UNIVERSITY OF CAMBRIDGE

Politics and International Relations MPhil Module

American Political Economy

Paper Guide 2026-27

Course Convenor: Dr James Wood
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Office Hours: Email to arrange an appointment.

Teaching Pattern: One weekly two hour seminar for 7 weeks.
Schedule: Mondays, 9:00am - 11:00am
Venue: Room 119, Alison Richard Building.

Module Outline

This course introduces students to the rapidly developing field of American Political Economy (APE). Despite the centrality of the United States to global capitalism, the systematic study of its political economy has been surprisingly underdeveloped within political science. This course addresses that gap by examining how key issues, such as political institutions, organised interests, and racial hierarchy, have shaped, and continue to shape, America's wider political economy. The course begins by establishing the analytical framework for studying APE, challenging common assumptions about the weakness of the American state and the independence of markets from politics. It then examines how federalism and institutional design function as distributive instruments, before turning to the constitutive role of race in American capitalism, from the dispossession of indigenous peoples and the institution of slavery through to contemporary structural inequality. Subsequent weeks explore the political mobilisation of corporate interests, the decline of organised labour, and the distinctive character of the American welfare state, which operates largely through hidden, privatised channels. The course then investigates the 'hidden developmental state' and the political construction of the knowledge economy, before concluding with the rise of Trumpism, democratic backsliding, and the question of whether the American political-economic settlement can survive the erosion of its democratic foundations. Throughout, students are encouraged to treat the United States not as an outlier to be explained away but as a case that demands its own political economy.

Module Structure

The course will consist of seven weekly two-hour seminars. Students are expected to have completed the required readings in advance of each seminar. The purpose of the seminars is to have a student-led discussion of the assigned readings each week, which will be oriented around the set question listed in this guide. A discussion of the readings is only possible if students have prepared appropriately by doing the required reading. Student participation in the seminar discussion, though not formally assessed, is an essential part of your academic performance. Seminar participation is the principal opportunity for students to receive feedback on their understanding of the readings, which will be used to answer questions in the formal assessment. Therefore, prepare well for each

seminar and be as active as possible. Seminars also provide spaces where you can raise questions or lines of debate with your peers and the module convenor, so make the most of them. If for any reason you cannot make a seminar, be sure to contact me in advance.

Seminar Schedule

Seminar 1: What is American Political Economy?
Seminar 2: Institutions, Federalism, and Inequality
Seminar 3: Race and the American Political Economy
Seminar 4: Business Power, Labour, and Organised Interests
Seminar 5: Welfare Provision and the Submerged State
Seminar 6: The Knowledge Economy and the Hidden Developmental State
Seminar 7: Trump, Democratic Decline, and the Future of APE

Learning Outcomes

Upon successfully completing this module, students will be able to:

- Demonstrate an understanding of the key debates, frameworks, and analytical tensions within American Political Economy, including the relationship between state and market, the structural power of business, and the role of institutions in shaping distributive outcomes;
- Critically assess the claim that the American state is 'weak,' drawing on scholarship on the hidden welfare state, the submerged state, and the hidden developmental state;
- Analyse how racial hierarchy has functioned not as a secondary variable but as a constitutive feature of American capitalism, from the founding era to the present;
- Evaluate competing explanations for rising inequality, democratic erosion, and partisan realignment in the United States, and assess the relationship between them;
- Engage critically with interdisciplinary scholarship spanning political science, political economy, economic sociology, and American political development;
- Apply the analytical frameworks developed in the course to contemporary developments in American politics and political economy.

Summative Evaluation

There is only one summative (formal) assessment for the module and this consists of a 3,000 word essay. The submission date and questions are still to be confirmed.

Readings

Readings are divided into two categories: required and recommended. Required readings should be analysed by all students prior to each seminar, whilst the recommended readings provide a range of additional material that should be covered in your essays. The following pages outline the most important texts for the course.

Topics and Readings:

Seminar 1: What is American Political Economy?

