

Economy and Class

What social problem does Sternberg (1993) address?

- a) gender inequality
- b) racism
- c) urbanization

According to Sternberg (1993), Polanyi treats the Market as _____:

- a) an institutionalized process
- b) a myth
- c) a creation of the dominant class

According to Sternberg (1993), laissez fair ideology is the belief that:

- a) the free market is possible
- b) the free market is ideal
- c) all of the above

“Modern capitalism works best as a free market without government regulation.”

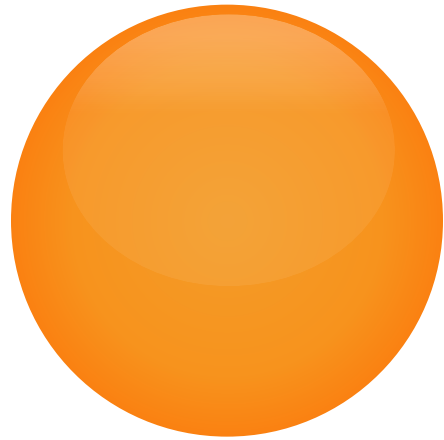
- a) agree
- b) don't know
- c) disagree

Lecture Learning Outcomes

**Describe
Different
Economic
Systems and
the Historical
Development
of Capitalism**

**Identify
Trends
Related to the
Economy and
Class**

**Evaluate
Theoretical
Perspectives
on the
Economy and
Social Class**



WHAT IS THE ECONOMY?

Class Discussion



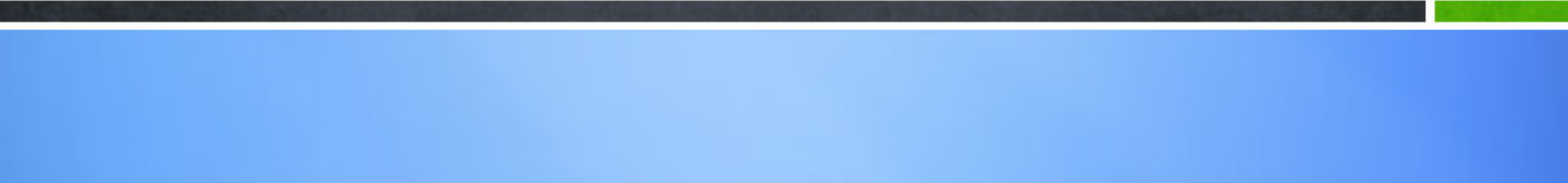
The Changing Economic Structure

- There is no “natural” economic system
- Types of Economic Systems
 - Tribalism
 - Feudalism
 - Mercantilism
 - Industrial Capitalism
 - Socialism
 - Communism

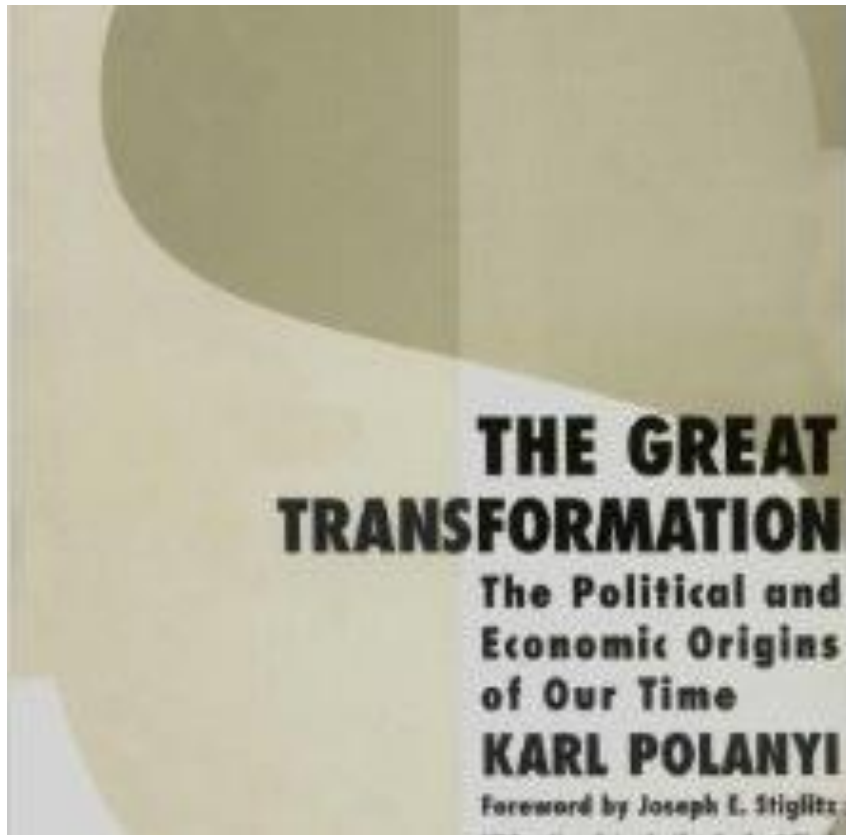


Think Pair Share-

Why do economic crises occur?



