

Tulane University
Spring 2016
Class meetings – TR 11:00-12:15
Classroom – Hebert 210

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PECN 3040: 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 fully understood independently from the other. Though there is significant overlap between “comparative” and “international” political economy, the former tends to focus on explores how distinctive national historical and institutional legacies shape the relationship between the state and the market *within* countries, while the latter tends to emphasize how changes in the political and economic relationships *among* nations reshape their domestic political and economic arrangements. One of the core principles of this course is that both approaches represent complementary ways of studying the relationship between politics and economics in advanced capitalism.

This course explores historical debates in political economy and how the insights that they have generated can help us to understand a number of contemporary questions of political and economic change. It begins by looking at classical approaches to the subject—Marxism, Liberalism, Mercantilism, Modernization Theory, Trade Theory, 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 and post-Communist Central and Eastern Europe, “globalization” and the relationship between the international economy and domestic politics in advanced industrial countries, the rise of the welfare state and contemporary welfare reform, the evolution of “national models” of capitalism since World War II, and the advent of and responses to the recent financial and economic crisis.

In order to relate the material in this course to current events, you should keep up with contemporary international developments as they are reported in the news media. *The New York Times*, *The Financial Times*, and *The Economist* are the best English-language periodicals dealing with international political and economic events, and part of your assignment will be to read one (or both) of these sources on a regular basis and be prepared to relate what you learn to the themes of the course and to use them in class discussion and on your exams.

Please refer to the Tulane University honor code for details on academic dishonesty. If you have any questions, please ask me. I will enforce the honor code strictly and deal severely with any violations of any kind. Attendance is a required component of academic performance, though attendance alone is not sufficient for earning a good participation grade. Excessive absences will be reported and will result, at a minimum, in a poor class participation grade.

No computers, phones, or any other electronic devices may be used in class for any reason—no exceptions. Any such devices on your person must be *off* (e.g., not merely on silent) and put completely away. Those who do not respect this requirement will be asked to leave class and will receive a reduction in their class-participation grade.

Requirements (and weighting in final grade)

1. An in-class midterm examination (20%)
2. An essay of 8-10 pages in length on topics to be assigned by the instructor (25%). The essay will be due at the beginning of class (11:00) on **Tuesday, 15 March**. It may be turned in before the due date and time but not afterwards. No exceptions or extensions. The essay must be turned in as a hard copy. No electronic submissions will be accepted.
3. Final examination, covering the material from the entire course (40%)
4. Active, informed participation in class discussion; attendance and reading quizzes will be counted towards this total (15%)

Reading Assignments

All assigned reading is expected to have been completed by the *beginning* of the week in which that material is listed on the syllabus. Periodic, unannounced reading quizzes will be administered and will become part of the participation grade.

Most of the reading assignments for the course will be on Blackboard. In addition, the following texts are required and should be purchased:

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. David McLellan, ed., *Karl Marx: Selected Writings*, 2nd ed. (Oxford: Oxford University Press, 2000).

PART I: INTRODUCTION

Week 1 (12-14 January): The Conceptual Complexities of Historical Political and Economic Analysis

Stephen Jay Gould, *The Hedgehog, the Fox, and the Magister's Pox: Mending the Gap between Science and the Humanities* (New York: Three Rivers Press, 2003), chs. 1-3.

George Orwell, "Politics and the English Language," in *George Orwell: A Collection of Essays* (New York: Harcourt Brace, 1981), pp. 156-171.

Thomas S. Kuhn, *The Structure of Scientific Revolutions*, 3rd ed. (Chicago: University of Chicago Press, 1996), pp. 1-51, 160-173.

PART II: CLASSICAL THEORIES OF COMPARATIVE AND INTERNATIONAL POLITICAL ECONOMY

Week 2 (19-21 January): The Rise of the State, 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.

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

Week 3 (26-28 January): Liberalism, the Birth of Capitalism, and the Industrial Revolution

Karl Polanyi, *The Great Transformation* (Boston: Beacon, 1944), chs. 6-7, 12, 14.

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

Week 4 (2-4 February): Marxism, "High Industrialism," and the Critique of Capitalism

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, excerpt from *The German Ideology*, in McLellan, ed., pp. 184-200.

Karl Marx, excerpts from *Capital*, in McLellan, ed., pp. 472-480, 488-508.

NO CLASS, TUESDAY, 9 FEBRUARY (MARDI GRAS BREAK)

Week 5 (11 February): Free Trade, Protectionism, and the Politics of Post-war Growth

Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments* (Princeton, N.J.: Princeton University Press, 1989), ch. 1.

Charles Kindleberger, "The Rise of Free Trade in Western Europe: 1820-1875," *Journal of Economic History*, vol. 35, no. 1 (March 1975): 20-55.

