

Political Science 651 (version 4.1: 5 December 2013)

Positive Comparative & International Political Economy (P-C&IPE)
Fall 2013; *Class Sessions Meet:* Weds 1-3pm, *Location:* 5664 Haven Hall

Professor Robert (Rob) J. Franzese, Jr.

(<http://www-personal.umich.edu/~franzese>)

Office Hours: Mon 1:45-2:45 and Wed 11:45-12:45 (6658 Haven), & by Appointment

E-mail (preferred): franzese@umich.edu; Office Phone: (734) 936-1850

Course Description:

This reading list aims to provide an introduction and overview to/of modern political-economy research, specifically: the positive comparative and international political economy of developed democracies and developing countries. Its readings emphasize how domestic and international political configurations (institutions, structures, etc.) and events (elections, coups, etc.) systematically produce certain sorts of economic policies and on how these comparative and international contexts might condition the effects of the policy so made. In other words, the course takes *political economy* primarily to mean *the politics and economics of macro and international economic policymaking, policies, and outcomes*, more so than (at least) three other broad areas of inquiry also referred to as political economy: (a) *the microeconomics of politics*, which studies how self-interested, rational policymakers make choices in a institutionalized environment, employing the utility-maximization theories and game-theoretic tools of microeconomics; (b) *normative political economy*, which studies, alternatively, what economic policy *should be* enacted to produce ideal effects or what policy *would be* enacted under some set of ideal circumstances that may or will not obtain; or (c) *the political consequences of economic outcomes* wherein political effects are treated as outputs of (typically exogenous) economic causes, e.g., the impact of economic performance on presidential approval or voting.

Requirements and Grading:

We meet 2 hours on Wednesdays for some mixture of lecture and discussion of the week's required readings. Although *everyone* is responsible for being **prepared** to discuss *all* of the material every week, some of the readings are technically demanding, and the list is quite long in many weeks: a combination that renders preparing yourselves individualistically virtually impossible. Previous experience has taught me that I simply cannot *recommend* strongly enough that you form a study group to divide the readings and assist each other in preparation, so I will *require* such cooperative behavior. For most weeks, I will assign reading(s), as much as possible by student choice, to individual students who will serve as our *resident expert* on that (those) reading(s). As a **resident expert**, your **duties** include (a) preparing a *detailed outline*¹ of your assigned materials, *complete with two or more well and carefully conceived discussion questions*,² for distribution to the class and to me, (b) presenting your material and starting discussion about it in class (5-10 minutes),³ and (c) being ready to field any questions from me or classmates about your assigned material.⁴ (Developing your skills in skimming material and learning from the summaries and presentations of others will also be important.) The outlines will be due (to me and to each other, by email) no later than late-night Monday. The discussion questions can follow (to me and to each other, by email) no later than late-night Tuesday.⁵ Lastly, each student will prepare a **final research-paper** on a topic to which the student and I will agree in advance. Approach these seminar papers with the full intent of producing publishable-quality work (eventually, at least) and start them as soon as possible. We will have individualized meetings about your final-paper ideas sometime around the semester mid-point. The "further suggestions" readings and the reference lists from them and the assigned readings may be good places to begin looking for material for your seminar paper, but you should feel constrained by them neither in the breadth of the topics covered nor in the depth of their coverage.

General Participation...20% Seminar Paper...40% Resident Expert Duties...40%

Due Dates: Suggested schedule for paper-proposal meetings is around mid-November; the paper is due (to me, by email) no later than late-night Wednesday, **December 18th**. The resident-expert outlines are due (to me and to each other, by email) no later than late-night Monday. The discussion questions can follow (to me and to each other, by email) no later than late-night Tuesday.

¹ Ideally, these outlines should be preceded by an old-format *AJPS* abstract (*Theory*; *Hypotheses*; *Methods*; *Results/Findings/Conclusion*); they should follow standard outline format (I,II,III,IV..., A,B,C,...,1,2,3,...,a,b,c,...: the software you use likely has a template); and they must be detailed enough for your reader to summarize the article (its main arguments, approach, findings, and conclusions) based only upon a reading of the outline (use my lecture-notes outlines as an example in this regard).

² Please give considerable thought to these questions, and think of your material also in relation to the rest of the week's readings in doing so. We would like to use your questions as the starting point for our discussion; in fact, consider this on-the-job training for graduate-seminar teaching. One helpful step in these directions is for you to have some responses to your own questions ready, at least sketched in your head if not more-thoroughly developed.

³ Treat these presentations very seriously also; consider them on-the-job training for professional presentations. Assume we, your audience, have read your outline and at least skimmed your material. Use the presentation to show us how the argument(s), model(s), and/or empirics work(s), and to raise some issues about the material (perhaps in relation to other readings that week and/or applications, critiques, and/or extensions) that seem important to you.

⁴ In other words, as the resident expert, you are pedagogically responsible for your assigned material.

⁵ "Late-night" means, at the very latest, in our inboxes when we wake the following morning, which we will assume to be 05:30.

Books Ordered for Purchase (at the University bookstores):

- (Ace&Rob)** Acemoglu, Daron and James Robinson, *Economic Origins of Dictatorship & Democracy*, Cambridge UP 2005.
- (Ale&Ros)** Alesina, Alberto and Howard Rosenthal, *Partisan Politics, Divided Government, and the Economy*, Cambridge UP 1995.
- (Alt&Sh)** Alt, James and Kenneth Shepsle, eds., *Perspectives on Positive Political Economy*, Cambridge UP 1990.
- (BdM²S²)** Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow, *The Logic of Political Survival*, MIT Press 2003.
- (Drazen)** Drazen, Allan, *Political Economy in Macroeconomics*, Princeton UP 2000.
- (Franzese)** Franzese, Robert J., Jr., *Macroeconomic Policies of Developed Democracies*, Cambridge UP 2002.
- (Hibbs)** Hibbs, Douglas, *The American Political Economy: Macroeconomics and Electoral Politics*, Harvard UP 1987.
- (P&T)** Persson, Torsten and Guido Tabellini, *Political Economics: Explaining Economic Policy*, MIT Press 2000.
- (Tufte)** Tufte, Edward, *Political Control of the Economy*, Princeton UP 1978.

Outline of the Course:

Part I: Preliminaries & Background

Week 1 (9/4): Introduction & Logistics; What is (Positive) C&IPE?

Week 2 (9/11): Basic Economic Theory for C&IPE (Part I)

Week 3 (9/18): Basic Economic Theory for C&IPE (Part II)

Part II: The Building Blocks of Positive Political Economy

Week 4 (9/25): Models and Tools for C&IPE (Part I)

Week 5: (10/2): Models and Tools for C&IPE (Part II)

Week 6 (10/9): Preferences, Collective Action, & Transaction Costs

Week 7 (10/16): Institutions: Perspectives, Approaches, & Theoretical Roles

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

Week 8 (10/23): Credibility, Uncertainty, Information, & Time-Consistency: PE as a Technocratic Problem

Week 9 (10/30): Agency, Accountability, & Corruption: Us Citizens vs. Them Politicians

Week 10 (11/6): Power, Privilege, & Partisanship: Us Citizens vs. Them Citizens

Part IV: Topics in Comparative & International Political Economy:

Previously Prepared Topics (Further Alternatives Possible): Electoral & Partisan Cycles; Distributive & Redistributive Politics & Policy; Fiscal Policy (in a Global Economy); Monetary Policy (in a Global Economy); Trade Policy; Development & Growth; Reform & Transition; International Regimes, Cooperation, and Security

Weeks 11--15 (11/13, 11/20, ~~11/27~~, 12/4, 12/11): Topics I-V

(11/27 is day before Thanksgiving; if class meeting voted, we may reschedule day & time;

12/11 is last scheduled day of semester but makes an oddly extra week: will vote that too.)

READING NOTES: Throughout the syllabus, I have indicated the more-central readings in larger (11 pt.) font and the less-central readings in smaller (9pt.) font in an attempt to help render these very demanding lists more manageable. I will also try to provide some guidance to reading by e-mail and/or in *Reading Notes* on my web page and/or on CTools. I will try to update these *Reading Notes* weekly, and I may update the syllabus font-size variations indicating reading priority, and, indeed, the entire syllabus, throughout the semester. Stay tuned to announcements by e-mail and in class and check back here regularly.

SPECIAL ACCOMMODATIONS: If you think you need an accommodation for a disability, please let me know at least two weeks prior to the time when the accommodation will be needed. Some aspects of this course, the assignments, the in-class activities, and the way the course is usually taught may be modified to facilitate your participation and progress. As soon as you make me aware of your needs, we can work with the Office of Services for Students with Disabilities (SSD) to help us determine appropriate academic accommodations. SSD (734-763-3000; <http://www.umich.edu/sswd>) typically recommends accommodations through a Verified Individualized Services and Accommodations (VISA) form. Any information you provide is private and confidential and will be treated as such.

Part I: Preliminaries & Background

Week 1 (9/4): What is (Positive) Comparative & International Political Economy?

<http://www-personal.umich.edu/~franzese/PS651.WhatIsPositiveC&IPE.WorldlyPhilosophers.Ideas.pdf>

PE Methodology:

Alt&Sh, Intro (Alt & Shepsle), Ch. 1 (Ordeshook), Ch. 6 (Riker), Ch. 9 (Olson).

PE of Development:

Alt&Sh, Ch. 2 (Bates).

BdM²S², Ch. 1, pp. 3-35.

Ace&Rob, Ch. 1.

Macroeconomic/Developed-Democratic PE:

One closely, One more quickly: **Drazen**, Ch. 1, pp. 3-19; **P&T**, Ch. 1, pp. 1-14.

