

GOVERNMENT 221: CAPITALISM AND ITS CRITICS

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Office Hours: Diamond 253, Thursday 1-3 and Friday 11-12:30 or by appointment
Course Website: web.colby.edu/GO221

This course examines the interaction between politics and markets, both in theory and in practice, as applied to current policy debates. It emphasizes the ways in which markets are embedded in social and political institutions.

The first section of the course reviews classical theoretical frameworks used to study political economy. We identify the three major theoretical frameworks: liberalism, Marxism, and mercantilism, which differ in their perceptions about the appropriate roles of state and markets in facilitating economic activity.

In the second section, we will examine the analytical frameworks used to study market institutions used by scholars in sociology, economics, and political science. Scholars from these disciplines may disagree about whether the pursuit of material self-interest is in human nature, or how important political power is to study the functioning of markets – but all agree that markets must be constructed through political and social institutions.

In the third section, we apply these frameworks to study contemporary challenges for advanced industrialized economies. We will examine the different varieties of capitalism that have developed, and will explore how these capitalist models have responded to the challenges and opportunities of globalization. Can countries with generous welfare states sustain this model, or should they accept the terms of austerity? Does increased globalization and decreased regulation mean that financial crises, like the one experienced in the U.S. in 2008-2009, are inevitable?

The final section of the course explores ask the question of why some countries have developed while others have not. Do state attempts to steer capitalist markets lead to economic advancement, or stagnation? Should countries integrate into global markets? What role can and should the state play in fostering economic development?

Course Objectives

1. Understand different theoretical and analytical frameworks used to analyze capitalist market institutions.
2. Be able to apply these theoretical frameworks to the study of the political, economic, and social institutions underlying markets. You should also be able to apply these theoretical frameworks to other areas of political science (e.g. new institutional economics analysis of elections).
3. Better understand the domestic and global politics behind capitalism, and some of the details of how markets work. This course should make it easier for you to read the newspaper and think critically about current events.

4. More broadly, in this course you will be pushed to strengthen your critical thinking skills, learning to not only identify the causal claims of the authors you read but also to challenge their approaches and assumptions.
5. Improve your writing and critical analysis skills through several paper assignments.

Course Assignments

The grade breakdown for the course follows:

Reading Quizzes	10%
Analytical Paper #1: Classical Theories	15%
Analytical Paper #2: Analytical Frameworks	15%
Analytical Paper #3: Developed Economies	25%
Analytical Paper #4: Developing Economies	25%
Class Engagement	10%

Barring a documented emergency, the **paper due dates are final**. Papers will be marked down 1/2 a letter grade for each day late, starting when the paper is due at 11:59 pm on the due date. **If you turn a paper in at 12:05 am, that counts as a full day late.**

Reading Quizzes

Students’ comprehension of the readings (and, when applicable, films) will be tested throughout the semester with 8-9 short, 5-minute diagnostic examinations. The questions for these quizzes will come directly from the study questions and key terms posted on the course website.

Quizzes cannot be rescheduled or made up. If you are absent or late to class, you will receive a zero on that quiz. However, I will throw out your lowest score in calculating your total grade. If you need extra time or other accommodations due to a learning difference, please speak to me as soon as possible.

Here are some strategies have helped students prepare for the quizzes in the past:

1. Read the study questions and key terms prior to beginning your reading and use them to guide your reading;
2. Write out brief responses to the questions and definitions of the key terms immediately after you complete the reading;
3. Discuss your answers with classmates prior to class, perhaps over lunch;
4. Meet with me during office hours to discuss potential answers, and to develop strategies to read more efficiently.

Analytical papers

Students will write four analytical papers: one for each section of the course. The first two analytical papers will be 4 pages in length, while the remaining two analytical papers will be approximately 6 pages in length. The principal objective of each analytical paper is to demonstrate mastery of course readings, podcasts, discussions, lectures, and films. No outside research is necessary. The purpose of these writing assignments is two-fold: first, to grant students opportunity to reflect more on the course material than is possible with a time-crunched in-class exam; and second, to provide feedback on writing.

