

**GV907-7-FY  
Political Economy  
2017 – 2018**

**Lecturer and Module Supervisor**

Dr Nicole Rae Baerg

Tel: 01206 873021

E-mail: [nicole.baerg@essex.ac.uk](mailto:nicole.baerg@essex.ac.uk)

Room: 5.422

Office Hours: 3:30pm-5:00pm Tuesday

**Module Administrator**

Alex West [awestb@essex.ac.uk](mailto:awestb@essex.ac.uk)

Module available for Study Abroad students: Yes  No

**ASSESSMENT:** This module is assessed by 100% coursework

**INSTANT DEADLINE CHECKER**

**Must be submitted by 09:45am on the day of the lecture**

Assignment Title	Due Date	Coursework Weighting*	Feedback Due
6 Critical Writing Assignments	09.45am on day of lecture (3 per term)	30%	
Final Paper Outline/Research Design	09.45am Week 10	20%	
Final Paper Draft/Peer Assessment	09.45am Week 22	10%	
Final Paper	09.45am Week 25	40%	

\* A note about weightings: We need weightings of coursework to **add up to 100%**. The university system automatically calculates the aggregate mark based on whether there is an exam or not and adjusts accordingly.

**TOP READS**

All readings per week are **compulsory and \*\*\* readings are recommended**

**MODULE DESCRIPTION**

This is a graduate course on political economy. The course bridges together topics in international relations, comparative political economy, and economics. The goals of the course are to (a) introduce students to

contemporary scholarly research on political economy topics, (b) introduce students to strategic models in political science using substantive applications, and (c) stimulate students to form original ideas for promising quantitative research projects in the area of contemporary political economy

The course is broken into a number of themes. In these weeks, we will examine how domestic and international politics drive trade, investment, financial, and immigration policies and outcomes. We will also look at the relationship between political institutions and economic outcomes as well as the effects of economic phenomenon on institutions. The class emphasizes the theoretical core and some current debates in the field but also aims to expose students to some nuts and bolts of topics related to political economy (broadly defined) and chief methods by which scholars acquire knowledge of the subject.

Students will require, use and develop the following key skills:

- Transfer of ideas: students will be helped to follow and assess quantitative research in other modules – parties and elections, comparative politics, IR, and so on;
- Improving independent learning and performance: Students will learn to address their own research topics in a quantitative framework with an eye towards scholarly publication;
- Communication, interaction, and peer review: Classes involve not only questions from me but also group discussions; students are required to give formal feedback to other students in written form;
- Writing: Students learn how to theorize, generate empirically testable hypotheses, and report on and discuss results of quantitative analyses.

By the end of the module students should achieve the following learning outcomes:

- read, understand, and evaluate quantitative analyses and scholarly work published in the leading journals;
- understand evaluation methods for particular research questions, research designs, and variables;
- use various statistical methods, from to multivariate regression models, experiments, and measuring variables of interest;
- analyse quantitative data;
- complete a 25 page research paper

## **MODULE STRUCTURE AND TEACHING**

The module will run over 20 weeks. There will be a two-hour class.

The module is the core module for students on the MA/MSC/MRes in Political Economy and can be taken as an option by students on other Masters courses in the Department of Government.

## **ASSESSMENT**

This module is assessed by 100% coursework.

Coursework will consist of 6 critical writing assignment (5 % each), a research design (20%), peer assessment on a final paper draft (10%), and a final paper (40%).

The 6 critical writing assignments should be handed in at the start of class on the week that we will discuss them. You are required to do 3 assessments per term.

At the end of the Autumn semester (Week 10), you are responsible to hand in a research paper outline. This must read like your final research paper with the results section cut off. It must also include a table of summary statistics of the data that you will use in your results section. This will include mean, median, mode, min, max values, standard deviation, amount missing.

At the end of the Spring semester (week 22) you are required to hand in a complete draft of your paper for peer review. You are also required to review one of your peer's papers, which will be handed to them one week later (week 23)

During the final week, you are required to hand in a completed draft of your paper (week 25).

