

Political Economy ‘Field Seminar’

Course convenor:

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Course meets:

Fridays, 10am-1pm
Room 4, College Green, TCD.

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Overview

This course will provide an overview of the field of political economy. The goal is to give an introduction to a range of different approaches to and understandings of the field. Indeed, week 1 explicitly deals with these differences at the conceptual, theoretical, and methodological levels. The remaining readings are split between ‘comparative political economy’ and ‘international political economy’. However, there are, of course, rather strong links between the readings across these two broad sub-fields. Finally, reflecting the research interests of those who are providing the course, much of the empirical focus is on ‘developed’/‘industrialised’/‘advanced’ democracies — often in Europe. Political economy — and its scholarly literature — is not limited to these confines, but this course largely is.

Note that while an attempt was made to divide the course logically between *comparative* political economy (CPE) and *international* political economy (IPE), this shouldn’t be interpreted too strictly for two reasons. First, due to restrictions on teaching availability, an IPE topic (on trade) had to be swapped with a CPE topic (on size of government), so the intended division is diluted. Second, and more importantly, the divide itself can be seen as somewhat arbitrary, with ‘international’ and ‘domestic’ outcomes and effects being clearly intermingled across a whole range of substantive topics covered during the course.

Course Structure

The course is organized as a traditional reading seminar. That means that seminar leaders will not be prepared to lecture, and that you must come to class prepared to discuss each of the required readings, with a particular focus on the substantive arguments and the methodological approaches. Moreover, you should be prepared to share with the group interesting questions along which the readings can be discussed.

Course Requirements

You are required to submit five response papers and a research paper. The final grade for the class will be assigned according to the following formula:

- 5 Response Papers @ 10% each
- Research Paper @ 50%

The response papers should be around 1000 words in length and *critically* discuss the literature on the chosen topic. They are to be submitted by email directly to the faculty member teaching the topic which the paper addresses. This should be done *no later* than midday Thursday *before the relevant class*.

Seminar Leaders

- Lucy Barnes (IIS, TCD) — barnesl@tcd.ie
- Tim Hicks (Political Science, TCD) — tim.hicks@tcd.ie
- Koji Kagotani (Political Science, TCD) — kagotank@tcd.ie
- Basak Kus (Politics & IR, UCD) — basak.kus@ucd.ie
- Thomas Sattler (Politics & IR, UCD) — thomas.sattler@ucd.ie
- Anne Wren (IIS, TCD) — wrena@tcd.ie

Introduction

Week 1 (Jan 21): What is ‘political economy’?

Seminar leader: Tim Hicks

- Eggers, A. C. (2005). Political Economy in Political Science: A Discussion Paper. Unpublished note. Accessed: 2010/11/21
<http://www.people.fas.harvard.edu/~aeggers/whatispoliecdiscussionpaper.pdf>
- Drazen, A. (2000). *Political economy in macroeconomics*. Princeton University Press, Princeton, NJ, chapter 1
<http://press.princeton.edu/chapters/s6819.pdf>
- Shepsle, K. A. (1989). Studying Institutions: Some Lessons from the Rational Choice Approach. *Journal of Theoretical Politics*, 1(2):131–147.
<http://dx.doi.org/10.1177/0951692889001002002>
- Hall, P. A. and Taylor, R. C. (1996). Political Science and the Three Institutionalisms. *Political Studies*, 44(5):936–957
- Thelen, K. (1999). Historical Institutionalism in Comparative Politics. *Annual Review of Political Science*, 2:369–404
- Pontusson, J. (1995). From Comparative Public Policy to Political Economy: Putting Political Institutions in their Place and Taking Interests Seriously. *Comparative Political Studies*, 28(1):117–147.
<http://dx.doi.org/10.1177/0010414095028001007>

Comparative Political Economy

A lot of the CPE readings are based upon a general understanding of the developments of the European political economy since the Second World War. For those of you wishing to get a sense of this period, you may wish to dip into:

- Eichengreen, B. (2007). *The European Economy Since 1945: Coordinated Capitalism and Beyond*. Princeton University Press, Princeton, NJ

