**WWS 553 / POLITICS 530**

**THE POLITICS OF GROWTH AND REDISTRIBUTION**

Fall 2011, Wednesday 1-4

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**Course Design and Objectives**

This course is designed to survey and discuss the political and institutional factors underlying cross-national variation in economic performance. The course is structured around the following issues or questions: : (1) why do countries differ so much in their level of economic development?; (2) what determines different levels of public spending and politically enforced redistribution?; (3) in what ways does the international economy shape state autonomy and the size of welfare states?; and (4) what is the impact of elections, parties and domestic institutions on the management of the economy? The scope of the course is analytical in its theoretical perspective and comparative from a methodological point of view.

**Course Procedures and Evaluation**

Each student is expected to read (before class) the items listed as 'required readings' for each session. In some sessions 'background' reading, which is optional, is intended to provide introductions to the week's main readings.

In addition, students are expected to complete:

(1) Five short papers (around 3 pages) answering one of the week’s discussion questions. Papers will be due by 5 pm every Tuesday (with answers to the questions of that week’s session) and should be placed in the mail bin outside the instructor’s office (Robertson 433). No exceptions will be made and no extensions will be granted. The answers should not just summarize readings, but show reflection on how the readings address important issues, are flawed in particular dimensions, or can be developed or improved in specific directions.

(2) A final take-home exam to be set by the instructor or a research paper with a topic to be determined in advanced with the instructor. Due date: January 23, 2012.

Participation in class will count for about 1/4 of the grade. The other assignment (short papers, exam) will count for 3/4 per cent of the course grade.

Books marked with (B) may be bought at Labyrinth.

**1. Standard Growth Theory, Institutionalism and the First Economic Revolution.** (September 21)

Required reading

Robert Barro. *Macroeconomics*. Chapter 11. (or N. Gregory Mankiw. 1992. *Macroeconomics.* (New York: Worth Publishers. Chapter 4).

Lucas, Robert. 2000. “Some Macroeconomics for the 21st Century,”*Journal of Economic Perspectives* 14 (Winter): 159-168.

Douglass North. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press. Pages 1-69. (B)

Further Reading

James E. Alt and Kenneth Shepsle (eds). 1990. *Perspectives on Positive Political Economy*. Cambridge: Cambridge University Press. Chapters 1, 2, 6.

Barro, Robert. 1997. *Determinants of Economic Growth.* Cambridge, Mass.: MIT Press.

Olson, Mancur. 2000. *Power and Prosperity*. New York: Basic Books.

Jared Diamond. 1999. *Guns, Germs and Steel.* New York: Norton. Pages 103-156, 174-191, 265-192.

Hibbs, Douglass and Ola Olsson. 2004. “Geography, Biogeography and Why Some Countries Are Rich and Others Poor,” *Proceedings of the National Academy of Sciences of the United States* 101 (10): 3715-3740.

Demsetz, Harold. 1967. “Toward a theory of property rights,” *American Economic Review* 57: 347-359.

**2. The Political Economy of the “Ancien Régime”.** (September 28)

Required reading

North, Douglass. 1981. *Structure and Change in Economic History*. New York: Norton. Chapter 3.

Boix, Carles. 2011. “Political Order, Growth and Inequality.” Unpublished manuscript. Introduction and chapters 1, 2.

Clark, Gregory. 2007. A *Farewell to Alms: A Brief Economic History of the World.* Princeton University Press. Chapters 2-5. (B)

Douglass C. North, John Joseph Wallis and Barry R. Weingast. 2009. *Violence and Social Orders*

*A Conceptual Framework for Interpreting Recorded Human History.* New York: Cambridge University Press. [Pages 1-21, 30-109.]

**3. The Modern Breakthrough.** (October 5)

Required reading

North, Douglass C. And Barry R. Weingast, 1989. “Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth-Century England,” *The Journal of Economic History* 49, (December): 803-832.

Acemoglu, Daron et al. 2011. “The Consequences of Radical Reform: The French Revolution,” *American Economic Review*.

David Stasavage. 2002. “Credible Commitment in Early Modern Europe: North and Weingast Revisited,” *Journal of Law, Economics and Organization* 18(1): 155-186.

