

## CRD 241: The Economics of Community Development

CRD 241, 4 units  
M. Kenney  
Office: 2307 Hart Hall  
Office Hours: MTWTh 12-2 or by appointment

Dept. of Human and Community Development  
University of California, Davis  
Office tele. # (530) 574-5943  
mfkenney@ucdavis.edu

### Course objectives

My objective this quarter is to introduce various frameworks that can be used to think about how economic forces shape the world within which community development praxis occurs. My premise is that almost anything done within the community development arena is affected by the political economy. This course will not provide training in the use of the tools of economic analysis, but rather aims to understand the larger economic forces. For me, economics is about how resources are created, distributed, and consumed in society. In each of these areas, economics and politics are inextricably intertwined. Who works, how they work, how much they receive, and what is consumed are political questions as much as economic questions. Moreover, the economic arrangements of society are constructed from a near infinite set of victories, truces, and defeats shaped by individual and collective decisions. So even though arrangements experienced by most actors as being natural are, in fact, constructed and open to change -- subject to a variety of technical, social, and physical constraints.

We are in an odd world. Today's economy is more globalized than ever before. And yet, even as globalization has swept all localities into its maelstrom of change, the importance of localities as the locus of political and economic activity has increased. This course introduces a variety of perspectives regarding the dynamics of regional and local economies and the relationships with global economic forces. One goal is to cultivate an ability to understand ourselves and praxis in the larger political economic environment. Another is to provide some perspectives for understanding current dynamics of capitalist economies. Special attention is given to the economic structures that insert specific locations into the global economy.

This course aims to deepen understanding of the mechanisms and institutions through which political economic forces operate. Learning about and understanding the operations of capitalist systems does not presuppose approval of any particular outcome or agreement that these outcomes are necessary. As with any creation, human action can change our creations.

### Required reading

Readings are an essential part of the course and will be discussed during class. They are a necessary background for discussion. Class participation is important.

Major sections of the following books will be read:

1. **Urban Fortunes** by John Logan and Harvey Molotch (Berkeley: University of California Press, 1988).
2. **Cities and the Wealth of Nations** by Jane Jacobs (New York: Vintage Books 1985).
3. **Making Democracy Work** by Robert Putnam (Princeton: Princeton University Press, 1993).

### Course requirements

The course grade will be based upon the following:

Participation	10%
Midterm	30%
Term paper	60%

**Participation:** Participation is an integral aspect of the class. For every class a team of students will lead the discussion. However, all students should contribute and will be expected to have cogent and coherent comments on the assigned reading. We can decide whether we wish to do the midterm or just a final paper.

**Take-home Midterm:** The take-home midterm examination will be assigned on a Monday and be due at the beginning of class on the next Monday (there will be no exceptions). The paper topic will include materials from the reading and also reward independent thinking on your part. The paper must be typewritten, double-spaced. References, citations or quotations that are used must be listed at the end of the paper in a consistent style (you are free to choose the style).

**Final paper:** For the final paper you must choose an industrial cluster, a town or a distinct part of a city or a supply chain and describe its political economic history. In general, places that you cannot visit at least once during the term are difficult to do effectively. It is especially nice if you choose a place you are interested in. The choice is up to you, however I would like to discuss the choice with each of you. Therefore, I ask you to provide me with your choice on **Tuesday, October 15, 2019.**

The earlier you begin work on the paper, the more insightful and interesting the paper will be. Sample papers written in previous years will be made available on reserve to provide some ideas on how you might approach this assignment.

The most important part of this paper is to get the history right. The history should be excellent. However, the truly excellent papers are those that integrate the readings into this history. For example, do any of the readings help you understand what happened? If so, how? Please raise questions in class about these papers. Let's talk about it. Finally, excellent papers will be put on reserve in the library for you to look at.

The term paper must be typewritten, double-spaced, and one-sided. References, citations or quotations must be listed at the end of the paper in a consistent style (you are free to choose the style). It will be due at the end of the day of the regularly scheduled final.