Franzese, Ch. 1, pp. 1-14, 41-61, skim Sect. 1.3, pp. 14-41. [Notes: <http://www.umich.edu/~franzese/ps343.Franzese.pdf>]

International PE:

Frieden, Jeffrey, Lisa Martin. 2002. "International Political Economy: Global and Domestic Interactions." In Ira Katznelson Helen Milner, *Political Science: The State of the Discipline*. NY: Norton, pp. 118-46.

Frieden, Jeffrey, Ronald Rogowski, "The Impact of the International Economy on National Policies: An Analytical Overview," in Keohane & Milner, ed., *Internationalization and Domestic Politics* (1996): 25-47.

Putnam, Robert D., "Diplomacy and Domestic Politics: The Logic of Two-level Games," *International Organization* 42 (Summer 1988), pp. 427-60.

Further Suggestions:

Alt, James A. and K. Alec Crystal, *Political Economics*, Preface, Part I, Part II, Conclusion (100, 12).

Dixit, Avinash, *The Making of Economic Policy: A Transaction-Cost Politics Perspective* (Munich Lectures in Economics), Cambridge: The MIT Press, 1997, Part I: 1-36.

Hirschman, Albert O., *Exit, Voice, and Loyalty*.

Hirschman, Albert O., *National Power and the Structure of Foreign Trade* (University of California Press, 1980), Part I, pp. 3-81.

Rogowski, *Commerce and Coalitions*. See Franzese's Lecture Notes: <http://www-personal.umich.edu/~franzese/Rogowski.CommerceCoalitions.pdf>

Banks, Jeffrey S. and Eric A. Hanushek, eds., *Modern Political Economy: Old Topics, New Directions*.

Barry, Brian, *Sociologists, Economists, and Democracy*.

Bates, Robert H., *Markets and States in Tropical Africa*, Introduction, pp. 1-8, ch. 5, pp. 81-95.

Boix, Charles. 2003. *Democracy and Redistribution* (Cambridge UP), Ch. 1.

Buchanan, James and Gordon Tullock, *The Calculus of Consent* (UMich P).

Elster, Jon, *Explaining Technical Change*, pp. 25-32, 49-61, 69-83.

Frey, Bruno and Friedrich Schneider, "On the Modeling of Politico-Economic Interdependence," *EJPR* 3, 1975: 339-60.

Gourevitch, Peter, "International Influences on Domestic Politics: The Second Image Reversed," *International Organization*, v.32 (Autumn 1978), pp. 881-912.

Harsanyi, John, "The Dimension and Measurement of Social Power," in D.W. Rothschild, ed., *Power in Economics* (Penguin 1971).

Harsanyi, John, "Measurement of Social Power, Opportunity Costs, and the Theory of Two-Person Bargaining Games," *Behavioral Science* 7(1), 1962, pp. 67-80.

Hirschleifer, Jack, "The Expanding Domain of Economics," *AER*, December 1985, pp. 53-68.

Hirschman, Albert O., "Exit, Voice, and the State," *World Politics* 31(1), 1978: 90-107.

Keech, William R., "Politics, Economics, and Politics Again," *JOP* 53, Aug 1991, pp. 597-611.

Lane, Jan-Erik and Svante Ersson, *Comparative Political Economy*, Introduction, Chs. 1, 2 (pp. 1-54).

Lange, Peter and Marino Regini, eds., *State, Market and Social Regulation: New Perspectives on Italy*, Introduction (pp. 1-25).

Lindberg, Leon, et al., eds., *Stress & Contradiction in Modern Capitalism* (Heath 1975), esp. Alford, Robert, "Paradigms of Relations Between State & Society," pp. 145-60.

Lindblom, Charles, *Politics and Markets Basic Books*, 1977.

Offe, Claus, "Competitive Party Democracy and the Keynesian Welfare State," *Contradictions of the Welfare State*, ch. 8.

Polanyi, Karl, "The Economy as Instituted Process," Ch. XIII of Polanyi et al., *Trade and Market in the Early Empires*.

Robbins, Lionel, *An Essay on the Nature and Significance of Economic Science* (1932).

Simon, Herbert A. "Human Nature in Politics: The Dialogue of Psychology with Political Science," *APSR* 79, June 1985, pp. 293-304.

Week 2 (9/11): Basic Economic Theory for C&IPE

Core Concepts & Topics in Economic Theory for Political Economists:

1. How markets work, and the efficiency of market exchange under competition
 - a. Supply & Demand and Harberger Triangles (Deadweight Loss: DWL)
 - b. Consumer & Producer Surplus and Rents
 - c. Marginals (returns, utility, productivity, etc.), Returns to Scale, & Elasticities
2. Market Failures
 - a. Market power: (Natural) Monopoly, monopsony, imperfect competition
 - b. Positive & Negative Externalities
 - c. Information asymmetry: credibility, moral hazard, adverse selection
3. (Neo)Keynesian & (Neo)Classical Macroeconomics, with Money
 - a. IS-LM (Hicks):
 - i. Aggregate Supply & Demand: $AS=AD \Rightarrow Y=C+I+G+(C-M)$

- ii. Quantity Theory of Money: $MV=PQ$
 - b. Rational Expectations (Lucas)
4. Public Finance:
 - a. Ramsay Rule & Elasticities
 - b. Tax-smoothing
5. Growth:
 - a. Growth Accounting
 - b. Solow Growth Model
 - c. Endogenous Growth Theory
6. International Trade (& Finance)
 - a. Comparative Advantage (Ricardo):
 - i. HORSS: Heckscher-Ohlin, Rhybszinsky, & Stolper-Samuelson (mobile factors)
 - ii. Ricardo-Viner (specific factors)
 - b. Balance-of-Payments (BOP) Accounting
 - c. Purchasing-Power Parity (PPP) & (covered & uncovered) Interest Parity
 - d. Tariffs, Quotas, & VER's

(LECTURE NOTES: <http://www-personal.umich.edu/~franzese/PS651.FranzeseHays.BasicEconNotes.pdf>)

(CORE READINGS LISTED UNDER WEEK 3; SUGGESTIONS ON ECON PHIL / PE ECON IDEAS BELOW)

Classics in Socio-Politico-Economic Philosophy:

- Heilbroner, Robert L., *The Worldly Philosophers*; see "Guide to Further Reading" also.
- Parsons, Talcott, Introduction to Weber, Max, *Economy and Society*.
- Heilbroner, Robert L., *Teachings from the Worldly Philosophy*.
- Thurow, Lester and Heilbroner, Robert L., *Economics Explained* (Simon & Schuster 1987).
- Smith, Adam, *The Wealth of Nations* (1776) (esp. Book I, chs. 1-3; Book II, chs. 1, 3).
- Ricardo, David, *Principles of Political Economy* (esp. ch. 7 "On Foreign Trade").
- Marx, Karl, *Das Kapital*, *The Communist Manifesto*, etc.
- Keynes, John Maynard, *The General Theory*, esp. Book I, chs. 5,10-12,15,18-21.
- Keynes, John Maynard, *Essays in Persuasion*, esp. "The Economic Consequences of the Peace."
- Weber, Max, *Economy and Society*.
- Weber, Max, *General Economic History*.
- Weber, Max, "Class, Status, and Party"
- Schumpeter, Joseph, *Capitalism, Socialism, and Democracy*.
- Hayek, Friedrich, *The Road to Serfdom* (Routledge).
- Polanyi, Karl, "The Economy as Instituted Process," Ch. XIII of Polanyi et al., *Trade and Market in the Early Empires*.
- Polanyi, Karl, "Aristotle Discovers the Economy," in *Trade and Market in the Early Empires*.

Some New(er) Classics:

- Hirschman, Albert. *The Passions and the Interests: Political Arguments for Capitalism before its Triumph*. Princeton UP 1977.
- Sen, Amartya Kamur, *On Ethics and Economics* (Blackwell).
- Sen, Amartya Kamur, *Resources, Values, and Development* (Harvard).

- Sen, Amartya Kamur, *Poverty and Famines* (Clarendon 1981).
- Sen, Amartya Kumar, "Welfare, Preference, and Freedom," *J Econometrics* 50:15-29 Oct/Nov 1991.
- Offe, Claus, *Contradictions of the Welfare State*.
- Frey, Bruno S. *Democratic Economic Policy: A Theoretical Introduction* (Martin Robinson/Blackwell 1983).
- van den Doel, Hans, *Democracy and Welfare Economics*.
- Silk, Leonard, *The New Economists*. (Tries for moderns what Heilbroner did for classics.)

Research on Politics of Economic Ideas: Going From Theory/Ideology to Policy/Politics:

- Hall, Peter, ed., *The Political Power of Economic Ideas: Keynesianism Across Nations*.
- Hobsbawm, Eric, *Politics for a Rational Left* (Verso).
- Aschheim, J. and G. Tavlas, "On Monetarism and Ideology," *Banca Nazionale del Lavoro Review* 1979.
- Gourevitch, Peter, "Breaking with Orthodoxy," *IO* 38, Winter 1984, 95-129 & book of same title (Cornell UP 1986).
- Hall, Peter, "Policy Paradigms, Social Learning, and the State: The Case of British Economic Policy," *Comp Pol* 25, 1993.
- Trachtenberg, Marc, "Keynes Triumphant: A Study in the Social History of Economic Ideas," *Knowledge and Society* 4, 1983, pp. 17-86.
- Goldstein, Judith and Robert Keohane, *Ideas and Foreign Policy*, esp. pieces by Ikenberry and Garrett and Weingast.
- Van Doren, Peter, "Should Congress Listen to Economists?" *JoP* 1989.
- Weir, Margaret, Theda Skocpol, "State Structure and the Possibilities for Keynesian Response to the Great Depression in Sweden, Britain, and the United States," in P. Evans, et al., eds. *Bringing the State Back In* (Cambridge UP 1985), 107-68

Week 3 (9/18): Basic Economic Theory for C&IPE

(LECTURE NOTES: <http://www-personal.umich.edu/~franzese/PS651.FranzeseHays.BasicEconNotes.pdf>)

Hibbs, ch. 1. [*Franzese, Lecture Notes, esp. headings IV-VI*: <http://www-personal.umich.edu/~franzese/ps343.Hibbs.Intro-Ch1.pdf>]

Hicks, John R. 1937. "Mr. Keynes and the 'Classics': A Suggested Interpretation," *Econometrica* 5: 147-59.

