

Political Economy (Econ 405)
Monday/Wednesday/Friday 1:25-2:15 in ZSH G004

Instructor: John Robinson (robinsja@jmu.edu)

Office Hours: Tuesdays 8:30-11:30 and Thursdays 10:00-1:00 in Zane Showker 420

Course Objective: The overarching theme of this course is sustainability of democracy, capitalism, and liberalism. We will read authors from the 4th century BC to the present day, each of whom discusses the instability of political and economic institutions. The modern liberal era, which seemed to some to signal the final stage in humanity's social, political, and economic development, is under attack from numerous quarters. In this course, we will take a scholarly approach to the question of the inherent stability or instability of political and economic systems. Fundamentally, we will ask: Do capitalism, democracy, and liberalism tend to produce individuals and cultures that are capable of maintaining capitalism, democracy, and liberalism?

Throughout the course, we will examine heterodox approaches to socio-economic issues. Markets, property rights, inequality, wealth, and scientific progress will all feature prominently in our discussions. At the conclusion of this course, students should possess a basic understanding of the interaction between politics, economics, and society, and understand the methods to investigate the relationships between the three areas of inquiry.

Attendance: I do not plan to take attendance.

Electronics: All laptops, phones, etc. are strictly prohibited. Students caught using a contraband device will have 5 points deducted from their overall grade. I will not necessarily interrupt the class discussion to ask you to put away your device.

Academic Honesty and Integrity: All students are expected to comply with JMU policy about academic integrity and honesty at all times. I take this very seriously, as should you. Penalties for honor code violations include a grade of "F" assigned for the course. No exceptions. (<http://www.jmu.edu/academicintegrity/>)

Disabilities notice: If you have not already done so, you will need to register with the Office of Disability Services, Student Success Center, First Floor, Suite 1202, 568-6705, and provide me with an Access Plan letter outlining your accommodations. Accommodations will be made for students with disabilities in accordance with JMU policy <http://www.jmu.edu/JMUpolicy/1331.shtml>

Inclement weather policy: During inclement weather, be aware of closure notice directly from the university or by checking the university web page. If class is cancelled for another reason, I will send an announcement. <http://www.jmu.edu/JMUpolicy/1309.shtml>

Religious observance accommodation: Notify me as early as possible before the add/drop deadline if you expect to need accommodation for religious observance or engagement of great personal importance that will cause you to miss instructional or testing time. We will discuss the appropriate accommodation at that time.

Required texts: We will read two books this semester: “The Moral Economy” by Samuel Bowles and “Why Liberalism Failed” by Patrick Deneen. You will need to acquire these as soon as possible. All other reading material will be accessible via Canvas.

Grades: I use a point system:

[A ≥ 180; 180 > B ≥ 150; 150 > C ≥ 130; 130 > D ≥ 110; 110 > F]

Price of Admission (PoA) Papers (100 points): At the beginning of the semester, I will divide the class into three groups, A, B, and C, which will determine your assignments for each day. On every Monday (beginning September 3rd), students in one of the three groups must turn in a 1-2 page critical response on the reading for the week. Students in group A will have papers due on September 3rd, September 24th, October 15th, and November 5th. Students in group B will have papers due on September 10th, October 1st, October 22nd, and November 12th. Students in group C will have papers due September 17th, October 8th, October 29th, and November 26th.

Do not summarize. Your commentary should highlight content in the readings you found insightful, confusing, thought provoking, or otherwise noteworthy. No exceptions, no extensions. No paper results in a zero for that week. I will grade the papers on both content and composition. Each paper is worth a possible 25 points. Please note that these papers make up the bulk of your grade. Do not neglect these.

We will begin class with a selection of these read aloud to get the discussion started, so write to your classmates, not only to me. Papers will be selected randomly, but you may also volunteer.

In-Class Seminar (60 points): I will begin the semester with a series of lectures, transition into a few in-class discussions, and finally begin taking a secondary role in your class seminar. Once the seminar portion of the course begins, I expect to keep my own speaking to a minimum. Beginning on September 10th, each student may earn up to 5 participation points for the week.

You may earn participation points in the following ways:

- 1) physical and intellectual presence
- 2) quality of your comments or questions
- 3) quantity of your contributions (neither too many nor too few)
- 4) respectful behavior toward your classmates

Final Exam (40 points): The final exam will be take-home. It will be cumulative and will consist of essay questions related to the readings and the discussion throughout the semester. As a bonus, if I write a final-exam question based on one of your PoA papers, you will receive automatic full credit for the question. It is due on Friday, December 14th at 11:59pm.

Extra Credit Quizzes (?): I will use a random number generator at the beginning of each class to determine if you will have a reading quiz for the day. Each day you will have a 20% chance of a quiz. These quizzes will consist of detailed questions from the reading, and will be worth 1-2 points. Diligent reading throughout the semester might earn you as much as 15 points toward your final grade.