Before we can analyse American Political Economy (APE), we need to understand what the field itself is and why it has been surprisingly underdeveloped within Political Science. We begin by establishing the analytical framework that organises the course, drawing on recent efforts to define APE as a coherent research agenda. This week's readings challenge common assumptions about the weakness of the American state, that markets operate independently of politics, and that the boundaries between state and market are self-evident. The aim is to establish the conceptual vocabulary and core tensions that will run through the rest of the course.

Seminar Question:

If the American state is not weak (Novak) but is structurally constrained by business power (Lindblom), what kind of state is it and whose interests does it serve?

Required Readings (Total Pages: 80):

1. Hacker, J.S., Hertel-Fernandez, A., Pierson, P. and Thelen, K. (2022) 'Introduction: the American political economy: a framework and agenda for research', in Hacker, J.S., Hertel-Fernandez, A., Pierson, P. and Thelen, K. (eds.) The American Political Economy: Politics, Markets, and Power. Cambridge: Cambridge University Press, pp. 1–48.
2. Lindblom, C.E. (1982) 'The market as prison', Journal of Politics, 44(2), 324–336.
3. Novak, W.J. (2008) 'The myth of the "weak" American state', American Historical Review, 113(3), 752–772.

Recommended Readings:

Block, F. (1984) 'The ruling class does not rule: notes on the Marxist theory of the state', in Ferguson, T. and Rogers, J. (eds) The Political Economy: Readings in the Politics and Economics of American Public Policy, New York: Routledge, pp. 32-46.

Greider, W. (1987) Secrets of the Temple: How the Federal Reserve Runs the Country. New York, Simon and Schuster.

Hall, P.A. and Soskice, D. (2001) 'An introduction to varieties of capitalism', in Hall, P.A. and Soskice, D. (eds.) Varieties of Capitalism: The Institutional Foundations of Comparative Advantage. Oxford: Oxford University Press, pp. 1–68.

Hofstadter, R. (1973). The American Political Tradition and The Men Who Made it. New York, Random House.

Huntington, S.P. (1966) 'Political modernization: America vs. Europe', World Politics, 18(3), 378–414.

Immerwahr, D. (2020) How to Hide an Empire: A Short History of the Greater United States. London, Vintage.

Mettler, S. (2018) The Government-Citizen Disconnect. New York, Russell Sage Foundation.

Pierson, P. (2000) 'Increasing returns, path dependence, and the study of politics', American Political Science Review, 94(2), 251–267.

Schwartz, H.M. (2019) 'American hegemony: intellectual property rights, dollar centrality, and infrastructural power', Review of International Political Economy, 26(3), 490–519.

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Seminar 2: Institutions, Federalism, and Inequality

America's institutional architecture is often treated as a fixed backdrop to political life. This session examines how these institutions actively shape political economy outcomes. We ask whether veto points are neutral features of democratic design or mechanisms that reproduce inequalities, how federalism has become a site of partisan conflict rather than policy experimentation, and why the deep economic differences across American regions fail to generate the place-based political mobilisation we might expect. The goal is to understand institutions not as procedural constraints but as distributive instruments in and of themselves.

Seminar Question:

Does American federalism function as a laboratory of democracy or a machine for producing inequality?

Required Readings (Total Pages: 84):

1. Grumbach, J.M. (2022) Laboratories Against Democracy: How National Parties Transformed State Politics. Princeton: Princeton University Press, chs. 1–2.
2. Hacker, J.S., Pierson, P. and Zacher, S. (2023) 'Why so little sectionalism in the contemporary United States? The underrepresentation of place-based economic interests', in Lupu, N. and Pontusson, J. (eds.) Unequal Democracies. Cambridge: Cambridge University Press, pp. 98–128.
3. Kelly, N.J. and Morgan, J. (2022) 'Hurdles to Shared Prosperity: Congress, Parties, and the National Policy Process in an Era of Inequality', in J.S. Hacker et al. (eds.) The American Political Economy: Politics, Markets, and Power. Cambridge, Cambridge University Press, pp. 51–75.

