

Political Economy: The Nexus of Governments and Markets from Medieval to Modern Times

UTD

EPPS

GOVT 3306 Section 001

Spring 2007

Instructor: R. Christopher Rodgers, MPA, MSAE, Ph. D. Candidate in Public Policy and Political Economy

Class Time: Tuesdays & Thursdays, 4:00 - 5:15 P.M.

Office: Green Hall 3.808

Office phone: 972-883-4895 or 4896

Office Hours: Mondays & Wednesdays, 2:00 – 3:30 P.M. or by appointment

e-mail: crodg@utdallas.edu

This course investigates various conceptual perspectives for understanding the relationship between economic processes and political institutions. It focuses particular attention on the normative and policy debates separating conservative, liberal, and radical schools of thought.

The instructor neither *expects nor assumes* any prior economics courses or knowledge.
The instructor neither *expects nor assumes* any prior government (or political science) courses or knowledge.
No pre-requisites or co-requisites are required.

Objectives & Outcomes

- Students shall identify and summarize the major controversies and tensions inherent to each era of political economic thought.
 - Students shall place key contributors to these debates on an intellectual historical timeline that contains a synopsis of their contributions.
 - Students shall understand and define political economy terms.
 - Students shall highlight similarities and differences between seminal thinkers, historical periods, and political economic systems.
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Required Course Materials

Books:

1. J. Caporaso & D. Levine *Theories of Political Economy* Cambridge UP 1992. ISBN: 0521425786.
2. R. Heilbroner *The Worldly Philosophers: The Lives, Times And Ideas Of The Great Economic Thinkers* Touchstone 7th ed. 1999. ISBN: 068486214X.
3. R. Heilbroner *Teachings from the Worldly Philosophy* W. W. Norton & Company 1997. ISBN: 0393316076.

Handouts:

4. Federal Reserve Bank of Dallas *Economic Insights*. Various volumes.
<http://www.dallasfed.org/research/ei/index.html> .

5. Readings from Political Economy texts and periodicals such as *The Economist*, *The Wall Street Journal*, *The Financial Times*, and *The New York Times* as assigned and provided by the instructor.

Audio-visual shown in class:

Greg Barker & William Cran, directors. *The Commanding Heights : The Battle for the World Economy* Wgbh Boston DVD 2002.

Suggested Books:

D. Yergin & J. Stanislaw *The Commanding Heights : The Battle for the World Economy* Free Press 2002. ISBN: 068483569X. Recommended as supplement to video series.

Requirements, Grading, & Participation

- The following determines grades for each student:

50%: Two In-Class Exams

Exam 1, Thursday, **1 March 2007**, midterm, **25%**

Exam 2, Thursday, **26 April 2007**, non-comprehensive final, **25%**

The exams are closed book and closed note. The exams consist of a short answer section followed by a short essay portion.

25%: One Short Review Essay

Essay, due Tuesday, **10 April 2007** at the beginning of class

A topic with instructions will be given before Spring Break. The paper will be three (suggested) to five (maximum) typed, double-spaced pages of one-inch margins using 12 point standard fonts. This does not include references or title pages.

20%: In-Class Quizzes

5 unannounced, random quizzes will be given the first five minutes of class over previously covered material. Each quiz requires a single, short answer definition of a term that was written on the board before a prior lecture. If you are absent (miss class) or arrive after the quiz (tardy), then you will receive a score of 0. The single, lowest quiz score gets dropped. The **4** highest quiz scores comprise **20%** of the grade, or **5%** per quiz.

5%: In-Class Video Notes

6 video note sheets will be returned for credit after watching 6 parts of the documentary *The Commanding Heights* in class (see below). *Students will complete them during the scheduled presentation and turn them in at the end of the class period.* The video note sheets require answers to questions that I have provided in order to guide you through the series. These count **5%** of your grade, or **.833 %** each.

100%: Total of graded assignments equals final grade

- The In-Class Quizzes and Video Notes are specifically designed to *help students*. In-Class Quizzes offer previews of the short answer questions that will appear on the Exams. The Video Notes also cover topics that will be addressed on Exam 2 and in the Short Review Essay. These In-Class assignments afford students the opportunity to get feedback and evaluation from the instructor throughout the semester.
- No make-up exams or quizzes will be given and late short review essays will receive a one-time, full letter grade reduction as penalty, except for cases of official UTD absences (representing the

university) or UTD defined circumstances. In order to receive an excused absence or exception, students need to notify the instructor in advance via phone, e-mail, or both. I must receive any late short review essays by 26 April 2007.

