Course Description

This course has four goals: First, to introduce you to the foundational models and empirics that inform contemporary work in the field; second, to provide a rough vision of the “frontiers” of the field. The third goal is to strike the right balance between substance and method. Most of you are building up your technical skills quite intensively. These skills are for naught if you lack the ability to identify a core substantive problem on which to apply them. To this end, we will pay close attention to linkages between theory, research strategy, and data. The fourth goal is for you to develop an appreciation, indeed even an enthusiasm, for taking a graduate level course in microeconomics. If you aspire to work in this field, building upon many of the foundational models in this area of the social sciences requires that you do so.

The course is organized in three sections: The first section (Fundamentals) introduces key concepts in political economy, examines states and markets as means of allocating resources, and addresses some basic methodological issues in understanding the relationship between institutions, political economy, and history, and. The second section (Organization of Power and the Economy) turns to analyze the origins and politico-economic implications of different forms of organizing political authority in society. We study the political economy of regime change, variation in the organization of power among dictatorships, and different forms of organizing power under democracy. Finally, the third section (Applications) focuses on how these institutional differences play out in a number of policy spheres, including distributive politics, macroeconomics, and trade.

Requirements

- Two Research Proposals (50 percent; 25 percent each). The research proposals should be approximately 10 pages; they should briefly survey an existing literature in political economy, and then describe a planned research project.
  - One proposal should involve observational data. You should be clear about your theory, data availability/collection, and your identification strategy.
  - The other proposal should involve a lab or field experiment; this proposal should be clear about your theory, a justification for the location of the experiment, the principles governing sample size, stratification and randomization, and a strategy for data collection and analysis.
  - Be as clear and detailed as you can with regards to research design. I would encourage you to talk with me soon about topics, methods, etc. Be ambitious and precise--this is an opportunity to be creative, albeit in a manner tightly constrained by a data generating process.
  - The first research proposal is due on February 21; the second is due on April 18. You will present your favorite proposal on April 18th (details to follow). Late proposals will be penalized by a letter grade per day. Contrary to common practice in the department, I am profoundly averse to issuing “Incompletes”.
- Two article reviews (20 percent; 10 percent each): You will write two reviews of a single article. Your review should eschew summary in favor of critically evaluating the paper. The basic goal is to make a recommendation as to whether or not the paper should be published. You should
support your evaluation with a discussion of theory, method, data, etc. The first review paper is due on **January 31**; the second is due **March 21**. You can choose to review any two of these recent job market papers:


If you’d like some advice on how to write a peer review, see:


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**Outline**

**I. FUNDAMENTALS**

**Jan 10: Intro: The Fundamental Problems in Political Economy**

- Przeworski, A. *States and Markets*, CUP. Chapters 1 and 2
- Wittman and Weingast, Chpt. 1 of *Oxford Handbook of Political Economy*

**Additional:**

January 17: **Causality and Evidence in Political Economy**

- Przeworski, Adam. 2006. “Is the Science of Comparative Politics Possible?” Available here: [http://politics.as.nyu.edu/object/AdamPrzeworski.html](http://politics.as.nyu.edu/object/AdamPrzeworski.html)

**Additional Readings:**

January 24: **Individual Preferences**


**Additional Readings:**
Paper 14825.

- Rehm, Philipp. “Social Policy by Popular Demand.” World Politics.
- Knight. 1921. Risk, Uncertainty and Profit.

Jan 31: Markets, Growth and Development

**Review article #1 due today**


**Additional Readings:**
• Adam Smith. 1776 (1976) *The Wealth of Nations*. (sections on trade/growth/wealth)
• Schumpeter, Joseph. 1962. *Capitalism, Socialism, and Democracy*.
• K. Marx 1859. *A Contribution to the Critique of Political Economy*. Various Editions

**February 7: The Development of States**

**Additional Readings:**
• David Stasavage. 2010. “When Distance Mattered: Geographic Scale and the Development of European Representative Assemblies.” *American Political Science Review*.
II. THE ORGANIZATION OF POWER AND THE ECONOMY

February 14- Democracy and Autocracy

- Mancur Olson 1993: “Dictatorship, Democracy, and Development” American Political Science Review 87 3 567-76
- Daron Acemoglu and James Robinson 2006: Economic Origins of Democracy and Dictatorship (chapters 1-3; rest of the book recommended).