Clark, Gregory. 2007. A *Farewell to Alms: A Brief Economic History of the World.* Princeton University Press. Chapters 10-13. (B)

E. L. Jones. 1987. *The European Miracle*. Cambridge. Second edition. Introduction and chapters 1-6.

Further reading

DeLong, Bradford J. and Andrei Shleifer. 1993. “Princes and Merchants: European City Growth before the Industrial Revolution,” *Journal of Law and Economics* 36 (October): 671-702.

Voigtländer, Nico and Joachim Voth. 2006. “Why England? Demographic Factors, Structural Change and Physical Capital Accumulation During the Industrial Revolution,” *Journal of Economic Growth* 11 (4).

Joel Mokyr. *The Gift of Athena*. Princeton University Press. Chapters 1,2,3 and 6.

David Stasavage. 2003. *Public Debt and the Birth of the Democratic State*. New York: Cambridge University Press.

Adam Przeworski et al. 2002. *Democracy and Development.* New York: Cambridge University Press. Chapter 3.

North, Douglass C. and Robert P. Thomas. 1981. *The Rise of the Western World: A New Economic History.*

Field, Alexander J., "The Problem with Neoclassical Institutional Economics: a Critique with Special Reference to the North/Thomas model of pre-1500 Europe," *Explorations in Economic History* 18 (April 1981): 174-198.

Douglass North. 1990. *Institutions, Institutional Change and Economic Performance*. Cambridge: Cambridge University Press.

Przeworski, Adam and Fernando Limongi. 1993. “Political Regimes and Economic Growth,” *Journal of Economic Perspectives* 7: 51-69.

**4. Exploring the Origins of Modern Institutions.** (October 12)

Required reading

Anderson, Perry. 1974. *Lineages of the Absolutist State*. London: Verso. Pages 15-59, 113-142, 195-235, 328-360, 397-431. (B)

Huntington, Samuel. 1968. *Political Order in Changing Societies*. Yale University Press. Chapter 2.

Tilly, Charles. 1990. *Coercion, Capital and European States, AD 990-1992*. Blackwell. Chapter 5.

Further reading

Carles Boix. 2003. *Democracy and Redistribution*. Cambridge University Press. Chapters 2,6.

Weingast, Barry. 1995. “The Economic Role of Political Institutions. Market-Preserving Federalism and Economic Development,” *Journal of Law, Economics and Organization* 11.

E. L. Jones. 1987. *The European Miracle*. Cambridge. Second edition.

Raghuram G. Rajan and Luigi Zingales. 2003. *Saving Capitalism from the Capitalists*. New York: Crown Business. Chapter 6.

**5. Catching-Up.** (October 19)

Required reading

Gerschenkron, Alexander. 1962. *Economic backwardness in historical perspective, a book of essays*.

Cambridge, Belknap Press of Harvard University Press. Pages 5-30 (“Economic Backwardness in Historical Perspective”) and 353-364 (“The Approach to European Industrialization: A Postscript”).

Landes, David S. *The Unbound Prometheus*. New York: Cambridge University Press. Chapters 4 and 5.

Chandler. 1990. *Scale and Scope*. Harvard University Press. Pages 14-36, 47-49, 235-237, 393-395, 593-605.

Robert Wade. 1992. “East Asia’s Economic Success: Conflicting Perspectives, Partial Insights, Shaky Evidence,” *World Politics* 44: 270-320.

Paul Krugman, "The Myth of Asia's Miracle," *Foreign Affairs*, November/December 1994:63-79.

Further reading

Shonfield, Andrew. 1965. *Modern capitalism : the changing balance of public and private*. New York : Oxford University Press.

Herrigel, Gary. 1996. *Industrial constructions: the sources of German industrial power.* New York : Cambridge University Press. Chapter 2.

Charles Sabel and Jonathan Zeitlin. 1985. “Historical Alternatives to Mass Production: Politics, Markets and Technology in Nineteenth-Century Industrialization,” *Past & Present* 108 (August): 133-176.

Kurth, James R. 1979. “The Political Consequences of the Product Cycle: Industrial History and Political Outcomes,” *International Organization* 33 (Winter): 1-34.

Hall, Peter and David Soskice. 2001. *Varieties of Capitalism*. Oxford University Press. Introduction.

