Instructor: Peter Rutland; tel. 2483; email <prutland>, office PAC 203; hours TWTh 10.30-12.00.

This course is an introduction to political economy, the twilight zone where politics and economics intersect. It reviews some of the classic concepts and looks at how they are being applied in contemporary research. The syllabus is ecumenical and eclectic, on the assumption that no single approach holds all the answers. Students are expected to attain a superficial grasp of a broad range of ideas and a thorough mastery of those few approaches that appeal to them.

The first half of the course introduces some key concepts and analytical tools that you have not yet been fully exposed to in the CSS curriculum. We look at the tension between structure and agency, and the limits of rational actor explanations. The second half of the course tackles some contemporary debates and policy challenges. We will collectively choose the topics for the final two weeks.

Assessment

Students will form groups of 2-3 and make one presentation during the course of the semester. Groups will sign up on Wednesday of Week Two.

Each week students will submit a two page commentary on one or more of the week’s readings, to be emailed to <prutland> by 10.00 am Wednesday. You are allowed to skip three weeks, and you will not submit a report during your presentation week, so eight assignments will be due in all.

Assessment will consist of two parts:

1) 20% class participation, including presentation and occasional extra credit reports.

3) 80% eight weekly papers, two pages in length.

Suggested book purchases

Paul Collier   *The Bottom Billion: Why the Poorest Countries are Failing* (2008)
David Harvey   *A Brief History of Neoliberalism* (2007)

Optional purchases, since they are available as ebooks through Olin:

Milton Friedman   *Capitalism and Freedom* (2002) [ebook]
Randall Peerenboom   *China Modernizes: Threat to the West or Model for the Rest?* (2007) [ebook]

Required readings for each week are marked with *.

All the readings underlined in blue are hyperlinked to Wesfiles.

The suggested book purchases together with some of the other books mentioned are on Olin reserve.

Additional materials, and grades, will be posted on the CSS 391 Moodle site.

Unexplained absence from three classes will be treated as withdrawal from the course.

Plagiarism (using material not written by you and without clear attribution to the source) will not be tolerated.

You are welcome to bring laptops to class but you must NOT use them for email or web surfing.
Week 1
Sept 8-10

COLLECTIVE ACTION DILEMMAS

For this week the assignment will be an exercise: choose a specific example of a collective action dilemma and model it using the prisoner’s dilemma framework. Make sure you understand these concepts: free rider, public good, Tragedy of the Commons, credible commitment, Condorcet Paradox, Downs’ median voter theorem.

* Mancur Olson  
  * The Logic of Collective Action (1971) part 1
* Russell Hardin  
  * ‘The free rider problem,’ Stanford Encyclopedia of Philosophy
* Garrett Hardin  
  * ‘The Tragedy of the Commons’ (1968)
* Wikipedia  
  * Public good, Tragedy of the Commons, Prisoner’s dilemma
Duncan Black  
Anthony Downs  
  * An Economic Theory of Democracy (1958) ch. 8
Gordon Tullock  
  * ‘Why so much stability?’ Public Choice 37: 2, 1981, 189

Week 2
Sept 15-17

STATISM AND ITS CRITICS

A review of some of the classic arguments for individualism and against the state as a trustworthy solution to collective action dilemmas.

* Milton Friedman  
  * Capitalism and Freedom (1962)
* F.A. Hayek  
James Buchanan  
James Buchanan  
  * ‘Afraid to be free,’ Public Choice, 124, 2005, 19-31
Milton Friedman  
  * Greed is good 1979 interview on Youtube

Also a look at James Scott’s left-anarchist critique of statism:

* James Scott  
  * Seeing Like A State (1998), Introduction, chs. 1, 6. [also ebook]
James Scott  
  * The Moral Economy of the Peasant, ch. 6

Week 3
Sept 22-24

INSTITUTIONAL SOLUTIONS TO COLLECTIVE ACTION DILEMMAS

The rational choice answer: the evolution of institutions that resolve collective action dilemmas: the rule of law, private property, the corporation. This evolutionary story rests heavily on the UK and US cases.

