

(Version 1: 03/26/08)

## **POLI 227: Comparative Political Economy**

Spring 2008

Monday 12 - 2:50 PM

SSB 114

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Office Hours: Wed 2-4

SSB 373

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This graduate seminar for Ph.D. students examines the interaction between politics and the economy. This seminar will focus on how politics—in particular, political institutions—shapes economic outcomes and how the economy affects politics. We will examine both developed and developing countries and ask how development is affected by politics. The relative importance of domestic politics and international economic forces is also a theme.

The course builds on 200C States and Markets. Readings are chosen not only to represent important debates in CPE but also to showcase works on different regions and countries using diverse methodologies (quantitative, qualitative, historical, formal, and experimental). The trade-off for the breadth and diversity of this course is that few articles can be assigned on any given topic. My goal, however, is to introduce you to the seminal and current ideas in CPE and to help you identify research questions that you can pursue in your own work. Students will be encouraged to pay close attention to how these studies speak to each other and discuss how we can advance the literature.

In addition to the readings and class participation, two major requirements for the course are presentations (see the end of this syllabus for details) and papers.

### **REQUIREMENTS**

#### **A. Two “Referee Reports” (All the participants in the class)**

A two-page, single-spaced “referee report” reviewing an article either (i) chosen from this syllabus, (ii) chosen by you (please consult with me beforehand), or, (iii) I was/am assigned to review (please request). Please turn in this referee report at the beginning of the class from which your article is assigned. I will go over how to write a referee report using actual examples during the first class.

## B. Presentation

Each class participant is required to do one presentation during the course—a “data report” (explained in detail below) or presentation on your own work. Your own work can be one of the following three:

- (i) Research paper or research paper idea
- (ii) Seminar paper or seminar paper idea
- (iii) Dissertation prospectus, chapter or idea

If you choose to do the data report, you will need to distribute a hand-out in class. For the research presentation, please send something written (minimum five pages) to the class e-mail list by **Friday 5pm**.

**C. Papers** Please choose one of the following three tracks.

Track I. Two 5-7 page double-spaced, typed papers critically examining the readings due during the course. Please complete the two “referee reports” **before** you start working on the 5-7 page essay. You may submit your essay anytime after the completion of referee reports and *the final deadline for these 5-7 page essays is **June 11 (Wednesday) at noon***. Examples of how these critical literature reviews should be done are Ben-Ross Schneider’s review on political coalitions and economic policy and Michael Ross’s review on resource curse both published in *World Politics* (both will be available at the course website).

Track II. One 15-page research proposal that proposes a research project that would resolve some of the limitations of the literature we have discussed. The proposal should identify a specific question or puzzle (“dependent variable”), discuss how you would try to answer that question (preliminary argument, hypotheses, and research design), lay out the necessary steps of the project, and suggest how this project would advance the literature. **Track II students should present their draft proposals for the requirement B.** Seminar participants will provide feedback, which should be incorporated into the written proposal.

Track III. You can use your dissertation chapter or seminar/conference paper you are *currently* writing to fulfill the 15 page proposal requirement (no need to shorten the paper to 15-pages). If you decide to choose this track, you need to (i) present this

chapter or paper in the class and get comments, (ii) submit the revised version incorporating these comments. You are also required to do an additional (third) “referee report” reviewing another student’s dissertation chapter or paper presented in the class.

### ***Grade***

Class participation will count for 20% of your grade; referee reports will count 10% each, your presentation or data report will count 10%, and 5-7 page essay papers will count for 50% and 15-page proposal will count for 60% of your final grade. Students are required to attend class and have done the readings in advance.

### **March 31 Week 1: Debates in Comparative Political Economy**

Boix, Carles (1999), “Setting the Rules of the Game: The Choice of Electoral Systems in Advanced Democracies,” *American political science review*, vol:93 iss:3 pg:609

Cusak, Thomas, Torben Iversen, and David Soskice (2007), “Economic Interests and the Origins of Electoral Systems.” *American Political Science Review* 101, August 2007.

Also Recommended:

Dahl, Robert, 1959. “Business and Politics: A Critical Appraisal of Political Science.” *APSR*, Vol. 53, No.1. (Mar., 1959), pp.1-34.

**Workshop I:** How to write a referee report (*i.e.*, evaluate the contribution of your work and others)

### **April 7 Week 2: Economic Growth (NOTE: need to reschedule)**

Acemoglu, Daron, Simon Johnson and James Robinson. 2001. “The Colonial Origins of Comparative Development: An Empirical Investigation.” *American Economic Review* 91 (5): 1369-1401.

