Syllabus POSC 4341 The Politics of American Capitalism
Instructor: Jerry Prout
Class Time: Monday 1PM to 3:30PM
Room: Wiehr 418
Office Hours: Tuesday 10am to 2PM @ Wiehr 451
Phone: 571-225-8126 (cell)
Email: gerald.prout@marquette.edu
jprout@gmail.com

Required Books:
Richard Sennett, *The Culture of the New Capitalism* (New Haven: Yale University Press, 20006)

Class Overview and Objectives: Capitalism thrives on “creative destruction,” as Joseph Schumpeter famously observed. Thus it might seem that democracies insistence on change would aid and abet capitalism and beg the proposition that the two seem necessary to one another. The relationship of our politics to our capitalism is the subject of this class. We will examine how our current political system both helps and impedes our economic development? In this class we will ask whether our capitalism has overtaken our politics or vice versa? We will examine our complicated political economy from twelve distinct perspectives and erect our own conceptual framework in order to better grasp the “Politics of American Capitalism.”

Week One August 25
Market Basket, Uber-Cars and Dudley Square: What ever happened to “free enterprise”? We will use three case examples to survey our path forward in this class: the ongoing struggle over the meaning of a company and its obligations (Market Basket), the emergence of unregulated competition in a regulated market (Uber-cars), and the oppressiveness of state and local regulation (Dudley Square) to examine the reality and mythology of the notion of “free enterprise?” How do our political institutions drive economic performance and how does economic performance in turn constrain government policy? We will ask what are the narratives that are currently shaping the debate over how we organize our political economy and what does this tell us about the relationship between politics and economy? We will provide an overview of how we will cluster the competing narratives into three large categories, spatial, philosophical, and demographic.

Week Two: September 1:
No Class

Week Three September 8:
Rural: Why is it important that rural Americans continue to have a seat at the political table? How does the Jeffersonian narrative continue to intrude itself into our politics? What role did concept of private property play in the Founding and how, as the notion of property has morphed, has it remained at the epicenter of American Capitalism? How did the frontier shape how we addressed our political economy and how have we emblazoned the importance of property (beyond land) in our political economy? We will examine the role of rural America in our politics; in particular through the prism of the

**Week Four September 15**

**Urban:** How should urban America reinvent its political voice in a globalized and digitized economy? How has the Hamiltonian model intruded itself into our politics? When and how have cities effectively asserted themselves politically? What were the origins of the “Urban Crisis” and what institutions emerged in the New Deal and Great Society to address the needs of urban constituencies? What is the political agency of cities in the 21st century? Readings: Yvonne Seruggs, “HUD’s” Stewardship of National Urban Policy,” *Cityscape*, September, 1995; “Homeowner’s Rights: White Resistance and the Rise of Anti-Liberalism,” in Thomas J. Sugrue, *The Origins of the Urban Crisis* (Princeton, 2005); Review the Brookings Institute’s Urban Policy web site and come prepared to discuss an issue you believe defines how city’s can continue to significantly impact our economy? (see: [http://www.brookings.edu/research/topics/metropolitan-areas](http://www.brookings.edu/research/topics/metropolitan-areas); Erik Brynjolfsson and Andrew McAfee, *The Second Machine Age, Introduction and Chapters Three and Four*.

**Week Five September 22**

**Suburban:** Has the suburban political voice vanished with the American middle class? Some have called it the crabgrass revolution. But following World War II and enactment of the GI bill, the flock to America’s suburbs aligned with another emerging phenomenon called “consumerism.” A massive new consumer market emerged with a nexus to suburbia, and with it advocates for greater consumer choice and protection. The empowerment of the American consumer and the emergence of a “consumer lobby,” changed the marketplace. But how has the power of “citizen consumer” fared our current political economy? What is the future of suburbia in the midst of exurbia? Readings: Kenneth Jackson, “Federal subsidy and the Suburban Dream,” in *Crabgrass Frontier* (1983); Lizabeth Cohen, “A Consumer’s Republic,” *Journal of Consumer Research* (June, 2004); Edward F. Cox, “Reinvigorating the FTC: The Nader Report,” *Anti Trust Law Journal* (2005).