- Missed episodes of *The Commanding Heights* must be watched on the student(s)' time. The DVDs will be available on reserve in the library. Also, PBS makes the series available online at <http://www.pbs.org/wgbh/commandingheights/hi/story/>. Students must still return note sheets for credit.
- No extra credit assignments will be given.
- Attendance is *expected*, but will not be taken.
- **Final grades are scaled as follows:**
A+ (97-100) B+ (87-89) C+ (77-79) D+ (67-69) F (59 & below)
A (93-96) B (83-86) C (73-76) D (63-66)
A- (90-92) B- (80-82) C- (70-72) D- (60-62)
- Grades are *not negotiations*. If a student wishes to challenge a grade, then upon re-grading it is possible that the grade may go up (i.e. I erroneously deducted too many points) or go down (i.e. I erroneously didn't deduct enough points) or stay the same (i.e. no grading errors).
- Cell phones and pagers must be turned off during class, unless you are an emergency professional (i.e. doctor, EMT, firefighter, police officer). In this case, please switch them to silent/buzz.
- All hand held electronic devices (ex. palm pilots) and laptop computers should be on silent.

Assignments & Academic Calendar

J. Caporaso & D. Levine *Theories of Political Economy* = **TPE**
R. Heilbroner *The Worldly Philosophers* = **WP**
R. Heilbroner *Teachings from the Worldly Philosophy* = **TFWP**
Federal Reserve Bank of Dallas *Economic Insights* = **EI**

Readings should be completed *before class by the date* listed on the syllabus. Lectures cover the assigned readings for the specified week or day.

Part One: Context, Classics, & Capitalism

Tuesday 9-Jan-07 Introduction; handouts given to be read by next class

J. Banks & E. Hanushek *Introduction in Modern Political Economy: Old Topics, New Directions* Cambridge University Press 1995. pp. 1-9. ISBN: 0521478103.

I. Katznelson & H. Milner *Political Science: State of the Discipline Centennial Edition* American Political Science Association 2002. ISBN 0-393-05142-0.

1. J. Freiden & L. Martin. *International Political Economy: Global and Domestic Interactions* pp. 118-146.
2. J. Alt *Comparative Political Economy: Credibility, Accountability, and Institutions* pp. 147-171.

Thursday 11-Jan-07 Introduction continued; handout given to be read by next class

I. Katznelson & H. Milner *Political Science: State of the Discipline Centennial Edition* American Political Science Association 2002. ISBN 0-393-05142-0.
K. Thelen *The Political Economy of Business and Labor in the Developed Democracies* pp. 371-397.

Tuesday 16-Jan-07

TPE Abstract, Preface (vii-viii), Introduction (1-6)
WP Preface (7-10), Introduction (13-17)
TFWP Preface (xi-xiv), Early Thought (3-14)
h/o Smelser, Neil J. & Richard Swedberg, eds. *The Handbook of Economic Sociology*. Princeton UP 1994. ISBN 0-691-04485-6.
R. Swedberg *Markets as Social Structures*. pp. 256-282.
h/o *The future of the state*. 18 September 1997. www.economist.com/surveys

Thursday 18-Jan-07

TPE Abstract, Preface (vii-viii), Introduction (1-6)
WP Preface (7-10), Introduction (13-17)
TFWP Preface (xi-xiv), Early Thought (3-14)
h/o Smelser, Neil J. & Richard Swedberg, eds. *The Handbook of Economic Sociology*. Princeton UP 1994. ISBN 0-691-04485-6.
R. Swedberg *Markets as Social Structures*. pp. 256-282.
h/o *The future of the state*. 18 September 1997. www.economist.com/surveys

Tuesday 23-Jan-07

TPE Chp. 1 Politics and Economics (7-32)
WP Chp. II Economic Revolution (18-41)
TFWP Chp. II The Commercial Revolution (15-52)