Additional Readings:
- Ansell/Samuels. Inequality and Democratization: A Contractarian Approach Comparative Political Studies, 45 (1)
- Haber, Chpt 38 in Wittman and Weingast. “Authoritarian Government.”
- Houle Christian 2009 “Inequality and Democracy: Why Inequality Harms Consolidation but Does Not Affect Democratization” World Politics 61 589-622
- Marx, K. The 18th Brumaire of Louis Bonaparte.

February 21: Voting and Electoral Politics\(^1\)

**Proposal #1 due today**


Additional Readings:


Turnout/Voting:


Accountability


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\(^1\) There are a bunch of fairly distinct literatures here, including those on voters, turnout, parties, electoral systems, accountability, and the implications of elections. It’s really impossible to cover everything here.

Electoral Systems/Party Systems:
- Boix. 1999.

Outputs/Implications:

March 28 Legislative Politics² (priority readings here yet to be established)

² Again, there are several semi-distinct literatures here: Government formation, legislative bargaining, campaign finance, legislative careers, etc.
• Cox & McCubbins, Setting the Agenda (especially the chapter on Reed's rules)
• Krehbiel, Pivotal Politics
• Shepsle and Weingast, Positive Theories of Congressional Institutions, Legislative Studies Quarterly, May 1994, 149-179.

1) the Cox chapter as an overview piece
2) For government formation, I'd leave out Laver and Shepsle and instead use Martin and Stevenson "Govt Formation in Parliamentary Democracies" 2001 AJPS
3) Do 2 or 3 chapters from Lanny and my book (I can tell you which ones I'd do).
• Cox, Gary “The Organization of Democratic Legislatures.” chapter 8 in Wittman and Weingast (eds.) of Oxford Handbook of Political Economy.
March 7: No Class—Professor Wibbels out of town

March 14: Spring Break—No Class

March 21: Bureaucracy, Interest Groups and the “Quality of Governance”

- Chpt 6 and 7 in A. Przeworski. States and Markets

Additional Readings:
- Carpenter, Adaptive Signal Processing, Hierarchy and Budgetary Control in Federal Regulation.” American Political Science Review (June 1996)
• Huber and Shipan “Politics, Delegation and Bureaucracy.” Chapter 15 in Wittman and Weingast (eds.) of *Oxford Handbook of Political Economy*

III. APPLICATIONS

**March 28: Macro-Economics**

**Review Article #2 due today**


Additional Readings:

• Kayser on exchange rate coordination
• Isabela Mares 2 006: *Taxation, Wage Bargaining and Unemployment*, Cup (Intro, chapter 1, conclusion; rest of the book recommended)

**April 4: Distributive Politics**

• Przeworski, Chapters 10 in *States and Markets*
• Weingast, Schepsle and Johnsen. 1981.

Additional Readings:
• Beramendi P. and C. Anderson (eds) *Democracy, Inequality, and Representation*. Chapters 1, 4,5. Rest of the book recommended.
• John Londregan, Chpt 5 in Wittman and Weingast. “Political Income Redistribution.
• Torsten Persson and Guido Tabellini 2003: *The Economic Effects of Constitutions* MIT Press
• Isabela Mares 2003: *The Politics of Social Risks*, Cambridge University Press (chapters 1,2,7)
• Torsten Persson and Guido Tabellini 2003: *The Economic Effects of Constitutions* MIT Press (chapters 1,2,4)
• B., Ansell 2010. *From the Ballot to the Blackboard*. Cambridge University Press.

**April 11: IPE**

**Trade:**


**Other IPE issues (choose one paper):**


**Additional Readings:**

• Christopher Bliss. *Trade, Growth and Inequality*. Oxford University Press.

**April 18:** Session for presentation and discussion of research proposals **Second research proposal due**