Recommended Readings:

Ansell, B. and Gingrich, J. (2022) 'Concentration and commodification: the political economy of post-industrialism in America and beyond', in Hacker, J.S., Hertel-Fernandez, A., Pierson, P. and Thelen, K. (eds.) The American Political Economy: Politics, Markets, and Power. Cambridge: Cambridge University Press, pp. 375–406.

Grumbach, J. M., & Michener, J. (2022). American Federalism, Political Inequality, and Democratic Erosion. *ANNALS of the American Academy of Political and Social Science*, *699*(1), 143-155.

Hertel-Fernandez, A. (2019) State Capture: How Conservative Activists, Big Businesses, and Wealthy Donors Reshaped the American States. New York: Oxford University Press.

Horn, A., Haselmayer, M. and Klüser, K.J. (2026) 'Why Inequalities Persist: Parties' (Non)Responses to Economic Inequality, 1970–2020', *American Political Science Review*, 120(1), 346–364.

Kelly, N. J. and Witko, C. (2012). 'Federalism and American Inequality', The Journal of Politics, 74(2), pp. 414-426.

Kettl, D. F. (2020) The Divided States of America. Princeton, Princeton University Press.

LaCroix, A. (2010) The ideological origins of American federalism. Cambridge: Harvard Uni. Press.

Linz, J.J. (1990) 'The perils of presidentialism', Journal of Democracy, 1(1), 51–69.

Rodden, J. (2021) 'Keeping your enemies close: electoral rules and partisan polarization', in Rosenbluth, F. and Weir, M. (eds.) Who Gets What? The New Politics of Insecurity. Cambridge: Cambridge University Press, pp. 129–160.

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Seminar 3: Race and the American Political Economy

How should American Political Economy account for race? One approach treats racial inequality as an outcome to be explained, a distributional pattern produced by markets and institutions to be analysed alongside other forms of stratification. Another holds that racial hierarchy is built into the architecture of American capitalism itself. This week works through both positions. We begin with the deep history, tracing how the dispossession of indigenous peoples, the institution of slavery, and the construction of a nationwide racial order shaped the foundations of American economic life. We then turn to how the state and the market have carried that order forward long after formal exclusion ended, and to what contemporary APE scholarship has made of it.

Seminar Question:

Should race be understood as a variable within American political economy, or as one of its organising principles? What difference does the answer make?

Required Readings (Total Pages: 123):

1. Hahn, S. (2024) Illiberal America: A History. New York: W.W. Norton, chs. 4–5. (105-173)
2. Johnson, K.S. (2016) 'The color line and the state: race and American political development', in Valelly, R., Mettler, S. and Lieberman, R. (eds.) The Oxford Handbook of American Political Development. Oxford: Oxford University Press, pp. 593–624.
3. Thurston, C. (2022) 'Racial inequality, market inequality, and the American political economy', in Hacker, J.S., Hertel-Fernandez, A., Pierson, P. and Thelen, K. (eds.) The American Political Economy: Politics, Markets, and Power. Cambridge: Cambridge University Press, pp. 133–157.

Recommended Reading:

Baradaran, M. (2017) The Color of Money: Black Banks and the Racial Wealth Gap. Cambridge, MA: Harvard University Press, ch. 1.

Carlos, A.M., Feir, D.L. and Redish, A. (2022) ‘Indigenous Nations and the Development of the U.S. Economy: Land, Resources, and Dispossession’, The Journal of Economic History, 82(2), 516–555.

Fraga, B.L., Velez, Y.R. and West, E.A. (2025) ‘Reversion to the Mean, or Their Version of the Dream? Latino Voting in an Age of Populism’, American Political Science Review, 119(1), 517–525

Frymer, P. and Grumbach, J.M. (2021) 'Labor unions and white racial politics', American Journal of Political Science, 65(1), pp. 225–240.

Katznelson, I., Geiger, K. and Kryder, D. (1993) 'Limiting liberalism: the Southern veto in Congress, 1933–1950', Political Science Quarterly, 108(2), pp. 283–306.

King, D. and Tuck, S. (2007) 'De-centring the South: America's nationwide white supremacist order after Reconstruction', Past & Present, 194(1), pp. 213–253.

