

The Political Economy of Hard Policy Problems

Fall 2021

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Location: TBA

Class Meets: M, W, F 10-10:50

Office Hours: Mondays 11:00-12:00 and Wednesdays 11-12.

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Overview

This gateway course tackles some of the “hard problems” of public policy. That is, while governments are cajoled to raise wages, do something about economic inequality, protect the climate, and improve the life chances of citizens through purposive action, actually delivering on these things is incredibly hard. These areas constitute ‘hard problems’ for two main reasons. Economically, we don’t really have much of a clue about how to do many of these things. Politically, there are powerful interests and entrenched ideas out there that want to keep things just as they are.

This course examines ten “hard problems” for public policy. Namely:

- Why (it seems) there is never enough money for what people want government to do
- Why (it seems) governments can’t tax the rich
- Why (it seems) governments can’t tax corporations
- Why the US racial wealth gap persists
- Why US police reform is so difficult
- Why Free Trade is a hard policy to maintain
- Why the US ‘free markets’ are anything but free and why reforming them is difficult
- Why the free labor contract is anything but free and why changing that is difficult
- Why everyone is so damn angry all the time and hates the government
- Why climate change is so hard to address

Class Format, Requirements and Learning Goals

The format of the course is a lecture with discussion sections, albeit with a twist. The twist is that since we are on a Monday, Wednesday, and Friday schedule, we are going to use a trick I used during COVID teaching to enhance our learning experience.

- Each Monday we will do ‘argument’ in our lecture. That is, we will , in person, discuss a text (book section or similar) that details a particular hard policy problem.
- Each Wednesday we shall follow that up with ‘policy response’ in our in-person lecture. That is, we will discuss and analyze a particular policy proposal or similar related to the theme of the week.
- Each Friday, we shall retreat to zoom at the regular lecture time, where we will have an open discussion of the week’s topic with me. This is in addition to the sections you will have with the TAs.

In terms of requirements there are three pieces of work for course credit. There are two substantive papers of 6-8 pages (dates are found below). And there is a final exam covering the whole semester's

work. The breakdown on these components is as follows: *Paper 1 30% Paper 2 30% Final Exam 30%*. The remaining ten percent depends upon section participation as decided by the TA concerned. *Section attendance is compulsory*. The course readings follow a chronological flow, with each section building upon the others. The readings can be technical, but no prior background is assumed or required. The class is best approached in the following sequence.

- a) **Read** the assigned materials **before** class. Really, do this.
- b) **Attend** the lecture. Do not tune out in class or zoom out from home.
- c) **Attend** your section
- d) **Write** the papers
- e) **Sit** the Final Exam

If approached in that order, the Readings serve as the general background that introduces you to key ideas and issues. The Lectures then clarify and expands upon the readings. The Sections (*with me and the TAs*) allow you to ask questions and push further into the issues concerned, or to clarify specific areas of the materials. If you do this, in this order, there is a cumulative build to your knowledge base as the course progresses. If you try instead to simply absorb enough through the lectures, and then cram the readings, experience suggests that this will not result in the best learning experience.

Similarly, the Writing Assignments are intended work with the sequential mode of engagement outlined above to reinforce your knowledge and to help you develop the skills of synthesizing historical and empirical materials into a short argumentative form.

The first essay recaps what we cover in the first 40 percent of the class. That is, you will have covered the first four topics, and then I shall give you ten days to write a 6 page policy memo on one of the topics, as if you are summarizing that issue for a policymaker.

The second essay recaps the next 40 percent of the materials and happens four topics later. Again, I shall give you one week to write a 6 page policy memo on one of the topics as if you are summarizing that issue for a policymaker.

The final exam covers the last 20 percent of the material as well as the course as a whole. This is a take home exam where you will write an essay of 6-8 pages comparing policy issues from across our readings.

The learning goals of the class are to introduce students to the political and economic issues that make policymaking both hard and prone to failure. All public policies produce distributional outcomes that advantage some groups over others. These distributions set the parameters of what is possible versus what is, in theory, preferable. The course is also designed to show the student that there are not always technocratic, neutral, nor Pareto-improving policy moves available. In such a world organized interests and the policy ideas that they wield as weapons in distributional combat come to the fore. The student should be able to bring a political economy perspective to bear on all such questions following this course.

