

Comparative Political Economy

Spring 2020

Course Number: 01:790:357

Class Time: Mon & Thurs 12:35 PM - 1:55 PM

Classroom: Hickman 214

Office hours: by appointment

Instructor: Xian Huang

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Course Description

This course provides an introduction to the main theories of comparative political economy (CPE) and their explanations of variation of economic policies and outcomes. The survey of these theories is organized as a progression from micro- to macro-level explanations. We begin by examining the sources of political cleavages over various economic policies and the formation of political coalitions. Next, we explore a range of theories positing that differences in the organization of interest groups lead to systematic differences in economic outcomes. We examine how comparative political economists have studied the problem of ‘state capture’ by interest groups and its economic and political consequences. In the last part of the course, we apply these theories to a variety of issues, including financial development, taxation, the development of social welfare, and the political management of unemployment.

Course Learning Objectives

Upon successful completion of this course, students will be able to:

- Acquire an understanding of the main CPE theories and topics;
- Appraise and apply the main CPE theories in developing an advanced understanding of government, politics or public affairs;
- Assess the comparative method and analysis in the political science literature;
- Compare political and economic development of some particular regions in the world.

Requirements

This is a course covering the key concepts and theoretical debates in a large sub-field in comparative politics. Students are expected to complete the required readings each week, attend the lectures, participate in class discussions and take careful notes. I will be aimed at helping you understand and evaluate challenging readings assigned in this course. When reading the class materials, you should locate the main argument, strengths, weaknesses, and other issues that are of concern. If there are certain questions or points

that you think we should specifically examine in class, mark them down and raise them in our class discussions.

There are two in-class presentations, one in Week 5 (topic: variety of capitalism) and the other in Week 11/12 (topic: social welfare). Students may be randomly selected by the instructor into groups for the presentations. The presentation slides should be uploaded to the course web-site on Sakai no later than 5 p.m. on the Friday prior to the class on the selected country.

Evaluation

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|------------------------|------------|
| Class participation: | 20 percent |
| In-class presentation: | 20 percent |
| Midterm exam: | 30 percent |
| Final essay: | 30 percent |

Topics for the final essay will be posted at Sakai on April 30 and the essay is due on May 7.

The midterm exam will consist of identifications and essays. If you would like a review on effective writing for essay tests, I recommend this website:

<https://www.csbsju.edu/academic-advising/study-skills-guide/essay-exam>.

Reading Materials

The textbook of this course is Clift, Ben. 2014. *Comparative Political Economy: States, Markets and Global Capitalism*. Palgrave Macmillan. It is available for purchase at the university bookstore; it can also be ordered from Amazon.com or Barnes and Noble (bn.com) where less expensive copies are often available.

For the other readings, articles (A) will be posted on Sakai; books (B) will be put on reserve at Douglass Library Course Reserve.

Self-Reporting Absence Application

Students are expected to attend ALL class meetings; if you expect to miss any class meeting, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email is automatically sent to me.

Academic Integrity

In accordance with Rutgers University policy on Academic Integrity, you are expected to fully comply with the school's policies. Please see: <http://academicintegrity.rutgers.edu>

Students with Disabilities

Students with disabilities who require accommodation should review the following statement from the Office of Disability Services (<https://ods.rutgers.edu/>).

COURSE OVERVIEW

PART I

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|--------|---|
| Week 1 | Overview |
| Week 2 | Introduction to Comparative Political Economy |

PART II

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|--------|---------------------------------------|
| Week 3 | Interests and preferences |
| Week 4 | Organization of labor |
| Week 5 | Organization of business |
| Week 6 | Political coalitions: class or sector |
| Week 7 | The state |
| Week 8 | Midterm review and exam |

PART III

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|---------|-----------------------|
| Week 10 | Financial development |
| Week 11 | Social welfare (1) |
| Week 12 | Social welfare (2) |
| Week 13 | Unemployment |
| Week 14 | Taxation |
| Week 15 | Inequality |
| Week 16 | Final review |

TOPICS AND READINGS

PART 1: Introduction

Week 1 (1/23): Overview of the Course

Clift, pp.5-19.

