

## **Political Science 556/PAP 656: Advanced Political Economy**

Winter Quarter 2014  
Monday 4:00 – 6:30pm  
611 Urban Center  
Professor Birol A. Yeşilada

Office Hours: Monday & Wednesday 11am - noon or by appointment  
Office: 650H Hatfield School of Government (CUPA)  
Office phone # 725-3257  
e-mail: [yesilada@pdx.edu](mailto:yesilada@pdx.edu)

### **COURSE OUTLINE**

Political Economy studies the structure and uses of economic power--the economic basis of political processes broadly defined. It covers the inter-relationships between economics, politics, and social change at the systemic, regional, state and local levels. Liberal and radical schools provide the analytic bases and define the key variables: market relations, interdependence between agents, control of productive resources, international trade and monetary relations, the North-South gap and the distribution of resources and wealth. This seminar provides a basic overview of the literature on theories of political economy. These theories provide the intellectual foundations of contemporary perspectives on economic and political development, international trade, international monetary systems, international finance, and regional integration.

### **Course Requirements and Grading:**

1. Attendance is mandatory and participation counts for 10% of the course grade.
2. Weekly critical analysis of weekly readings marked with (\*). You are required to be ready to discuss the assignments in a seminar environment. The format of the class is not based on lecture. It is a seminar discussion of the assigned readings. *You are required to choose any five weekly assignments and write a critical analysis of each set of readings during the course of the term.* These reviews should be about five to six pages in length, double-spaced and typed. These papers are due on the same day of class discussion of each subject. Once the topic is covered in the seminar, you cannot write a review of those readings. There is no rigid format for the review essays; however, they should meet the basic requirement of book reviews you find in academic journals. Critiques should focus on: conceptualization, methodology, findings, and utility (for theory and policy). The descriptive summary of content should be minimal. Each review is 10 % of the course grade – thus 50% of total grade.
3. Final examination (Take-Home, 48 hours) 40% of course grade.

Final exam	40%
Five Review papers	50%
Participation	10%
<b>Total:</b>	<b>100%</b>

**READINGS**

Weekly readings will be available on D2L (marked in the readings section) and some will be available as reserve reading in the Political Science Betty Lewis reading room .

(\*): required

(o): optional (you are not expected to read all of these. But, they are suggestions for future readings, i.e. comprehensive examination).

**The following are basic introductory texts on international political economy**

Caporaso, James and David Levine. 1994. *Theories of Political Economy* (Cambridge: Cambridge University Press).

Fusfeld, Daniel. 2001. *The Age of the Economist* (New York: Prentice Hall).

Griffin, Kenneth. 1999. *Alternative Strategies for Economic Development*. (New York: St. Martin's Press).

**Week #1 (January 6): Introduction**

(\*) King, James E. (1948). "The Origin of the Term 'Political Economy'" *The Journal of Modern History*, Vol. 20, No. 3. (Sep., 1948), pp. 230-231.

(\*) Gilpin, Robert, (1996) "Economic Evolution of National Systems, *ISQ* Vol. 40 no. 3 (September):411-31. PDF FILE online.

(\*) Charles Lindblom (1995). "Markets and Democracy – Obliquely" The 1995 John Gauss Lecture, *PS* Vol 28, no. 4 (December):684-88.

(\*) Herbert Simon, "John Gaus Lecture: Public Administration in Today's World of Organizations and Markets," *PS* Vol. XXXIII no. 4 (December 2000):749-56.

(o) Chilcote, Ronald (2000). *Theories of Comparative Political Economy*. (Boulder: Westview Press).

(o) Hodgson, Geoffrey (1996). "An Evolutionary Theory of Long-Term Economic growth," *International Studies Quarterly*, 40, no. 3 (September), pp. 391-410

(o) Lindblom, Charles (1977). *Politics and Markets*.

(o) Schools of Political Economy. WORD FILE online.

(o) Summers, Lawrence (1999) "Reflections on Managing Global Integration" *Journal of Economic Perspectives* 13(2):3-18. PDF FILE online.

**I. Classical Schools**

**Week #2 (January 13): Classical Liberalism**

(\*) John Stuart Mill (1848) *Principles of Political Economy*. Book I: Ch 1-8, and 10; Book II: Ch 1-4 and 14-16; Book III: Ch. 1-9, 11, 14, 17 and 20; Book IV: Ch. 1-4; Book V: Ch. 1-2, 7, and 8-11.

Available at Online Library of the Liberty Fund.

[http://oll.libertyfund.org/index.php?option=com\\_staticxt&staticfile=show.php&title=165](http://oll.libertyfund.org/index.php?option=com_staticxt&staticfile=show.php&title=165)

OR <http://www.econlib.org/library/Mill/mlP.html>

(\*) John Stuart Mill (1863) *Utilitarianism*.

