

Tulane University
 Spring 2015
 Class meetings – T 3:30-6:00
 Classroom – Norman Mayer 104

Professor Patrick Egan
 323 Norman Mayer
 Telephone: 862-8311
 E-mail: pegan1@tulane.edu
 Office hours: Wednesday, 2:00-4:00

Professor Mark Vail
 324 Norman Mayer
 Telephone: 862-8314
 E-mail: mvail@tulane.edu
 Office hours: Thursday, 2:00-4:00

POLS 7311: COMPARATIVE AND INTERNATIONAL POLITICAL ECONOMY

“Political Economy” involves a particular set of approaches to understanding the world. First and foremost, it involves looking at how economic change is mediated and driven by politics, and how, in turn, politics is transformed by economic developments. A core tenet of this approach is that politics and the economy are inextricably linked, and that one cannot be understood independently from the other. This course explores historical debates in comparative political economy and how the insights that they have generated can help us to understand a number of contemporary issues of political and economic change. It begins by looking at classical approaches to the subject—Marxism, Liberalism, Mercantilism, Economic Sociology, Keynesianism, and others. It then applies the insights of these theories to a number of contemporary political-economic issues and contexts—including liberalization in the developing world, “globalization” and the relationship between the international economy and domestic politics in advanced industrial countries, contemporary welfare reform, monetary systems and monetary policy, the evolution of “national models” of capitalism since World War II, and the advent of and responses to the contemporary financial and economic crisis.

Plagiarism will be punished with an “F” for the assignment and the student will be reported to the Academic Affairs Office and the Honor Board. Ignorance of what constitutes plagiarism is no excuse.

Requirements (and weighting in final grade):

1. A research design paper (about 25 pages in length) on topics to be agreed upon in advance with the instructor (40% total).
 - Topics must be settled by February 10th. A preliminary annotated bibliography (including at least ten books, scholarly journal articles, or chapters from edited volumes, with analytical summaries of their central contentions) must be submitted by March 10th. The bibliography will represent 5% of the final course grade (i.e., one eighth of the research paper grade). Final papers are due the last day of class, April 28th. No exceptions or extensions.
2. Three reading reaction papers (short essays) of 4-5 pages analyzing readings for a week, with particular emphasis on making connections across weeks (10% each). Reaction papers should be emailed to the rest of the class by Monday morning at 9AM for the week you are assigned. These

papers should not be summaries of the readings, but should go beyond to involve critical commentary and questions for the class. All students should keep these papers as they will assist in preparing for comprehensive examinations.

3. Leadership of discussion of three weeks' reading material, including reacting to student papers submitted that week. You should plan to spend not more than 10 minutes presenting your ideas about the readings and reacting to your classmates' ideas (this time goes by fast!). You will be assigned weeks different than the ones for which you are writing papers. (20%)
4. Active, informed class participation (10%)

Readings

The following are the required texts for the course. Additional readings are available on Blackboard.

1. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon, 2001 [1944]).
2. Robert L. Heilbroner, *The Worldly Philosophers: The Lives, Times & Ideas of the Great Economic Thinkers*, 7th ed. (New York: Simon & Schuster, Touchstone, 1999).
3. Adam Smith, *The Wealth of Nations*, Books I-III (London: Penguin Classics, 1982).
4. Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, 3rd ed., trans. Stephen Kallberg (Los Angeles: Roxbury, 2008 [1930]).
5. David McLellan, ed., *Karl Marx: Selected Writings*, 2nd ed. (Oxford: Oxford University Press, 2000).
6. Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995).
7. Nicholas Van de Walle, *African Economies and the Politics of Permanent Crisis, 1979-1999*. (Cambridge: Cambridge University Press, 1999).
8. Peter Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca: Cornell University Press, 1986).
9. Robert O. Keohane and Helen V. Milner, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996).