Acemoglu, Daron, Simon Johnson, and James Robinson. 2002. “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income.” *Quarterly Journal of Economics* 117 (4):1231-94.

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. 2002. "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development." *National Bureau of Economic Research Working Paper* # 9305.

Keefer, Philip. 2004. "What Does Political Economy tell us about Economic Development and Vice Versa?" *Annual Review of Political Science*. V. 7, 247-72.

"From settler mortality to patrimonialism: weaving the dynamics of political competition into the political economy of development," *Political Economists* (APSA Newsletter for Political Economy section), Volume XII, Issue 3.

### **Micro and Historical Views: Read one of the two.**

Tom Kenyon and Megumi Naoi, 2008. Policy Uncertainty in Hybrid Regimes: Evidence from Firm-Level Surveys. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1005420](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1005420)

Stephen Haber, Armando Razo, Noel Maurer. 2004. *The Politics of Property Rights: Political Instability, Credible Commitments, and Economic Growth in Mexico, 1876-1929*. Chapter 1 and 2.

### **Data Report:**

1. What data measure economic growth?
2. What data measure the security of property rights?

### **Presentation:**

### **April 14 Week 3: Political Economy of Regime Type**

Przeworski, Adam and Fernando Limongi 1993. "Political Regimes and Economic Growth" *Journal of Economic Perspectives* 7, #3: 51-69.

Adam Przeworski and Fernando Limongi. 1997. "Modernization: Theories and Facts" *World Politics* 49(2):155-183

Boix, Carles 1993. "Endogenous Democratization," *World Politics*, Volume 55, Number 4, July 2003.

Gaddes, Barbara. 2004. "Authoritarian Breakdowns," Working Paper, UCLA.

Bueno de Mesquita, Bruce, Alistair Smith, Randall Siverson, and James Morrow. *The Logic of Political Survival*. Chapters 1-3.

## **Workshop II. How to get funding to do fieldwork.**

### **Data Report:**

1. What data measure the nature of constitutional arrangements (e.g., the level of separation of powers, federalism, judicial independence, etc.)?
2. What data measure different aspects of democracy and autocracy (e.g., representation, checks and balances, and civil liberty)?

### **Presentation:**

## **April 21 Week 4 Inequality and Redistribution**

Boix, Carles. 2003. *Democracy and Redistribution*. Chapters TBA.

Iverson, Torben and David Soskice, 2006. "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others," *APSR* Vol. 100, No. 2 May 2006

Hallerberg, Mark, and Patrik Marier. 2004. "Executive Authority, the Personal Vote, and Budget Discipline in Latin American and Caribbean Countries." *American Journal of Political Science*. 48, 3: 571-87.

Acemoglu, Daron and James Robinson, 2001. Inefficient Redistribution. *APSR* 95: 649-61.

Treisman, Daniel. 2000. "Decentralization and Inflation: Commitment, Collective Action, or Continuity?" *APSR* 94: 837-57

## **Workshop III. How to conduct elite interviews.**

### **Data Report**

1. What data measure inequality?
2. What data measure government expenditures, in the aggregate and by category?

### **Presentation**

#### **April 28 Week 5: Welfare States and the Provision of Public Goods**

Isabela Mares, 2003. The Sources of business interest in social insurance: sectoral versus national differences. *World Politics* 55 ( January 2003), 229–58

Iverson and Soskice, 2001. An Asset Theory of Social Policy Preferences, *APSR* (2001), 95: 875-893.

Alesina, Alesina, A., R. Baqir and W. Easterly. 1999. “Public Goods and Ethnic Divisions”. *The Quarterly Journal of Economics*, 1243-1284 (November)

Keefer, Phillipe and Stuti Khemani, 2004. Why Do the Poor Receive Poor Services?, *Economic and Political Weekly*, February 28, 2004

Rudra, Nita. 2003. Globalization and the Decline of the Welfare State in Less-Developed Countries, *International Organization*.

### **Data Report:**

1. What data measure the expansion or retrenchment of welfare states?
2. What data measure the provision of public goods?

### **Presentation:**

#### **May 5 Week 6: Corruption**

Rose-Ackerman, Susan, *The Causes of Corruption*, part III, pp. 111-174.

Treisman, Daniel., 2000. The causes of corruption: A cross-national study. *Journal of Public Economics* 76 (2000) 399-457.

Hellman, Joel. and M. Shankerman, 2000. “Intervention, Corruption and Capture. The

Nexus between enterprises and the state” *Economics of Transition*, 8(3): 545-576.

David Kang, *Crony Capitalism*. Cambridge University Press. Chapters TBA.