This instructor opts out of listen again but recordings of lectures can be granted under special conditions (i.e. the student has a learning disability) and course notes may be requested if the student is absent and cannot get sufficient notes from a classmate.

## **STUDY ABROAD ASSESSMENT**

Study abroad students who are taking the class only for one semester will have to hand in 3 critical writing assignments and the research design outline (the paper without the statistical assessment).

## **COURSEWORK SUBMISSION**

### **How to submit your essay using FASER**

You will be able to access the online submission system via your myEssex portal or via <https://FASER.essex.ac.uk>. FASER allows you to store your work-in-progress. This facility provides you with an ideal place to keep partially completed copies of your work and ensures that no work, even drafts, is lost. If you have problems uploading your coursework, you should contact [ltt@essex.ac.uk](mailto:ltt@essex.ac.uk). You may find it helpful to look at the FASER guide <http://www.essex.ac.uk/it/elearning/faser/default.aspx>. If you have any questions about FASER, please contact your administrator or refer to the handbook.

**Under NO circumstances is your coursework to be emailed to the administrators or the lecturer. This will NOT be counted as a submission.**

### **Coursework deadline policy for postgraduates**

The university has guidelines on what is acceptable as extenuating circumstances for later submission of coursework. If you need to make a claim, you should upload your coursework to FASER and submit a late submission of coursework form which can be found here: <http://www.essex.ac.uk/students/exams-and-coursework/late-submission.aspx>. This must be done within seven days of the deadline. FASER closes for all deadlines after seven days. The Late Submissions committee will decide whether your work should be marked and you will be notified of the outcome.

If you experience significant longer-term extenuating circumstances that prevent you from submitting your work either by the deadline or within seven days of the deadline, you should submit an Extenuating Circumstances Form for the Board of Examiners to consider at the end of the year <http://www.essex.ac.uk/students/exams-and-coursework/ext-circ.aspx>.

### **Extensions**

PGT students may apply for an extension if they have a deadline approaching that they know they will not be able to meet. **ONLY** the Graduate Director has authority to grant extensions. Extensions are only approved **IN ADVANCE** of the deadline. Students must apply to the Graduate Director, via the Graduate Administrator, using the Extension form available on Moodle or from the Graduate Administrator. You **MUST** provide a reason for the request and **EVIDENCE** that supports your application.

### **Plagiarism**

Plagiarism is a very serious academic offence and whether done wittingly or unwittingly it is your responsibility. **Ignorance is no excuse!** The result of plagiarism could mean receiving a mark of zero for the piece of coursework. In some cases, the rules of assessment are such that a mark of zero for a single piece of coursework could mean that you will fail your degree. If it is a very serious case, you could be required to withdraw from the University. It is important that you understand right from the start of your studies what good academic practice is and adhere to it throughout your studies.

The Department will randomly select coursework for plagiarism checks and lecturers are very good at spotting work that is not your own. **Plagiarism gets you nowhere; DON'T DO IT!**

Following the guidance on referencing correctly will help you avoid plagiarism. Please familiarise yourself with the University's policy on academic offences: <http://www.essex.ac.uk/about/governance/policies/academic-offences.aspx>.

### **Extenuating circumstances for late submission of coursework**

The university has guidelines on what is acceptable as extenuating circumstances for later submission of coursework. If you need to make a

claim, you should upload your coursework to FASER and submit a late submission of coursework form which can be found here: <http://www.essex.ac.uk/students/exams-and-coursework/late-submission.aspx>. This must be done within seven days of the deadline. FASER closes for all deadlines after seven days. The Late Submissions committee will decide whether your work should be marked and you will be notified of the outcome.

If you experience significant longer-term extenuating circumstances that prevent you from submitting your work either by the deadline or within seven days of the deadline, you should submit an Extenuating Circumstances Form for the Board of Examiners to consider at the end of the year <http://www.essex.ac.uk/students/exams-and-coursework/ext-circ.aspx>.