Lucas, Robert E., Jr. 1976. "Econometric Policy Evaluation: A Critique," reprinted in *Studies in Business Cycle Theory* 104-30, from *The Phillips Curve and Labor Markets*, vol. 1 of Carnegie-Rochester Conference Series on Public Policy, eds. Karl Brunner & Allan H. Meltzer. Amsterdam: North-Holland, 19-46.

Mankiw, N. Gregory. 1990. "A Quick Refresher Course in Macroeconomics," *Journal of Economic Literature* 28(4): 1645-1660.

Barro, Robert J. 1989. "New Classical and Keynesians, or the Good Guys and the Bad Guys," *NBER Working Paper* #2982.

Solow, R.M. 1956. "A Contribution to the Theory of Economic Growth," *QJE* 70: 65-94.

Ramsey, F. 1927. "A Contribution to the Theory of Taxation." *Economic Journal*, 47-61.

Stolper, Wolfgang, Paul A. Samuelson. 1941. "Protection and Real Wages," *Review of Economic Studies* 9(November): 58-73.

Samuelson, Paul A. 1971. "Ohlin Was Right," *Swedish Journal of Economics* 73: 365-384.

Mundell, Robert A. 1963. "Capital Mobility and Stabilization Policy under Fixed and Flexible Exchange Rates," *The Canadian Journal of Economics and Political Science* 29(4): 475-485.

Johnson, Harry G. 1953. "Optimum Tariffs and Retaliation," *Review of Economic Studies* 21(2):142-153.

Krugman, Paul R. 1979. "Increasing Returns, Monopolistic Competition, and International Trade," *Journal of International Economics* 9(4):469-479.

Further Suggestions:

Rudiger Dornbusch, Stanley Fischer, Richards Startz, 2003, *Macroeconomics, 9th ed.*, McGraw-Hill.

Obstfeld, Maurice, and Paul Krugman, 1996, *Foundations of International Macroeconomics*.

Paul R. Krugman, Maurice Obstfeld, 2002, *International Economics: Theory & Policy 6th Ed.*, Addison-Wesley.

Vousden, Neil, 1990, *The Economics of Trade Protection*, Cambridge University Press.

James R. Hines, Jr., 1999, "Three Sides of Harberger Triangles," *Journal of Economic Perspectives* 13(2): 167-188.

Akerloff, G. 1990. "The Market for 'Lemons': Qualitative Uncertainty and the Market Mechanism," *Quarterly Journal of Economics* 84:488-500.

Coady, David, Jean Drèze, 2002, "Commodity Taxation & Social Welfare: The Generalized Ramsey Rule," *International Tax & Public Finance* 9: 295-316.

Auerbach, A. 1985. "The Theory of Excess Burden and Optimal Taxation." In A. Auerbach & M. Feldstein, eds., *Handbook of Public Economics, v.1*.

Brian Doyle's *New Open-Economy Macroeconomics* Webpage: http://www.geocities.com/brian_m_doyle/open.html

International Trade Theory and Policy Analysis: References, by Steven Suranovic ©1997-1999: <http://internationalecon.com/v1.0/references.html>

Bibliography for Alan Deardorff's Glossary of International Economics: <http://www-personal.umich.edu/~alandear/glossary/bib.html>

John Stiver's Syllabus for Economics 242 at the University of Connecticut: <http://www.sp.uconn.edu/~jstiver/Eco242/syllabus%20242.htm>

Part II: The Building Blocks of Political Economy

Weeks 4&5 (9/25, 10/2): Models & Tools for C&IPE

<http://www.umich.edu/~franzese/ps651.BasicToolsModelsPE.Pt1.pdf>

From Political Science:

Morrow, James D. 1994. *Game Theory for Political Scientists*, on:

Median-Voter Theorem (Black-Downs) and Nash Bargaining, pp. 104-116.

Structure-Induced Equilibrium & Proposal/Amendment Rules, pp. 138-45.

Legislative Bargaining (Baron-Ferejohn), pp. 149-156.

Cameron, Charles, and Nolan McCarty. 2004. "Models of Vetoes and Veto Bargaining," *Annual Review of Political Science* 7:409-35.

Franzese, R. 2003. *Lecture Notes on Coalition Models*:

<http://www.umich.edu/~franzese/ps341.Fall2004.CompleteLectureNotes.HiRes.pdf> (pp. 177-191).

Non- & 1-Dimensional Models (Riker: MWC; Min-Size; deSwaan: Min-Range; Axelrod: Min-Connected).

Multi-Dimensional Model (Laver & Shepsle Portfolio-Allocation Model).

Laver, Michael, 1998, "Models of Government Formation," *Annual Review of Political Science* 1:1-25.

Franzese, on:

Sect 2.2: Median-Voter Model of Proportional Tax&Transfer (Meltzer-Richard-Romer/Alesina-Rodrik), pp. 64-9.

Sect 3.2.4: Basic Distributive-Politics Model (Weingast-Shepsle-Johnsen), pp. 139-40.

Tsebelis, George. 2002. *Veto Players: How Institutions Work* (Princeton UP), Introduction and Part I, pp. 1-63.

RE1: **BdM²S²**, Chs. 2-3, "The Theory: Definitions & Intuition" & "A Model of the Selectorate Theory," pp. 37-126.

From Economics:

RE2: **Ace&Rob**, Chs. 4-5, "Democratic Politics" & "Nondemocratic Politics", pp. 89-172.

RE3: **P&T**, Ch. 2-3, "Preferences and Institutions" and "Electoral Competition," pp. 15-68.

Franzese notes: <http://www.umich.edu/~franzese/ps651.P&T.chs2-3.FranzeseNotes.pdf>

RE4: **Drazen**, Chs. 2-3, "Economic Models for Political Analysis" & "Decision-making Mechanisms," pp. 20-98.

Further Suggestions:

Austen-Smith, D., J. Banks. *Positive Political Theory I & II*. UM Press.

Austen-Smith, David, Jeffrey Banks. 1988. "Elections, Coalitions, and Legislative Outcomes," *American Political Science Review* 82:405-22.

Baron, D. 1991. "A Spatial Bargaining Theory of Government Formation in Parliamentary Systems," *American Political Science Review* 85:137-65.

Baron, David, Daniel Diermeir. 2001. "Elections, Governments, & Parliaments in Proportional Representation Systems," *QJE* 2001(August): 933-967.

Baron, David, John Ferejohn. 1987. "Bargaining & Agenda Formation in Legislatures," *The American Economic Review*, 77(2): 303-309.

Baron, David, John Ferejohn. 1989. "The Power to Propose, in *Models of Strategic Choice in Politics*, Peter Ordeshook (ed.), UM Press.

Baron, David, John Ferejohn. 1989. "Bargaining in Legislatures," *American Political Science Review*, 83(4): 1181-1206.

Diermeier, Daniel, models of coalition government:

"A Structural Model of Government Formation," with Antonio Merlo and Hulya Eraslan. forthcoming. *Econometrica*.

"Coalition Government & Comparative Constitutional Design" w/ Hulya Eraslan & Antonio Merlo. *European Economic Review* 2002, 46: 893-907.

"Elections, Governments, and Parliaments in Proportional Representation Systems." w/ D. Baron. *Quarterly Journal of Economics*. 2001: 933-967.

"Government Turnover in Parliamentary Democracies." with Antonio Merlo. *Journal of Economic Theory*. 2000. 94: 46-79.

"Cabinet Terminations and Critical Events." with Randy Stevenson. *American Political Science Review*. 2000. 94(3): 627-40.

"Cabinet Survival and Competing Risks," with Randy Stevenson. *American Journal of Political Science*. 1999: 43(5):1051-98.

"The Duration of Cabinet Formation Processes in Western Multi-Party Democracies," with Peter van Roozendaal. *BJPS*. 1998. 28:609-626.

"Comparing Constitutions: Cohesion & Distribution in Legislatures." w/ Timothy J. Feddersen. *European Economic Review*. 1998. 42(3-5):665-672.

"Bicameralism and Government Formation." 2002. With Antonio Merlo & Hulya Eraslan. University of Pennsylvania.

"An Empirical Investigation of Coalitional Bargaining Procedures." with Antonio Merlo. Jan. 1999. Revised Oct. 2001.

Lanny W. Martin and Georg Vanberg. 2005. "Coalition Policymaking and Legislative Review," *American Political Science Review* 99(1):93-106.

Ferejohn, John and Keith Krehbiel, "The Budget Process and the Size of the Budget," *AJPS* 31, 1987, pp. 296-320.

Fiorina, Morris and Roger Knoll, "Voters, Bureaucrats, and Legislators," *J Pub E* 1978, 239-54.