**Week Six September 29**

**Global:** What is the relevance of US regulation to transnational corporations? The dominant economic institution of our time, the transnational corporation, 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? Why have some US corporations found it advantageous to move their headquarters and others the means of production? In a digital age can business be policed through extra-territorial means? What do we think of international law, codes of business conduct, sustainability reporting regimes, etc? Readings: David Vogel, “Private Global Business Regulation,” *Annual Review of Political Science* (2008); Martin Wolf, “Will the Nation-State Survive Globalization,” *Foreign Affairs* (Jan-Feb 2001); Brynjolfsson and McAfee, *The Second Machine Age, Chapters Five and Six*

**Due October 6: Core Question Assignment**

**Week Seven: October 6**

**Liberalism:** Has capitalism eroded our classical liberal consensus? One of the nation’s preeminent political scientists in the nineteen fifties, Louis Hartz argued that the American narrative essentially reflected adherence to the classical liberal tradition. What Harz meant by “liberal” and what “liberal” came to mean in the years following, suggests the challenge presented by affixing political labels. Events, issues, culture, etc challenge the validity of categorization. Thus today’s conservative might well be considered a classical liberal. In today’s poisonous political culture, is Harz’s notion that America thrives around a liberal consensus, simply the quaint notion of a once preeminent and
charismatic political scientist? Can we possibly still argue that a liberal consensus prevails? And if so, what does liberalism owe to the market? Readings: Sanford Lakoff, "Tocqueville, Burke, and the Origins of Liberal Conservatism," Journal Of Politics (Summer 1998); James Kloppenberg, "In Retrospect: Louis Hartz's "The Liberal Tradition in America," Reviews in American History (September, 2001); Brynjolfsson and McAfee, Chapters Seven through Nine

Week Eight: October 13
Progressivism: How can we democratize progressive reform?
Progressive reform is associated with the advance of modernity. In its halcyon days from 1890-1914 it was associated with government's first significant intervention into the marketplace, as well as a series of governmental reforms to curtail political corruption. Are we in the midst of another era of progressive reform (Dodd-Frank, "Obamacare," Campaign Finance) or the further advance of the "nanny state." Is progressivism the province of governments? Is the market capable of its own progressive reform? To what extent does the market lead social reform? Readings: Paul Peretz, "Financial Regulation in the United States: lessons from History," Public Administration Review (July, August 2009); Suzanne Mettler, "Reconstructing the Submerged State: The Challenges of Social policy Reform in the Obama Era," Perspectives in Politics (September, 2010); Sennett, Culture of New Capitalism, Chapter Three

Week Nine: October 20
Libertarianism: Is a libertarian view of American capitalism realistic in a competitive global economy?
The fringe candidacy of Libertarian Ron Paul in recent Presidential elections, now gives way to the possible mainstream candidacy of his son Rand Paul. Having experienced the failures of the Leviathan state to deliver on the promises of 21st century progressivism, and concerned by the excessive burdens placed on succeeding generations by what some criticize as crony capitalism, a growing young cohort of voters is looking to redefine the social contract. How would libertarians strip away the layers of regulation that enable rather than constrain business and return us to a "free market?" Is their vision "modern" or nostalgic? How might a credible libertarian alternative reshape the politics of American capitalism? Readings: Denis G. Arnold, "Libertarian Theories of the Corporation, Journal of Business Ethics (December 2003); Molly Ball, "Libertarians are not the Tea Party, The Atlantic (October 29, 2013); David Daley, "Nader: The Left is Seized with Fear and the Right is Driven by Brass," Salon (May 2, 2014); Brynjolfsson and McAfee, Chapters Ten through Twelve

Week Ten: October 27
Populism: Can our capitalism and our democracy survive a reduced middle class?
Populism is among the most enduring and constant narratives in American political history. Those who champion "the people" over the entrenched interests of economic and political elites emerge from both the far left and far right of the political spectrum. Today Tea Party conservatives challenge crony capitalism, while Elizabeth Warren challenges Wall Street and the financial elites. Is populism a prerequisite to a healthy democracy and a market economy? Does it translate into actionable reform? Readings: William Holmes, "The Southern Farmers' Alliance and the Georgia Senatorial Election of 1890," Journal of Southern History (May, 1984); John Cassidy "Is Surging Inequality in Income Endemic to Capitalism?" New Yorker (March 31, 2014); Charley Cook, "Disruptive Politics," National Journal (July 19, 2014); Sennett, Culture of New Capitalism, Chapter Four

Due November 3: Core Question Assignment

Week Eleven: November 3
Regional: Is all American politics still local?
Former Speaker Tip O'Neill famously remarked in the midst of the of 1982 off year elections, "that all politics is local." Yet today, the terminology of regionalism is today more often associated with the behaviors of blocks of countries in their diplomatic, military, and trade relationships rather than with the
parochial cultural differences of various blocks of states within the US. The advent of the so-called mass market in the early twentieth century and mass culture later in the century, was thought to contribute to the gradual erasure of any remaining vestiges of regional bias or characteristics. But did it? While voting patterns in national elections may now reflect a more national, than state or regional bias, even that is subject to dispute. Moreover, American capitalism remains differentiated along regional lines, and therefore the politics of American capitalism often reflects idiosyncratic regional characteristics and biases. In particular states remain a dynamic force in our politics where continued experimentation with innovative policies often reflects core economic interests. Readings: Nancy Cook, “The Rise of Green Banks,” National Journal, July 26, 2014; Brynjolfsson and McAfee, Chapters Thirteen through Fifteen.

