

## COMPARATIVE POLITICAL ECONOMY

PLSC 712/398  
Tuesday 1:30-3:15

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**Purpose:** This seminar is designed to give graduate students a broad-gauged introduction to one of the largest and most vibrant branches of political science. We begin by examining the field's diverse theoretical underpinnings and placing political economy in the context of political science more generally. The remainder of the course is concerned with the application of theory to practice. We will proceed thematically, examining substantive issues of political economy across time and place. We will consider the interaction between government and the economy in democratic and nondemocratic regimes, and in developed and developing countries.

**Requirements:** The reading load in this class is heavy and the writing requirements are correspondingly light.

1. A critical and synthetic evaluation of all of the readings each week. (40% of your grade). The point is not to summarize the readings, but to interact with their analytical claims. As the course goes along, you will be developing the cumulative knowledge that allows you to compare approaches and causal arguments. These evaluations should be more than one page, single-spaced, 12-point font. You will have 2 grace weeks off, on the weeks of your choice.
2. A final assignment, due the last day of class, will do one of the following (60% of your grade).
  - a. A 6-10 page synthesis piece that takes up one or more themes from the course, with applications to real-world examples; or
  - b. A 6-10 page sketch for a piece of original research you might undertake in the future, stating your hypothesis, why it is important, how it compares to other possible arguments, and preliminary evidence as well as a discussion of what data you would need to test your hypotheses more definitively. Why is your question substantively important? What is at stake theoretically? Methodologically, what are the best ways to get the answer? Or
  - c. (for graduate students) a trial dissertation proposal.

**Readings:** The readings for the seminar are available on ClassesV2.

## **Policies:**

- Students are expected to attend class, complete the readings before class, and come prepared to discuss them.
- Laptops and iPads are welcome in class for note-taking purposes and classroom exercises, not for checking email.
- Give appropriate attribution for all ideas not your own. Plagiarism is a serious matter that we will discuss in class so everyone knows exactly what it is.

## **Part I. Theoretical Foundations.**

### *Week 1. Organizational Meeting and Introduction to the Course.*

Political economy as the interaction between politics and economics; and political economy as the microeconomics of politics. Three paradigms in political science and political economy.

### *Week 2. Demand Side I: Materialism*

- 2-1 - Marx and Engels. "The Communist Manifesto," in Robert Tucker, ed., *The Marx-Engels Reader* 1978. Norton. Pp. 469-500.
- 2-2 - Gary Becker. 1962. "Irrational Behavior and Economic Theory," *Journal of Political Economy*, 70/1.
- 2-3 - Ron Rogowski. 1989. *Commerce and Coalitions*. California. Pp. 3-20, 175-179.
- 2-4 - Alt, Gilligan, Rodrik, and Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry," *Comparative Political Studies*. 19/6: 689-717.
- 2-5 - Mancur Olson. 1982. *The Rise and Decline of Nations*. Yale. Pp. 17-35.

### *Week 3. The Supply Side: Institutionalism*

- 3-1 - Kenneth Shepsle. 1986. "Institutional Equilibria and Equilibrium Institutions," in H. Weisberg, ed., *Political Science: The Science of Politics*.
- 3-2 - Debra Satz and John Ferejohn. 1994. "Rational Choice and Social Theory," *The Journal of Philosophy*. 91/2: 71-87.
- 3-3 - Avner Greif. 1994. "On the Political Foundations of the Late Medieval Commercial Revolution: Genoa During the Twelfth and Thirteenth Centuries," *The Journal of Economic History*, 54,2: 271-287.
- 3-4 - Douglass North and Barry Weingast. 1989. "Constitutions and Commitment," *Journal of Economic History*. 49: 803-32.
- 3-5 - Roderick Kiewiet and Mathew McCubbins. 1991. *The Logic of Delegation*. University of Chicago Press. 22-38.