Class Engagement

Students are expected to be active participants in all classes. Your class engagement grade will reflect your overall input during class discussions, active engagement in two simulations, and contributions to one debate. Students must be fully prepared *at all times* to discuss the readings and concepts from that day's material, and that of previous classes. On the course website, I have provided study questions to help you prepare for each class. You are responsible for these questions during class, and you should dedicate a portion of your reading time to writing up brief responses to the questions. I will occasionally cold call on students to get the conversation moving along. **Please bring printed copies of all readings to class**, as well as your notes on the readings.

Grading

The class is not curved; you will be evaluated on your own merits rather than on how you compare to your peers. Written assignments will be graded according to the following criteria: mechanics (overall quality of writing); structure (organization of argument); evidence (factual accuracy and support, appropriate citations); argument (conceptual clarity, analytical rigor).

Grading Standards		Grading Scale	
A	Exceptional work. Demonstrates superb understanding of the course material <i>and</i> outstanding critical thinking and analytic rigor. Goes beyond simply answering the prompt to craft a creative and insightful analysis. Communicates information in a clear, concise, and mechanically correct manner. <i>An A grade will only be given if work is exceptional.</i>	A+	97-100
		A	93-96
B	Good work. Demonstrates a strong grasp of course material and good analytic rigor, but with some errors (e.g. faulty assumptions in logic or some incorrect descriptions of an author's argument). May have some problems with structure or mechanics but overall easy to understand the main gist. Solid work, but not the most original or insightful analysis.	A-	90-92
		B+	87-89
		B	83-86
		B-	80-82
		C+	77-79
C	Mediocre work. Applies some course material and themes, but demonstrates considerable misunderstanding of material. Difficult to discern the student's argument and the logic supporting this argument. A number of serious problems with structure and mechanics.	C	73-76
		C-	70-72
		D+	67-69
D	Poor work. May attempt to apply some course materials and themes, but demonstrates very serious errors or misunderstanding of course material. The student doesn't appear to have any argument, and the assignment lacks structure entirely and has extensive problems with mechanics. Shows little effort.	D	63-66
		D-	60-62
F	Very poor work. Assignment is unrelated to course material and fails to address the prompt and guidelines. Reflects a lack of effort.	F	<60

Academic Misconduct

Plagiarism and cheating will not be tolerated. Examples include: turning in a paper written by someone else, quoting someone else's work without proper citation, and turning in a paper

written for another class. Any such misconduct will result in an automatic “F” for the class. The work students submit should be entirely their own. Examples include:

- Turning in a paper written by someone else
- Quoting someone else’s work without proper citation
- Turning in a paper written for another class
- Deceiving me in any way, such as turning in a corrupted file/earlier draft of a paper with the intention of turning in the “correct” version later on.

From the Colby Catalogue:

Plagiarism, cheating, and other forms of academic dishonesty are serious offenses. For the first offense, the instructor may dismiss the offender from the course with a mark of F (which is a permanent entry on the student's academic record) and will report the case to the department chair and the dean of students, who may impose other or additional penalties including suspension or expulsion. This report becomes part of the student's confidential file and is destroyed six years after graduation or the last date of attendance. A second offense automatically leads to suspension or expulsion. Students may not withdraw passing from a course in which they have been found guilty of academic dishonesty. A student is entitled to appeal charges of academic dishonesty to the Appeals Board. The decision of the board shall be final and binding.

The College also views misrepresentations to faculty within the context of a course as a form of academic dishonesty. Students lying to or otherwise deceiving faculty are subject to dismissal from the course with a mark of F and possible additional disciplinary action.

Student accountability for academic dishonesty extends beyond the end of a semester and even after graduation. If Colby determines following the completion of a course or after the awarding of a Colby degree that academic dishonesty has occurred, the College may change the student's grade in the course, issue a failing grade, and rescind credit for the course and/or revoke the Colby degree.

