Political Economy II: Core Issues and Conceptual Frameworks in Political Economy

Mandatory elective course
Winter semester, 2015-16 academic year
4 credits – 8 ECTS

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Office hours:  Mondays 11.00-12.30
              Tuesdays 11.00-12.30
              Thursdays 11.00-12.30
              by appointment

Class:  Tuesdays, 13.30-15.10
        Thursdays, 13.30-15.10

Classroom: FT908

Course webpage: http://ceulearning.ceu.edu/course/view.php?id=4855

Course description

This course introduces political economy as a particular approach to the study of politics and explores foundational theoretical concepts, explanatory traditions and methodological approaches common in political economy. As a continuation to the introductory political economy course in the fall semester (Political Economy I), the discussions in this course engage with generic, macro-level questions about the relationship between political and economic institutions, that between economic development and authoritarian government as well as the economic foundations of democratic and authoritarian governance. At the same time, the course incorporates discussions about key theoretical approaches central to explaining political behaviour and institutional change in political economy, especially rational choice theory, game theory and historical institutionalism. The course asks the following and other questions: What is the ‘stuff’ of political economy? What key concepts and conceptual assumptions does political economy as an approach in political science research rely on? What competing explanations are there for the development and consolidation of democracy and of authoritarian rule? What theoretical frameworks are common in political economic research and what are they for?

The course is structured into three main parts:

- The ‘stuff’ of political economy, focusing on what political economy as an approach to the study of politics is and on the types of questions political economist usually ask;
- Key themes of political economy, bringing together political economic studies about the origins of democracy, the origins and endurance of autocratic rule and the political basis of economic growth across the world among others.
• The conceptual frameworks of political economy, honing in on rational choice and especially game theory and, not least, on historical institutionalism.

Most weeks bring into focus one topic. Most topics comprise two related discussions, one usually focusing on key concepts and the theorisation of behaviour or institutional change and the other on the methods and data underpinning conceptual discussions and theory building.

Learning outcomes

The organisation of classes is aimed to help students develop a good understanding of the subject matter, with a focus on concepts, theoretical and methodological approaches to explaining causal relationships as well as their analytical relevance and value. In addition, however, classroom activities are aimed to help students develop a range of:

• **transferable skills**: meaningful oral participation in group settings, reflecting deep engagement with the subject matter; concise and precise oral formulation of opinions, arguments and puzzles; critical listening; presenting and critically discussing scholarly work by others; developing effective PowerPoint presentations; making conference-type presentations;

• **study skills**: structured note taking, summarising (orally and in written form); critical reading and reading comprehension, metacomprehension; constructive feedback and team work; defining one’s own learning needs, planning progress and incorporating constructive feedback received; manage a semester-long project in a successful way;

• **critical thinking skills**: reflexivity; deductive reasoning; hypothesising; structured argumentation; making inferences and articulating assumptions; the application of newly acquired knowledge to new situations.

Class structure

Most meetings consist of a 15-minute student-led critical presentation of a key reading, followed by a structured discussion of key concepts; key arguments; key theoretical and methodological approaches; puzzles & questions; the relevance of the subject matter. **Meetings with a different structure will be announced in due course.**

**Structured discussions** follow the results of reading key readings using the I.N.S.E.R.T. technique (Estes and Vaughn, 1986). As such, discussions will focus on what students already knew when reading the text; what they knew differently; what they did not know; and the issues they want to find out more about.

Students are expected to use the below annotations while reading the key reading(s) in order to aid (1) the easier structuring of different types of information in the learning processes as well as (2) the easier identification of + new information and of ? issues students want to know more about in preparation for class discussion.

✓  **indicates a passage that confirms what students thought was true**;

–  **indicates a passage that disconfirms something students thought was true**;

+  **indicates a passage that contains important information students had not anticipated**;

?  **marks a passage containing something students want to know more about**.

**Class requirements**

Students are expected to attend meetings regularly, to participate in class discussions and submit independent work according to assignment descriptions. Furthermore, students will have to (1) present a key reading and, depending on class size, (2) act as discussant. Students will also submit a final assignment.