Laver, Michael, Kenneth Shepsle, *Making and Breaking Governments: Cabinets and Legislatures in Parliamentary Democracies* (Cambridge UP: 1996).

Meltzer, Allan H., and Scott F. Richard (1981), "A Rational Theory of the Size of Government," *Journal of Political Economy*, 89: 914-927.

Miller, Gary and Terry Moe, "Bureaucrats, Legislators, and the Size of the Government," *APSR* 1983, 293-308.

Mueller, Dennis, *Public Choice II*, Cambridge UP 1988, ch. 17.

Ordeshook, Peter. *A Political Theory Primer*.

Ordeshook, Peter. *Game Theory and Political Theory*.

Romer, Thomas, and Howard Rosenthal. 1978. "Political Resource Allocation, Controlled Agendas, and the Status Quo," *Public Choice* 33(1):27-44.

Weingast, Barry, Kenneth Shepsle, and C. Johnson, "The Political Economy of Costs and Benefits: A Neoclassical Approach to Distributive Politics," *Journal of Political Economy* 89, August, 1981, pp. 642-64.

Week 6 (10/9): Preferences, Collective Action, Transaction Costs

Preferences:

Franzese, Robert J., Jr., “Lecture Notes on Cleavage Structure and Politics,”

<http://www-personal.umich.edu/~franzese/lecturenotes.ses.mod.dem.socstab.pdf>

[1] **Selway, Joel Sawat**. 2011. “The Measurement of Cross-cutting Cleavages and Other Multidimensional Cleavage Structures” *Political Analysis* 19(1): 48-65.

[1] *One of:* **Selway, Joel Sawat and Joshua Gubler**. 2012. “Horizontal Inequality, Crosscutting Cleavages, and Civil War,” *Journal of Conflict Resolution* 56(2):206-32. or **Selway, Joel Sawat**. 2011. “Cross-cuttingness, cleavage structures and civil war onset,” *B7PS* 41(1):111-38.

[1] **Chandra, Kanchan**. 2006. “What is ethnic identity and does it matter?” *Annual Review of Political Science* 9:397-424.

[1] **Habyarimana, James; Humphreys, Macartan; Posner, Daniel N; Weinstein, Jeremy M**. 2007. “Why does ethnic diversity undermine public goods provision?” *American Political Science Review* 101(4):709-25.

Hibbs, Chs. 2-5. [Lecture Notes: <http://www-personal.umich.edu/~franzese/ps343.Hibbs.Ch2-Ch3.pdf>;

<http://www-personal.umich.edu/~franzese/ps343.Hibbs.Ch4-Ch9.pdf>]

[2] **Lupu, Noam and Jonas Pontusson**. 2011. “The Structure of Inequality and the Politics of Redistribution,” *American Political Science Review* 105(2):316-36.

[2] **Hirschman, Albert**. 1973. “The Changing Tolerance for Income Inequality in the Course of Economic Development,” *QJE* 87(Nov.): 544-66.

[2] **Bartels, Larry M**. 2009. “Economic inequality and political representation.” In, *The Unsustainable American State*, pp. 167-96. Russell Sage; New York: Oxford University Press.

[2] **Benabou, Roland**. 2000. “Unequal societies: Income distribution and the social contract,” *American Economic Review* 90(1):96-129.

Bates, Robert. 1981. *Markets and States in Tropical Africa*, Ch. 5, “The Market as Political Arena and the Limits of Voluntarism,” pp. 81-95, but read notes for entire: <http://www-personal.umich.edu/~franzese/ps489.Bates.pdf>.

One of: **Rogowski, Ronald**, *Commerce and Coalitions* (Princeton UP, 1989), ch. 1, 6-7, pp. 3-20, 163-79. [Franzese, Lecture Notes: <http://www-personal.umich.edu/~franzese/ps489.Rogowski.pdf> or “Political Cleavages and Changing Exposure to Trade,” *American Political Science Review* 81:4 (1987), pp. 1121-38.

[3] **Frieden, Jeffrey**, “Actors and Preferences in International Relations,” in *Strategic Choice and International Relations*, eds. David A. Lake and Robert Powell (Princeton UP, 1999) pp. 39-76, 115-136.

[3] **Alt, James E. and Michael Gilligan**. 1994. “The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions.” *Journal of Political Philosophy* 2(2): 165-192.

[3] **Scheve, Kenneth, Matthew J. Slaughter**. 2001. “What Determines Individual Trade-Policy Preferences?” *Journal of International Economics* 54(2):267-292.

[3] **Frieden, Jeffrey, Ronald Rogowski**. 1996. “The Impact of the International Economy on National Policies: An Analytical Overview,” in Keohane & Milner, ed., *Internationalization and Domestic Politics*. Pp. 25-47.

[4] **Acemoglu, Daron and James Robinson**. 2000. “Political Losers As a Barrier to Economic Development” *AEA Papers and Proceedings* 90:126-130.

[4] **Alt&Sh**, Ch. 8 (Tullock): pp. 195-211.

[4] **Fernandez, Raquel, and Dani Rodrik**. 1991. “Resistance to Reform: Status Quo Bias in the Presence of Individual-specific Uncertainty [The Case of Trade],” *American Economic Review* 81(Dec):1146-55.

[4] **Kahneman, Daniel; Knetsch, Jack L; Thaler, Richard H**. 1991. “Anomalies: The endowment effect, loss aversion, and status quo bias,” *The Journal of Economic Perspectives* 5(1):193-206.

Collective Action:

Olson, Mancur. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities* (Yale UP), chapters 1-3, pp. 1-74. [Franzese’s Notes: <http://www-personal.umich.edu/~franzese/ps489.Olson.pdf>

Transaction Costs:

[5] **Alt&Sh**, Chs. 3 (Milgrom & Roberts), Chs. 4 (Kreps), 5 (Demsetz): pp. 57-160.

[6] **Dixit, Avinash**, *The Making of Economic Policy: A Transaction-Cost Politics Perspective* (Munich Lectures in Economics), Cambridge: The MIT Press, 1997, Part II: 37-112 (parts 2.1-2.2 = pp 37-60, parts 2.3-2.4 = pp. 61-112).

[7] **Coase, Ronald**, “The Problem of Social Cost,” *J Law & Econ* 3(1), 1960, pp. 1-44.

- [7] **Olson, Mancur, Jr.** 1996. "Distinguished Lecture on Economics in Government: Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor," *Journal of Economic Perspectives* 10(2):3-24.
- [7] **Dixit, Avinash; Olson, Mancur.** 2000. "Does voluntary participation undermine the Coase Theorem?" *Journal of Public Economics* 76(3):309-35.
- [8] **Alt&Sh**, Ch. 7 (North): pp. 182-194.
- [8] **Moe, Terry** (1984) "The New Economics of Organization." *American Journal of Political Science.* 28: 739-777.
- [8] **Williamson, Oliver.** 1988. "The Logic of Economic Organization," *JLEO* 4(1):65-93.

Further Suggestions on Income Distribution (a key component of "interest structure"):

Atkinson, A.B., 1997, "Bringing Income Distribution in from the Cold," *Economic Journal*, 107: 291-321.

Deininger, K. and L. Squire, 1996a, "A New Data Set Measuring Income Inequality," *World Bank Economic Review* 10: 565-591.

Deininger, K. and L. Squire, 1998, "New Ways of Looking at Old Issues," *Journal of Development Economics* 57: 259-87.

Ferreira, F.H.G., 1996, *Roads to Equality: Wealth Distribution Dynamics with Public-Private Capital Complementarity*, Washington, DC: The World Bank.

Galor, O. and J. Zeira, 1993, "Income Distribution and Macroeconomics," *Review of Economic Studies* 60: 35-52.

Kaldor, N., 1956, "Alternative Theories of Distribution," *Review of Economic Studies* 23(2): 94-100.

Further Suggestions on Collective-Action, Transaction Costs, & Rent-seeking:

Alt, James A. and Kenneth Shepsle, eds., *Perspectives on Positive Political Economy*, Chs. 4 (Kreps), 5 (Demsetz): pp. 90-160.

Bhagwati, Jagdish, "Directly Unproductive, Profit-Seeking Activities," *JPE* 90(5), 1982, pp. 988-1002.

Cameron, David, "Distributional Coalitions and Other Sources of Economic Stagnation," *International Organization* 42(4), 1988, pp. 561-604.

Eggertsson, Thrainn. *Economic Behavior and Institutions* (Cambridge UP: 1988), Parts I, IV.

Kreuger, Anne. "The Political Economy of the Rent-Seeking Society," *AER* 64, 1974, pp. 291-303. (Also in Buchanan, Tollison, and Tullock, *Towards a Theory of the Rent-Seeking Society* (Texas A&M Press 1980))

Klein, Benjamin, Robert Crawford, and Armen Alchain, "Vertical Integration, Appropriable Rents, and the Competitive Contracting Process," *J Law and Econ* 21(2), 1978, pp. 297-326.

Olson, Mancur, *The Logic of Collective Action: Public Goods and the Theory of Groups*, entire (pp. 1-168).

Lane, Jan-Erik and Svante Ersson, *Comparative Political Economy*, Chs. 8, 9 (pp. 190-228).

Stigler, George, "The Theory of Economic Regulation," *Bell J of Econ* 2, Spring 1971, pp. 2-21.

Tullock, Gordon, "The Welfare Costs of Tariffs, Monopolies, and Theft," *Western Economic Journal* 5 (1967), pp. 224-32. (Also in Buchanan, Tollison, and Tullock, *Towards a Theory of the Rent-Seeking Society* (Texas A&M Press 1980))

Weingast, Barry, and W. Marshall, "The Industrial Organization of Congress," *JPE* 1985: 132-63.

