is here at the Centre, not Right; Schumpeter on the Right, not Centre-Left); analitically

SELECTED ECONOMIC SCHOOLS, THEORIES

“left”: Marx, Kalecki, Minsky, Cambridge Keynesians, Keynes;

“center”: GCE and overlapping Generations (Alesina), Friedman;

“right”: Schumpeter, von Hayek, von Mises.

B) **Basics - Box of Tools** for attending the Seminar. This Lecture within the Seminar is A MUST (we will timely and widely signal the exact date, but it will likely fall in the AFTERNOON OF MONDAY, MAY the

In particular:

-

C) The applied themes of the Seminar, you are called to participate to (**start selecting one of the 6 items as a working group, as soon as bibliographies will be available - a few weeks BEFORE the Seminar**) are:

1. Facts and their over-accumulation theory, post-marxist interpretation: a deflationary stalemate in global financial markets (Aglietta - Berrebi, Chesnais).
2. International markets and industries; technical and institutional change; monetary, fiscal and social policies: the last two cycles (early 1990s - 2007).
3. Facts: the burst of the US-UK housing and shadow finance joint bubble.
4. The discourse, narration and self-interpretation of the current global crisis; two basic meta-paradigms, or two extremes and intermediate points in a continuum:

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- a. **Apocalyptic narrations** - the massive return to an Apocalyptic literature and tones before year 2000 (neoliberalism: Friedman and Reagan; US theology; the manipulated panic over the "0 bug" in software); the Fatima-Medjugorje unique message; "Clash of Civilisations" versus Fukuyama. Where is the supposed "end of Modern Great Narrations"? They have never been so Great before ... Key ref.: Friedman 195x, XXX, Socci 200x.
 - b. FAQ: How far i) Christians (Stefano Zamagni), ii) Keynesians (Hyman P. Minsky, Luigi Pasinetti, Nouriel Roubini, Paul Krugman, Michel Aglietta) and iii) Marxists (economiaepolitica.it; François Chesnais; Halevi and Bellofiore) are attracted by this pole? Answer: often too much, with exceptions.
 - c. looking for **Plato-Hotelling-Weil Metaxù**: intermediate narrations are required (in order to find a central Hotelling equilibrium, if there is any) to be critical: both toward Apocalyptic tones, and toward acritical adhesions to secularisation (Morte di Dio). Nietzsche-Emanuele Severino: "Capitalism is a falling Angel, that is a formerly Eternal Structure".
 - d. **Fully secularised opposite (among them, and all together to the Apocalypse) narrations**: Hayek; Schumpeter; post- Structuralists and post-Moderns (the Great Narrations end thesis and its flaws); Fukuyama; GCE and overlapping G.s theory (Michele Boldrin's NfA 2009 blogposts; Corriere della Sera papers from America and Bocconi; lavoce.info).
5. Economic interpretations and normative implications: an alive social theory debate on New Deals **versus** "no-New Deal, please!" Position 1: A sudden, opportunistic **return to Keynes** (even by the same people that despised and "liquidated" him). Position 2: shifts of Wall Street Journal editorials, during 2008, from "Adam Smith" to "Obamasan" (the Nippon spectre); a **return to Hayek**. Again, as on the previous "Hotelling segment" of point 4, the most interesting positions are in the middle: here come Boldrin's suggestions on the limitations of some (not all, in our view) Keynesian Analyses and Narrations. What is most striking is that, from quite diverse theoretical bases (the only difficulty is to talk to straight Hayekists, that make Hayek a Catechism), **there is** a Metaxù-Nash Equilibrium, which at this precise moment (Feb. 15) is attracting Obama's New Deal. We are not sure it is socially optimal, although many schools argue it is.
6. An analysis of ongoing social policies, within all the above frame.

LECTURES PLAN END

3. Handbooks and readings

The general and mandatory reference texts are the following ones

ORDINARE 2 copie AGLI-BERR, 1 CAPELLO a Vicenza

WE ADOPT 4 TEXTBOOKS that you are supposed to study first, and almost in their entirety, as a basis for every further deepening of any single argument; e.g., in your required essays, that will be skillful only if and “*nella misura in cui*” you know how, and meanwhile learn by doing it, to use disciplinary tools for interpreting any single argument, fact, or paper.

The textbooks refer to the two disciplines of the course, i.e.:

- **Industrial Economics** (often rebaptised Industrial Organisation)
- and **Regional Economics**;

except the first one, Aglietta and Berrebi - a basis for our final joint Seminar, that we hold together with *Analisi Fondamentale dei Mercati*. This is an “unorthodox” (i.e., not in the mainstream micro-founded macroeconomics) text in Applied Macroeconomics, International Macroeconomics and the emerging area of Global Governance studies.

- 1. Aglietta, Michel and Laurent Berrebi 2007, *Désordres dans le capitalisme mondial*. Paris: Odile Jacob. ⁴The student who can not read French, will find little help from a GoogleSearch “Aglietta and Berrebi”: a lot of nice Power Points and papers, but most of them in French. We will supply a synthesis, plus many substitute texts in English, in the Seminar - Section D of the Lectures, and the corresponding part of Arcangeli 2009:
- 2. Arcangeli, Enzo Fabio 2009, *A Rough Handbook of International Industrial Dynamics*. An oL publ., linked soon to: <http://dse.univr.it/arcangeli/> and <http://enzofabioarcangeli.wordpress.com/teachers-page/>
- 3. Cabral, Luis 2002, *Economia Industriale*. Roma: Carocci. Or: idem 2000, *Introduction to Industrial Organization*. MIT Press. If you have already studied this HB in your curriculum, you just study, e.g., the last 2 Sections, not in your “laurea breve” curriculum in Vicenza. Students without a previous *Economia Industriale* exam in their curriculum, are invited to study the whole of it.
- 4. Either - at your choice: Capello, Roberta 2004, *Economia regionale*. Bologna: il Mulino - or: McCann, Phil 200x, *Urban and Regional Economics*.
- 5. Godley Wynne, Dimitri B. Papadimitriou, and Gennaro Zezza 2009, *Prospects for the US and the World: A Crisis that Conventional*

⁴ PART I: The origin of disorders. PART II: The divergent policies facing disorders. PART III: World governance and the disorders' challenge.