* Douglass North  
  * Institutions, Institutional Change and Economic Performance (1990)
* Douglass C. North, John Wallis & Barry Weingast  
  * ‘Violence and the rise of open-access orders,’ Journal of Democracy, 20: 1, Jan 2009, 55-68
Oliver Williamson  
  * ‘Transaction cost economics,’ ch. 1 in The Economic Institutions of Capitalism (1985), 15-42
Oliver Williamson  
  * ‘The modern corporation,’ J of Econ Literature, 19:4, 1981, 1537-68
Ronald H. Coase  
  * ‘The problem of social cost,’ J of Law and Economics, 3: 1, 1960, 1-44
Ronald H. Coase  
  * ‘The nature of the firm’ Economica, 4: 16, Nov 1937, 386-405
Sven Steinmo  
Daron Acemoglu  
  * ‘Why not a political Coase theorem?’, Journal of Comparative Economics, 31, (2003), 620-52
Eli M. Salzberger  
  * ‘The independence of the judiciary: An economic analysis’ (2001)
Barry Weingast  
  * ‘The political foundations of democracy and the rule of law,’ American Political Science Review, 91: 2, Jun 1997, 245-63
**Week 4**  
**Sept 29**

**PATH DEPENDENCY**

Is path dependency a usable paradigm? Can it help explain the collapse of the USSR?

* Paul David


* Paul Pierson

‘Increasing returns, path dependence and the study of politics,’ American Political Science Review, 94: 2, June, 2000, 251-67

B. Guy Peters, J. Pierre & D. King


James Mahoney


Paul Pierson & Theda Skocpol

‘Historical institutionalism in contemporary political science’ in Milner Theda Skocpol & Katznelson (eds), Political Science: The State of the Discipline (2002)

Peter Rutland


**Week 4**  
**Oct 1**

**REVOLUTION**

Why do revolutions happen – why does path dependency break down? Are revolutions in fact possible in the contemporary world?

* Timur Kuran


Gordon Tullock


James DeFronzo

Revolutions and Revolutionary Movements (2007) ch. 1

Eric Selbin

‘What was revolutionary about the Iranian revolution,’ Comparative Studies of South Asia, Africa and the Middle East, 29, 1, 2009, 33-46

Mansoor Moaddel


**Week 5**  
**Oct 6**

**CORRUPTION**

1) Why are so many politicians and state officials corrupt?  
2) What can be done to decrease corruption?

* Andrei Shleifer & Robert Vishny

‘Corruption,’ Quarterly Jour of Economics, Aug 1993, 599-617

Lawrence Rosen

‘Understanding corruption,’ American Interest, Mar 2010

Transparency International

Indices, reports, analysis

Ben & Fritz Heineman

‘The long war against corruption’ Foreign Affairs 85: 3 May 2006 75-86

Jacob Svensson

‘8 questions about corruption,’ Jour of Econ Perspectives, 19: 3, 2005

Susan Rose-Ackerman

Corruption and Government (1999)

Robert Klitgaard

Controlling Corruption (1991)

Robert Klitgaard

Tropical Gangsters (1991)

Ajit Mishra

The Economics of Corruption (2005)

**Oct 11**  
**Monday**

David Harvey “Crises, global disruptions and the future of capitalism”  
Center for Humanities lecture, Russell House, 4.30 pm.
Week 5
Oct 8

NETWORK ANALYSIS

What can economists & political scientists learn from sociological analysis of networks?
What is the relationship between informal networks and formal institutional structures.
Do political scientists have the tools to study the former?

Mark Granovetter  ‘The strength of weak ties: a network theory revisited,’ *Sociological Theory*, 1, 1983, 201-33
Manuel Castells & Gustavo Cardoso  *The Network Society* (2006), ch. 1, 1-21
Mario Diani & Doug McAdams (eds.)  *Social Movements and Networks* (2003)
John Scott  *Social Network Analysis* (1999), chs. 4-5
Movie  *The Social Network* (released this week!)

Week 6
Oct 13-15

FROM KEYNES TO NEOLIBERALISM

While rational choice focuses on the calculation of interest, ideas also matter.
What is neoliberalism, and why did it rise in the 1990s?