**6. Lagging Behind.** (October 26)

Required reading

Elisa Mariscal and Kenneth L. Sokoloff. 2000. “Schooling, Suffrage, and the Persistence of Inequality in the Americas, 1800-1945,” in Stephen Harber, ed. *Political Institutions and Economic Growth in Latin America. Essays in Policy, History, and Political Economy*. Stanford: Hoover Institution Press. Chapter 5, pp. 159-217.

Acemoglu, Daron and James A. Robinson. 2000. “Political Losers as a Barrier to Economic Development,” *American Economic Review* 90 (May): 126-130.

E. Glaeser, R. La Porta, and F. Lopez-de-Silanes and A. Shleifer. 2004. “Do Institutions Cause Growth?,” *Journal of Economic Growth*, September, 2004. Pages 271-303.

Clark, Gregory. 2007. A *Farewell to Alms: A Brief Economic History of the World.* Princeton University Press. Chapters 15-17. (B)

Robert H. Bates. 1984. *Markets and States in Tropical Africa*. University of California Press.

Bourguignon, François and Morrisson, Christian.2002. “Inequality Among World Citizens: 1820-1992,” *American Economic Review* 92: 727—744.

Further reading

Daron Acemoglu, Simon Johnson, and James A. Robinson. 2001. “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review* 91 (December): 1369-1401. (E)

Raghuram G. Rajan and Luigi Zingales. 2006. “The Persistence of Underdevelopment: Institutions, Human Capital, or Constituencies?,” NBER Working paper, # 12093. March

Roberto Perotti. 1996. “Growth, Income Distribution, and Democracy: What the Data Say,” *Journal of Economic Growth* 1: 149-187. (E)

Torsten Persson and Guido Tabellini. 1994. “Is Inequality Harmful for Growth?,” *American Economic Review* 84: 600-621.

Alberto Alesina and Roberto Perotti. 1994. “The Political Economics of Growth: A Selective Survey and Some New Results,” *World Bank Economic Review*, September 1994, pages 351-371.

Kristin J. Forbes. 2000. “A Reassessment of the Relationship Between Inequality and Growth,” *American Economic Review* 90 (September): 869-887.

Kevin M. Murphy; Andrei Shleifer; Robert W. Vishny. 1989. “ Industrialization and the Big Push.”. *Journal of Political Economy*,” 97 (October): 1003-1026.

Samuel Huntington. 1968. *Political Order in Changing Societies*. Yale University Press. Chapters1, 3-7.

John Londregan and Keith Poole. 1990. “Poverty, the Coup Trap, and the Seizure of Executive Power,” *World Politics* 42(January) 151-83.

Alberto Alesina and Roberto Perotti. 1996. “Income Distribution, Political Instability, and Investment,” *European Economic Review* 40 (June): 1203-1228.

Paul Bairoch. *Economics and World History: Myths and Paradoxes*. Chicago: The University of Chicago Press. Chapters 5, 6 and 8. (B)

Daron Acemoglu, Simon Johnson, and James A. Robinson. 2001. “Reversal of Fortune: Geography and Institutions in the Making of the Modern World,” *Quarterly Journal of Economics* 117: 1231-1294. (E)

Stephan Haggard. 1986. “The Newly Industrializing Countries in the International System,” *World Politics* 38 (January): 343-370.

Haber, Stephen, Armando Razo and Noel Maurer. 2003. *The Politics of Property Rights. Political Instability, Credible Commitments, and Economic Growth in Mexico, 1876-1929*. Cambridge University Press. Read chapters 1, 2, skim chapter 3, and read either chapter 4 or 5. (B)

Mushtaq H. Khan and Jomo K.S., eds. 2000. Rents, Rent-Seeking and Economic Development. New York: Cambridge University Press. Pages 1-5, 21-144.

Douglass C. North, John Joseph Wallis and Barry R. Weingast. 2009. *Violence and Social Orders*

*A Conceptual Framework for Interpreting Recorded Human History.* New York: Cambridge University Press. Pages 110-136, 148-181, 190-250.

Stephan Haggard. 1990. *Pathways from the Periphery*. Ithaca, NY: Cornell University Press.

**7. Ideas, Beliefs and Development.** (November 9)

Required reading

Max Weber. 2001. *The Protestant Ethic and the Spirit of Capitalism*. Routledge, London. [Electronic resource at Princeton Library system.]