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Remedies Cannot Resolve. Annandale-on-Hudson, NY: Levy Institute's Macro-Modeling Team. 6pp. <http://www.levy.org/vdoc.aspx?docid=1109>

INTEGRATIONS of the adopted HBs, that you might consult on specific issues and chapters from time to time, when you need a clarification:

- Arcangeli, Enzo Fabio 2009 (February version), Solibiodictionary - A social sciences dictionary of Solibiopedia: **xxxx**
- Arcangeli, Enzo Fabio 2004, *Urban Sociology and Regional Economics* - dispense del corso di EU&R. Verona - available oL or from the teacher
- Archive for the History of Economic Thought, Mc Master University
- CEE, the Concise Encyclopedia of Economics: <http://www.econlib.org/library/CEE.html> - just excellent, from my libertarian fellows
- CEPA - <http://cepa.newschool.edu/het/alphabet.htm> hosts short biographies of economists, and is also (scroll the page until the bottom line) a unique guide to no less than **71 distinct schools** in the history of economic thought.
- Coriat, Benjamin and Ollivier Weinstein 1995, *Les nouvelles théories de l'entreprise*. Paris: Le Livre de Poche. By far the best, most thorough text on the theory of the firm. Gossip: how sharply Benjamin criticises Giovanni, one of his best friends!
- van Creveld
- Dang Nguyen, G. 1995, *Économie industrielle appliquée*. Paris: Vuibert.
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- Del Monte, Alfredo 1994, *Manuale di organizzazione e politica industriale*. Torino: UTET.
- Gaggi, Massimo 2009, *Valanga. Dalla crisi americana alla recessione globale*. Bari: Laterza. A divulgative (journalistic) complement updating Aglietta - Berrebi and Jorion 2007 (for the latter: see Seminar).
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- Genthon, Christian 2002, *Analisi settoriale. Metodologia e applicazioni*. Padova: Cedam. Part I only: a methodology of industry analysis.
- Kreps, D.M. 1993a, *Corso di microeconomia*. Bologna: Il mulino. Namely part III, chs. 11-15. Best available introduction to games theory.
- Palgrave Dictionary.
- Stanford - some useful items are:

OTHER STANDARD TEXTBOOKS OF INDUSTRIAL ORGANISATION:

- Church, J. and Ware, R., "Industrial Organization: A Strategic Approach," McGraw, 2000.
- Pepall, R. and Norman, "Industrial Organization: Contemporary Theory and Practice," 1999.
- Clarke, R., "Industrial Economics," Blackwell, 1999.

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- Shy, O., "Industrial Organization: Theory and Practice," MIT Press, 1996.
- Tirole, J., "The Theory of Industrial Organization," MIT Press, 1990 - It. ed.: xxxx.

TEXTBOOKS IN REGIONAL ECONOMICS AND REGIONAL SCIENCE:

THE BASIC REVIEWS IN THE 2 FIELDS (their papers are almost always accessible via the Frinzi Library's site, once you are in the univr digital network, also from Vicenza).

A) Industrial Economics

Economia e Politica Industriale

L'Industria

Industrial and Corporate Change

Industry -- quella di AALBORG

International Journal of Industrial Organization

Journal of Economic Behaviour and Organization - *on micro-foundations*

Journal of Economics and Management Strategy

Journal of Industrial Economics

Journal of Law and Economics

Journal of Law, Economics and Organization

Review of Industrial Organization

Review of Network Economics

B) Regional Science and Economic Geography

Archivio di Studi Urbani e Regionali - Dept. of Economics, Verona

Economic Geography

Regional Studies

Scienze Regionali

quella rampante

RERU - Dept. of Economics, Verona

For all the essays-relevant references that follow: papers are all available from the oL reviews (Frinzi Library site), but the teacher can supply many

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of them in file or paper; many books are partially readable on Google books. We'll solve together availability problems, and substitutions. The large choice set make them lighter.

5 milestone papers deserve, more than others, the pleasure you get from reading them, which will be enhanced once you have (from a handbook, or Lecture 6) a hypothesis, a mental frame and space where to locate what you read here. Pick them up from the Frinzi Library physical\virtual site, or ask me the paper print\.pdf file, as you like. The only one with math formalism is Dasgupta-Stiglitz, but there come handbooks to help you: e.g., Del Monte 1994: pp-pp (textbook quoted above).

1. Coase, Ronald H. 1938, Business organization and the accountant. Re-ed. in James M. Buchanan and George F. Thirby eds. (1973), *LSE Essays on Cost*. London: Weidenfeld and Nicholson. <http://www.econlib.org/library/NPDBooks/Thirlby/bcthLS5.html>⁵
2. Richardson, G.B. 1972, The organisation of industry. **Economic Journal**, **82**: 883-896.
3. Dasgupta, Partha and Joseph Stiglitz 1980, Industrial structure and the nature of innovative activity, **Economic Journal** **90**: 266-93.⁶
4. Teece, David J. 1986, Profiting from technological innovation: implications for integration, collaboration, licensing and public policy. **Research Policy**, **15**: 285-305. Submitted to the Venice Conference on Innovation Diffusion, March 1987.
5. Winter 2006 is a rejoinder on the roots and ANTECEDENTS OF TEECE's problem, and its solutions: Winter, Sidney 2006, --- . Winter is Emeritus professor at the Wharton school, a pioneer of

⁵ Not many people know this detail about the Revolutionary, Seminal paper by Coase (1937): it was revolutionary also in another sense, the political one! A paradox for the economist whose basic theorem (on property rights and externality, his 2nd greatest contribution) has become a pillar of free market economics.

"Coase conceived of the first article, "**The Nature of the Firm**," while he was an undergraduate on a trip to the United States from his native Britain. At the time he was a socialist, and he dropped in on perennial Socialist Party presidential candidate Norman Thomas. He also visited Ford and GM and came up with a puzzle: **how could economists say that Lenin was wrong in thinking that the Russian economy could be run like one big factory, when some big firms in the United States seemed to be run very well?** In answering his own question, Coase came up with a fundamental insight about why firms exist. Firms are like centrally planned economies, he wrote, but unlike the latter they are formed because of people's voluntary choices. But why do people make these choices? The answer, wrote Coase, is "marketing costs." (Economists now use the term "transaction costs.") If markets were costless to use, firms would not exist. Instead, people would make arm's-length transactions. But because markets are costly to use, the most efficient production process often takes place in a firm. His explanation of why firms exist is now the accepted one and has given rise to a whole literature on the issue."

You will know this and much more, since we will always introduce an Author through his biography.

⁶ One suggestion is to compare Dasgupta-Stiglitz formalism with: Franco Malerba 2007, Innovation and the dynamics and evolution of industries: progress and challenges. **International Journal of Industrial Organization**

versione 0.1, in corso d'opera

Evolutionary Economics and, by far, the best math mind among world economists.⁷

8 bibliographies for your essays

Further readings will be no more basic ones as above, but at intermediate or advanced levels. We do not suggest you read most of them (!). You will make a sharp selection, since they are instrumental to your bibliographical essays. The 8 advanced reading lists to follow are in fact your source for essays, together with the other Lecture-specific references, that you find in Arcangeli 2009 and the other basic handbooks.

You choose 4/8 broad areas, then - within each area - at least 3 (for single essay) or 5 (essays co-authored by two students) papers - book chapters.

SPECIFY CAP. DEGI HB NELLE BIB., renderli obbligatori, sennò non li studiano BENE

1. INTRODUCTORY AND APPLIED GAMES THEORY

Carraro and Graziano 1993,

Dixit and Nalebuff 1991, *Thinking Strategically*. New York: W. W. Norton.

