

SEMINAR IN POLITICAL ECONOMY

Course Description: Political economy explores a wide range of issues, including the ways in which public policies and institutions shape economic performance (growth, inflation, unemployment); the impact of public policies on the evolution of economic institutions and relationships over time; and the ways in which economic performance impinges upon governmental decision-making and political stability. This course engages political economy from multiple theoretical and disciplinary perspectives, ranging from the methodological individualism of public choice to economic sociology. After exploring the competing conceptualizations of the state, the economy, and political economic dynamics, we will turn to examine the American political economy, with particular emphasis on the rise and decline of the Keynesian welfare state and a series of current challenges, including the role of demographics in the welfare state and the causes of the current political economic crisis.

Readings: The course readings for GOVT 374 are available as electronic documents, through JSTOR, online, or on the Moodle course page. Some of the readings may change over the course of the semester, but all changes will be announced in advance. Since all of the readings are downloads, you should save the syllabus as an electronic document on your computer, so you can use the embedded hyperlinks.

Meeting Times: GOVT 374 meets Mondays from 1:10 to 4 p.m. in Fisk 114.

Composition of the Grade:

Seminar presentations	30 percent
Participation	40 percent
Final essay	30 percent

Seminar presentations: On three occasions, each participant must present a critique one or more of the core readings to members of the seminar. This involves providing an oral presentation of no more than five minutes that includes: (1) a brief statement of the core thesis; (2) an argument regarding the key contributions and limitations of the work; and (3) a set of questions that we might explore during the session. We will assume that members of the seminar will have read the work in advance and thus you should **not** devote your time to a summary of the reading(s). A written version of the presentation should be submitted via email attachment in advance of class. It will be posted on Moodle. The grade on this component will be based on the mastery of the work in question as exhibited in the written and oral critique.

Participation: The quality of the seminar depends on the extent to which members attend having carefully read and reflected on the core readings. The participation grade will be based on your mastery of the readings as exhibited by the quality of your contributions to the seminar discussion and your responses to questions posted in the discussion forum on Moodle. A question will be posted each week to guide these discussions.

The final essay: Midway through the semester, a question for the final essay will be distributed. The essay, on a larger, overarching theme of the course, should not exceed 10 pages double-spaced. It will be due via email attachment at the time normally assigned for a final exam. The grade will be based on exhibited mastery of course materials and quality of argumentation.

Students with Disabilities: It is the policy of Wesleyan University to provide reasonable accommodations to students with documented disabilities. Students, however, are responsible for registering with Disabilities Services, in addition to making requests known to me in a timely manner. If you require accommodations in this class, please make an appointment with me as soon as possible so that appropriate arrangements can be made. The procedures for registering with Disabilities Services can be found at <http://www.wesleyan.edu/deans/disability-students.html>.

Course Policies: Incompletes and extensions will be allowed only in cases of serious emergencies (e.g., serious illness, family emergency, verified through communication by your dean).

It is assumed that all students will familiarize themselves with what constitutes plagiarism under University policy and will abide by the provisions of the Honor Code.

Contacts: My office hours (317 PAC) are 9 a.m.-12 p.m. Tuesdays.

Meetings outside of these periods must be arranged by appointment. Email is my preferred mode of communication (meisner@wesleyan.edu).

1/24. Course Introduction

Wolfgang Streeck, "Taking Capitalism Seriously: Toward an Institutional Approach to Contemporary Political Economy." MPIfG Discussion Paper 10/15 (Focus on pp. 9-30) [Download](#)

I. THEORETICAL DEBATES

1/31. Making Sense of the Political Economy

Milton Friedman, *Capitalism and Freedom* (excerpts). Moodle

Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology*, 91, 3 (1985): 481-510. [Download](#)

Fred Block, "Political Choice and the Multiple 'Logics' of Capital." *Theory and Society*, 15, 1/2 (1986): 175-192. [Download](#)

John Lie, "Sociology of Markets." *Annual Review of Sociology*. 23, (1997): 341-360. [Download](#)

John L. Campbell and Leon N. Lindberg, "Property Rights and the Organization of Economic Activity by the State." *American Sociological Review*, 55, 5 (1990): 634-647. [Download](#)

Neil Fligstein, "Markets as Politics: A Political-Cultural Approach to Market Institutions." *American Sociological Review*, 61, 4 (1996): 656-673. [Download](#)

2/7. The State: Competing Analytical Traditions

Pluralism:

Robert A. Dahl, "On Removing Certain Impediments to Democracy in the United States." *Political Science Quarterly*, 92, 1 (1977): 1-20. [Download](#)

