

Politics 216:
THE POLITICAL ECONOMY OF ADVANCED CAPITALISM

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Class: King 337, Monday-Wednesday, 3.00pm–4.15pm

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Introduction

Political economy is, broadly speaking, the study of the relationship between the state and the market. It is concerned with the ways in which politics affects the structure and performance of the economy, and the economy affects the structures, institutions and practices of politics. Defined in such a way, a course in the political economy of advanced capitalism is ambitious because practically every aspect of the politics of the industrialized world is deeply influenced by the state of the economy. That is why the primary concern of governments, after national security, is the "management" of their economies, and national security itself is heavily constrained by the economy. Political economy, in short, concerns the *capacity* of states to carry out their political programs, and hence the degree to which political *choice* matters in capitalist democracies.

This course will look selectively at a set of important topics in political economy. A central argument of the course is that there is no one "ideal" model of how a market economy should operate. Actually existing political economies diverge in countless ways from the models found in economic textbooks, and there is no clear relationship between market conformity and economic success. Thus, the study of political economy must be comparative; that is to say, it must examine the range of concrete forms of political economy among capitalist societies. As a result, almost half of the course will be taken up with the study of three types of contemporary political economy, each illustrated by two countries. These three types are *laissez-faire* political economies (Britain and the United States), organized or coordinated political economies (Sweden and Germany), and state-led political economies (France and Japan – though Japan is a hybrid of this and the previous type).

The remainder of the course will focus upon a number of important themes such as the welfare state, urban political economy, and the globalization of the world economy. In this part of the course there will be heavy emphasis upon recent and evolving trends in political economy in order to give some sense of the political-economic landscape facing advanced capitalist societies early in the 21st century.

Requirements

It would be useful if students have taken an introduction to West European politics or have some prior knowledge of the basic political structures and processes in these societies, but this is not required. The main obligation of students is to do the assigned reading (of which there is a great deal, about 180 pages a week), come to class, and be prepared to participate in class discussions. Whenever possible this class will be conducted like a seminar. Occasionally students will make oral presentations about some of the readings. Each student must write comments (anywhere from a paragraph or two to a page or two) on the readings each week. The purpose of the comments is to identify the main issues, questions and criticisms so that we can incorporate them into class discussion. I will pose some questions to think about when doing the reading at the end of each week. The comments are due to me by 11.00am every Monday. The weekly comments and class participation are worth one-third of the grade. Further explanation of this assignment is provided at the *Blackboard* web site for this course. It should be read carefully. There will be a take home mid-term exam, in the form of short essay questions, worth one-third of the grade, due just before fall break. For the final third of the grade you have a choice between doing a short research paper on a topic of your choosing (which can be done individually or collectively), or writing an essay on a set question (which can only be done individually). In either case, the paper or essay is due during the exam period. If you decide to do the research paper, you must meet with me to discuss your topic by Thanksgiving. These are all requirements and late work will be penalized in the interest of equity.

Finally, there will inevitably be some changes to the course as the semester progresses – changes in the readings, additional details of assignments, questions for the weekly comments, and so on – which are not included on this syllabus. I will provide weekly updates in the “announcements” section of the *Blackboard* web site for this course: <http://bb.oberlin.edu/>. Instructions for the use of *Blackboard* are provided at this URL: http://www.oberlin.edu/OCTET/Bb/FAQ_Students.htm. You MUST register for this course in *Blackboard* (which is a separate and additional task to registering for the course itself), and check the *Blackboard* site at least once a week. In the unlikely event that you miss a class, you should always check the web site in case I have announced something of importance.

Course readings

One book, Peter Hall, *Governing the Economy: The Politics of State Intervention in Britain and France*, has been ordered at the Oberlin Bookstore and you are strongly advised to buy it because we will read it almost in its entirety.

For the other readings we will be using the *ERes* (Electronic Reserve) system. The password for this class is: **NAFTA**. (this is case-sensitive). You can then read and print this material. When looking for a particular reading from the syllabus on *ERes*, look for the author’s name which is highlighted in **bold** on the syllabus. Check page numbers carefully, so that you read the correct section of each reading at the correct time.