PART I: CLASSICAL THEORIES OF POLITICAL ECONOMY

Week 1, January 13: Competing Conceptions of States and Markets; Mercantilism and the Age of Absolutism

Otto Hintze, "Military Organization and the Organization of the State," in Felix Gilbert, ed., *The Historical Essays of Otto Hintze* (New York: Oxford University Press, 1975), pp. 178-215.

Gianfranco Poggi, *The State: Its Nature, Development, and Prospects* (Stanford, Calif.: Stanford University Press, 1990), pp. 34-51.

Eli Heckscher, *Mercantilism*, 2nd ed., trans. Mendel Shapiro (New York: Macmillan, 1962 [1935]), vol. II, pp. 13-59, 112-184.

Friedrich List, *National System of Political Economy* (New York: Longmans, Green, 1928 [1841]), pp. 108-156.

Week 2, January 20: Classical Liberalism, Neoclassical Economics, and the Industrial Revolution

Adam Smith, *The Wealth of Nations*, Books I-III (London: Penguin, 1986 [1776]), pp. 109-126, 167-190, 429-449.

Robert L. Heilbroner, "The Wonderful World of Adam Smith," in *idem*, *The Worldly Philosophers* (New York: Simon and Schuster, 1999).

E.J. Hobsbawm, *Industry and Empire: An Economic History of Britain since 1750* (London: Weidenfield and Nicolson, 1968), pp. 1-60.

Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph* (Princeton, N.J.: Princeton University Press, 1997 [1977]), introduction and Part I (pp. 3-66).

Week 3, January 27: Marxism

Robert L. Heilbroner, "The Inexorable World of Karl Marx," in *idem*, *The Worldly Philosophers* (New York: Simon and Schuster, 1999).

Karl Marx and Friedrich Engels, *The Communist Manifesto*, in David McLellan, ed., *Karl Marx: Selected Writings*, 2nd ed. (Oxford: Oxford University Press, 2000), pp. 245-271.

Karl Marx and Friedrich Engels, excerpts from *The German Ideology*, in McLellan, ed., pp. 175-200.

Karl Marx, excerpts from *Capital*, in McLellan, ed., pp. 452-508.

Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*, in McLellan, ed., pp. 329-355.

Week 4, February 3: Classical Economic Sociology

Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon, 1957 [1944]), chs. 3-8, 10-14.

Douglass C. North, "Market and other Allocation Systems in History: The Challenge of Karl Polanyi," *Journal of European Economic History* (Winter 1977), pp. 703-716.

Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, 3rd ed., trans. Stephen Kallberg (Los Angeles: Roxbury, 2008 [1930]), chs. 2, 3, and 5.

E. P. Thompson, *The Making of the English Working Class* (New York: Vintage, 1966), preface, chs. 1 and 12.

PART II: NEW EMPIRICAL AND CONCEPTUAL CHALLENGES IN THE 20TH CENTURY

Week 5, February 10: Keynesianism, the Great Depression, and the Post-War Economic Order

Robert Heilbroner, "The Sick World of John Maynard Keynes," in *idem*, *The Worldly Philosophers* (New York: Simon and Schuster, 1963), pp. 214-251.

Peter A. Hall, "Conclusion: The Politics of Keynesian Ideas," in *idem*, ed., *The Political Power of Economic Ideas: Keynesianism across Nations* (Princeton, N.J.: Princeton University Press, 1989), pp. 361-391.

John Maynard Keynes, "The End of Laissez-Faire," in *idem*, *Essays in Persuasion* (New York: Classic House Books, 2009 [1931]), pp. 169-175.

John K. Galbraith, *The Great Crash, 1929* (New York: Time, 1962 [1954]), chs. 1-6, 10.