## **READINGS**

### **Module Outline**

#### **Week 1: Political Economy and Institutions**

Diermeyer, Daniel and Keith Krehbiel. (2003). "Institutionalism as a Methodology." *Journal of Theoretical Politics* 15(2): 123-144.

Hale, Farrell. (2005). "Trust and Political Economy: Institutions and the Sources of Inter-firm Cooperation." *Comparative Political Studies* 38(5): 459-483.

Gilligan, Michael J. and Leslie Johns. (2012). "Formal Models of International Institutions," *Annual Review of Political Science* 15: 221-243.

#### **Week 2: Interest Groups and Lobbies --Trade**

Grossman, Gene M., and Ethan Helpman. (1994). "Protection for Sale." *The American Economic Review*, 84 (4): 833–850.

\*\*\*Rogowski, Ronald. (1987). "Political Cleavages and Changing Exposure to Trade," *American Political Science Review*, 81(4): 1121-1137.

Hiscox, Michael J. (2001). "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55 (Winter 2001): 1-46.

Baccini, Leonardo, Pablo M. Pinto, and Stephen Weymouth. "The distributional consequences of preferential trade liberalization: firm-level evidence." *International Organization* 71.2 (2017): 373-395.

### **Week 3: Democracy, Regime Type and Trade**

Olson, Mancur. (1993). "Dictatorship, Democracy, and Development," *American Political Science Review* 87(3): 567-576.

\*\*\*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.

\*\*\*Weingast, Barry. (1997). "The Political Foundations of Democracy and the Rule of Law." *American Political Science Review*, 91: 245-63.

Acemoglu, D., Johnson, S., & Robinson, J. A. (2012). The colonial origins of comparative development: An empirical investigation: Reply. *The American Economic Review*, 102(6): 3077-3110.

Kono, Daniel Y. (2006). "Optimal Obfuscation: Democracy and Trade Policy Transparency," *American Political Science Review* 100(3): 369-384.

### **Week 4: Voting, Enfranchisement, and Regimes**

Acemoglu, Daron and James A. Robinson. (2000). "Why Did the West Extend the Franchise? Democracy, Inequality and Growth in Historical Perspective." *The Quarterly Journal of Economics*, 115: 1167-1199.

Boix, Carles. (2003). *Democracy and Redistribution*. New York: Cambridge University Press, Chapter 1

Spirling, Arthur. (2016). "Democratization and Linguistic Complexity: The Effect of Franchise Extension on Parliamentary Discourse, 1832–1915," *Journal of Politics*, 78(1): 120-136

Cruz, Cesi, Julien Labonne, and Pablo Querubin. "Politician family networks and electoral outcomes: Evidence from the Philippines." *American Economic Review*. Forthcoming.

### **Week 5: Emigration**

Leblang, David, Jennifer Fitzgerald and Jessica Teets. Date. "Defying the Law of Gravity: The Political Economy of International Migration." *World Politics*. *World Politics* 66.03 (2014): 406-445.

Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. (2012). "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic

Outcomes in the Age of Mass Migration," *American Economic Review* 102(5): 1832-56.

Bearce, David and Jennifer A. Laks Hutnick. (2011). "Toward an Alternative Explanation for the Resource Curse: Natural Resources, Immigration, and Democratization," *Comparative Political Studies*, 44(6): 689-718.

## **Week 6: Immigration**

Hainmueller, Jens and Dominik Hangartner. (2013). "Who gets a Swiss passport? A natural experiment in immigrant discrimination." *American Political Science Review*, 107(01): 159-187.

Malhotra, Neil, Yotam Margalit, and Cecilia Hyunjung Mo. (2013). "Economic Explanations for Opposition to Immigration: Distinguishing Between Prevalence and Conditional Impact." *American Journal of Political Science*, 57(2): 391-410.

Shin, Adrian J. "Tyrants and Migrants: Authoritarian Immigration Policy." *Comparative Political Studies* 50.1 (2017): 14-40.

Steinmayr, Andreas. "Exposure to refugees and voting for the far-right:(unexpected) results from Austria." Working Paper. (2016).