Ngai, M. M. (2004) Impossible Subjects: Illegal Aliens and the Making of Modern America. New Jersey, Princeton University Press.

Miller, L.L. (2023) 'Checks and balances, veto points, and constitutional folk wisdom: race and class power in American politics', Political Research Quarterly, 76(4), pp. 1604–1618.

Soss, J. and Weaver, V. (2017) 'Police are our government: politics, political science, and the policing of race-class subjugated communities', Annual Review of Political Science, 20, 565–591.

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Seminar 4: Business Power, Labour, and Organised Interests

Who holds power in the American political economy, and how do they exercise it? This week examines the political mobilisation of American business since the 1970s, the concrete mechanisms through which corporate interests shape policy, and the structural position of labour in an economy characterised by corporate dominance. The readings raise a central tension that runs throughout the course: is the balance of power between capital and labour a political choice or a structural condition?

Seminar Question:

If rising inequality is the result of organised political combat rather than impersonal market forces (Hacker & Pierson), why has there been no equally organised counter-mobilisation from labour?

Required Readings (Total Pages: 90):

1. Hacker, J.S. and Pierson, P. (2010) 'Winner-take-all politics: public policy, political organization, and the precipitous rise of top incomes in the United States', Politics & Society, 38(2), pp. 152–197.
2. Hertel-Fernandez, A. (2014) 'Who passes business's "model bills"? Policy capacity and corporate influence in U.S. state politics', Perspectives on Politics, 12(3), pp. 582–602.
3. Naidu, S. (2022) 'Labor market power in the American political economy', in Hacker, J.S., Hertel-Fernandez, A., Pierson, P. and Thelen, K. (eds.) The American Political Economy: Politics, Markets, and Power. Cambridge: Cambridge University Press, pp. 295–320.

Recommended Reading:

Cowie, J. (2010). Stayin' Alive: The 1970s and the Last Days of the Working Class. The New Press.

Drutman, L, (2015). The Business of America is Lobbying: How Corporations Became Politicized and Politics Became More Corporate. Oxford: Oxford University Press.

Foster, C. and Thelen, K. (2025) 'Coordination rights, competition law and varieties of capitalism', Comparative Political Studies, 58(6), 1199-1237.

Galvin, D.J. (2021) 'Labor's legacy: the construction of subnational work regulation', ILR Review, 74(5), 1103–1131.

Hacker, J.S. and Pierson, P. (2016) American Amnesia: Business, Government and the Forgotten Roots of Our Prosperity. New York: Simon & Schuster, ch. 7.

Minchin, T. J. (2024) 'A new labor movement? Assessing the worker upsurge in the contemporary U.S.', Labor History, 65(4), 433–456.

Mizruchi, M.S. and Hyman, M. (2014) 'Elite fragmentation and the decline of the United States', in Lachmann, R (ed.) 2014, The United States in Decline, Emerald Publishing, Bingley.

Rosenfeld, J. (2019) 'US labor studies in the twenty-first century: understanding laborism without labor', Annual Review of Sociology, 45, 449-465.

Skocpol, T. and Hertel-Fernandez, A. (2016) 'The Koch network and Republican party extremism', Perspectives on Politics, 14(3), 681–699.

Steel, R.S. (2026) 'The Political Transformation of Corporate America, 2001–2022', *American Political Science Review*, 120(2), 582–598.

Thelen, K. (2019) 'The American precariat: U.S. capitalism in comparative perspective', Perspectives on Politics, 17(1), 5–27.

Vogel, D. (1983) 'The power of business in America: a re-appraisal', British Journal of Political Science, 13(1), 19–43.

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Seminar 5: Welfare Provision and the Submerged State

The United States built its welfare state differently from its European peers, through a patchwork of tax expenditures, employer-based benefits, and private channels. This week traces that distinctiveness from its origins through to its contemporary consequences. We examine why American social policy took the form it did, how the welfare state was hollowed out not through visible retrenchment but through policy drift, and why so much of what remains is hidden from the citizens who depend on it. The aim is to understand the American welfare state as neither absent nor weak, but structured in ways that obscure the state's role and compound inequality.

