PS343: Political Economy of Developed Democracies

Alternative Expectations Regarding Globalization & Convergence, Electoral Competition & Downsian Convergence, or Privileged Position of Capital and Convergence (Elaborated from Clark, *Capitalism, Not Globalism*

**Degree of Policy Activism / Govt Involvement in Economy**

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**Standard "Globalization => Convergence" Story:**
Left desires activism/involvement, increasingly constrained by mobile capital threat to flee funding such activities (i.e., taxes).
**Strong "Privileged Position of Capital" Story:**
Capital always in strong bargaining position b/c govt needs growth => needs investment, but capital can wait => Left & Right always had to do what capital wanted.
**Downsian Convergence Story:** Electoral competition (b/w 2 parties, on 1 dimension, w/ no uncertainty & full credibility) => convergence on median-voter's preferred policy. Median-voter's preferred policy may drift toward that of capital as capital becomes more mobile, but both parties will track median all along.