Course Commitments and Outcomes

Over 12 weeks, you will spend just under 2 hours per week in class (24 hours total), plus 1 hour on zoom with me on Friday's (12 hours). This is comprised of 50 mins per class session per week twice plus one zoom session on Friday. Required reading for the seminar meetings are expected to take up approximately 5 hours per week (60 hours total over 12 weeks of the course). Podcast

listening should take up another 12 hours. Writing the papers, presuming you have read what is required already, is estimated at total of approximately 20 hours over the course of the term. The final is open book and take home and is open for 48 hours. Total time commitment is 176 hours (assuming 48 hours for the final exam).

Accommodations

Brown University is committed to full inclusion of all students. Please inform me early in the term if you have a disability or other conditions that might require accommodations or modification of any of these course procedures. You may speak with me after class or during office hours. For more information, please contact Student and Employee Accessibility Services at 401-863-9588 or SEAS@brown.edu. Students in need of short-term academic advice or support can contact one of the Deans in the Office of the Dean of the College.

Late Submissions, Absences, and Emergencies

Late submissions of any assignment or non-attendance in the course will not be accepted, except under documented emergency circumstances. That means, specifically, that the instructor must be informed in advance of any impending reason for non-completion of requirements. In the case of 'documented emergency circumstances,' that means medical emergencies documented by a doctor or a nurse at a recognized medical facility. There are no exceptions to this policy. You must contact me if you have an issue in advance of the issue if possible.

Academic Conduct

Please read Brown University's [policies on academic conduct](#) carefully. Handing in someone else's work or ideas as your own (even if you worked on it together as a group) constitutes plagiarism, as does using someone's ideas without appropriate citations. You must give a citation when you use an author's ideas in your writing, even if you do not quote the text word-for-word. If you have any questions, please ask. Be informed and be careful.

Texts Available for Purchase

Elizabeth Anderson, *Private Government: How Employers Rule our Lives* (Princeton: Princeton University Press 2017)

Mehrsa Baradaran, *The Color of Money* (Cambridge: Harvard University Press 2017)

Mark Blyth and Eric Lonergan, *Angrynomics* (New York: Columbia University Press 2020)

Matthew Klein and Michael Pettis, *Trade Wars Are Class Wars* (New Haven: Yale University Press 2020)

Matto Mildenberger, *Carbon Captured: How Business and Labor Control Climate Politics* (Cambridge: MIT Press 2021)

Thomas Phillippon, *The Great Reversal* (Cambridge: Harvard University Press 2020)

Cristobal Young, *The Myth of Millionaire Tax Flight: How Place Still Matters for the Rich* (Stanford: Stanford University Press 2016)

Gabriel Zucman, *The Hidden Wealth of Nations* (Chicago: University of Chicago Press 2015)

Alex Vitale, *The End of Policing* (New York: Verso Press 2017)

All other texts are available on the web and are hyperlinked in the syllabus below. If any links cease to work let me know and I shall replace them.

Week by Week Course Schedule

Class One: Weds 8th September
Introduction – No readings

Class Two: Friday 10th September
Open Discussion on Zoom

Class Three: Monday 13th September
“There is no Magic Money Tree!”
Argument: Stefanie Kelton, *The Deficit Myth* (Washington DC: Public Affairs 2020) – Chs. Intro, 1, 3 and 4. And listen to [this Podcast](#)

Class Four: Wednesday 15th September
“There is no Magic Money Tree!”
Policy Response: Bank of England, Quarterly Bulletin 2014 (Q1) Money Creation in the Modern Economy (Available [here](#))

Class Five: Friday 17th September
Open Discussion on Zoom

Class Six: Monday 20th September
“If You Tax the Rich They Will Move”
Argument: Cristobal Young, *The Myth of Millionaire Tax Flight: How Place Still Matters for the Rich* (Stanford: Stanford University Press 2016). Chs. 1 and 2. And listen to [this Podcast](#)

Class Seven: Wednesday 22nd September
Policy Response: “If You Tax the Rich They Will Move”
Alexandra Thornton and Galen Hendricks [“Ending Special Tax Treatment for the Very Wealthy,”](#) Center for American Progress June 2019

Class Eight: Friday 24th September
Open Discussion on Zoom

Class Nine: Monday 27th September
“Corporations Need Tax relief!”
Argument: Gabriel Zucman, *The Hidden Wealth of Nations* (Chicago: University of Chicago Press 2015) Chs. 1 and 2. And watch [this video podcast](#)

Class Ten Wednesday 29th September
“Corporations Need Tax Relief!”
Policy Response: OECD proposal on [Base Erosion](#) 2020 report:

Class Eleven: Friday 1st October
Open Discussion on Zoom

Class Twelve: Monday 4th October
“A New Deal...For White America”
Argument: Mehrsa Baradaran, *The Color of Money* (Cambridge: Harvard University Press 2017) Chs. 1, 4, 7. And listen to [this Podcast](#)

Class Thirteen: Wednesday 6th October
“A New Deal...For White America”
Policy Response: McKinsey Consulting on [Closing the Racial Wealth Gap](#)

Class Fourteen: Friday 8th October
Open Discussion on Zoom

NB: First Policy Memo Exercise given out Friday October 8th and is due back in Class Monday the 18th of October

Monday 11th October
No Class - Indigenous People’s day

Wednesday 13th October
No Class – Conference Absence

Class Fifteen: Friday 15th October
Open Discussion on Zoom on the first exercise

Class Sixteen: Monday 18th of October
“Defunding the Police is a Stupid Idea”
Argument: Alex Vitale, *The End of Policing* (New York: Verso 2018) Chs. 1-3 and 10, and listen to this [podcast](#).

Class Seventeen: Wednesday 20th October
“Defunding the Police is a Stupid Idea”
Policy Response: The Constitution Project on [Demilitarizing US Police](#)

Class Eighteen: Friday 22nd October
Open Discussion on Zoom

Class Nineteen: Monday 25th October

“Everyone Benefits from Free Trade”

Argument: Matthew Klein and Michael Pettis, *Trade Wars Are Class Wars* (New Haven: Yale University Press 2020), Chs. Intro, 1 and 6. And listen to [this Podcast](#)

Class Twenty: Wednesday 27th October

“Everyone Benefits from Free Trade”

Policy Response: Biden [Administration Trade Policy](#) and listen to this [podcast](#)

Class Twenty-One: Friday 29th October

Open Discussion on Zoom

Class Twenty-Two: Monday November 1st

“Europe is Socialist and America Has Free Markets!”

Argument: Thomas Phillppon, *The Great Reversal* (Cambridge: Harvard University Press 2020) Chs: 1, 2, 6 and 7. And Listen to [this Podcast](#)

Class Twenty-Three: Wednesday November 3rd

“Europe is Socialist While America Has Free Markets!”

Policy Response: [The Competition and Anti-Trust Enforcement Act of 2021](#)

Class Twenty-Four: Friday November 5th

Open Discussion on Zoom

Class Twenty-Five: Monday November 8th

“The Labor Contract is a Voluntary Exchange Among Equals”

Argument: Elizabeth Anderson, *Private Government: How Employers Rule our Lives* (Princeton: Princeton University Press 2017) Chs. 1, 2, 6, 7. And listen to [this Podcast](#)

Class Twenty-Six: Wednesday November 10th

“The Labor Contract is a Voluntary Exchange Among Equals”

Policy Response: [Protecting the Right to Organize Act of 2021](#)

Class Twenty-Seven: Friday November 12th

Open Discussion on Zoom

NB: Second Policy Memo Exercise given out Friday November 12th and is due back in Class Monday the 18th of Monday November 22nd

Class Twenty-Eight: Monday November 15th

“On Average, the World has Never Been Richer,”

Argument: Eric Lonergan and Mark Blyth, *Angrynomics* (New York: Columbia University Press 2020) Chs, 1, 2, 5 And listen to [this podcast](#).

Class Twenty-Nine: Wednesday November 17th

Policy Response: Blyth and Lonergan – ‘Fidelity for the People’ – St. Louis Federal Reserve (Link forthcoming)

Read: <https://www.ippr.org/files/2018-04/cej-our-common-wealth-march-2018.pdf> and

Watch: <https://www.ippr.org/media-item/watch-a-citizens-wealth-fund-explained>

Class Thirty: Friday November 19th

Open Discussion on Zoom

Class Thirty-One: Monday November 22nd

Review session of course to date

No Classes Weds 24th and Friday 26th of November

Thanksgiving Break

Class Thirty-Two: Monday November 29th

Nature Bats Last?

Argument: Matto Mildenberger, *Carbon Captured: How Business and Labor Control Climate Politics* (Cambridge: MIT Press 2021, Chs. 1-3) and listen to this [podcast](#).

Class Thirty-Three: Wednesday December 1st

Nature Bats Last?

Policy Response: Biden Climate Policy Statements [one](#), [two](#) and [three](#):

Class Thirty Four: Friday December 3rd

Open Discussion on Zoom

Class Thirty-Five: Monday December 6th

Review Session

Class Thirty-Six: Weds December 8th

Review Session