**Class Presentations:** At the end of the quarter, each student will make an in-class presentation of approximately 30 minutes on their research. This is ungraded, but is a very important part of the class because you can discuss your work with all of us. The presentations will be on the last day of classes. The advantage of presenting earlier is that you have a longer time to revise your papers in light of class comments.

### Class Meetings and Readings

#### **1. Tuesday, October 1, 2019 – Welcome and Introductions**

#### **2. Tuesday, October 8, 2019 – Understanding Marx**

Keeley, J. (n.d.). *Volume 2 – The Process of Circulation of Capital*. Retrieved from <http://www.johnkeeley.com/other-peoples-ideas/karl-marx/das-kapital/circuit-of-capital/>

Marx, K., & Engels, F. (1847). *The Communist Manifesto*. Redacted by M. Kenney.

Marx, K. (1867). *Capital. Volume One*. Chapter One: Commodities. Retrieved from <https://www.marxists.org/archive/marx/works/1867-c1/ch01.htm>

Marx, K. (1867). *Capital. Volume One*. Chapter 15: Commodities. Retrieved from <https://www.marxists.org/archive/marx/works/1867-c1/ch15.htm#S8> Please read Sections 1, 2, 8, and 10.

Rosenberg, N. (1976). Marx as a student of technology. *Monthly Review* 28(3): 56-77.

Optional:

For those so inclined, I strongly recommend David Harvey's reading capital lecture series <http://davidharvey.org/reading-capital/>.

#### **3. Tuesday, October 15, 2019 – Networks, Hierarchies, and Markets**

Coase, R. H. (1937) "The Nature of the Firm." *Economica* 4(16): 386-405.

Powell, W. (1990) "Neither Market nor Hierarchy: Network Forms of Organization." *Research in Organizational Behavior* 12:295-336.

Uzzi, B. (1996) The sources and consequences of embeddedness for the economic performance of organizations: The network effect. *American Sociological Review* 61(4): 674-698.

Williamson, O. E. (1981) "The economics of organization: The transaction cost approach." *American Journal of Sociology* 87 (3): 548-577.

Adler, P. S. (2001). Market, hierarchy, and trust: The knowledge economy and the future of capitalism. *Organization Science* 12(2): 215-234.

Heckscher, C. (2001). Response to Adler, 'Market, Hierarchy, and Trust'. *Organization Science* 12(2): 235-237.  
Chicago

Granovetter, M. 1973. The strength of weak ties. *American Journal of Sociology* 78(6): 1360-1380.

#### **4. Tuesday, October 22, 2019 - Social Capital and Sociology**

Adler, P. S., & Kwon, S. W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, 27(1), 17-40.

Granovetter, M. (1985). "Economic action and social structure: The problem of embeddedness." *American Journal of Sociology* 91: 481-510.

Putnam, R. (1993). *Making Democracy Work* (Princeton: Princeton University Press) pp. 1-186. (not on class website)

Portes, A. (2000). The two meanings of social capital. *Sociological Forum* 15 (1) 1-12.

#### **5. Tuesday, October 29 – Global Value Chains and Ecosystems**

Yeung, H. W. C., & Coe, N. (2015). Toward a dynamic theory of global production networks. *Economic Geography* 91(1), 29-58.

Gereffi, G., Humphrey, J. & Sturgeon, T. (2005). The governance of global value chains. *Review of International Political Economy* 12(1): 78-104.

Nadvi, K. (2008). Global standards, global governance and the organization of global value chains. *Journal of Economic Geography*, 8(3): 323-343.

Jacobides, M. G., Knudsen, T., & Augier, M. (2006). Benefiting from innovation: Value creation, value appropriation and the role of industry architectures. *Research Policy* 35(8): 1200-1221.

Cumbers, A., Nativel, C., & Routledge, P. (2008). Labour agency and union positionalities in global production networks. *Journal of Economic Geography* 8(3): 369-387.

Ponte, S., & Sturgeon, T. (2014). Explaining governance in global value chains: A modular theory-building effort. *Review of International Political Economy*, 21(1): 195-223.

Jacobides, M. G., Cennamo, C., & Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal* 39(8): 2255-2276.

