

The American Political Economy in Comparative Perspective  
MIT Political Science 17.150  
Fall 2013  
Wednesdays 1:30-3:30 in E53-438  
Instructors: Devin Caughey and Kathleen Thelen  
Office Hours: by appointment

The last three decades have seen a flourishing of scholarship on the comparative political economy of the most developed democracies. Yet most of this work focuses heavily on European political economies. In general the tendency has been to treat the United States in highly stylized form, as foil against which to evaluate the European experience, rather than a case for sustained investigation unto itself. Meanwhile, Americanists have paid relatively little attention to the structure and functioning of American capitalism, and those who have turned their attention to issues of political economy almost always study the U.S. case in isolation from other rich democracies. Subfield divisions have contributed to the lack of a sustained dialogue with comparativists. While comparativists devote considerable time and resources developing regional expertise, Americanists spend their time “tooling up” in ways that often comes at the expense of sustained attention to substantive questions of pressing practical importance.

This course seeks to fill the resulting gap, both in the literature and in our understanding of the American political economy. It examines the origins and impact of key features of the American political economy in comparative perspective. We consider a range of political-economic topics, including labor markets, finance, taxation, social policy, and the role of money and organized interests. By comparing the United States with other rich democracies, the course highlights the distinctive aspects of American political economy, in terms of both institutional structure and such substantive outcomes as poverty and inequality.

Requirements and Grading: In addition to participating actively in discussion, students will be responsible for two types of written assignments. First, each student will be responsible to prepare short (2-3 page) response papers on the required readings for three of the weeks. Memos should not summarize the readings, but rather take up specific arguments, compare the positions of different authors, raise questions of evidence or argument, or draw attention to particular strengths and weaknesses in the texts. We will share these memos through email, using the class list. In order for everyone to have time to read over the comments of others, these will be due on email by 5 p.m. on the day before the class meets. Second, each student will be expected to write a longer paper – either an extended literature review, a research paper, or a fully elaborated research design -- for submission at the end of the semester. The type of paper and the topic should be decided in consultation with the instructors. Weekly memos and class participation will count together for half of the final grade. The literature review or research paper will count for the other half.

## 1. September 4: Course Introduction

## 2. September 11: Theoretical Approaches to Political Economy (Thelen)

- Lawrence R. Jacobs and Joe Soss. The Politics of Inequality in America: A Political Economy Framework. *Annual Review of Political Science*, 13(1):341–364, 2010.
- Larry M. Bartels. Democracy with Attitudes. In Michael B. MacKuen and George Rabinowitz, editors, *Electoral Democracy*, chapter 3, pages 48–82. University of Michigan Press, 2003.
- Kathleen Bawn, Martin Cohen, David Karol, Seth Masket, Hans Noel, and John Zaller. A Theory of Political Parties: Groups, Policy Demands and Nominations in American Politics. *Perspectives on Politics*, 10(3):571–597, 2012.
- David Soskice. American Exceptionalism and Comparative Political Economy. In Clair Brown, Barry J. Eichengreen, and Michael Reich, editors, *Labor in the Era of Globalization*, chapter 2, pages 51–93. Cambridge University Press, New York, 2009.

## 3. September 18: Historical Perspectives on US Political Economy (Caughey)

- Louis Hartz. *The Liberal Tradition in America*. Harcourt-Brace, New York, 1955, chapter 1.
- Marc Allen Eisner. *The American Political Economy: Institutional Evolution of State and Market*. Routledge, New York, 2011, chapters 1–7.
- Monica Prasad. *The Land of Too Much: American Abundance and the Paradox of Poverty*. Harvard UP, Cambridge, MA, 2012, chapters 1–5.

