

Political Economy 20:834:541:1  
Syllabus, Fall 2013  
School of Public Affairs and Administration  
Rutgers, Newark

*Note - syllabus is subject to change*

Instructor: Dr. Stephanie Hoopes Halpin  
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Office Hours: TBA  
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**Course Description**

Political economy is both a theoretical approach and a topic area. In this class, we will review the major theoretical frameworks used to analyze policy focusing on economic issues. We will also explore the relationship between governments and markets, and nongovernment actors including consumers, workers, non-profits and businesses. Using current local and national political issues as case studies, we will analyze and critic different theoretical approaches, policy decisions and strategies.

**Course format**

This course is a research seminar and thus student participation is key to our collective learning. I expect that you will learn as much, if not more, from the other students than from the professor. The format of each seminar will generally be as follows. We will start each seminar with an introduction to the topic followed by student presentations of the readings. After discussion, there will be a brief formal presentation of key concepts – if needed. Following a short break, we will spend the second part of the seminar doing group work – role playing, simulations, projects. We will close with a discussion on current issues on the week's topic.

**Student learning outcomes**

- to be able to lead and manage in public governance
- to participate in and contribute to the public policy process
- to analyze, synthesize, think critically, solve problems, and make decisions
- to articulate and apply a public service prospective
- to communicate and interact productively with a diverse and changing workforce and citizenship

NO CELL PHONES DURING CLASS

**Overview of Assignments:**

- **Portfolio Project (20%):** You will be required to prepare a range of items for the portfolio. The format will vary and include projects, writing assignment, simulations, and presentations. Each week there will be a writing assignment based on one of the required reading due on Blackboard by noon on Monday. Twice during the semester you will present to the class – one individual reading summary and one mock interview with a partner. A sign-up sheet will be available at the first class. You can also submit a link to an article, video or other current event piece for a bonus point. Information regarding the other portfolio projects will be discussed in class and posted on Blackboard.
- **Class participation (20%):** Each week we will engage in the topic through discussion of the assigned readings and current events, group projects and simulations. The best way to learn new material is to ask questions and apply it to current events. Given the importance of class discussion, attendance is mandatory. Prior notice of unavoidable absences is expected, and students are responsible for missed work and assignments.
- **Mid Term (30%):** This in-class open notebook exam will review core theories and concepts introduced in the first half of the course. (Week 11 – March 22)
- **Final paper (30%):** An individual advocacy position paper, approximately 20 pages, to be submitted by the final day of class. You choose the topic, though a two page proposal and outline must be approved by Week 8. More details about the paper assignment are on Blackboard.

*Note on Plagiarism and Cheating: Plagiarism is ANY form of taking others' work without giving them credit. All quoting, paraphrasing, and summarizing require formal citation. These include statistics, facts not generally known as well as ideas and opinions that are not your own. Papers may be analyzed using plagiarism software; given the way such software identifies material taken from other sources, the criterion for judging the level of plagiarism is 30%: more than 30% plagiarized material constitutes failure on the assignment.*

*Cheating is not acceptable, and can lead to failing the course. Forms of cheating include copying another student's work and not contributing to a group assignment.*

#### **Books:**

There is no one book for this course. There are several we will use on multiple weeks that might be worth purchasing. In order of their use:

- Miller, Roger LeRoy, Daniel K. Benjamin, Douglass C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009.
- Oatley, Thomas, *Debates in International Political Economy*, second edition, Longman, 2012.
- Zakaria, Fareed, *Future of Freedom: Illiberal Democracy at Home and Abroad*, WW Norton, 2004.

**Background Reading:**

I will assume that you know most of the material in this introductory textbook. If you are not a Public Administration student, you might want a copy for background.

- Marc Holzer and Richard Schweser, *Public Administration: An Introduction*, M.E. Sharpe, 2011.

Another good reference book:

- Robert Heilbroner and Lester Thurow, *Economics Explained: Everything you need to know about how the economy works and where its going*, Touchstone, 1998.

- = required reading for all students

### **Week 1 - Welcome and Introduction**

U.S. Political system – Three branches of government  
 Policy making – how to change the system

Hay, Colin, Michael Lister and David Marsh, eds., *The State: Theories and Issues*, Palgrave Macmillan, 2006.

Holzer, Marc, and Richard Schweser, *Public Administration: An Introduction*, M.E. Sharpe, 2011, chapters 2 and 4.