NOTE NO CLASS TUESDAY, FEBRUARY 17 (MARDI GRAS)

Week 6, February 24: Historical Institutionalism and Post-war National Models of Capitalism

- John Zysman, "How Institutions Create Historically Rooted Trajectories of Growth," *Industrial and Corporate Change* 3, no. 1 (1994): pp. 243-283.
- Peter A. Hall and David Soskice, "An Introduction to Varieties of Capitalism," in *idem*, eds., *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford: Oxford University Press, 2001).
- Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (Oxford: Oxford University Press, 1969 [1965]), chs 1 and 4.
- Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in *Economic Backwardness in Historical Perspective: A Book of Essays* (Boston: Harvard University Press, 1962), pp. 5-30.
- Jeffrey A. Frieden and Ronald Rogowski, "The Impact of the International Economy on National Policies: An Analytical Overview," in Robert O. Keohane and Helen V. Milner, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996), pp. 25-47.
- Suzanne Berger, "Introduction," in *idem*, ed., *Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics* (Cambridge: Cambridge University Press, 1981), pp. 1-23.

Week 7, March 3: Contemporary Economic Sociology and the New Institutional Economics

- Peter A. Hall and Rosemary Taylor, "Political Science and the Three New Institutionalisms," *Political Studies* 44 (December 1996), pp. 936-957.
- Paul J. DiMaggio and Walter W. Powell, "Introduction," in *idem*, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991), pp. 1-38.
- Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91, no. 3 (November 1985): pp. 481-510.
- Oliver Williamson, *The Economic Institutions of Capitalism* (New York: Free Press, 1985), pp. 1-42.
- Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990), chs. 1-4.

PART III: CONTEMPORARY CHALLENGES FOR REFORM AND POLITICAL-ECONOMIC ADJUSTMENT

Week 8, March 10: The Rise and Renegotiation of the Welfare State in the Advanced Industrial World

- Peter Swenson, "Bringing Capital Back In, or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden," *World Politics* 43, no. 4 (1991), pp. 513-544.
- Paul Pierson, "The New Politics of the Welfare State," *World Politics* 48, no. 2 (1996), pp. 143-179.
- Andrew Gamble, "The New Right," in *The Free Economy and the Strong State: The Politics of Thatcherism* (Houndsmill, U.K.: Macmillan, 1994), pp. 34-68.

- Julian Le Grand, "Knights, Knaves, or Pawns? Human Behavior and Social Policy," *Journal of Social Policy* 26, no. 2 (1997), pp. 149-169.
- Jonah Levy, "Vice into Virtue? Progressive Politics and Welfare Reform in Continental Europe," *Politics and Society* 27, no. 2 (June 1999), pp. 239-273.

Week 9, March 17: "Globalization," Trade, and International Sources of Domestic Political Change

- Geoffrey Garrett, *Partisan Politics in the Global Economy* (Cambridge: Cambridge University Press, 1998), pp. 1-50.
- Geoffrey Garrett and Peter Lange, "Internationalization, Institutions, and Political Change," in Helen Milner and Robert Keohane, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996), pp. 48-78.
- Herman Schwartz, "Round Up the Usual Suspects! Globalization, Domestic Politics, and Welfare State Change," in Paul Pierson, ed., *The New Politics of the Welfare State* (Oxford: Oxford University Press, 2001), pp. 17-44.
- Peter Gourevitch, *Politics in Hard Times: Comparative Responses to International Economic Crises* (Ithaca, N.Y.: Cornell University Press, 1986).
- Ronald Rogowski, "Political Cleavages and Changing Exposure to Trade," *American Political Science Review* 81, 1121-1137.
- M. Hiscox, "Class versus Industry Cleavages: Inter-industry Factor Mobility and the Politics of Trade." *International Organization* 55, 1-46.

Week 10, March 24: Monetary Systems and Monetary Policy

- Jeffrey Frieden, "Invested Interests: The Politics of National Economic Policies in a World of Global Finance," *International Organization* 45 (1991), 425-451.
- William Bernhard and David Leblang, "Democratic Institutions and Exchange Rate Commitments," *International Organization* 53 (1999), 71-97.
- Beth Simmons, "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs," *American Political Science Review* 94 (2000), 819-835.
- William Bernhard, Lawrence Broz, and William Clark, "The Political Economy of Monetary Institutions," *International Organization* 56 (2002), 693-723.
- Thomas Oatley, "How Constraining is Capital Mobility? The Partisan Hypothesis in an Open Economy," *American Journal of Political Science* 43 (1999), 1003-1027.

