

LECTURE / DISCUSSION / DEBATE
POLITICAL ECONOMY OF WEALTH

Terms and concepts to know:

Capitalism	Keynesian theory
Command economy	Liberal market economies (LMEs)
Comparative institutional advantage (CMEs)	Market economy
Convergence	Market failure
Coordinated market economies	Monetary policy
Deficit spending	Monopoly
Developmental state	Natural monopoly
Externality	Neoliberalism
Fiscal policy	Public goods
Globalization	Varieties of capitalism (VOC)

Study and discussion questions:

1. How and why should states intervene in the market economy?
2. Of the three reasons given by Milanovic for taking economic inequality seriously, which of the three does he consider the most important and do you agree with his analysis?
3. In what ways do economic policies reflect the relative power of different groups in society?
4. How important is globalization in determining the economic policies of individual countries?
5. Give a brief outline of Garfinkle's take on inequality and ideology and find some points of agreement and disagreement with his analysis.
6. Why does Anderson believe that "college educated" people ultimately become "useful idiots" for capitalist interests? Is this always the case?
7. Explain Urie's position that when capitalism gets into trouble the rich get a bailout while the poor and working class get sold out? Is this how capitalism should operate?
8. Why have some wealthy states intervened in the market economy more than others? Does this mean there really is a difference between capitalism and the "free market"?

Readings:

Orvis / Drogus – Chapter 10

Video:

Free to Choose.