

Coyote Economist

News from the Department of Economics, CSUSB

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Spring 2016

Socialism

by Mayo Toruño

Bernie Sanders' campaign for the Democratic Party's presidential nomination has brought socialism back into the mainstream of political discourse. The enthusiasm with which so many have embraced Bernie's campaign has caught everyone by surprise, particularly given the animosity with which socialism is normally greeted in this culture. The last time these ideas were at the center of national politics was in the 1930s. Its reemergence after decades of cold war, red scare, and neoliberal politics, is amazing, and underlines the depth of dissatisfaction with existing political economic arrangements.

One measure of the growing interest in socialism, and concomitant disinterest in capitalism, can be found in a December 2011 poll, carried out by the Pew Research Center—four years before the Bernie phenomenon!—which found that 49% of young adults (ages 18-29) had a positive view of socialism while 47% had a negative view of capitalism. (Pew Research Center, "Little Change in Public's Response to 'Capitalism,' 'Socialism': A Political Rhetoric Test", December 28, 2011. <http://goo.gl/hBrkbh>). More recently, a Spring 2016 poll carried out by the Harvard Institute of Politics asked young adults (aged 18-29) about their reactions to various political terms. In that poll, 31% had positive reactions to the term "socialism." In that same poll, 44% of young adults

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Yasemin Dildar Joins Economics Department

After an exhaustive review of over 500 applicants and numerous interviews, the CSUSB Department of Economics was lucky to have Dr. Yasemin Dildar accept its offer of employment. Dr. Dildar will start working in the Winter of 2017, after taking a maternity leave break in the Fall of 2016. She will be teaching The Political Economy of Women, Economics of the Environment, Intermediate Macroeconomics, and Economic Development, as well as Principles of Microeconomics and Principles of Macroeconomics.

Professor Dildar earned the B.S. degree in Economics from the Middle East Technical University, in Ankara, Turkey, in 2007. Two years later she earned the M.S. degree in Economics from that same institution, and then went on to earn the Ph.D. in Economics from the University of Massachusetts at Amherst in 2015.

Professor Dildar's research interests are in the area of Development Economics, Macroeconomics, Gender and Development, and Environmental Economics. Her Ph.D. dissertation was entitled "Structural Transformation, Culture, and Women's Labor Force Participation in Turkey." And in 2015, she published a paper in the journal *World Development* entitled "Patriarchal Norms, Religion, and Female Labor Supply: Evidence from Turkey."

Department of Economics
CSUSB
909-537-5511
<http://economics.csusb.edu>
Facebook: CSUSB Department of Economics

Commencement

This year's Commencement will be held on June 18, 2016, at the Citizens Business Bank Arena (CBBA) in Ontario, CA.

Students majoring in Economics, Political Economy, Mathematical Economics, or Applied Economics will participate in the College of Social and Behavioral Science Commencement at CBBA on Saturday, June 18, at 8:00 a.m.

Students majoring in Business Administration with a concentration in Business Economics will participate in the College of Business and Public Administration Commencement, also to be held at CBBA, on Saturday, June 18, 2016, at 12:00 p.m.

Seniors' Reception, Awards Ceremony, and Pizza Party!

All students are encouraged to attend our annual Seniors Reception to be held on Friday, June 10, 2016, at 4:30 p.m. in SB-302B. All graduating seniors will be honored at this event. In addition, we will be celebrating students graduating with honors, those who have won Economic Scholarships for the next academic year, and those who were inducted into the Alpha Delta chapter of Omicron Delta Epsilon. Bring your family and friends.

After the Seniors Reception, the Department of Economics will be hosting its world-famous End-of-the-Year Party on Friday, June 10, at 6 p.m. at Jerseys Pizza. All econ students, as well as friends and family, are encouraged to attend. If you haven't attended one of our parties, you should; not only do you get free pizza and beverages, you get to meet the faculty and fellow econ students. These events are always fun.

So...where is commencement?

~~Coussoulis Arena at CSUSB~~

↓

**Citizens Business Bank Arena
in Ontario!**

We're Still on Facebook!

Joining us on Facebook is an important way of keeping up with Departmental news and events, as well as getting information on political economy.

Simply search for The CSUSB Department of Economics on Facebook and you'll find us. We're easy to find. If you've not already done this, do it today!