Expectations

I expect professional behavior in class. My benchmark is an important business or policy meeting. One arrives a few minutes early. One does not get up in the middle of a meeting and wander out for a bathroom break, a sip of water, or to text a friend. (Feel free to bring a beverage to class.) Repeated unprofessional behavior will be seen as a lack of engagement and will be reflected in your grade.

I expect students to arrive to class prepared to contribute, meaning that you will have completed the readings and have written responses to the study questions. On average, students are expected to put in approximately 10-12 hours of work per week for a four-credit class, as per Department of Education guidelines. Since you will be spending 2.5 hours in the classroom, this means you should be working about 7.5-9.5 hours per week for this course outside of the classroom. (This number may be a bit lower in the weeks when a paper is due, and a bit higher in the weeks when a paper is not due.) You are a full-time student, and your work for your courses should reflect a full-time effort of 40 hours per week. If you find that you are spending

more than 12 hours per week on the class, please see me to discuss strategies to read more efficiently (a skill that requires considerable practice.)

You can expect me to be tirelessly enthusiastic and to work hard for you, both this semester and in future semesters when you need advising and reference letters. I encourage all of you to stop by my office hours with a question, or even if you don't have a question and would just like to chat about the class, or life after Colby.

You can reach me best via email at LRMayka@colby.edu. Before emailing me, please check the syllabus to see if you can find the answer to your question there. I will respond to you within 24 hours during the week, and within 48 hours on the weekend.

Electronic Devices

Laptops may only be used by those with special learning needs that have consulted with me in advance. Cell phones should be turned off during class.

Special Accommodations

If you need disability-related accommodations in this class or if you have emergency medical information you wish to share with me, please see me privately after class or at my office.

Required Texts

There are no required texts for this class; all readings will be posted on the course website.

Class 1 – Thursday, February 2: Course Introduction

- Naaz Barma and Steven Vogel. 2008. *The Political Economy Reader*. pp. 1-18.

SECTION I: CLASSICAL THEORIES ON POLITICAL ECONOMY

Class 2 – Tuesday, February 7: Liberalism

- Paul Edwards. “How to Read a Book, v5.0.” University of Michigan School of Information.
- Naaz Barma and Steven Vogel. 2008. *The Political Economy Reader*. pp. 21-25, 87-89.
- Adam Smith. *The Wealth of Nations*. Book I, Chapters 1-2; Book IV, Chapter 2.
- Friedrich Hayek. 1944. *The Road to Serfdom*. pp. 32-42, 72-87.
- Planet Money podcast #381: “Why It’s Illegal To Braid Hair Without A License.”

Class 3 – Thursday, February 9: Marxism

- Karl Marx and Friedrich Engels. 1848. “The Communist Manifesto.”
- Leo Panitch. 2009. “Thoroughly Modern Marx.” *Foreign Policy* May/June 2009. pp. 140-145.

Class 4 – Tuesday, February 14: Mercantilism

- Friedrich List. 1916. *The National System of Political Economy*. pp. 108-40.
- James Fallows. 1993. “How the World Works.” *The Atlantic*.
- Donald Trump’s 2017 Inaugural Address.

Class 5 – Thursday, February 16: Case: The Trans-Pacific Partnership

- Planet Money podcast #725: “Trade Show”
- Planet Money podcast #662: “OMG TPP.”
- Ian Fergusson, Mark McMinimy, and Brock Williams. 2016. “The Trans-Pacific Partnership (TPP): In Brief.” Washington, D.C.: Congressional Research Service.
- *Recommended*: Planet Money podcast #635: “Trade Deal Confidential.”

