

Political Science 651.001: Positive Comparative & International Political Economy (C&IPE)

Fall 2005: Reading Notes

Part I: Preliminaries & Background

Week 1 (9/6): Introduction & Logistics; Basic Economic Theory for C&IPE

Week 2 (9/13): Basic Economic Theory for C&IPE

READING NOTES: For these first two weeks, start by reviewing my & Jude Hays' "Basic-Economics for C&IPE" lecture notes (<http://www-personal.umich.edu/~franzese/PS651.FranzeseHays.BasicEconNotes.pdf>), then read Barro and Mankiw, and any of the other articles that founded those parts of those notes about which you remain unclear.

Week 3 (9/20): What is (Positive) C&IPE?

READING NOTES: This week's presents prominent views of the analytical and substantive content of positive comparative and international political economy. From this angle, you could read some combination of **Alt & Shepsle**, **Ordeshook**, **Riker**, and **Olson** for views from formal theory PE; **Bates**, **BdM²S²**, and **Acemoglu & Robinson** for views from the PE of development; **Drazen**, **P&T**, and **Franzese** for views from democratic/macroeconomic PE; **Frieden & Martin**, **Frieden & Rogowski**, and **Putnam** for views from international PE. Reading them in these groupings might be helpful. The selections from **A&S** discuss strategies for and progress in the integration of political science and economics in the study of political economy. Such broad, "big-think" considerations of the field can be read rather quickly for our purposes. *From these views, what are the main advantages of and challenges to such integration? What are the keys to integrating the fields most effectively?* **Drazen** and **P&T** are textbook introductions, giving macroeconomists' views of the subject matter—how politics and political institutions affect economic policies and outcomes—and of how best to approach the study of that subject: broadly, by combining simplified versions of the more-formalized, "closed" theoretical models from political science of citizen and policymaker choice with similarly simplified versions of policies and outcomes in macro-, growth/development, and international economics. You might read one of these (your choice) more closely than the other. **P&T** distinguish between distributive and redistributive, special- and general-interest PE, between static and dynamic PE, and between pre-election and post-election PE. *What are the important characteristics of these distinctions?* **Drazen** emphasizes heterogeneity (conflict) of interest as the central characteristic of PE, distinguishes ex-post from ex-ante heterogeneity and PE from Public Choice. *What are the important elements of these distinctions?* **Franzese** offers a "cycle of political economy" view of PE in developed democracies, the central tensions in which, he claims, are between the public commitments to manage capitalist economies for optimal efficiency and to ameliorate its distributional consequences and between the differential distributions of political and economic influence. (You may skim parts of this introduction as noted; focus on Sects. 1.2, 1.4-1.6.0.) *How does this cycle work? What are its elements? And is it helpful at all or beyond as an organizational flow-chart for PE analysis? Is this view of the central conflicts too limited, too abstract, too vague (or all of these things)? In what ways?* **Bates** suggests the questions for PE of development are why do some countries develop and others not, and why, in particular, rulers in these latter countries so often follow policies that demonstrably detriment their societies. His answers emphasize peasant and policymaker rational choices given their incentives, aggregation issues (e.g., collective action), and their institutional-structural environments. **Acemoglu & Robinson** ask instead "Why are some countries democratic, while others are ruled by dictatorships or other nondemocratic regimes? Why do many nondemocracies transition into democracy? What determines when and how this transition takes place? And relatedly, why do some democracies, once created, become consolidated and endure, while some others...fall prey to coups and revert back to dictatorship?" Their answers emphasize, as a later Acemoglu title lists, "social conflict, commitment, and politics." **BdM²S²** ask both these kinds of questions, and their answer famously emphasizes the relative sizes of populations, "selectorates", and winning coalitions. *Are these questions more fruitfully addressed jointly, sequentially, or independently? What are the similarities and differences in these approaches? Are some likely to prove more productive than others or some more than others in certain contexts or for certain questions?* Again, for efficient reading, you might read **Bates** and then one of **Acemoglu & Robinson** or **BdM²S²** more carefully and the other more quickly, trying to leverage the one to follow the other and to note the key differences. Lastly, **Frieden & Martin**, **Frieden & Rogowski**, and **Putnam** offer views from and of the subfield of international political economy (IPE). **Frieden & Martin** being a recent and good overview of the field, read it first and carefully, then read **Frieden & Rogowski** and **Putnam** more quickly to get the main components of their specific views of IPE. For **Frieden and Rogowski**, the "international" in IPE comprises exogenous features of the global polity and economy— institutions, technological conditions, structures—which may affect the policy choices of domestic policymakers and/or domestic political-economic outcomes. (This is what Franzese and Hays, which we read later, call open-economy comparative political-economy.) For **Putnam**, a bit differently, the "international" in IPE is a separate level at which strategic interaction of multiple domestic policymakers (and, perhaps, other actors) occurs, in addition to the multiple domestic-level games in which these same actors are separately embedded. (This is what Franzese and Hays, which we read later, call international political-economy "which implies spatial interdependence.") **Frieden & Martin's** review spans both visions of IPE, and perhaps others. *Are these distinct and exhaustive views of IPE? Is making this distinction, insofar as it holds, useful? How, or for what purposes, might one or the other of these*

visions (or some other) be best applicable/most fruitful as an approach to positive C&IPE?

Part II: *The Building Blocks of Positive Political Economy*

Week 4 (9/27): Models and Tools for C&IPE (Part I)

Week 5: (10/4): Models and Tools for C&IPE (Part II)

READING NOTES: The material for this section is extensive, even for two weeks; much of it is very demanding technically too. The plan to try to cover it (quickly) is for me to lecture (as quickly as possible) on the material on the list from the MVT through Tsebellis's veto-actor model/argument. Then we will work collectively and selectively through the next four entries, each representing important modern frameworks for applied macro-political-economy models. *I will assign a selection from these entries to each of you for especially close study and work, your goal being to walk us through that section of the authors' analysis in class.*

Week 6 (10/11): Preferences, Collective Action, & Transaction Costs

Week 7 (10/18): Institutions: Perspectives, Approaches, & Theoretical Roles

Part III: *Alternative Views of the Central Conflict in C&IPE*

Week 8 (10/25): Credibility, Time-Consistency, Uncertainty, & Information: *Technocratic PE*

Week 9 (11/1): Agency, Accountability, & Corruption: *Us Citizens vs. Them Politicians*

Week 10 (11/8): Power, Privilege, & Partisanship: *Us Citizens vs. Them Citizens*

Part IV: *Topical Applications in C&IPE (See also Alternative Topical-Week Modules or other alternatives TBA)*

Week 11 (11/15): Electoral & Partisan Cycles

Week 12 (11/22): Distributive & Redistributive Politics & Policy

Week 13 (11/29): Fiscal Policy (in a Global Economy)

Week 14 (12/6): Monetary Policy (in a Global Economy)

Week 15 (12/13): Development, Growth, & Transition