

POL 4481/5481
Government and Markets
Spring 2013; 3/4 credits
TTh 9:45-11:00am
250 Blegen Hall
Teaching Assistant: TBA

Professor John R. Freeman
1246B Social Sciences Bldg
612-624-6018
freeman@umn.edu
www.polisci.umn.edu/~freeman
Office hours: by appointment

This course analyzes the compatibility of democracy and markets--whether democratic institutions enhance (undermine) the workings of markets institutions and vice versa. Competing theoretical perspectives in the field of political economy are critically evaluated. And the experiences of countries with different forms of democratic market systems are studied. Among the topics singled out for in-depth investigation are the economics of voting, politics of money management, political business cycles, and the politics of trade.

Requirements Students are expected to complete the assigned reading before or during the indicated class sessions and to participate in class discussions.

As regards written work, students taking POL4481 for 3 credits must write the two mid-term examinations and a final exam (three exams in all).

Students taking POL4481 for 4 credits must write the two mid-term examinations, the final examination, and a review essay. The review essay is an 6-8 page paper critically evaluating 5-6 assigned readings from a *pair* of (or, if the student desires, three) sections D-I on the syllabus. At least two readings must come from each of the selected sections. An example would be the Lupu&Pontusson and Mughan readings from section D and the three Busch and Reinhardt articles from section H. Another example would be the Iversen and Wren article and the Pontusson Chapters from section E, Hays Chapters from section G, and last chapter of the Bermeo & Pontusson book (Rueda chapter) in I. More will be said about this paper in class.

Penalty for late submission. Papers submitted after the due date but before the final exam will not be penalized. But these papers will receive no comments from the instructor. Unless some agreement is made with the instructor *in writing*, papers submitted after the final exam will be penalized one letter grade.

The following weighting schemes will be used:

	POL4481/3Credits	POL4481/4credits
Mid-term examination(s)	30% each	20% each
Paper	None	30%
Final examination	40%	30%

Important Dates

February 19, Tuesday: Target date for mid-term exam 1

April 4, Thursday: Target date for mid-term exam 2

April 23, Tuesday: Papers due (for students taking the course for 4 credits)

May 15, Wednesday, 10:30am-12:30pm: Final examination

Texts and Reading

Students should purchase the following two paperback books:

Bermeo. Nancy and Jonas Pontusson *Coping With Crisis: Government Responses to the Great Recession* NY: Russell Sage, 2012.

Jonas Pontusson, *Inequality and Prosperity: Social Europe vs. Liberal America* Ithaca, NY: A Century Book/Cornell University Press, 2005.

These books are available in the bookstore in Coffman Union.

Seven readings are available in the form of a reading packet. These readings are denoted by a +. This packet also is available for purchase in Coffman Union.

Many of the assigned readings are available electronically through the library. In most cases, students can access them through the library portal. Simply request on-line access to the journal.

xxxxxxxSometimes it is necessary to use the library's electronic access to the journal (APSA via Cambridge Journals, Steinmo via Sage, Hallerberg et al via Elsevier, and McNamara via EBSCO). Readings available electronically on JSTOR or through the library are indicated by an asterisk (*).¹xxxxxxxxxxxx

Finally, the Freeman&Nardulli reading, some of the class slides, and some additional informational items are available on the class website (via myu.umn.edu; click on MyU Space). Then click on the link to POL4481 *Spring 2013*).

¹ One accesses JSTOR directly via the url www.jstor.org. Click on Browse Journals. Select Political Science (or Economics). Then find the required journal and the specific volume and article. Alternatively, you can access jstor via the library portal at the U of Minnesota website. Type in the title of the journal you want. Find the electronic link. Still another option is: (1), from the library webpage, click on 'e-journals,' (2), enter the full name of the journal you need and click enter; finally, (3), click on the link that comes up and find the issue of the journal you need. If this fails, try the regular MNCAT portal.

Outline, Reading Assignments and Schedule

A. Introduction [January 22]

B. Five questions [January 24, 29, 31]

Bermeo and Pontusson, Chapter 1 (esp. pps. 8-26)

Bermeo and Pontusson, Chapter 4 (Cameron, esp. pps. 94-117)

Pontusson, Chapters 1, 3 (esp. pps. 32-48), 4 (esp. pps. 67-88)

*Steinmo, Sven “Globalization and Taxation: Challenge to the Welfare State”
Comparative Political Studies 35(7), 2002: 839-862

C. Competing theoretical perspectives [February 5, 7, 12, 14]

Freeman, John R. and Peter Nardulli (2005) “The Free Enterprise Economy and Social Welfare.” Center for the Study of Democratic Governance. University of Illinois. (on class website)

+Friedman, Milton, Capitalism and Freedom Chapters 1, 2 (pps. 7-36)

*Olson, Mancur “Dictatorship, Democracy and Development” The American Political Review 87(3), 1993: 567-576.

