

**POLS UN3535: Comparative Political Economy**  
**Department of Political Science, Columbia University**

**Fall 2016**

**Lectures: Mondays and Wednesdays, 4:10pm-5:25pm**

**Location: 503 Hamilton Hall**

**Professor John Marshall**

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**COURSE OVERVIEW AND OBJECTIVES**

Like any rapidly growing field, comparative political economy means different things to different people. This particular course aims to illuminate how political institutions and behavior shape economic outcomes, and vice versa, across the world today. To do so, we will use economic modes of analysis to draw comparisons both within and across a diverse set of nations ranging from established democracies like the U.S. to nascent democracies like Afghanistan.

We will focus on how the incentives facing individuals drive differences in economic development, democratic representation and voter participation in both developed and developing contexts. Starting at the level of national political systems, before analyzing the internal workings of institutions and the behavior of voters that underpin democratic systems, students will grapple with major contemporary debates including:

- Does economic development cause nations to become democratic?
- Can democratic institutions explain why some nations are rich and others are poor?
- What shapes the policies democratic governments implement?
- How do voters decide who to vote for?
- When and why will voters even participate in politics?

By studying these questions, the course will familiarize students with central political economy concepts – such as credible commitment, rent-seeking, principal-agent problems and collective action problems – as well as frontier empirical findings and methods shaping how we think about the interrelation of politics and economics. These powerful concepts and tools will empower students to think analytically, analyze macro phenomena in terms of micro-level incentives, and apply theoretical frameworks to answer specific questions in this course and beyond.

This course will cover arguments and evidence from both political science and economics. There are no formal prerequisites for this course. However, familiarity with introductory economics and econometrics/statistics will significantly aid students. Enrollment will be capped at 40.

## COURSE REQUIREMENTS

Grades will be assigned according to the following components of the course:

- Midterm exam (25%). This be in-class on 10/19, and cover material up to (and including) Lecture 11.
- Final exam (45%). The final exam will cover material from the entire course.
- 10-15 page research paper (30%). A typical research paper will use the theories and/or methods learned in the course to either (1) analyze a specific event in a country of their choice, such as an election outcome, policy outcome or democratic transition, or (2) explain variation in political or economic outcomes between countries or subnational units. Original data analysis is not necessary but encouraged. This research paper will be due electronically on 12/23. One third of a grade will be dropped for each unexcused day that it is late.

If you have any concerns over a grade that you received, please write a one-page memo to the TA, copying the Professor. This memo should explain why the grade should be reappraised. Upon reappraisal, grades may be revised both up and down.

## DISCUSSION SECTIONS

Discussion sections are an integral component of this course for consolidating understanding and honing analytic skills. Starting in the second week, Jacob Kopas will hold a weekly section discussing key debates arising from the week's readings and illustrating some theoretical arguments with games. To best ensure that everyone can attend section, **section will be held twice each Thursday: 12:10pm-1:00pm in 652 Schermerhorn Hall and 5:10pm-6:00pm in 602 Northwest Corner**. Students are expected to have completed readings in advance of section.

## READINGS

This course will not follow specific textbooks, but rather draw from many major contributions to comparative political economy. The course outline below provides references for the articles and chapters corresponding to each lecture, all of which will be available online on CourseWorks.

## ACADEMIC INTEGRITY

Columbia University does not tolerate cheating or plagiarism in any form. Students violating the code of academic and professional conduct will be subject to disciplinary procedures. Guidelines on academic integrity are available at <http://www.college.columbia.edu/academics/integrity>, and all students are expected to be familiar with and abide by them.

# COURSE OUTLINE

## *Introduction*

Lecture 1, 9/7: What is comparative political economy (for us)?

Blyth, Mark. 2009. "An Approach to Comparative Analysis or a Subfield within a Subfield? Political Economy." In Lichbach, Mark I., and Alan S. Zuckerman, *Comparative Politics: Rationality, Culture, and Structure*, 2nd Edition. [Optional]

Freedman, David A. 2005. *Statistical Models*. Cambridge University Press. [Chapter 1 only; Optional, but advised for students without a statistical background]

Weingast, Barry R., and Donald A. Wittman. 2006. "The Reach of Political Economy." In Weingast, Barry R., and Donald A. Wittman, *The Oxford Handbook of Political Economy*, Oxford University Press, 3-28. [Optional]

## *Part 1*

### *The big picture: political institutions and economic development*

#### *Economic causes of democracy*

Lecture 2, 9/12: Levels of development – does modernization necessitate democratization?