John F. Manley, "Neo-Pluralism: A Class Analysis of Pluralism I and Pluralism II." *The American Political Science Review*, 77, 2 (1983): 368-383. [Download](#)

Institutionalism:

Peter A. Hall and Rosemary C.R. Taylor, "Political Science and the Three New Institutionalisms." *Political Studies*, 44 (1996): 936-58. [Download](#)

Stephen Skowronek, "Order and Change." *Polity*, 28, 1 (Autumn, 1995): 91-96.
[Download](#)

Public Choice:

James M. Buchanan, "Public Choice: The Origins and Development of a Research Program." Center for the Study of Public Choice, George Mason University (2003). [Download](#)

Geoffrey Brennan and James M. Buchanan, *The Reason for Rules: Constitutional Political Economy*, chapter 4. [Download](#)

Class Theory:

Robert Solo, "The Neo-Marxist Theory of the State." *Journal of Economic Issues*, 12, 4 (1978): 829-842. [Download](#)

Clyde W. Barrow, "The Marx Problem in Marxian State Theory." *Science & Society*, 64, 1 (2000): 87-118. [Download](#)

2/14. Varieties of Capitalism. Is there a Trend toward Convergence?

Wolfgang Streeck, "E Pluribus Unum? Varieties and Commonalities of Capitalism." MPIfG Discussion Paper 10/12. [Download](#)

Chris Howell, "Review: Varieties of Capitalism: And Then There Was One?" *Comparative Politics*, 36, 1 (2003): 103-124. [Download](#)

Geoffrey M. Hodgson, "Varieties of Capitalism and Varieties of Economic Theory." *Review of International Political Economy*, 3, 3 (1996): 380-433.
[Download](#)

Richard Whitley, "Internationalization and Varieties of Capitalism: The Limited Effects of Cross-National Coordination of Economic Activities on the Nature of Business Systems." *Review of International Political Economy*, 5, 3 (1998): 445-481. [Download](#)

David Levi-Faur, "The Global Diffusion of Regulatory Capitalism." *Annals of the American Academy of Political and Social Science*, 598 (2005): 12-32.

[Download](#)

Bruce Western, "Unionization and Labor Market Institutions in Advanced Capitalism, 1950-1985." *American Journal of Sociology*, 99 (1994): 1314-41.

[Download](#)

2/21. **Long-term Dynamics: Is there a Trend toward Stagnation or Collapse?**

Mancur Olson, "Stagflation and the Political Economy of the Decline in Productivity." *The American Economic Review*, 72, 2 (May, 1982): 143-148.

[Download](#)

Robert L. Heilbroner, "Economics and Political Economy: Marx, Keynes, and Schumpeter." *Journal of Economic Issues*, 18, 3 (1984): 681-695. [Download](#)

John E. Elliott, "Marx and Schumpeter on Capitalism's Creative Destruction: A Comparative Restatement." *The Quarterly Journal of Economics*, 95, 1 (1980): 45-68. [Download](#)

Hyman P. Minsky, "Uncertainty and the Institutional Structure of Capitalist Economies: Remarks upon Receiving the Veblen-Commons Award." *Journal of Economic Issues*, 30, 2 (1996): 357-368. [Download](#)

Gary A. Dymski, "Deciphering Minsky's Wall Street Paradigm." *Journal of Economic Issues*, 31, 2 (1997): 501-508. [Download](#)

Charles J. Whalen, "Integrating Schumpeter and Keynes: Hyman Minsky's Theory of Capitalist Development." *Journal of Economic Issues*, 35, 4 (2001): 805-823. [Download](#)

Immanuel Wallerstein, "After Developmentalism and Globalization, What?" *Social Forces*, 83, 3 (2005): 1263-1278. [Download](#)

Phillip Anthony O'Hara, "Deep Recession and Financial Instability or a New Long Wave of Economic Growth for U.S. Capitalism? A Regulation School Approach." *Review of Radical Political Economics*, 35 (2003): 18-42. [Download](#)

II. THE AMERICAN POLITICAL ECONOMY

2/28. The Historical and Institutional Legacy

Sven Steinmo, "American Exceptionalism Reconsidered: Culture or Institutions?" in Larry Dodd and Calvin Jillson, eds., *The Dynamics of American Politics: Approaches and Interpretations*. Boulder: Westview Press, 1994. [Download](#)

William J. Novak, "The Myth of the 'Weak' American State." *The American Historical Review*, 113, 3 (2008): 752-772. [Download](#)

Gary Gerstle, "A State Both Strong and Weak." *The American Historical Review*, 115, 3 (2010): 779-785. [Download](#)

Richard R. John, "Elaborations, Revisions, Dissents: Alfred D. Chandler, Jr.'s, 'The Visible Hand' after Twenty Years." *The Business History Review*, 71, 2 (1997), pp. 151-200. [Download](#). Focus on pp. 151-167.