Seminar Question:

If the American welfare state is hidden rather than absent, who benefits from its invisibility?

Required Readings (Total Pages: 81):

1. Skocpol, T. (1992) 'State Formation and Social Policy in the United States'. American Behavioral Scientist, 35(4-5), 559-584.
2. Hacker, J.S. (2004) 'Privatizing risk without privatizing the welfare state: the hidden politics of social policy retrenchment in the United States', American Political Science Review, 98(2), 243–260.
3. Mettler, S. (2011) The Submerged State: How Invisible Government Policies Undermine American Democracy. Chicago: University of Chicago Press, chs. 1–2.

Recommended Reading:

Ansell, B. (2014) 'The political economy of ownership: housing markets and the welfare state', American Political Science Review, 108(2), 383–402.

Beland, D., Howard, C. and Morgan, K. J. (2012) The Oxford Handbook of U.S. Social Policy. Oxford: Oxford University Press.

Esping-Andersen, G. (1990) The Three Worlds of Welfare Capitalism. Cambridge: Polity Press, ch. 1.

Hacker, J.S. (2002) The Divided Welfare State: The Battle over Public and Private Social Benefits in the United States. Cambridge: Cambridge University Press.

Howard, C. (1997) The Hidden Welfare State: Tax Expenditures and Social Policy in the United States. Princeton: Princeton University Press, chs. 1–2.

Morgan, K. J. and Campbell, A. L. (2011) The Delegated Welfare State: Medicare, Markets, and the Governance of Social Policy. Oxford, Oxford University Press.

Quinn, S. (2019) American Bonds: How Credit Markets Shaped a Nation. Princeton: Princeton University Press, ch. 1.

Schwartz, H.M. (2008). 'Housing, Global Finance, and American Hegemony: Building Conservative Politics One Brick at a Time'. Comparative European Politics, 6, 262-284.

Soss, J., Fording, R. and Schram, S. (2011) Disciplining the Poor: Neoliberal Paternalism and the Persistent Power of Race. Chicago: University of Chicago Press, introduction.

Thurston, C. (2018) At the Boundaries of Homeownership: Credit, Discrimination, and the American State. Cambridge: Cambridge University Press, ch. 1.

Wiedemann, A. (2022) 'How Credit Markets Substitute for Welfare States and Influence Social Policy Preferences: Evidence from US States', British Journal of Political Science, 52(2), 829–849.

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Seminar 6: The Knowledge Economy and the Hidden Developmental State

This week examines how the American state has shaped the knowledge economy through indirect but consequential interventions. We explore the concept of a 'hidden developmental state' that channels public resources into private innovation through grants, procurement, and public–private partnerships. We then consider how platform business models are restructuring markets and labour relations, and ask how political choices have determined who benefits from the transition to a knowledge-based economy.

Seminar Question:

Is the American knowledge economy a product of market competition or political construction, and what does the answer imply for its reform?

Required Readings (Total Pages: 78):

1. Block, F., Keller, M.R. and Negoita, M. (2024) 'Revisiting the hidden developmental state', Politics & Society, 52(2), 208–240.
2. Rahman, K.S. and Thelen, K. (2019) 'The rise of the platform business model and the transformation of twenty-first-century capitalism', Politics & Society, 47(2), 177–204.
3. Short, N. (2022) 'The politics of the American knowledge economy', Studies in American Political Development, 36(1), 41–60.

Recommended Reading:

Collier, R.B., Dubal, V.B. and Carter, C.L. (2018) 'Disrupting Regulation, Regulating Disruption: The Politics of Uber in the United States', Perspectives on Politics, 16(4), pp. 919–937

Culpepper, P. D., & Thelen, K. (2020) 'Are We All Amazon Primed? Consumers and the Politics of Platform Power'. Comparative Political Studies, 53(2), 288-318.

Eisinger, P.K. (1988) The Rise of the Entrepreneurial State: State and Local Economic Development Policy in the United States. Madison: University of Wisconsin Press.

Iversen, T. and Soskice, D. (2019). Democracy and Prosperity: Reinventing Capitalism through a Turbulent Century. Princeton, Princeton University Press.