Robert B. Putnam. 1993. *Making Democracy Work*. Princeton University Press. Chapters 1, 3-6. (B)

Henrich, J., R. Boyd, S. Bowles, H. Gintis, C.Camerer, R. McElreath, E. Fehr, M. Gurven, K. Hill, A. Barr, J. Ensminger, D. Tracer, F. Marlow, J. Patton, M. Alvard, F. Gil-White and N. Henrich. 2005. “'Economic Man' in Cross-Cultural Perspective: Ethnography and Experiments from 15 Small-Scale Societies,” *Behavioral and Brain Sciences* 28: 795–855.

Further reading

Fehr, Ernst and Simon Gachter. 2000. “Cooperation and Punishment in Public Goods Experiments,” *American Economic Review* 90: 980-994.

Fehr, Ernst, Karla Hoff and Mayuresh Kshetramade. 2008. “Spite and Development,” *American Economic Review* 98 (2): 494-499.

Hoff, Karla, Mayuresh Kshetramade and Ernst Fehr. 2009. “Caste and Punishment: The Legacy of Caste Culture in Norm Enforcement,” IZA Working Paper No. 4343. August.

Abbink, Klaus and Benedikt Herrmann. 2009. “Pointless Vendettas.” American Economic Review.

Barro, Robert and Rachel McCleary. “Religion and Economic Growth." American Sociological Review (October 2003).

Avner Greif. 2006. *Institutions and the Path to the Modern Economy*. New York: Cambridge University Press.

Alexis de Tocqueville. *Democracy in America*.

Guido Tabellini. “Culture and Institutions: Economic Development in the Regions of Europe.” Forthcoming in  *Journal of the European Economic Association.*

**8. Politics and Macroeconomics (1).** (November 16).

Required reading

Alberto Alesina et al. 1997. *Political Cycles and the Macroeconomy*. Cambridge, Mass: The MIT Press. Pages 1-110, 141-209. (B)

Alberto Alesina and Lawrence Summers. 1993. "Central Bank Independence and Macroeconomic Performance," *Journal of Money, Credit and Banking* 25: 151-162.

Peter Hall, ed. 1989. *The Political Power of Economic Ideas: Keynesianism across Nations*. Princeton University Press. Chapters TBA.

Lars Calmfors and J. Driffill. 1988. "Bargaining Structure, Corporatism and Macroeconomic Performance," *Economic Policy* 6: 13-47.

R.M. Alvarez, G. Garrett and P. Lange. 1991. "Government Partisanship, Labor Organization and Macroeconomic Performance, 1967-1984", *American Political Science Review* 85: 539-556.

Background reading

Robert J. Barro. 1990. "Developments in the Theory of Rules versus Discretion," in Barro, *Macroeconomic Policy* (Cambridge, Mass: Harvard University Press), chapter 1, pp. 9-28.

Robert J. Barro. 1987. *Macroeconomics*. 2nd edition. New York: John Wiley and Sons. Chapters 13-14.

Further reading on political business cycles

Adam Przeworski and Michael Wallerstein. 1986. "Democratic Capitalism at the Crossroads," in A. Przeworski. *Capitalism and Social Democracy*. Cambridge: Cambridge University Press. Chapter 6, pp. 205-221.

Alberto Alesina and Howard Rosenthal.1995. *Political Parties, Divided Government, and the Economy*. Cambridge: Cambridge University Press. Chapter 2.

Morris Fiorina. 1981. *Retrospective Voting in American National Elections.* New Haven: Yale University Press. Chapters 1 and 4.

Alberto Alesina and Jeffrey Sachs. 1988. "Political Parties and the Business Cycle in the United States, 1948-1984," *Journal of Money, Credit and Banking*, 20, pp. 63-83.

James E. Alt. 1985."Political Parties, World Demand and Unemployment: Domestic and International Sources of Economic Activity, *American Political Science Review*, 79, pp. 1016-1040.

James E. Alt and K. Alec Chrystal. 1983. *Political Economics.* Berkeley: University of California Press. Chapter 5.

Douglas A. Hibbs. 1977. "Political Parties and Macroeconomic Policy," *American Political Science Review*, 71, pp. 1467-1487. Through page 1475.

Douglas A. Hibbs. 1987a. *The Political Economy of Industrial Democracies.* Cambridge, Mass.: Harvard University Press.

