

## PERSPECTIVES IN COMPARATIVE POLITICAL ECONOMY

Fall 2021

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Time: TBA

Location: TBA

Office Hours: TBA

This course provides a broad survey of some of the major debates in comparative political economy today, focusing especially on the creation, evolution and reform of market institutions. We begin by reading some of the classic works in political economy, including those of Smith, Marx, List, and Polanyi. We review some of the most influential works from four disciplines: History, Sociology, Economics, and Political Science. We then proceed with a selective survey of literature on the political economy of developed countries, newly industrialized economies, developing countries, and the post-Communist economies. The class concludes with the discussion on the post-globalization era and rise of state capitalism.

### COURSE REQUIREMENTS

Response Papers (& a 15 page review essay for Ph.D. Students only)	60%
Class participation	40%

This is a reading and discussion seminar. Our class sessions will focus on discussions of course readings. All members of the seminar should complete the assigned readings prior to the seminar meeting and come prepared to discuss the readings - their relationship to one another, and their links to earlier readings and seminar discussions. Class discussion aims to achieve two goals: 1) identifying the key aspects of each work (i.e., main puzzle, major arguments, methodology, empirical evidence, etc.); 2) relating the different works to each other (i.e., comparison of focus or methodology, relevance to the development of the discipline, etc.). Every student has to make **SOME** substantive comments in each class session; I will call on students in case that should be required.

*Response papers:* you will write **TEN** three-page response papers on the readings each week: 60% of total grade. These are due **11:59 P.M.** on the Monday prior to each class and uploaded to the designated platform. **NO LATE SUBMISSION.** They should be no longer than 3 pages long, double-spaced, with 12-point, Times New Roman font. Response papers should address at least one of the following questions:

- ❖ What are the principal differences in the arguments of the works under study?
- ❖ What are the central debates in the field on the issue under consideration?
- ❖ What are the main empirical strengths and weaknesses of the works under study?
- ❖ Have the scholarly disputes/debates on this subject been resolved, and what remains to be discovered?

The paper should not be a mere summary of the readings but a critical commentary and a discussion of the issues that arise in the works. Good papers are the product of original thought and set forth a distinct hypothesis or interpretation of the relevant issues. Be focused, concise, and selective. They will be evaluated according to the effectiveness and insight with which they illuminate the principal debates and scholarly contributions to them in an independent and critically minded way.

*Review Essay* (doctoral students only): Write a 12-15 page review essay on a specific topic according to the syllabus. There is no specific minimum or maximum number of books and/or articles to be covered in this assignment, but students should try to identify multiple perspectives and to review some of the best works on the topic. The essay need not cover all the assigned and recommended readings, though broad coverage is desirable. Students should consult the instructor about the topics early in the semester. Outlines of the essay are due **date (TBA) at 11:59 P.M.** The complete papers are due **date (TBA) at 11:59 PM** (according to the time on your E-mails). **NO LATE SUBMISSION.**

## **THE USE OF ELECTRONIC DEVICES IN CLASS IS STRICTLY PROHIBITED.**

### **READINGS**

All required readings should be done prior to the seminar. All efforts have been made to make these available electronically and through library reserve. Most articles are available through electronic access via the library's website.

Please feel free to talk to me about any aspect of the course or of the profession or other matters of interest.

## **Week 1: Introduction**

### **The Discipline**

- ❖ Robert O. Keohane. 2009. "Political Science as a Vocation," *PS: Political Science & Politics* 42(2): 359-63.
- ❖ Barry Weingast. 2010. "Structuring Your Papers (Caltech Rules)," Available online at [https://web.stanford.edu/group/mcnollgast/cgi-bin/wordpress/wp-content/uploads/2013/10/CALTECH.RUL\\_.pdf](https://web.stanford.edu/group/mcnollgast/cgi-bin/wordpress/wp-content/uploads/2013/10/CALTECH.RUL_.pdf)

### **Overview**

- ❖ James A. Caporaso and David P. Levine, *Theories of Political Economy* (New York: Cambridge University Press, 1992), pp. 1-32.
- ❖ Naazneen H. Barma and Steven K. Vogel (eds.), *The Political Economy Reader: Market as Institutions* (New York & London: Routledge), Introduction.

## **Week 2: The Classics: Smith and Marx**

- ❖ Barma and Vogel, *The Political Economy Reader* (2008), 21-62 (Smith and Marx).
- ❖ Caporaso and Levine, *Theories of Political Economy* (1992), 33-78.

### Recommended:

- ❖ Adam Smith, *The Wealth of Nations* (1776), Book I, Chapters 3-4 and Book IV, Chapter 1. Available online at <http://www.econlib.org/library/Smith/smWN.html>. (entire book is highly recommended )
- ❖ Karl Marx, "Wage Labor and Capital" and excerpts from *Capital*, in David McLellan, ed., *Karl Marx Selected Writings* (1977), 248-68, 415-507. Available online at <http://www.marxists.org/archive/marx/works/date/index.htm>

## **Week 3: Polanyi**

- ❖ Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1957, c1944), Part II. (entire book is highly recommended )
- ❖ Douglass North, "Market and Other Allocation Systems in History: The Challenge of Karl Polanyi," *Journal of European Economic History* (Winter 1977), pp. 703-16. Available at <http://www.plu.edu/~315j06/doc/markets-other.pdf>.

