Politics of Capitalism - Final Review

Structure:

* Identifications: 1-2 sentences, definition and significance of concept
* Short answers: 1 paragraph, structure of key arguments
* Longer essay (3-4 paragraphs): Fukuyama argues in *The End of History* that the combination of democracy and capitalism is the best answer we have to the problem of social order. Is he right? Consider the following issues: (1) Are democracy and capitalism compatible or do they tend to undermine each other? And how exactly? (2) How has the relationship between democracy and capitalism evolved over the last century or so in the developed world and what are the main forces behind this evolution? (3) What are the prospects for democratic capitalist systems today? Are they resilient or are they breaking down? And how?

Key terms: postwar bargain/embedded liberalism/politics of productivity, catch-all/mass party, les trente glorieuses, end of history, postmaterial values, decommodification, policy feedback, collective action problem, iron triangle, rational ignorance, doctrine of sufficiency, Kuznets curve, assortative mating

Main topics:

19th c. doubts about compatibility of democracy & capitalism

Ways that democracy can undermine capitalism and vice versa

Reasons that majority doesn’t expropriate: incentives, ideology, politics, other concerns

Problems of integrating working class into democracy

Attractions of extremes in interwar Europe

Reasons for postwar bargain - ideology, economics, parties

Mass versus catch-all party and reasons for emergence

Challenges to postwar bargain

Liberal/social democratic/conservative welfare states

Causes of welfare state: logic of industrialism, left power, institutions

How retrenchment of welfare state differs from expansion & policy feedback

Public choice theory and main assumptions

Collective action problem

Bureaucratic capture/iron triangle

Rational ignorance and voter irrationality

Ethics of inequality: doctrine of sufficiency, arguments for equality

Evolution of inequality in 20th and 21st centuries: U-shaped curve, Kuznets curve, belle epoque vs convergence capitalism vs globalization capitalism

Causes of inequality: war, public policy, unions, technology, globalization

Arguments for and against big business: corruption, CEO pay, monopolies, BS jobs

Lobbying as quid pro quo, information, subsidy, consumption