#### *Week 4: Demand Side II: Culture and Values*

- 4-1 - Brenner and Petit. 2004. *The Economy of Esteem*. Oxford. Pp. 1-10, 289-321.
- 4-2 - Michael Chwe. 2001. *Rational Ritual: Culture, Coordination, and Common Knowledge*. Princeton University Press.
- 4-3 - James Habyarimana, Macartan Humphreys, Daniel Postler, and Jeremy Weinstein. 2007. "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review*. 101, 4: 709-725.
- 4-4 - Lisa Blaydes and Eric Chaney. 2013. "The Feudal Revolution and Europe's Rise: Political Divergence of the Christian West and the Muslim World before 1500," *American Political Science Review* 107, 1: 16-34.

#### *Week 5. Economic Consequences of Institutional Forms*

- 5-1 - Gary Cox. 1997. *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. Cambridge. Chapters 4-5.
- 5-2 - Carey and Shugart. 1995. "Incentives to Cultivate a Personal Vote: A Rank Ordering of Electoral Formulas," *Electoral Studies* 14/4: 417-39.
- 5-3 - Persson and Tabellini. 2005. "Electoral Rules and Government Spending in Parliamentary Democracies," *Quarterly Journal of Politics*.
- 5-4 - Ron Rogowski. 1987. "Trade and the Variety of Democratic Institutions," *International Organization* 41/2: 203-23.
- 5-5 - Douglass North, John Wallis, and Barry Weingast. 2009. *Violence and Social Orders: A Conceptual Framework for Understanding Recorded Human History*. Cambridge University Press. Chapter 1.

## **Part II. Substantive Issues in Political Economy**

#### *Week 6: Sectoral Policy: Regulation and Industrial Policy*

- 6-1 - George Stigler. 1971. "The Theory of Economic Regulation," *Bell Journal of Economics* 2/3.
- 6-2 - Sam Peltzman. 1976. "Toward a General Theory of Regulation," *Journal of Law and Economics* 19/211.
- 6-3 - Gary Becker. 1985. "A Theory of Competition Among Pressure Groups for Political Influence," *Quarterly Journal of Economics* 98: 371-400.
- 6-4 - Roger Noll. 1989. "Economic Perspectives on the Politics of Regulation," in R. Schmalensee and R. Willig, eds., *Handbook of Industrial Organization, Vol 2*. North Holland. Pp. 1253-87.
- 6-5 - Hall, Richard, and Alan Deardorff. 2006. "Lobbying as Legislative Subsidy," *American Political Science Review*. 100, 1: 69-84.

#### *Week 7: Financial Regulation in Comparative Perspective*

- 7-1 - Benmelech, Efraim, and Tobias Moskowitz. 2010. "The Political Economy of Financial Regulation: Evidence from US State Usury Laws in the 19<sup>th</sup> Century," *The Journal of Finance*. 65, 3: 1029-1073.
- 7-2 - Vishny, Robert, Roberto LaPorta, Lopez de Silanes, and Andrei Shleifer. 1998. "Law and Finance," *Journal of Political Economy*. 196, 6: 1113-
- 7-3 - Singer, David, and Layna Mosley. 2008. "Taking Stock Seriously: Equity Market Performance, Government Policy, and Financial Globalization," *International Studies Quarterly*. 52,2: 405-425.
- 7-4 - Coffee, John. 2012. "The Political Economy of Dodd-Frank: Why Financial Reform Tends to be Frustrated and Systemic Risk Perpetuated," Columbia Law and Economics Working Paper No. 414.

*Week 8: Government and Macroeconomic Policy: Political Business Cycles and Monetary Policy*

- 8-1 - Alberto Alesina and Nouriel Roubini. 1992. "Political Cycles in OECD Economies," *Review of Economic Studies* 49/4: 663-688.
- 8-2 – "Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy." William Roberts Clark and Mark Hallerberg. *The American Political Science Review*, Vol. 94, No. 2 (Jun., 2000), pp. 323-346
- 8-3 - Susanne Lohmann. 1998. "Federalism and Central Bank Independence: The Politics of German Monetary Policy, 1957-1992," *World Politics* 40: 401-44.
- 8-4 - Sylvia Maxfield. 1994. "Financial Incentives and Central Bank Authority in Industrializing Nations," *World Politics* 46: 556-88.
- 8-5 - Krampf, Arie. 2012. "Challenges to the Orthodox Political Economic Theory of Central Banking: Lessons from the ECB's Policies During the Financial Crisis," Free University, Berlin.