Week 2 (Jan 28): Class Conflict

Seminar leader: Lucy Barnes

- Korpi, W. and Shalev, M. (1979). Strikes, Industrial Relations and Class Conflict in Capitalist Societies. *British Journal of Sociology*, 30(2):164–187
- Hibbs, D. A. (1977). Political Parties and Macroeconomic Policy. *American Political Science Review*, 71(4):1467–1487
- Przeworski, A. and Wallerstein, M. (1988). Structural Dependence of the State on Capital. *American Political Science Review*, 82(1):11–29
- Evans, G. (2003). The Continued Significance of Class Voting. *Annual Review of Political Science*, 3(1):401–417.
<http://dx.doi.org/10.1146/annurev.polisci.3.1.401>
- Rueda, D. (2005). Insider–Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties. *American Political Science Review*, 99(1):61–74.
<http://dx.doi.org/10.1017/S000305540505149X>

Week 3 (Feb 4): Corporatism / Wage Bargaining

Seminar leader: Tim Hicks

- Katzenstein, P. J. (1985). *Small States in World Markets: Industrial Policy in Europe (Cornell Studies in Political Economy)*. Cornell University Press, pp.30–37 (defining “corporatism”) and chapter 4
- Hall, P. A. and Soskice, D. W., editors (2001). *Varieties of capitalism: the institutional foundations of comparative advantage*. Oxford University Press, chapter 1
- Calmfors, L. and Driffill, J. (1988). Bargaining Structure, Corporatism and Macroeconomic Performance. *Economic Policy*, 3(6):13–61.
<http://dx.doi.org/10.2307/1344503>
- Wallerstein, M. (1999). Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies. *American Journal of Political Science*, 43(3):649–680.
<http://dx.doi.org/10.2307/2991830>
- Garrett, G. and Way, C. (1999). Public Sector Unions, Corporatism, And Macroeconomic Performance. *Comparative Political Studies*, 32(4):411–434

Also interesting, but not required this week:

- Pontusson, J., Rueda, D., and Way, C. R. (2002). Comparative Political Economy of Wage Distribution: The Role of Partisanship and Labour Market Institutions. *British Journal of Political Science*, 32(2):281–308

- Hall, P. A. and Franzese, Jr., R. J. (1998). Mixed signals: central bank independence, wage bargaining and European Monetary Union. *International Organisation*, 52(3):505–35

Week 4 (Feb 11): Political Business Cycles

Seminar leader: Thomas Sattler

- Nordhaus, W. D. (1975). The Political Business Cycle. *Review of Economic Studies*, 42(2):169–190
- Hibbs, D. A. (1977). Political Parties and Macroeconomic Policy. *American Political Science Review*, 71(4):1467–1487
- Alesina, A., Roubini, N., and Cohen, G. D. (1997). *Political Cycles and the Macroeconomy*. MIT Press, Cambridge, MA
- Franzese, Jr., R. J. (2002). Electoral and Partisan Cycles in Economic Policies and Outcomes. *Annual Review of Political Science*, 5:369–421

Week 5 (Feb 18): The Welfare State

Seminar leader: Basak Kus

- Esping-Andersen, G. (1989). *The Three Worlds of Welfare Capitalism*. Polity Press, Part 1, sections 1, 2, 3 and 5
- Pierson, P. (1996). The New Politics of the Welfare State. *World Politics*, 48(2):143–179
- Iversen, T. (2001). The Dynamics of Welfare State Expansion: Trade Openness, De-industrialization, and Partisan Politics. In Pierson, P., editor, *The New Politics of the Welfare State*, chapter 2, pages 45–79. Oxford University Press, Oxford, UK
<http://www.people.fas.harvard.edu/~iversen/PDFfiles/Pierson.PDF>
- Prasad, M. and Deng, Y. (2009). Taxation and the worlds of welfare. *Socio-Economic Review*, 7(3):431–457.
<http://dx.doi.org/10.1093/ser/mwp005>

Also interesting, but not required this week:

- Rudra, N. (2002). Globalization and the Decline of the Welfare State in Less-Developed Countries. *International Organization*, 56(02):411–445.
<http://dx.doi.org/10.1162/002081802320005522>

- Kahl, S. (2005). The Religious Roots of Modern Poverty Policy: Catholic, Lutheran, and Reformed Protestant Traditions Compared. *European Journal of Sociology*, 46(01):91–126.
<http://dx.doi.org/10.1017/S0003975605000044>

Week 6 (Feb 25): The Flow of Goods — Trade

Seminar leader: Koji Kagotani

- Grossman, G. M. and Helpman, E. (1994). Protection for Sale. *American Economic Review*, 84(4):833–850.
<http://dx.doi.org/10.2307/2118033>
- Rogowski, R. (1987). Political Cleavages and Changing Exposure to Trade. *American Political Science Review*, 81(4):1121–1137
- Hiscox, M. J. (2001). Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade. *International Organization*, 55(1):1–45.
<http://dx.doi.org/10.1162/002081801551405>
- Mansfield, E. D. and Reinhardt, E. (2003). Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Arrangements. *International Organization*, 57(04):829–862.
<http://dx.doi.org/10.1017/S0020818303574069>
- Kono, D. Y. (2006). Optimal Obfuscation: Democracy and Trade Policy Transparency. *American Political Science Review*, 100(03):369–384.
<http://dx.doi.org/10.1017/S0003055406062241>
- Rose, A. K. (2004). Do We Really Know That the WTO Increases Trade? *American Economic Review*, 94(1):98–114.
<http://dx.doi.org/10.1257/000282804322970724>
- Goldstein, J. L., Rivers, D., and Tomz, M. (2007). Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade. *International Organization*, 61(01):37–67.
<http://dx.doi.org/10.1017/S0020818307070014>

Week 7 (Mar 4): NO CLASS FOR STUDY WEEK

Week 8 (Mar 11): ‘Globalization’ and Domestic Politics

Seminar leader: Basak Kus

- Garrett, G. (1998). Global Markets and National Politics: Collision Course or Virtuous Circle? *International Organization*, 52(4):787–824
- Genschel, P. (2002). Globalization, Tax Competition, and the Welfare State. *Politics & Society*, 30(2):245–275.
<http://dx.doi.org/10.1177/0032329202030002003>
- Wibbels, E. and Arce, M. (2003). Globalization, Taxation, and Burden-Shifting in Latin America. *International Organization*, 57(01):111–136.
<http://dx.doi.org/10.1017/S0020818303571041>
- Mosley, L. and Uno, S. (2007). Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights. *Comparative Political Studies*, 40(8):923–948.
<http://dx.doi.org/10.1177/0010414006293442>
- Mosley, L. (2000). Room to Move: International Financial Markets and National Welfare States. *International Organization*, 54(4):737–773.
<http://dx.doi.org/10.1162/002081800551352>

International Political Economy

As with the CPE section, a broad introduction to developments in IPE can be found in:

- Frieden, J. A. (2006). *Global Capitalism: Its Fall and Rise in the Twentieth Century*. W.W. Norton, New York, NY

Week 9 (Mar 18): The Flow of People — Immigration

Seminar leader: Lucy Barnes

- Hollifield, J. F. (1992). *Immigrants, Markets, and States: The Political Economy of Postwar Europe*. Harvard University Press, Introduction chapter.
- Freeman, R. B. (2006). People Flows in Globalization. *Journal of Economic Perspectives*, 20(2):145–170.
<http://dx.doi.org/10.2307/30033654>
- Benhabib, J. (1996). On the Political Economy of Immigration. *European Economic Review*, 40(9):1737–1743.
[http://dx.doi.org/10.1016/0014-2921\(95\)00122-0](http://dx.doi.org/10.1016/0014-2921(95)00122-0)