Jagdish Bhagwati, *Protectionism* (Cambridge, Mass.: MIT Press, 1988), chs. 1-2.

John Ruggie, "International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization* 36, no. 2 (Spring 1982): 379-415.

ESSAY TOPICS DISTRIBUTED IN CLASS, THURSDAY, 11 FEBRUARY

Week 6 (16 February): Paths to Modernization and Economic Growth

- Daniel Lerner, *The Passing of Traditional Society: Modernizing the Middle East* (London: Free Press, 1958), pp. 43-75.
- Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in *Economic Backwardness in Historical Perspective* (Cambridge, Mass.: Harvard University Press), pp. 5-30.
- W.W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960), pp. 1-12.
- Joseph R. Gusfield, "Tradition and Modernity: Misplaced Polarities in the Study of Social Change," *The American Journal of Sociology* 72, no. 4. (Jan. 1967), pp. 351-362.

IN-CLASS MIDTERM EXAMINATION, THURSDAY, 18 FEBRUARY

PART III: POLITICAL ECONOMY IN THE POST-WAR ERA: THE SHIFTING CHALLENGES OF POLITICAL STABILITY AND ECONOMIC PROSPERITY

Week 7 (23-25 February): 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, 1999), 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.
- Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression, 1919-1939* (Oxford: Oxford University Press), ch. 1.
- John K. Galbraith, *The Great Crash, 1929* (New York: Time, 1962 [1954]), chs. 1-6, 10.

Week 8 (1-3 March): Fordism, Post-War Growth, and the Politics of Economic Change

- Andrew Glyn, Alan Hughes, Alain Lipietz, and Ajit Singh, "The Rise and Fall of the Golden Age," in Stephen Marglin and Juliet Schor, eds., *The Golden Age of Capitalism: Reinterpreting Postwar Experience* (Oxford: Clarendon Press, 1990), pp. 39-125.
- Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (Oxford: Oxford University Press, 1969 [1965]), chs 1 and 4.
- Michael J. Piore & Charles F. Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (New York: Basic Books, 1984), introduction and ch. 7.

Week 9 (8-10 March): “Globalization” 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 Robert Keohane and Helen V. Milner, eds., *Internationalization and Domestic Politics* (Cambridge: Cambridge University Press, 1996), pp. 48-75.
- 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.
- 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.

Weeks 10-11 (15, 29 March): The Rise and Renegotiation of the Welfare State

- 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.

ESSAYS DUE IN CLASS (AS HARD COPIES), TUESDAY, 15 MARCH

NO CLASS, THURSDAY, 17 MARCH

NO CLASS, TUESDAY-THURSDAY, 22-24 MARCH (SPRING BREAK/EASTER)

Week 11 (31 March): Unemployment and the Structure and Dynamics of Labor Markets

- Gøsta Esping-Andersen, “Welfare States without Work: The Impasse of Labour Shedding and Familialism in Continental European Social Policy,” in *idem*, ed., *Welfare States in Transition: National Adaptations in a Global Economy* (Thousand Oaks, Calif.: Sage, 1996), pp. 66-87.
- Stewart Wood, “Labour Market Regimes under Threat? Sources of Continuity in Germany, Britain, and Sweden,” in Paul Pierson, ed., *The New Politics of the Welfare State* (Oxford: Oxford University Press, 2001), pp. 368-409.
- Mark I. Vail, *Recasting Welfare Capitalism: Economic Adjustment in Contemporary France and Germany* (Philadelphia: Temple University Press, 2010), ch. 5.
- Barry Eichengreen and Torben Iversen, “Institutions and Economic Performance: Evidence from the Labour Market,” *Oxford Review of Economic Policy* 15, no. 4 (Winter 1999), pp. 121-138.

Week 12 (5-7 April): Development and Liberalization in Late Developers

Kiren Aziz Chaudhry, "The Myths of the Market and the Common History of Late Developers," *Politics and Society* 21, no. 3 (1993): 245-273.

Peter Evans, *Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil* (Princeton, N.J.: Princeton University Press, 1979), chs. 1-2.

Kurt Weyland, "Neoliberalism and Democracy in Latin America: A Mixed Record," *Latin American Politics and Society* 46, no. 1 (Spring 2004): 135-157.

Amartya Sen, *Development as Freedom* (New York: Random House, 1999), pp. 3-53.

NO CLASS, THURSDAY, 14 APRIL

Weeks 13-14 (12, 19-21 April): The Global Economic Crisis and Its Aftermath

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.

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.

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.

Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford: Oxford University Press, 2013), ch. 1.

Week 15 (26 April): Conclusion and Review

FINAL EXAMINATION, TUESDAY, 3 MAY, 8:00-12:00