Douglas A. Hibbs. 1987b. *The American Political Economy. Macroeconomics and Electoral Politics.* Cambridge, Mass.: Harvard University Press.

William Nordhaus. 1975. "The Political Business Cycle," *Review of Economic Studies*, 42, pp. 169-190.

William Nordhaus. 1989."Alternative Models to Political Business Cycles," *Brookings Papers on Economic Activity*, 2, pp. 1-56.

Edward B. Tufte. 1978. *Political Control of the Economy*. Princeton: Princeton University Press. Chapters 1-3.1

Schultz, Kenneth, "The Politics of the Political Business Cycle," *British Journal of Political Science* 25, 79-99.

William Keech. 1995. *Economic Politics. The Costs of Democracy*. Cambridge: Cambridge University Press. Chapters 1-4.

Martin Paldam. 1997. “Political Business Cycles,” in Mueller, Dennis C., ed. *Perspectives on Public Choice*. New York: Cambridge University Press. Chapter 16.

Alberto Alesina and Lawrence Summers. 1993. "Central Bank Independence and Macroeconomic Performance," *Journal of Money, Credit and Banking* 25: 151-162. (E)

Further reading on models of economic voting

a) Spatial models:

Melvin J. Hinich and Michael C. Munger. 1997. *Analytical Politics*. New York: Cambridge University Press.

b) Restrospective voting and accountability models:

Adam Przeworski, Susan C. Stokes and Bernard Manin, eds. 1999. *Democracy, Accountability, and Representation*. New York: Cambridge University Press. Pages 1-16, 29-54, 98-130.

Powell, Bingham and Guy Whitten. 1993. “A Cross-National Analysis of Economic Voting: Taking Account of the Political Context,” *American Journal of Political Science* 37.

Ray Fair. 1978. "The Effects of Economic Events on Votes for Presidents," *Review of Economics and Statistics*, 60, pp. 159-72.

Ray Fair. 1982. "The Effects of Economic Events on Votes for Presidents: 1980 Results," *Review of Economics and Statistics*, 65, pp. 322-325.

Ray Fair. 1988. "The Effects of Economic Events on Votes for Presidents: 1984 Update," *Political Behavior*, 10, pp. 168-179.

Morris Fiorina. 1981. *Retrospective Voting in American National Elections.* New Haven: Yale University Press.

R. Kiewiet. 1983. *Macroeconomics and Micro Politics: The Electoral Effects of Economic Issues.* Chicago: University of Chicago.

M. Lewis-Beck. 1988. *Economics and Elections: The Major Western Democracies*. Ann Arbor, Michigan: University of Michigan Press.

c) Economic Policies as Political Coalition Building:

Gosta Esping-Andersen. 1984. *Politics Against Markets*. Princeton: Princeton University Press. Pages 26-38, 145-190, 204-243, 244-285.

Jonas Pontusson. 1988. Swedish Social Democracy and British Labour: Essays on the Nature and Condition of Social Democratic Hegemony. Western Societies Program, Occasional Paper, no. 19, Center for International Studies, Cornell University.

Geoffrey Garrett. 1993. "The Politics of Structural Change," *Comparative Political Studies*, 25, pp. 521-547.

Adam Przeworski and John Sprague. 1986. *Paper Stones. A History of Electoral Socialism*. Chicago: The University of Chicago Press. Pages 29-56 (quick reading), 57-96, 101-126, 143-179.

**9. Politics and Macroeconomics (2).** (November 30).

Required reading

Lars Calmfors and J. Driffill. 1988. "Bargaining Structure, Corporatism and Macroeconomic Performance," *Economic Policy* 6: 13-47.

R.M. Alvarez, G. Garrett and P. Lange. 1991. "Government Partisanship, Labor Organization and Macroeconomic Performance, 1967-1984", *American Political Science Review* 85: 539-556.

Olivier Blanchard and Justin Wolfers. 2000. “The Role of Shocks and Institutions in the Rise of European Unemployment: the Aggregate Evidence,” *Economic Journal* 110 (March) 1-33.

Boix, Carles. 1998. *Political Parties, Growth and Equality*. Cambridge University Press. Chapter 2.

Peter Lindert. 2004. *Growing Public. Social Spending and Economic Growth Since the Eighteenth Century*. New York: Cambridge University Press. Chapters 10-11

**10. Twentieth-century Inequality.**  (December 7)

Required reading

Thomas Piketty and Saez, Emmanuel. 2006. “The Evolution of Top Incomes: A Historical and International Perspective,” *American Economic Review* 96 (2): 200—205.