Staying Informed of CSUSB Department of Economics Events and News

If you're receiving the *Coyote Economist*, then you're on our mailing list and everything is as it should be. But, if you know of an Economics Major, or an Econ Fellow Traveler, who is not receiving the *Coyote Economist* through email, then please have him/her inform our Administrative Support Coordinator, Ms. Jacqueline Carrillo, or the Chair of the Economics Department, Professor Mayo Toruño. Our phone number is 909-537-5511.

You can stay informed by consulting:

Our Website - <http://economics.csusb.edu/>

Our Facebook Page - <http://www.facebook.com/pages/CSUSB-Department-of-Economics/109500729082841>

Chair of the Economics Department - mtoruno@csusb.edu

Professor Pierce To Start FERPing In 2016-2017

Professor Thomas Pierce will start participating in the Faculty Early Retirement Program (FERP) starting the Fall 2016. He will continue teaching during the next five years, but at a more leisurely pace. At this time, Professor Pierce plans to teach Intermediate Macroeconomics each winter quarter and Money and Banking each winter and spring quarter.

Professor Pierce was one of the founding members of the current CSUSB Department of Economics, along with Dr. Richard Moss (who retired in the late 1990s) and Dr. Jim Charkins (long-time executive director of the California Council on Economic Education and currently in his last year of the FERP). He was hired in 1976, at a time when CSUSB was a small college of about 4,000 students. The typical economics course back then

had no more than 20 or 25 students and many of them were older than the young Dr. Pierce. The story goes that he had brown hair when first hired, but, within a year, it turned silver.

Tom earned his B.A. in Economics in 1971 from La Salle University and then went on to earn an M.A. in 1975 and a Ph.D. in 1976, both from the University of Notre Dame. He was raised in the mean streets of Philadelphia, Pennsylvania, not too far from where Bruce Springsteen's E Street Band would play. This explains, in part, his considerable knowledge of classic Rock n' Roll, a little known secret about Dr. Pierce. There are more, many more, intriguing secrets under that kind veneer...but we'll leave that for another time.

Dr. Pierce quickly gained a reputation as an excellent teacher and scholar.

He consistently earns high praise from current and former students and is highly regarded by the broader community for his service to the department, college, university, and the City of San Bernardino. He has published numerous articles and is actively involved in city governance. He has been the driving force behind the student scholarship program of the CSUSB Department of Economics and always goes out of his way to encourage students to learn and succeed.

Dr. Pierce's kind, yet rigorous, teaching style is largely responsible for CSUSB's Department of Economics reputation as an excellent teaching department. Please acknowledge the selfless contributions he has made to our department, the university, and the local community, by thanking him.

Socialism

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supported progressivism while 48% supported social justice activism and 33% supported socialism (Harvard Institute of Politics, Spring 2016 Poll, slide 4. <http://goo.gl/r63Fah>).

These polls say a lot about the frustration being felt over the sluggish performance of the economy, the dwindling opportunities for meaningful employment, the financial barriers to higher education, and the obscene inequities between the rich and poor. There's growing dissatisfaction with the current state of affairs and a hunger for alternative possibilities. But, while a 33% support for socialism is impressive—given its vilification by the dominant culture—the fact that it trails social justice (48%) and progressivism (44%), suggests a misunderstanding of socialism and the role socialists have

played in pushing for social justice.

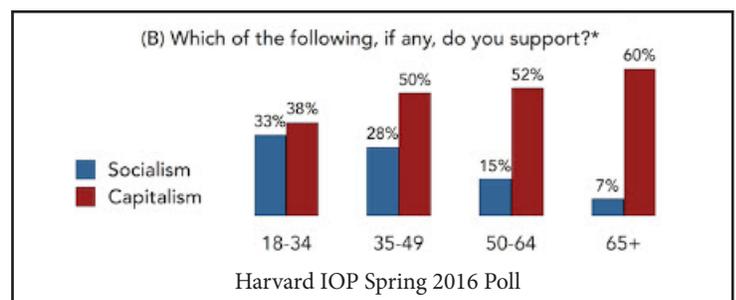
So, what is socialism?