+Przeworski, Adam, Capitalism and Social Democracy NY Cambridge University Press, 1985 Chapters 1, 4 (pps. 7-46, 133-170)

+Schumpeter, Joseph A. Capitalism, Socialism and Democracy op. cit. Part II: Can Capitalism Survive? (pps. 72-106, 111-142, 415-425).

Tuesday February 19: Target Date for Mid-term exam one (in class)

D. Mass bases of political economy; the economics of voting [February 21, 26, 28; March 5]

- *Greenberg, Edward S. "Industrial Self-Management and Political Attitudes" American Political Science Review 75(1), 1981: 29-42.
- *Lane, Robert "Market Justice Political Justice" American Political Science Review 80(2), 1986: 383-402.
- *Lupu, Noam and Jonas Pontusson, "The Structural of Inequality and the Politics of Redistribution" American Political Science Review 2011, 105(2): 316-336.
- *Mughan, Anthony and Dean Lacey "Economic Performance, Job Security and Electoral Choice" British Journal of Political Science 32(3), 2002: 513-534.
- +Wright, Erik Olin Class Counts NY Cambridge University Press, 1997
Chapters 1, 10, and 11 (especially pps. 1-39, 185-248).

E. Producer group politics [March 7, 12, 14]

Bermeo and Pontusson, Chapter 8 (Lindvall)

- *Iversen, Torben and Anne Wren "Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy" World Politics 50(4), 1998: 507-547
 - *Martin, Cathie Jo and Duane Swank, "Gonna Party Like Its 1899: Party Systems And the Origins of Varieties of Coordination" World Politics 2011, 63(1): 78-114.
- Pontusson, Chapters 2, 5, and 6

[*Spring Break, March 18-23*]

F. Administrative bases of political economy; the politics of money and fiscal policies [March 26, 28; April 2]

Bermeo and Pontusson, Chapter 7 (McCarty)

- *Bernhard, William et. al "The Political Economy of Monetary Institutions" International Organization 56(4), 2002: 693-724.
- *Hallerberg, Mark et al "The Design of Fiscal Rules and Forms of Governance In European Union Countries" European Journal of Political Economy 23, 2007: 338-359.

Thursday, April 4: Target Date for Mid-term exam two (in class)

G. Institutions and performance; political business cycles; the idea of decentralized monetarism [April 9, 11, 16]

No class, Thursday April 18

*Alesina, Alberto and Jeffrey Sachs, "Political Parties and the Business Cycle in the the U.S., 1948-1984" Journal of Money, Credit and Banking 20, 1988: 63-82.

+Iversen, Contested Economic Institutions NY Cambridge University Press, 1999
Chapters 1, 2 and 6 (pps. 1-46)

Canes-Wrone, Brandice and Jee-Kwang Park, "Electoral Business Cycles in OECD Countries" American Political Science Review 2012, 106(1): 103-122.

Tuesday, April 23: Papers due for students taking course for 4 credits

H. Politics in open economies; democracy and globalization [April 23, 25, 30; May 2]

Bermeo and Pontusson, Chapter 3 (Helleiner)

*Busch, Marc L. and Eric Reinhardt "Geography, International Trade and Political Mobilization in U.S. Industries" American Journal of Political Science 44(4), 2000: 707-719.

*Busch, Marc L. and Eric Reinhardt, "Industrial Location and Protection: The Political and Economic Geography of U.S. Nontariff Barriers" American Journal of Political Science 43(4), 1999: 1028-1050.

*Busch Marc L. and Eric Reinhart, "Industrial Location and Voter Participation in Europe," British Journal of Political Science 35, 2005: 713-730

+Hays, Jude Globalization and the New Politics of Embedded Liberalism
NY Oxford University Press, 2009: Chapters 1 and 6.

I. Review and retrospectives [May 7, 9]

Berneio and Pontusson, Chapter 12 (Rueda)

+Freeman, John R. "Democracy and Markets in the 21st Century." In International Perspectives on Contemporary Democracy Peter Nardulli editor. Champaign, Illinois, University of Illinois Press, 2008, pps. 183-220.

Final examination: Wednesday, May 15 10:30am-12:30pm