

The Ohio State University
Department of Political Science

Political Science 597.02: Contemporary Political Problems

Introduction to Political Economy

Fall 2005: Mondays and Wednesday 11:30-1:18 Derby Hall 0080

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Office Hours: M/W 2:00 – 3:00 and by appointment

Description:

This course will serve as an introduction to the field of political economy. How do economics affect governments? How do governments affect economies? Due to the time constraints we will only be touching on a few topics in the vast field of political economy. Beginning with a brief examination of different methods for studying these questions, we will explore some of the reasons for the development of the West. We will continue with the examination of how institutions affect development and economic growth. In particular we will spend some time examining one type of institutional configuration, Federalism, in depth. We will conclude by looking at how globalization affects governments and markets. Students are encouraged to raise questions based on the readings, previous readings, lectures, etc.

In accordance with the University's GEC goals and objectives, this course will be a "capstone experience" requiring students to "synthesize and apply knowledge from diverse disciplines to contemporary issues" and to "conduct research on the contemporary world." This "thematic upper-division course work, drawing upon multiple disciplines, enriches students' experiences of the contemporary world."

Furthermore, one of the best ways of internalizing semi-abstract readings is to incorporate it into day to day news. As such this course will also deal with CURRENT EVENTS. Any current events related to any of the readings we have done, are doing or will do (even tangentially) are encouraged to be brought up in class. Personally I would recommend perusing the news at:

www.nytimes.com (The New York Times)

www.Ft.com (The Financial Times)

Course Material:

In addition to a number of articles there are four required books. These books can be found at SBX or ordered online (please search out for used copies). However all of these books are on reserve at the library.

1. Author: Barro, Robert

Title: *Determinants of Economic Growth*

2. Author: Diamond, Jared

Title: *Guns, Germs and Steel*

3. Author: North, Douglass

Title: *Institutions, Institutional Change and Economic Performance*

4. Author: Rodrik, Dani

Title: *Has Globalization Gone Too Far?*

All other Articles can be found using JSTOR or library web page on e-reserve. You can access JSTOR but going to the library website and clicking on Journals (Online). You can also access articles by going to the library web page, clicking on e-Journals and typing in the name of the Journal (e.g. International Organization). All ** items are available from the library on **e-reserve**. You can access this by clicking on the *Reserves by Professor* link on the left side under quicklinks of the OSU Library Homepage. If there are any problems accessing materials please contact me immediately.

Course Requirements and Grading

Every Student is responsible to meet the following components:

Midterm: 30%

Final: 35%

Quizzes: 25 %

Attendance and Class Participation: 10%

In Class Midterm:

There will be an in-class Midterm which will cover all material up to that point.

Final Exam

There will be a Final exam on August 23rd, covering all material up to that point.

Regrade Policy:

Students who believe that a mistake was made during the grading process (beyond that of a simple matter of arithmetic) may submit the exam for a re grade. Please keep in mind that I will regrade the ENTIRE exam or quiz and that your score may move up or down depending on the results.

Quizzes (Both announced and unannounced)

Students should anticipate quizzes throughout the quarter. In total there will be 4 quizzes.

Students can drop the lowest quiz score. Make-ups will only be given if I am notified **before** the

quiz/exam and the student presents written documentation for the absence. No exceptions will be made.

Attendance and Class Participation:

Both are **mandatory**. Please note that class attendance alone does not count towards getting points for this component.

Dishonest practices on the examinations, on assignments, or in the course are unacceptable. All work is to be the student's own except when noted. There will be no collaboration on exams. Any suspected cases of dishonesty will be reported to the university committee on academic misconduct and handled according to university policy.

Students with disabilities that have been certified by the Office for Disability Services will be given appropriate accommodations. Students should let me know about their needs as soon as possible.

Finally e-mail is the best way to get in touch with me. Barring extraordinary circumstances I will respond to e-mail inquiries within 24 hours. Please do not leave large questions to the last minute. If there are scheduling conflicts with the exams, please email me in advance and we can make accommodations. The more notice you give me, the more flexibility I can give you.

Week 1

Wednesday September 21th -Introduction

Week 2

Monday September 26th – Methods of Analysis

What are the different ways to analyze political economy questions? Does it matter?

**Hall, Peter. 1997. "The Role of Interests, Institutions and Ideas in the Comparative Political Economy of the Industrialized Nations". In *Comparative Politics* edited by Mark Lichbach and Alan Zuckerman. Cambridge University Press: New York

**Bates, Robert. "Macro Political economy in the Field of Development" in *Perspectives on Positive Political Economy* (Edited by Alt and Shepsle)

Wednesday September 28th - Introduction to Game Theory

What are the basic assumptions behind rational choice? Is it useful?

