

Roosevelt University  
Department of Economics  
Fall 2009

**Economics 102, Sect. 01:**  
**Introduction to Microeconomics**  
*(“The Grapes of Wrath” Class)*

Professor Stephen T. Ziliak aka “Prof Z”  
Classroom: AUD 314 11:00-12:30 Tues & Thurs  
Office: 760 AUD  
Office Hours: 4:45-5:45 PM, Weds.; 12:30-1:00, Thurs; and by appointment  
Phone: 312.341.3763  
Email: [sziliak@roosevelt.edu](mailto:sziliak@roosevelt.edu) (the best way to reach me)  
Websites: <http://sites.roosevelt.edu/sziliak>; <http://stephenziliak.com>;  
<http://theeconomicconversation.com>

In 1776 three astonishing works of genius were given to the world. One was the *Declaration of Independence*. A second was Edward Gibbon’s *Decline and Fall of the Roman Empire*. For many students these two great works of 1776 require little or no introduction. The third work does. Yet some say it is the most important and influential of all. I am speaking of *The Wealth of Nations*, a lengthy and learned book written by a humble professor of philosophy living in Scotland. Adam Smith’s *The Wealth of Nations* supplied an intellectual justification for a free and commercial society. It gave new life to a field of inquiry called “economics” and it continues to challenge and to shape the values of economists, presidents, and ministers of finance all over the world.

Smith’s book is central to the economic conversation, true, but it is not the end-all, be-all of economic truth. It would not be wrong to think of our course as a conversation about “How the economists’ Adam Smith, Karl Marx, John Maynard Keynes, Joan Robinson, Milton Friedman, and others have responded to Mercantilism, Romanticism, and the rise and fall of Communism and Fascism.”

Mostly, however, the course is an introduction to *microeconomic ways of thinking*. Our course introduces a new grammar, if you will – an economic grammar of scarcity, competition, relative price, opportunity cost, supply and demand, efficiency, and equilibrium, to name a few. At minimum our course will help you to become an informed voter and a sophisticated reader of *The Wall Street Journal*. It will certainly invite you to engage in a lifetime of learning.

But microeconomics cannot be learned just by reading *The Wall Street Journal* or *Atlas Shrugged*, nor by listening to *Green Day* or *Rage Against the Machine*. These will help you *care*

about economics. But to learn how to *spea*k economics you'll have to solve homework problems, read the books, and participate in class.

Still, the economic conversation is shaped by many different texts and experiences, from novels to music and media. It's important for economists to learn how to speak to the humanistic sides of the conversation, and, likewise, it's crucial that humanists speak intelligently about economic theory and facts, and not be bamboozed. To this end and others, we'll read and analyze the most famous protest novel in American literature, John Steinbeck's *The Grapes of Wrath*. Set in and written during the Great Depression, *The Grapes of Wrath* is a bluesy road-novel with a lot of economic theory and analysis. It follows homeless and landless tenant farmers from Oklahoma, who've been pushed off of foreclosed farms. Forced by large and foreign banks to leave their rented shacks and lean-tos, the Midwestern farmers with little education and no income join other displaced on the road to California, in search of jobs, food, and housing—a piece of the American Dream.

We'll read this highly relevant novel using in part the lens of economic theory and facts, and likewise we'll critically analyze economic theory and facts, using concepts and insights we discover in *The Grapes of Wrath*. Attached to the back of this syllabus is an example of a homework assignment from a previous semester, indicating how we'll put Steinbeck's Depression-era novel together with supply and demand.

Finally, throughout the semester, we'll occasionally read and discuss parts of Tim Harford's popular book, *The Undercover Economist*, which supplies many useful, real-world applications of the microeconomic way of thinking. Harford's book is a great help, especially to those who do not naturally think of price and incentive when analyzing the human condition.

### **Learning Goals:**

- To understand market processes and market outcomes in institutional, political, and historical context;
- To learn the vocabulary, grammar, and attitudes of contemporary microeconomic logic;
- To apply basic models of microeconomic supply and demand to real world economic problems;
- To think critically about any theory, story, or model of the economy in relation to norms and goals of social justice, and in light of historical processes;
- To compare and contrast scientific and humanistic modes of learning through economic and textual criticism of a classic American protest novel.

**Prerequisites:** Grade of C- or higher in Econ 101, Math 120, or equivalents.

**Required Texts:** *Microeconomics*, by David Colander, 7<sup>th</sup> edition. (Note well: If you choose to buy the 6<sup>th</sup> or earlier edition of the Colander book know that you and you alone are responsible for tracking deviations in the 7<sup>th</sup> edition, the official textbook for the course); *The Grapes of Wrath*, by John Steinbeck; *The Undercover Economist*, by Tim Harford.

**Grades:** Your course grade will be determined by the weighted average of three exams (2 midterms and a final). The weights are: 25% (on your lowest midterm), 40% (on your highest midterm), and 35% (on your final exam). ***Exam-taking is required; there is no opportunity to drop a midterm or final exam grade and*** there are no exceptions to the rule.

