Course Description

This graduate seminar for Ph.D. students examines the interaction between capitalism and democracy. First, it examines the major theories of the interaction between politics and markets. Then it focuses in more detail on how the economy affects politics, and how politics—in particular, political institutions—shapes economic outcomes. It explores the impact of global markets on national politics. It looks at both developed and developing countries, asking how development is affected by politics. The relative significance of domestic and international economic pressures and political institutions is also a theme.

Course Requirements

The requirements for the course are 1.) the readings, 2.) class participation, 3.) three 5-7 page double-spaced, typed papers examining the readings due during the course, and 4.) a final paper that proposes a research project that would resolve some of the limitations of the literature we have discussed. The proposal should identify a specific question or puzzle, discuss how you would try to answer that question, lay out the necessary steps of the project, and suggest how this project would advance the literature. In the last class everyone will present his or her proposal. The class will give feedback, which should be incorporated into the written proposal, which should be around 15 pages, and is due no later than May 11, 2005.

Participation will count for 15% of your grade; the 3 short papers for 35% and the final paper for 50%. Students are required to attend class and have done the readings ahead of time.

Readings

All readings are on reserve in the Woodrow Wilson School Library in Wallace Hall and in electronic reserves. The books that are required have been ordered at the university bookstore.

Week 1 (Feb. 2): Introduction: What is Political Economy?

Recommended:
Caporaso, James and Levine, Theories of Political Economy, chs 1-6.
Alt, James and Alex Crystal, Political Economics, chs. 1-5, 8, conclusion.
Alt, James and Shepsle, Perspectives on Political Economy, chs. 1-2.
Staniland, Martin, What is Political Economy?, chs. 1-4, 7.
Heilbroner, Robert. The Worldy Philosophers, chs. 3, 6, 9, 10.
Frey, Bruno, Modern Political Economy.
Przeworski, Adam. States and Markets.

Week 2 (Feb. 9): Classical Theories of Political Economy I.
Schumpeter, Joseph. Capitalism, Socialism and Democracy, pt II (chs. vii (pp.81-87), xi-xiv (pp. 121-164); pt IV (chs. xxi, xxii, xxiii: pp.250-302).

Recommended:
B. Barry, Sociologists, Economists and Democracy.
Polanyi, Karl. 1944. The Great Transformation.

Week 3 (Feb. 16): Classical Theories of Political Economy II.

Recommended:
Dahl, Robert. Polyarchy, chs. 1-2, 4-6, 10.

Week 4 (Feb. 23): Classical Theories of Political Economy III.
Recommended:
Buchanan James, and G. Tullock, *The Calculus of Consent.*

***NOTE DATE CHANGE Week 5 (MONDAY Feb. 28, 7-10 pm dinner at my house) :***

**The Relationship between the Economy, Parties and Elections in Advanced Industrial Countries.**

Recommended:
Tufte, Edward, *Political Control of the Economy.*
Kiewit, D. Rodrick, *Macroeconomics and Micropolitics.*
Boix, Carles, *Political Parties, Growth and Equality.*
Alt, James, *The Politics of Economic Decline.*
Week 6 (Feb. 9): Politics, Economics and the International Economy in the Advanced Industrial Countries.

Swank, Duane. Global Capital, Political Institutions and Policy Change in Developed Welfare States.

Recommended:
Iversen, Torben. Contested Economic Institutions.

Week 7 (Mar. 23): The Democracy and the Economy in Advanced Industrial Countries.

Recommended:
52, Summer: 505-36.
Steinmo, Sven, Democracy and Taxation.
Freeman, John, Democracy and Markets.
Maxfield, Sylvia, Gatekeepers of Growth
Esping-Anderson, Gosta, Politics against Markets.
Kitschelt, Herbert, The Transformation of European Social Democracy

Week 8 (Mar. 30): Collective Action, Interest Groups and Economic Growth

Recommended:
J. Buchanan, et. al, eds. Toward a Theory of the Rent-Seeking Society


Recommended:


Week 10 (Apr. 13): Autocracy and the Economy in Developing Countries.


Przeworski, Adam, Democracy and the Market, chs. 1-4.

Recommended:
Bates, Robert, Markets and States in Tropical Africa.
Haggard, Stephan, Pathways from the Periphery.
Ames, Barry, Political Survival.
Geddes, Barbara, Politician’s Dilemma.

Bueno de Mesquita, Bruce, Alistair Smith, Randall Siverson, and James Morrow. The Logic of Political Survival.

Recommended:
Scully, Gerald, Constitutional Environments and Economic Growth .
Diamond, Larry and Marc Pattner, Economic Reform and Democracy.
**Week 12 (Apr. 27): Political Regimes and Economic Reform in Developing Countries.**


Recommended:

Wade, Robert, *Governing the Market*.

Amsden, Alice, *East Asia's New Giant*.

Kreuger, Anne, *Foreign Trade Regimes and Economic Development*.