## 4. September 25: Comparative Perspectives on US Political Economy (Thelen)

- Ira Katznelson. Considerations on Social Democracy in the United States. *Comparative Politics*, 11(1):77–99, 1978.
- Robert H. Salisbury. Why No Corporatism in America? In Philippe C. Schmitter and Gerhard Lehmbruch, editors, *Trends Towards Corporatist Intermediation*, chapter 8, pages 213–230. Sage, Beverly Hills, CA, 1979.
- Theda Skocpol, “State Formation and Social Policy in the United States,” *American Behavioral Scientist* 35 (4/5): March/June 1992.
- Torsten Persson and Guido Tabellini. Electoral Systems and Economic Policy. In Barry R. Weingast and Donald A. Wittman, editors, *The Oxford Handbook of Political Economy*, chapter 40, pages 725–738. Oxford University Press, New York, 2006.

- Jonas Pontusson. *Inequality and Prosperity: Social Europe vs. Liberal America*. Cornell University Press, 2005. Chapters 1, 2, and 6.
- Timothy Hicks, Alan M. Jacobs, and J. Scott Matthews. Are The Rich Better Off Than They Were Four Years Ago? Class-Biased Economic Voting in Comparative Perspective. Paper prepared for presentation at the Annual Meeting of the American Political Science Association, August 2013.
- Richard B. Freeman. Labor Market Institutions Around the World. In Paul Blyton, Nicolas Bacon, Jack Fiorito, and Edmund Heery, editors, *The SAGE Handbook of Industrial Relations*, chapter 34, pages 640–659. SAGE Publications, Thousand Oaks, CA, 2008.

#### 5. October 2: Welfare Regimes and Social Policy (Thelen)

- Gøsta Esping-Andersen. The Three Political Economies of the Welfare State. *International Journal of Sociology*, 20(3):92–123, 1990.
- Torben Iversen and David Soskice. Distribution and Redistribution: The Shadow of the Nineteenth Century. *World Politics*, 61(3):438–486, 2009.
- Michael K. Brown. *Race, Money and the American Welfare State*, Cornell University Press, 1999. Introduction and Parts I and II (pp. 1–202).
- Daniel Béland and Jacob S. Hacker. Ideas, Private Institutions and American Welfare State ‘Exceptionalism’: The Case of Health and Old-Age Insurance, 1915–1965. *International Journal of Social Welfare*, 13:42–54, 2004.

#### Optional Reading:

- Robert C. Lieberman. Race, Institutions, and the Administration of Social Policy. *Social Science History*, 19(4):511–542, 1995.
- Gareth Davies and Martha Derthick, Race and Social Welfare Policy: The Social Security Act of 1935. *Political Science Quarterly*, 112 (2): 217-235, 1997.

#### 6. October 9: Economic Inequality and Poverty (Caughey)

- Alberto Alesina and Edward Glaeser. *Fighting Poverty in the US and Europe: A World of Difference*. Oxford UP, New York, 2006.
- Martin Gilens. Policy Consequences of Representational Inequality. In Peter K. Enns and Christopher Wlezien, editors, *Who Gets Represented?*, chapter 9, pages 247–284. Russell Sage Foundation, New York, 2011.
- Jacob S. Hacker and Paul Pierson. Presidents and the Political Economy: The Coalitional Foundations of Presidential Power. *Presidential Studies Quarterly*, 42(1):101–131, 2012.

- Adam Bonica, Nolan McCarty, Keith T. Poole, and Howard Rosenthal. Why Hasn't Democracy Slowed Rising Inequality? *Journal of Economic Perspectives*, 27(3):103–124, 2013.
- Noam Lupu and Jonas Pontusson. The Structure of Inequality and the Politics of Redistribution. *American Political Science Review*, 105(2):316–336, 2011.

#### 7. October 16: Business Politics (Thelen)

- David Vogel. The Power of Business in America: A Re-Appraisal. *British Journal of Political Science*, 13(1):19–43, 1983.
- Stephen Ansolabehere, John M. de Figueiredo, and James M. Snyder, Jr. Why is There so Little Money in U.S. Politics? *Journal of Economic Perspectives*, 17(1):105–130, 2003.
- Kay Lehman Schlozman, Sidney Verba, and Henry E. Brady. *The Unheavenly Chorus: Unequal Political Voice and the Broken Promise of American Democracy*. Princeton UP, Princeton, NJ, 2012, chapters 10–11.
- Mark A. Smith, *American Business and Political Power* (Chicago: University of Chicago Press), 2000, chapters 1–3.
- Lee Epstein, William M. Landes, and Richard A. Posner. How Business Fares in the Supreme Court. *Minnesota Law Review*, 97:1431–1472, 2013.