Williamson, Oliver, *The Economic Institutions of Capitalism*, 1985, chs. 1-4.; Williamson, O., ed., *Organization Theory: From Chester Barnard to the Present and Beyond* (Oxford UP 1990).; Williamson, O., "The Emerging Science of Organization," *JITE: J Institutional & Theoretical Econ* 149:36-63, 1993.

Week 7 (10/16): Institutions: Perspectives, Approaches, and Theoretical Roles

Institutional Approaches:

- Hall, Peter**, *Governing the Economy*, ch. 1, pp. 3-22. [*Lecture Notes:* <http://www-personal.umich.edu/~franzese/ps641.hall.pdf>]
- [1] **Pierson, Paul and Theda Skocpol**. 2002. "Historical Institutionalism in Contemporary Political Science," in Milner & Katznelson, eds., *Political Science: The State of the Discipline, Centennial Edition*, pp. 693-721.
- OR: **Thelen, Kathleen**. 1999. "Historical Institutionalism in Comparative Politics," *Annual Review of Pol Sci* 2: 369-404.
- [2] **Shepsle, Ken**. 2007. "Rational-Choice Institutionalism," in R.A.W. Rhodes, S.A. Binder, & B.E. Rockman, eds., *Oxford Handbook of Political Institutions*, ch. 2, pp. 23-38.
- OR: **Weingast, Barry**. 2002. "Rational-Choice Institutionalism," in Milner & Katznelson, eds., *Political Science: The State of the Discipline, Centennial Edition*, pp. 660-92.
- [1] **Helmke, G., S. Levitsky**. 2004. "Informal Institutions and Comparative Politics: A Research Agenda," *Perspectives on Politics* 2(4):725-40.
- [3] **Hall, Peter and Rosemary Taylor**. 1996. "Political Science and the Three New Institutionalisms." *Political Studies* 44: 936-957.
- [3] **March, James G. & Johan P. Olsen**. 2007. "Elaborating the New Institutionalism," in R.A.W. Rhodes, S.A. Binder, & B.E. Rockman, eds., *Oxford Handbook of Political Institutions*, ch. 1, pp. 3-21.
- [4] **Diermeier, Daniel, Keith Krehbiel**. 2003. "Institutionalism as a Methodology," *J Theoretical Politics* 15(2): 123-44.

Exogenous Institutions:

- [5] **Rogowski, Ronald**, "Institutions as Constraints on Strategic Choice." In *Strategic Choice and International Relations*, eds. David A. Lake and Robert Powell (Princeton University Press, 1999) pp. 115-136.
- [5] **Franzese, Robert J., Jr.** 2007. "Multi-Causality, Context Conditionality, and Endogeneity" in *Oxford Handbook of Comparative Politics*, (esp. the middle section on context conditionality) C. Boix, S. Stokes, eds., Oxford UP, pp. 27-72. <http://www.umich.edu/~franzese/Franzese.MultiCausal.ContextCond.Endog.OxfHndbkCP.chap02.PROOFS.pdf>

Endogenous Institutions?

- [6] **Putnam, Robert D., with Leonardi, Robert, and Nanetti, Raffaella Y.**, *Making Democracy Work*, Princeton UP, 1993, chs. 1,4,6 (pp. 3-16, 83-120, 163-86).
- [7] **Hall, Peter and David Soskice**, "An Introduction to Varieties of Capitalism," in Hall & Soskice, eds., *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford UP, 2001, pp. 1-68.
- [4] **Calvert, Randall L.**, "The Rational Choice Theory of Social Institutions: Cooperation, Coordination, and Communication," in Banks and Hanushek, eds., *Modern Political Economy*, Cambridge UP, 1995, pp. 216-68.

Endogenous Institutions (& their Epistemological Challenge):

- [8] **North, Douglass**. 1981. *Structure and Change in Economic History* (WW Norton & Company), Parts I and III, pp. 3-68, 201-209.
- [8] **Field, Alexander J.** 1981. "The Problem with Neoclassical Institutional Economics: a Critique with Special Reference to the North/Thomas Model of pre-1500 Europe." *Explorations in Economic History* 18 (April): 174-198.
- [2] **Riker, William**. "Implications from the Disequilibrium of Majority Rule for the Study of Institutions." *The American Political Science Review* 74(2), pp. 432-446.
- [4] **Greif, Avner and David D. Laitin**. 2004. "A Theory of Endogenous Institutional Change," *American Political Science Review* 98(4):633-52.

Further Suggestions: [THIS LIST COULD OBVIOUSLY BE EXTENDED TREMENDOUSLY]

- Kenneth A. Shepsle, "Studying Institutions: Some Lessons from the Rational Choice Approach," *Journal of Theoretical Politics* 1, 2 (April 1989), pp. 131-47
- Acemoglu, Daron, Simon Johnson, James Robinson. 2002. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics* 107:1231-1294.
- March, James G. and Johan P. Olson, "The New Institutionalism: Organizational Factors in Political Life," *APSR* 78, 1984, 734-49.
- Nabli, M.K. and J.B. Nugent, "The New Institutional Economics and its Applicability to Development," *World Development* 17:1333-47 Sep 1989.
- John J. Mearsheimer, "The False Promise of International Institutions." *International Security* (Winter 1994/1995), pp. 5-49.
- Hiscox, Michael J. 1999. "The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization." *International Organization* Vol. 53, No. 4 (Autumn): 669-698.
- Yarborough, Beth V. and Robert M. Yarborough, "International Institutions and the New Economics of Organization," *International Organization*, 44(2), Spring 1990, pp. 235-59.
- Keohane and Martin, "The Promise of Institutionalist Theory," *International Security* (Summer 1995), p. 39-51.
- Ostrom, Elinor, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge UP 1990.

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

Week 8 (10/23): Credibility, Time-Consistency, Uncertainty, Information (Technocratic PE)

- [RE 1] *P&T*, Ch. 11, “Dynamic Policy Problems,” pp. 277-304.
- [RE 2] *Drazen*, Pt. II, “Commitment, Credibility, & Reputation,” Ch. 4, “The Time-Consistency Problem,” pp. 99-130.
- [RE 3] *Drazen*, Pt. II, “Commitment, Credibility, & Reputation,” Ch. 5, “Law, Institutions, & Delegated Authority,” 131-65
- [RE 4] *Drazen*, Pt. II, “Commitment, Credibility, & Reputation,” Ch. 6, “Credibility & Reputation,” pp. 166-215.
- [RE 5] *One closely, One more quickly: Greif, Avner, Paul Milgrom, and Barry Weingast*. 1994. “Coordination, Commitment and Enforcement: The Case of the Merchant Guild,” *Journal of Political Economy* 102:912-50; **North, Douglas, Barry Weingast**. 1989. “Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England,” *Journal of Economic History* 49(4):803-32.
- [RE 6] *Read Together: Wittman, Donald*. 1989. “Why Democracies Produce Efficient Results,” *Journal of Political Economy* 97:1395-1426, then **Acemoglu, Daron**. 2003. “Why Not a Political Coase Theorem? Social Conflict, Commitment, and Politics,” *Journal of Comparative Economics* 31(4):620-52.
- [RE 7] **Kollman, Ken, John H. Miller, and Scott E. Page**. 2000. “Decentralization and the Search for Policy Solutions,” *Journal of Law, Economics, and Organization* 16(1): 102-28.
- [RE 7] *Skim for def & disc State, Path, & Path Dependence: Page, Scott E*. 2006. “Path Dependence,” *Quarterly Journal of Political Science* 1(1):87-115.
- [RE 7] *Skim for def & disc Uncert, Diff, & Complex and Characteristics Good Search Algorithms under each: Page, Scott E*. 2008. “Uncertainty, Difficulty, and Complexity,” *Journal of Theoretical Politics* 20(2):115-49.
- [RE 8] **Volden, Craig, Michael M. Ting, and Daniel P. Carpenter**. 2008. “A Formal Model of Learning and Policy Diffusion,” *American Political Science Review* 102(3): 319-32.
- [RE 8] *Read quickly for sense of argument & setup of empirical exploration re: technocratic challenge in learning-diffusion: Meseguer, Covadonga*. 2006. “Rational Learning and Bounded Learning in the Diffusion of Policy Innovations,” *Rationality and Society* 18(1):35–66.

Further Suggestions:

- [Large literatures exist on “time-consistency, credibility, and commitment” (some of which appears below in the ‘topical applications Part IV’), “uncertainty & information” in policymaking, and “policy learning” or “policy laboratories”, but this section is new to this syllabus & I have not yet developed a further-readings list.]
- Brunetti, Aymo, Gregory Kisunko and Beatrice Weder. 1998. “Credibility of Rules and Economic Growth: Evidence from Worldwide Survey of the Private Sector,” *The World Bank Economic Review* 12(3):353-84. [Article introduces important comparative, increasingly TSCS, micro-level database regarding business climate.]
- Keefer, Philip, and David Stasavage. 2002. “Checks and Balances, Private Information, and the Credibility of Monetary Commitments,” *International Organization* 56(4): 751-74.
- Broz, J. Lawrence. 2002. “Political System Transparency and Monetary Commitment Regimes,” *International Organization* 56(4): 861-88.
- Freeman, John R. 2002. “Competing Commitments: Technocracy and Democracy in the Design of Monetary Institutions,” *International Organization* 56(4): 889-910.