Week Twelve: November 10

Generational: Can/should America sustain its commitment to the “entitled generations?” Many of the core questions that vex our political economy potentially pit the two older generations against the four younger. The dependence of the former on pensions, social security, and Medicare has already begun to define the fiscal battles of this century. Yet as evidenced by recent generational clashes in Europe, the outcome of such confrontations seldom ends well. Have we inadvertently created a generational politics; if so how do we reduce the potential for divisiveness. What should the generations expect from one another? Readings: Lincoln Caplan, “The Fear Factor,” American Scholar (Summer, 2014); Nancy Cook, “Your Retirement years will not look like a Golden Girl Episode,” National Journal (June 25, 2014); Testimony by Keith Hall, Senior Research Fellow, Mercatus Center at George Mason University, June 25, 2014 before House Banking Committee; Andrew Biggs and Sylvester Schneider, “Is there a Retirement Crisis,” National Affairs (Summer, 2014).

Week Thirteen: November 17

Diversity: Is economic justice the logical endpoint or antithesis to the politics of American capitalism? For virtually the first 150 years of our existence as a nation, the political economy revolved around white males. Some would argue it still is. While capitalism has always been about rewarding winners, and callous to those who fail, our politics has sought, often imperfectly, to create a more even playing field. The fulfillment of the “equality promise,” has created its own political constituency. Are the interests of organizations representing the disenfranchised more a reflection of the failure of our politics or those of American capitalism? How does our commitment to political equality influence our economy? Benjamin Friedman, “Capitalism, Economic Growth and Democracy, Daedalus (Summer 2007); Peter Schick, “Assessing Affirmative Action,” National Affairs (Summer, 2014);

Week Fourteen: November 24
Thanksgiving Break

Week Fifteen: December 1

Religious: Should we expect religious values to permeate our politics; how about our capitalism? Michael Novack argued in the 1980’s that Protestantism was conducive to the flourishing of capitalist societies, while Catholicism more typically associated with collectivist economies. Later Novack would revise his views. Nonetheless the notion that Protestantism is more amenable to capitalism extended a line of reasoning associated with German sociologist Max Weber at the end of the nineteenth century. Today Ken Langone (Catholic founder and CEO of Home Depot) reacted to Pope Francis’ encyclical where he critiques capitalism in its current form? Meanwhile Catholic Paul Ryan espouses a new public philosophy to assist the casualties of capitalism by borrowing from policies (e.g., Jack Kemp’s) which seek to migrate capitalist dynamics into social policy. Should we see religion behind public policy? Is the separation of church and state simply a mythology we should discard. Readings: Steven Worland, “Catholicism and Capitalism,” Review of Politics (Spring, 1994) Michael Novack, “Capitalism, Socialism
Due December 8: Core Question Assignment

Final Exam
Due December 12

• Select one of the following broad issues currently at the heart of our political economy: Immigration, Tax Reform, Digital Privacy, Infrastructure, Health Care, Campaign Finance, Energy Independence, Intellectual Property, Defense Budgeting, Trade Policy. You may wish to narrow to a sub issue under these broad categories.

• Succinctly but thoroughly describe the current contours of the debate; i.e., what is at stake economically/politically, what institutions are engaged, where is the debate being played out (venues), and who are the major players (organizations, individuals).

• Apply the perspectives discussed over the last fifteen weeks to illuminate what is at stake, the arguments being made, and the behaviors of leading officials and institutions.

• You should site any additional research you have done to make your points, as well as draw from the various sources that comprised our reading.

• You will be judged on how well you can synthesize the various perspectives to demonstrate you understand and can explain the current debate over your selected issue. You will also be judged on how well you write and the logic flow of your arguments.

Class evaluation:
Performance will be evaluated on the basis of these three components equally weighted:

1. Core Question Responses: Select one of the four core questions from the unit just completed and address in a 750-word response.

2. Class Participation: Premium on responses that are thought through and based on course not opinion- sometimes we will all state opinions; but premium on presenting arguments in support)

3. Final Exam: At least ten pages double spaced with references (no need for footnotes; fine to use parentheses with last name of author for those we sources from the in class readings-more if it is an additional source you have researched).

NO LATE PAPERS ACCEPTED

Critical Expectations:
1. Because this class meets only once a week attendance is critical. Missing a session is the equivalent missing a week. Therefore do all you can to make every class.

2. Assignments (Core question responses and final) must be turned in on time (no excuses). Late papers will not be accepted. Period.

3. The university honor policy is linked here for your review. We all should follow without exception: http://bulletin.marquette.edu/undergrad/academicrogulations/#academiconestypolicy