Kenneth Scheve and David Stasavage. 2010. “Political Institutions and Income Inequality, 1900-2000.”World Politics**.**

Nolan McCarty, Keith T. Poole and Howard Rosenthal. 2006. *Polarized America: The Dance of Ideology and Unequal Riches.* Cambridge, Mass.: The MIT Press. Chapter TBA.

Further Reading

Debraj Ray. 1998. *Development Economics.* Princeton University Press. Chapter 6.

Simon Kuznets. 1955. “Economic Growth and Income Inequality,” *American Economic Review 45* March): 1-28.

Branko Milanovic, Peter H. Lindert and Jeffrey G. Williamson. 2007. “Measuring Ancient Inequality,” NBER Working Papers # 13550.

Lindert, Peter H. 2000. “Three Centuries of Inequality in Britain and America.” In A.B. Atkinson & F. Bourguignon, eds. *Handbook of Income Distribution.* North Holland. Chapter 3.

Bourguignon, François and Morrisson, Christian.2002. “Inequality Among World Citizens: 1820-1992,” *American Economic Review* 92: 727—744.

Branko Milanovic. 2007. *Worlds Apart: Measuring International and Global Inequality.* Princeton University Press.

Sala-i-Martin, Xavier. 2006. “The World Distribution of Income: Falling Poverty and...Convergence, Period,” *Quarterly Journal of Economics* 121: 351-397.

Peter Gottschalk; Timothy M. Smeeding. 1997. “Cross-National Comparisons of Earnings and Income Inequality ,” *Journal of Economic Literature*, Vol. 35 (2): 633-687.

A.B. Atkinson & F. Bourguignon. 2000. “Introduction: Income Distribution and Economics.” In A.B. Atkinson & F. Bourguignon, eds. *Handbook of Income Distribution.* North Holland. Pages 1-26.

Wallerstein, Michael. “Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies,” *American Journal of Political Science* 43 (July): 649-680.

Engerman, Stanley L. and Sokoloff, Kenneth L. 2002. “Factor Endowments, Inequality, and Paths of Development among New World Economies,” *Economia*, 3: 41-102.

**12. Open Political Economies (1).** (December 14)

Required reading

Ronald Rogowski. 1989. *Commerce and Coalitions. How Trade Affects Domestic Political Alignments*.

Princeton, N.J.: Princeton University Press. Chapters 1,7, and any one of chapters 2 to 4.

Jeffrey G. Williamson. 1998. “Globalization and the labor market: using history to inform policy.” In Philippe Aghion and Jeffrey G. Williamson. *Growth, Inequality and Globalization*. New York: Cambridge University Press. Pages 105-200.

Przeworski, Adam and Covadonga Meseguer. 2006. “Globalization and Democracy.” In Pranab Bardhan, Samuel Bowles and Michael Wallerstein, eds. 2006. *Globalization and Egalitarian Redistribution*. Princeton University and Russell Sage Foundation. Chapter 7.

Further readings

Peter Swenson. “Bringing Capital Back In, or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden,” *World Politics* 1991, pages 513-45.

Jeffrey Frankel and Rudiger Dornbusch. 1987. "Macroeconomics and Protection," in Robert Stern (ed.) *US Trade Policies in a Changing World Economy*, Cambridge, Mass: The MIT Press. Pages 77-130.

Alt, James, Jeffry Frieden, Michael Gilligan, Dani Rodrik and Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry," *Comparative Political Studies*, 29: 689-717.

Stephen P. Magee. 1980. "Three simple tests of the Stopler-Samuelson theorem." In P. Oppenheimer, ed., *Issues in International Economics*. Pp. 138-153. London: Oriel.

Stephen P. Magee, William A. Brock and Leslie Young. *Black Hole Tariffs and Endogenous Protection*. Cambridge: Cambridge University Press. Chapters 1-3, 5, 13, 16.

James E. Alt. 1987. "Crude Politics: Oil and the Political Economy of Unemployment in Britain and Norway," *British Journal of Political Science*, 17, pp. 149-199.

Peter A. Gourevitch. 1978. "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization*, 10 (Autumn), pp. 881-912.