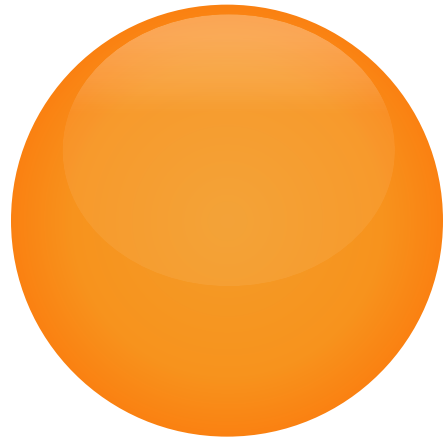
The Great Transformation- Karl Polanyi (1944)



- Commodities
- False Commodities
 - Land
 - Labor
 - Capital
- Embeddedness/Disembeddedness
- Double Movements

The Historical Development of Capitalism

- Speenhamland Laws and the Industrial Revolution
 - Expanding into new capital markets
 - Externalities
 - The Poor Law (1834)
- Financialization and Keynesian Economics
 - State plays a role in stabilizing economy
 - Banks shift from lending to investment
- Neoliberalism and Globalization
 - Deregulation
 - Expansion into international markets



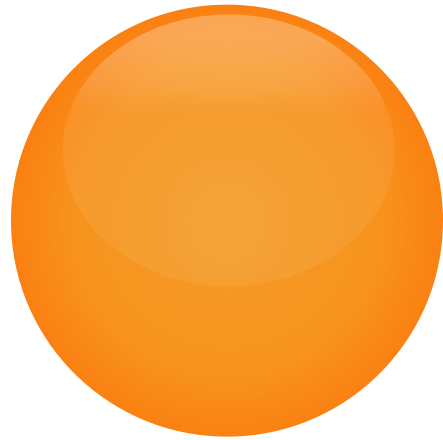
HOW DOES POLANYI'S THEORY OF MARKET EXTERNALITIES CONTRIBUTE TO URBAN PLANNING?

Class Discussion 



Sternberg (1993) Summary

- Research Question: How does Polanyi's theory of market externalities contribute to urban planning?
- Key Terms: externalities, fictional commodities, embeddedness, economy, markets, economizing, economic fallacy, self-regulating market, laissez faire ideology, market interventionism
- Analysis: Qualitative analysis using Polanyi's text
- Findings: In order for society to be preserved from destructive capitalist forces the state must intervene and establish bureaucratic plans