Week 9 (10/30): Agency, Accountability, & Corruption (“Us Citizens v. Them Politicians”)

[1] **P&T**, Ch. 4 “Agency” [Hays solves problem 4.3: <http://www.umich.edu/~franzese/P&T.Prob4-3.Hays.pdf>], pp. 69-96.

[2] **P&T**, Ch. 9, “Institutions and Accountability,” pp. 225-49.

[3] **BdMPS²**, Ch. 4, “Institutions for Kleptocracy or Growth,” pp. 129-71.

Powell, G. Bingham, Jr. 2000. *Elections as Instruments of Democracy* (Yale UP), Chs. 3-4, “Accountability”, “Conditions for Mandates,” pp. 47-88. Lecture notes for book: <http://www.umich.edu/~franzese/ps389.Powell.ElectionsAsInstruments.pdf>.

Applications to Corruption & Rent Extraction:

[4] **Olson, Mancur**. 1993. “Dictatorship, Democracy, and Development,” *American Political Science Review* 87(3): 567-76.

[4] **Tsebelis, George**. 1989. “The Abuse of Probability in Political Analysis: The Robinson Crusoe Fallacy.” *American Political Science Review* 83(1):77-91.

[4] **Cai, Hongbin, Daniel Treisman**. 2005. “Does Competition for Capital Discipline Governments? Decentralization, Globalization, and Public Policy,” *American Economic Review* 95(3):817-30.

[5] **Shleifer, Andrei and Robert Vishny**. 1992. “Corruption,” *Quarterly Journal of Economics* 108:599-618.

[5] **Mauro, Paolo**. 1995. “Corruption and Growth,” *Quarterly Journal of Economics* 110(3):681-713.

[5] **Acemoglu, Daron and Thierry Verdier**. 2000. “The Choice Between Corruption and Market Failures,” *American Economic Review* 90:194-211.

Recommended: [5a] **Brunetti, Aymo, Beatrice Weder**. 2003. ‘A Free Press Is Bad News for Corruption,’ *J Pub Econ* (7–8):1801-24.

[6] **Treisman, Daniel**. 2000. “The Causes of Corruption: A Cross-National Study,” *JPubE* 76(3):399-457.

[6] **Treisman, Daniel**. 2004. “State-Corroding Federalism,” *Journal of Public Economics*, 88(3-4): 819-43.

[6] **Treisman, Daniel**. 2007. “What Have We Learned About the Causes of Corruption from Ten Years of Cross-National Empirical Research?” *Annual Review of Political Science* 10:211-44.

[7] **dal Bó, Ernesto and Rafael di Tella**. 2006. “‘Plata o Plomo.’: Bribe and Punishment in a Theory of Political Influence,” *American Political Science Review* 100(1):41-53.

[7] **Stokes, Susan C.** 2005. “Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina,” *American Political Science Review* 99(3):315-25.

[7] **Hicken, Allen D.** 2007. “How Do Rules and Institutions Encourage Vote Buying?” In *Elections for Sale: The Causes, Consequences, and Reform of Vote Buying*, F.C. Schaffer, ed. Lynne Rienner. Pp. 47-60.

[8] **Lederman, Daniel, Norman Loayza, and Rodrigo Reis Soares**. 2005. “Accountability and Corruption: Political Institutions Matter,” *Economics & Politics* 17(1):1-35.

[8] **Chang, Eric C.C. and Miriam Golden**, 2006, “Electoral Systems, District Magnitude and Corruption,” *British Journal of Political Science* 37(1):115-37.

[8] **Bawn, Kathleen and Michael F. Thies**. 2003. “A Comparative Theory of Electoral Incentives: Representing the Unorganized Under PR, Plurality and Mixed-Member Electoral Systems,” *Journal of Theoretical Politics* 15(1):5-32.

Further Suggestions:

[Large literatures on agency, accountability, corruption, & rent-extraction (some of which appears below in ‘topical applications Part IV’) ...]

Fajnzylber, P., D. Lederman and N. Loayza, 1998, “Determinants of Crime Rates in Latin America and the World,” A World Bank Latin America and the Caribbean Viewpoints Series Paper, Washington: World Bank.

Fajnzylber, P., D. Lederman and N. Loayza, 1998, “What causes violent crime?” The World Bank, Office of the Chief Economist, Latin America and the Caribbean Region.

From Acemoglu, Banerjee, & Duflo, MIT Econ 14.773, “Political Economy of Institutions and Development”:

Andrei Shleifer and Robert W. Vishny (1998) *The Grabbing Hand: Government Pathologies and their Cures*, Harvard UP, Cambridge MA.

Abhijit Banerjee (1997) “A Theory of Misgovernance” *Quarterly Journal of Economics* vol 112.

Acemoglu, Daron and Thierry Verdier (1998) “Property Rights, Corruption and the Allocation of Talent: A General Equilibrium Approach.” *Economic Journal*, September 1998, 108:450, 1381-1403.

Banerjee, Abhijit and Rohini Somanathan (2001), “A Simple Model of Voice”, *Quarterly Journal of Economics*

Dixit, Avinash, Gene Grossman and Elhanan Helpman (1997) “Common Agency and Coordination: General Theory and Application to Tax Policy”, *JPE*

Andrei Shleifer and Robert Vishny (1992), “Politicians and Firms,” *QJE* 109, pp. 995-1026.

Fisman, Ray (2001) “Tax rates and tax evasion: Evidence from Missing imports in China” Raymond Fisman and Shang-Jin Wei NBER Working Paper 8551 <http://www.nber.org/papers/w8551>

Yang, D. “How Easily do Lawbreakers Adapt to Increased Enforcement? Philippine Smugglers’ Responses to a Common Customs Reform” www.people.fas.harvard.edu/~dyang/papers/yang_smuggling.pdf

Fisman, Ray (2001) “Estimating the Value of Political Connections” *American Economic Review*, Sept. 2001 A longer version is on the web: <http://www.gsb.columbia.edu/faculty/rfisman/Conn2.pdf>

Ramalho, Rita (2002) “The Effect of an Anti-corruption Campaign: Evidence from the 1992 Presidential Impeachment in Brazil” http://econ-www.mit.edu/graduate/candidates/download_res.php?id=11

Rose-Ackerman, Susan. 1999. *Corruption and Government: Causes, Consequences, and Reform* (Cambridge: Cambridge University Press).

David Samuels. 2004. “Presidentialism and Accountability for the Economy in Comparative Perspective,” *APSR* 98(3):425-36.

Di Tella, Rafael, Ernesto Schargrofsky (2003) “The Role of Wages and Auditing during a Crackdown on Corruption in City of Buenos Aires”, *J Law & Econ* www.people.hbs.edu/rditella/papers/role_of_wages.pdf

Week 10 (11/6): Power, Privilege, & Partisanship (“Us Citizens vs. Them Citizens”)

Powell, G. Bingham, Jr. 2000. *Elections as Instruments of Democracy* (Yale UP), Chs. 5-6, “Authorized Representation in Policy Making,” “Responsiveness in Selecting Governments and Policymakers,” pp. 89-156.

Lecture notes for book: <http://www.umich.edu/~franzese/ps389.Powell.ElectionsAsInstruments.pdf>.

Hibbs, (review Chs. 1-5) Chs. 6,9, pp. 185-210, 280-326.

[Lecture Notes: <http://www-personal.umich.edu/~franzese/ps343.Hibbs.Intro-Ch1.pdf>;

<http://www-personal.umich.edu/~franzese/ps343.Hibbs.Ch2-Ch3.pdf>;

<http://www-personal.umich.edu/~franzese/ps343.Hibbs.Ch4-Ch9.pdf>]

REVIEW: P&T, Ch. 2-3, “Preferences and Institutions” and “Electoral Competition,” pp. 15-68.

Franzese notes: <http://www.umich.edu/~franzese/ps651.P&T.chs2-3.FranzeseNotes.pdf>

[RE1] P&T, Ch. 5, “Partisan Politicians,” pp. 97-114.

Ale&Ros, *Partisan Politics, Divided Government, and the Economy*:

[RE1] Chs 1-2: Intro & models of policy divergence (42pp.)

[RE2] Chs. 3-4: Theory of (voters’) institutional balancing, & the midterm cycle (68pp.)

[RE3] Chs. 5-6: Divided government, and incumbency & moderation (40pp.)

[RE4] Chs. 7-8: Partisan cycles, & a model of PE of US (43pp.) Chs. 9-10: Ec growth & partisan cycles in U.S.; extension to parliamentary democracies (55pp.)

See also Franzese’s Review of Alesina & Roubini with Cohen: “Review: Alberto Alesina and Nouriel Roubini with Gerald Cohen, Political Cycles and the Macroeconomy.” *Journal of Policy Analysis and Management* 19(3): 501-9, 2000.

<http://www.umich.edu/~franzese/ARwC.PoliticalCyclesAndTheMacroeconomy.BookReview.pdf>.

Clark, William Roberts. 2003. *Capitalism, Not Globalism: Capital Mobility, Central Bank Independence, and the Political Control of the Economy*, University of Michigan Press, chs. 3,5, pp. 41-84, 105-40.

Franzese’s Lecture Notes, chs. Pref-4: <http://www-personal.umich.edu/~franzese/PS343.Clark.LectureNotes.pdf>.

[RE5] David Rueda. 2005. “Insider–Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties,” *American Political Science Review* 99(1):61-74.

[RE5] Boix, Carles. 1997. “Political Parties and the Supply Side of the Economy: The Provision of Physical and Human Capital in Advanced Economies, 1960-90,” *American Journal of Political Science* 41(3):814-45.

[RE6] Cusack, Thomas. 1999. “Partisan Politics and Fiscal Policy,” *Comparative Political Studies* 32(4):464-86.

