Government 94rg
Fall 2020
A Revolt against Globalization?
How Political Economies Change

This is an advanced undergraduate seminar in comparative political economy about the relationship between economics and politics. The premise is that, by analyzing how governments have addressed an evolving set of economic and political problems in past decades, we can better understand the challenges facing the advanced democracies today and how to cope with them. The course construes economic challenges as political challenges and examines how changes in electoral politics and producer group politics interact with economic changes to yield new problems and solutions to them.

Why are contemporary political economies beset by rising levels of income inequality? How have the roles and responsibilities of firms in contemporary economies changed? Does the surge of support for populist causes and candidates of the political right and left reflect a ‘revolt against globalization’ or a ‘cultural reaction to post-materialism’? How have the management of the economy and the complexion of electoral politics changed since the 1950s? Are we currently witnessing a crisis of capitalism or of democracy?

The course considers these questions via an examination of how the developed political economies and their electoral politics have changed through the broadly Keynesian era of the 1950s and 1960s, the turbulent 1970s, the neoliberal era of the 1980s and 1990s toward knowledge economies today. We will consider explanations for parallel movements over time but also how best to characterize variations across space in types of political economies that affect how well they cope with a succession of challenges. In the later weeks of the course, some emphasis will be given to analyzing the sources of support for populist parties and the dilemmas their rise poses for capitalism and democracy.

At its base, this is a course about how social and political change takes place, designed to help us better understand the changes taking place in the contemporary world. There is some emphasis on European cases as well as on the United States.

Note: For Juniors concentrating in Government, admission to this course is through a lottery run by the undergraduate program office of the Government Department. The deadline to enter the lottery is on August 21st. There may be a few places for other undergraduates who should contact Prof. Hall if interested.

The time of class meetings will be determined by the Tutorial Office after the enrollment lottery.
Requirements:

Class participation (30%). Since this is a seminar, students are expected to attend all class meetings, to come prepared to discuss the readings, and to participate actively in discussion. This grade will be based on the quality of your preparation and participation. Participants will be allowed to miss one class without penalty.

Three short response papers (30%) of 2-3 double-spaced pages in 12 point font which offer a critical review of the week’s reading or thoughtfully take up some issues the reading raises that would be appropriate for discussion in class. To be emailed to participants in the course by 5 pm the day before the class meets. Near the beginning of the semester, students will choose the weeks for which they write response papers.

Research paper (40%) of 15-20 pages in length (double-spaced in 12 point font) including notes and bibliography probably due on Friday December 8th but subject to FAS rules yet to be determined. The topic for this paper should be agreed with the instructor by the end of September. It can deal with any issue related to the course and should offer answers to a set of core questions based on secondary reading in at least 20 sources or on original research. Students will make a 10 minute presentation of preliminary results for the paper during one of the last two class sessions, and part of the grade for the paper will depend on the quality of this presentation.

Collaboration Policy

Students should feel free to discuss the issues raised by their reading or writing for the course with other students. However, all written work for it should be entirely your own and no one other than a member of the teaching staff or a student's official academic or writing advisor should be allowed to see the papers that you submit, the notes made for it, or any previous drafts of the paper. Any material used from primary or secondary sources should be appropriately footnoted and direct quotations identified as such.

Readings

The required readings will all be available on the course website.
Topics and Readings

1. Introduction

An introduction to the issues covered by the course and discussion of a strange but classic work about the relationship between politics and economics. Polanyi discussed how ‘free’ markets were developed during the industrial revolution in 19th century Britain. In his view, where do self-regulating markets come from? What is the ‘double movement’? What roles do the ideas of the early economists and the actions of the state play in the development of markets? He sees the rise of fascism in the 1930s as the product of adhering to market principles (notably the gold standard). How does that work? Is it plausible?


2. The Postwar Settlement and the Construction of the Postwar Political Economy

Why are capitalism and democracy in tension with each other? How did the Keynesian policies adopted after World War II help to resolve that tension? Did the institutions established after the war matter? If so how? How should we characterize cross-national variations in political economies? What are the most important elements of the ‘varieties of capitalism’ approach? What criticisms might we have of it?


3. The Politics of the Keynesian Welfare State

How might one explain the expansion of social policy associated with the growth of the welfare state? Which explanations do you find most convincing? What do welfare states do and what are the principal differences between them? Why do some countries get a specific kind of welfare state? To what extent did electoral politics vs producer-group politics underpin the social formulae for post-war prosperity?


4. The Crisis of the 1970s: What Went Wrong?

How is the collapse of post-war prosperity into rising inflation and economic stagnation during the 1970s to be explained? To what extent were the sources of these problems economic or political? To what extent were they domestic or international? Were the crises of the 1970s an inevitable outgrowth of economic and political conditions in the 1950s/60s? Is inflation a purely ‘monetary’ phenomenon?


5. The Move to the Market of the 1980s and 1990s

How did the roles of the state and markets change in the 1980s and 1990s? What forces drove those changes, especially in liberal market economies like that of the U.S.? To what extent were these developments driven by firms, market dynamics or politics? What should the responsibilities of private firms be under democratic capitalism? Why do views of those responsibilities change?


6. The Sources of Inequality in the Neoliberal Era

What explains increasing income inequality since the 1980s? Is this primarily the result of economic developments or does politics also drive income inequality? What kind of economic and political factors matter most? Why did government’s efforts at redistribution not offset rising inequality?


7. The Social and Economic Challenges of the Knowledge Economy

What are the principal challenges generated by the new knowledge economies of the developed democracies? What is ‘secular stagnation’ and how can we best explain it? Does it reflect failures of public policy or of firm strategy? Can anything be done about it? Why does the knowledge economy have spatial effects? Do they have political consequences? Are there any solutions to these problems?


8. The Challenges of Social Policy in a Knowledge Economy

How do economic developments affect people’s attitudes and voting behavior? Is social investment what is needed to meet the economic challenges of the knowledge economy? What is it? Who supports it? Under what conditions are we likely to get it? Or do we need a universal basic income?


9. Populism: What is it and where does it come from?

What distinguishes populist politicians from other kinds of politicians? Is the rise of populism an indication of the revival of democracy or a threat to it? Is it a revolt against globalization or a cultural revolt? How might we know? Do the sources of right and left populism differ? Is the US different?


10. The Politics of Populism: What Now?

How would you describe the nature of political competition in the era of populism? Is there a new ‘cleavage’ developing? Is the politics of populism different in the U.S.? If so, why? What kind of politics would be necessary to overcome the populist challenge? Does it involve the renunciation of ‘identity politics’ or a new kind of identity politics?


11. A Crisis of Capitalism or of Democracy?

Have contemporary developments created a crisis of capitalism? A crisis of democracy? If so, what are their main causes of crisis? What roles do democratic governments play and what determines that role? Is Streeck too pessimistic and Iversen/Soskice too optimistic? Compare the images of politics offered by these three readings. What are your predictions for the future of capitalism and democracy?


12. Presentation of Student Projects

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