

(Version 2: 10/05/06)

POLI 227: Comparative Political Economy

Fall 2006

Wednesday 1 - 3:50 PM

SSB 353

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Office Hours: Tues 2-3:30

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. For papers, you can choose one of the following two tracks.

Written Essays

Track A. Three 5-7 page double-spaced, typed papers examining the readings due during the course. *You may submit the first paper anytime between Week 2 and Week 4 and the second and third paper between Week 5 and December 8, 2006.* 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 B. One 5-7 page paper on readings and a 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. In the last class, Track B students will present their draft proposals. Seminar participants will provide feedback, which should be incorporated into the written proposal. *You may submit the first paper anytime between Week 2 and Week 4 and a research proposal is due December 8, 2006.*

Grade

Class participation will count for 20% of your grade; your presentation and data report will count 10% each, and the papers will count for 60% of your final grade. Students are required to attend class and have done the readings in advance.

Sep 27 Week 1: Classical Theories of (Comparative) Political Economy

Schumpeter, Joseph. *Capitalism, Socialism and Democracy*, pt II (chs. vii (pp.81-87), xi-xiv (pp. 121-164); pt IV (chs. xxi, xxii, xxiii: pp.250-302).

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

Lipset, Seymour M. 1959. “Some Social Requisites of Democracy.” *American Political Science Review* v. 53, #1: 69-105

Lindblom, Charles. 1977. *Politics and Markets*, chs. 1-3, 6-16.

Marx, Karl in R. Tucker, *The Marx-Engels Reader*, “The German Ideology” pp. 110-164; “The Communist Manifesto” pp. 331-362; “Das Kapital” pp. 191-225, 291-320

(This is just for fun. For those who want to be IPE/CPE hybrid)

“Symposium: The Confluence of International Relations and Comparative Politics: Professional Dilemmas.” *APSA-CP* Vol.16, No.1., pp. 7-25.

Oct 4 Week 2: Economic Growth

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.

Pande, Rohini and Christopher Udry. 2005. Institutions and Development: A View from Below, *Economic Growth Center, Yale University, Discussion Paper*, No. 928

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.

Presentation Topics

1. How do political factors influence economic growth?
2. Where do property rights come from and what do they do?

Data Report

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

Oct 11 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, Susan Stokes, Carol Weisman. 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.

Wintrobe, Ronald. 1998. *The Political Economy of Dictatorship*. Cambridge University Press. Chapters 1&2, 6&7.

Presentation Topics

1. How do democracy and autocracy produce different economic outcomes?
2. How can we typologize authoritarian regimes to explain economic outcomes?

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)?

Oct 18 Week 4 Inequality and Redistribution

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

Mahler, Vincent. 2004. "Economic Globalization, Domestic Politics, and Income Inequality in the Developed Countries." *Comparative Political Studies* 37 (9):1025-1053.

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

Presentations

1. What are the political sources of inequality?
2. What influences the size of government?

Data Report

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

Oct 25 Week 5: Welfare States and the Provision of Public Goods

Iverson, Torben. 2005. *Capitalism, Democracy, and Welfare: The Changing Nature of Production, Elections, and Social Protection in Modern Capitalism*. Cambridge University Press. Chapter 1.

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.

Haggard, Stephen and Robert Kaufman (forthcoming), The Expansion of Welfare Commitments in Latin America and East Asia: 1950-1980. Most up-to-date version TBA.

Clayton, Richard and Jonas Pontusson. 1998. Welfare-State Retrenchment Revisited: Entitlement Cuts, Public Sector Restructuring, and Inegalitarian Trends in Advanced Capitalist Societies. *World Politics* 51.1 (1998) 67-98

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

Read one of the following two:

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

Brooks, Sarah. 2002. Social Protection and Economic Integration: The Politics of Pension Reform in an Era of Capital Mobility, *Comparative Political Studies*, Vol. 35, No. 5, 491-523.

Presentation Topics

1. What creates incentives for the emergence or expansion of welfare states?
1. What creates incentives for the provision of public goods?

Data Report

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

Nov 1 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

Presentation Topics

1. What causes political corruption?
2. When do resources hinder democracy?

Data Report:

1. What data measure corruption?

Nov. 8 Week 7: Variety of Capitalism and Political and Economic Outcomes

NOTE: We will start the class at 2:30 pm and Prof. Peter Gourevitch will join us around 3:30 pm.

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.

Ben Ross Schneider, Varieties of Semi-Articulated Capitalism in Latin America, Working paper.

Presentation Topics

1. What are the policy preferences of groups?
2. What are their sources of power?

Data report:

1. What data measure labor organization, including the degree of "corporatism" across countries?
2. What data measure labor union activity, particularly strikes?

Nov. 15 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.

Chieubub, 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.

Presentation Topics

1. What are the preferences of political parties?
2. How do various electoral systems shape economic outcomes?

Data Report

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

NOTE: No class on November 22.

Nov. 29 Week 9: Politics of Economic Reform

NOTE: Prof. Susan Shirk will join our discussion.

Przeworski, Adam. *States and Markets*. Cambridge University Press. Chapter 4.

Hellman, Joel. 1998. "Winners Take All: The Politics of Partial Reform in Post-Communist Transitions." *World Politics* v.50, #2, pp.203-234.

Murillo, Victoria. 2002. Political Bias in Policy Convergence: Privatization Choices in Latin America, *World Politics* 54 (July 2002), 462–93

Shirk, Susan. 1993. *The Political Logic of Economic Reform in China*. University of California Press Chapters TBA.

Montinola, Gabriella, Yingyi Qian, and Barry R. Weingast, 1996. Federalism, Chinese Style: The Political Basis for Economic Success. *World Politics* 48.1 (1996) 50-81

Presentation Topics

1. What affects success and failure of economic reform?
2. What are other important variations across economic reforms besides their success vs. failure? And what affects the variations?

Data Reports

1. What data measure progress (or, success vs. failure) in economic reform?

December. 6 Week 10: 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

Presentation Topic

1. How do international forces influence the organization and behavior of parties and groups?
2. How do domestic political institutions mediate or worsen the effects of economic openness?

Data Report

1. What data measure economic openness?

Presentations on research proposals

Presentation and Data Report

Presentation

Each week, one half hour of the course will be devoted to presentations by students on questions that are posed on the syllabus. These presentations should be 15 minutes each, and should be presented using PowerPoint slides. In general, weak presentations will simply summarize the readings (“A says x, B says y”). Strong presentations will:

Describe any key conceptual issues that must be addressed by work on the question (e.g., a presentation on inequality might discuss different ways of conceptualizing inequality);

Describe the central arguments/debates in the literature on the question (e.g., a presentation on corruption might focus on different types of variables –such as regime type, decentralization, level of development—that influence corruption levels);

Describe any methodological issues that deviled work on the question (e.g., “perception”-based measure of corruption).

Offer criticisms and/or suggest pathways for future research.

Data Reports

Each student will post one report on data that are used to conduct question that the student chooses. The student will briefly describe the report in class (5 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 Scholar X 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.