

COMPARATIVE POLITICAL ECONOMY

GOVERNMENT 40.7

Mondays, Wednesdays, and Fridays, 11:15 AM to 12:20 PM (*X* hour Tuesday, 12:00 to 12:50 PM), Thornton 105
Winter term, 2015
Instructor: Jason Sorens
Office Hours: Tuesdays, 10:00 AM to 12:00 PM and Fridays, 3:00 PM to 5:00 PM, 209 Silsby
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Course Description

Why do governments intervene in the economy?

This course is an introduction to comparative political economy, the comparative politics of domestic economic policies. Topics include: market reforms in developed, developing, and postsocialist countries, varieties of welfare capitalism, (de)regulation and privatization, federalism, the effects of political institutions on economic development, interest groups, property rights, the political business cycle, and corruption. We will look in depth at both developed and developing countries, with an emphasis on understanding why they choose (or end up with) the policies and institutions that they have, even when in some cases these policies and institutions might hamper development or increase poverty.

By the end of this course, you should be able to:

1. Understand and apply sound social science logic to questions in political economy;
2. Evaluate political-economic hypotheses in light of evidence and logic;
3. Come up with plausible political explanations of economic policies.

It is recommended but not required that you have taken Politics of the World and at least one economics course prior to taking this class.

Course Requirements and Grading

Assignments

Class will combine lectures and discussion sessions, and attendance is required. You must do all the reading for a particular class meeting before that class. Contributions to class discussions and “mini research projects” comprises 25% of your course grade. There are short-answer quizzes on **January 28** and **March 4**, each of which contributes 5% to your grade. There is a 1600-word essay on an assigned topic due **February 11**, which will count as 15% of your grade. About two-thirds of the way through the term (**February 23** and **25**) we will hold in-class team debates on different topics. Each student will turn in a 1000-word essay summarizing the points (s)he will make in the debate. Your preparation for your debate as revealed principally by your essay comprises 10% of your grade. There will be a final research proposal, which counts for 40% of your course grade, due **March 17** by 4 PM at my

office. This paper must meet all the requirements of a standard academic paper, including citations of sources. You must get your proposal topic approved by me by **March 2**.

Devices

Please bring to every class an electronic device that you can connect to the Internet (laptop, tablet, or smartphone). Do not use these devices in class unless asked. We will be using them for in-class mini-research projects.

Absences, Late Work

Excused absences from in-class assignments must be discussed with the instructor. In the case of a scheduled, College-sponsored or College-recognized, extracurricular event, you must inform me at least a week in advance to make alternative arrangements. For family and medical emergencies, you must obtain documentation and contact me as soon as practicable after returning to campus. For take-home assignments, I do not offer extensions except in extraordinary cases of long-lasting family and medical emergencies, but you may obtain permission to submit an assignment electronically.

Work that is late without an excuse will be deducted half a letter grade up to a week, a letter grade at a week, and another letter grade at each week thereafter.

Readings

All readings are required. Readings not drawn from the books are available on the course's Canvas site. I have chosen the following books for the course, all of which are available at the bookstore:

- Scott, James C. (1999), *Seeing like a State*. New Haven: Yale University Press.
- Olson, Mancur (1982), *The Rise and Decline of Nations*. New Haven: Yale University Press.
- Bates, Robert H. (2005), *Markets and States in Tropical Africa*, 2nd ed. Berkeley: University of California Press.
- Vogel, Steven K. (1997), *Freer Markets, More Rules*. Ithaca, N.Y.: Cornell University Press.
- Swenson, Peter (2002), *Capitalists Against Markets*. New York: Oxford University Press.

All of these books are available as used or even new paperbacks for between \$6 and \$13 each through fine online marketplaces such as amazon.com, bn.com, and bookfinder.com.

Remember to bring to class all the readings assigned for a particular day. That means that you will need to print out Canvas readings.

Schedule of Topics and Readings

1. Tools for Analysis

Monday January 5: No reading.
2. Interest Groups in High-Income Democracies

Wednesday January 7: Olson, chapters 1 & 2.
Friday January 9: Olson, chapter 3 & pages 94-117 of chapter 4.
Jonathan Rauch (2013), "Was Mancur Olson Wrong?" <http://bit.ly/1qk3xE4> .
3. Interest Groups in Less Developed Countries

Monday January 12: Bates, Introduction & chapters 1 & 2.
Wednesday January 14: Bates, chapters 3, 4, & 7.
Friday January 16: Easterly, William (2001), *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics* (Cambridge, Mass.: MIT Press), pp. 217-239
Acemoglu, Daron (2003), "Why Not a Political Coase Theorem? Social Conflict, Commitment, and Policies," *Journal of Comparative Economics* 31 (4): 620-52. **Only pages 620-24, 648-49.**
4. The Modernist State