Michael L. Ross, 2001. Does Oil Hinder Democracy?, *World Politics* 53 (April 2001), 325–61

### **Data Report:**

1. What data measure corruption?

### **Presentation:**

## **May 12 Week 7: Variety of Capitalism and Political and Economic Outcomes**

Peter A. Gourevitch and James Shinn. 2005. *Political Power and Corporate Control: The New Global Politics of Corporate Governance*. Princeton University Press. Chapters 1 and either 5 or 6.

David Rueda, and Jonnas Pontusson, 2000. Wage Inequality and Varieties of Capitalism, *World Politics* 52 (April 2000), 350–83

Iversen, Torben and Frances Rosenbluth 2006. The Political Economy of Gender: Explaining Cross-National Variation in the Gender Division of Labor and the Gender Voting Gap. *American Journal of Political Science* Volume 50 Issue 1. January 2006

Iversen, Torben, 1996. “Power, Flexibility and the Breakdown of Centralized Wage Bargaining: The Cases of Denmark and Sweden in Comparative Perspective,” *Comparative Politics*, Vol. 28, No. 4. (Jul., 1996), pp. 399-436.

Swenson, Peter. 1991. “Bringing Capital Back In, Or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden,” *World Politics* 43, no. 4 (July 1991), pp. 513-544.

Data report:

1. What data measure labor organization, including the degree of “corporatism” across

countries?

2. What data measure labor union activity, particularly strikes?

### **May 19 Week 8: Elections, Parties, and Economics**

Franzese, Robert. 2002. *Macroeconomic Policies of Developed Democracies*. Cambridge University Press. Chap 1 and 3.

Boix, Carles. 2000. "Partisan Governments, the International Economy and Macroeconomic Policies in OECD Countries, 1964-1993." *World Politics* 53: 38-73.

Chieub, Jose Antonio. 2006. "Presidentialism, Electoral Identifiability, and Budget Balances in Democratic Systems," *APSR* Vol. 100, No. 3 August.

Tucker, Josh. 2006. *Regional Economic Voting: Russia, Poland, Hungary, Slovakia, and the Czech Republic, 1990-1999*. Chapters 1-3. Cambridge University Press.

Megumi Naoi and Ellis Krauss. 2008. Who Lobbies Whom? Electoral Systems and Organized Interests' Choice of Bureaucrats vs. Politicians in Japan. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1017170](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1017170)

### **Data Report:**

1. What data measure left vs. right orientation of political parties?
2. What data measure left vs. right orientation of individual legislators?

### **Presentation:**

### **June 2 Week 9: Globalization and Domestic Politics**

Bates, Robert and Da-Hsiang Lien. 1985. A Note on Taxation, Development, and Representative Government, *Politics and Society*. Vol.14, Issue 1.

Hellwig, Timothy. 2001. Interdependence, Government Constraints, and Economic Voting. *Journal of Politics*, Vol. 63, No.4. (Nov., 2001), pp.1141-1162.



Hiscox, Michael. 2001. Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade, *International Organization*. (2001), 55: 1-46

James E. Alt, Fredrik Carlsen, Per Heum and Kåre Johansen. 1999. Asset Specificity and the Political Behavior of Firms: Lobbying for Subsidies in Norway *International Organization*. (1999), 53: 99-116

**Data Report:**

1. What data measure economic openness?

**Presentation:**

## ***Data Report***

You will report on data that are used to conduct question that the student chooses. The student will briefly describe the report in class (5-10 minutes each). Data can be cross-national, cross-national within a particular region, or, a country-specific. For a country-specific data report, you will need to address contextual/country-specific issues that are reflected in the data collection effort (*e.g.*, in Japan, there is no record of roll-call votes, hence, we need to collect data on politicians' preference for economic policy using their Diet testimony. In Russia, published data on labor strikes is known to be biased and politicized, and hence Graeme Robertson used internal police reports to calculate the data etc).

The best synopses will:

*Describe the conceptual variable(s) that are being measured by the data that is the topic of the report;*

*Describe what data exist on the topic;*

*Give (brief) examples of how the data have been used;*

*Discuss (briefly) any significant controversies that exist regarding measurement; and*

*Provide links to relevant codebooks or data sets.*

The synopses should be brief (1-2 pages), with useful links to data, codebooks, or especially relevant bibliographic resources. Students should prepare the hard-copy handouts for the class and all reports should be posted to the course website before the class. Students can choose which question to answer with only one person working on each topic. Also, the questions are “suggested”—if a student would like to pose and answer a different data question, including data questions about archives or other important resources for qualitative research, they can do so with my approval.