(o) Smith, Adam, (1776). *An Inquiry Into The Nature And Causes Of The Wealth Of Nations, Book 4 on Political Economy*. WORD FILE online.

(o) Ricardo, David. (1817, 1821 3<sup>rd</sup> ed). *On The Principles of Political Economy and Taxation*. Ch. 1-8, 19, 24-26 and skim the rest of the book. PDF FILE online.

**Week #3 (January 20 - University Closed, meet on January 23, Thursday 4pm Rm 611): Classical Schools: Marxism**

(\*) Tucker, Robert (1978). *The Marx-Engels Reader*. "Economic and Philosophic Manuscript of 1844," "Wage, Labour and Capital," "The Eighteenth Brumaire of Louis Bonaparte 1852," and "The Communist Manifesto."

(\*) \_\_\_\_\_. *Theories of Surplus Value*. Vol. 2 part on "Crisis Theory." This is also available in Tucker's book pp. 443-468.

**CAUTION, THESE PAGE NUMBERS MAY NOT CORRESPOND TO OTHER EDITIONS OF THE READER.**

**NeoMarxists:**

(o) Bagechi, A. K. (1982). *The Political Economy of Underdevelopment*.

(o) Baran, Paul (1960). *The Political Economy of Growth*.

(o) Magdoff, Harry and Paul M. Sweezy (1981). *The Deepening Crisis of U.S. Capitalism*.

(o) Robinson, Joan (1979). *Aspects of Development and Underdevelopment*.

(o) Taylor, J.G. (1979). *From Modernization to Modes of Production*.

**II. Contemporary Schools**

**Week #4 (January 27): New Mercantilism – Economic Nationalism**

(\*) Krasner, Stephen D. (1978). *Defending the National Interests*.

(\*) C. Christopher Baughn; Attila Yaprak (1996) "Economic Nationalism: Conceptual and Empirical Development" *Political Psychology*, Vol. 17, No. 4. (1996), pp. 759-778.

(\*) Paolo Guerrieri; Pier Carlo Padoan (1986) "Neomercantilism and International Economic Stability" *International Organization*, Vol. 40, No. 1. (Winter, 1986), pp. 29-42.

(o) Caporaso and Levine, Ch. 7 and 8.

(o) Rudolph C. Blitz (1967) "Mercantilist Policies and the Pattern of World Trade, 1500-1750" *The Journal of Economic History*, Vol. 27, No. 1. (March), pp. 39-55.

(o) William Appleman Williams (1958) "The Age of Mercantilism: An Interpretation of the American Political Economy, 1763 to 1828" *The William and Mary Quarterly*, 3rd Ser., Vol. 15, No. 4. (Oct., 1958), pp. 419-437.

(o) Grabowski, Richard (1994). "The State and Economic Development" *Studies in Comparative International Development* Vol 29 no. 1 (Spring):3-17.

(o) Han, Jongwood and L.H.M. Lig (1998). "Authoritarianism in the Hypermasculinized State: Hybridity, Patriarchy, and Capitalism in Korea" *ISQ* Vol. 42 no. 1 (March):5-78.

(o) Crone, Donald (1993). "Does Hegemony Matter? The Reorganization of the Pacific Political Economy," *World Politics*, Vol. 45, No. 4 (July):501-526.

(o) Gill, S. (1990). *American Hegemony and the Trilateral Commission*.

(o) Gilpin, Robert (1971). "The Politics of Transnational Economic Relations." *International Organization*. Vol. XXV. no. 3 (Summer).

(o) Gilpin, Robert. "The Nature of Political Economy" in *U.S. Power and Multinational Corporation* by R. Gilpin.

(o) Gowa, Joanne (1989). "Rational Hegemons, Excludable Goods, and Small Groups" *World Politics*. Vol. 41. no. 3.

(o) Hirschman, Albert, O. (1945). *National Power and the Structure of Foreign Trade*.

(o) Ikenberry, G.J. (1989). "Rethinking the Origins of American Hegemony." *Political Science Quarterly*, 104:375-400.

(o) Ikenberry, G.J., and C.A. Kupchan (1990). "Socialization and Hegemonic Power." *International Organization*. 44:283-315. (o) Katzenstein, Peter (1977). "Introduction: Domestic and International Forces and Strategies of Foreign Policy." *International Organization*. Vol. XXXI. no. 4.

(o) Keohane, Robert (1984). *After Hegemony*.

(o) Kurth, James R. (1989) "The Pacific Basin versus the Atlantic Alliance: Two Paradigms of International Relations" *Annals of the American Academy of Political and Social Science*, Vol. 505, The Pacific Region: Challenges to Policy and Theory. (Sep., 1989), pp. 34-45.