Wednesday January 21: Scott, chapters 1 & 2.
Friday January 23: Scott, chapters 4, 6, & 8
5. Political Institutions, Transaction Costs, and Development

Monday January 26: North, Douglass C., and Barry R. Weingast (1989), "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History* 49 (4): 803-32. **Only pages 803-805, 809-812, 815-824.**
Stasavage, David (2002), "Credible Commitment in Early Modern Europe: North and Weingast Revisited," *Journal of Law, Economics, and Organization* 18 (1): 155-86. **Only pages 155-157, 160-169, 174-182.**
Wednesday January 28: Acemoglu, Daron, Simon Johnson, & James A. Robinson (2002), "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics* 117 (4): 1231-94. **Only pages 1231-52, 1257 (Fig. 4a), 1258 (Fig. 4b), 1269-79.**
Friday January 30: Iyer, Lakshmi (2010), "Direct Versus Indirect Colonial Rule in India: Long-Term Consequences," *The Review of Economics and Statistics* 112 (4): 693-713. **Only pages 693-703, 707-709.**
Dietz Vollrath (2014), "The Skeptic's Guide to Institutions, Part 3," *The Growth Economics Blog*.
6. Political Institutions and Policies

Monday February 2: Martin, Lanny W., and Georg Vanberg (2013), "Multiparty Government, Fiscal Institutions, and Public Spending," *Journal of Politics* 75 (4): 953-67.

Short paper topic announced.

Wednesday February 4: Chang, Eric C. C., and Miriam A. Golden (2007), "Electoral Systems, District Magnitude, and Corruption," *British Journal of Political Science* 37 (1): 115-137. **Only pages 115-121, 125 (figure), 130-133.**

Cheibub, Jose (2006), "Presidentialism, Electoral Identifiability, and Budget Balances in Democratic Systems," *American Political Science Review* 100 (3): 353-368. **Only pages 353, 358-365.**

Friday February 6: Weingast, Barry R. (2009), "Second-Generation Fiscal Federalism: The Implications of Fiscal Incentives," *Journal of Urban Economics* 65: 279-93. **Only pages 279-286, 289-290.**

7. Resource Curses

Monday February 9: Ross, Michael L. (2008), "Oil, Islam, and Women," *American Political Science Review* 102 (1): 107-23.

Wednesday February 11: Morrison, Kevin M. (2009), "Oil, Nontax Revenue, and the Redistributive Foundations of Regime Stability," *International Organization* 63 (1): 107-38.

Michael Hobbes (2014), "Stop Trying to Save the World," *The New Republic*.
Short papers due.

8. Electoral Politics and the Economy

Friday February 13: Franzese, Robert J., Jr. (2002), "Electoral and Partisan Cycles in Economic Policies and Outcomes," *Annual Review of Political Science* 5: 369-421. **Only pages 373-379, 383-391, 399-405.**

Monday February 16: Clark, William Roberts, & Mark Hallerberg (2000), "Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy," *American Political Science Review* 94 (2): 323-46. **Only pages 323-30, 336-37, 339, 341, 342.**

9. Redistribution and Welfare

Wednesday February 18: Esping-Andersen, Gøsta (1990), *Three Worlds of Welfare Capitalism* (Polity), chapter 3
Swenson, chapter 1.

Friday February 20: Swenson, chapter 2.
Korpi, Walter (2006), "Power Resources and Employer-Centered Approaches in Explanations of Welfare States and Varieties of Capitalism," *World Politics* 58: 167-206. **Only pages 167-172, 185-193.**

Student Debates Monday February 23 and Wednesday February 25

10. Deregulation and Privatization

Friday February 27: Rueda, F. David (2005), "Insider-Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties," *American Political Science Review* 99 (1): 61-74.

Botero, Juan C., et al. (2004), "The Regulation of Labor," *Quarterly Journal of Economics* 119 (4): 1339-82. **Only pages 1139-64, 1378-80.**

Monday March 2: Vogel, Introduction & chapters 1 & 2.

Tuesday March 3 (X Hour): Vogel, chapter 3.

Djankov, Simeon, et al. (2002), "The Regulation of Entry," *Quarterly Journal of Economics* 117 (1): 1-37. **Only pages 1-14, 22-35.**

Wednesday March 4: Hellman, Joel S. (1998), "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics* 50 (2): 203-34.

Class canceled Friday March 6

11. Summing Up

Monday March 9: No reading.

Final research proposal due Tuesday March 17 at 4 PM at 209 Silsby