- Dustmann, C. and Preston, I. (2004). Is Immigration Good or Bad for the Economy? Analysis of Attitudinal Responses. Centre for Research and Analysis of Migration, University College London Discussion Paper Series CDP No 06/04
http://www.econ.ucl.ac.uk/cream/pages/CDP/CDP_06_04.pdf
- Hainmueller, J. and Hiscox, M. J. (2007). Educated Preferences: Explaining Attitudes Toward Immigration in Europe. *International Organization*, 61(02):399–442.
<http://dx.doi.org/10.1017/S0020818307070142>

Week 10 (Mar 25): Exchange Rates / Central Banking

Seminar leader: Thomas Sattler

- Cukierman, A. (1992). *Central bank strategy, credibility, and independence : theory and evidence*. MIT Press, Cambridge, MA, chapters 1–3 and 22–23
- Franzese, Jr., R. J. (1999). Partially Independent Central Banks, Politically Responsive Governments, and Inflation. *American Journal of Political Science*, 43(3):681–706.
<http://dx.doi.org/10.2307/2991831>
- Bodea, C. (2010). Exchange Rate Regimes and Independent Central Banks: A Correlated Choice of Imperfectly Credible Institutions. *International Organization*, 64(03):411–442.
<http://dx.doi.org/10.1017/S0020818310000111>
- Clark, W. R. and Hallerberg, M. (2000). Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy. *American Political Science Review*, 94(2):323–346.
<http://dx.doi.org/10.2307/2586015>

Also interesting, but not required this week:

- Eichengreen, B. (2008). *Globalizing Capital: A History of the International Monetary System*. Princeton University Press, Princeton, NJ, second edition

Week 11 (Apr 1): The Flow of Capital — Finance

Seminar leader: Koji Kagotani

- Bueno de Mesquita, B. and Smith, A. (2009). A Political Economy of Aid. *International Organization*, 63(02):309–340.
<http://dx.doi.org/10.1017/S0020818309090109>

- Dreher, A., Sturm, J.-E., and Vreeland, J. R. (2009b). Global horse trading: IMF loans for votes in the United Nations Security Council. *European Economic Review*, 53(7):742–757.
<http://dx.doi.org/10.1016/j.euroecorev.2009.03.002>
- Dreher, A., Sturm, J.-E., and Vreeland, J. R. (2009a). Development aid and international politics: Does membership on the UN Security Council influence World Bank decisions? *Journal of Development Economics*, 88(1):1–18.
<http://dx.doi.org/10.1016/j.jdeveco.2008.02.003>
- Dunning, T. (2004). Conditioning the Effects of Aid: Cold War Politics, Donor Credibility, and Democracy in Africa. *International Organization*, 58(02):409–423.
<http://dx.doi.org/10.1017/S0020818304582073>
- Easterly, W. (2003). Can Foreign Aid Buy Growth? *Journal of Economic Perspectives*, 17(3):23–48.
<http://dx.doi.org/10.2307/3216821>
- Kono, D. Y. and Montinola, G. R. (2009). Does Foreign Aid Support Autocrats, Democrats, or Both? *Journal of Politics*, 71(02):704–718.
<http://dx.doi.org/10.1017/S0022381609090550>

Week 12 (Apr 8): Size of Government: Institutions and Partisanship

Seminar leader: Anne Wren

- Meltzer, A. H. and Richard, S. F. (1981). A Rational Theory of the Size of Government. *Journal of Political Economy*, 89(5):914–927
- Boix, C. (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):814–845
... OR ...
Ansell, B. W. (2008). University Challenges: Explaining Institutional Change in Higher Education. *World Politics*, 60(2):189–230
- Iversen, T. and Wren, A. (1998). Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy. *World Politics*, 50(4):507–546
- Persson, T. and Tabellini, G. (2004). Constitutions and Economic Policy. *Journal of Economic Perspectives*, 18(1):75–98.
<http://dx.doi.org/10.2307/3216876>

- Iversen, T. and Soskice, D. (2006). Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others. *American Political Science Review*, 100(2):165–181.
<http://dx.doi.org/10.1017/S0003055406062083>
- Kwon, H. Y. and Pontusson, J. (2010). Globalization, labour power and partisan politics revisited. *Socio-Economic Review*, 8(2):251–281.
<http://dx.doi.org/10.1093/ser/mwp035>