

Doing Political Economy

POL-UA 842-001

Spring 2022

Wednesday 4:55-7:25 pm

TBD

Instructor: Sukwon Lee (sl2647@nyu.edu)

Office: TBD

Office Hours: TBD

Course Description: This course covers the major concepts and approaches within the field of political economy. Political economy is a field of inquiry that has made great strides in recent years in explaining political and economic behavior by characterizing the incentives of actors and the context in which these actors make decisions and influence outcomes. The purpose of this course is to introduce students to these theoretical approaches and show how they can be used to address contemporary policy questions.

This course is structured to highlight the intersection between politics and economics, and how political issues (in particular political institutions) affect economic issues such as domestic spending and debt, taxes and international trade. Throughout we will be concerned with how domestic political institutions affect outcomes as varied as corruption, democratization, trade policy, and war.

The readings for each class consist of two or three journal articles or book chapters. Students are expected to come to class prepared to discuss the readings. The readings for the course are aimed at undergraduate students who lack an extensive knowledge of statistics and game theory. There are a few readings on the syllabus that employ sophisticated formal models and statistical methods; however these types of readings are kept to a minimum.

I assume no background knowledge of economics. Please note that some lectures will require knowledge of a little math (but nothing beyond high school algebra).

Course Requirements and Grading: The requirements for this course include four homework assignments and two examinations (a midterm and final). The midterm and the final examinations are take-home exams. The midterm will be distributed on Friday, Mar 26th, and the due date is on Mar 29th by 6:00pm EST. The final will be distributed on Friday, May 7th, and the due date is on May 14th by 6:00pm EST. No late submission will be accepted. Written assignments must be your own work and submitted at the beginning of the class in which they are due (MS-WORD or PDF) to my email. Attendance at class is both recommended and required. In my experience, attendance has been a good predictor of students' performance on exams. In addition, poor attendance will affect your participation grade (it is difficult to participate in class if you are not there).

Your final grade for this course is based on the following:

Class Attendance and Participation – 10%
Written Assignments – 20%
Midterm Exam – 35%
Final Exam – 35%

Late assignments will be penalized for each day they are late.

Course Policies: Cheating and other forms of academic dishonesty are serious offenses and will be dealt with accordingly. Students must comply with the New York University policy on academic integrity, which can be found online at <http://cas.nyu.edu/page/academicintegrity>.

In the interest of fairness, make-ups to examinations will only be possible in the most extenuating of circumstances. If you are ill or have a university-accepted excuse, you must notify me prior to the exam. You will need to bring in supporting documentation to be granted a make-up exam. After you provide this information and evidence, a decision will be made regarding a make-up.

Students who require disability-related accommodations are encouraged to contact the Moses Center. Please submit your approval letter to me as soon as possible to ensure the successful implementation of any requisite accommodations.

Readings: There is only one required book for this course. Almost all other readings are posted online on the “NYU Classes” website. The required book is:

Bueno de Mesquita, Bruce and Alastair Smith. 2011. *The Dictator’s Handbook*. New York, NY: Public Affairs.

Schedule: The following schedule is **tentative**. If it takes more or less than the allotted time for a particular topic, we will adjust accordingly

Course Introduction

January 26 What is Political Economy? What is Social Science Theory?

Bueno de Mesquita, Bruce. 2010. *Principles of International Politics*. 4th Edition. Washington, DC: CQ Press (pgs. 389-402, 407-414)

A Review of the Rational Choice Approach

January 26 Rationality, Preferences, and Strategies

- Shepsle, Kenneth and Mark Bonchek. 1997. *Analyzing Politics: Rationality, Behavior, and Institutions*. New York: W.W. Norton & Company. (Chapter 2)

February 2 Simultaneous Move Games, Extensive Form Games and Expected Utility

- Morrow, James. 1994. *Game Theory for Political Scientists*. Princeton: Princeton University Press. (Chapter 2: Utility Theory)
- Fearon, James D. 1995. "Rationalist Explanations for War." *International Organization* 49(3): 379-414.
- Dixit, Avinash, Susan Skeath, and David Reiley, Jr. 2009. *Games of Strategy*. 3rd Edition. New York: W.W. Norton & Company. (Chapters 3 & 4)

February 9 Preference Aggregation/ Collective Action, Public Goods, and Common Pool Resources

- Shepsle, Kenneth and Mark Bonchek. 1997. *Analyzing Politics: Rationality, Behavior, and Institutions*. New York: W.W. Norton & Company. (Chapter 4)
- Olson, Mancur. 1982. *The Rise and Decline of Nations*. New Haven: Yale University Press. (Chapter 2 - "The Logic" - this is a summary of *The Logic of Collective Action: Public Goods and the Theory of Groups*).

