

**WWS 553 / POLITICS 530**  
**THE POLITICS OF GROWTH AND REDISTRIBUTION**

Spring 2010, Thursdays 1:30-4:30

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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? and (2) in what ways and why does public intervention in the economy vary today? 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) Six short papers (around 3 pages) answering one of the week's discussion questions. Papers will be due by 5 pm every Wednesday (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: May 16, 2010.

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.** (February 4)

### 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 21<sup>st</sup> 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)

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

Boix, Carles. 2010. "A Theory of State Formation and the Origins of Inequality". Unpublished manuscript.

Clark, Gregory. 2007. *A Farewell to Alms: A Brief Economic History of the World*. Princeton University Press. Chapters 2-5. (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 Modern Breakthrough.** (February 11)

### 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, Simon Johnson and James A. Robinson. 2005. "The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth." *American Economic Review* 95 (June): 546-57.

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.

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).

### 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.

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.

### **3. Exploring the Origins of Modern Institutions.** (February 18)

#### 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.

Boix, Carles. 2009. "Development and Democratization". Working paper. Princeton University.

#### 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.

#### **4. Catching-Up.** (February 25)

##### 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.

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

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.

## 5. Lagging Behind (1). (March 4)

### Required reading

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.

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)

### 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. Chapters 1, 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.

## **6. Lagging Behind (2). (March 11)**

### Required Reading

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. Chapters TBA.

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 110-272.

### Further Reading

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

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

**7. Ideas, Beliefs and Development.** (March 25)

Required reading

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

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

## **8. Ideas, Expectations and Development. (April 1)**

### Required reading

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

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

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.

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." Forthcoming in AER.

### Further reading

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*.

## 9. Political Business Cycles. (April 8).

### 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.

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.

## 10. Welfare States. (April 15)

### Required reading

Peter Lindert. 2004. *Growing Public. Social Spending and Economic Growth Since the Eighteenth Century*. New York: Cambridge University Press. Chapters 1-7. (B)

Boix, Carles. 2003. *Democracy and Redistribution*. Cambridge University Press. Chapter 5.

Alesina, Alberto, Edward Glaeser and Bruce Sacerdote. 2001. "Why Doesn't the United States Have a European-Style Welfare State?" *Brookings Paper on Economic Activity*, Fall, pp.187-278. [Focus on the empirics.]

Francis G. Castles and Deborah Mitchell. 1993. "Worlds of Welfare and Families of Nations," in *Families of Nations. Patterns of Public Policy in Western Democracies*. Aldershot: Dartmouth. Chapter 3, pp. 93-128.

### Further reading

Lane Kenworthy. 2004. *Egalitarian Capitalism? Jobs, Incomes, and Equality in Affluent Countries*. Russell Sage Foundation

Alt, James and Alex Chrystal, *Political Economics*, chpts. 6, 8-10 (pp. 126-48, 175-238).

Holsey, Cheryl M. and Thomas E. Borchering. 1997. "Why Does Government's Share of National Income Grow? An Assessment of the Recent Literature on the U.S. Experience. In Dennis C. Mueller, ed. *Perspectives on Public Choice: A Handbook*. New York: Cambridge. Pages 562-589.

Gosta Esping-Andersen. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity. Pages 1-138.

Casey Mulligan and Xavier Sala-i-Martin. 1999. "Social Security in Theory and Practice (1): Facts and Political Theories." *NBER Working Papers* # 7118.

Ferejohn, John and Keith Krehbiel, "The Budget Process and the Size of the Budget," *AJPS* 31, 1987, pp. 296-320.

Fiorina, Morris and Roger Knoll, "Voters, Bureaucrats, and Legislators," *J Pub E* 1978, 239-54.

Miller, Gary and Terry Moe, "Bureaucrats, Legislators, and the Size of the Government," *APSR* 1983, 293-308.

Meltzer, Allan and Scott Richard, "A Rational Theory of the Size of Government," *JPE* 1981.

Weingast, Barry, Kenneth Shepsle, and C. Johnson, "The Political Economy of Costs and Benefits: A Neoclassical Approach to Distributive Politics," *JPE* 1981: 642-64.

Baron, David, "Majoritarian Incentives, Pork Barrel Programs, and Procedural Control," *AJPS* 35, 1991: 57-90.

- Buchanan, J. and R. Wagner, *Democracy in Deficit*, Academic Press 1977, and J Pub Ec 4, 1978: Issues Devoted to Democracy in Deficit, esp. pieces by Barro, Tobin, and Niskanen.
- Lybeck, J. and H. Henrikson, eds., *Explaining the Growth of Government*, (North-Holland 1986) Introduction.
- Downs, Anthony, "Why the Government's Budget is Too Small in a Democracy," *World Politics* 12 (1960): 541-63.
- Johan A. Lybeck and Magnus Henkerson, eds. 1988. *Explaining the Growth of Government*. Amsterdam: North-Holland. Introduction (review of chapter findings).
- Dennis Mueller. 1988. *Public Choice II*. Cambridge: Cambridge University Press. Chapter 17.
- Patrick D. Larkey et al. 1981. "Theorizing about the Growth of Government: A Research Assessment," *Journal of Public Policy*, 1, pp. 157-220.
- Theda Skocpol and E. Amenta. 1986. "States and Social Policies," *Annual Review of Sociology*, 12, pp. 131-157.
- 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.
- Thomas R. Cuzack and Geoffrey Garrett. 1992. "Economic Decline, Interdependence, and the Public Economy: The Politics of Government Spending, 1962-1988." Mimeo.
- David R. Cameron and Kathryn A. McDermott. 1993. "The Expansion and Contraction of the Public Economy, 1960-1992," Paper presented at the Annual Meeting of the American Political Science Association, Washington, D.C., September, 1993.
- E. Huber, C. Ragin, and J. Stephens. 1993. "Social Democracy, Christian Democracy, Constitutional Structure and the Welfare State," *American Journal of Sociology*.
- Peter Flora and Jan Alber. 1981. "Modernization, Democratization and the Development of Welfare States in Western Europe," in Peter Flora and Arnold J. Heidenheimer. *The Development of Welfare States in Europe and America*. New Brunswick: N.J.: Transaction Books. Chapter 2, pp. 37-80.

## **11. Welfare States, Inequality, Demographics.** (April 22)

### Required Reading

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

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.

Kenneth Scheve and David Stasavage. 200?. "Political Institutions and Income Inequality, 1900-2000." *World Politics*.

Alicia Adsera. 2005. "Vanishing Children. From High Unemployment to Low Fertility in Europe," *American Economic Review Papers and Proceedings*, 95 (May)

Adam Przeworski et al. 2000. *Democracy and Development*. Cambridge University Press. Chapter 5.

### Further reading

T.M. Smeeding. 2005. "Government Programs and Social Outcomes: the United States in Comparative Perspective." ([http://www-cpr.maxwell.syr.edu/faculty/smeeding/pdf/GovernmentPrograms\\_5.16.2005.pdf](http://www-cpr.maxwell.syr.edu/faculty/smeeding/pdf/GovernmentPrograms_5.16.2005.pdf))

Rosen, Sherwin. 1996. "Public Employment and the Welfare State in Sweden," *Journal of Economic Literature* 34: 729-40.

## 12. Open Political Economies. (April 29)

### Required reading

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

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

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.

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.

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.

### 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.

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

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

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

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 Stolper-Samuelson theorem." In P. Oppenheimer, ed., *Issues in International Economics*. Pp. 138-153. London: Oriol.

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)

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

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

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.

Jeffrey A. Frieden and Ronald Rogowski. 1994. "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).

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