Gibbons, *A Primer in Game Theory*, Prentice Hall, available in Italian as: "Teoria dei Giochi". Bologna: Il Mulino.

Kreps, D.M. 1993b, *Teoria dei giochi e modelli economici*. Bologna: il Mulino.

Schelling 1980 (2nd ed.), *The Strategy of Conflict*. Cambridge: Harvard University Press.

Tirole, Jean 1990, *The Theory of Industrial Organization*. MIT Press - It. ed.: xxxx.

2. INDUSTRIAL ECONOMICS

testo-base il Cabral, che ha una ricca pagina di links: <http://luiscabral.org/iio/links/>

Chan Kim, W. and Renée Mauborgne 2005, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant*. Harvard Business School Press

Clarke, J.M. 1940, Towards a concept of workable competition, **American Economic Review**, **30**: 241-256. See the use of this paper in Genthon 2002, in order to get rid of perfect competition, since the latter microeconomic notion has no room in empirical Industrial Economics.

Dang Nguyen, G. 1995, *Économie industrielle appliquée*. Paris: Vuibert.

Del Monte, Alfredo 1994, *Manuale di organizzazione e politica industriale*. Torino: UTET.

⁷ Let us prove the conjecture that Prof. Winter has no rival among economists. Some gossip from the global "invisible college": an economist that I like (on his work as a basis, I have published my most sophisticated math papers) has won a Nobel Prize, and he deserved it comparatively, for sure. Now:

1 - for half of the work that lead him to Stockholm, the paradigm came to his mind from a private conversation he had years before with Sidney.

2 - On the other half: there is a basic, dramatic error in the axiomatisation, well known in the literature (and quoted also in my works on the subject): an unnecessary restriction, that undermines logically all his important work - perhaps a 2nd conversation with Sidney might have been of help?

versione 0.1, in corso d'opera

Genton, Christian 2002, *Analisi settoriale. Metodologia e applicazioni*. Padova: Cedam.
Part I: a methodology of industry analysis.
Grillo, M. and F. Silva 1989, *Impresa, concorrenza e organizzazione*. Roma: NIS.
HANDBOOK of Industrial Organization.
Schmalensee, R. 1988, Industrial economics: an overview. **Economic Journal**, 98:
643-81.
Tirole, Jean 1990, *The Theory of Industrial Organization*. MIT Press - It. ed.: xxxx.
Tirole, Jean 200x

3. ECONOMICS OF ORGANISATION; THEORY OF THE FIRM

Besides Coriat and Weinstein 1995:

Aoki

Chandler, Alfred Jr,

Coase, Ronald H. 1934, *Business organization and the accountant*. Re-ed. in
James M. Buchanan and George F. Thirby eds. (1981), *Collected Essays*
1934-1973. NY: New York University Press. [http://www.econlib.org/library/
NPDBooks/Thirby/bcthLS5.html](http://www.econlib.org/library/NPDBooks/Thirby/bcthLS5.html)

Del Monte, Alfredo 1994, *Manuale di organizzazione e politica industriale*. Torino:
UTET. Capp. NNN

M, *Economie des organisations*.

Marengo, Luigi

Mariti, Paolo

Milgrom and Roberts

Mintzberg,

Nelson and Winter

Simon, Herbert

Williamson, Oliver E.

4. INTERNATIONAL INDUSTRIAL DYNAMICS

Complementary readings to the Aglietta-Berrebi and Arcangeli HBs:
Suggested coupling: Aoki versus Williamson; Ohno plus Coriat; ..

versione 0.1, in corso d'opera

Alessandrini, Michele and Enowbi Batuo, Michael 2008, The Trade Specialization of SANE: Evidence from Manufacturing Industries.⁸

Chesnais François 1994), *La mondialisation du capital*, Syros.

Coriat, Benjamin, *Penser à l'envers*. - A perfect companion to Ohno 1978

Daveri, Filippo - dal suo sito

Dunn, B. 2009, [Myths of globalisation and the new economy](#). **International Socialism**, 121. A classical marxist (trotskist) analysis.

Ghemawat, P. and F. Ghadar 2006, Global Integration Not Equal to Global Concentration, **Industrial and Corporate Change**, Vol. 15 (4): 595-623.

Harvey, David, 2003, *The New Imperialism* (Oxford University Press).

Mariotti, Sergio and M. Mutinelli 2003, *La crescita internazionale per le PMI*. Milano: Il Sole 24 ore. Promoted by Assoindustria Vicenza, a very informative and practical HB for the entrepreneur and the manager (ask the teacher).

Nonaka ?

Ohno, Taiichi 1978, *Toyota Production System*. It. ed.: 1993 and 2004, Lo spirito Toyota, intr. by Marco Revelli. Torino: Einaudi. His model is systematically brought forward, developed and made explicit as a broad economic-organisational paradigm by Coriat.

Perez, Carlota 2002,

Perez, Carlota 2007, Innovation and Finance: A Long Term View. <http://www.carlotaperez.org/papers/PEREZ%20Finance%20and%20Technical%20Change.pdf>

For an overview of the former, Victorian globalisation, we suggest to study together:

- Davis, Mike 2001, *Late Victorian Holocausts, El Nino Famines and the Making of the Third World*. London: Verso. (French ed. 2003. Paris: La Découverte)

- De Cecco, Marcello 1984, *The International Gold Standard: Money and Empire*. New York. Italian ed.:

As the latter globalisation, now exhausted:

Chesnais, François 1997 (2nd ed.), *La mondialisation su capital*. Paris: Syros.

Finally, as far as the technology bases of International Trade are concerned, you will study this book in the next Acad. year, but it is **not** forbidden to give it a 1st look now:

Maritime Economics

⁸ This paper studies the evolution of the foreign trade specialization in manufacturing sectors of **South Africa, Algeria, Nigeria and Egypt**. These four countries, the so-called **SANE**, are recently viewed as Africa's best chance of producing an economic bloc comparable to the BRIC economies of Brazil, Russia, India and China. Using data on trade flows since mid-1970s, the results show that the SANE group has experienced few changes in its trade structure, which is still based on low-technology and slow-growth world demand sectors. The degree of persistence in the specialization model is higher in the case of Algeria and Nigeria, where the dependence on products based on natural resources is stronger.

versione 0.1, in corso d'opera

Going deeper, searching for Industrial Organisation roots towards **microeconomics** (von Hayek, Knight, Schumpeter), **neo-institutionalism** (Coase, Hirschmann, North and Williamson) and **evolutionary economics** (Dosi, Nelson and Winter): **sets 4 and 5**.