## **Week 4: State Intervention vs Neo-Liberalism**

- ❖ Barma and Vogel, *The Political Economy Reader* (2008), 63-86, 91-116 (List, Hayek, and Friedman)
- ❖ Albert Hirschman, *Rival Views of Market Society* (1986), 105-41.

### Recommended:

Keynes.

## **Week 5: Industrial Development**

- ❖ Eric J. Hobsbawm, *Industry and Empire* (New York: Penguin Books, 1968), pp. 13-55.
- ❖ David Landes, *The Wealth and Poverty of Nations* (New York: W.W. Norton, 1999), 186-230, 514-524.
- ❖ Barma and Vogel, *The Political Economy Reader*, pp. 199-210 (Rostow), 211-228 (Gerschenkron).

### Recommended:

- ❖ David Landes, "Introduction;" William Lazonick, "What Happened to the Theory of Economic Development?;" and Alfred Chandler, "Creating Competitive Capability: Innovation and Investment in the United States, Great Britain, and Germany from the 1870s to World War I," in Patrice Higonnet, David Landes, and Henry Rosovsky, eds., *Favorites of Fortune* (Cambridge: Harvard University Press, 1991), pp. 1-29, 267-96, 432-58.
- ❖ David Landes, *The Wealth and Poverty of Nations* (New York: W.W. Norton, 1999), pp. 168-185, 231-275.

## **Week 6: Economic Sociology**

- ❖ Neil J. Smelser and Richard Swedberg, "Introducing Economic Sociology," in Neil J. Smelser and Richard Swedberg, *The Handbook of Economic Sociology*, 2<sup>nd</sup> ed. (Princeton: Princeton University Press, 2005), pp. 3-25.
- ❖ Mark Granovetter, "Economic Action and Social Structure: The Problem of Embeddedness," *American Journal of Sociology* 91:3 (November 1985), pp. 481-510.
- ❖ John L. Campbell, Rogers Hollingsworth, and Leon N. Lindberg, *Governance of the American Economy* (New York: Cambridge University press, 1991), 3-34.
- ❖ Barma and Vogel, *The Political Economy Reader*, pp. 153-170 (Fligstein).

## **Week 7: The New Institutional Economics**

- ❖ Ronald Coase, "The Nature of the Firm," reprinted in George Stigler and Boulding, eds., *Readings in Price Theory* (Chicago: published for the Association by R. D. Irwin, 1952), pp. 331-52.
- ❖ Douglass North, *Structure and Change in Economic History* (New York: Norton, 1981), pp. 3-68, 201-09.
- ❖ Oliver Williamson, "Transaction Cost Economics," in *The Economic Institutions of Capitalism* (New York: Free Press, 1985), pp. 15-42.

## **Week 8: The Newly Industrializing Economies**

- ❖ Andre Gunder Frank, "The Development of Underdevelopment," in J. Timmons Roberts and Amy Bellone Hite, eds., *The Globalization and Development Reader* (Malden, MA.: Blackwell Publishing, 2007), pp.76-84.

- ❖ Peter Evans, *Dependent Development: The Alliance of Multinationals, State, and Local Capital in Brazil* (Princeton: Princeton University Press, 1979), pp. 14-34.
- ❖ Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995), pp. 47-60.
- ❖ Chalmers Johnson, *MITI and the Japanese Miracle* (Stanford: Stanford University Press, 1982), pp. 3-34, 305-24.
- ❖ Ziya Onis, "The Logic of the Developmental State," *Comparative Politics* 24:1 (October 1991), pp. 109-126.
- ❖ Regina Abrami and Richard F. Doner, "Southeast Asia and the Political Economy of Development," in Erik Martinez Kuhonta, Dan Slater, and Tuong Vu, eds., *Southeast Asia in Political Science* (Stanford: Stanford University Press, 2008), pp. 227-51.

### **Week 9: Midterm Review**

#### **Week 10: Neo-Institutionalism as a Research Approach**

- ❖ Peter A. Hall and Rosemary C. R. Taylor, "Political Science and the Three New Institutionalisms," *Political Studies* (1996): 936-57.
- ❖ Paul Pierson, "Increasing Returns, Path Dependence, and the Study of Politics," *American Political Science Review*, 94(2) (June 2000): 251-267.
- ❖ Giovanni Capoccia and R. Daniel Kelemen, "The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism" *World Politics* 59(3) (April 2007): 341-69.
- ❖ James Mahoney and Kathleen Thelen, "A Theory of Gradual Institutional Change," in James Mahoney and Kathleen Thelen eds., *Explaining Institutional Change: Ambiguity, Agency, and Power* (Cambridge UP, 2010), 1-37.
- ❖ Peter A. Hall, "Historical Institutionalism in Rationalist and Sociological Perspective," in James Mahoney and Kathleen Thelen eds., *Explaining Institutional Change: Ambiguity, Agency, and Power* (Cambridge UP, 2010), 204-223.