[RE6] Hicks, Alexander, Duane Swank. 1992. “Politics, Institutions, and Welfare Spending in Industrialized Democracies, 1960-82,” *The American Political Science Review* 86(3):658-74.

[RE7] Przeworski, Adam, Michael Wallerstein. 1982. “The Structure of Class Conflict in Democratic Capitalist Societies,” *APSR* 76(2): 215-236.

[RE7] Przeworski, Adam, Michael Wallerstein. 1988. “Structural Dependence of the State on Capital,” *APSR* 82:11-29.

[RE7] Wallerstein, Michael. 1990. “Class Conflict as a Dynamic Game.” In Roger Friedland and Alexander F. Robertson, eds., *Beyond the Marketplace: Rethinking Economy and Society*, Hawthorne, NY: Aldine de Gruyter.

[RE8] Wallerstein, Michael, Karl Ove Moene. 2001. “Inequality, Social Insurance and Redistribution,” *American Political Science Review* 95(4): 859-874.

[RE8] Franzese, R.J., Jr., Hays, J.C. 2008. “Inequality & Unemployment, Redistribution & Insurance, and Participation: A Theoretical Model & an Empirical System of Endogenous Equations,” in *Democracy, Inequality, & Representation*, P. Beramendi & C. Anderson, eds., Russell Sage, pp. 232-77.

Further Suggestions:

[The literatures on partisanship, “heterogeneity” (as Drazen entitles the core of this view), and conflict of interest in political economy is absolutely massive, but this section as such is new to this syllabus so I have not yet developed an extensive further-readings list for this week *per se*. However, a great many of the readings from the topical modules emphasize and elaborate this view, as it represents the traditional core of PE...]

Part IV: Topics in C&IPE: Wks 11-12, ~~13~~, 14, 15 (11/13, 11/20, ~~11/27~~, 12/4, 12/11)

We will select 3-5 from among the Topical Modules that follow [we chose 4 in Fall 2013], taking the opportunity to update those we choose. We can also discuss substituting expanded coverage of some topic from above, or from among these modules, or from student or my own alternative suggestions for one of these modules. The previously prepared modules listed below are (alphabetically):

Development & Growth; Diffusion, Contagion, & Interdependence; Distributive & Redistributive Politics & Policy; Electoral & Partisan Cycles; Fiscal Policy (in a Global Economy) ; International Regimes, Cooperation, & Security; Monetary Policy (in a Global Economy); Trade Policy; Transition & Reform

Week 11 (11/13): Development & Growth

REVIEW/BACKGROUND:

Franzese & Hays, Basic Econ Lecture Notes, pp.36-39: <http://www.umich.edu/~franzese/PS651.FranzeseHays.BasicEconNotes.pdf>.

Huntington, Samuel. 1968. *Political Order in Changing Societies*, Yale UP, ch. 1, pp. 1-92.

Barro, Robert J. 1997. *Determinants of Economic Growth: A Cross-Country Empirical Study*, MIT Press, chs. 1-2, pp. 1-88.

RE1: Drazen, Ch. 11, "Factor Accumulation and Growth" pp. 457-525.

RE2: P&T, Ch. 14, "Growth," pp. 373-92.

RE2: Baum, M.A. and Lake, D.A. 2003. "The Political Economy of Growth: Democracy and Human Capital," *American Journal of Political Science* 333-47.

RE3: Acemoglu, D. 2010. *Theory, general equilibrium and political economy in development economics*. NBER # w15944.

RE3: Alesina, A., and R. Perotti, "The Politics of Growth: a Survey," Part I in V. Bergstrom, ed.: *Government and Growth*, Clarendon Press, Oxford, 1997, pp. 11-60.

Quickly, just to summarize what the data do say: **Perotti, R.,** 1996, "Growth, Income Distribution, and Democracy: What the Data Say," *Journal of Economic Growth*, 1: 149-87.

RE4: Ace&Rob, Review by selves: Ch. 2, pp. 15-44; +(skim each chapt. for arguments & how work) Pt. IV, Chs. 8-10, pp. 221-348.

Quickly scan through to summarize how differs/what adds to **Ace&Rob:** **Boix, Carles.** 2003. *Democracy and Redistribution* (Cambridge UP), Ch. 1 (main argument), skim (extensions & evidence) Chs. 2, 4, 6.

RE5: Milner, Helen V.; Mukherjee, Bumba. 2009. "Democratization and Economic Globalization" *Annual Reviews of Political Science* 12:163-81.

RE5: Haggard, S., MacIntyre, A., Tiede, L. 2008. "The Rule of Law and Economic Development," *Annual Review of Political Science* 11:205-34.

RE5: Joseph Wright. 2008. "Do Authoritarian Institutions Constrain? How Legislatures Affect Economic Growth and Investment," *American Journal of Political Science* 52(3): 322-43.

RE6: Humphreys, M., Weinstein, J.M. 2009. "Field Experiments and the Political Economy of Development," *Annual Review of Political Science* 12:367-78.

RE6: Wright, J. and Winters, M. 2010. "The Politics of Effective Foreign Aid," *Annual Review of Political Science* 13:61-80.

RE6: Doucouliagos, Hristos and Martin Paldam. 2011. "The Ineffectiveness of Development Aid on Growth: An Update," *European Journal of Political Economy* 27(2):399-404.

RE7: BdM²S², Chs. 5, 10, "Institutions, Peace, and Prosperity," pp. 173-214, and "Promoting Peace and Prosperity," 461-85.

Skim for gist of criticism (& response) BdM²S² empirics: **Clarke, Kevin A., and Randall W. Stone.** 2008. "Democracy and the Logic of Political Survival," *American Political Science Review* 102(3):387-92. **Morrow, J.D., B. Bueno de Mesquita, R.M. Siverson, and A. Smith.** 2008. "Retesting Selectorate Theory: Separating the Effects of *W* from Other Elements of Democracy," *American Political Science Review* 102(3):393-400.

RE7: Harstad, B., Svensson, J. 2011. "Bribes, Lobbying, and Development," *American Political Science Review* 105(1):46-63.

RE8: Przeworski, Adam, Michael E. Alvarez, Jose Antonio Cheibub, Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. New York: Cambridge UP, 2000, chs. 1-2.

Skim each of following for gist of its criticism of the Przeworski et al. results: **Boix, C., Stokes, S.** 2003. "Endogenous Democratization," *World Politics* 55:517-49; **Clark, W.R., M. Golder, S. Golder.** 2008. *Principles of Comparative Politics*, Ch.6, p.p. 169-205; **Epstein, D.L., Bates, R., Goldstone, J., Kristensen, I., O'Halloran, S.** 2006. "Democratic Transitions," *American Journal of Political Science* 55:1-69.

Alesina, Alberto, Sule Ozler, Nouriel Roubini, and Philip Swagel. 1996. "Political Instability and Economic Growth," *Journal of Economic Growth* 1(2):189-211.

Persson T. & Tabellini, G., 1994, "Is Inequality Harmful for Growth? Theory and Evidence," *American Economic Review* 84(3): 600-21.

Svolik, Milan. 2008. "Authoritarian Reversals and Democratic Consolidation," *American Political Science Review* 102(2):153-68.

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Tim Büthe, Helen V. Milner. 2008. "The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science* 52(4): 741-62.

Further Suggestions: [Note, this suggestion list over-represents "inequality & growth"; that was once the narrower focus of this module.]

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..., and Simon Johnson. 2002. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics* 107:1231-94

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 ... 1997. "Where Did All the Growth Go?: External Shocks, Social Conflict and Growth Collapses," Kennedy School, Harvard University.

- ... *Has Globalization Gone Too Far?* (1997)
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- ... and Rodriguez, Francisco. 2000. "Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence." *NBER Macroeconomics Annual* 2000 <http://www.nber.org/~confer/2000/mas00/skepti1299.pdf>.
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- ... "Growth Strategies," *Handbook of Economic Growth*. ksghome.harvard.edu/~drodrik.academic.ksg/growthstrat10.pdf.
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Week 12 (11/20): Distributive & Redistributive Politics & Policy

RE1: *P&T*, Chs. 6-8, 10, “General-Interest Politics”, “Special-Interest Politics”, “Electoral Rules and Electoral Competition”, and “Political Regimes”, pp. 115-224, 251-73. [Prob 8-1: www.umich.edu/~franzese/P&T.Prob8-1.Franzese.pdf]

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RE 3a:

Austen-Smith, David, Wallerstein, Michael. 2006. “Redistribution & Affirmative Action,” *J Pub Econ* 90:1789-1823.

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Keefer, Philip, and Stuti Khemani. 2009. “When Do Legislators Pass on Pork? The Role of Political Parties in Determining Legislator Effort,” *American Political Science Review* 103(1):99-112.

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Further Suggestions: [Many, many more cites could go here.]

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Week 13 (11/27): Happy Thanksgiving

Week 14 (12/4): Trade Policy

BACKGROUND/REVIEW: Franzese & Hays, Basic Econ Lecture Notes, pp. 17-35:

<http://www.umich.edu/~franzese/PS651.FranzeseHays.BasicEconNotes.pdf>

RE1a: Magee, S.P., W.A. Brock, L. Young, Black Hole Tariffs and Endogenous Policy Theory: Political Economy in General Equilibrium, (1989) Preface-2, pp. xiii-42.

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RE3a: Alt, James, Michael Gilligan, Dani Rodrik, Ronald Rogowski. 1996. "The Political Economy of International Trade," Comparative Political Studies 29:689-717.