* David Harvey  *A Brief History of Neoliberalism* (2007)
Stephanie Lee Mudge  ‘What is neo-liberalism?’  *Socio-Economic Review*, 6: 4, 2008: 703-731
Mark Blyth  *Great Transformations: Economic Ideas and Institutional Change in the 20th Century* (2002)
Colin Hay  ‘Review of Blyth,’ *RIPE*, 11:1 Feb 2004, 204-26
Naomi Klein  *Shock Doctrine* (video promo for her book)
Naomi Klein  *Disaster capitalism* (2007 interview)
Copious Dissent  Milton Friedman vs Naomi Klein (video clips)
Hayek vs Keynes  ‘Fear the boom and bust’ rap

Week 7
Oct 20

CAUSES AND CONSEQUENCES OF THE 2008 CRASH

Guest lecturer:  Mark Blyth, Brown University.

* Mark Blyth  ‘Bouncy castle finance,’ *Foreign Policy*, 14 Sep 2009
Peter Goodman  ‘US Loan effort adding to housing woes.’  *NYT*, 2 Jan 2010
Carmen Reinhart & Kenneth Rogoff  ‘This time its different: 800 years of financial crises,’ NBER, Mar 2008
Reinhart & Rogoff  ‘The aftermath of financial crises,’ NBER, Jan 2009
PBS  *Inside the Meltdown* (2009) – watch the program online
Week 7
Oct 22

**RESOURCE CURSE**

Are natural resources a curse or a blessing for development and democracy?

* Terry Lynn Karl  
  "The perils of the petro-state," *Jour of Internat Affairs*, 53: 1, fall 1999
* Michael L. Ross  
* Michael L. Ross  
  "Does oil hinder democracy?" *World Politics*, 53: 3, 2001, 325-361
* Michael Herb  
  "No representation without taxation? Rents, development, and democracy," *Comparative Politics*, 37: 3, April 2005, 297-317
* Jeffrey Sachs & Andrew Warner  
* Richard Auty  

Oct 28

**How governments and protesters exploit new technology in China**

4.30 pm  
Freeman Center lecture by Dr. Irene Wu, Federal Communications Commission.

Week 8
Oct 27-29

**THE CHALLENGE OF DEVELOPMENT**

Does aid help or hinder development? Do you believe in the Collier or Sachs solutions? Or was Milton Friedman right all along?

* Paul Collier  
  *The Bottom Billion* (2008)
* Jeffrey Sachs  
  *The End of Poverty* (2006)
* Andrei Shleifer  

Institute for Development Studies  
*Concern for the Bottom Billion* (responses to Collier) 2008
William Easterly  
William Easterly  
*Can the West save Africa? J of Econ Literature*, 47: 2 Jun 2009 373-47
William Easterly  
"Does foreign aid add up?", *Foreign Policy*, Aug 2001
William Easterly  
*The White Man’s Burden* (2005)
Dambisa Moyo  
*Dead Aid. Why Aid is Not Working* (2009)

Globalization debate  

Week 9
Nov 3-5

**DEMOCRACY AND DEVELOPMENT**

Does democracy help or hinder development? What can we learn from big-N studies?

* Carles Boix  
  *Democracy and Redistribution* (2003) 1-59, also ch. 7
* Morton Halperin at al  
  *The Democracy Advantage: How Democracies Promote Prosperity and Peace*, (2005), ch. 5
* Amartya Sen  
  "Democracy as a universal value," *Journal of Democracy*, 10: 3, July 1999, 3-17
* James A. Robinson  
* Daron Akemoglu  
  *Economic Origins of Dictatorship and Democracy* 2006
* Daron Akemoglu, Simon Johnson & James Robinson  
* Dani Rodrik et al  
* Adam Przeworski et al  
* Carles Boix & S. Stokes  
Week 10
Nov 10

DEMOCRACY AND CONFLICT

How does democracy cope with economic inequality and ethnic division?
Is majoritarianism and electoral competition enough?

* Jack Snyder  From Voting to Violence (2000)
Paul Collier  Wars, Guns, and Votes (2010)
Chris Blattman  ‘Civil war,’ Journal of Economic Literature, 48: 1, Mar 2010, 3-57
James D. Fearon  ‘Ethnicity, insurgency, and civil war,’ American Political Science Review, 97: 1 (Feb 2003), 79–90

Week 10
Nov 12

EUROPEAN VARIETIES OF CAPITALISM

What is the distinctive model of capitalism that has evolved in Europe, and how is it facing up to the challenges of globalization? Does globalization produce convergence or divergence in the forms of capitalist institutions in different nations?