NOTE NO CLASS TUESDAY, MARCH 31 (SPRING BREAK)

Week 11, April 7: The Politics of Economic Liberalization beyond the Advanced Industrial World

- Kiren Aziz Chaudhry, "The Myths of the Market and the Common History of Late Developers," *Politics and Society* 21, no. 3 (1993): 245-273.
- Theotonio Dos Santos, "The Structure of Dependence". In Seligson, M. and J. Passé-Smith (Eds), *Development and Underdevelopment* (3rd Edition). (London: Lynne Rienner, 2007 [1970]).
- Kurt Weyland, "Neoliberalism and Democracy in Latin America: A Mixed Record," *Latin American Politics and Society* 46, no. 1 (Spring 2004): 135-157.
- Stephen Haggard and Sylvia Maxfield, "The Political Economy of Financial Liberalization in the Developing World", *International Organization* 50 (1996), 35-68.
- Nicholas Van de Walle, *African Economies and the Politics of Permanent Crisis, 1979-1999*. Cambridge; Cambridge University Press, 1999), especially chapters 3 and 4.

Hector Schamis, "Distributional Coalitions and the Politics of Economic Reform in Latin America," *World Politics* 51 (1999), 236-268.

Week 12, April 14: Multinational Corporations and Foreign Direct Investment

- Stephen Kobrin, "Testing the Bargaining Hypothesis in the Manufacturing Sector in Developing Countries," *International Organization* 41 (1987), 609-638.
- Nate Jensen, "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment." *International Organization* 57 (2003), 587-616.
- Quan Li and Adam Resnick, "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57 (2003), 175-211.
- Kenneth Scheve and Matt Slaughter, "Economic Insecurity and the Globalization of Production." *American Journal of Political Science* (2004).
- Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton, N.J.: Princeton University Press, 1995), chs. 1, 3, 4, 8, and 9.

Week 13, April 21: International Capital Mobility and International Financial Institutions

- Dennis Quinn and Carla Inclan, "The origins of financial openness: A study of current and capital account liberalization." *American Journal of Political Science* 31 (1997), 771-813.
- John Goodman and Louis Pauly, "The obsolescence of capital controls?" *World Politics* 46 (1993), 50-82.
- Maurice Obstfeld and Alan Taylor, "The Great Depression as a Watershed: International Capital Mobility over the Long Run", in *The Defining Moment*. Edited by Michael Bordo, Claudia Goldin, and Eugene White. Chicago: University of Chicago Press, (1998).
- Strom Thacker, "The High Politics of IMF Lending," *World Politics* 52 (1999), 38-75.
- James Vreeland. *The IMF and Economic Growth*. New York, NY: Cambridge University Press (2003) chapters 1-3.
- Randall Stone. "The Political Economy of IMF Lending in Africa" *American Political Science Review* 98 (2004), 577-591.

Week 14, April 28: The Global Economic Crisis and Its Aftermath

- Paul Krugman, *The Return of Depression Economics and the Crisis of 2008* (New York: W.W. Norton, 2009), introduction and chs. 9-10.
- Paul Krugman, "How Did Economists Get It So Wrong?" *The New York Times Magazine*, 6 September 2009, pp. 36-46.
- James K. Galbraith, "No Return to Normal," *Washington Monthly*, March/April 2009.
- Joseph Fuller, "The Terminator Comes to Wall Street," *The American Scholar*, Spring 2009, pp. 18-23.
- Richard Posner, "How I Became a Keynesian," *The New Republic* online, 23 September 2009.
- James B. Stewart, "Eight Days: The Battle to Save the American Financial System," *The New Yorker*, 21 September 2009, pp. 58-81.
- Joseph Stiglitz, *The Prince of Inequality: How Today's Divided Society Endangers Our Future* (New York: W.W. Norton, 2012), preface and chs. 1-3.
- Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013), ch. 1.