#### **6. Tuesday, November 5 – Industrial Clusters/Districts: History and Evolution of the Concept**

Pyke, G. Becattini, & W. Sengenberger (Eds.). (1990). Selected Articles." *Industrial Districts and Inter-Firm Co-Operation in Italy* Geneva: International Institute for Labour Studies

Marshall, Alfred. (1890). *Principles of Economics*. Book Four: The Agents of Production Land, Labour, and Capital and Organization: Chapter 10.

Porter, Michael. (1998). "Clusters and the New Economics of Competition." *Harvard Business Review* (November-December): 77-90.

Gordon, I. R., & McCann, P. (2000). Industrial clusters: complexes, agglomeration and/or social networks? *Urban Studies* 37(3): 513-532.

Brown, J. S. & P. Duguid. (2000). "Mysteries of the region: Knowledge dynamics in Silicon Valley." In C. Lee et. al. (eds.) *The Silicon Valley Edge* (Stanford: Stanford University Press): 16-45.

Bathelt, H., A. Malmberg & P. Maskell. (2004). "Clusters and knowledge: Local buzz, global pipelines and the process of knowledge creation." *Progress in Human Geography* 28 (1): 31-56.

OPTIONAL: There is an enormous literature on this topic. For example, see the numerous articles in *World Development*, *Economic Geography*, and *Regional Science* in the last decade. More recently, business journals such as *Organization Science* have also begun to contribute to this discussion.

## **7. Tuesday, November 12 – Entrepreneurship**

Aldrich, H., & Fiol, M. (1994). Fools rush in? The institutional context of industry creation. *Academy of Management Review* 19 (4): 645-670.

Battilana, J., & Lee, M. (2014). Advancing research on hybrid organizing—Insights from the study of social enterprises. *Academy of Management Annals* 8(1), 397-441.

Feldman, M.P., Francis, J. & Bercovitz, J. (2005). "Creating a cluster while building a firm: Entrepreneurs and the formation of industrial clusters" *Regional Studies* 39: 129-141.

Thornton, P. H. (1999). The sociology of entrepreneurship. *Annual Review of Sociology* 25(1), 19-46.

## **8. Tuesday, November 19 – The Economy of Cities**

Jacobs, J. (1969). *The Economy of Cities*. (New York: Random House).

Storper, M. & Walker, R. (1989). *The Capitalist Imperative: Territory, Technology and Industrial Growth*. Introduction and chapter 1. (Oxford: Blackwell).

Moretti, E. (2012). *The New Geography of Jobs*. pp. 1-44. (Boston: Houghton Mifflin Harcourt).

OPTIONAL:

Davis, M. (2006). *Planet of Slums*. pp.1-49, 174-198.

Cronon, W. (1991). *Nature's Metropolis: Chicago and the Great West*. (New York: W. W. Norton & Company).

Lefebvre, H. (1993). "Plan of the Present Work (translation)." In *The Production of Space* pp. 1-67.

## **9. Tuesday, November 26 – Cities and Growth Machines**

Logan, J. & H. Molotch. (1988). *Urban Fortunes*. (Berkeley: University of California Press).

## **Other – Digital Platforms and Community**

Parker, J., Van Alstyne, M. and Choudary, S. (2016). *Platform Revolution* Chapters 2-4, pp. 16-78., New York: Norton.

Borkin, S. 2019. Platform co-operatives: Solving the capital conundrum. NESTA. February.

LaVecchia, O. and Mitchell, S. 2016. Amazon's Stranglehold. Institute for Local Self-Reliance (November).

Kenney, M. and Zysman, J. 2019. Work and Value Creation in the Platform Economy. *Research in the Sociology of Work* Kovalainen, A. and Vallas, S. (Eds.).

Gillespie, T. (2010). The politics of 'platforms'. *New Media & Society*, 12(3), 347-364.

Cutolo, D. and Kenney, M. 2019. The Emergence of Platform-Dependent Entrepreneurs: Power Asymmetries, Risk, and Uncertainty. SSRN Working Paper [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3372560](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3372560)

## **10. Tuesday, December 3 -- Presentations**