

Business and Politics
POSC 110
Dr. McGee Young
Spring 2009
MWF 11-11:50
Physics 138

Office Hours: M 12:30-2:15; Tu 8-12; W 12:30-2:15
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This is the core course for the Business and Politics track in political science, as well as a relevant elective for business, economics, and history majors. As such it wears many hats. It is designed to introduce basic concepts and theoretical traditions relevant to the study of business, economic policy, and political economy. It is designed to offer a substantive introduction to the ways that firms and political institutions intersect. More broadly, and more importantly, this course is meant to teach critical evaluative and analytical skills.

We will build the course around the idea that the relationship between business and government is evolving. From the industrial revolution to the era of globalization businesses and firms have come to rely upon each other for support and nourishment. The most important characteristic of the industrial-globalization era is economic growth. Unlike in the past when economists were pessimistic about the potential for growth the modern age is optimistic that increasing rates of growth can be sustained in the long term. This will be the central question that the course poses: how do we sustain the economic growth that has led to American preeminence in the world?

This course will tackle the question of economic growth in two main ways. First, from a theoretical level, we will learn how to conceive of economic growth in abstract terms and how to identify the causal forces that lead to economic growth. Second, the course will focus on the politics of achieving economic growth, with an emphasis on the policymaking processes in which the government commits to supporting certain goals.

Upon completing this class, students will possess the analytical skills necessary to examine the multifaceted relationship between business and government, will have an appreciation for the historical development of American political economy, and will have reflected on the various theoretical understandings of the development of capitalism in modern society.

Grade Breakdown:

D2L Assignments 10% + Midterm Exam 20% + Final Exam 30% + Research Paper 20% + Attendance and Class Participation 20% = 100%

Rules and Regulations:

Attendance and participation are mandatory. Exceptions will be granted only upon prior written approval. I expect you to complete course readings before class and be able to discuss their import. Cheating and plagiarism are violations of university policy and will be dealt with severely. There is often a gray area when completing academic work when it comes to attributing your ideas. Please err on the side of over-attribution. If you have a conversation with your friends that sparks an idea, make a note to that effect. More importantly, if you get an idea or information from a published source, you must acknowledge it. As a rule, you should refrain from quoting directly unless you are quoting a person's spoken words or a couple of written words that precisely capture a particular meaning (for example, Stephen Skowronek described nineteenth-century American government as, "a state of courts and parties").

Note well that when you are conducting research for a paper or an assignment, you should keep in mind that you will need to cite what you refer to or draw from. Write down the page numbers from which you get your information so you don't have to go back later and look it up.

Texts: (Available for purchase at Bookmarq and Sweeneys)

Wyatt Wells, American Capitalism, 1945-2000 (Ivan R. Dee, 2003).

Douglass North, Institutions, Institutional Change and Economic Performance (Cambridge, 1990)

Thomas Friedman, Hot, Flat, and Crowded (Farrar 2008)

Naomi Klein, The Shock Doctrine: The Rise of Disaster Capitalism (Picador 2008).

All other readings can be found in D2L under the course content heading.

Schedule

Module I – The Modern American Economy

1/12 – No readings, Introductions

1/14 – Wells, American Capitalism, Chapter 1

1/16 – Wells, American Capitalism, Chapter 2,3

1/19 – MLK Holiday, no classes

1/21 – Wells, American Capitalism, Chapters 4,5

1/23 – Thomas Friedman, Hot, Flat, and Crowded: Why We Need a Green Revolution – And How it can Renew America, Part I

1/26 - Thomas Friedman, Hot, Flat, and Crowded, Part II

1/28 – Thomas Friedman, Hot, Flat, and Crowded, Part III

1/30 – Thomas Friedman, Hot, Flat, and Crowded, Part V

Module 2 – The Roots of Capitalism

2/2 – Adam Smith, The Wealth of Nations, Book 1, Chapter 1 (Of the Division of Labor)

2/4 - Adam Smith, The Wealth of Nations, Book 1, Chapter 2 (Of the Principle which gives Occasion to the Division of Labour)

2/6 - Adam Smith, The Wealth of Nations, Book 1, Chapter 3 (That the Division of Labor is Limited by the Extent of the Market)

2/9 – Adam Smith, The Wealth of Nations, Book 1, Chapter 11 (Conclusion)

2/11 – Adam Smith, The Wealth of Nations, Book 5, Part III (Of the Expense of public Works and public Institutions)

2/13 – Adam Smith, The Wealth of Nations, Book 5, Part III, Article III (Of the Expense of the Institutions for the Instruction of People of All Ages).

2/16 - Alexander Hamilton, “Report on Manufacturers” Part I

2/18 - Alexander Hamilton, “Report on Manufacturers” Part II

2/20 - Joseph Schumpeter, Capitalism, Socialism, and Democracy, “Creative Destruction”

Module III – Path Dependency and Economic Development

2/23 - Paul David, “Clio and the Economics of QWERTY”

2/25 – Brian Arthur, “Complexity and the Economy”

2/27 – Paul Pierson, “Positive Feedback and Path Dependence” from *Politics in Time* (2004).

3/2 – Liebowitz, S. J. and Stephen E. Margolis (1995) ‘Path Dependence, Lock-in, and History’, *Journal of Law, Economics, and Organization* 11(1): 205–26.
<http://www.utdallas.edu/~liebowit/paths.html>

3/4 – Exam Review

3/6 – Midterm Exam

3/9 – 3/13 - Spring Break

Module IV – An Institutional Approach

3/16 - Douglass North, Institutions, Institutional Change and Economic Performance, Ch. 1

3/18 – North, Chapters 2 & 3

3/20 – WPSA conference

3/23 – North, Chapters 4 & 8.

3/25 - North, Chapters 9 & 10

3/27 – North, Chapters 11 & 12

3/30 – North, Chapters 13 & 14

Module V – The Power of Business

4/1 – Charles Lindblom, Politics and Markets, Chapters 1 & 13

4/3 – Midwest Conference

4/6 – David Vogel, Fluctuating Fortunes, Chapters 1, 8, 10

4/8 - Jacob Hacker, “The Historical Logic of National Health Insurance”

4/10 - Easter

4/13 - Easter

4/15 - Michael Kraft and Sheldon Kamienicki, “Analyzing the Role of Business in Environmental Policy”

4/17 – Barry Ritholtz, Bailout Nation

Module VI – A Critical Approach

4/20 – Naomi Klein – The Shock Doctrine: The Rise of Disaster Capitalism, Part 1

4/22 – Klein, Part 2

4/24 – Klein, Part 3

4/27 – Klein, Part 5

4/29 – Klein, Part 6

5/1 – Klein, Part 7; Press and Mazmanian – Understanding the Transition to a Sustainable Economy

5/5 – 8am Final Exam