5. NEO-INSTITUTIONALIST SOURCES FOR INDUSTRY STUDIES

Market Structure, Firms, and Institutional Organization

An Economics Reading List

<http://www.econlib.org/library/Topics/industrialorg.html>

[Home](#) | [Guides](#) | [Economics Reading Lists by Topic](#) | Market Structure, Firms, and Institutional Organization

Coase, Ronald, *The Firm, the Market and the Law*

Eggertsson, Thrain, *Economic Behavior and Institutions*

Hirschmann, Albert, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States*

Knight, Frank, **[Risk, Uncertainty, and Profit](#)**

- This careful work investigating the nature of profits also includes material on the institutional structure of firms and the distribution of residuals, particularly in Part III, **Chapter IX-X**. It contains an interesting discussion of the difference between risk and uncertainty. See also the **[Annotated Bibliography](#)** of Frank Knight, by Ross Emmett.

See also: Teacher's Corner: **[Risk versus Uncertainty, or Mr. Slate versus Great-Aunt Matilda](#)**. Guide to Knight's contributions on risk and uncertainty.

Masten, Scott, (ed.), *Case Studies in Contracting and Organization*

Miller, Gary, *Managerial Dilemmas: The Political Economy of Hierarchy*

North, Douglass, *Institutions, Institutional Change and Economic Performance*

Rothschild, Michael, *Bionomics*

6. NEO-AUSTRIAN AND SCHUMPETERIAN ROOTS OF INDUSTRIAL DYNAMICS

Amendola and Gaffard

Dosi, Giovanni (2005), "Statistical Regularities in the Evolution of Industries. A Guide through some Evidence and Challenges for the Theory", LEM working paper 2005/17 - <http://www.lem.sssup.it/wplem.html>

Freeman and Soete

Friedman, Milton: 1953, «The Methodology of Positive Economics», pp. 3-43, in Friedman, Milton: 1953, *Essays in Positive Economics*, University of Chicago Press, Chicago.
Friedman, Milton, 1962, *Capitalism & Freedom*, Chicago, The University of Chicago Press.

Gaffard

versione 0.1, in corso d'opera

Hayek, Friedrich, 1946, «The Meaning of Competition», in Hayek, Friedrich, 1948, *Individualism and Economic Order*. Chicago, The University of Chicago Press, pp. 92-106.
Hayek, Friedrich, 1948, «Individualism: True and False», ibidem; then also in: Nishiyama & Leube eds., 1984, *The Essence of Hayek*. Stanford: Hoover Press Publication, pp. 131-59.
Hayek, Friedrich, 1967, «The Principles of a Liberal Social Order», in Hayek, Friedrich, 1967 *Studies in Philosophy, Politics and Economics*. Chicago, The University of Chicago Press, then in Nishiyama & Leube, 1984, pp. 362-381.

Langlois

Malerba

Malerba

Malerba

Nelson and Winter

Perez, Carlota

Perroux, François

Rothschild, Michael 1990, *Bionomics. Economy as ecosystem*. Salt Lake City: Henry Holt.

Schumpeter

Simon, Herbert - Gasparini Lecture vol

7. ESSENTIALS IN REGIONAL ECONOMICS

Choose one of the following subsets, if you choose set 7 (recommended):

7A Industrial districts and endogenous development

Capello

7B MNC and exogenous development

Capello

6C regional growth theory

Capello

7D New Economic Geography

Arcangeli

David

Dixit

Krugman

versione 0.1, in corso d'opera

X (da cui ispirato)

7/E Location and agglomeration theory

Arcangeli IUAV

Beckman, Martin

Capello

1 paper on the product cycle

Mc Cann a Liverpool

WB, World Bank (2008, Nov. 6), [New World Development Report focuses on place and prosperity](#).

WB, World Bank (2009, Feb. 3), [Will Cities Survive the Financial Crisis?](#)

7/F Global industrial location today

WB (2007), "Dancing with Giants - China and India and the Global economy" - Chapter 2 (p. 35-37) in: *China and India Reshape Global Industrial Geography*, "<http://web.worldbank.org/>

7/G Evolutionary regional science

Arcangeli, EF

Arcangeli, EF

Boschma

Frenkel

8. SOMETIMES THEY STRIKE BACK: IS IT THE INDUSTRIAL POLICIES CASE?

*On this issue, relevant articles that you might select from either "**Economia e Politica Industriale**" or "**L'Industria**", are allowed to enter the 3-4 core essays, object of your review.*

1/2 on the deregulation bilancio (JEL)

Bianchi, Patrizio

Bologna, Sergio

"Made in Italy" plan (under the former Min. Bersani)

Samuelson, Paul (2008, Nov. 5)

A coupled reading not directly on industrial policy, but "a monte" on **who's the subject** of them: where is the State now? (the fundamental last van Creveld's chapter, that can be read on Gbooks) What kind of Kantian cosmopolitan world are we living in? (Daniele dismisses his main personality of economist and technology scholar; and draws on his decades of Kant studies)

Archibugi, Daniele (2009), *Cittadini del mondo. Verso una democrazia cosmopolitica*.

Milano: Il Saggiatore

van Creveld

versione 0.1, in corso d'opera

A couple of reading consists in analysing difference and similarities between these two "Communitarian" political philosophies, that propose themselves as radical alternatives to "Liberalismo" as a political ideology (sometimes at the root of "liberismo economico", although these two conceptions, *liberalismo* and *liberismo* are quite independent). In such a case, the third reading should refer to Industrial Policy, so as to connect this much wider debate with the domain of application:

- Tremonti, Giulio
- Weil, Simone, La prima radice
- review of Tremonti
-

JOINT FINAL SEMINAR ISSUES:

- a) **neo- and post-Marxists: OVER-ACCUMULATION** underlies STAGDEFLATION
- b) CAMBRIDGE KEYNESIANS and Kalecki-Minsky: it's an unsustainable set of assets allocation, distribution, finance and labour market disequilibria (*versus* GCE views)
- c) centre-left **Keynesians** (Krugman, Roubini, Samuelson): ∂ expenditure, in order to avoid a LR weakening of capabilities, potential output; at the price of some inflation
- d) NEOCLASSIC-NEOKEYNESIAN synthesis (Mankiw): it's a SR, not a LR issue
- e) NEOCLASSICS: Keynesians (Obamians) are not wrong, they are unilateral (Boldrin)
- f) NEOAUSTRIANS: since knowledge is dispersed, so must be the push to a recovery

EASLY EXAMPLES OF THE GROUP YOU HAVE TO FORM. NOTABEN: these are not priority themes, they are on the same line as all the others you will form about 20 groups x 3 people = 60, I suppose, and we'll organize them in the next few weeks, together with Prof. Fini). Just themes as an example:

0,0

- A) **THE MINSKY MOMENT INTERPRETATION OF THE CRISIS and strategic research at the Levy Institute where Minsky used to work.** The basis will be a short paper by Minsky summarising his business cycle. Another paper says it is not a Minsky cycle now: you'll make up your mind on these 2. Then you dig: <http://www.levy.org/research.aspx> namely under the 2 labels

