CRD 140 -- Dynamics of Regional Development
Course Objectives

This course aims to increase your understanding of the political economy of regions in today’s globalized economy. My goal is to encourage you to think about the operation of capitalist economies in a global perspective and to highlight some of the critical forces shaping regions. After this class, I hope you will have better insights into the headlines that you read every day. This seems particularly important today as the U.S. and, indeed, the global economy still suffers from a relative lack of high-quality jobs and severe inequality.

This course will study cities, clusters, value chains, and the impact of digital platforms on regional development. I will draw upon contemporary and historical examples.

Capitalism is a remarkable political economic system in that no single actor or small group of participants control the economy, therefore it is inherently unplanned and unstable. This means it is also prone to crisis, but also driven to innovate. In this system, labor is necessary to create value, but also is a cost that firms try to minimize. While I provide only an introduction to Marxist political economy, I believe that Marxist political economy is the best way for understanding how our society operates. Capitalism has many forms, but in all forms it configures the space within which economic and social actors perform. Economists generally treat economic forces as natural, but we understand that politics and social relations are the basis upon which all economies rest. The corporate decisions affecting us are also social and political decisions, as we can see in the recent banking, mortgage, employment and student loan crisis. Inequality is a political decision regarding how the wealth created socially is shared. Of course, economic actors have enormous sway over politics and politicians – and even entire ideologies that are accepted as descriptions of the way the economy should work. Whether a city or a rural region, all have been shaped and structured through the interplay of economics and politics driven by an inexorable drive to generate profit.

Capitalist history is an on-going drama within which social, political, and economic actors are constantly operating, dealing, finagling, building, destroying, winning, and losing. However, very little of this constant activity threatens the heart of the system – extracting value. The groups involved in these struggles are not only the elites. Unions, environmental groups, anti-globalization groups, and many others affect outcomes, though they operate within the rules of a capitalist state. These struggles can be about micro-level issues such as a local strike, larger levels such as the push for $15 per hour minimum wage, or even larger ones over a share of the total social output — such as single-payer healthcare. Similarly, the battles over the use of alternative energy sources are struggles over power and capture of value. The rise of China and its alliance with Russia is beginning to reorganize the existing world order which had the U.S. as its center and Western Europe and Japan as subordinated regions. This recognition is part of the current incipient trade war with China. The systemic tensions can now be seen globally, whether Brexit in England, the rapidly heating problems with China and Russia, the gilet jaune movement in France, or the increasingly leftward turn in Latin America. The question of whether democracies and capitalism are necessary twins or whether capitalism can operate without democracy is openly discussed. Increasingly, a few online platform firms are ever more powerful in the US even as a countermovement against them is forming globally – how should we understand these firms and their impact on the economy? A similar question is whether the environment can survive given the current logic of capitalism, or, put differently, can the planet survive both capitalism and the increasing economic dynamism of non-European and European
settle states? Given the current environmental, political, social, and economic state of the world, it is now clear globalization is no longer an issue, it is a fact of life -- but important parts of it are in contention. To illustrate while global trade is increasingly in question, global pollution is a fact of life. The debate today is about how and for whom will our planet be shaped even as the billionaires are experimenting with private space travel.

The topics we will explore are wide-ranging and this is only an introduction, but hopefully by the end of the quarter you will have new insights into how the political economy is shaped and understand better how it can be reshaped. Such a macro-level understanding will help you orient yourself in a rapidly changing and increasingly chaotic world.

One fact I would like you to keep in mind the entire quarter is that persons with their own perspectives and agendas write all of the articles you read in this class. Question them! It is my hope that you will be able to think more critically and get better insight into why political and economic outcomes are the way they are.

**Student Code of Conduct**

All students should be familiar with the Student Code of Academic Conduct that is located here [http://sja.ucdavis.edu/cac.html](http://sja.ucdavis.edu/cac.html). Please review this carefully and ask your instructor, if you have any questions. Remember the instructor is obliged to refer you to Student Judicial Affairs in all cases of violation or suspected violation.

In addition to the well-known cases of plagiarism and cheating on examinations, it is also a violation of the Code of Conduct to use your own written materials from papers prepared for other classes, unless you take the following points into consideration.

It is permissible to use materials and texts from other class projects, within CRD or in other departments, under these conditions:
1. You inform the instructor beforehand.
2. You clearly identify the portions where you quote yourself (or collaborative work)
3. You provide a copy of the previous work you have submitted in the other class to the instructor.
4. To ensure that you receive a good grade make sure that it fits seamlessly into the assignment for THIS class.
5. If you have any doubts about the extent to which you can use already written materials, talk to the instructor or the TA prior to making any submission.

**Readings**

Readings are an essential part of the course and will be discussed during class. They are the necessary background for discussion. Class participation is important and students are expected to be prepared to discuss readings in class. I will call on you by name.

The readings are all on the class UCD Canvas.

**Course requirements**

The course grade is based upon the following:

- **Paper topic**  no grade but if not handed in, then participation is automatic “F”
- **Quizzes** 30%
- **Draft of final paper** 20%
- **Final Term paper** 40%
- **Participation** 10%
**Quizzes:**

Quizzes missed cannot be made-up. However, the lowest one will be dropped. The quiz can be given at any time and any student more than 10 minutes late will not be allowed to take the quiz (no exceptions).

There are no make-ups because you decided to go out of town for a vacation or for a family visit, to present a paper, to go to a study session, or any other reason. If you want to miss class during the quarter, it is your choice. If missing quizzes worries you, please drop the class. Because of the Covid situation, upon presentation of a valid reason PRIOR to the quiz, a single make-up quiz will be given at the end of the quarter. It will replace the ZERO you received due to the EXCUSED absence due to Covid.