RE3b: Hiscox, Michael J. (2002). International Trade and Political Conflict: Commerce, Coalitions, and Mobility. Princeton, NJ: Princeton University Press. Chapter 1 and Appendix.

RE3c: Mansfield, Edward D., and Marc L. Busch. 1995. "The Political Economy of Nontariff Barriers: A Cross-National Analysis," International Organization 49(4):723-749.

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RE5b: Park, Jong Hee and Nathan Jensen (2007). "Electoral Competition and Agricultural Support in OECD Countries." American Journal of Political Science 51 (2): 314-29

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RE7d: Davis, Christina (2004). "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization." *American Political Science Review* 98 (1): 153-69

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RE7c: Hiscox, M.J. 1999. "The Magic Bullet? RTAA, Institutional Reform, & Trade Liberalization." *Int'l Org.* 53(4): 669-98.

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Kurth, James, "The Political Consequences of the Product Cycle: Industrial History and Political Outcomes," *International Organization*, 33, 1, pp. 1-36.

Week 15 (12/11): Fiscal Policy (in a Global Economy)

RE1: P&T, Ch. 12 “Capital Taxation” 305-44. [Poast: <http://www.umich.edu/~franzese/P&T.Ch12Model.Redo.Poast.pdf>]

RE2: P&T, Ch. 13 “Public Debt” pp. 345-372.

RE3: Drazen, Ch. 10 “Inaction, Delay, & Crisis” pp. 403-54.

RE4: Drazen, Ch. 14 “The Size of Government & The Number of Nations” pp. 675-733.

ALL: review by following outlines or skimming lecture notes:

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Franzese, Chs. 2-3: 62-195. [Franzese’s Lecture Notes: <http://www-personal.umich.edu/~franzese/ps343.Franzese.pdf>]

Note that Franzese’s chapter 3 builds directly from this review article: Alesina, Alberto and Roberto Perotti, “The Political Economy of Budget Deficits,” *NBER Working Paper #4637*, 1995, which also appears as *IMF Staff Papers* 42:1-31 March 1995.

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RE6c: Franzese, Robert J., Jr. 2010. “The Multiple Effects of Multiple Policymakers: Veto Actors Bargaining in Common Pools” *Rivista Italiana di Scienza Politica* 40(3):341-69. <http://www-personal.umich.edu/~franzese/Franzese.RISP.pdf>.

The Debate on International Exposure, Government Size, & Fiscal Convergence

ALL: review Hays, J.C. 2009. *Globalization & the New Politics of Embedded Liberalism*. [via Travis’ outline from last week (CTools), which in turn were via my lecture notes: <http://www-personal.umich.edu/~franzese/ps343.Hays.pdf>]

RE7: Pick Any Three of...

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Rodrik, Dani. 1998. “Why Do More Open Economies Have Bigger Governments?” *Journal of Political Economy* 106(5): 997-1032.

Iversen, Torben, & Thomas Cusack. 2000. “The Causes of Welfare State Expansion: Deindustrialization or Globalization.” *World Politics* (April): 313-49.

Pierson, Paul. 2001. “Post-Industrial Pressures on the Mature Welfare States.” In Paul Pierson, ed. *The New Politics of the Welfare State*. New York: Oxford University Press, pp. 80-104.

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RE7: Pick Any Four of...

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Further Suggestions:

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- Alesina, A., "The End of Large Public Debts," in Francesco Giavazzi, Luigi Spaventa, eds., *High Public Debts: The Italian Experience*, Camb. UP 1988.
- Alesina, A., Perotti, R., "Fiscal Adjustment: Fiscal Expansions and Adjustments in OECD Countries," *Ec Pol* 1995.
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- Frieden, Jeffrey, *Debt, Development, and Democracy*, Princeton UP, pp. 15-41.
- Gourevitch, Peter, "The Reemergence of 'Peripheral Nationalism': Some Comparative Speculations on the Spatial Distribution of Political Leadership and Economic Growth," *Comparative Studies of Society and History*, 303-22.
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- Grilli, Vittorio, Donato Masciandaro, and Guido Tabellini, "Political and Monetary Institutions and Public Finance Policies in the Industrial Countries," *Ec Pol* 1991, 341-92.
- Johnson, Chalmers, *MITI and the Japanese Miracle* (Stanford UP 1982).
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- Lucas, R., "Principles of Fiscal and Monetary Policy," *JME* 17, 1986: 117-34.
- Mark Hallerberg's & Jurgen Von Hagen's work on bdgt inst's & debts/deficits.
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- Martin, Cathic. *Shifting the Burden: The Struggle over Growth and Corporate Taxation*. UChi P 1988.
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- Missale, A., Blanchard, O. 1994. "The Debt Burden and Debt Maturity," *AER* 84(1), 309-19.
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- Rodrik, Dani, "Promises, Promises: Credible Policy Reforms via Signaling," *Ec J* 99, 1989: 756-72.
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Week 12 (11/20): Transition & Reform, and Institutional Change

RE1a: Jan Svenar. 2002. "Transition Economies: Performance and Challenges," *Journal of Economic Perspectives* 16(1):3-28.

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RE3: [Pick four for full treatment; abstract only or omit rest as you feel so motivated.]

Credibility:

Frye, Timothy. 2004. "Credible Commitment and Property Rights: Evidence from Russia," *American Political Science Review*, 98(3):453-66.

Cukierman, Alex, Mariano Tommasi. 1998. When Does it Take a Nixon to Go to China? *American Economic Review* 88(1): 180-197. *Distributive Politics of Reform:*

Duch, Raymond M., Harvey D. Palmer. 2004. "It's Not Whether You Win or Lose, but How You Play the Game: Self-Interest, Social Justice, and Mass Attitudes toward Market Transition," *American Political Science Review* 98(3):437-52.

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

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Timing & Sequencing of Reforms:

Fernandez, Raquel, and Dani Rodrik, "Resistance to Reform: Status Quo Bias in the Presence of Individual-specific Uncertainty [The Case of Trade]," *American Economic Review* 81:1146-55 Dec 1991.

Martinelli, Cesar, Mariano Tommasi. 1997. "Sequencing of Economic Reforms in the Presence of Political Constraints," *Economics and Politics* 9(2):115-131.

Frye, Timothy, Edward Mansfield. 2004. "Timing is Everything: Elections and Trade Liberalization in the Post-Colonial World," *Comparative Political Studies* 37: 371-98.

RE 4: Shleifer, Andrei, Treisman, Daniel. 2000. *Without a Map: Political Tactics and Economic Reform in Russia*, MIT Press, Chs. 1-6. (pol of reform (intro), creating private property, beating inflation, pol tactics of stable money, stagnation syndrome, pathologies of federal finance)

Drazen, Ch. 10, "Inaction, Delay, and Crisis," pp. 403-454.

Cardoso, Eliana, Ann Helwege. 1993. *Latin America's Economy: Diversity, Trends, and Conflicts*, MIT Press. Ch. 4: "From Import Substitution to Trade Liberalization," pp. 73-108.

Shleifer, Andrei, Daniel Treisman. 2000. *Without a Map*, chs. 7-9. (search for a cure, tentative proposal, reforming w/o a map)

Further Suggestions:

Riker, William H. and David L. Weimer, "The Political Economy of Transformation: Liberalization and Property Rights," in Banks and Hanushek, *Modern Political Economy*, pp. 80-107. Przeworski, Adam. *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*.

Weingast, Barry, "Constitutions as Governance Structures: The Political Foundations of Secure Markets," *JITE: J Institutional & Theoretical Ec* 1993, pp. 286-311 and comments by Bernholz, pp. 312-20.

Belassa, Bela, *Policy Reform in Developing Countries*, 1977.

Bina, Agarwal, *A Field of One's Own: Gender and Land Rights in South Asia*, Cambridge UP 1994.

Treisman's Topics in Postcommunist Political and Economic Reform Syllabus: <http://www.polisci.ucla.edu/faculty/treisman/pages/TOPICS.PDF>

Treisman's Topics in Property Rights and Political Institutions Syllabus: <http://www.polisci.ucla.edu/faculty/treisman/pages/PROPER.PDF>

Week 14 (12/4): Diffusion, Contagion, & Interdependence

Franzese, R., Hays, J. 2008. "Contagion, Common Exposure, and Selection: Empirical Modeling of the Theories and Substance of Interdependence in Political Science," *Concepts & Methods: Newsletter of the International Political Science Association* 4(2):3-9.

Brueckner, J. 2003. "Strategic Interaction among Governments: An Overview of Empirical Studies." *International Regional Science Review* 26(2): 175-188.

P&T, Ch. 12.4, "Growth," pp. 325-36.

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Some Further Reading:

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- Franzese, R., Hays, J. 2007. "Spatial-Econometric Models of Cross-Sectional Interdependence in Political Science Panel and Time-Series-Cross-Section Data." *Political Analysis* 15(2): 140-164.
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- Hays, J., Kachi, A., Franzese, R. 2010. "A Spatial Model Incorporating Dynamic, Endogenous Network Interdependence: A Political Science Application," *Statistical Methodology* 7(3): 406-28.
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TOPIC: Electoral & Partisan Cycles AND (Re)Distributive Politics & Policy

- BACKGROUND:** Rogoff, Kenneth and Anne Sibert, "Equilibrium Political Business Cycles," *Re Ec Studs* 55 (January 1988): pp. 1-16.
- BACKGROUND:** Nordhaus, William, "The Political Business Cycle," *R Ec Studs*, April 1975, pp. 169-90.
- BACKGROUND:** Hibbs, Douglas A. 1977. "Political Parties and Macroeconomic Policy," *APSR* 71: 1467-97.
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