- (o) Morgenthau, Hans (1978). *Politics Among Nations: The Struggle for Power and Peace*.
- (o) Snidal, D. (1985). "The Limits of Hegemonic Stability Theory." *International Organization*. 39:579-614.
- (o) Strange, Susan (1987). "The Persistent Myth of Lost Hegemony." *International Organization*. 41:551-574.
- (o) Webb, M.C. and S. D. Krasner (1989). "Hegemonic Stability Theory: An Empirical Assessment." *Review of International Studies*. 15:183-198.

### **Week #5 (February 3): Neoclassical Monetarists & Neoliberalism**

- (\*) Friedman, Milton (1983). "A Monetarist View" *The Journal of Economic Education*, Vol. 14, no. 4 (Autumn): 44-55.
- AND
- (\*) Friedman, Milton (1962). *Capitalism and Freedom*.
- OR
- (\*) Friedman, Milton (1980). *Free to Choose*.

- (o) *Milton Friedman and the "Chicago School"* WORD FILE online
- (o) Simons, H.C. (1934). *A Positive Program for Laissez-Faire*.
- (o) DeLong, J. Bradford (1999). *The Triumph of Monetarism?* WORD FILE online.
- (o) Doyle, Michael W. (1986). "Liberalism and World Politics," *APSR*, 80, no. 4, (December): 1151-1170.
- (o) Grampp, William (2000). "What Did Adam Smith Mean by the Invisible Hand?" *Journal of Political Economy* Vol 108, no. 3 (June):441-65. PDF FILE online.
- (o) Tavlas, George (1997). "Chicago, Harvard, and the Doctrinal Foundations of Monetary Economics," *Journal of Political Economy*, 105, no. 1, pp. 153-77.

### **Week #6 (February 10): Keynesianism and Heterodoxy (Alternative Institutionalists & Evolutionary Economics)**

- (\*) Keynes, Maynard 1936. *The General Theory of Employment, Interest and Money*. Reprinted in Keynes, *Collected Writings*. Vol. 7. Chapters 1,3,18, 22-24.
- (\*) Hall, Peter, ed. (1989). *The Political Power of Economic Ideas: Keynesianism Across Nations*. READ CH. 1-2 AND ANY ADDITIONAL TWO CASES.
- (\*) Galbraith, J. Kenneth (1984). *The Affluent Society*, 4th ed.

- (o) Schumpeter, Joseph (1942). *Capitalism, Socialism and Democracy*,
- (o) \_\_\_\_\_. (1908-1909). "On the Concept of Social Value," *Quarterly Journal of Economics*, vol. 23, Pp. 213-232
- (o) Caporaso and Levine, Ch. 4-6
- (o) Keynes, John M. (1926). *The End of Laissez-Faire*.
- (o) Stanfield and Wrenn-J.K. "Galbraith and Original Institutional Economics"

## **III. Alternative Schools**

### **Week #7 (February 17): Public Choice Theory**

- (\*) Downs, Anthony (1957). *An Economic Theory of Democracy*.
- (o) Dennis Mueller "Public Choice: A Survey" *Journal of Economic Literature* 14:2 (June 1976):395-433.
- (o) John R. O'Neal "Testing the Theory of Collective Action: NATO defense Burdens, 1950-1984." *JCR* 34:3 (September 1990):426-448.
- (o) Olson, Mancur. *The Logic of Collective Action*.

**Week #8 (February 24): Interdependence School**

- (\*) Keohane, Robert and Joseph Nye (1989). *Power and Interdependence*. 3rd or 4<sup>th</sup> edition.
- (\*) Doyle, Michael (1986) "Liberalism and World Politics" *APSR* 80 (4): 1151-1169. PDF FILE online.
- (\*) Rosecrance, R., A. Alexandroff, W. Koehler, J. Kroll, S. Laqueur, and J. Stocker (1977). "Whither Interdependence?" *International Organization*. 31 (Summer): 4225-471.
- (o) Stein, Eric (2001) "International Integration and Democracy," *The American Journal of International Law* Vol. 95 no. 3 (July):489-534. PDF FILE online.
- (o) Papayoanou, Paul (1997). "Economic Interdependence and the Balance of Power," *International Studies Quarterly*, 41, no. 1 (March), pp. 113-140.
- (o) Tsoukalis, Loukas (1991). *The New European Economy*.
- (o) Waltz, Kenneth (1970). "The Myth of Interdependence." In *The International Corporation*, ed. by C. Kindleberger, pp. 205-223.