David Vogel, "Why Businessmen Distrust Their State: The Political Consciousness of American Corporate Executives." *British Journal of Political Science*, 8, 1. (1978): 45-78. [Download](#)

Margaret Levi, "Organizing Power: The Prospects for an American Labor Movement." *Perspectives on Politics*, 1, 1 (2003): 45-68. [Download](#)

Larry G. Gerber, "Shifting Perspectives on American Exceptionalism: Recent Literature on American Labor Relations and Labor Politics." *Journal of American Studies*, 31, 2 (1997): 253-274. [Download](#)

3/21. Welfare State Policies

Jill Quadagno, "Theories of the Welfare State." *Annual Review of Sociology*, 13, (1987): 109-128. [Download](#)

Theda Skocpol, "A Society without a 'State'? Political Organization, Social Conflict, and Welfare Provision in the United States." *Journal of Public Policy*, 7, 4 (1987): 349-371. [Download](#)

Christopher Howard, "The Hidden Side of the American Welfare State." *Political Science Quarterly*, 108, 3 (Autumn, 1993): 403-436. [Download](#)

Christopher Howard, "Is the American Welfare State Unusually Small?" *PS*:

Political Science and Politics, 36, 3 (2003): 411-416. [Download](#)

Carl M. Brauer, "Kennedy, Johnson, and the War on Poverty." *The Journal of American History*, 69, 1 (1982): 98-119. [Download](#)

Sheldon Danziger and Robert D. Plotnick, "Poverty and Policy: Lessons of the Last Two Decades." *The Social Service Review*, 60, 1 (1986): 34-51. [Download](#)

William Julius Wilson, "Another Look at The Truly Disadvantaged." *Political Science Quarterly*, 106, 4 (1991-1992): 639-656. [Download](#)

3/28. Macroeconomic Management

Alan Sweezy, "The Keynesians and Government Policy, 1933-1939." *The American Economic Review*, 62, 1/2 (1972): 116-124. [Download](#)

Robert Higgs, "From Central Planning to the Market: The American Transition, 1945-1947." *The Journal of Economic History*, 59, 3 (1999): 600-623. [Download](#)

J. Bradford De Long, "Keynesianism, Pennsylvania Avenue Style: Some Economic Consequences of the Employment Act of 1946." *The Journal of Economic Perspectives*, 10, 3. (1996): 41-53. [Download](#)

John T. Woolley, "The Politics of Monetary Policy: A Critical Review." *Journal of Public Policy*, 14, 1 (1994): 57-85. [Download](#)

Margaret Weir, "Innovation and Boundaries in American Employment Policy." *Political Science Quarterly*, 107, 2 (1992): 249-269. [Download](#)

Herbert Stein, "Where Stands the New Fiscal Policy?" *Journal of Money, Credit and Banking*, 1, 3 (1969): 463-473. [Download](#)

Leon N. Lindberg, "The Problems of Economic Theory in Explaining Economic Performance." *Annals of the American Academy of Political and Social Science*, Vol. 459, (1982): 14-27. [Download](#)

4/4. Neoliberalism, Globalization, and the Return of the Market

Stephanie Lee Mudge, "What is Neo-Liberalism?" *Socio-Economic Review*, 6, 4 (2008): 703-731. [Download](#)

Economic Policy:

John L. Campbell, "Institutional Analysis and the Role of Ideas in Political Economy." *Theory and Society*, 27, 3 (1998): 377-409. [Download](#)

Olivier Jean Blanchard, William Branson and David Currie, "Reaganomics." *Economic Policy*, 2, 5 (1987):15-56. [Download](#)

Samuel Bowles, David M. Gordon and Thomas E. Weisskopf, "Business Ascendancy and Economic Impasse: A Structural Retrospective on Conservative Economics, 1979-87." *The Journal of Economic Perspectives*, 3, 1 (1989): 107-134. [Download](#)

J. Craig Jenkins and Craig M. Eckert, "The Right Turn in Economic Policy: Business Elites and the New Conservative Economics." *Sociological Forum*, 15, 2 (2000): 307-338. [Download](#)

Welfare Reform:

Margaret R. Somers and Fred Block, "From Poverty to Perversity: Ideas, Markets, and Institutions over 200 Years of Welfare Debate." *American Sociological Review*, 70, 2 (2005): 260-287. [Download](#)