#### 8. October 23: Labor Politics (Caughey)

- Joshua L. Rosenbloom and William A. Sundstrom. Labor-Market Regimes in U.S. Economic History. NBER working paper, December 2011.
- Eric Schickler and Devin Caughey. Public Opinion, Organized Labor, and the Limits of New Deal Liberalism, 1936–1945. *Studies in American Political Development*, 25(2):1–28, 2011.
- Bruce Western and Jake Rosenfeld. Unions, Norms, and the Rise in U.S. Wage Inequality. *American Sociological Review*, 76(4):513–537, 2011.
- John DiNardo and David S. Lee. Economic Impacts of New Unionization on Private Sector Employers, 1984–2001. *Quarterly Journal of Economics*, 119(4):1383–1441, November 2004.
- Sarah F. Anzia and Terry M. Moe. Public Sector Unions and the Costs of Government. Unpublished manuscript. Available for download at <http://gsppi.berkeley.edu/faculty/sanzia/sarah-anzia>, August 2012.

#### *Optional Reading:*

- David G. Blanchflower and Richard B. Freeman. Unionism in the United States and Other Advanced OECD Countries. *Industrial Relations*,

31(1):56–77, 1990.

### 9. October 30: Education, Skills, and the Labor Market (Thelen)

- Torben Iversen and John D. Stephens. Partisan Politics, the Welfare State, and Three Worlds of Human Capital Formation. *Comparative Political Studies*, 41(4/5):600–637, 2008.
- Ben Ansell and Jane Gingrich. A Tale of Two Trilemmas: Varieties of Higher Education and the Service Economy. In Anne Wren, editor, *The Political Economy of the Service Transition*, chapter 6, pages 195–226. Oxford UP, New York, 2013.
- Suzanne Mettler. Promoting Inequality: The Politics of Educational Policy in an Era of Conservative Governance. In Lawrence Jacobs and Desmond King, editors, *The Unsustainable American State*, pages 197–222. Oxford University Press, New York, 2009.
- Markus Gangl. Institutions and the Structure of Labour Market Matching in the United States and West Germany. *European Sociological Review*, 20(3):171–187, 2004.
- Greg J. Duncan and Richard J. Murnane. Introduction: The American Dream, Then and Now. In Greg J. Duncan and Richard J. Murnane, editors, *Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances*. SAGE Publications, PDF ebook, 2011.

### 10. November 6: TBA

### 11. November 13: Taxation (Caughey)

- Sven Steinmo. Political Institutions and Tax Policy in the United States, Sweden, and Britain. *World Politics*, 41(4):500–535, 1989.
- Kenneth Scheve and David Stasavage. The Conscription of Wealth: Mass Warfare and the Demand for Progressive Taxation. *International Organization*, 64(4):529–561, 2010.
- Monica Prasad. *The Land of Too Much: American Abundance and the Paradox of Poverty*. Harvard UP, Cambridge, MA, 2012, chapter 6.
- Larry M. Bartels. Homer Gets a Tax Cut: Inequality and Public Policy in the American Mind. *Perspectives on Politics*, 3(1):15–31, 2005.
- Arthur Lupia, Adam Seth Levine, Jesse O. Menning, and Gisela Sin. Were Bush Tax Cut Supporters ‘Simply Ignorant?’ A Second Look at Conservatives and Liberals in ‘Homer Gets a Tax Cut’. *Perspectives on Politics*, 5(4):773–784, 2007.

- Larry M. Bartels. Homer Gets a Warm Hug: a Note on Ignorance and Extenuation. *Perspectives on Politics*, 5(4):785–790, 2007.