**Levy, Margaret. "A Model, a method and a Map: Rational Choice in Comparative and Historical Analysis" In *Comparative Politics* edited by Mark Lichbach and Alan Zuckerman. Cambridge University Press: New York

-Axelrod, Robert. 1981. The Emergence of Cooperation among Egoists. *The American Political Science Review*, 75, 2. 306-318

Week 3

Monday October 3rd Applications – Collective Action, Tragedy of the Commons, etc

How can game theory be used to explain the real world?

**Taylor, Michael "Cooperation and Rationality: Notes on the Collective Action Problem and its Solutions" and Michael Hechter's Comments in *Limits of Rationality*

**Ostrom, Elinor. 1990. *Governing the Commons*. Chapter 1

Wednesday October 5th – No Class

Week 4

Monday October 10th Development - *What is Development? How do you measure it?*
- Barro pgs 1-47

Wednesday October 12th Alternative Measurements of Development.- *What is Sen's basic argument? How does this approach differ from Barro's conception of development?*
- Sen, Amartya. 1999. *Development as Freedom*. Anchor Books: New York. (pgs 3- 34)

Week 5

Monday October 17th Past Explanations of Development and the Rise of the West
Why did Europe Colonize the Americas instead of the reverse?
Jared Diamond – *Guns, Germs and Steel*
Prologue, Chps: 1,4, 6

Wednesday October 19th – Continuation of Diamond/ Review for Midterm
Chps 11-14; Epilogue

Week 6

Monday October 24th - Midterm

Wednesday October 26th Democracy and Development
What is democracy? How does democracy affect development? How does development affect democracy?
–Olsen, Mancur. 1993. "Dictatorship, Democracy and Development" *American Political Science Review*, 87 (3) 567-576.
--Barro 49-87

Week 7

Monday October 31st (Democracy : Variation and Implications)
Are all democracies equal? What does this mean for economic growth? What are the distributional implications?

**Zakaria, Fareed. 1997. "The Rise of Illiberal Democracy" *Foreign Affairs*, vol. 76, no.6
** Bueno de Mesquita, Bruce and George Downs. 2005. "Development and Democracy" *Foreign Affairs* . Vol.84 Issue 5 p 77- 86

Wednesday November 2nd Institutions
What are so important about transaction costs? Why are institutions needed to reduce transaction costs?
- Douglas North . *Structure and Change in Economic History*. Chps 1-4; 12-14

Week 8

Monday November 7th Introduction to Federalism

How can Federalism help policy innovation? What are some of the benefits of Federalism?

**World Development Chp. 7

**Aaron, Henry and Stuart Butler. "How Federalism Could Spur Bipartisan Action on the Uninsured"

Wednesday November 9th Fiscal Federalism

How does federalism help economic growth?

**Weingast, Barry. 1995. "The Economic Role of Political Institutions: Market Preserving Federalism and Economic Growth" *Journal of Law, Economics and Organization* 11: 1-31

- Oates, Wallace. 1999. "An Essay on Fiscal Federalism" *Journal of Economic Literature*. Vol 37 (3) p.1120-1149

Week 9

Monday November 14th Federalism Shortcomings

How does federalism hurt economic growth? When would this occur?

- Rodden, Jonathan. "The Dilemma of Fiscal Federalism: Grants and Fiscal Performance Around the World" *American Journal of Political Science* 46(3): 670-687

- Tsebelis, George. 1999. Veto Players and Law Production in Parliamentary Democracies: An Empirical Analysis. *The American Political Science Review*, Vol. 93, No. 3. 591: 608

Wednesday November 16th Globalization (Intro, Econ Policy)

How does globalization affect a country's policies? Does it affect all countries equally? Should we expect convergence?

- Adsera, Alice and Carles Boix. 2002. "Trade, Democracy and the Size of the Public Sector: The Political Underpinnings of Openness" *International Organization* 56, 2: 229-262

- Mosley, Layna. 2000. "Room to Move: International Financial Markets and National Welfare States" *International Organization* 54, 4: 737-774

Saturday November 19th

OSU at Michigan

Week 10

Monday November 21st – Downside to Globalization

What are some of the risks of globalization? Does Rodrik make a convincing case?

Dani Rodrik *Has Globalization Gone Too Far*

Wednesday November 23rd - No Class. Happy Thanksgiving

Week 11

Monday November 28th Globalization and Democracy

How does trade affect democratization? What does this portend for the future?

-Verdier, Daniel 1998. 1998 "Democratic Convergence and Free Trade" *International Studies Quarterly* 42, 1:1-24

-Busse, Matthias. 2003. "Democracy and the FDI" Hamburg Institute of International Economics, Discussion Paper 220.

[Http://hwwa.de/Publikationen/Discussion_Paper/2003/220.pdf](http://hwwa.de/Publikationen/Discussion_Paper/2003/220.pdf)

Wednesday November 30th – Wrap Up/Review

Final Exam

Monday December 5th 11:30 – 1:18