

297 Comparative Political Economy (CPE)

Catarina Leão, Wolfson College

catarina.leao@politics.ox.ac.uk

Michaelmas Term 2019

Tutorials

Comparative Political Economy tutorials will run every Wednesday (weeks 1-8 MT) from 10:30 to 11:30am (class A) and 14:30 to 15:30pm (class B) at Wolfson College. You must also attend the bi-weekly lectures on weeks 1-6 of MT at the Examination Schools.

Essays

You will be required to submit 8 essays over the 8 weeks. The essays should be approximately 2,000 words in length, and should develop and critically sustain an argument of your choice. The essays should be sustained using the political economy theoretical framework and literature, which you should illustrate with empirical examples. All essays must include page numbers, bibliography and references. The latter may be Harvard-style or in footnotes.

Please send me your essays via email by **10:00am the day before the tutorial**. You may choose one of the essay questions listed below. I will provide you with written feedback for each essay.

Suggested Readings

Week 1: Economic Efficiency versus Social Inequality

Essay Questions

- Does democracy undermine market efficiency?
- Why are the claims about the presence/absence of an equity-efficiency tradeoff so difficult to evaluate empirically?
- How have different national political economies reconciled economic efficiency with socio-economic equality?

Readings

- Arthur M Okun. *Equality and efficiency: The big tradeoff*. Brookings Institution Press, 1975
- Brookings 2015. *'The Relevance of Okun's Equality Efficiency Tradeoff.'*
- Nicholas Barr. Social insurance as an efficiency device. *Journal of Public Policy*, 9(01):59–82, 1989
- Federico Cingano. *Trends in income inequality and its impact on economic growth*. OECD Publishing, 2014
- Assar Lindbeck. Consequences of the advanced welfare state. *The World Economy*, 11(1):19–38, 1988
- Peter H Lindert. *Growing public: Volume 2. Further evidence: Social spending and economic growth since the Eighteenth Century*, volume 2. Cambridge University Press, 2004
- Torben Iversen. Democracy and capitalism. *Oxford Handbook of Political Economy*, 2006

- Daron Acemoglu and James Robinson. *Why nations fail: The origins of power, prosperity, and poverty*. Profile Books, 2012
- Torben Iversen and Anne Wren. Equality, employment, and budgetary restraint: the trilemma of the service economy. *World politics*, 50(04):507–546, 1998
- Walter Korpi. Economic growth and the welfare state: leaky bucket or irrigation system? *European sociological review*, 1(2):97–118, 1985
- Jonathan Hopkin and Mark Blyth. What can okun teach polanyi? efficiency, regulation and equality in the oecd. *Review of international political economy*, 19(1):1–33, 2012
- Johannes Lindvall. The politics of purpose: Swedish economic policy after the golden age. *Comparative Politics*, pages 253–272, 2006

Week 2: Public Sector Growth and the Rise of the Welfare State

Essay Questions

- What were the principal political and economic determinants of public sector growth in the 20th century?
- What are social risks and how do welfare states address them?
- What theoretical explanation(s) accounting for the development of national welfare states do you find most convincing? Why?

Readings

- Peter H Lindert. *Growing public: Volume 2. Further evidence: Social spending and economic growth since the Eighteenth Century*, volume 2. Cambridge University Press, 2004 [Please read: Chapter Seventeen ‘What Drove Postwar Social Spending’, pages: 63 - 81.]

- David R Cameron. The expansion of the public economy: A comparative analysis. *American political science review*, 72(04):1243–1261, 1978
- Alberto Alesina and Edward Ludwig Glaeser. *Fighting poverty in the US and Europe: A world of difference*. Oxford University Press, 2004
- Isabela Mares. The comparative political economy of the welfare state. *Comparative politics: rationality, culture, and structure*, pages 358–375, 2009
- Peter Baldwin. *The politics of social solidarity: class bases of the European welfare state, 1875-1975*. Cambridge University Press, 1990
- Margarita Estevez-Abe, Torben Iversen, and David Soskice. Social protection and the formation of skills: a reinterpretation of the welfare state. In Peter Hall and David Soskice, editors, *Varieties of capitalism*. Oxford University Press, 2001
- Isabela Mares. Firms and the welfare state: When, why, and how does social policy matter to employers. In Peter Hall and David Soskice, editors, *Varieties of capitalism: The institutional foundations of comparative advantage*, pages 183–212. Oxford, New York: Oxford University Press, 2001
- Thomas Paster. Business and welfare state development: why did employers accept social reforms? *World Politics*, 65(03):416–451, 2013
- Jane Gingrich. Coalitions, policies, and distribution: Esping-Andersen’s Three Worlds of Welfare Capitalism. In James Mahoney and Kathleen Thelen, editors, *Advances in Comparative Historical Analysis*, pages 67–96. Cambridge University Press, 2015
- Bernhard Ebbinghaus. Trade union movements in post-industrial welfare states: Opening up to new social interests? In Klaus Armingeon and Giuliano Bonoli, editors, *Politics of Post-Industrial Welfare States:*