Friedman, Milton, “Why Government Is the Problem,” Wriston Lecture, Manhattan Institute for Policy Research, 1991. And for an opposing view, read Professor Amy’s blog: [www.governmentisgood.com](http://www.governmentisgood.com)

### **Week 2 – The Political Economy of Disasters**

Disasters help focus government and citizens alike on what is the most important role of government. Through comparisons between Hurricane Katrina and Superstorm Sandy, we will explore the core functions of government, various means of delivery and funding.

- Kettl, Donald F and Jonathan Walters, “The Katrina Breakdown, Coordination and Communication problems between levels of government must be addressed before the next disaster strikes,” *Governing*, December 2005.  
<http://collinsinstitute.fsu.edu/files/pdf/seminar-2010-02-25/FINAL%20PAPER-RICHARDSON.pdf>
- Sobel, Russell S. and Peter T. Leeson, “Government’s response to Hurricane Katrina: A public choice analysis,” *Public Choice*, 127: 55–73, 2006.  
[http://www.peterleeson.com/hurricane\\_katrina.pdf](http://www.peterleeson.com/hurricane_katrina.pdf)
- Brooks, David, “What Government Does,” *New York Times*, April 28, 2011.

### **Week 3 - The Public Sector and their Tools for Managing the Economy**

Who makes up the public sector, and how do they operate in the United States? Specifically we will look at how they manage the economy.

- Thaler, Richard H., and Cass R. Sunstein, *Nudge: Improving Decisions about Health, Wealth, and Happiness*, Yale University Press, 2008, introduction and chapters 4 and 5.
- Zakaria, Fareed, *Future of Freedom*, Introduction and Chapter 3.

Miller, Roger LeRoy, Daniel K. Benjamin, Douglass C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009, Chapter 1 and 9.

Pew, Government Performance Project, 2009.

Dunleavy, Patrick, *Democracy, Bureaucracy and Public Choice: Economic Explanations in Political Science*, Harvester Wheatsheaf, 1991, chapters 6-9.

**B** - Gosling, James, *Budgetary Politics in American Government*, Routledge, 2009, chapters 4-5.

**B**- Holzer, Marc, and Richard Schweser, *Public Administration: An Introduction*, M.E. Sharpe, 2011. Chapter 9, Public Budgeting, p.288-315.

#### **Week 4 - Market Forces**

The larger economic forces, particularly the financial, commodity, job, real estate and other economic markets, play a large role in policy making. We explore their impact on policy making and government strategies for addressing these forces.

- Miller, Roger LeRoy, Daniel K. Benjamin, Douglass C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009, Market Forces (Part Four), and chapter 28.
- United Nations, *World Economic and Social Survey 2006: Diverging Growth and Development*, Chapter II: Structural change and economic growth
- Oatley, Thomas, *Debates in International Political Economy*, second edition, Longman, 2012, chapters 1 and 16.

Wells, Wyatt, *American Capitalism, 1945-2000: Continuity and Change from Mass Production to the Information Society*, Ivan R. Dee publisher, 2003, chapters 5 and 6.

New York Federal Reserve Bank, "Has Structural Change Contributed to a Jobless Recovery?" Volume 9, Number 8, August 2003.

**B** - Heilbroner, Robert, and Lester Thurow, *Economics Explained: Everything you need to know about how the economy works and where its going*, Touchstone, 1998, especially 12-14.

#### **Week 5 - Government and Economic Development**

Is the role of government to promote or regulate business? Who really controls policy? How does this happen at the local level? at the national level? what is the impact of globalization?

- Judd, Dennis, and Todd Swanstrom, *City Politics: The Political Economy of Urban America*, 7th edition, 2010, chapter 12 and 13.
- Oatley, Thomas, *Debates in International Political Economy*, second edition, Longman, 2012, chapters 2-4, and 8.
- Zakaria, Fareed, *Future of Freedom*, Chapter 5, 6 and Conclusion.

Harris, Richard, and Sidney Milkis, *The Politics of Regulatory Change*, Chapter 4.

Holzer, Harry, "Raising Job Quality and Skills for American Workers: Creating More-Effective Education and Workforce Development Systems in the States," The Hamilton Project, Discussion Paper, November 2011.

McGahey, Richard, and Jennifer Vey, eds, *Retooling for Growth: Building a 21<sup>st</sup> Century Economy in America's Older Industrial Areas*, Brookings Institution Press, Washington, DC, 2008, chapter 1 and 9.

**B** - Robert Heilbroner and Lester Thurow, *Economics Explained: Everything you need to know about how the economy works and where its going*, Touchstone, 1998, especially 12-14.

