



Marquette University Spring 2019
The Politics of American Capitalism

Time: Monday 4pm to 6:30pm

Room: Wiehr Physics 122

Instructor: Jerry Prout

Office Hours: Tuesday 2pm to 4pm

Email: gerald.prout@marquette.edu

Joseph Schumpeter famously observed that capitalism thrives on “creative destruction.” Thus it might seem that democracy’s ability to adapt to a constantly changing economy would make it perfectly suited to partner with capitalism; perhaps even beg the proposition that the two seem necessary to one another. The complicated relationship of our politics to our capitalism is the subject of this class. We will examine how our current political system both enables capitalism and seeks to constrain the excesses of markets. In this class we will ask whether capitalism has overtaken our politics, or vice versa? We will probe our complicated political economy from distinct perspectives and develop our own conceptual framework to better grasp the “Politics of American Capitalism.”

Required Books:

Steven Pearlstein, *Can American Capitalism Survive?*

Martin Ford, *Rise of the Robots*

Other Required Readings:

As indicated below and posted each week on D2L

Presentation and summary also posted

INTRODUCTION

1. January 15: The Varieties of Capitalist Experience

We shall examine the tenuous origins of capitalist theory and the trajectory of developmental capitalism in U.S. What do we mean by capitalism? Who “invented” it? Does a free market still exist? Did it ever? How does capitalism manifest itself in our economy? Case: Sharing Economy

Readings

Pearlstein, Introduction and Chapter One

Economist, “The Next Capitalist Revolution”

2. January 22: The State of Our Union

Much is made over how dysfunctional our democracy has become. Is our politics truly dysfunctional? Is there too much capitalism in our politics? Case: Gerrymandering

Readings

Pearlstein, Chapter Two

John Dingell, “I Served in Congress Longer than Anyone: Here is How to Fix It”

Samuel Issacohoroff, “Democracy’s Deficit”

Walter Mead, “How American Democracy Fails its Way to Success”

THE POLITICAL ECONOMY OF PLACE

3. January 29: Fly Over America

In the 2016 election, rural America reasserted itself in our electoral system. Did globalism really leave rural America behind economically? Does the Jeffersonian narrative continue to intrude itself into our politics? Case: Farm Bill

Readings

Pearlstein, Chapter Three

Lisi Krall, “Thomas Jefferson’s Agrarian Vision and the Changing Nature of Property”

Christopher Bosso, “Framing the Farm Bill”

4. February 5: From Tammany to Austin

Many of our major cities, beset with crisis decades ago, now find themselves in the midst of an economic renaissance. How do they continue to reflect the Hamiltonian developmental model? When and how have cities effectively asserted themselves politically? Case: Research and Development.

Readings

Pearlstein, Chapter Four

Enrico Morretti, “The New Geography of Jobs”

Thomas Sugrue, “Homeowner’s Rights: White Resistance and the Rise of Anti-Liberalism”

Wall Street Journal, “Talent Flocks to Big Cities”

5. February 12: From Crabgrass to Crisis

Following World War II and enactment of the GI bill, the suburbs boomed becoming the haven of the middle class and the “citizen consumer.” Today a mature suburban America has become a contested place and bleeds into a new exurbia. What is the new profile of suburbia and why has it become the most contested political space? Case: Infrastructure

Readings

Ford, Introduction

Kenneth Jackson, "Federal Subsidy and the Suburban Dream"

Bernadette Hanlon, "Decline is a New Suburban Reality"

Lucy and Phillips, "Suburban Decline: The Next Urban Crisis"

6. February 19: The Day Globalism Died

The dominant economic institution of our time, the transnational corporation (TNC), defies national boundaries and can, at least in theory, shop for the most favorable regulatory and tax environments. What is the relevance of national political economy to TNC's? What is the effect of international law, codes of business conduct (e.g., sustainability indices) to business behavior?

Case: Trade

Readings

Ford, Chapter One

David Vogel, "Private Global Business Regulation"

Stewart Patrick, "The Case for Good Enough Global Governance"

Graham Allison, "The Myth of the Liberal Order"

Paper One Due February 25 at 11:59PM

POLITICAL PHILOSOPHY AND POLITICAL ECONOMY

7. February 26: Up from Liberalism

In the 1950's, political scientist Louis Hartz argued America's political narrative derived from its classical liberal tradition. Soon, however, the word liberalism became politically charged and ultimately debased. Does Hartz still have a point? How do all sides of our divisive politics reflect our liberal tradition?