Albert O. Hirschman. 1981. *Essays in Trespassing. Economics to Politics and Beyond*. Cambridge: Cambridge University Press. Chapters 9 ("Exit, Voice and Loyalty: Further Reflections and a Survey of Recent Contributions"), 10 ("Exit and Voice: Some Further Distinctions").

Peter Gourevitch. 1986. *Politics in Hard Times: Comparative Responses to International Economic Crises*. Ithaca: Cornell University Press. Chapters 1-4, 6. Pages 17-180, 221-240.

Barry Eichengreen. 1996. *Globalizing Capital*. Princeton: Princeton University Press.Chapters 4,5. **(B)**

Vreeland, James Raymond. 2003. *The IMF and Economic Development*. New York: Cambridge University Press. (B)

Jeffry A. Frieden and Ronald Rogowski. 19964. "The impact of the international economy on national policies: An analytical overview," In Robert O. Keohane and Helen V. Milner, eds. *Internationalization and Domestic Politics*. Cambridge University Press. Chapter 2, pages 25-47.

Albert O. Hirschman. 1981. “Exit, Voice, and the State,” *Essays in Trespassing. Economics to Politics and Beyond*. Cambridge: Cambridge University Press. Chapter 11.

John Goodman and Louis W. Pauly, "The Obsolescence of Capital Controls? Economic Management in an Age of Global Markets," *World Politics* 46, 1(1993):50-82.

Dennis Quinn and Carla Inclan, "The Origins of Financial Openness: A Study of Current and Capital Account Liberalization." *American Journal of Political Science* 31, 3 (July 1997):771-813.

Jacob A. Frenkel and Michael L. Mussa, "Monetary and Fiscal Policies in an Open Economy." American Economic Review 71, 2 (May 1981):253-58.

Maurice Obstfeld, "The Global Capital Market: Benefactor or Menace?" NBER Working Paper No. 6559 (May 1998).

Michael Wallerstein and Adam Przeworski, "Capital Taxation with Open Borders."Review of International Political Economy 2 (Summer 1995):425-45.

**12. Open Political Economies (2).** (January 11)

Required Reading

Boix, Carles. “Between Protectionism and Compensation: The Political Economy of Trade.” In Pranab Bardhan, Samuel Bowles and Michael Wallerstein, eds. 2006. *Globalization and Egalitarian Redistribution*. Princeton University and Russell Sage Foundation. Chapter 8.

Romer, David. 1993. “Openness and Inflation: Theory and Evidence,” *Quarterly Journal of Economics* 107: 869-904.

Odd Aukrust. "Inflation in the Open Economy: A Norwegian Model," in L. Krause and W. Salant, eds.,

*Worldwide Inflation*. Washington, D.C.: Brookings. Pages 109-126, especially pages 113-117.

James E. Alt. 1987. "Crude Politics: Oil and the Political Economy of Unemployment in Britain and

Norway," *British Journal of Political Science*, 17, pp. 149-199.

Haber, Stephen and Victor Menaldo. 2010. “Do Natural Resources FuelAuthoritarianism? A Reappraisal of the Resource Curse,” American Political Science Review 105: 1-26.

Paul De Grauwe. 1997. *The Economics of Monetary Integration*. Chapters 1 to 3. (B)

Further Reading

Rodrik, Dani. 1998. “Why Do Open Economies Have Bigger Governments?” *Journal of Political Economy* 106: 997-1032.

David R. Cameron. 1978. "The Expansion of the Public Economy: A Comparative Analysis," *American Political Science Review*, 72, pp. 1243-1261.

Alicia Adserà and Carles Boix . 2002. “Trade, Democracy and the Size of the Public Sector,” *International Organization*.

Dani Rodrik. 199?. "What Does the Political Economy Literature on Trade Policy (Not) Tell Us That We Ought to Know," *Handbook of International Economics*, vol. III

Gruber, Lloyd. 1999a. “Rationalist Approaches to International Cooperation: A Call for Theoretical Reorientation,” *The Irving B. Harris Graduate School of Public Policy Studies. Working Paper Series* 99.14.

Gruber, Lloyd. 1999b. “Interstate Cooperation and the Hidden Face of Power: The Case of European Money,” *The Irving B. Harris Graduate School of Public Policy Studies. Working Paper Series* 99.16.