The State of the U.S. and World Economies

The Distribution of Income and Wealth

- B) **PROF. NOURIEL ROUBINI, LA CASSANDRA:** a) the analyses of the 2 bubbles (it's really amusing); b) crisis predictions; 3) scenarios making; 4) MAN OF THE YEAR 2008; 5) what he says for 2009; 6) MAJOR CRITICISMS, envy, etc.; 7) CONCLUSION (comparing what he says with what happened, also WITHIN the Seminar, using hints from what other relevant groups are doing, make a phone call, discuss on Facebook - instead of using Facebook only for -- it is a potential NETWORK OF KNOWLEDGE AS WELL, senz'annoiarsi)

Besides our Aglietta - Berrebi 2007 handbook (the basic and still the best text on the issue), in the Seminar we will read and debate:

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il dirigente della Fed che è morto: SUO LIBRO

Aglietta, Michel, Laurent Berrebi and Audrey Cohen (2007, Sept.), *Les marchées des taux de la zone euro*. A Power Point presentation. Paris: Groupama asset management. www.cepii.fr/francgraph/communications/pdf/2007/250907/berrebi.pdf

Arcangeli, E.F., <http://enzofabioarcangeli.files.wordpress.com/2009/02/subcrimes.pdf>

Arcangeli, E. F. and Fini R., **SUBCRIME DOSSIER Aug.07 - Feb.09**. A collected and commented documentation, and a bibliography (in a set of .pdf files) especially tailored for the Seminar (a commented reading: analyses -data -facts from many sources), spanning from the early warnings of the bubble implosion in Aug. 2007, to the 1st economic and social policy measures sent by Pres. Barack Obama's Administration to the Congress and Senate.

Bartels, Larry M. (2008), *Unequal Democracy: The Political Economy of the New Gilded Age*. Russell Sage Foundation/Princeton University Press. A thorough review by Michael Tomasky: <http://www.nybooks.com/articles/22156>

Barton, Allen H. (2008, Sept.) "Letter: Another Take on "Why Paulson is Wrong", **The Economists' Voice: Vol. 5** : Iss. 5, Article 9.

DOI: 10.2202/1553-3832.1410

Available at: <http://www.bepress.com/ev/vol5/iss5/art9>⁹

Becchetti, Leonardo (2009, 16 gennaio), I giovani e la crisi globale. *L'Osservatore Romano*. <http://www.benecomune.net/news.interna.php?notizia=640>

Beitel, Karl (2008, May), [The Subprime Debacle](#). **Monthly Review**. **Although he does not quote Aglietta -Berrebi and Chesnais (language barriers to globalisation?), his key analysis does not diverge: "other crises await, and the ability of the central bank indefinitely to defer the underlying problem of overaccumulation is far from guaranteed".**

Bellofiore, Riccardo e Richard Halevi (2008, 29 ottobre), Lo stato è intervenuto anche nel "neoliberismo". *Il Manifesto*. <http://pensatoio.ilcannocchiale.it/?r=28165>

Boldrin, Michele

Brahmbhatt, Milan et al. (2008, Nov.), *Weathering the Storm: Economic Policy Responses to the Financial Crisis*. Washington: PREM - WB. It deals with developing countries vulnerabilities and policies. As well as other doc, it will be replicated, from the World Bank PREM page in this case, into an oL repository of the Seminar, keeping its original filename: WeatheringtheStorm12-01-08.pdf

⁹ A Reader's Reaction to: Zingales 2008.

Paulson proposes a top-down solution to the financial crisis by government purchase of bad loans from the lenders to "clean" their balance sheets [NdR: actually this did not happen: it was, at the time, the ORIGINAL PURPOSE of the Paulsson plan, which afterwards became much more like a Gordon Brown plan]. But, Barton suggests, a bottom-up solution would be a subsidy to borrowers to ensure full payments, restoring the value of the "toxic assets," thereby cleaning up.

In the October issue, [Manfredo Dix](#) objects that Barton forgets the moral hazard argument.

In the Decembter one, [Barton counter-argues](#) on "The Moral Hazard of Bailing Out Borrowers". A bailout of subprime mortgage borrowers would not create a "moral hazard" because it could be limited to those "toxic" mortgages already issued and packaged in "toxic" securities, contrary to Manfredo Dix's fears.

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de Brunhoff, Suzanne 2006, Finance, Capital, Etats, pp. 15-63
in: S. de Brunhoff et al., *La finance capitaliste*. Paris: Presse
Universitaires de France.

Canuto, Otaviano (2008, November 14), [http://
www.rgemonitor.com/latam-monitor/254325/](http://www.rgemonitor.com/latam-monitor/254325/)

[emerging markets and the systemic sudden stop](#) - in 2 weeks time,
1 million views on this post! With Brad's (bsetser) comments, replies.
LEFT: Otaviano Canuto, Vice President, World Bank.

Chesnais, François (2008, Jan.), Fin d'un cycle. Sur la portée
et le cheminement de la crise financière. **Carré Rouge - La
Brèche, 1**: 17-31.

Chesnais, François

L'encyclopédie de L'Agorà (2006) [http://agora.qc.ca/mot.nsf/
Dossiers/Neoliberalisme](http://agora.qc.ca/mot.nsf/Dossiers/Neoliberalisme) - papers in French by Beck, Bourdieu, Duménil-Lévy, Lagueux.
Linked items: von Hayek, Libéralisme, Adam Smith.

Greenspan, Alan (2008, Oct. 23), audition at the House Committee on Oversight
and Government Reform. [Bloomberg](#)

[Haque, Umair](#) (2009, Jan. 7), A user's guide to 21st Century
Economics. [http://blogs.harvardbusiness.org/haque/2009/01/
a_users_guide_to_21st_century.html](http://blogs.harvardbusiness.org/haque/2009/01/a_users_guide_to_21st_century.html)

Haque, Umair (2009, Jan. 30), The Smarth Growth Manifesto.
[http://blogs.harvardbusiness.org/haque/2009/01/
davos_discussing_a_depression.html](http://blogs.harvardbusiness.org/haque/2009/01/davos_discussing_a_depression.html)¹⁰

Henwood, Doug, 1998, Wall Street (Verso),
www.wallstreetthebook.com/WallStreet.pdf

Jorion, Paul (2007), *Vers la crise du capitalisme américain?* Paris: La Découverte -
MAUSS. **The definitive book on subprime: it fully anticipated the bubble bust and the
Fannie-Freddie telenovela. A perfect companion of Aglietta-Berrebi, if you read French.**

van Creveld 1999,

Lagueux, Maurice, [Qu'est-ce que le néolibéralisme](#). L'encyclopédie de L'Agorà.

Lazonick, W. (2007), [http://www.uml.edu/centers/CIC/Research/
Lazonick_Research/Lazonick_Recent_Research/Lazonick%20USSM%26GIE%20ICC
%202007.pdf](http://www.uml.edu/centers/CIC/Research/Lazonick_Research/Lazonick_Recent_Research/Lazonick%20USSM%26GIE%20ICC%202007.pdf). The US stock market and the governance of innovative

enterprise, **Industrial and Corporate Change, 16**: 983-1035.