## 12. November 20: Regulation (Thelen)

- David Vogel. *The Politics of Precaution: Regulating Health, Safety, and Environmental Risks in Europe and the United States*. Princeton UP, Princeton, NJ, 2012.
- Sean Farhang. *The Litigation State: Public Regulation and Private Lawsuits in the United States*. Princeton UP, Princeton, NJ, 2010, chapters 1, 2, and 7.
- Daniel Carpenter, “The Contest of Lobbies and Disciplines: Financial Politics and Regulatory Reform,” in Theda Skocpol and Lawrence R. Jacobs, eds., *Reaching for a New Deal* (New York: Russell Sage Foundation), 2011, pp. 139-88.
- Eric M. Patashnik and Julian Zelizer, The Struggle to Remake Politics: Liberal Reform and the Limits of Policy Feedback in the Contemporary American State, forthcoming in *Perspectives on Politics*
- Monica Prasad. *The Land of Too Much: American Abundance and the Paradox of Poverty*. Harvard UP, Cambridge, MA, 2012, chapter 7.

## 13. December 4: Finance and Corporate Governance (Caughey)

- John W. Cioffi, “Building Finance Capitalism: The Regulatory Politics of Corporate Governance Reform in the United States and Germany,” in Jonah Levy, ed., *The State After Statism* (Cambridge: Harvard University Press), 2006, pp. 185-229.
- Monica Prasad. *The Land of Too Much: American Abundance and the Paradox of Poverty*. Harvard UP, Cambridge, MA, 2012, chapters 8–10.
- Mark J. Roe. Capital Markets and Financial Politics: Preferences and Institutions. In Dennis C. Mueller, editor, *The Oxford Handbook of Capitalism*, chapter 3, pages 78–114. Oxford University Press, New York, 2012.
- Sanford M. Jacoby. Corporate Governance and Employees in the United States. In Howard Gospel and Andrew Pendleton, editors, *Corporate Governance and Labour Management: An International Comparison*, chapter 2, pages 33–58. Oxford University Press, New York, 2005.
- Nolan McCarty. The Politics of the Pop: The U.S. Response to the Financial Crisis and the Great Recession. In Nancy Bermeo and Jonas Pontusson, editors, *Coping With Crisis: Government Reactions to the Great Recession*, chapter 7, pages 201–232. Russell Sage Foundation, New York, 2012.

- Cornelia Woll, *The Power of Collective Inaction*, forthcoming Oxford University Press, chapter 5

#### **14. December 11: Immigration and Second-Dimension Politics (Caughey)**

- Gary P. Freeman. Migration and the Political Economy of the Welfare State. *Annals of the American Academy of Political and Social Science*, 485:51–63, 1986.
- Gøsta Esping-Andersen. Politics without Class: Postindustrial Cleavages in Europe and America. In Herbert Kitschelt, Peter Lange, Gary Marks, and John D. Stephens, editors, *Continuity and Change in Contemporary Capitalism*, chapter 10, pages 293–316. Cambridge UP, New York, 1999.
- Ana De La O and Jonathan A. Rodden. Does Religion Distract the Poor?: Income and Issue Voting Around the World. *Comparative Political Studies*, 41(4-5):437–476, 2008.
- Silja Häusermann and Hanspeter Kriesi. What Do Voters Want? Dimensions and Configurations in Individual-Level Preferences and Party Choice. October 2012.
- Anna Maria Mayda. Who Is against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants. *Review of Economics and Statistics*, 88(3):510–530, 2006.
- Allison Harell, Stuart Soroka, Shanto Iyengar, and Nicholas Valentino. The Impact of Economic and Cultural Cues on Support for Immigration in Canada and the United States. *Canadian Journal of Political Science*, 45(3):499–530, 2012.
- Larry M. Bartels. Party Systems and Political Change in Europe. Paper prepared for presentation at the Annual Meeting of the American Political Science Association, August 2013.