To begin with, it's important to note that it emerged with the development of capitalism. At the same time that capitalism was emerging from its feudal womb, resistance to this new social system was also unfolding in the form of socialist critiques and anarcho-socialist experiments. Writers and activists of the 18th and 19th century, such as William Godwin, Robert Owen, William Thompson, Charles Fourier, Thomas Hodgskin, and Pierre Joseph Proudhon, railed against the exploitation, greed, and private property of capitalism. While there were differences in their critiques and theories of socialism, they

had in common a critical attitude toward the private ownership of productive property (land and capital—the means of production), conspicuous consumption, and the dog-eat-dog nature of capital accumulation. In its stead, they advocated the collective ownership of productive property, communal organization of work, and an equitable distribution of the product.

These ideas served as the foundation for socialist experiments in the 19th century, with the most well-known

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Socialism

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being the Owenite communities of the 1820s, that emerged in places like Indiana, New York, and Ohio, the Fourierist communities of the 1840s, and the Bellamy Clubs (also known as Nationalist Clubs) of the 1890s. This latter experiment emerged in response to the publication, in 1888,

of Edward Bellamy's novel *Looking Backward, 2000-1887*, which imagined the existence of a socialist USA by the year 2000.

These experiments were relatively small, somewhat isolated from the rest of society, and seldom lasting for more than a decade or two. They often had less to do with confronting existing society, and it's underlying structure of power, than in withdrawing from it. They were places of refuge, social spaces to which people could retreat from the harshness of capitalism and build a socialist community that, it was hoped, would be replicated in the rest of society.

Karl Marx and Friedrich Engels thought of these movements as utopian, because their leaders imagined

the possibility of creating socialism independently of existing conditions. While Marx and Engels favored the emergence of societies organized on the basis of cooperative work and collective ownership of productive property, they insisted that the form

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socialism would take would depend on the historical and material conditions from which it emerged.

As a result, one cannot find in the writings of Marx and Engels a blueprint for socialism, other than claiming it would come about when the working class takes control and begins the process of socializing the means of production, organizing work on a collective basis, and distributing the output of that work in accordance with people's needs.

...capitalist ideology of individualism has the effect of pitting people against each other...

socialism would take would depend on the historical and material conditions from which it emerged.

In addition, they assumed socialism would be democratic. Indeed, they saw it as more democratic than capitalism since it would extend political democracy into the economic realm, providing workers the opportunity to decide, democratically, how to organize their own labor.

who then use that power to extract labor from workers by maximizing the difference between productivity and wages. Thus, rather than being an arena of freedom, capitalism is an exploitative system wherein the nature and tempo of work, as well as the output of that work, is controlled by capitalists for the purpose of capturing the profits produced by workers. The only way out of this exploitation is to create a society in which workers have control over their own labor and, by extension, democratic control over the means of production.

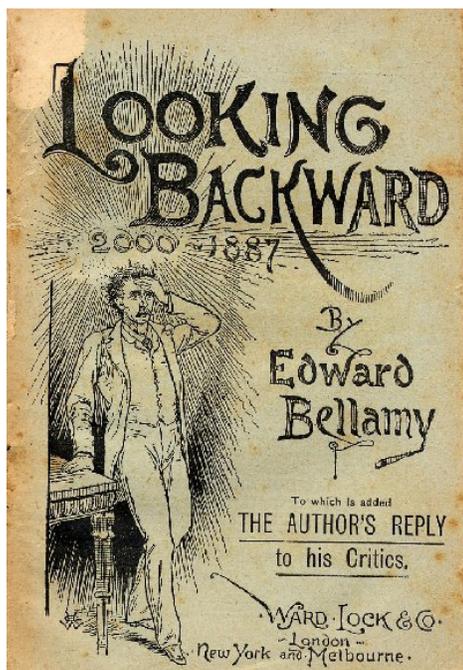
A closely related critique, associated with the Marxian theory of commodity fetishism, is that the capitalist ideology of individualism has the effect of

belief that an individual's economic status is solely the result of his/her own efforts and has no obligations to others or society at large.

In contrast, socialists highlight the social nature of life and the role society plays in providing individuals with the infrastructure needed to thrive. They place greater emphasis on the existence of common human needs and the social solidarity needed to create a society in which all can prosper. As a result, socialists put greater weight on the provisioning of public goods than is common in capitalist societies.