Sunday, February 19: Analytical Paper #1 – Classical Perspectives due 11:59 pm

SECTION II: ANALYTICAL FRAMEWORKS TO STUDY POLITICAL ECONOMY

Class 6 – Tuesday, February 21: Economic Sociology I

- Naaz Barma and Steven Vogel. 2008. *The Political Economy Reader*. pp. 117-120.
- Fred Block. 2001. “Introduction,” In *The Great Transformation*, Karl Polanyi. Boston: Beacon Press. pp. xviii-xxxviii.
- Karl Polanyi. 1944. *The Great Transformation*. New York: Farrar & Rinehart, Inc. pp. 33-67.

Class 7 – Thursday, February 23: Economic Sociology II

- Karl Polanyi. 1944. *The Great Transformation*. New York: Farrar & Rinehart, Inc. pp. 68-76.
- Robert Kuttner. 2014. “Karl Polanyi Explains It All.” *The American Prospect*. April 15, 2014.
- John Lanchester. 2016. “When Bitcoin Grows Up.” *London Review of Books* 38(10): 3-12.

Class 8 – Tuesday, February 28: New Institutional Economics

- Naaz Barma and Steven Vogel. 2008. *The Political Economy Reader*. pp. 171-173.
- Douglass North. 1981. *Structure and Change in Economic History*. New York: W.W. Norton. pp. 3-44.
- Josh Barro. 2014. “Don’t Want Me to Recline My Airline Seat? You Can Pay Me.” *The New York Times*. August 27, 2014.
- Planet Money podcast #400: “What Two Pasta Factories Tell Us about the Italian Economy”

Class 9 – Thursday, March 2: Political Science Approaches: Systems of Control

- Charles Lindblom. 1977. *Politics and Markets*. New York: Basic Books. 3-13, 144-57.
- Articles on Medicare Pharmaceutical Negotiations

Class 10 – Tuesday, March 7: Political Science Approaches: Democracy and Markets

- Charles Lindblom. 1977. *Politics and Markets*. New York: Basic Books. pp. 170-188, 201-221.
- Milton Friedman. 2002. *Capitalism and Freedom*. Chicago: University of Chicago Press. pp. 7-21.
- “The Extraordinary Science of Junk Food.” *New York Times*, February 20, 2013.
- *Recommended*: Planet Money podcast #286: Libertarian Summer Camp

Sunday, March 12: Analytical Paper #2 – Analytical Frameworks due 11:59 pm

SECTION III: GLOBALIZATION AND ADJUSTMENT IN DEVELOPED ECONOMIES

Class 11 – Thursday, March 9: The Birth of Capitalism in Europe

- Alexander Gershenkron. 1962. *Economic Backwardness in Comparative Perspective*. Cambridge: Cambridge University Press. pp. 1-30.
- *Recommended*: Eric Hobsbawm. 1968. *Industry and Empire: An Economic History of Britain since 1750*. London: Weidenfeld and Nicolson. pp. 23-78.

Class 12 – Tuesday, March 14: Varieties of Capitalism

- Peter Hall and David Soskice. 2001. “An Introduction to Varieties of Capitalism,” in *Varieties of Capitalism: The Institutions of Comparative Advantage*, eds. Peter Hall and David Soskice. New York: Oxford University Press. pp. 1-36, 54-60.
- Planet Money podcast #533: “Why Cars from Europe and the US Can’t Just Get Along”

Class 13 – Thursday, March 16: Case: Downtown Waterville Revitalization

- Readings TBD.

Class 14 – Tuesday, March 28: Shifts in the Global Economy

- Andrew Glyn. 2006. *Capitalism Unleashed: Finance, Globalization, and Welfare*. New York: Oxford University Press. pp. 1-49.

Class 15 – Thursday, March 30: Models of Economic Reform

- Steven Vogel. 2006. *Japan Remodeled: How Government and Industry Are Reforming Japanese Capitalism*. Ithaca: Cornell University Press. 1-21, 51-77, 143-156.