Adapting Post-War Social Policies to New Social Risks. Routledge, 2006

- Bo Rothstein. Labor-market institutions and working-class strength. In Sven Steinmo, Kathleen Thelen, and Frank Longstreth, editors, *Structuring politics: Historical institutionalism in comparative analysis*, pages 33–56. Cambridge University Press, 1992
- Ellen M Immergut. The rules of the game: The logic of health policy-making in france, switzerland, and sweden. In Sven Steinmo, Kathleen Thelen, and Frank Longstreth, editors, *Structuring Politics: Historical Institutionalism in a Comparative Perspective.*, pages 57–89. Cambridge University Press, 1992

Week 3: Economic Policy and Performance in the Post-War Era

Essay Questions

- Does the relationship between the organization of labor and business and economic outcomes vary across types of economic institutions?
- Are some national institutional configurations more able to produce growth than others?

Readings

- Jeffrey D Sachs and Michael Bruno. *Economics of worldwide stagflation.* Harvard University Press, 1985 [Please read: Chapter Eleven ‘Labor Markets and Comparative Macroeconomic Performance’, pages: 217-247.]
- Barry Eichengreen. *The European economy since 1945: coordinated capitalism and beyond.* Princeton University Press, 2008

- Douglass C North. Economic performance through time. *American Economic Review*, 84(3):359–368, 1994
- Lane Kenworthy. Institutional coherence and macroeconomic performance. *Socio-Economic Review*, 4(1):69–91, 2006
- Barry Eichengreen and Torben Iversen. Institutions and economic performance: evidence from the labour market. *Oxford Review of Economic Policy*, 15(4):121–138, 1999
- Barry R Weingast. The economic role of political institutions: Market-preserving federalism and economic development. *Journal of Law, Economics, Organization*, pages 1–31, 1995
- Philip Keefer. *What does political economy tell us about economic development and vice versa?* World Bank Publications, 2004
- Philippe C Schmitter. Still the century of corporatism? *The Review of politics*, 36(01):85–131, 1974
- David R Cameron. Social democracy, corporatism, labour quiescence and the representation of economic interest in advanced capitalist society. *Order and conflict in contemporary capitalism*, pages 143–78, 1984
- Lane Kenworthy. Quantitative indicators of corporatism. *International Journal of Sociology*, pages 10–44, 2003
- Robert J Franzese. *Macroeconomic policies of developed democracies*. Cambridge University Press, 2002
- Leon N Lindberg, John L Campbell, and J Rogers Hollingsworth. Economic governance and the analysis of structural change in the american economy. *Governance of the American economy*, 5:1, 1991
- Desmond King and Stewart Wood. The political economy of neoliberalism: Britain and the united states in the 1980s. In Herbert Kitschelt,

Peter Lange, Gary Marks, and John D. Stephens, editors, *Continuity and change in contemporary capitalism*, pages 371–397. Cambridge University Press Cambridge, 1999

- George A Akerlof and Janet L Yellen. *Efficiency wage models of the labor market*. Cambridge University Press, 1986 [Please read: Introduction]
- David Soskice. Wage determination: the changing role of institutions in advanced industrialized countries. *Oxford review of economic policy*, 6(4):36–61, 1990

Week 4: varieties of Capitalism

Essay Questions

- Is the ‘Varieties of Capitalism’ approach a compelling account of capitalist variation?
- What role do systems of skill formation play in structuring variation across advanced political economies?
- How do national varieties of capitalism relate to national varieties of welfare provision?

Readings

- Paul Pierson. Three worlds of welfare state research. *Comparative political studies*, 33(6-7):791–821, 2000
- Peter A Hall and David Soskice. *Varieties of capitalism*. Oxford University Press, 2001 [Please read: Introduction]
- Bob Hancké. *Debating varieties of capitalism: A reader*. Oxford University Press, 2009 [Please read: Introduction]
- Douglass C North. *Institutions and a transaction-cost theory of exchange, volume 18294*. Cambridge University Press, 1990