Week 2 (1/27, 30): Introduction to Comparative Political Economy

Clift, Chapters 2 and 12.

PART 2: The Building Blocks: Preferences, Economic Interests and Institutions

Week 3 (2/3, 6): Preferences

Clift, Chapter 6 and pp.155-166.

Week 4 (2/10, 13): The organization of labor

Schmitter, Philippe. 1979. Still the century of corporatism? In Schmitter, Philippe and Lehmbruch, Gerhard. Eds. *Trends towards corporatist intermediation*, Beverly Hills: Sage, 43- 94. (B)

Cameron, David. 1984. Social Democracy, Corporatism, Labor Quiescence, and the Representation of Economic Interest in Advanced Capitalist Society, In Goldthorpe, John, ed. *Order and Conflict in Contemporary Capitalism*, pp. 143- 178. (B)

Week 5 (2/17, 20): The organization of business

Clift, Chapters 9.

Hall, Peter and Soskice, David. 2001. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press, Chapter 1. (B)

Week 6 (2/24, 27): Political coalitions - The relative importance of class and sector

Hiscox, Michael. 2002. *International Trade and Political Conflict*. Princeton: Princeton University Press, chapters 1-3. (B)

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

Week 7 (3/2) CLASS CANCELLED

Week 7 (3/5): The state

Clift, Chapter 8.

Hellman, Joel, Jones, Gariant, Kaufmann, Daniel. 2003. Seize the state, seize the day: state capture and influence in transition economies. *Journal of Comparative Economics*, 31 (4), pp. 751-773. (A)

Week 8 (3/9, 12): Midterm review and exam

Week 9 (3/16, 19): Spring Break-NO CLASS

PART 3: Explaining Variation in Economic Policies and Outcomes

Week 10 (3/23, 26): The political economy of financial development

Clift, Chapter 10.

Gourevitch, Peter and Shinn, James. 2006. *Political Power and Corporate Control: The New Global Politics of Corporate Governance*. Princeton: Princeton University Press, Chapters 1 and 2. (B)

Week 11 (3/30, 4/2): The political economy of social welfare (part 1)

Clift, Chapter 11.

Esping-Andersen, Gosta. 1990. *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press, Chapter 1. (B)

Week 12 (4/6, 9): The political economy of social welfare (part 2)

Haggard, Stephen and Kaufman, Robert. 2009. *Democracy, development and the welfare state*. Princeton: Princeton University Press, Introduction, and Chapters 1 & 5. (B)

Week 13 (4/13, 16): The political management of unemployment

Rehm, P. H., Jacob S.; Schlesinger, Mark. 2012. Insecure Alliances: Risk, Inequality, and Support for the Welfare State. *American Political Science Review*, Vol. 106, No.2, pp. 386-406.

Iversen, Torben and Wren, Anne. 1998. Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy. *World Politics*, Vol. 50, No.4, pp. 507-546.

Week 14 (4/20, 23): The political economy of taxation

Steinmo, Sven. 1989. Political Institutions and Tax Policy in the United States, Sweden and Britain. *World Politics* 41 (4): 500- 535. (A)

Mares, Isabela; Queralt, Didac. 2015. "The Non-Democratic Origins of Income Taxation." *Comparative Political Studies* 48 (14):1974-2009. (A)

Kato, Junko. 2003. *Regressive Taxation and the Welfare State: Path Dependence and Policy Diffusion*, Cambridge University Press, Chapter 1. (B)

Week 15 (4/27, 30): The political economy of inequality

Hacker, Jacob S. and Pierson, Paul, "Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States," *Politics and Society* 38 (2010): 152–204. (A)

Houle, Christian. 2018. "Does Economic Inequality Breed Political Inequality?" *Democratization* 25 (8):1500-1518. (A)

Week 16 (5/4): Final review