

Politics of Capitalism

Spring Quarter 2023

Instructor: Andrew Roberts
Office hours by appointment

This course considers how politics affects the economy and the economy affects politics. Its main focus will be on the advanced industrial economies of Western Europe, North America, and East Asia. Major topics to be covered include the normative arguments for and against the market, the development of the west, the welfare state, the role of money in politics, and inequality.

This course has two goals. The first is to introduce students to some of the basic ideas of comparative political economy in the developed world. This includes key events and developments and theories explaining these events and developments. The second goal of the course is to teach students how to think like political scientists. This means that they will become familiar with the rules of causal inference, the ways that we can show that one phenomenon causes another. By the end of the course, they will be able to both critically evaluate the causal arguments of others and construct their own causal arguments.

The objectives of this course are the following:

- Students will become familiar with the major theories of political economy.
- Students will learn the key methods for studying political economy.
- Students will learn how to evaluate and assess political science research.

By the end of the course, students should have the ability to follow and understand current events at the intersection of the economy and politics and to think about them as a political scientist would – i.e., to understand their causes, consequences, and desirability.

Course Requirements:

- Participation: Students should participate in class and respond to discussion questions prior to class. They should take part in class debates. They should answer quiz questions distributed after class.
- Short paper: Students should complete two short papers (approximately 3 pages) during the quarter taking positions on the main debate topics.
- Mid-term and final exam: These will be held in class and include identifications, short answers, and longer essays.

Course Evaluation:

Evaluation in the course will be based on the following exercises

Participation:	20%
Short papers:	20%
Midterm:	30%
Final exercise:	30%

Course Outline and Readings

March 8: Market Society

- Albert Hirschman, “Rival Views of Market Society”.
- Sandel, *Justice: What’s the Right Thing to Do?*, selections.

Debate Topic: Are there some things which should not be sold?

- Sandel, “What Can’t Be Sold”.
- Brennan and Jaworski, “If You May Do It for Free, You May Do It for Money”.

March 22: Arguments for Markets and States

- Friedman, *Capitalism and Freedom*, chapter 1.
- Hayek, *The Road to Serfdom*, selections.
- Polanyi, *The Great Transformation*, selections.

Debate Topic: Should we have a universal basic income?

- Surowiecki, “The Case for Free Money”.
- Cowen, “My Second Thoughts about Universal Basic Income”.

March 29: Origins of Capitalism

- Koyama and Rubin, *How the World Became Rich*, chapters 3 & 7.

Debate Topic: Are we the WEIRDest people in the world?

- Henrich, *The WEIRDest People in the World*, selections.

April 5: MIDTERM

PART 2: Contemporary Issues

April 26: Compatibility of Democracy and Capitalism

- Offe, “Competitive Party Democracy and the Keynesian Welfare State: Factors of Stability and Disorganization”.
- Putterman, “Why Have the Rabble Not Redistributed the Wealth?”.

Debate Topic: Should we have workplace democracy?

- Frega and Herzog, “Workplace Democracy – The Recent Debate”.
- Tomasi, “Reply to Elizabeth Anderson”.

May 3: Welfare State versus Public Choice

- Pierson, “The New Politics of the Welfare State”.
- Lopez and Leighton, “Public Choice: How We Choose Bad Policies and Get Stuck With Them, Or Not”.
- Caplan, “The Myth of the Rational Voter: Why Democracies Choose Bad Policies”.

Debate Topic: Does money make people happy?

- Easterlin, “The Happiness Income Paradox Revisited”.
- Matthews, “Yes, Money Really Can Buy Happiness”.

May 10: Inequality and Business

- Krugman, “Why We’re in a New Gilded Age”.
- Cowen, *Big Business: A Love Letter*, chapter 1.

Debate Topic: Are the Superrich in Control?

- Ansolobehere, Figueredo, and Snyder, “Why So Little Money in Politics”.
- Page and Gilens, “Testing Theories of American Politics”.

May 24: FINAL EXAM