- Marius R Busemeyer. *Skills and inequality: Partisan politics and the political economy of education reforms in western welfare states*. Cambridge University Press, 2014 [Please read: Chapter 3 ‘Worlds of Skill Formation: Cross-National Quantitative Analysis?]
- David Soskice. The institutional infrastructure for international competitiveness: a comparative analysis of the uk and germany. In Anthony B. Atkinson and Renato Brunetta, editors, *Economics for the new Europe*, pages 45–66. Macmillan London, 1991
- Peter A Hall and Daniel W Gingerich. Varieties of capitalism and institutional complementarities in the political economy: An empirical analysis. *British Journal of Political Science*, 39(03):449–482, 2009
- Bruno Amable. *The diversity of modern capitalism*. Oxford University Press, 2003
- Mark Blyth. Same as it never was: temporality and typology in the varieties of capitalism. *Comparative European Politics*, 1(2):215–225, 2003
- Peter A Hall and David Soskice. Varieties of capitalism and institutional change: A response to three critics. *Comparative European Politics*, 1(2):241–250, 2003
- Mark Zachary Taylor. Empirical evidence against varieties of capitalism’s theory of technological innovation. *International Organization*, 58(03):601–631, 2004
- David Soskice. American exceptionalism and comparative political economy. In Clair Brown, Barry Eichengreen, and Michael Reich, editors, *Labor in the Era of Globalization*, pages 51–93. Cambridge University Press, 2009

- David Finegold and David Soskice. The failure of training in Britain: analysis and prescription. *Oxford review of economic policy*, 4(3):21–53, 1988
- David Soskice. Reconciling markets and institutions: The German apprenticeship system. In Lisa Lynch, editor, *Training and the private sector: International comparisons*, pages 25–60. University of Chicago Press, 1994

Week 5: Globalization and Immigration

Essay Questions

- How constraining is Rodrik's trilemma? Can national democracy and globalisation coexist?
- Do citizens have clear attitudes towards globalization and do politicians follow them?

Readings

- Dani Rodrik. How far will international economic integration go? *The Journal of Economic Perspectives*, 14(1):177–186, 2000
- See also: Dani Rodrik '*Brexit and the Globalization Trilemma.*'
- Martin Wolf. *Why globalization works*. Yale University Press, 2004
- Dani Rodrik. Why do more open economies have bigger governments? Technical report, National Bureau of Economic Research, 1996
- Marius R Busemeyer. From myth to reality: Globalisation and public spending in OECD countries revisited. *European Journal of Political Research*, 48(4):455–482, 2009

- Jeffrey A Frieden. Invested interests: the politics of national economic policies in a world of global finance. *International Organization*, 45(04):425–451, 1991
- Pablo Beramendi and David Rueda. Social democracy constrained: indirect taxation in industrialized democracies. *British Journal of Political Science*, 37(04):619–641, 2007
- Yotam Margalit. Lost in globalization: International economic integration and the sources of popular discontent. *International Studies Quarterly*, 56(3):484–500, 2012
- Anna Maria Mayda and Dani Rodrik. Why are some people (and countries) more protectionist than others? *European Economic Review*, 49(6):1393–1430, 2005
- Michael J Hiscox. Through a glass and darkly: Attitudes toward international trade and the curious effects of issue framing. *International Organization*, 60(03):755–780, 2006
- Stefanie Walter. Globalization and the welfare state: Testing the microfoundations of the compensation hypothesis. *International Studies Quarterly*, 54(2):403–426, 2010
- Rafaela M Dancygier and David D Laitin. Immigration into europe: Economic discrimination, violence, and public policy. *Annual Review of Political Science*, 17:43–64, 2014
- Jens Hainmueller and Michael J Hiscox. Educated preferences: Explaining attitudes toward immigration in europe. *International organization*, 61(2):399–442, 2007

Week 6: The Politics of Redistribution and Inequality

Essay Questions

- What drives individual preferences for redistribution across different types of national political economy?
- What role do electoral and constitutional systems play in cross-national economic and redistributive outcomes?
- What is the relationship between skills, politics and gender inequality?

Readings

- Lane Kenworthy and Jonas Pontusson. Rising inequality and the politics of redistribution in affluent countries. *Perspectives on Politics*, 3(03):449–471, 2005
- Thomas. Piketty. *Capital in the Twenty-First Century*. Harvard University Press, 2014
- Anthony B Atkinson. *Inequality*. Harvard University Press, 2015
- Branko Milanovic. *Global inequality: A new approach for the age of globalization*. Harvard University Press, 2016
- David Rueda and Daniel Stegmueller. *Who Wants What?: Redistribution Preferences in Comparative Perspective*. Cambridge University Press, 2019
- Michael Wallerstein. Wage-setting institutions and pay inequality in advanced industrial societies. *American Journal of Political Science*, pages 649–680, 1999
- David Rueda. Left government, policy, and corporatism: Explaining the influence of partisanship on inequality. *World Politics*, 60(03):349–389, 2008

