

Gov. 390L, #38955  
Fall 2011  
Batts 1.104  
Tues., 3:30 to 6:15

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## COMPARATIVE POLITICAL ECONOMY

Prerequisite: Graduate standing and consent of graduate adviser.

Course Description. This course examines theories, debates, and explanatory strategies within the field of Comparative Political Economy (CPE). We consider these in the context of three larger tensions within Political Science: the rivalry between Rational Choice and Behavioralism, the debate between New Institutional Economics and Historical Institutionalism, and the debate over whether Political Science needs theories of society. Substantively, this year's seminar focuses on the classic CPE problem of describing and explaining variation in national political economies.

In the late 1990s, much of the work in Comparative Politics moved toward explaining the impact of specific political institutions, such as legislative structure, electoral rules, or rules structuring center-local relations on policies and political outcomes (such as the effect of the number of legislative veto players on the character of policy, or the effect of electoral rules on electoral outcomes, or the effect of federalism on local-level social welfare expenditure). However, to assess the validity of conclusions regarding specifically *institutional* effects, such studies have to be embedded in a broader understanding of whether, how, and why broader national-level contexts differ. The effects of a particular institutional arrangement may be contingent on contextual features that we can identify and compare systematically across cases. Course materials consider this problem and responses to it that can be found in the "varieties of capitalism" and "developmental state" research projects.

We will encounter tensions and complementarities across different PE approaches. Some of Political Economy (PE) sees itself as a field of applied economics, pressing Political Science at large to think in terms of (and employ) established neoclassical economic theories, rather than to challenge neoclassical economic theory, or to ask questions that cannot be answered with the neoclassical tool kit. This process has led some strains of PE to concentrate on narrower and narrower sets of questions, often having to do with the strategic behavior of individuals within well-defined institutional contexts. Ironically, the less some strains of PE consider socioeconomic structure and the economy itself as relevant to their purposes, the more institutional economists are (re)discovering the relevance of social structure and *de jure* power relations to theirs. Strains of New Institutional Economics (or Historical Institutional Economics) revisit sociological theory in search of possible solutions to the "institutional endogeneity" and "institutional indeterminacy" problems that plague both Historical Institutionalism and standard neoclassical models. We will analyze these arguments and innovations in this course.

Requirements: Two 4-5 page papers (40%), one 8 page paper applying PE concepts, theories, and analytic strategies to a research question that you specify early-on in the semester, which you will

present to the class at the end of the course (30%); and in-class participation, including two presentations on course readings (30%). Paper due dates are Oct. 11, Nov. 15, and Dec. 10.

Participation and Presentations on Course Reading. Seminar members should attend all class meetings and be prepared to discuss the week's assigned readings. To ensure that everyone is ready to grapple with the material when we meet, come to class prepared to answer the following questions. The students who are assigned to lead discussion of a week's readings should prepare a 20 min. presentation that follows this format:

What is the author's main argument (ie., central causal claim)? Who is s/he arguing against?

What is the research design (the theory-testing logic guiding the selection and analysis of empirical material)?

(How) does the author use empirical material to develop/test the main argument? Does the empirical material support the author's argument?

What weak spots, flaws, errors, blind spots, contradictions, tautologies, and/or questionable or erroneous assumptions are inherent in this work?

Why does the author think that his/her main argument is important?

How does this reading relate to other works assigned for this week, and those we've already covered? Are authors in agreement with each other, or disagreement?

Will you be doing all your future work in Political Science within the theoretical model proposed by the author? Why or why not?

What are two good questions you have for the author of this work?

Texts: These books can be found at the Univ. Coop and are on reserve at PCL. Paradigm Books (407 W. 24th St., 472-7986) will prepare a packet of the readings marked by an asterisk (\*) on the syllabus.

Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Harvard 1971).

Jack Knight, *Institutions and Social Conflict* (Cambridge 1992).

Daron Acemoglu and James A. Robinson, *Economic Origins of Dictatorship and Democracy*, CUP, 2006,

Colin Leys, *The Rise and Fall of Development Theory* (Indiana U. Press, 1997).

Barrington Moore, Jr. *Social Origins of Dictatorship and Democracy* (Beacon, 1966).

Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Polity [Blackwell], 1990)

Vivek Chibber, *Locked in Place: State Building and Industrialization in India* (Princeton University Press, 2003).

Jeremy Weinstein, *Inside Rebellion: The Politics of Insurgent Violence*, New York: Cambridge University Press, 2007.

Week 1. IntroductionAug. 30

This week offers an overview of "varieties of PE" within Political Science, and introduces the main theoretical problems that we will work on in this class. We will consider the tensions that criss-cross these two different takes on CPE:

"Comparative Political Economy revolves around the conceptual frameworks used to understand institutional variation across nations... 'National political economies' form the principal units of variation (Hall and Soskice, *Varieties of Capitalism*, 2001: 1, 8).

"In our view, political economy is the methodology of economics applied to the analysis of political behavior and institutions" (Weingast and Wittman, *Oxford Handbook of PE*, 2006: 3).