Dahl, Robert. 1971. *Polyarchy: Participation and Opposition*. [Pages 1-10 only]

Lipset, Seymour M. 1959. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *American Political Science Review* 53(1):69-105.

Przeworski, Adam, and Fernando Limongi. 1997. "Modernization: Theories and Facts." *World Politics* 49(2):155-183.

Lecture 3, 9/14: Distribution of development – does conflict over resources produce democracy?

Dahl, Robert. 1971. *Polyarchy: Participation and Opposition*. [Pages 11-16 only]

Robinson, James A. 2006. "Economic development and democracy." *Annual Review of Political Science* 9:503-527. [Sections 1-4 only; read especially carefully!]

#### *Political causes of economic development*

Lecture 4, 9/19: How might political institutions support economic development?

Acemoglu, Daron, and James A. Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. [Chapter 3 only]

North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. [Preface and Chapter 1]

Lecture 5, 9/21: Do political institutions cause economic development?

Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91(5):1369-1401. [Focus on Introduction and Sections I, III and IV]

Beath, Andrew, Fotini Christia and Ruben Enikolopov. 2013. "Do Elected Councils Improve Governance? Experimental Evidence on Local Institutions in Afghanistan." World Bank working paper. [Focus on Sections 1, 2, 3 and 7] OR [10-minute blog video](#)

Dell, Melissa. 2010. "The Persistent Effects of Peru's Mining Mita." *Econometrica* 78(6):1863–1903. [Focus on Sections 1, 2 and 4]

Lecture 6, 9/26: Political institutions or "culture"?

Nunn, Nathan, and Leonard Wantchekon. 2011. "The Slave Trade and the Origins of Mistrust in Africa." *American Economic Review* 101(7):3221-3252. [Focus on Introduction and Sections 1, 3 and 5]

Putnam, Robert D., Robert Leonardi, and Raffaella Nanetti. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. [Pages 163-181 then 148-162]

Lecture 7, 9/28: Is everything historically predetermined?

Banerjee, Abhijit, and Esther Duflo. 2014. "Under the Thumb of History? Political Institutions and the Scope for Action." *Annual Review of Economics* 6:951-971.

Beaman, Lori, Raghavendra Chattopadhyay, Esther Duflo, Rohini Pande, and Petia Topalova. 2009. "Powerful Women: Does Exposure Reduce Bias?" *Quarterly Journal of Economics* 124(4):1497-1540. [Focus on sections 1-3]

Jones, Benjamin F., and Benjamin A. Olken. 2005. "Do leaders matter? National leadership and growth since World War II." *Quarterly Journal of Economics* 120(3):835-864. [Don't worry if you struggle to follow section 3]

## ***Part 2***

### ***The inner workings of democracy: explaining political and policy outcomes***

#### ***Political competition and policy outcomes: electing or affecting?***

Lecture 8, 10/3: In theory, how do democratic societies select policies?

Shepsle, Kenneth A., and Mark S. Bonchek. 1997. *Analyzing Politics 2<sup>nd</sup> Edition*. [Pages 49-71, 82-91, 104-115]

Lecture 9, 10/5: Does the median voter theorem explain policy outcomes?

Chattopadhyay, Raghendra, and Esther Duflo. 2004. "Women as policy makers: Evidence from a randomized policy experiment in India." *Econometrica* 72(5):1409-1443. [Ignore sections 3 and 6]

Lee, David S., Enrico Moretti, and Matthew J. Butler. 2004. "Do voters affect or elect policies? Evidence from the US House." *Quarterly Journal of Economics* 119(3):807-859. [Sections 1, 2, 4 and 5A only]

Lott, John R., and Lawrence W. Kenny. 1999. "How dramatically did women's suffrage change the size and scope of government?" *Journal of Political Economy* 107(6):1163-1198.

#### ***Influences beyond the electorate: imperfect political competition***

Lecture 10, 10/10: Electoral fraud and vote buying

Callen, Michael, and James D. Long. 2015. "Institutional Corruption and Election Fraud: Evidence from a Field Experiment in Afghanistan." *American Economic Review* 105(1):354-381.