- Jonas Pontusson and David Rueda. The politics of inequality: Voter mobilization and left parties in advanced industrial states. *Comparative Political Studies*, 2010
- Margarita Estevez-Abe. Gender bias in skills and social policies: The varieties of capitalism perspective on sex segregation. *Social Politics: International Studies in Gender, State Society*, 12(2):180–215, 2005
- Hadas Mandel and Michael Shalev. Gender, class, and varieties of capitalism. *Social Politics: International Studies in Gender, State Society*, 2009
- Thomas Cusack, Torben Iversen, and Philipp Rehm. Risks at work: The demand and supply sides of government redistribution. *Oxford Review of Economic Policy*, 22(3):365–389, 2006
- Jane Gingrich and Ben Ansell. Preferences in context micro preferences, macro contexts, and the demand for social policy. *Comparative Political Studies*, 2012
- David Rueda and Daniel Stegmueller. The externalities of inequality: Fear of crime and preferences for redistribution in western europe. *American Journal of Political Science*, 2015
- James Alt and Torben Iversen. Inequality, labor market segmentation, and preferences for redistribution. *American Journal of Political Science*, 61(1):21–36, 2017

Week 7: Economic Crises

Essay Questions

- Are there common political reasons for the emergence of economic crises?

- Did the nature of a country's institutional organisation matter for its response to the Great Financial Crisis?
- What kind of crisis is the Eurozone crisis?

Readings

- Carmen M Reinhart and Kenneth S Rogoff. *This time is different: eight centuries of financial folly*. Princeton University Press, 2009
- Charles W Calomiris and Stephen H Haber. *Fragile by design: The political origins of banking crises and scarce credit*. Princeton University Press, 2014
- Cornelia Woll. *The power of inaction: bank bailouts in comparison*. Cornell University Press, 2014
- Johannes Lindvall. The electoral consequences of two great crises. *European Journal of Political Research*, 53(4):747–765, 2014
- Peter A Hall, Robert J Franzese, et al. Mixed signals: central bank independence, coordinated wage bargaining, and european monetary union. *International organization*, 52(3):505–535, 1998
- Peter A Hall. Varieties of capitalism and the euro crisis. *West European Politics*, 37(6):1223–1243, 2014
- James A Caporaso and Martin Rhodes. *Political and Economic Dynamics of the Eurozone Crisis*. Oxford University Press, 2016
- Torben Iversen, David Soskice, and David Hope. The eurozone and political economic institutions. *Annual Review of Political Science*, 19:163–185, 2016
- Michael M Bechtel, Jens Hainmueller, and Yotam Margalit. Preferences for international redistribution: The divide over the eurozone bailouts. *American Journal of Political Science*, 58(4):835–856, 2014

- Mark Copelovitch, Jeffrey Frieden, and Stefanie Walter. The political economy of the euro crisis. *Comparative Political Studies*, 49(7):811–840, 2016 [See entire special issue on this topic]

Week 8: Economic Policy in the 21st Century - Wealth, Knowledge, and Growth

Essay Questions

- Do the politics of wealth redistribution differ from the politics of income redistribution?
- What is the knowledge economy? Does it alter the nature of democratic capitalism?
- Have countries ‘under-invested’ in demand side policies over the last two decades?

Readings

- Ben W Ansell. The politics of housing. *Annual Review of Political Science*, 2019
- Colin Crouch. Privatised keynesianism: An unacknowledged policy regime. *The British Journal of Politics and International Relations*, 11(3):382–399, 2009
- Monica Prasad. *The land of too much: American abundance and the paradox of poverty*. Harvard University Press, 2012
- David Hope and Angelo Martelli. The transition to the knowledge economy, labor market institutions, and income inequality in advanced democracies. *World Politics*, 71(2):236–288, 2019
- Torben Iversen and David Soskice. *Democracy and Prosperity: Reinventing Capitalism Through a Turbulent Century*. Princeton University Press, 2019

- Enrico Moretti. *The new geography of jobs*. Houghton Mifflin Harcourt, 2012
- Carles Boix. *Democratic Capitalism at the Crossroads: Technological Change and the Future of Politics*. Princeton University Press, 2019
- Kathleen Thelen. Regulating uber: The politics of the platform economy in europe and the united states. *Perspectives on Politics*, 16(4):938–953, 2018
- Wolfgang Streeck and Daniel Mertens. Public finance and the decline of state capacity in democratic capitalism. In Wolfgang Streeck and Armin Schäfer, editors, *Politics in the Age of Austerity*, pages 25–58. Polity Press, 2013
- Lucio Baccaro and Jonas Pontusson. Rethinking comparative political economy the growth model perspective. *Politics Society*, 44(2):175–207, 2016
- Evelyne Hübscher and Thomas Sattler. Fiscal consolidation under electoral risk. *European Journal of Political Research*, 56(1):151–168, 2017
- Mark Blyth. *Austerity: The history of a dangerous idea*. Oxford University Press, 2013
- Lucy Barnes and Timothy Hicks. Making austerity popular: The media and mass attitudes toward fiscal policy. *American Journal of Political Science*, 62(2):340–354, 2018