CLASS SCHEDULE:

September 8, 13, 15, 20 & 22 States and Markets

Milton **Friedman**, "The Relation Between Economic Freedom and Political Freedom," (pages 7-21), in his *Capitalism and Freedom*.

Ayn **Rand**, "What is Capitalism?" (pages 11-34), in her *Capitalism: The Unknown Ideal*.

Charles **Murray**, *What it Means to be a Libertarian*, pages 1-59.

Karl **Marx**, *Wage-Labour and Capital*, chapters 1, 2, 4, 6-9 (pages 15-20, 26-27, and 31-48).

Robert **Kuttner**, *Everything for Sale*, chapters 1, 2 and part of 9 (pages 11-67 & 328-342).

Marianne **Ferber** and Julie Nelson, "Introduction: The Social Construction of Economics and the Social Construction of Gender" (pages 1-22), and Diana Strassmann, "Not a Free Market" (pages 54-68), in Marianne Ferber and Julie Nelson, eds., *Beyond Economic Man*.

Nancy **Folbre**, *The Invisible Heart: Economics and Family Values*, chapter 1 (pages 3-21).

Charles **Lindblom**, "The Market as Prison" (pages 3-11), in *Journal of Politics* [1982].

Karl **Polanyi**, *The Great Transformation*, chapters 11-12 (pages 130-150).

John **Bowman**, *Capitalist Collective Action*, chapter 8 (pages 211-238).

September 27 & 29 The Rise and Fall of Fordism

Charles **Maier**, *In Search of Stability*, chapter 4 (pages 153-184).

David **Harvey**, *The Condition of Postmodernity*, chapters 7 & 8 (pages 121-140).

Peter **Gourevitch**, *Politics in Hard Times*, chapter 4 (pages 124-180).

Peter **Swenson**, "Arranged Alliance: Business Interests in the New Deal" (pages 66-116) in *Politics & Society*.

October 4, 6, 11 & 13

Laissez-Faire Political Economies

Peter **Hall** and David Soskice, *Varieties of Capitalism*, chapter 1 (pages 1-68).

Peter Hall, *Governing the Economy*, chapters 2-5 (pages 25-136).

Andrew **Gamble**, *The Free Economy and the Strong State*, chapter 2 (pages 27-60).

Desmond **King** and Stewart Wood, "The Political Economy of Neoliberalism" (pages 371-397) in Kitschelt, Lange, Marks and Stephens, eds., *Continuity and Change in Contemporary Capitalism* [1999].

Robert **Pollin**, *Contours of Descent*, chapter 2 (pages 21-47).

Andrew **Graham**, "The UK 1979-95" (pages 117-132) in Colin Crouch and Wolfgang Streeck, eds., *Political Economy of Modern Capitalism* [1997].

Tony **Blair** *The Third Way*, Fabian Pamphlet (pages 1-20). **NOT** "Europe/Third Way."

October 25, 27, & November 1

State-Led Political Economies

Peter Hall, *Governing the Economy*, chapters 6-8 (pages 139-226).

James Hollifield, "Immigration and Modernization" (pages 113-150), in James **Hollifield** and George **Ross**, eds., *Searching for The New France*.

T. J. **Pempel**, *Regime Shift*, chapter 2 (pages 42-80).

T. J. **Pempel**, *Policy and Politics in Japan*, chapter 3 (pages 90-109).

Larry **Carney** and Charlotte O'Kelly, "Women's Work and Women's Place in the Japanese Economic Miracle" (pages 113-145), in Kathryn Ward, ed., *Women Workers and Global Restructuring*.

Gavan **McCormack**, "Breaking the Iron Triangle" (pages 5-23) in *New Left Review* [2002].

November 3, 8 & 10

Organized Political Economies

Leo **Panitch**, *Working Class Politics in Crisis*, chapter 5 (pages 132-159).