Gonzalez-Ocantos, Ezequiel, Chad Kiewiet de Jonge, Carlos Meléndez, Javier Osorio, and David W. Nickerson. 2012. "Vote Buying and Social Desirability Bias: Experimental Evidence From Nicaragua." *American Journal of Political Science* 56(1):202-217. [Pages 202-210 only]

Rundlett, Ashlea, and Milan Svolik. 2016. "Deliver the Vote! Micromotives and Macrobehavior in Electoral Fraud." *American Political Science Review* 110(1):180-197. [Focus on Introduction and Empirical Analysis sections]

Lecture 11, 10/12: Whose votes should you buy?

Hidalgo, F. Daniel, and Simeon Nichter. 2016. "Voter buying: Shaping the electorate through clientelism." *American Journal of Political Science* 60(2):436-455.

Nichter, Simeon. 2008. "Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot." *American Political Science Review* 102(1):19-31.

Stokes, Susan C. 2005. "Perverse accountability: A formal model of machine politics with evidence from Argentina." *American Political Science Review* 99(3):315-325.

Lecture 12, 10/17: Responsiveness to special interests – is it any different in consolidated democracies?

Bertrand, Marianne, Matilde Bombardini, and Francesco Trebbi. 2014. "Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process." *American Economic Review* 104(12):3885-3920.

Gilens, Martin, and Benjamin I. Page. 2014. "Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens." *Perspectives on Politics* 12(3):564-581.

Hall, Richard L., and Frank W. Wayman. 1990. "Buying Time: Moneyed Interests and the Mobilization of Bias in Congressional Committees." *American Political Science Review* 84(3):797-820. [Pages 797-804 only]

This American Life. 2014 "536: The Secret Recordings of Carmen Segarra." Available [here](#).

**In-class midterm exam, 10/19**

***Inefficient policy implementation***

Lecture 13, 10/24: Do politicians stimulate the economy before elections?

Block, Steven A. 2002. "Political business cycles, democratization and economic reform: the case of Africa." *Journal of Development Economics* 67(1):205-228.

Drazen, Allan. 2001. "The political business cycle after 25 years." *NBER Macroeconomics Annual 2000* 15:75-138. [Sections 1-8 only]

Lecture 14, 10/26: How does corruption work? Is it always bad for economic efficiency?

Bertrand, Marianne, Simeon Djankov, Rema Hanna, and Sendhil Mullainathan. 2007. "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption." *Quarterly Journal of Economics* 129(4):1639-1676.

Olken, Benjamin, and Patrick Barron. 2009. "The Simple Economics of Extortion: Evidence from Trucking in Aceh." *Journal of Political Economy* 117(3):417-452.

Shleifer, Andrei, and Robert W. Vishny. 1993. "Corruption." *Quarterly Journal of Economics* 108(3):599-617.

### ***Policy-making in a globalized world***

Lecture 15, 10/31: Does economic globalization limit the policies developed countries adopt?

"Fear of Finance: A survey of the world economy." *The Economist*, September 19, 1992.

Basinger, Scott J., and Mark Hallerberg. 2004. "Remodeling the competition for capital: How domestic politics erases the race to the bottom." *American Political Science Review* 98(2):261-276.

Mosley, Layna. 2000. "Room to move: International financial markets and national welfare states." *International Organization* 54(4):737-773.

Rodrik, Dani. 2002. "Feasible globalizations." NBER working paper.

Lecture 16, 11/2: How does economic globalization impact policies in developing countries?  
[Special lecture by Jacob Kopas]

Campello, Daniela. 2014. "The Politics of Financial Booms and Crises Evidence From Latin America." *Comparative Political Studies* 47(2):260-286.

Rudra, Nita. 2005. "Globalization and the Strengthening of Democracy in the Developing World." *American Journal of Political Science* 49(4):704-730.

Valenzuela, J. Samuel, and Arturo Valenzuela. 1978. "Modernization and dependency: Alternative perspectives in the study of Latin American underdevelopment." *Comparative Politics* 10(4):535-557.

**University holiday, 11/7**

**Part 3**  
***Voters: determinants of voting preferences and participation***

***Determinants of vote choice***

Lecture 17, 11/9: Voting for policy – do voters vote in line with their redistributive interests?