Week 2. What is CPE?Sept. 6

Each class member will frame a research question ("why questions" about an outcome you are interested in) that will serve as a touchstone for discussion over the course of the semester.

\*William Keech, Robert Bates, and Peter Lange. "Political Economy Within Nations." In Wm. Crotty, ed., *Political Science: Looking to the Future. Volume II*. Evanston: Northwestern University Press, 1991.

\*Barry R. Weingast, "Rational Choice Institutionalism," in I. Katznelson and H. Milner, eds., *Political Science: The State of the Discipline* (WW Norton, 2002): 660-692.

\*Stephen Haber, "Authoritarian Government," in Weingast and Wittman, *Oxford Handbook of PE*, 2006:

Part I: Some Foundational Texts and ProblemsWeek 3. The Logic of Collective ActionSept. 13

CPE's canonical concerns with actors, groups, interests, and institutions come together in a statement that when far in defining a "rational choice" paradigm. What is gained and what is lost in the embrace of the Olsonian logic? What is assumed and what is explained? What are the temporal, spatial, and institutional scales of Olson's analysis? What does Ostrom accept and what, if anything, does she reject?

Mancur Olson. *The Logic of Collective Action: Public Goods and the Theory of Groups* (Harvard 1971).

\*Elinor Ostrom, "Collective Action Theory," in Boix and Stokes, *Oxford Handbook of Comparative Politics*, 2007: 186-208.

rec: Elinor Ostrom, *Governing the Commons: The Evolution of Institutions of Collective Action* (CUP, 1990)

Week 4. Structure and ChangeSept. 20.

In one of NIE's foundational texts, North depicts the ruler and "powerful constituents" as colluding to design institutions that allow them extract taxes and profits from land and labor,

under conditions of demographic increase and technological improvement. The more successful experiments survive.

Douglass North, *Structure and Change in Economic History* (WW Norton, 1981).

rec. Douglass North and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *The Journal of Economic History* 49 (1979): 803-833.

rec. Kenneth A. Shepsle, "Old Questions and New Answers about Institutions: The Riker Objection Revisited," in Weingast and Wittman, *Oxford Handbook of PE* (2006), pp. 1031-1049.

rec. Lee Alston and Bernardo Mueller, "Property Rights and the State," in C. Ménard and M. Shirley, eds., *Handbook of the New Institutional Economics* (Springer, 2005): 573-591.

#### Week 5. Institutional Choice

Sept. 27

Compare HI and NIE takes on institutions: one argues that "institutions structure choices" and the other sees "institutions as chosen structures." Knight is interested in the endogeneity of institutions. How does he solve this analytic problem? What kinds of institutions are self-enforcing?

Jack Knight, *Institutions and Social Conflict* (CUP, 1992). (skim chs. 4-5).

rec. James Buchanan and Gordon Tullock, "A Generalized Economic Theory of Constitutions," in Buchanan and Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy* (Ann Arbor: U. of Michigan Press, 1962), pp. 63-84.

#### Week 6. Historical Sociology

Oct. 4

Moore describes struggles between landlords and peasants over design of social and political institutions in agrarian societies that have been destabilized by "the commercial impulse." It is considered a canonical example of the class-coalitions approach to historical sociology.

Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy* (Beacon 1966).

\*John S. Ahlquist. 2007. Review of "Origins of Dictatorship and Democracy" by Acemoglu & Robinson (2006)," *Comparative Political Studies* 2007; 40; 1026-1029.

rec. Daron Acemoglu and James A. Robinson, *Economic Origins of Dictatorship and Democracy*, CUP, 2006, Part I.

rec. Paul Pierson, "Big, Slow-Moving, and ...Invisible: Macrosocial Processes in the Study of Comparative Politics," in James Mahoney and Dietrich Rueschemeyer, eds., *Comparative Historical Analysis in the Social Sciences* (Cambridge, 2003: 177-209).

Week 7: Discussion of first paper, due todayOct. 11

Paper #1: Is there a distinctive "political economy" approach or theoretical orientation that runs through the work we have considered so far? Do the political economy approaches/theories differ in any patterned way from other general ways of thinking about politics (or other ways of doing social science)?

Part II: Distributional Conflicts Over and In Institutions: VOCWeek 8. Causes and Consequences of Varieties of CapitalismOct. 18

How do national political economies in the OECD vary, and what explains the differences? The comparative welfare state or VOC literature is devoted to analyzing cross-national differences in socio-economic regulatory regimes of the western capitalist states (often including Japan) -- including variations in patterns of state intervention in the economy writ large, welfare-state and employment/labor regimes, industrial policy, corporate governance structures, and financial sector policy. It has evolved from the 1960s-1980s, when most theorizing centered on social structural (class structure) variations and their effect on the organization of the welfare state, to a late 1980s-1990s focus on more institutional variables (including those embedded in the institutions of political regulation including parties, party systems, parliaments, and state bureaucracies), to a post-2000 focus on more micro-level (firm level) and economic concerns. The comparative capitalism research project is marked by a layering or sedimentation of these theoretical foundations, rather than by paradigm shifts or "overthrow."

Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Polity [Blackwell], 1990).

rec. Luebbert, Gregory M. "Social Foundations of Political Order in Interwar Europe," *World Politics*, 39/4 (1987): 449-478.

Week 9. Varieties of CapitalismOct. 25

The literature in the 1990s was distinctly institutionalist, following Hall, emphasizing the argument that "institutions structure choices" (contra North and the NIE currents, whose central argument was that institutions are chosen structures). In the post-2000 VOC literature, you see the "less institutional take on institutions."<sup>1</sup>

\*Gregory Jackson and Richard Deeg, "How Many Varieties of Capitalism? Comparing the Comparative Institutional Analyses of Capitalist Diversity, *Max Planck Institute for the Study of Societies Discussion Paper 06/2*, Cologne, 2006.

\*Jonas Pontussen, and "Review Essay: The American Welfare State in Comparative Perspective," *Perspectives on Politics*, v. 4, no. 2 (June 2006), 315-326.

\*Desmond King and David Rueda, "Cheap Labor: 'Bread and Roses' in Industrial Democracies?" a paper prepared for the Fifteenth International Conference of the Council on European Studies," Chicago, March 29, 2006.

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<sup>1</sup> Blythe, in Lichbach and Zuckerman, 2nd ed., p. 205-6.

rec. Peter A. Hall and David Soskice, *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*, Oxford, 2001, Ch. 1.

rec. Torben Iversen, *Capitalism, Democracy, and Welfare* (Cambridge 2005).

rec. David Rueda, *Social Democracy Inside Out: Partisanship and Labor Market Policy in Industrialized Democracies* (Oxford, 2007).

### Part III: Distributional Conflict and Economic Development

#### Week 10. Political Economy of Development: Theory, Fact, and Fiction Nov. 1

Development theory had to focus on production, as well as distributional conflicts and outcomes, and was not able to ignore international context.

Colin Leys, *The Rise and Fall of Development Theory* (London and Bloomington: James Currey and Indiana U. Press, 1996), Chs. 1, 2, 4, 5.

\*Morten Jerven, "African Growth Recurring: An Economic History Perspective on African Growth Episodes, 1690-2010," *Economic History of Developing Regions*, 25/2 (2010): 127-154.

\*Jean Paul Azam, "The Political Geography of Redistribution," in Benno J. Ndulu et al., *The PE of Economic Growth in Africa, 1960-2000* (Cambridge Univ. Press, 2008), pp. 225-248.

rec. Robert Gilpin, *The Challenge of Global Capitalism: The World Economy in the 21st Century* PUP, 2000.

rec. Giovanni Arrighi, "The African Crisis: World Systemic and Regional Aspects," *New Left Review*, 15 (May 2002): 2-36

rec. Daron Acemoglu, Simon Johnson, and James Robinson, *Institutions as the Fundamental Cause of Long-Run Growth*, May 2004 *NBER Working Paper* 10481, later appearing in the *Handbook of Economic Growth*. Aghion, Philippe and Stephen Durlauf (eds.) 2005.

rec. Barbara Stallings, ed., *Global Change, Regional Response: The New International Context of Development* (CUP, 1995).

#### Week 11. Late Industrialization

Nov. 8

Vivek Chibber, *Locked in Place: State Building and Industrialization in India* (Princeton University Press, 2003).

Paper #2, due on Nov. 15:

Nov. 15

What PE theories, concepts, and analytic strategies are visible in both the VOC literature and the readings we have done on development? What do you see as an important analytic tension (debate, divergence in approach) running through this work?

Part IV: Distributional Conflict, Institutions, and War

Week 12. Special Event: Conflict Management in Africa

Nov. 15

Strauss Center, LBJ School, "Constitutional Design and Conflict Management in Africa"  
Panel and reception

Week 13. Civil War

Nov. 22

\*Chris Blattman and Ted Miguel, "Civil War." *Journal of Economic Literature*, 48/1 (2010, 3- 57).

Jeremy Weinstein, *Inside Rebellion: The Politics of Insurgent Violence*, New York: Cambridge University Press, 2007.

rec. James Fearon and David Laitin. 2003. "Ethnicity, insurgency and Civil Wars." *American Political Science Review*.

rec: Paul Collier and Anke Hoeffler. 2004. "Greed and Grievance in Civil Wars." *Oxford Economic Papers* 56.

Part V: PE Approaches to Research Questions and Conclusions

Week 14. Presentations and Conclusion

Nov. 29

Week 15: Presentation and conclusions (extra class meeting)

Dec. 6

Eight page paper due on Saturday, Dec. 10.

Dec. 10

Your 8-page paper will apply PE concepts, theories, and analytic strategies to the research question you are specified early-on in the semester. A basic strategy would be to specify the RQ, then deduce three hypothetical answers from three different PE theories or theoretical approaches. Indicate how you might arbitrate between these different hypotheses. Why would the answer to your RQ matter for Political Science and/or contribute to basic science or human welfare?