### **Week 6 – Rutgers-Newark Stop of the American Whistleblower Tour**

**Note** – Wednesday, February 22, 2012 at 5:30 PM

Multipurpose Room, Paul Robeson Campus Center, Rutgers-Newark

"Six Stages of Whistleblowing": Discovery, Disclosure, Isolation, Retaliation, Solidarity, and Vindication

Government Accountability Project – website for the leading whistleblower protection and advocacy organization - [www.whistleblower.org](http://www.whistleblower.org)

Roberta Ann Johnson, *Whistleblowing: When It Works-And Why*, Lynne Rienner, 2002.

Lechner, Jay P. and Paul M. Sisco "Sarbanes-Oxley Criminal Whistleblower Provisions and the Workplace: More Than Just Securities Fraud," *The Florida Bar Journal*, Volume 80, No.6, June, 2006.

Jos, Philip, Mark Tompkins, and Steven Hays, "In Praise of Difficult People: A Portrait of the Committed Whistleblower," *Public Administration Review*, November/December 1989.

## **Week 7 - Income and Inequality**

Income and wealth are unequally distributed in the United States. Should the government intervene? How does the government shift the balance between the poor and the wealthy? What other measures would make an impact?

- Bartels, Larry, *Unequal Democracy*, Princeton University Press, 2008, chapter 1, 6, 8, 10.
- Roger LeRoy Miller, Daniel K. Benjamin, Douglas C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009, Part Three, p.73-96, and chapter 29.
- Wider Opportunities for Women, "Coming Up Short: Wages, Public Assistance and Economic Security Across America," Washington, DC, Spring 2011.

Kochhar, Rakesh, Richard Fry and Paul Taylor, "Wealth Gaps Rise to Record Highs Between Whites, Blacks and Hispanics," Pew Research Center's Social & Demographic Trends, July 2011.

New - Daniel Aaronson, Sumit Agarwal, and Eric French, "The Spending and Debt Responses to Minimum Wage Increases," Federal Reserve Bank of Chicago, 2011.

[http://www.chicagofed.org/digital\\_assets/publications/working\\_papers/2007/wp2007\\_23.pdf](http://www.chicagofed.org/digital_assets/publications/working_papers/2007/wp2007_23.pdf)

Daniel Gitterman, *Boosting Paychecks*, Brookings, 2009; and Dr. Bradley R. Schiller, "Just Getting By? Income Dependence on Minimum Wage Jobs," March 2011.

Don Peck, "Can the Middle Class be Saved?" *The Atlantic*, September 2011, p.60-78.

## **Week 8 - Housing**

The American Dream is often linked to owning your own home. Is this realistic? (was it ever?) What happened in the housing bubble? Who is to blame? What changes should be made?

- Gleaser, Edward L. and Joseph Gyourko, *Rethinking Federal Housing Policy: How to Make Housing Plentiful and Affordable*, Aei Press, 2008, chapters 1, 2 and conclusion.
- Miller, Roger LeRoy, Daniel K. Benjamin, Douglass C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009, Chapter 10 and 21.
- Sowell, Thomas, *The Housing Boom and Bust*, Basic Books, 2009, chapters 1-3.

Indiviglio, Daniel, "When the Government Can Interfere in Housing Finance," *The Atlantic*, January 22, 2011.

Housing and Community Development Network of New Jersey, "Building from the Ground Up: 20<sup>th</sup> anniversary report," 2009.

Federal Reserve Bank of Richmond, *Our Perspective: Housing Finance Policy*, updated June 6, 2011.

Hasse, John, John Reiser and Alexander Pichacz, "*Evidence of Persistent Exclusionary Effects of Land Use Policy within Historic and Projected Development Patterns in New Jersey: A Case Study of Monmouth and Somerset Counties*," Geospatial Research Laboratory, Rowan University, June 2011.

[http://gis.rowan.edu/projects/exclusionary/exclusionary\\_zoning\\_final\\_draft\\_20110610.pdf](http://gis.rowan.edu/projects/exclusionary/exclusionary_zoning_final_draft_20110610.pdf)

**\*\* Outline for Advocacy Paper due in class \*\***

**Week 9 - No Class - Spring Break**

**Week 10 - Aging**

One of the biggest challenges policy makers face today is an aging population. What are the impacts on government spending, social security, business models, and the future?

- Miller, Roger LeRoy, Daniel K. Benjamin, Douglass C. North, *Economics of Public Issues*, Addison Wesley, 16 edition, 2009, chapter 20 and 23.
- The Elder Economic Security Standard™ Index for New Jersey, the Gerontology Institute, University of Massachusetts Boston and Wider Opportunities for Women, 2009.
- VanDerhei, Jack, and Craig Copeland, *The EBRI Retirement Readiness Rating: Retirement Income Preparation and Future Prospects*, Employee Benefit Research Institute, 2010.