Since the free market delivers necessities only to those who can pay the price, socialists argue that the only way to provide necessities to those unable to pay the price, is collectively, that is, through government. But, in addition, rather than thinking of government as an institution that should be confined to a small sphere of society, socialists think of government

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Socialism

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as an expansive democratic institution that's obligated, out of solidarity, to provide a wide range of public goods, such as free and universal education, health care, housing, transportation, and other goods meeting common needs. Instead of seeing government as a coercive institution that impinges on the individual's freedom, socialists argue that democratic government can enhance freedom by providing a social infrastructure that allows everyone, and not just those who can afford it, a dignified, productive, life.

Moving society closer to socialist ideals inevitably involves confronting the capitalist class, and the system of private property, exchange, and government, that gives it power. And the most common way of confronting that power is by organizing the working class through labor unions and political parties (and political movements) that counterbalance the power of capitalists within the workplace and government. This struggle took two paths in the first half of the 20th century. One path took the revolutionary strategy of overthrowing capitalism by seizing

control of the state and socializing the means of production. The socialist state, governed by a communist party, used central planning to determine the volume and composition of output, and provide a wide array of public goods, including universal education, health care, public housing, and a guaranteed basket of food.

The Union of Soviet Socialist Republics (USSR) and the Peoples Republic of China (PRC), before the death of Mao Zedong, are two examples of this strategy. Both nations offered a wide range of public goods to the working class while, at the same time, drastically reducing the inequities that had previously existed. But, they also adopted a form of centralized control that ran against the ideal of a worker's democracy that had always been central to the socialist movement. For this reason, this form of socialism is frequently referred to as state capitalist, a system wherein the means of production are controlled by a government that, like private capitalists, seldom solicits worker input.

The other socialist path was reformist

and came to be known as social democracy. The basic idea was that capitalism could be gradually transformed into socialism through electoral politics. Socialist political parties would compete with capitalist political parties in democratic elections, allowing them to influence legislation and eventually control government. Once a socialist administration had been elected, it would then proceed to expand the range of public goods while socializing some of the means of production (usually natural monopolies and/or demanding worker representation on corporate boards or industry associations).

The Nordic countries of Europe (Denmark, Finland, Iceland, Sweden, and Norway) are the classic examples. These are still capitalist societies, in that the bulk of the means of production are privately owned, but government, and the public good made available by government, take up a much larger share of the economy than is common in the United States. As a result, workers in these societies have access to a much wider, and more generous, range of public goods than is common in the United States.

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Out with the Old, In with the New...Chair

Professor Mayo Toruño will be stepping down as Chair of the CSUSB Economics Department at the end of this academic year. He served as chair for seven years in the 1990s and volunteered to serve, once again, in 2010. In all, he served as chair for a little over 13 years. His time as Chair has been marked by collegiality, efficient administration, and success in maintaining the quality of teaching within the Department. It's agreed he has established a very high standard for any future Chair of the Department.

Professor Toruño is looking forward to going back to teaching full-time, and spending more time with the students. He's also looking forward to not having to perform the many thankless tasks Chairs find themselves obliged to do. Without a doubt, students will appreciate having Professor Toruño spend more time in the classroom.

Stepping in as Chair will be Professor Eric Nilsson. Professor Nilsson has taught in the Economics Department since 1989 but has managed to avoid any administrative duties since arriving here more than 25 years ago. He, however, drew the short straw when the Department gathered to choose the next Chair. He plans to spend time in the upcoming Summer practicing writing memos so he is prepared to take over as Chair at the beginning of September.

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In the last quarter of the 20th century, both versions of socialism underwent transformation. The state capitalist regimes began to move away from a centrally planned version of socialism, by introducing, in varying degrees, private property and markets, and political reforms intended to broaden democratic participation.

At the same time, social democratic regimes began to experiment with neoliberal prescriptions in the belief it would make their economies more dynamic. Yet, they never pushed these experiments to the point of abandoning their underlying belief in social solidarity—the range of public goods offered by these societies remains more robust than in the United States.

In the first years of the 21st century, strong socialist movements swept Latin America, bringing to power socialist administrations in Venezuela, Bolivia, Ecuador, and Nicaragua. These governments adopted what came to be called Socialism for the 21st Century—a form of socialism that avoids the bureaucratization and central planning of state capitalist regimes while maintaining the principles of social democracy, and promoting a form of democracy that goes beyond electoral politics to include direct citizen participation in daily governance.