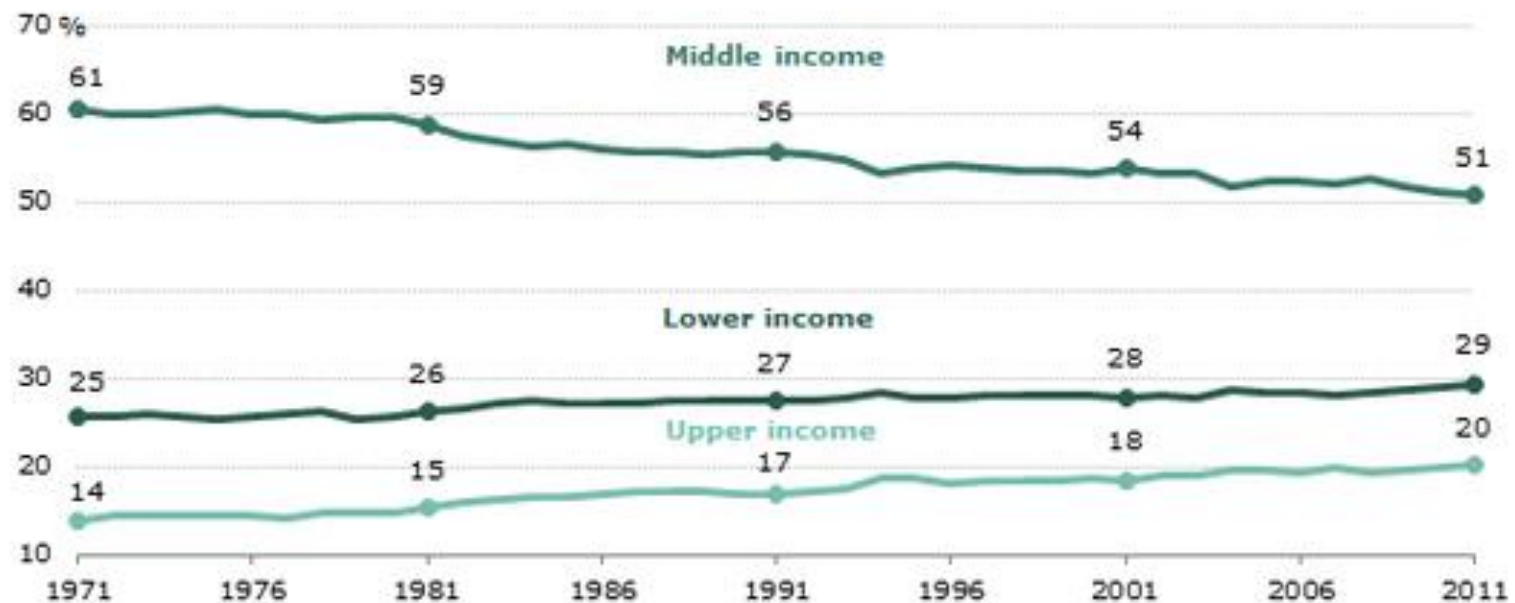
WHAT IS CLASS? HOW HAVE CLASS DIFFERENCES CHANGED IN THE UNITED STATES?

Class Discussion 



The Falling Middle Class

Shares of Adults Who Live in Lower-, Middle- and Upper-Income Households, 1971-2011



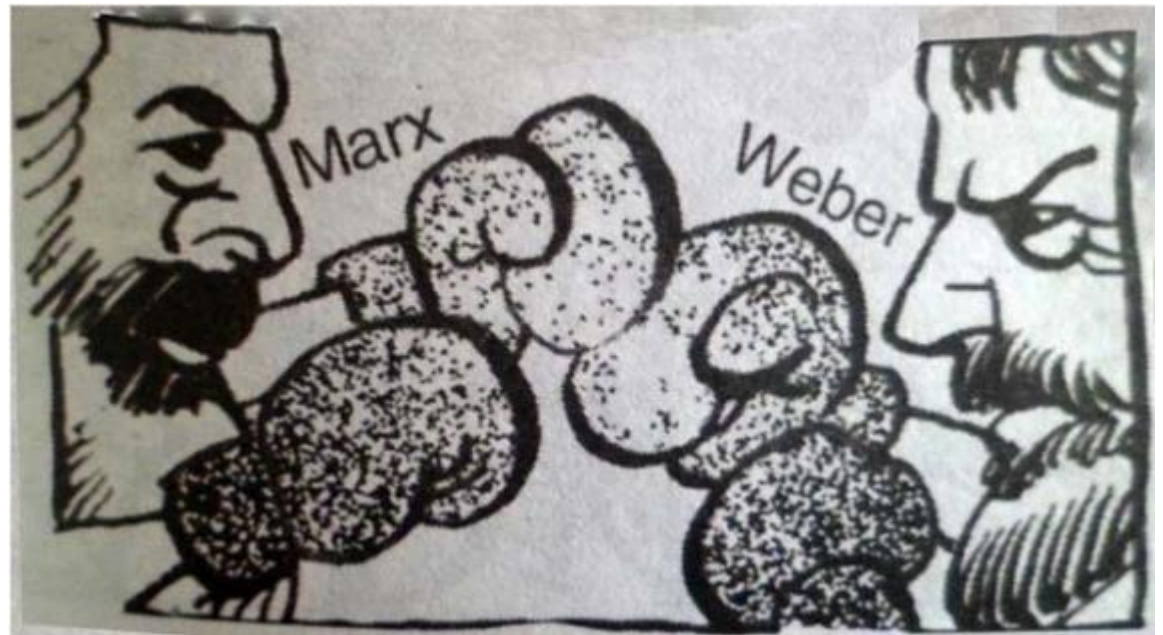
Note: Adults are assigned to income categories based on their size-adjusted household income in the calendar year prior to the survey year (e.g., 2010 income is reported in the 2011 survey).