Ageing Societies and the Looming Pension Crisis, OECD website feature topic.

Healthy Aging Program, *The State of Aging and Health in America Report*, Centers for Disease Control and Prevention – interactive website.

Leibman, Jeffrey, Maya MacGuineas, and Andrew Samwick. "Nonpartisan Social Security Reform Plan." The New America Foundation, December 14, 2005.

**Week 11 - Mid-term**

**Week 12 - Nuclear Policy**



For an industry that requires enormous long-term investment and complicated high technology, what role should the government play? How do you balance energy needs with safety?

- Deutch, Professor John M., and an interdisciplinary MIT study team, *The Future of Nuclear Power*, MIT Energy Initiative, 2009.
- International Energy Agency, “World Energy Outlook 2010,” 2010.
- Perrow, Charles, *Normal Accidents: Living with High Risk Technologies*, Princeton University Press, 1999, chapters 1 and 2.

Thomas, Stephen, Peter Bradford, Antony Froggatt and David Milborrow, “The Economics of Nuclear Power,” Greenpeace, 2007.

US Nuclear Regulatory Commission, “Backgrounder on Emergency Preparedness at Nuclear Power Plants,” 2009.

World Nuclear Association, “The Economics of Nuclear Power,” March 2011.

### **Week 13 – Financial Crisis**

Whether it is the Great Depression (or Recession), war, terrorism or hurricane, what role should government and business play during a crisis? Is the recent financial crisis typical or exceptional?

- Fiscal Affairs Department, *Fiscal Implications of the Global Economic and Financial Crisis*, IMF, 2009.
- Oatley, Thomas, *Debates in International Political Economy*, second edition, Longman, 2012, chapter 10.
- Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (Picador 2008), introduction and chapters 2 and 15.

Booth, Philip, ed., *Verdict of the Crash: Causes and Policy Implications*, Institute of Economic Affairs, 2009, chapters 3-5.

Federal Reserve Bank of Richmond, *Our Perspective: Too Big to Fail*, updated April 29, 2011.

Putra, Fadillah, “Crisis Management in Public Administration,” *Planning Forum*, Volume 13/14, 2009.

HBO movie – Too Big to Fail

## **Week 14 - Economics of Defense**

Defense is an essential government service. Consuming half of the US budget, it is the greatest administrative responsibility of the government. How effective is our defense system? How efficient is it?

- Caverley, Jonathan D. "United States Hegemony and the New Economics of Defense." *Security Studies* 16, no. 4 (October-December 2007): 598-614.
- Miller, T. Christian, "This Year, Contractor Deaths Exceed Military Ones in Iraq and Afghanistan" ProPublica, Sep. 23, 2010, and Project on Government Oversight, "Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors," September 13, 2011.
- Steven Cohen and William Eimicke, *The Responsible Contract Manager*, Georgetown University Press, 2008, chapter 9.

Feldstein, Martin. "Defense Spending Would Be Great Stimulus." *Wall Street Journal*, December 24, 2008, and Nye, Joseph S. Jr. "The Right Way to Trim." *New York Times*, August 4, 2011.

O'Hanlon, Michael E., *Budgeting for Hard Power: Defense and Security Spending Under Barack Obama*, Brookings Institution Press, 2009.

Paarlberg, Robert L., "Knowledge as Power: Science, Military Dominance, and U.S. Security," in Barry S. Rundquist and Thomas M. Carsey, eds., *Congress and Defense Spending: The Distributive Politics of Military Procurement* (Congress Studies Series), University of Oklahoma Press, 2002.

## **Week 15 - Media**

In a democracy, is the media a business or a public good or the fourth branch of government? How has the rise in new communications technology changed the role of the media as a check on government?

- Anderson, Chris, *The Long Tail: Why the Future of Business Is Selling Less of More* (New York: Hyperion, 2006) 1-40.
- Chadwick and P. Howard, eds., *Routledge Handbook of Internet Politics*, Routledge, 2009, chapter 14 and chapter 23.
- McChesney, Robert, *The Political Economy of Media: Enduring Issues, Emerging Dilemmas*, Monthly Review Press, 2008. Also YouTube video.

Mathiason, John, *Internet Governance: The New Frontier of Global Institutions*, Routledge, 2009, pages 49-58, 71-150. Available online via Dana Library.

Minow, Newton, "A Vaster Wasteland," *The Atlantic*, April 2011.

Shirky, Clay, "The Political Power of Social Media," *Foreign Affairs*, Jan/Feb 2011.