John **Stephens**, *The Transition From Capitalism To Socialism*, part of chapter 5 and all of chapter 6 (pages 129-140, and 177-194).

Jane **Jenson** and Rianne Mahon, "Representing Solidarity: Class, Gender and the Crisis of Social-Democratic Sweden" (pages 76-100) in *New Left Review* [September-October 1993].

Peter **Katzenstein**, *Policy and Politics in West Germany*, chapters 3 & 5 (pages 125-148 & 209-235).

Herbert **Kitschelt** and Wolfgang **Streeck**, "From Stability to Stagnation: Germany at the Beginning of the Twenty-First Century" (pages 1-34) in *West European Politics* [2003].

Helmut **Wiesenthal**, "German Unification and 'Model Germany': An Adventure in Institutional Conservatism" (pages 37-58) in *West European Politics* [2003].

Chris Allen, "Institutions Challenged," (pages 139-156) in Lowell **Turner**, ed., *Negotiating the New Germany* [1997].

Braun et al., "Rolling Back the Gender Status of East German Women," (pages 139-166) in Hanna **Behrend**, ed., *German Unification: The Destruction of an Economy*.

November 15 & 17

Urban Political Economy

Charles **Murray**, *What it Means to be a Libertarian*, pages 79-89.

William **Wilson**, *When Work Disappears*, chapters 1, 2 & 5 (pages 3-50 & 111-146).

Adolph **Reed**, "The Black Urban Regime" (pages 79-115) in Adolph Reed, *Stirrings in the Jug: Black Politics in the Post-Segregation Era*.

Mike **Davis**, "Who Killed Los Angeles? A Political Autopsy" (pages 3-28) in *New Left Review* [January-February 1993].

Mike **Davis**, "Who Killed LA? Part Two: The Verdict is Given" (pages 29-54), in *New Left Review* [May-June 1993].

Mike **Davis**, "Magical Urbanism: Latinos Reinvent the US Big City" (pages 3-43) in *New Left Review* [1999].

November 22, 24, 29 & December 1

Transforming Welfare

Claus **Offe**, *Contradictions of the Welfare State*, chapter 6 (pages 147-161).

William **Wilson**, *When Work Disappears*, chapter 6 (pages 149-182).

Gosta **Esping-Andersen**, *The Social Foundations of Postindustrial Economies*, chapters 3 & 4 (pages 32-70).

Linda **Gordon**, “The New Feminist Scholarship on the Welfare State” (pages 9-35), in Linda Gordon, ed., *Women, the State, and Welfare*.

Julia **O’Connor**, Ann Orloff and Sheila Shaver, *States, Markets, Families*, chapter 3 (pages 66-108).

Joel **Handler**, “Reforming/Deforming Welfare” (pages 114-136) in *New Left Review* [2000].

Charles **Murray**, *What it Means to be a Libertarian*, pages 90-101.

Robert **Kuttner**, *Everything for Sale*, chapter 4 (pages 110-158).

December 6, 8, & 13

**Towards a Post-National, Post-Industrial, Post-Fordist,
and Post-Modernist Political Economy?**

David **Harvey**, *The Condition of Postmodernity*, chapter 9 (pages 141-172).

Charles **Sabel**, *Work and Politics*, chapter 5 (pages 194-231).

Paul **Osterman**, *Securing Prosperity*, chapters 2 & 3 (pages 20-89).

Louise **Amoore**, *Globalisation Contested*, chapter 1 (pages 14-37).

Paul **Krugman**, *Pop Internationalism*, chapters 8 & 10 (pages 117-125 and 155-165).

Katherine **Boo**, “Letter From India: The Best Job in Town” (pages 55-69), in *New Yorker* [July 5th, 2004].

Robert Wade, “Globalization and its Limits,” in Suzanne **Berger** and Ronald Dore, eds., *National Diversity and Global Capitalism* (pages 60-88).

George **Ross**, “Confronting the New Europe” (pages 49-68), in *New Left Review* [January-February 1992].