Class 16 – Tuesday, April 4: Welfare State Reform and Austerity

- Kathleen Thelen. 2014. *Varieties of Liberalization and the New Politics of Social Solidarity*. New York: Cambridge University Press. pp. 1-32.
- Watch: *Frontline* – “Two American Families.”
<http://www.pbs.org/wgbh/pages/frontline/two-american-families/>
- *Recommended*: Andrew Glyn. 2006. *Capitalism Unleashed: Finance, Globalization, and Welfare*. New York: Oxford University Press. pp. 156-183.

Class 17 – Thursday, April 6: Deregulation and the 2008 Financial Crisis

- Steven Vogel. 2007. “Why Freer Markets Need More Rules.” In *Creating Competitive Markets: The Politics of Regulatory Reform*, eds. Marc Landy, Martin Levin, and Martin Shapiro. Washington: Brookings Institution Press. pp. 25-42.
- This American Life podcast #355: “The Giant Pool of Money”
<http://www.thisamericanlife.org/radio-archives/episode/355/the-giant-pool-of-money>
- Peter Wallison. 2011. “The True Story of the Financial Crisis.” *The American Spectator*. May 13, 2011.
- *Recommended*: Watch: “The Big Short” (2015)

Sunday, April 9: Analytical Paper #3 – Developed Economies due 11:59 pm

SECTION IV: PATHWAYS TO DEVELOPMENT

Class 18 – Tuesday, April 11: Overview: Theories of Development

- Jennifer Brass. 2016. “Development Theory,” In *Handbook on Theories of Governance*, eds. Christopher Ansell and Jacob Torfing. Northampton: Edward Elgar Publishing, Inc. pp. 115-125.

Class 19 – Thursday, April 13: Development through State-Led Industrialization

- Stephan Haggard. 1989. “The East Asian NICs in Comparative Perspective.” *Annals of the Academy of Political and Social Science*. 505: 129-141.
- Mahon, James E. 1992. “Was Latin America Too Rich to Prosper? Structural and Political Obstacles to Export-Led Industrial Growth.” *The Journal of Development Studies* 28(2): 241-263.

Class 20 – Tuesday, April 18: Neoliberal Approaches to Development

- Krueger, Anne. 1990. “Government Failures in Development.” *Journal of Economic Perspectives* 4(3): 9-23.
- Julianna Barbassa. 2015. *Dancing with the Devil in the City of God*. New York: Touchstone. Pages TBD.
- Nancy Birdsall, Augusto de la Torre, and Felipe Valencia Caicedo. 2010. “The Washington Consensus: Assessing a Damaged Brand.” Policy Research Working Paper 5316, Office of the Chief Economist, Latin America and Caribbean Division. Washington: The World Bank. (Focus on pages 1-15)

Class 21 – Thursday, April 20: Challenges to Neoliberalism

- Kiren Chaudhry. 1993. “The Myths of the Market and the Common History of Late Developers.” *Politics & Society* 21(3): 245-274.
- Eduardo Silva. 2012. “Exchange Rising? Karl Polanyi and Contentious Politics in Contemporary Latin America.” *Latin American Politics and Society* 54(3): 1-32

Class 22 – Tuesday, April 25: Micro-economic Institutions and Development

- Abhijit Banerjee and Ester Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs. pp. 133-181.

Class 23 – Thursday, April 27: NO CLASS

Class 24 – Tuesday, May 2: Political Institutions and Development

- Abhijit Banerjee and Ester Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: PublicAffairs. pp. 235-265.
- Watch: “The War We Are Living” <http://video.pbs.org/video/2163553429>

Class 25 – Thursday, May 4: Case: Sweatshops and Development

- Planet Money Podcast #458: “Bangladesh’s T-Shirt Economy.”
- Planet Money podcast #497: “Love, Betrayal and the Planet Money T-Shirt”
- Planet Money podcast #498: “The Last T-Shirt in Colombia”
- Planet Money podcast #499: “Richard Nixon, Kimchi, and the First Clothing Factory in Bangladesh”

Tuesday, May 9: Analytical Paper #4 – Developing Economies due 11:59 pm