C. Martin & K. Thelen  ‘The state and coordinated capitalism,’ World Politics, 60: 1 2007, 1-36
Vivienne Schmidt  ‘Bringing the state back in yet again’ World Politics, 61: 3, 7/09 516-46
Peter Hall & David Soskice (eds.)  Varieties of Capitalism: The Institutional Foundations of Comparative Advantage (2001), ch. 1
Daniel Ziblatt  ‘How did Europe democratize?’ World Politics, 58: 1, 2006, 311-38

Week 11
Nov 17-19

THE BEIJING CONSENSUS

China seems to be demonstrating that you can have capitalism without democracy.
Will China’s growth pattern continue for the foreseeable future?
Will the Chinese Communist Party stay in power indefinitely?
Can China serve as a model for other struggling countries?

* Yan Sun  ‘Corruption, growth, and reform,’ Current History, Sept 2005
* Randall Peerenboom  China Modernizes: Threat to the West or Model for the Rest? (2007) Chs. 1,2 9 [ebook, can be read through the Olin catalog entry]
Yingyi Qian  ‘How reform worked in China,’ in Dani Rodrik (ed), In Search of Prosperity (2003) 297-333
Yingyi Qian  ‘Transformation in China,’ (2005)
Minxin Pei  China’s Trapped Transition: Limits of Developmental Autocracy 2008
Lee Branstetter & Nicholas Lardy  ‘China’s Embrace of Globalization’ NBER WP #12373, 07/06
Ian Bremmer  The End of the Free Market? (2009)
Goldman Sachs  ‘Dreaming with the BRICs’ (2003)
**Week 13  TOPICS IN DEMOCRATIC THEORY**

**Dec 3**

What is the state of democracy in the world today?
Is democracy all that it is cracked up to be?
What is the relationship between rights and representation? [Zakaria]
How can systems of representation be improved, or should we be satisfied with the Schumpeterian minimum?

Freedom House  *Freedom in the World 2010 Survey*
John E. Mueller  *Capitalism, Democracy and Ralph’s Pretty Good Grocer*, 243-53
Fareed Zakaria  ‘The rise of illiberal democracy,’ *Foreign Affairs*, 76: 6, Nov 1997
Alan Wolfe  *Does American Democracy still work?* (2006)

**Week 13  ISLAM AND DEMOCRACY**

**Dec 5**

What is the relation between Islam and democracy?
How to explain the democratic deficit in the Arab world?

Pippa Norris & Ronald Inglehart  ‘Islam and the West. Testing the clash of civilizations thesis,’”
Ronald Inglehart  May 2002
Larry Diamond  “Why are there no Arab democracies?” *Journal of Democracy* 21: 1, (Jan 2010): 93-112
Vali Nasr  ‘The rise of “Muslim Democracy,”’ *Jr. of Democracy*, 16: 2, Apr 2005
Adrian Karatnycky  ‘Moslem countries & the democracy gap,’ *Journal of Democracy*, 13: 1, Jan. 2002

**MOSLEM MINORITIES AND GROUP RIGHTS**

Brian Barry  *Culture and Equality: An Egalitarian Critique of Multiculturalism* (2001)
There are multiple aspects to this issue, from questions of regulation and property rights; through to the likely impact of the Internet on political life, in both democracies and dictatorships.


Malcolm Gladwell  “Small Change. Why the revolution will not be tweeted,” The New Yorker, October 4, 2010


Mark Belinsky  Google’s Internet at Liberty Conference, Budapest, 7 October 2010


Nicholas Gruen  “Adam Smith 2.0: Emergent Public Good, Intellectual Property and the Rhetoric of Remix” (May 2009)


Yochai Benkler  “After Selfishness - Wikipedia 1, Hobbes 0 at Half Time” (youtube)


Books:

Jonathan Zittrain  The Future of the Internet--And How to Stop It (2008)
Cass Sunstein  Republic.com 2.0 (2009)
James Surowiecki  The Wisdom of Crowds (2005)