**Final Paper:** The task is to take a corporation and trace its evolution. The goal of the paper is to deepen your understanding of how a single firm has changed its production, R&D, and headquarters’ location through time. In effect, you are doing an economic, social, and geographical history of the company. You should try to answer why it changed locations, did it globalize, is it located in a cluster, what happened due to its relocation to the communities that lost and those that gained the operations. Try to connect our readings to the changes in the corporation. If you have a favorite website or some such firm that is good also. You can study its formation and evolution.

Prompts for the paper:

1. Why did the firm form there?
   a. Characteristics of the location at that time?
2. Who were the founders and what did they do prior to creating the firm?
3. Why did the firm grow?
4. How did the geography of the firm change and why?
5. What types of employees does it have and where are they located? Has this changed over time?
6. What is their supply chain? Can you diagram it or part of it? Has it changed over time?
   a. E.g., offshored and what was offshored?
7. How do they deal with certification and abuse in the chain?

The paper is meant to give you a deeper understanding of how firms evolve and, if successful, evolve in activities and geographical scope. All students are required to submit the name of the company on **January 25, 2022.** We will then discuss the feasibility of your choices with you. If possible, choose a company with which you are familiar or in which you have some interest. The earlier you begin work on the paper, the more insightful and interesting the paper is. **REMEMBER IT IS VITAL FOR YOU TO USE THE READINGS WHEREVER POSSIBLE. NOT USING THE READINGS WILL MAKE IT IMPOSSIBLE TO GET ANYTHING MORE THAN A “C.”**

Please upload all assignments to Canvas. Please use Times New Roman 12 font. The paper should be uploaded as a DOCX file (no other file format will be accepted – **NO PDFs**). If you do not have prior permission, late papers will automatically receive a one full grade deduction.

1. All papers must use citations in the text (Kenney 1998) and then have the full citation at the end.
2. Every paper must have at least one map showing the firm’s location(s). More maps and figures usually improve a paper.

Please see previous papers on Canvas to get a better idea of the differences between excellent and mediocre papers.

**Draft Paper**
This is a difficult assignment because it comes early in the quarter when you have not yet read all of the readings. However, we will be far enough along so that you should be able to write, at least, a partial draft. Obviously, the further along you are the more likely you are to get a higher grade on the draft. To do relatively well on the draft, you should have at least the following:

1. Introduction with some direction regarding how you are going to analyze the development of the firm and its relationship to the various regions where it was founded and why it started there.
2. What concepts from the readings you will integrate and why they are relevant.
3. Detailed outline of the paper. This can be chronological or some other organizing principle setting

The Draft Paper is worth 20% of the total grade so please try your best. The grade on the Draft Paper will be weighted less if the final paper is judged to be better than the grade on the draft paper. Please be careful, as a good grade on the draft is not a guarantee that the Final Paper will receive such a high grade. In my experience, 20% experience a grade DROP between the Draft and Final Papers.

**Presentations:** On the last day of class, students will be given the option of doing a 5-minute presentation on their topic. These are useful for you in ensuring that you are on the right track and forcing you to complete your research prior to the final week of class. Also, it will improve your participation grade.

**Participation:** Roll is not taken; however, I note excessive absences. One way I measure participation is through the questions I ask during class and through your presentations at the end of the quarter. This can make a difference for those on the borderline.

**Final Grade:** Incompletes will only be allowed with a written and signed reasons delivered to me prior to the final date and time to turn in papers. If the paper is not received at that appointed day and time, then an “F” will be awarded. All incompletes must be justified.

**Required Readings**

**Monday, January 9 -- Orientation**

- Introduction, handout the syllabus, answer questions.

**Wednesday, January 11 – Understanding the Current Political Economy**


For further perspective:

- Frank, T. 2018. Forget Trump – populism is the cure, not the disease. *Guardian* (May 23) [https://www.theguardian.com/commentisfree/2020/nov/07/trump-defeat-election Go to URL]
- Frank, T. 2021. Liberals want to blame rightwing 'misinformation' for our problems. (March 19) Get real [https://www.theguardian.com/commentisfree/2021/mar/19/rightwing-misinformation-liberals Go to URL]

**Monday, January 16 – Holiday MLK Jr. Birthday**

**Wednesday, January 18 – Introduction to Marx’s Economics**


**Monday, January 23 – Transportation and Communication**


**Wednesday, January 25 – Global Value Chains** *(Topic Due Online)*


**Monday, January 30 -- Globalization of Manufacturing** *(Topic Returned)*


**Wednesday, February 1 – Globalization, Work, and Populism**


**Monday, February 6 – Deglobalization?**

• Editor *Economist*. 2020. Has covid-19 killed globalisation?

**Wednesday, February 8 – Codes of Conduct, Corporate Social Responsibility, and Sweatshops**

• University of California Code of Conduct for Trademark Licensees 2018.

**Monday, February 13 – Clusters and Geography**

**Wednesday, February 15 – Industrial Clusters and Ecosystems**


**Monday, February 20 – Presidents Day – Holiday**

**Wednesday, February 22 – Cities and the Creative Class**


**Monday, February 27 – How Do Cities Develop?**


**Wednesday, March 1 – Real Estate Development Draft of Final Paper Due**


**Monday, March 6 –Online Platforms and the Local Economy**


**Wednesday, March 8 – New Working Conditions/Algorithms and Platforms (Draft Paper Returned)**


**Monday, March 13 – Platforms Organizing Economic Activity**

**Wednesday, March 15 – Private Equity and the Local**