Books: We will read two books this semester: “The Moral Economy” by Samuel Bowles and “Why Liberalism Failed” by Patrick Deneen. You will need to acquire these by no later than the first week of October. All other reading material will be accessible via Canvas.

Tentative Schedule: The assignments that follow may be modified at any time by the course instructor, with a minimum of 48 hours-notice. Changes will be announced in class as well as on Canvas.

I expect you to have read all the assigned readings before we meet.

Unit I: Defining Economics (Week 1)

1.1 - Aug 27: Introductory comments

1.2 - Aug 29: Hausman – “The Philosophy of Economics: An Anthology” *Introduction* [35]

1.3 - Aug 31: Backhouse & Medema – *On the Definition of Economics* [15]

Unit 2: The central concern - Unsustainable democracy/liberalism/capitalism (Weeks 2-3)

2.1 - Sept 3: Buchanan - *What Should Economists Do?* [12]

2.2 - Sept 5: Aristotle - “Politics” (Book 5)

2.3 - Sept 7: Polybius - Excerpts from Histories

- 3.1 - Sept 10: Deneen - "Why Liberalism Failed" - Intro & Chapter 1 [42]
- 3.2 - Sept 12: Hirschman - *Rival Interpretations of Market Society...* [22]
Putnam - *Bowling Alone* [10]
- 3.3 - Sept 14: Bowles - *Endogenous Preferences: The Cultural Consequences...* [30]

Unit 3: What are markets? (Weeks 4-5)

- 4.1 - Sept 17: Boettke and Storr - *Post-Classical Political Economy...* [20]
- 4.2 - Sept 19: Hayek - *The Use of Knowledge in Society* [12]
Hayek - *The Pretense of Knowledge* [5]
- 4.3 - Sept 21: Polanyi - *The Growth of Knowledge in Society* [29]
Polanyi - *The Value of the Inexact* [1]

- 5.1 - Sept 24: Hayek - *The Meaning of Competition* [13]
- 5.2 - Sept 26: Lie - *Sociology of Markets* [14]
- 5.3 - Sept 28: Granovetter - *Economic Action and Social Structure* [22]

Unit 4: What is ownership? (Weeks 6-7)

- 6.1 - Oct 1: Coase - *The Problem of Social Cost* [40]
- 6.2 - Oct 3: Alchian - *Some Economics of Property Rights* [14]
Demsetz - *Toward a Theory of Property Rights* [14]
- 6.3 - Oct 5: Merrill and Smith - What Happened to Property in Law and Economics? [35]

- 7.1 - Oct 8: Carruthers - *The Sociology of Property Rights* [22]
- 7.2 - Oct 10: Marx - Excerpts from Economics and Philosophic Manuscripts of 1844
- 7.3 - Oct 12: de Jouvenel - "The Ethics of Redistribution" - Lecture 1 [45]

Unit 5 - The history (and future) of capitalism. (Weeks 8-12)

- 8.1 - Oct 15: Tocqueville - "Democracy In America" (Volume II, Part IV, Chapters 1-4)
- 8.2 - Oct 17: Tocqueville - "Democracy In America" (Volume II, Part IV, Chapters 5-8)
- 8.3 - Oct 19: Deneen - "Why Liberalism Failed" - Chapter 3

- 9.1 - Oct 22: Marx - Excerpts from Economic and Philosophic Manuscripts of 1844
- 9.2 - Oct 24: Schumpeter - Excerpts from "Capitalism, Socialism, and Democracy"
- 9.3 - Oct 26: Rogge - Excerpts from "Can Capitalism Survive?"

- 10.1 - Oct 29: Bowles - Chapters 1 & 2
- 10.2 - Oct 31: Bowles - Chapter 3 & 4
- 10.3 - Nov 2: Bowles - Chapters 5 & 6

11.1 - Nov 5: Bowles - Chapter 7

11.2 - Nov 7: McCloskey - Excerpts from “The Bourgeois Virtues”

11.3 - Nov 9: [[No Class]]

12.1 - Nov 12: Deneen - “Why Liberalism Failed” - Chapter 4

12.2 - Nov 14: Deneen - “Why Liberalism Failed” - Chapters 5 & 6

12.3 - Nov 16: McCloskey - *Not by P Alone: A Virtuous Economy* [15]

Thanksgiving Break - November 17 through November 25

Unit 6 - The economics of politics. (Weeks 13-14)

13.1 - Nov 26: Besley - *Political Selection* [16]

13.2 - Nov 28: Deaton - *On Tyrannical Experts and Expert Tyrants* [6]

13.3 - Nov 30: Smith – Excerpts from TMS on the ‘Man of System’

14.1 - Dec 3: Deneen - “Why Liberalism Failed” - Chapter 7 & Conclusion

14.2 - Dec 5: TBA

14.3 - Dec 7: TBA