Bartels, Larry. 2008. *Unequal Democracy*. [Chapter 6]

Meltzer, Allan H., and Scott. F. Richard, “A Rational Theory of the Size of Government.” *Journal of Political Economy* 89:914-927. [Pages 914-918 only]

Shayo, Moses. 2009. “A Model of Social Identity with an Application to Political Economy: Nation, Class, and Redistribution.” *American Political Science Review* 103(2):147-174. [Skip The Model section]

Lecture 18, 11/14: Voting for competence – do voters reward strong economic performance?

Alcañiz, Isabella, and Timothy Hellwig. 2011. “Who's to Blame? The Distribution of Responsibility in Developing Democracies.” *British Journal of Political Science* 41(2):389-411.

Anderson, Christopher J. 2007. “The end of economic voting? Contingency dilemmas and the limits of democratic accountability.” *Annual Review of Political Science* 10:271-296.

Ashworth, Scott. 2012. “Electoral accountability: recent theoretical and empirical work.” *Annual Review of Political Science* 15:183–201. [Pages 184-188 only]

Lecture 19, 11/16: Voting for competence – do voters punish corruption?

Arias, Eric, Horacio A. Larreguy, John Marshall, and Pablo Querubín. 2016. “Priors rule: When do malfeasance revelations help and hurt incumbent parties?” Working paper.

Ferraz, Claudio, and Frederico Finan. 2008. “Exposing Corrupt Politicians: The Effects of Brazil’s Publicly Released Audits on Electoral Outcomes.” *Quarterly Journal of Economics* 123(2):703-745.

Lecture 20, 11/21: The influence of the media: Fox news v. Chinese censorship

DellaVigna, Stefano, and Ethan Kaplan. 2007. “The Fox News Effect: Media Bias and Voting.” *Quarterly Journal of Economics* 122(3):1187-1234. [Pages 1187-1208 only]



King, Gary, Jennifer Pan, and Margaret E. Roberts. 2014. "Reverse-engineering censorship in China: Randomized experimentation and participant observation." *Science* 345(6199).

Ladd, Jonathan M., and Gabriel S. Lenz. 2009. "Exploiting a rare communication shift to document the persuasive power of the news media." *American Journal of Political Science* 53(2):394-410.

Lecture 21 (*optional pre-Thanksgiving lecture*), 11/23: What types of information influence voters?

Marshall, John. 2016. "Political information cycles: When do voters sanction incumbent parties for high homicide rates?" Working paper.

### *Collective action in politics*

Lecture 22, 11/28: The collective action problem

Ostrom, Elinor. 1997. "A Behavioral Approach to the Rational Choice Theory of Collective Action: Presidential Address." *American Political Science Review* 92(1):1-22.

Shepsle, Kenneth A., and Mark S. Bonchek. 1997. *Analyzing Politics 2<sup>nd</sup> Edition*. [Pages 220-250]

Lecture 23, 11/30: Collective action problems in practice

Alesina, Alberto, Reza Baqir, and Caroline Hoxby. 2004. "Political Jurisdictions in Heterogeneous Communities." *Journal of Political Economy* 112(2):348-396.

Banerjee, Abhijit V., Rukmini Banerji, Esther Duflo, Rachel Glennerster, and Stuti Khemani. 2010. "Pitfalls of Participatory Programs: Evidence from a randomized evaluation in education in India." *American Economic Journal: Economic Policy* 2(1):1-30.

Kuran, Timur. 1991. "Now Out of Never: The Element of Surprise in the East European Revolution of 1989." *World Politics* 44(1):7-48.

Lecture 24, 12/5: The paradox of voting: why do people turn out to vote?

Aldrich, John H. 1993. "Rational Choice and Turnout." *American Journal of Political Science* 37(1):246-278. [Pages 246-264 only]

Downs, Anthony. 1957. *An Economic Theory of Democracy*. [Chapter 14 only]

Lecture 25, 12/7: A social sense of duty to participate?

Bond, Robert M., Christopher J. Fariss, Jason J. Jones, Adam D.I. Kramer, Cameron Marlow, Jaime E. Settle, and James H. Fowler. 2012. "A 61-million-person experiment in social influence and political mobilization." *Nature* 489(7415):295-298.

Gerber, Alan S., Donald P. Green and Christopher W. Larimer. 2008. "Social pressure and voter turnout: Evidence from a large-scale field experiment." *American Political Science Review* 102(1):33-48.

### ***Conclusions***

Lecture 26, 12/12: What have we learned?

No assigned reading!