Case: Tax Reform

Readings

Ford, Chapter Two

Sanford Lakoff, "Tocqueville, Burke, and the Origins of Liberal Conservatism"

David Deudney and John Ikenberry, "Liberal World"

James Kloppenberg, "The Liberal Tradition in America"

8. March 5: Deep State Myths

Following a wave of populism at the end of the 19th century, a wave of progressive reform. became synonymous with leveling both the economic and political playing fields. Is today's progressivism limited solely to government intervention, or is the market capable of its own progressive reform?

Case: Regulatory Reform

Readings

Ford, Chapter Three

Paul Peretz, "Financial Regulation in the United States: lessons from History"

Suzanne Mettler, Reconstituting the Submerged State"

William J. Novak, "The Myth of the 'Weak' American State" *{continued next page}*

Christopher Howard, “Is the American Welfare State Unusually Small?”

9. March 12: Spring Break

No Class

10. March 19: Night watchman and the minimalist state

The failures of the Leviathan state and evidence of crony capitalism have revitalized a once marginal libertarian movement. How would libertarians return us to a “free market?” How might a credible libertarian alternative reshape the politics of American capitalism? Case: Defense Policy

Readings

Ford, Chapter Four

Denis G. Arnold, “Libertarian Theories of the Corporation *Journal of Business Ethics*

Molly Ball, “Libertarians are not the Tea Party”

David Daley, “Nader: The Left is Seized with Fear and the Right is Driven by Brass”

11. March 26: Power to the People

Those who champion “the people” over entrenched interests emerge from both left and right sides of the political spectrum. Is populism a prerequisite to a healthy democracy and a market economy? Does it translate into actionable reform? Case: Immigration

Readings

Ford, Chapter Five

John Cassidy, “Is Surging Inequality in Income Endemic to Capitalism?” *New Yorker Economist*, “Age of Giants” and “Restoring Competition”

Ralph Schroeder, “Digital media and the Rise of Right Wing Populism”

Paper 2 Due April 1 @ 11:59PM

DEMOGRAPHICS AND POLITICAL ECONOMY

12. April 2: All Politics is Local

Former Speaker Tip O’Neill once famously remarked “that all politics is local.” Those who thought regionalism a thing of the past, found their beliefs shaken by the 2016 election. Are the differences between parts of the country as profound as some would have us believe? Do we have regional political and economic identities? Case: Energy Policy

Readings

Ford, Chapter Six

Andrew Gelman, David Park, “Putting it All Together”

Colin Woodard, “The American Nations: Trumpism and the 2016 Elections”

Antonio Marrtinez, “In Texas, Techies Are Trying to Turn the Red State Blue”

<https://www.wired.com/story/flipping-texas-elections-voter-registration-tech/>

13. April 9: Just Sayin’ “Just Savings”

The dependence of older generations on pensions, social security, and Medicare already defines the fiscal battles of this century. Are we about to see the escalation of a generational politics? If so how do we reduce the potential for divisiveness? What should the generations expect from one another? Case: Technology and Guaranteed Income

Readings

Ford, Chapter Seven

Lincoln Caplin, "The Fear Factor"

Roger Paden, "John Rawls and the Just Savings Principle"

Keith Hall, "Testimony before House Banking Committee June 25, 2014"

14. April 16: Why are there so many songs about rainbows?

Until the Reconstruction and Suffrage amendments, the political economy revolved around white males. Some argue it still does. Is the persistence of discrimination, even racism, endemic to capitalism? Or, are its sources more cultural? How does our commitment to political equality influence our economy? Case: Affirmative Action

Readings

Ford, Chapter Eight

Benjamin Friedman, "Capitalism, Economic Growth and Democracy"

Peter Schick, "Assessing Affirmative Action"

Anemona Hartcollis, "What's At Stake in the Harvard Admissions Case"

15. April 23: The Gospel of Prosperity

The notion that Protestantism is more amenable to capitalism extends a line of reasoning most associated with German sociologist Max Weber. Can we see religious influence behind public policies governing our economy? Is capitalism incompatible with social and economic justice? Case: Sustainability

Readings

Ford, Chapter Nine

Steven Worland, "Catholicism and Capitalism"

Andrew Carnegie *The Gospel of Prosperity* (excerpt)

Michael Novack, "Capitalism, Socialism and Religion"

Steve Waldman, "The First Amendment Compromise"

Pope Francis, "Some Challenges in Today's World"

16. April 30: The Moving Walkway Continues

As we have seen, capitalism and democracy sit still for no one. What right mix of politics and capitalism should we strive for to improve the politics of American capitalism for Generation Z?

Readings

Pearlstein, Chapter Five

Ford, Chapter Ten

Thomas Davenport, "Beyond Automation"

Erik Brynjolfsson, "Revisiting the Basic Income"

Honor Policy: The university honor policy is linked here for your review.

<http://bulletin.marquette.edu/undergrad/academicregulations/#academichonestypolicy>