## **Week 7: Remittances**

Smith, Alastair. (2008). "The Perils of Unearned income." *The Journal of Politics* 70.03: 780-793.

Doyle, David. (2015). "Remittances and Social Spending." *American Political Science Review* 109.04: 785-802.

Singer, David. (2010). "Migrant Remittances and Exchange Rate Regimes in the Developing World." *American Political Science Review*, 104(2): 307-323.

## **Week 8: Presidential and Parliamentary Democracy**

\*\*\*Tsebelis, George, (1997). "Decision-Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism, and Multipartism." *British Journal of Political Science*, 289-325.

Nielson, Daniel L. (2003). "Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies." *American Journal of Political Science* 47(3): 470-491.

Frye, Timothy. (1997). "The Politics of Institutional Choice: Post-Communist Presidencies." *Comparative Political Studies*, 30: 523-552.

Catalinac, Amy. "Positioning under Alternative Electoral Systems: Evidence from Japanese Candidate Election Manifestos." *American Political Science Review* (2017): 1-18.

### **Week 9: Elections**

Boix, Carles. (1999). "Setting the rules of the game: the choice of electoral systems in advanced democracies." *American Political Science Review* 93(03): 609-624.

Lizzeri, Alessandro, and Nicola Persico. (2001). "The Provision of Public Goods under Alternative Electoral Incentives." *American Economic Review* 91: 225–239.

Powell, G. Bingham. (2006). "Election Laws and Representative Governments: Beyond Votes and Seats." *British Journal of Political Science* 36: 291-315.

Bubeck, Johannes, and Nikolay Marinov. "Process or Candidate: The International Community and the Demand for Electoral Integrity." *American Political Science Review* (2017): 1-20.

### **Week 10: Political Turnover and Financial Markets – DRAFT DUE**

Michael Tomz. (2007). *Sovereign Debt and International Cooperation - Reputational Reasons for Lending and Repayment* (Princeton: Princeton Univ. Press), Chapter 1

Leblang, David, and Bumba Mukherjee. (2005) "Government partisanship, elections, and the stock market: Examining American and British stock returns, 1930–2000." *American Journal of Political Science*, 49(4): 780-802.

Moore, Will H., and Bumba Mukherjee. (2006). "Coalition government formation and foreign exchange markets: Theory and Evidence from Europe." *International Studies Quarterly* 50.1: 93-118.

### **Winter Break**

### **Week 11: Inequality**

Milanovic, Branko. (2000). "The Median-Voter Hypothesis, Income Inequality, and Income Redistribution: an Empirical Test with the Required Data." *European Journal of Political Economy* 16: 367-410.

Iversen, Torben, and David Soskice. (2006). "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More Than Others." *American Political Science Review*, 100 (02): 165–181.



Li, Quan, and Adam Resnick. (2003). "Reversal of fortunes: Democratic institutions and foreign direct investment inflows to developing countries." *International Organization*, 57(01): 175-211.

### **Week 12: Institutions and Commitment**

Milgrom, Paul, Douglass North, and Barry Weingast. (1990). "The Role of Institutions in the Revival of Trade: The Medieval Law Merchant, Private Judges, and the Champagne Fairs." *Economics and Politics* 2 (March): 1-23.

Boix, Carles, and Milan W. Svobik. "The foundations of limited authoritarian government: Institutions, commitment, and power-sharing in dictatorships." *The Journal of Politics* 75.2 (2013): 300-316.

Tsai, Lily. (2007). "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China." *American Political Science Review* 101 (2): 355-372.

### **Week 13: Exchange Rate Regimes**

Guisinger, Alexandra, and David Andrew Singer. (2010). "Exchange rate proclamations and inflation-fighting credibility." *International Organization*, 64(02): 313-337.

Bodea, Cristina. (2014). Fixed Exchange Rates, Independent Central Banks and Price Stability in Post- Communist Countries: Conservatism and Credibility. *Economics and Politics*, 26(2): 185-211.