Kenney, M. and Zysman, J. (2016) 'The rise of the platform economy', Issues in Science and Technology, 32(3), 61–69.

Reisenbichler, A. & Wiedemann, A. (2022) Credit-Driven and Consumption-Led Growth Models in the United States and United Kingdom. In: Baccaro, L., Blyth, M. & Pontusson, J. (eds.) Diminishing Returns: The New Politics of Growth and Stagnation. Oxford: Oxford University Press.

Schwartz, H.M. (2022) 'Mo' patents, mo' problems', in Hacker, J.S. et al. (eds.) The American Political Economy. Cambridge: Cambridge University Press, pp. 247–269.

Soskice, D. (2022) 'The United States as radical innovation driver', in Hacker, J.S. et al. (eds.) The American Political Economy. Cambridge: Cambridge University Press.

Weiss, L. (2014) America Inc.? Innovation and Enterprise in the National Security State. Ithaca: Cornell University Press.

Wood, J.D.G. (2026) States of Innovation: Driving the American Economy in the 21st Century. Bristol: Bristol University Press.

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Seminar 7: Trump, Democratic Decline, and the Future of American Political Economy

This week examines the rise of Donald Trump and the challenges he presents to the foundations of American democracy and the political-economic order studied throughout this course. We explore how the Republican Party fused plutocratic economic policy with populist mobilisation, how US political institutions have supported authoritarianism, and how democratic outcomes have declined. Together, these readings ask whether the American political-economic settlement can survive the challenges to the democratic institutions on which it depends.

Seminar Question:

Does the rise of populism represent a fundamental challenge to the American political-economic order, or a symptom of its deeper contradictions?

Required Readings (Total Pages: 102):

1. Grumbach, J.M. (2023) 'Laboratories of democratic backsliding', American Political Science Review, 117(3), 967–984.
2. Levitsky, S. and Ziblatt, D. (2023) Tyranny of the Minority: How to Reverse an Authoritarian Turn and Forge a Democracy for All. New York: Crown, chs. 4–5.
3. Pierson, P. (2017) 'American hybrid: Donald Trump and the strange merger of populism and plutocracy', British Journal of Sociology, 68(S1), pp. S105–S119.

Recommended Reading:

Bartels, L.M. (2016) Unequal Democracy: The Political Economy of the New Gilded Age (Second Edition). Princeton: Princeton University Press.

Bartels, L.M. (2026) Donald Trump's Contributions to Political Science, Political Science Quarterly, 141(1), 1–7.

Cooley, A. & Nexon, D. 2025, Trump's Antiliberal Order: How America First Undercuts America's Advantage, Foreign Affairs, 104(1), 16-24.

Cramer, K.J. (2016) The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker. Chicago: University of Chicago Press.

Dür, A. and Invernizzi, A. (2025) 'Weathering the Storm: US Trade Policy Beyond Trump', International Organization, 79(S1), pp. S194–S208.

Gorski, P.S. and Perry, S.L. (2022) The Flag and the Cross: White Christian Nationalism and the Threat to American Democracy. Oxford: Oxford University Press.

Hahn, S. (2024) Illiberal America: A History. New York: W.W. Norton, ch. 10.

Kates, S. et al. (2026) 'Plutopopulism: Wealth and Trump's Financial Base', American Political Science Review, 120(1), 92–109.

Rodríguez-Pose, A., Lee, N. and Lipp, C. (2021) 'Golfing with Trump: social capital, decline, inequality, and the rise of populism in the US', Cambridge Journal of Regions, Economy and Society, 14(3), 457–481.

Schlozman, D. and Rosenfeld, S. (2024) The Hollow Parties: The Many Pasts and Disordered Present of American Party Politics. Princeton: Princeton University Press.

Skocpol, T. and Williamson, V. (2012) The Tea Party and the Remaking of Republican Conservatism. Oxford: Oxford University Press.

Wood, J.D.G. (2026) 'Strategic repoliticisation: inflation, blame, and the fracturing of democratic accountability in the United States', New Political Economy, 1–23.