#### **Week 11: Comparative Capitalism as a New research Agenda**

- ❖ Barma and Vogel, *The Political Economy Reader* (2008), 341-54 (Vogel).
- ❖ Colin Crouch, *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs* (Oxford UP, 2005), Chapter 1.
- ❖ William J. Baumol, Robert E. Litan, and Carl J. Schramm, *Good Capitalism, Bad Capitalism* (New Haven, CT: Yale University Press, 2007), pp. 60-92.

#### **Week 12: The Varieties of Capitalism**

- ❖ Hall and Soskice, "An Introduction to Varieties of Capitalism," in Peter A. Hall and David Soskice, eds., *Varieties of Capitalism* (New York: Oxford University Press, 2001), pp. 1-68.
- ❖ Colin Crouch, *Capitalist Diversity and Change: Recombinant Governance and Institutional Entrepreneurs* (Oxford UP, 2005), Chapter 2.

- ❖ Bob Hancké, ed., *Debating Varieties of Capitalism: A Reader* (Oxford UP, 2009), chapter 3.

### **Week 13: Debating Varieties of Capitalism**

- ❖ Bob Hancké, ed., *Debating Varieties of Capitalism: A Reader* (Oxford UP, 2009), introduction and chapters 4, 5, 8, 9.

### **Week 14: Regulation, Deregulation, Reregulation**

- ❖ Giandomenico Majone, “From the Positive to the Regulatory State: Causes and Consequences of Changes in the Mode of Governance,” *Journal of Public Policy* 17: 2 (May-August, 1997).
- ❖ Giandomenico Majone, “The Rise of the Regulatory State in Europe,” *West European Politics* 17:3 (1994), pp. 77-101.
- ❖ Steven K. Vogel, *Freer Markets, More Rules: Regulatory Reforms in Advanced Industrial Countries* (Ithaca: Cornell University Press, 1996), chapter 1.
- ❖ Robert Baldwin and Cave Martin, *Understanding Regulation* (Oxford: Oxford University Press, 1999), pp. 25-42.
- ❖ Giandomenico Majone, ed., *Deregulation or Re-regulation? : Regulatory Reform in Europe and the United States* (London: St Martin's Press, 1990), chapter 1.

### **Week 15: The Dilemmas of Development**

- ❖ Barma and Vogel, *The Political Economy Reader* (2008), 425-82 (Lal, Chaudhry, De Soto).
- ❖ Joseph Stiglitz, *Globalization and Its Discontents* (New York: W.W. Norton, 2002), pp. 53-88.
- ❖ Dani Rodrik, *One Economics, Many Recipes* (Princeton: Princeton University Press, 2007), pp. 13-55, 99-192.
- ❖ David Landes, *The Wealth and Poverty of Nations* (1999), 512-24.

### **Week 16: Economic Transition in Post-Communist Countries**

- ❖ Barma and Vogel, *The Political Economy Reader* (2008), 355-98 (Sachs and Stiglitz).
- ❖ Andrew Barnes, “Russia’s New Business Groups and State Power,” *Post-Soviet Affairs* 19:2 (April 2003), pp. 154-86.
- ❖ Yingyi Qian, “How Reform Worked in China,” in Dani Rodrik, ed., *In Search of Prosperity: Analytic Narratives on Economic Growth* (Princeton: Princeton University Press 2003), pp. 297-333.
- ❖ Hehui Jin, Yingyi Qian, and Barry R. Weingast, “Regional Decentralization and Fiscal Incentives: Federalism, Chinese Style,” *Journal of Public Economics* 89:9-10 (2005), pp. 1719-1742.

## **Week 17: Post-Globalization and The Rise of State Capitalism**

- ❖ Ian Bremmer, “State Capitalism Comes of Age: The End of Free Market?” *Foreign Affairs* (May/June 2009). Available online at <http://www.foreignaffairs.com/articles/64948/ian-bremmer/state-capitalism-comes-of-age>.
- ❖ Aldo Musacchio, and Sergio G. Lazzarini, *Reinventing State Capitalism: Leviathan in Business, Brazil and Beyond* (Cambridge: Harvard University Press, 2014), Chapter 1.
- ❖ Richard Deeg and Mary A. O’Sullivan, “The Political Economy of Global Finance Capital,” *World Politics* 61:4 (August 2009), pp. 731-63.
- ❖ Xing, Li, and Timothy M. Shaw. 2013. “The Political Economy of Chinese State Capitalism.” *Journal of China and International Relations* 1(1): 88-112.
- ❖ The Economist. 2012. “The World in Their Hands: State Capitalism Looks outward as well as inward.” Special Report on State Capitalism. January 21. Available online at <http://www.economist.com/node/21542930>.

## **Week 18: Wrap Up and Final Review**