**Week #9 (March 3): Dependency Theories, neo-Marxists, and World Systems Analysis**

- (\*) DosSantos, Theotonio (1970). "The Structure of Dependence" *American Economic Review* 60 (May): 231-236.
- (\*) Dos Santos and Randall (1998) "The Theoretical Foundations of the Cardoso Government/ A New Stage of the Dependency-Theory Debate" *Latin American Perspectives*, 25:1 (January):53-70
- (\*) Duvall, Raymond (1978) "Dependence and Dependencia Theory: Notes Toward Precision of Concept and Argument," *International Organization* 32 (1):51-78.
- (\*) Gordon, W. "Institutionalism and Dependency," *Journal of Economic Issues*, Vol. 16, No. 2 (Jun., 1982), pp. 569-575
- (\*) Kapoor, Ian (2002) "Capitalism, culture, agency: dependency versus postcolonial theory" *Third World Quarterly* 23 (4):647-666.
- (\*) Wallerstein, I. (1993) "World-System after the cold war," *JPR* 30:1.
- (\*) \_\_\_\_\_. (2005) "After Developmentalism and Globalization, what?" *Social Forces*, Vol. 83, No. 3 (Mar., 2005), pp. 1263-1278
- (o) Amin, Samir (1976). *Unequal Development*.
- (o) Amin, S. (2001). "Imperialism and globalisation." *Monthly Review*, Vol 53, Nr 2, June 2001.
- (o) Baran, Paul and Paul M. Sweezy (1966). *Monopoly Capital*.
- (o) Bergesen, Albert, ed., (1983). *Crises in the World-System*.
- (o) Caporaso, James (1978). "Introduction to the Special Issue of International Organization Dependence and Dependency in the Global System." *International Organization*, 32, (Winter): 1-43.
- (o) Caporaso, James (1980). "Dependency Theory: Continuities and Discontinuities in Development Studies," *International Organization*, 34 (Autumn): 605-628. PDF FILE online.
- (o) Cardoso, Fernando H. (1972). "Dependency and Development in Latin America." *New Left Review*, 74 (July-August): 83-95. 8.
- (o) Chilcote, Ronald (1985). *Theories of Development and Underdevelopment*. Read Chapters 3, 4, and 5 (pp. 79-108).
- (o) ECLA(1984). "The Political Economy of Stabilization: Commitment, Capacity, and Public Response," *World Development*, Vol. 12, No. 10, pp. 983-1006.
- (o) Friedman, Edward, ed., (1982). *Ascent and Decline in the World-System*.
- (o) Hein, Simeon (1992). "Trade Strategy and the Dependency Hypothesis." *Economic Development and Cultural Change*, pp. 495-521.
- (o) Lall, Sanjaya (1975). "Is 'Dependence' a Useful Concept in Analysing Underdevelopment?" *World Development*, 3, no. 11-12, pp. 799-810.

- (o) Palma, Gabriel (1978). "Dependency: A Formal Theory of Underdevelopment or a Methodology for the Analysis of Concrete Situations of Underdevelopment?" *World Development*, 6, (July-August): 881-924.
- (o) Surin, K. (1998). "Dependency theory's reanimation in the era of financial capital." *Cultural Logic*, Vol 1, No 2, 1998.
- (o) Thompson, William (1983). *Contending Approaches to World System Analysis*.
- (o) Wallerstein, I. (1980) *The Modern World System, Vol 1 and 2*.
- (o) Wallerstein, I. (1979). *The capitalist world-economy*. Cambridge: Cambridge University Press.
- (o) Wallerstein, I. (2002). New revolts against the system. *New Left Review*, No 18, Nov-Dec 2002.
- (o) Wallerstein, Immanuel (1974). "Dependence in and Interdependent World" *African Studies* vol 17 no 1.
- (o) Wallerstein-The Rise and Future Demise of the World Capitalist System Concepts for Comparative Analysis

**Week #10 (March 13 THURSDAY 4pm Rm 611, I will be in San Francisco on Monday March 10 for Boren scholarships Western Region Meeting): Power Transition Theory**

(\*) Tammen, Ron and Jacek Kugler (2012). *Performance of Nations*

- (o) Special issue of the *International Studies Review* Volume 8 Issue 4 , Pages 555 - 697 (December 2006) – "Reflection, Evaluation, Integration in World Politics: Quo Vadis? A Symposium"
- (o) Jacek Kugler "Introduction" (p 555-561)
- (o) Ron Tammen "The Impact of Asia on World Politics: China and India Options for the United States"
- (o) Tadeusz Kugler and Siddharth Swaminathan "The Politics of Population"
- (o) Yi Feng "Sources of Political Capacity: A Case Study of China"
- (o) Birol Yesilada, Brian Efir, and Peter Noordijk. "Competition among Giants: A Look at How Future Enlargement of the European Union Could Affect Global Power Transition"
- (o) Frank Zagare and Marc Kilgour "The Deterrence-Versus-Restraint Dilemma in Extended Deterrence: Explaining British Policy in 1914"