In the US, the socialist movement has never been as robust as it is in other advanced capitalist societies or even many developing nations. Nevertheless, there is a long, and largely unknown, history of socialism in the United States. John Nichols book, *The 'S' Word: A Short History of an American Tradition...Socialism*, does a good job of outlining this

history and underscoring the extent to which American socialists have been at the forefront of progressive movements and public policy since the early 19th century.

In the first four decades of 20th century, the Socialist Party of America, backed by labor unions and the progressive and populist movements of that era, was responsible for the election of numerous socialist mayors and two members of the U.S. Congress.

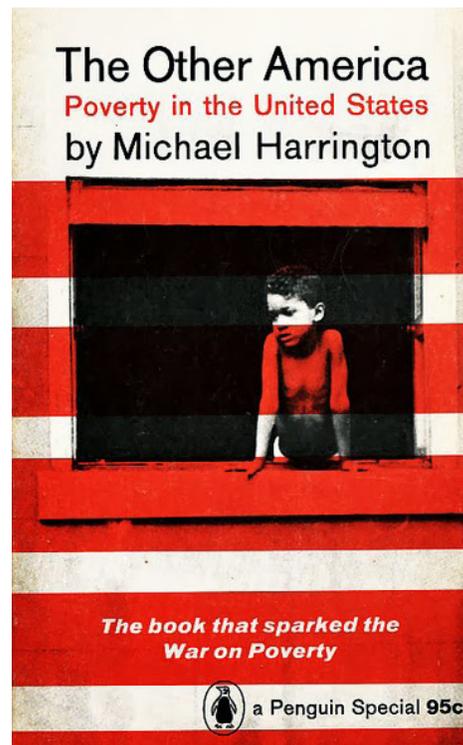
...Bernie Sanders' version of socialism is a mild version of the social democracy one finds in the Nordic countries....

The New Deal of the 1930s and The Great Society program of the 1960s, where heavily influenced by the socialist movements that era.

In the 1960s, the democratic socialist, Michael Harrington, wrote *The Other America; Poverty in the United States*, which influenced the War on Poverty program of the Kennedy and Johnson Administrations.

In 1972 he published the widely read book *Socialism*, and in the early 1980s helped found the Democratic Socialists of America, a political party that still exists and is now growing as a result of its endorsement of Bernie Sanders

Bernie Sanders' version of socialism, which he calls democratic socialism, is really nothing more than a mild version of the social democracy one



finds in the Nordic countries. He does not believe that government should own the means of production but he does believe that government should give the working class a fair deal (Sam Frizel, “Here’s How Bernie Sanders Explained Democratic Socialism”, Time, November 19, 2015. <http://goo.gl/YPZGIY>).

In short, Sanders is hoping to revive the ideals of solidarity built into the New Deal and Great Society programs that have been under attack in the United States since the late 1970s.



This crippling of individuals I consider the worst evil of capitalism. ...I am convinced there is only one way to eliminate these grave evils, namely through the establishment of a socialist economy, accompanied by an educational system which would be oriented toward social goals. In such an economy, the means of production are owned by society itself and are utilized in a planned fashion. A planned economy, which adjusts production to the needs of the community, would distribute the work to be done among all those able to work and would guarantee a livelihood to every man, woman, and child. The education of the individual, in addition to promoting his own innate abilities, would attempt to develop in him a sense of responsibility for his fellow men in place of the glorification of power and success in our present society.