Levy Economic Institute of Bard College 2008, 17th Annual Hyman P. Minsky
Conference on the State of the US and World Economies. ["Credit, Markets and the Real
Economy: is the Financial System Working?"](#) Annandale-on-Hudson, April 17-18.

Minsky, Hyman P. (1980), Capitalist financial processes and the instability of
capitalism. **Journal of Economic Issues, 14**.

Minsky, Hyman P. (1993), The Financial Instability Hypothesis. In: Philip Arestis
and Malcolm Sawyer eds., Handbook of Radical Political Economy. Aldershot: Edward
Elgar. see Section 3 above. <http://www.levy.org/pubs/wp74.pdf>



¹⁰ "The question Davos -- and most leaders -- are asking is: where will tomorrow's growth come from? Will it result from oil, cleantech, bailouts, China, or Obama? The answer is: none of the above. Tomorrow's growth won't come from a person, place, or technology - but from understanding why yesterday's growth has failed"

versione 0.1, in corso d'opera

Orléan, A. 1999, *Le pouvoir de la finance*. Paris: Odile Jacob.

Pasinetti

Paulsson

Perez, Carlota

Piketty, T. and E. Saez 2003,

Reinhart, Carmen (1999): Some Parallels Between Currency and Banking Crises: A Comment. Published in: *International Finance and Financial Crises: Essays in Honor of Robert P. Flood Jr. Peter Isard, Assaf Razin and Andrew Rose*, eds. London: Kluwer Academic Pre (1999): pp. 19-23. <http://mpra.ub.uni-muenchen.de/13197/>

Roubini G. E. = RGE

Roubini, Nouriel - scorreersi (lo farà un gruppo ad hoc, il blog personale all'interno di rge-monitor: un paio di milestone che potrebbero leggere anche gli altri sono:)

Setser, Brad - select some

Shiller XXXXX - **From the excellent expert of Finance, the main analysis that forecasted with exactitude and deepness, the forthcoming fall of the New Economy bubble.**

Thoma, Mark (2008), Does Income Concentration Cause Bubbles? A FAQ: <http://economistsview.typepad.com/economistsview/2008/10/does-wealth-con.html> .

Tremonti, Giulio (2008), -- recensito dal pdv liberista da: xxx

Tyson, Laura interview (200x) - **a unique view from inside the 1990s Clinton Team; very good, e.g. combined and compared with the quite opposite Chesnais view (unfortunately, I am a good friend of both, but I cannot invite them to dinner together - efa)**

Wallerstein, Immanuel (2008, Oct. 15), *The Depression: A Long-Term View*. - - - Is globalisation dead? **A longterm scenario, by one of the top living historians, the founder of a key neomarxist school (where Giovanni Arrighi is a leading figure)** <http://badmatthew.blogspot.com/2008/10/wallerstein-on-return-of-depression.html>

WB (2009, Feb. 3), [Will Cities Survive the Financial Crisis?](http://www.washingtonpost.com/archive/local/localnews/2009/02/03/) ¹¹

Zamagni, Stefano (2008), Il monito di una crisi annunciata. 3 dicembre. <http://www.benecomune.net/news.interna.php?notizia=590>

Zingales, Luigi (2008, Sept.) "Why Paulson is Wrong," **The Economists' Voice: Vol. 5** : Iss. 5, Article 2. -- DOI: 10.2202/1553-3832.1407 -- Available at: <http://www.bepress.com/ev/vol5/iss5/art2>. EPIC CONCLUSION OF ZINGALES, Italian economist, R. McCormack Professor of Entrepreneurship and Finance, Chicago:

"The decisions that Congress must make now will matter not just to the prospects of the U.S. economy in the year to come; they will shape the type of capitalism we will live in for the next fifty years. Do we want to live in a system where profits are private, but losses are socialized? Where taxpayer money is used to prop up failed firms? Or do we want to live in a system where people are held responsible for their decisions, where imprudent behavior is penalized and prudent behavior rewarded?"

For somebody like me who believes strongly in the free market system, the most serious risk of the current situation is that the interest of a few financiers will undermine the

¹¹ * As world markets suffer, cities in developing nations will inevitably feel the pain most sharply

* Cities capture the unique benefits of economic density and are important for the prosperity of nations, both in good times and in bad

* Policymakers should try to make cities work well instead of worrying about their size

versione 0.1, in corso d'opera

fundamental workings of the capitalists system. The time has come to save capitalism from the capitalists."

Occasional papers of interest and support to this area are also:

- "hub" economic blogs: the macroeconomics hub is rge-monitor. Plus, e.g.: alphaville, Calculated Risk, de(e)pre(ce)ssion, follow the money (Brad Setser), Paul Krugman, ... (you discover yourself which are the hubs: from crossed quotations and the blogroll list of each blog)
-
- Tett, Gillian (May 31/June 1, 2008), "Derivatives" has become a dirty word. Now has the kind of ingenuity they sprang from also been tainted? **FT Weekend**, pp. 21-26

We will take some time for reading the day's international media - press - social media, and selected economic blogs (e.g. AsiaTimes, BBC, Bloomberg, Calculated Risk, The Economist, Financial Times, A Folha, Google blogs, Lloyds, Noise from Amerika, mpettis.com on China, Reuters, Nouriel Roubini's rge-monitor, Brad Setser, Technorati, The Times of India and its associated The Economic Times, Wall Street Journal; economiaepolitica, il sole 24 ore and its radio, lavoce.info). Also a chance to read alternative economic schools, behind the lines of an analysis, a comment, a general or industrial policy proposal.

Finally, in and on Italy the two basic, collective economic blogs represent two alternative economic school views:

- a) lavoce.info the Bocconi based GCE, mainstream, Neoclassical and often but not always free-marketeers (liberisti); and
- b) economiaepolitica: lead by Naples - Campania, a group of political economists who basically refer to Marx, Kalecki-Keynes and Pasinetti (but are no pupils of the latter), for proposing a "freezing" of our public debt (a deliberately provocative and hardly realistic proposal, echoing the Min. Ferrero's theses in the last Prodi coalition Gov.), for the sake of our last bibliographical theme: LET US GO BACK TO INDUSTRIAL POLICIES, in many States underscored by the free-marketeer cultural hegemony and its deregulations.

APPENDIX 1

enzo fabio arcangeli

paper submitted for selection for the Firenze, AISRE 2009 Conference - ABSTRACT:

FROM DER TO RED: from Derivatives to Redistribution. A 2-regions model

The paper introduces a basic real-financial model of the global depression of the 2010s and its roots in unsustainable real disequilibria in primary markets (Nature and Labour Force), inducing a "low ceiling" in global (2 regions) growth, therefore a deflationary regime in the global financial market. There are two regions (West and East), with unlimited

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labour force supply in the 2nd one, and limited irreproducible natural resources supply (even if extracted beyond an optimal path).