*Week 9: Labor and the Welfare State*

- 9-1 - John Driffill, 2006. "The Centralization of Wage Bargaining Revisited: What Have we Learnt?," *Journal of Common Market Studies*, Wiley Blackwell, vol. 44, pages 731-756, November.
- 9-2 - Iversen and Wren. 1998. "Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy," *World Politics*. 50:4.
- 9-3 - Isabella Mares. 2001. "Firms and the Welfare State: When, Why, and How Does Social Policy Matter to Employers? In Hall and Soskice, pp. 184-212.
- 9-4 - Iversen, Torben. 1998. "Wage Bargaining, Central Bank Independence, and the Real Effects of Money," *International Organization* pp. 469-504.
- 9-5 - Masahiko Aoki, "Endogenizing Institutions and Institutional Change," Stanford Economics Department Working Paper.

*Week 10: Causes and Consequences of Income Inequality*

- 10-1 - Ron Rogowski and Duncan MacRae. 2004. "Does Inequality Determine Institutions? What History and (Some) Data Tell Us," ms.

- 10-2 - Alvaredo, Facundo, Anthony Atkinson, Thomas Piketty, and Emmanuel Saez. 2013. "The Top 1 Percent in International and Historical Perspective," *Journal of Economic Perspectives*. 27, 3: 3-20.
- 10-3 - Persson and Tabellini. 1994. "Is Inequality Harmful for Growth?" *American Economic Review*. 600-20.
- 10-4 - Moene and Wallerstein. 2003. "Earnings Inequality and Welfare Spending: A Disaggregated Analysis," *World Politics*. 55/4: 485-516.

#### *Week 11: The Political Economy of Gender*

- 11-1 - Gary Becker. 1981. "Human Capital, Effort, and the Sexual Division of Labor," in *A Treatise on the Family*. Harvard. Pp. 54-79.
- 11-2 - Siv Gustafsson. 1997. "Feminist Neo-classical Economics: Some Examples," in Dijkstra and Plantenga, eds., *Gender and Economics*. Routledge. Pp. 36-53.
- 11-3 - Claudia Goldin. 2014. "A Grade Gender Convergence: Its Last Chapter," *American Economic Review*, 104, 4: 1091-1119.
- 11-4 - Alesina, Giuliano, and Nunn. 2013. "On the Origins of Gender Roles: Women and the Plough," *Quarterly Journal of Economics*.

#### *Week 12: Democracy and Development*

- 12-1 - Robert Bates and Da-hsiang Donald Lien. 1985. "A Note on Taxation, Development, and Representative Government," *Politics and Society*. 14: 53-70.
- 12-2 - Mancur Olson. 1993. "Dictatorship, Democracy, and Development," *American Political Science Review*, 87: 567-77.
- 12-3 - Przeworski, Alvarez, Cheibub, and Limongi. 2000. *Democracy and Development*. Chapters 2 and 3.
- 12-4 - Steph Haggard and Kaufmann. 2012. "Inequality and Regime Change: Democratic Transitions and the Stability of Democratic Rule," *American Political Science Review*. 106, 3: 495-516.

#### *Week 13: The Political Economy of Reform*

- 13-1 - Acemoglu, Cantoni, Johnson, and Robinson. 2011. "The Consequences of Radical Reform: The French Revolution," *American Economic Review* 101,7: 3286-3307.
- 13-2 - Barbara Geddes. 1991. "A Game Theoretic Model of Reform in Latin American Democracies," *American Political Science Review* 85/2: 371-92.
- 13-3 - Jeffrey Frieden. 1991. *Debt, Development, and Democracy: Modern Political Economy and Latin America*. Princeton. Pp. 233-56.
- 13-4 - Joel Hellman. 1998. "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics*.