Jill S. Quadagno and Debra Street, "Ideology and Public Policy: Antistatistism in American Welfare State Transformation." *The Journal of Policy History*, 17, 1 (2005): 52-71. [Download](#)

Lawrence M. Mead, "Why Welfare Reform Succeeded." *Journal of Policy Analysis and Management*, 26, 2 (2007): 370-374. [Download](#)

Globalization:

Douglas Kellner, "Theorizing Globalization." *Sociological Theory*, 20, 3 (2002): 285-305. [Download](#)

Alan S. Blinder, "Offshoring: The Next Industrial Revolution?" *Foreign Affairs*, 85, 2 (2006):113-128. [Download](#)

Christopher Kollmeyer, "Explaining Deindustrialization: How Affluence, Productivity Growth, and Globalization Diminish Manufacturing Employment." *The American Journal of Sociology*, 114, 6 (2009):1644-74. [Download](#)

4/11. **Policy Outcomes: Persistent Poverty and Unsustainable Liabilities**

David Brady, "The Welfare State and Relative Poverty in Rich Western Democracies, 1967-1997." *Social Forces*, 83, 4 (2005): 1329-1364. [Download](#)

Douglas S. Massey, "Globalization and Inequality: Explaining American Exceptionalism." *European Sociological Review*, 25, 1 (2009): 9-23. [Download](#)

Jacob S. Hacker and Paul Pierson, "Abandoning the Middle: The Bush Tax Cuts and the Limits of Democratic Control." *Perspectives on Politics*, 3, 1 (2005): 33-53. [Download](#)

Jacob S. Hacker and Paul Pierson, "Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States." *Politics & Society*, 38 (2010): 152-204. [Download](#)

David Brady, Andrew S. Fullerton and Jennifer Moren Cross, "Putting Poverty in Political Context: A Multi-Level Analysis of Adult Poverty across 18 Affluent Democracies." *Social Forces*, 88, 1 (2009): 271-299. [Download](#)

U.S. Government Accountability Office, *The Federal Government's Long-Term Fiscal Outlook*, November 2010. GAO-11-201SP. [Download](#)

Congressional Budget Office, *Long-Term Budget Outlook, 2010*. [Download](#)

4/18. **The Global Financial Crisis as Regulatory Failure**

Robert Craig West, "The Evolution and Devolution of Bank Regulation in the United States." *Journal of Economic Issues*, 17, 2 (1983): 361-367. [Download](#)

Paul Peretz and Jean Reith Schroedel, "Financial Regulation in the United States: Lessons from History." *Public Administration Review*, 69, 4 (2009): 603-612. [Download](#)

Leo A. Van Eerden, "Finance-Led Crisis: A Challenge for Regulators." *Journal of Money, Investment and Banking*, 10 (2009): 127-43. [Download](#)

Mark Carl Rom, "The Credit Rating Agencies and the Subprime Mess: Greedy, Ignorant, and Stressed?" *Public Administration Review*, 69, 4 (2009): 640-650. [Download](#)

J. Kevin Corder, "The Federal Reserve System and the Credit Crisis." *Public Administration Review*, 69, 4 (2009): 623-631. [Download](#)

Augusto de la Torre and Alain Ize, "Financial Paradigms: What Do They Suggest About Regulatory Reforms?" World Bank, November 2009. [Download](#)

James Crotty and Gerald Epstein, "Avoiding Another Meltdown." *Challenge*, 52,1 (2009): 5-26. [Download](#)

Douglas J. Elliott and Martin Neil Baily, "Telling the Narrative of the Financial Crisis: Not Just a Housing Bubble." Brookings Institution, November 23, 2009. [Download](#)

4/25. **The Global Financial Crisis as Systemic Crisis**

Greta R. Krippner, "The Financialization of the American Economy." *Socioeconomic Review*, 3, 2 (2005): 173-208. [Download](#)

Thomas I. Palley, "The Limits of Minsky's Financial Instability Hypothesis as an Explanation of the Crisis." *Monthly Review*, 61, 11 (2010). [Download](#)

Robert Guttman, "A Primer on Finance-Led Capitalism and Its Crisis." *Revue de la regulation*, 3/4 (2008). [Download](#)

Fred Block, "Crisis and Renewal: The Outlines of a Twenty-First Century New Deal." *Socio-Economic Review*, 9 (2011): 31-57. [Download](#)

Arndt Sorge, "Financial Catastrophe and its Implications for Socioeconomics." *Socio-Economic Review*, 9 (2011):169-186. [Download](#)

5/2. **Conclusion and Discussion of Papers**