Globalisation and absorption of a previous 3rd region (Socialism) into the East, interrupts the tropicality of the Lewis dual growth model, and makes it global. The problem now is how to avoid an unmanageable explosion of inter-regional net capital flows (S- I) - namely by reorganising into a new, sustainable IDL (Interregional Division of Labour).

Unfortunately this transition has to pass through a Great Crisis (both in the model and in history). But, in a "realistic scenario" version of the model, wrong Western economic policies make conflicts even more acute, disrupt finance and lead to a disaster.

On the one hand, the East has to enrich very fast, in order to generate a urban middle class demand for the import of expensive services from West; the latter in part deindustrialises, in part reintroduces high "absolute surplus value" exploitation (in order to resist to the drift of all manufacturing in the East, which had been forecasted by Alfred Weber's location model 90 years ago).

But an artificial financial Minsky cycle (represented in a sub-model), irresponsibly manipulated for SR aims by the West CB, adds a series of bubbles to the already unsustainable (for real reasons) 2-regions growth, until the price of fixed resources stops the growth of the East, and throws the global economy into an acute and long depression.

No-bubble policy alternatives are discussed hereby, and compared to what happens in reality; they require a high substitution of RED for DER.

Even (often advocated) anti-bubble, monetarist restrictive policies are discarded, not ideologically: since they lead to the "European disease". An € zone (a subregion of the West) under German orthodoxy, we predict will miss an entire 50 years Long Wave. In reality, it already happened and will happen again and again, until you change policy.

Also the disequilibrium role of maritime interregional transport is discussed; the very nature of the 4 entrenched maritime markets (Stepford 2008) generates automatically an acute procyclical effect; currently, it adds to the bubble bust globally, and brings South Korea (with China, the Eastern shipbuilding district) close to a default.

Policy implications of the model at different geoscales and spatial dependence (Sheppard) are discussed: a) a neo-Keynesian social pact for next LW can only be cosmopolitan (Archibugi 2009); b) the German people needs an intensive psycho-analysis input, to get rid of the 1920s hyperinflation complex; c) in Chindia-East the transition can only be as fast as possible (far below 10%), for the 2 regions model to be sustainable. Also important rural-urban intraregional conditions must be enforced in a new regional growth pattern.

Nonetheless, policies keep being constrained into a corner. The sharp opposition of regimes between the 3 basic markets (Credit, Labour Force and Nature) creates a long run tension which requires finally to transform dynamically the contradiction, by changing some of these constraints: an infinitely elastic Eastern labour market; a deflationary global finance regime (Aglietta and Berrebi 2007); fixed and scarcely substitutable primary resources.

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WEB RESOURCES FOR ECONOMISTS

WP (Working Papers) sources: a selection

Biographies

Concise Encyclopedia of Economics:
CEPA:

Meta-source from now on: <http://www.socialcapitalgateway.org/eng-workingpapers.htm> -
page visited on Feb. 7, 2009. Our re-editing and additions are marked in red.

Working papers resources

- [Fundamental Resources](#)

To find every kind of Economics working papers on the web. This section includes RePEc database -THE FULL LISTED IS REPORTED BELOW

- [Working Papers Collections](#)

Collections of working papers, classified by argument or by provider. This section includes collections edited by research institutions or organizations paying a particular attention to the study of social interactions and social capital - FULL LIST BELOW

- [Future Conferences](#)

Informations on future conferences and call for papers

- [Other Useful Resources](#)

on working papers. Here you can find the JEL classification system

Databases and E-Journals

- [Databases and Resources collections](#)

This section includes resources to find working papers, journal articles, web sites, academic departments, research institutions and organizations all over the world. Here you can find links to Resources for Economists (RFE), to the Social Science Information Gateway and to EconLit

- [Risorse fondamentali](#)

Resources for articles search. Here you can find links to Ingenta and J-Store, the most comprehensive archives of journal articles on social sciences

- [Electronic Journals](#)

[E-journals lists](#), to find social sciences journals,
and a list of links to [selected E-Journals in economics](#)

- [Publishers](#)

Publishers' commercial web sites

- [Books](#)

on economics, downloadable from the web. This section includes the link to a collection of Political Economy classics

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Fundamental Resources

- [RePEc, Research Papers in Economics](#)

RePEc is a collaborative effort of over 100 volunteers in 41 countries to enhance the dissemination of research in economics. The heart of the project is a decentralized database of working papers, journal articles and software components

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• [IDEAS](#)

The largest bibliographic database dedicated to Economics and available on the Internet. Over 200,000 items of research can be browsed or searched, and over 110,000 can be downloaded in full text. IDEAS is run by Christian Zimmermann at the Department of Economics of the University of Connecticut. IDEAS uses the RePEc database.

• [EconPapers](#)

EconPapers provides access to RePEc, the worlds largest collection of on-line Economics working papers, journal articles and software.

EconPapers provides a total of 209,513 searchable working papers, articles and software items with 116,917 items available on-line

• [MPRA](#)

MPRA is a [RePEc service hosted by the Munich University Library in Germany](#). The WP repository contains 6,879 records. [Prof. Arcangeli publishes here all his WPs]

• [Social Science Research Network \(SSRN\)](#)

SSRN is composed of a number of specialized research networks in each of the social sciences. The SSRN eLibrary consists of two parts: an Abstract DB containing abstracts on over 68,500 scholarly working papers and forthcoming papers and an Electronic Paper Collection currently containing over 45,200 downloadable full text documents.

• [NBER, National Bureau of Economic Research](#)

The National Bureau of Economic Research is a private, nonprofit, nonpartisan research organization dedicated to promoting a greater understanding of how the economy works

• [Citations in Economics](#)

Citations from items in the RePEc database

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Working papers collections

2B added: Danish based DB on Development

• [BIS Review, Central Banks Articles and Speeches](#)

A database of articles and other publications by Central Banks. It is edited by the Bank for International Settlements

• [BREAD Working papers](#)

BREAD (Bureau for Research and Economic Analysis of Development) working papers are unpublished academic papers, on topics that are of interest to development economists, defined loosely as the analysis of the economics of developing countries.

• [CEPR Discussion papers](#)

The discussion papers of CEPR (Center for economic policy research), London.

• [The Digital Library of the Commons \(DLC\)](#)

The Digital Library of the Commons (DLC) provides free access to an archive of international literature on the commons, common-pool resources and common property. Features for authors and readers include advanced searching; browsing by region, sector, and author name.

• [EBRD Working Papers](#)

Working papers of the European Bank for Reconstruction and Development (EBRD). The working paper series has been produced to stimulate debate on the economic transformation of central and eastern Europe and the CIS. This collections includes many papers on the role of trust and social capital in transition economies

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• [ELSE, The ESRC Centre for Economic Learning and Social Evolution Discussion Papers](#)

The ESRC Centre for Economic Learning and Social Evolution (ELSE) is an interdisciplinary research centre devoted to the study of those areas of human behaviour in which Economics, Psychology and Anthropology come together. Most of the research effort at ELSE is formulated and pursued within the conceptual framework provided by the modern Theory of Games.