-Albert Einstein

Tentative Class Schedule for Next Academic Year

Fall 2016					
#	TITLE	DAYS	HOURS	AM/PM	INSTRUCTOR
200	PRIN MICROECON	TR	1000-1150	AM	TORUNO
200	PRIN MICROECON	TR	1200-0150	PM	KONYAR
200	PRIN MICROECON	TR	0200-0350	PM	TORUNO
200	PRIN MICROECON	T	0400-0750	PM	ALLEN
200	PRIN MICROECON		ONLINE		ALDANA
202	PRIN MACROECON	MW	1000-1150	AM	HAYES
202	PRIN MACROECON	MW	0400-0550	PM	ASHEGHIAN
202	PRIN MACROECON	TR	0400-0550	PM	DULGEROFF
202	PRIN MACROECON		ONLINE		ALDANA
302	INTER MICROECONOMICS	MW	1000-1150	AM	TORUNO
311	ECON K-8	TR	0800-0950	AM	CHARKINS
335	TOOLS OF ECON ANALYSIS	MW	0600-0750	PM	MACDONALD
421	ECON HISTORY OF THE US	MW	0200-0350	PM	MACDONALD
435	MULTINATIONAL CORPORATIONS	MW	1200-0150	PM	ASHEGHIAN
445	POLITICAL ECONOMY	TR	0200-0350	PM	NILSSON
480	QUANTITATIVE METHODS	TR	0400-0550	PM	KONYAR

Winter 2017					
#	TITLE	DAYS	HOURS	AM/PM	INSTRUCTOR
104	ECON OF SOCIAL ISSUES	TR	0800-0950	AM	NILSSON
200	PRINCIPLES MICROECON	MW	0200-0350	PM	ASHEGHIAN
200	PRINCIPLES MICROECON	TR	1000-1150	AM	HAYES
200	PRINCIPLES MICROECON	TR	1200-0150	PM	KONYAR
200	PRINCIPLES MICROECON	TR	0200-0350	PM	KONYAR
200	PRINCIPLES MICROECON		ONLINE		ALDANA
202	PRINCIPLES MACROECON	MW	1000-1150	AM	DULGEROFF
202	PRINCIPLES MACROECON	TR	1000-1150	AM	MACDONALD
202	PRINCIPLES MACROECON	TR	0400-0550	PM	MACDONALD
202	PRINCIPLES MACROECON	T	0400-0750	PM	ALLEN
202	PRINCIPLES MACROECON		ONLINE		ALDANA
300	INTERMEDIATE MACROECON	MW	0400-0550	PM	PIERCE
302	INTERMEDIATE MICROECON	TR	0400-0550	PM	TORUNO
311	ECON K-8		ONLINE		CHARKINS
322	MANAGERIAL ECON	TR	0600-0750	PM	KONYAR
333	POLITICAL ECONOMY OF WOMEN	MW	1000-1150	AM	DILDAR
390	SELECTED TOPIC: DEVELOPMENT	MW	0200-0350	PM	DILDAR
410	MONEY & BANKING	MW	1200-0150	PM	PIERCE
430	INTERNATIONAL ECON	MW	0600-0750	PM	ASHEGHIAN
460	LABOR ECONOMICS	TR	0200-0350	PM	MACDONALD
540	POLITICAL ECONOMY OF LA	TR	1200-0150	PM	TORUNO

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Spring 2017					
#	TITLE	DAYS	HOURS	AM/PM	INSTRUCTOR
200	PRIN MICROECON	MW	1000-1150	AM	ASHEGHIAN
200	PRIN MICROECON	MW	0200-0350	PM	ASHEGHIAN
200	PRIN MICROECON	TR	0200-0350	PM	KONYAR
200	PRIN MICROECON		ONLINE		ALDANA
202	PRIN MACROECON	MW	0400-0550	PM	DULGEROFF
202	PRIN MACROECON	TR	0200-0350	PM	TORUNO
202	PRIN MACROECON	TR	0600-0750	PM	KONYAR
202	PRIN MACROECON		ONLINE		ALDANA
300	INTERMEDIATE MACROECON	MW	0200-0350	PM	DILDAR
311	ECON K-8	ST	0900-12:50	AM	GARDNER
335	TOOLS OF ECON ANALYSIS	TR	1000-1150	AM	MACDONALD
360	ENVIRONMENTAL ECON	MW	1000-1150	AM	DILDAR
390	SELECTED TOPICS: PE OF SO CAL	TR	0200-0350	PM	MACDONALD
410	MONEY & BANKING	MW	0600-0750	PM	PIERCE
450	GLOBAL ECONOMY	MW	0400-0550	PM	ASHEGHIAN
475	PUBLIC ECONOMICS	MW	1200-0150	PM	NILSSON
490	ECONOMETRICS	TR	0600-0750	PM	HAYES
500	HIST ECON IDEAS	TR	0400-0550	PM	TORUNO