Betz, Timm and Andrew Kerner (forthcoming). "Real Exchange Rate Overvaluation and WTO Dispute Initiation in Developing Countries." *International Organization*.

### **Week 14 International Finance and Capital mobility**

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(20): 261-276.

Jensen, Nathan. (2008). "Political Risk, Democratic Institutions, and Foreign Direct Investment," *Journal of Politics*, 1040-1052.

Mosley, Layna, and David Andrew Singer. (2008). "Taking stock seriously: Equity-market performance, government policy, and financial globalization." *International Studies Quarterly*, 52(2): 405-425.

### **Week 15: Intra-Party Politics**

Kemahlioglu, Ozge. (2011). "Jobs in politicians' backyards: Party leadership competition and patronage." *Journal of Theoretical Politics* 23(4): 480-509.

Shih, Victor C. (2008). "Factions and finance in China." *Cambridge: Cambridge University*. Chapter 1.

Shih, Victor, Christopher Adolph, and Mingxing Liu. (2012). "Getting ahead in the communist party: explaining the advancement of central committee members in China." *American Political Science Review* 106(01): 166-187.

### **Week 16: Courts**

Vanberg, Georg. (2001). "Legislative-judicial relations: A game-theoretic approach to constitutional review." *American journal of political science*, 346-361.

Staton, Jeffrey K. and Georg Vanberg. (2008). "The Value of Vagueness: Delegation, Defiance, and Judicial Opinions." *American Journal of Political Science*, 58 (3): 504-519.

Gabel, Matthew J., Clifford J. Carrubba, Caitlin Ainsley, and Donald M. Beaudette. (2012). "Of Courts and Commerce." *The Journal of Politics*, 74 (4): 1125-1137.

### **Week 17: Central Banks**

Bodea, Cristina & Raymond, Hicks. (2015). Price Stability and Central Bank Independence: Discipline, Credibility and Democratic Institutions. *International Organization*; 69(1): 35-61.

Meade, Ellen and David Stasavage. (2008). "Publicity of Debate and the Incentive to Dissent: Evidence from the US Federal Reserve," *The Economic Journal*, 118: 695-717.

Baerg, Nicole Rae, and Will Lowe. (2016). "A Textual Taylor Rule: Estimating Central Bank Preferences Combining Topic and Scaling Methods." Working Paper

### **Week 18: International Institutions**

Johns, Leslie. (2007). "A servant of two masters: communication and the selection of international bureaucrats." *International Organization* 61.02: 245-275.

Gray, Julia. (2009). *International Organization as a Seal of Approval: European Union Accession and Investor Risk. American Journal of Political Science.*

Fang, Songying, and Randall W. Stone. (2012). "International organizations as policy advisors." *International Organization* 66(04): 537-569.

### **Week 19: Sovereign Borrowing, Debt, and Financial Crises**

Reinhart, Carmen M., and Kenneth S. Rogoff. (2011). "From financial crash to debt crisis." *The American Economic Review* 101.5: 1676-1706.

Walter, Stefanie. (2016). "Crisis politics in Europe: Why austerity is easier to implement in some countries than in others." *Comparative Political Studies* 49(7): 841-73.

Baerg, Nicole Rae, and Mark Hallerberg. (2016). "Explaining Instability in the Stability and Growth Pact The Contribution of Member State Power and Euroskepticism to the Euro Crisis." *Comparative Political Studies* 49.7: 968-1009.

### **Week 20: Opposition to Globalization**

Hainmueller, J., & Hiscox, M. J. (2007). Educated preferences: Explaining attitudes toward immigration in Europe. *International Organization*, 61(02), 399-442.

Margalit, Yotam. (2012). "Lost in Globalization: International Economic Integration and the Sources of Popular Discontent," *International Studies Quarterly*, 56: 484-500

Megumi Naoi and Ikuo Kume. (2011). "Explaining Mass Support for Agricultural Protectionism: Evidence from a Survey Experiment During the Global Recession," *International Organization*, 65: 771-795