The Microeconomics of
Competition, Coordination, Cooperation and Conflict

Economics 700, Fall 2013
Instructor: Samuel Bowles, Teaching Assistant: Emiliano Libman
University of Massachusetts at Amherst

Objective: to provide an introduction to fundamental microeconomic concepts relevant to the generic problem of coordinating social interactions among autonomous actors, with particular attention to conflict, competition, collective action, and coordination failures in capitalist economies.

Prerequisites: admission to the doctoral program in economics and economics 751 (may be taken concurrently), or permission of the instructor. Students from doctoral programs in resource economics, management, and the other social sciences, and other fields having adequate mathematics background are welcome. Except in unusual circumstances I do not welcome auditors.

Course requirements: four problem sets, two in class exams, class presentations, and participation in class discussions of the readings (except in unusual circumstances, late submissions of work will not be considered.)

Readings: The numbered sections are (roughly) topics for class meetings. The readings are from my, Microeconomics: Behavior, Institutions, and Evolution (Princeton University Press, 2004), available at the Textbook Annex and www.amazon.com. Additional readings are suggested on pp. 528-535 of the text. Sung-Ha Hwang’s game theory tutorial memo and other readings are on the course web page.

Coordinates (logistical and scientific): You may contact (samuel.bowles@gmail.com) me by email. I will attempt to respond within 24 hours to questions about course material, copying your post and my response to the entire class (unless you ask me not to). If you would like to meet with me, we can make an appointment via email. Check out http://www.santafe.edu/~bowles, my web page, if you are curious about my own research, where in addition to most recent papers and books you will also find user-friendly interfaces that allow you to experiment with the agent-based simulations on which a number of my papers are based. I am also a member of the Analytical Marxism Seminar, teach at the University of Siena, and direct the Behavioral Sciences Program at the Santa Fe Institute whose summer school in computational social science and other programs may be of interest.

TA’s Office Hours: to be arranged.
### September

4. The wealth of nations and people, and the challenge to economics (optional: Prologue)
11. Tutorial: Game theory
16. People: Ch 3
20. PS#1 due
23. Tutorial: PS#1
30. Social interactions and coordination failures: Ch 4 and Notes on the Social Multiplier

### October

7. Utopian capitalism: Ch 6
11. PS#2 due
15. Tutorial: Review so far and Tutorial: PS#2 (Monday schedule followed on Tue)
16. First exam
21. Exchange: Ch 7 (pp 233-238; 249-261; 264-266) Notes on the variety of exchanges.
28. Labor Markets and firms: Ch 8 (Read entire chapter; select questions for working groups to present)

### November

4. Meetings with working groups to prepare presentations (to be scheduled – afternoon)
6. Presentations
13. Credit markets, wealth inequality, and allocative inefficiency: Chapter 9
18. PS#3 due
19. Tutorial: PS #3
20. Class and power in a capitalist economy: Ch 10
25. Introduction to social dynamics: Ch 2 and Hwang “Evolutionary game theory”

### December

6. PS #4 due
9. Tutorial: PS # 4 review of course
11. Second exam

Meetings will be held at 6.15-8.15 in the 9th floor seminar room at Thompson unless otherwise announced.