Thursday 25-Jan-07

TPE Chp. 1 Politics and Economics (7-32)
WP Chp. II Economic Revolution (18-41)
TFWP Chp. II The Commercial Revolution (15-52)

Tuesday 30-Jan-07

TPE Chp. 2 The Classical Approach (33-54)
WP Chp. III The Wonderful World of Adam Smith (42-74)
TFWP Chp. III (53-105) The Classical Economist Adam Smith
EI Smith, Hume
h/o Chernow, Ron. *Alexander Hamilton, Economic Prophet* Business Week 3 May 2004. pp. 110-116. excerpted from *Alexander Hamilton* Penguin 2004. ISBN 1-59420-009-2.
h/o Hamilton, Alexander. Excerpt from *Report on Manufacturing* 1791. Levy, Peter B. ed. *100 Key Documents in American History*. Greenwood Press 1994. pp. 61-67.

Thursday 1-Feb-07

TPE Chp. 2 The Classical Approach (33-54)
WP Chp. III The Wonderful World of Adam Smith (42-74)
TFWP Chp. III (53-105) The Classical Economist Adam Smith
EI Smith, Hume
h/o Chernow, Ron. *Alexander Hamilton, Economic Prophet* Business Week 3 May 2004. pp. 110-116. excerpted from *Alexander Hamilton* Penguin 2004. ISBN 1-59420-009-2.
h/o Hamilton, Alexander. Excerpt from *Report on Manufacturing* 1791. Levy, Peter B. ed. *100 Key Documents in American History*. Greenwood Press 1994. pp. 61-67.

Tuesday 6-Feb-07

WP Chp. IV The Gloomy Presentiments of Parson Malthus and David Ricardo (75-104)

TFWP Chp. III (106-158) The Classical Economist Malthus, Ricardo, Mill
EI Ricardo, Say
h/o Chernow, Ron. *Alexander Hamilton, Economic Prophet* Business Week 3 May 2004. pp. 110-116. excerpted from *Alexander Hamilton* Penguin 2004. ISBN 1-59420-009-2.
h/o Hamilton, Alexander. Excerpt from *Report on Manufacturing* 1791. Levy, Peter B. ed. *100 Key Documents in American History*. Greenwood Press 1994. pp. 61-67.

Part Two: the Marxian Critique & Nascent Institutionalism

Thursday 8-Feb-07
WP Chp. V The Dreams of the Utopian Socialist (105-135)
EI Tocqueville

Tuesday 13-Feb-07
TPE Chp. 3 Marxian Political Economy (55-78)
WP Chp. VI The Inexorable System of Karl Marx (136-169)
TFWP Chp. IV Karl Marx (159-196)

Thursday 15-Feb-07
TPE Chp. 3 Marxian Political Economy (55-78)
WP Chp. VI The Inexorable System of Karl Marx (136-169)
TFWP Chp. IV Karl Marx (159-196)

Part Three: the Neoclassical Response, the Marginalist Revolution, and Institutionalism

Tuesday 20-Feb-07
TPE Chp. 4 Neoclassical Economics (79-99)
WP Chp. VII The Victorian World and the Underworld Of Economics (170-212)
TFWP Chp. V The Marginalists (197-244)
EI Bastiat

Thursday 22-Feb-07
TPE Chp. 4 Neoclassical Economics (79-99)
WP Chp. VII The Victorian World and the Underworld Of Economics (170-212)
TFWP Chp. V The Marginalists (197-244)
EI Bastiat

Tuesday 27-Feb-07
WP Chp. VIII The Savage Society of Thorstein Veblen (213-247)
TFWP Chp. VI (245-263) Twentieth Century Economists Veblen

Thursday 1-Mar-07
Exam 1

Tuesday 6-Mar-07
Spring Break

Thursday 8-Mar-07
Spring Break

Part Four: the Keynesian Episode and the Alternate Universe of the Austrians

Tuesday 13-Mar-07
Midterm Grades Due
TPE Chp. 5 Keynesian Political Economy (100-125)

WP Chp. IX The Heresies of John Maynard Keynes (248-287)
TFWP Chp. VI (264-296) Twentieth Century Economists Keynes
EI Hayek