Domestic Politics and Comparative Political Economy

February 16 Formation of the State/ Selectorate Theory

- North, Douglas C. 1981. *Structure and Change in Economic History*. New York: W.W. Norton & Company. (Chapter 3: "A Neoclassical Theory of the State")
- Tilly, Charles. 1985. "War Making and State Making as Organized Crime." In *Bringing the State Back In*, eds. Peter B. Evans, Dietrich Rueschmeyer, and Theda Skocpol. New York: Cambridge University Press.
- *The Dictator's Handbook* (Chapters 1-3)
- Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. *The Logic of Political Survival*. Cambridge, MA: MIT Press. (Chapter 2)

February 23 Selectorate Theory continued/ Tax Rates, Domestic Spending, Debt, and Corruption

- *The Dictator's Handbook* (Chapters 1-6)

March 2 Foreign Aid/ Development and Democratization

- *The Dictator's Handbook* (Chapters 7)
- Przeworski, Adam and Fernando Limongi. 1997. "Modernization: Theories and Facts." *World Politics* 49(2): 155-183. (read up to page 167)
- Bueno de Mesquita, Bruce and George Downs. 2005. "Democracy and Development." *Foreign Affairs* 84(5): 77-86.

**March 9 Resource Curse, Revolutionary Threats, and Democratization/
Comparative Advantage and Trade**

- Ross, Michael. 2001. "Does Oil Hinder Democracy?" *World Politics* 53: 325-361. (read up to page 337 and conclusion)
- Jensen, Nathan and Leonard Wantchekon. 2004. "Resource Wealth and Political Regimes in Africa." *Comparative Political Studies* 34: 816-841. (pgs. 816-822, 834-837)
- *The Dictator's Handbook* (Chapter 8)
- Frieden, Jeffrey A., David A. Lake, and Kenneth A. Schultz. 2012. *World Politics: Interests, Interactions, and Institutions*. 2nd Edition. New York: W.W. Norton & Company. (pgs. 265-275, 306-311)

March 16 No Class – Spring Break

March 23 Comparative Advantage and Trade

******* Receive Take Home Midterm*******

******* Midterm Deadline is March 26th, by 6:00pm EST*******
Email to sl2647@nyu.edu

March 30 Domestic Political Economy of Protectionism

- Frieden, Jeffrey A., David A. Lake, and Kenneth A. Schultz. 2012. *World Politics: Interests, Interactions, and Institutions*. 2nd Edition. New York: W.W. Norton & Company. (pgs. 276-287)
- Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *The American Political Science Review* 81(4): 1121-1137.

April 6 Political Institutions and Rent-seeking/ International Cooperation: Why Do States Cooperate?

- McGillivray, Fiona. 2004. *Privileging Industry: The Comparative Politics of Trade and Industrial Policy*. Princeton, NJ: Princeton University Press. (Chapter 1)
- Jensen, Nathan and Jong Hee Park. 2008. "Where's the Beef? The Political Economy of U.S. Agriculture Policy." *The Political Economist* 10: 1-8.
- Axelrod, Robert. 1984. *The Evolution of Cooperation*. Basic Books. (Chapter 1)

International Relations: Cooperation and War

April 13 International Cooperation: Enforcement and Compliance/ Domestic Politics and International Cooperation

- Downs, George W., David M. Rocke, and Peter N. Barsoom. 1996. "Is Good

News About Compliance Good News About Cooperation?” *International Organization* 50(3): 379-406.

- McGillivray, Fiona and Alastair Smith. 2000. “Trust and Cooperation through Agent-specific Punishments.” *International Organization* 54(4): 809-824

April 20 War and International Interventions/Review

- *The Dictator’s Handbook* (Chapter 9)
- Bueno de Mesquita, Bruce and George W. Downs. 2006. “Intervention and Democracy.” *International Organization* 60(3): 627-649.

April 27 War and International Interventions/Review

May 4 What is democracy and why is so important?

******* Receive Take Home Final*******

******* Final Deadline is May 11th, by 6:00pm EST*******
Email to sl2647@nyu.edu