

POLS/ECON 409 · Solutions to 21st Century Problems, Part 2

Today's discussion prompts synthesize student-provided questions.

Slow Growth. Many Keynesians argue that the world's richest countries suffer from a continuing output gap following the Great Recession and suggest a big round of stimulus is the cure for this "medium-run" ailment. But in the long-run, are 20th century growth rates even feasible? Is Galbraith's "slow growth" economy an alternative?

1. What would slow growth look like?
2. Would slow growth require foresighted policy changes, or will it just happen?
3. Could slow growth help reduce inequality?
4. Who would support or oppose slow growth?
5. What effects would a slow growth movement (or shock) have on countries still trying to "catch-up" to most developed economies through fast growth?
6. What role will automation play in mediating or preventing slow growth?
7. Will slow growth lead us to throw out 20th century macroeconomics by forcing a choice between sustainability and stimulus?
8. Will slow growth throw out 20th century macropolitics, in which economic growth was the best predictor of election outcomes?

Localism. If Crouch is right about the growing impotence of national democratic institutions, does that make it more important to look for solutions at other levels? Is there a solution through community democracy?

Globalism. Many of the problems in this course are seemingly global ones, from the power of financial capital to the rise of inequality. To what extent are global solutions – tight coordination between countries or action through international bodies – the only sufficient answer? To what extent are these approaches feasible?

The EU. Piketty, Crouch and Eichengreen walk into a bar. The topic of conversation is the European Union today. What would they say to each other? How would they

move forward? How would Eichengreen and Piketty react to Crouch's theory of post-democracy?

Democratic Despair. Looking to recent policy decisions, does the median voter's preference ever hold sway? Given macroproblems like political polarization and microproblems like the revolving door for elite policymakers, is democracy even an option for solving inequality and other persistent problems? If democracy isn't the answer to inequality, what is?

Central Banks. Is Rand Paul's call to audit the Fed a worthwhile one? What would our central bank scholars say (Calomiris & Haber, Reinhart & Rogoff, and Adolph)?

Bail, Nationalize, or... Should the US have paid off mortgages instead of bailing out banks? Should the US have nationalized the banks – or did the bailout or quantitative easing constitute a form of nationalization? What would the world look like today if no one bailed during the crisis?

Systemic Risk. Is it possible to completely protect against financial disasters? If we took the advice of every author we've read, could we prevent another Great Recession? Would we want to?

Causes. Weighing all the ideas and evidence, what is the best supported explanation for the Great Recession?

Solutions. Which solution proposed in this course is the most compelling? The most adoptable?

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