• [Institute for Development Policy and Management Working Papers](#)

The Institute for Development Policy and Management (IDPM) of the University of Manchester is the UK's largest University-based International Development Studies department. Working papers contain the findings of different research projects undertaken by IDPM staff

• [Institute of Development Studies \(IDS\), University of Sussex.](#)

• [Paper Series at IDEAS](#)

Classified by provider. IDEAS actually includes about 1200 papers series

• [Poverty, Inequality, Development \(PID\) Working Papers](#)

The working papers series of the PID unit at the Cornell University. Cornell University is a world leader in research on poverty, inequality and development. Its faculty and graduate students conduct theoretical, empirical and policy oriented research across a wide range of disciplines and geographical locations.

• [PRISM \(Policy Making, Reporting and Measuring, Intangibles, Skills Development, Management\) Research Papers](#)

Working Papers sulla gestione e la misurazione delle risorse intangibili a cura del PRISM

• [S-WoPEc, Scandinavian Working Papers in Economics](#)

• [The Virtual Library on Microcredit](#)

This Virtual Library contains an impressive bibliography on **microcredit** and related topics, a collection of web resources, and database of case studies geographically organised. The web site is edited by the [Global Development Research Center](#).

• [World Bank - namely, among other internal sources of the WB:](#)

• [Global Network](#)

• [, a Research Department directed by the WB Vice-President Otaviano Canuto.](#)

[A forthcoming new review:](#)

ARE. A forthcoming oL review. Prefaced by Nobel Prize Ken Arrow, its no.1 issue is:

<http://arjournals.annualreviews.org/toc/economics/forthcoming>

Annual Review of Economics

Vol. 1 (Volume publication date September 2009)

Organizations and Trade

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We survey an emerging literature at the **intersection of organizational economics and international trade**. We argue that a proper modelling of the organizational aspects of production provides valuable insights on the aggregate workings of the world economy. In reviewing the literature, we describe certain predictions of standard models that are affected or even overturned when organizational decisions are brought into the analysis. We also suggest potentially fruitful areas for future research.

Expected final online publication date for the ARE Volume 1 is Aug 01, 2009.

A papers selection:
The State of Macro

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After the explosion—in both the positive and negative meaning of the word—of macroeconomics in the 1970s, there has been enormous progress and substantial convergence. For a while—too long a while—the field looked like a battlefield. Over time however, largely because facts do not go away, a largely shared vision both of fluctuations and of methodology has emerged. Not everything is fine. Like all revolutions, this one has come with the destruction of some knowledge, and suffers from extremism and herding. But none of this is deadly. The state of macro is good. The first section sets the stage with a brief review of the past. The second argues that there has been broad convergence in vision, with the third looking at it in more detail. The fourth focuses on convergence in methodology. The last looks at current challenges.

oL free textbooks

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A web guide to heterodox, non mainstream economix

The 4 basics, micro & macro handbooks (some of them available from the teacher) are:

Susan Himmewelt, Roberto Simonetti and Andrew Trigg 2001, *Neoclassical and Institutional Perspectives on Economic Behavior: Microeconomics*.

Steven Mark Cohn, 200x, *Reintroducing Macroeconomics*.

Neva Goodwin, Julie A. Nelson, Frank Achikerman and Thomas Weisskopf 2005, *Microeconomics in Context*.

Neva Goodwin, Julie A. Nelson, Frank Achikerman and Thomas Weisskopf 200x, *Macroeconomics in Context*. - a prel. v.: <http://www.ase.tufts.edu/gdae/publications/textbooks/macroconimics.html>

Other relevant references are:

Aglietta, Michel and Laurent Berrebi 2007, *Désordres dans le capitalisme mondial*. Paris: Odile Jacob.

Samuel Bowles, Richard Edwards and Frank Roosevelt 2005, *Understanding Capitalism: Competiton, Command, and Change*.

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Giovanni Dosi - Dip. Economia, Verona

Marianne A. Ferber and Julie A. Nelson eds. (2003 - 1st ed. 1993), *Feminist Economics Today: Beyond Economic Man*.

Edith Kuiper and Jolande Sap with Susan Feiner 1995, *Out of the Margin: Feminist Perspectives on Economics*.

Antonio Carlos Macedo - from the teacher

REVIEWS

<http://www.challengemagazine.com/> Post Keynesian

Feminist Economics

Heterodox Newsletter, by Frederic Lee <http://1.web.umkc.edu/htn12.htm>

Monthly Review (marxist)

<http://www.paecon.net> Post-Autistic: the site (with very accessible short articles) created by the revolt movement of French Ph.D. students, saying neoclassic economics is "autistic", i.e. self-referential

The Review of Radical Political Economics

DICUSSION LIST

PEN-L

SITES

<http://www.levy.org> post keynesian; and institutionalist: on the Minsky tradition (actually the late Minsky worked here: Levy Economics Insititute; among other things: annual Minsky Conference proceedings, dealing with current problems)



THE END

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Riepilogo

i manuali

1. Aglietta, Michel and Laurent Berrebi 2007, *Désordres dans le capitalisme mondial*. Paris: Odile Jacob. The student who can not read French, will find little help from a GoogleSearch "Aglietta and Berrebi": a lot of nice Power Points and papers, but most of them in French. We will supply a synthesis, plus many substitute texts in English, in the Seminar - Section D of the Lectures, and the corresponding part of Arcangeli 2009:
 2. Arcangeli, Enzo Fabio 2009, *A Rough Handbook of International Industrial Dynamics*. An oL publ. soon: <http://dse.univr.it/arcangeli/> **and** <http://enzofabioarcangeli.wordpress.com/teachers-page/>
 3. Cabral, Luis 2002, *Economia Industriale*. Roma: Carocci. Or: idem 2000, *Introduction to Industrial Organization*. MIT Press. If you have already studied this HB in your curriculum, you just study, e.g., the last 2 Sections, not in your "laurea breve" curriculum in Vicenza. Students without a previous *Economia Industriale* exam in their curriculum, are invited to study the whole of it.
 4. Either - **at your choice**: Capello, Roberta 2004, *Economia regionale*. Bologna: il Mulino - or: McCann, Phil 200x, *Urban and Regional Economics*.
- 1+ AD AGGIORNAMENTO- INTEGRAZ. di AGLIETTA - BERREBI, suggerimento a tutti (come modulo-base condiviso del Seminario Subcrime conclusivo): Godley Wynne, Dimitri B. Papadimitriou, and Gennaro Zezza 2009, *Prospects for the US and the World: A Crisis that Conventional Remedies Cannot Resolve*. Annandale-on-Hudson, NY: Levy Institute's Macro-Modeling Team. **6pp**. <http://www.levy.org/vdoc.aspx?docid=1109>

il corso

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il seminario congiunto