Thursday 15-Mar-07 *The Commanding Heights* DVD in-class part 1

TPE Chp. 5 Keynesian Political Economy (100-125)
WP Chp. IX The Heresies of John Maynard Keynes (248-287)
TFWP Chp. VI (264-296) Twentieth Century Economists Keynes
EI Hayek

Tuesday 20-Mar-07

TPE Chp. 6 Economic Approaches to Politics (126-158)
WP Chp. X The Contradictions of Joseph Schumpeter (288-310)
TFWP Chp. VI (297-330) Twentieth Century Economists Schumpeter
EI Schumpeter

Thursday 22-Mar-07 *The Commanding Heights* DVD in-class part 2

TPE Chp. 6 Economic Approaches to Politics (126-158)
WP Chp. X The Contradictions of Joseph Schumpeter (288-310)
TFWP Chp. VI (297-330) Twentieth Century Economists Schumpeter
EI Schumpeter

***Part Five: From Disciplinary Divergence to Integration, the Chicago Counterpoise, Friedman's
Monetarism & Buchanan's Public Choice***

Tuesday 27-Mar-07

TPE Chp. 7 Power-Centered Approaches to Political Economy (159-180)
WP Chp. XI The End of the Worldly Philosophy (311-321)
TFWP Envoi (333-336)
EI von Mises

Thursday 29-Mar-07 *The Commanding Heights* DVD in-class part 3

TPE Chp. 7 Power-Centered Approaches to Political Economy (159-180)
WP Chp. XI The End of the Worldly Philosophy (311-321)
TFWP Envoi (333-336)
EI von Mises

Tuesday 3-Apr-07

TPE Chp. 8 State-centered Approaches to Political Economy (181-196)
h/o *Globalisation and its critics*. 27 September 2001. www.economist.com/surveys.

Thursday 5-Apr-07 *The Commanding Heights* DVD in-class part 4

TPE Chp. 8 State-centered Approaches to Political Economy (181-196)
h/o *Globalisation and its critics*. 27 September 2001. www.economist.com/surveys.

Tuesday 10-Apr-07

Short Essay Due
The following readings will be covered but are not due until the next lecture!
TPE Chp. 9 Justice Centered Theories (197-216)
EI Wicksell, Fisher, 'Money'

Thursday 12-Apr-07 *The Commanding Heights* DVD in-class part 5

TPE Chp. 9 Justice Centered Theories (197-216)
EI Wicksell, Fisher, 'Money'

Tuesday 17-Apr-07

TPE Conclusion (217-225)
EI Knight, Friedman, Buchanan, Coase
h/o *Radical birthday thoughts*. 26 June 2003. www.economist.com/surveys.

Thursday 19-Apr-07 *The Commanding Heights* DVD in-class part 6

TPE Conclusion (217-225)
EI Knight, Friedman, Buchanan, Coase
h/o *Radical birthday thoughts*. 26 June 2003. www.economist.com/surveys.

**Tuesday 24-Apr-07
*Optional Review***

**Thursday 26-Apr-07
*Exam 2***

UTD Policies & Procedures

Field Trip Policies

Off-campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Series 50000, Board of Regents, The University of Texas System*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391).

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic dishonesty includes, but is not limited to, statements, acts or omissions related to applications for enrollment or the award of a degree, and/or the submission as one's own work or material that is not one's own. As a general rule, scholastic dishonesty involves one of the following acts: cheating, plagiarism, collusion and/or falsifying academic records. Students suspected of academic dishonesty are subject to disciplinary proceedings.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic

Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:
The University of Texas at Dallas, SU 22
PO Box 830688
Richardson, Texas 75083-0688
(972) 883-2098 (voice or TTY)

Essentially, the law requires that colleges and universities make those reasonable adjustments necessary to eliminate discrimination on the basis of disability. For example, it may be necessary to remove classroom prohibitions against tape recorders or animals (in the case of dog guides) for students who are blind. Occasionally an assignment requirement may be substituted (for example, a research paper versus an oral presentation for a student who is hearing impaired). Classes enrolled students with mobility impairments may have to be rescheduled in accessible facilities. The college or university may need to provide special services such as registration, note-taking, or mobility assistance.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

These descriptions and timelines are subject to change at the discretion of the Professor/Instructor.