Source: Pew Research Center tabulations of the Current Population Survey, Annual Social and Economic Supplements, 1971-2011

PEW RESEARCH CENTER

Theoretical Perspectives of Class

- Class: A person's social position relative to the economic sector
- Marx
 - Owners
 - Workers
- Weber
 - Power
 - Wealth
 - Prestige

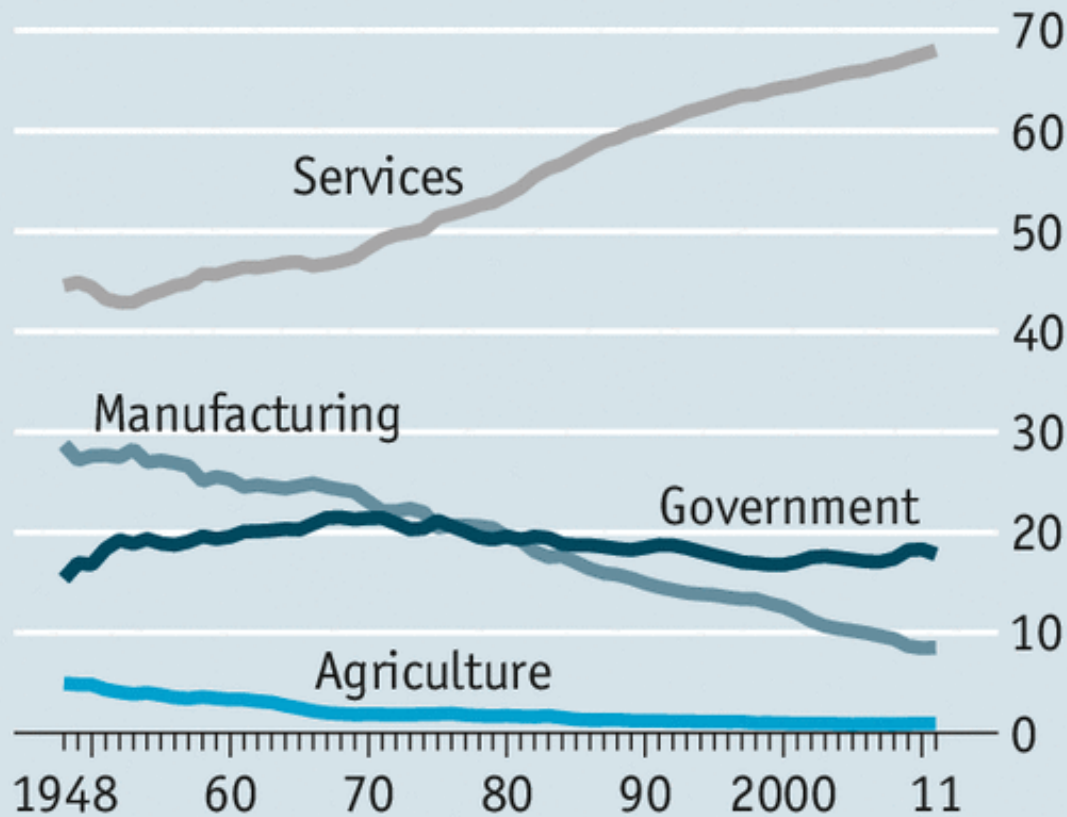


The Rise of the Service Industry

Not what it was

2

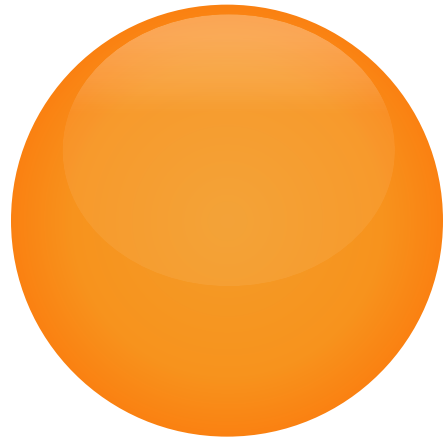
US employment by sector, % of total employment



Source: US Bureau of Labour Statistics

Think-

How do these changes
this affect class status?



**DO YOU THINK CLASS INEQUALITY
IS GOOD OR BAD FOR SOCIETY?**

Class Discussion 





Watch Video:

“How Economic Inequality Harms Society”

-Richard Wilkinson

http://www.ted.com/talks/richard_wilkinson



Small Group Discussion-

Evaluate Wilkinson's Theory

- What is his research question?
- What is his theory?
- Is his evidence adequate?
- What could be done to improve the study?
- If his perspective is correct, what are the implications?

“Modern capitalism works best as a free market without government regulation.”

- a) agree
- b) don't know
- c) disagree



Questions...

“Education is the most powerful weapon which you can use to change the world.” -Nelson Mandela