**Tentative Grading Scale:**

100-90: A  
89-85: A-  
84-80: B+  
79-75: B  
74-70: B-  
69-65: C+  
64-60: C  
59-57: C-  
56-50: D range  
49 and below: F

**Example:** Suppose Angie's exam scores are 85 (midterm 1), 70 (midterm 2), and 82 (final). Her weighted average is  $(.25)*70 + (.40)*85 + (.35)*82 = 80.2$  or "B+" for the course.

**\*Tentative\* Exam Schedule:** Midterm exams: **Tues. Oct 6; Tues. Nov. 17;** Final exam: **Tuesday, Dec. 15, 11:00 AM.** Midterm exams will be held during regular class hours and in our regular classroom. The final exam will also be held in our regular classroom.

**Exam Style:** Short-answer, short-essay, and problem-solving. Approximately one week before each exam the professor will provide you with a detailed study guide and sample exam questions.

**Teaching Style:** Socratic. I will lecture for about the first 15 minutes of each class, to set the stage. The rest of class is dialogue and collective problem-solving. By way of introduction, my thinking about class participation is influenced by "liberation pedagogues" such as Paulo Freire, bell hooks, John Dewey, and Ira Schor. Good introductions for why and how to build a liberatory learning community are Freire's *Pedagogy of the Oppressed*, hooks' *Teaching to Transgress*, and Klamer, McCloskey, and Ziliak's preface to our textbook, *The Economic Conversation* ([www.theeconomicconversation.com](http://www.theeconomicconversation.com)).

**Homework and Reading Schedule:** Reading and writing and computing, in some combination, every day. For some of you the reading pace will seem heavy, textbook to novel. Plan to read each textbook chapter at least two times all the way through. The trick for success is to regularly show up to class with homework assignments completed. Homework grades will not figure formally into your grade. We will solve the most important homework problems together, in class. But believe me and my former students when we say that the correlation between exam grades and effort on homework will be very high indeed. If at any time during the semester you would like to receive my comments on your homework, please know that you all you have to do is ask.

**Personal Responsibility Clause:** “I [say your name] am responsible for knowing all information pertinent to the operation of this course. By enrolling in this course I acknowledge that I alone bear the responsibility for keeping up with changes in important dates, and with homework assignments, Blackboard usage, exam dates, and so forth. I promise to refrain from asking the Prof to tell me what happened while I was away. And if I do go away I promise to return to class refreshed and invigorated and ready to do economics.”

**Plagiarism and Other Forms of Cheating . . .** will be penalized to the full extent of Roosevelt University policy. If you are tempted to cheat, you might want to read the scope of penalties posted on the RU web site so that you know the incentives.

**Accommodation of Persons with Disabilities** Students with disabilities or other conditions that require special accommodations are encouraged to identify themselves to the instructor and/or to the Academic Success Center/Office of Disability Services at 312-341-3810 as early as possible.

**Book Suggestions:** Scores of economists have been turned on to economics by reading Robert Heilbroner’s *The Worldly Philosophers*. I cannot recommend that book highly enough. As the term goes by I will recommend dozens of books. They will reveal the vast impact that economics is or could be having upon the material and scientific worlds: economics and technology, economics and history, economics and philosophy, economics of poverty and discrimination, economics of labor markets, economics and literature, and much, much more.

## APPENDIX

### SAMPLE HOMEWORK ON ECONOMICS AND *THE GRAPES OF WRATH*

**Econ 102  
Roosevelt University**

**Grapes of Wrath HW#2  
Read: Chaps 10-19 (through p. 239)  
Due: Thursday, October 1<sup>st</sup>, 2009  
Prof. Ziliak**

1. Identifications. Identify the speaker of each passage, supply the page number, and briefly describe the economic significance of the passage to the novel.

a. Then, with time, the squatters were no longer squatters, but owners . . . They arose in the dark no more to hear the sleepy birds’ first chattering, and the morning wind around the house while they waited for the first light to go out to the dear acres. These things were lost, and crops were reckoned in dollars, and land was valued by principal plus interest, and crops were bought and sold before they were planted.

b. Men who can graft the trees and make the seed fertile and big can find no way to let the hungry people eat their produce. Men who have created new fruits in the world cannot create a system whereby their fruits may be eaten.

c. Only a little multiplication now, and this land, this tractor are ours. . . This is the beginning---from "I" to "we."

2. Here is an economics question posed by *The Grapes of Wrath*: "Your father got a han'bill on yella paper, tellin' how they need folks to work. They wouldn't go to that trouble if they wasn't plenty work. Costs 'em good money to get them han'bills out. What'd they want ta lie for, an' costin' 'em money to lie?"

a. Draw the California supply and demand for fruit pickers, before and after migration.

b. What do you predict will happen to the equilibrium wages of fruit pickers?

c. Name two scenes in the novel indicating just how low wages can go.

d. Name the speaker and the page number of the excerpt above.

3. Consider this passage from the novel: "Well, try to get some freedom to do. Fella says you're jus' as free as you got jack to pay for it." [Jack is a slang word meaning "money" or "income".]

According to the textbook way of thinking (the Colander book), would you say that individual freedoms are *reduced* when income—when jack—is low? Why or why not? Give two examples from the novel in support of your interpretation.