Students’ **final grade** will consist of the following assignments:

1. class participation in structured discussions and in-class group activities during minimum 75% (i.e. 18) of sessions – **30% of the final grade**;
2. acting as presenter with mandatory handouts uploaded to e-learning 24 hours before class, in .docx format – **30% of the final grade**;
3. final assignment – **40% of the final grade**:
   - a written exam drawing on the studied subject matter (details TBA)
   - the making of a conference style presentation based on an original piece of research in line with the topics and themes of the course (details TBA)
   - the preparation of three argumentative essays (2,500 words each) based on readings from section II of the coursework (including additional readings).

**Nota bene**: You may not present a text and also write an argumentative essay in connection to it.

**Grading and assessment**

Students receive on-going feedback in all my courses. This course encourages the use of so-called **rubrics** or descriptions of standards of performance. They are meant to help students reflect on their performance and identify aspects of their academic performance where they can improve. Specific rubrics are also used to grade assignments. Rubrics are available online on the course website: [http://ceulearning.ceu.edu/course/view.php?id=4855](http://ceulearning.ceu.edu/course/view.php?id=4855).

**Note on Citing and Referencing**

You will be expected to use **Harvard style referencing**. Please find an extensive citation and referencing guide on this course's e-learning page: [http://ceulearning.ceu.edu/course/view.php?id=4855](http://ceulearning.ceu.edu/course/view.php?id=4855).

At the same time, you are strongly encouraged to use a **citation manager software** for all your written assignments, in which case you can use **Chicago style referencing**.
Key texts of the course


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**Penalties:** in case of late submissions of independent work and plagiarism. Departmental rules on plagiarism apply.
I. INTRODUCTION: KEY CONCEPTS & QUESTIONS OF POLITICAL ECONOMY

Session 1. What do we know about political economy?
This session introduces the course, its requirements and its resources. The session then goes on to chart what students know about topics and methodological approaches common in political economy.

No readings assigned.

Session 2. Introducing key concepts: Institutions
This introductory discussion introduces some of the key concepts of political economy, namely institutions and self-interested (political) actors.

Key reading:

Session 3. Introducing key conceptual frameworks: three institutionalisms
Building on the previous discussion, this session hones in on three different approaches to thinking about and analysing institutional continuity and change, i.e. three competing theoretical traditions in political economy.

Key reading:

Additional reading:

Session 4. The scope of political economy
Building on discussions of the range of concepts that political economists frequently rely on, this session brings into focus a variety of generic research questions that political economists frequently ask.

Key reading:

Additional readings:

Session 5. International political economy
Building on the distinctions articulated in week 1, this discussion focuses on a particular branch of political economy: international political economy and its scope.

Key reading:

Additional reading:

Session 6. Institutions in international political economy
This session focuses on a key reading in (international) political economy, namely Katzenstein’s seminal work on small states in the context of a global (and further globalising) world economy.

Key reading:
II. CENTRAL ISSUES IN POLITICAL ECONOMY

The following four topics cover key concerns of political economists: the origins and endurance of authoritarian regimes, theories of democratisation, the relationship between type of governance and redistribution and the puzzling question of uneven economic development around the world.

1. THE POLITICAL ECONOMY OF AUTHORITARIAN GOVERNANCE AND ITS DURABILITY

Session 7. A rational choice argument for government
This session engages with simple conceptual models to explain the emergence of modern government and the endurance of authoritarian governance. It foregrounds more refined political economic theories of autocratic rule and authoritarian regimes’ endurance.

Key reading:

Session 8. Dictators as rational actors
Building on the previous discussion, this session presents a more sophisticated explanation for how autocratic rulers come to power and the conditions for their staying in power for long periods of time.

Key reading:

Additional reading:

Session 9. Dictators, launching organisations and selectorates: a refined theory of authoritarian rule
Reflecting on the previous week’s increasingly more refined models of autocratic rule and durability, this session presents perhaps the most sophisticated theory of autocratic rulers’ political survival.

Key readings:

Additional reading:
2. THE POLITICAL ECONOMY OF DEMOCRATISATION

Session 10. The role of the state in theories of democratisation
The focus of this session is a discussion about ‘the state’ as a key theoretical concept in the study of democratisation and theories of democratisation.

Key reading:

Session 11. The emergence of democratic institutions in Europe
This discussion centres on a particular political economic theory of democratisation.

Key reading:

Additional reading:

Session 12. The use of history and historical analysis in political theory
Theories of democracy have often drawn on historical examples to articulate and illustrate causation for the purpose of theory building. However, reliance on historical examples has its pitfalls. This discussion focuses on the (mis)use of historical examples in building theories of democracy.

Key reading:

Additional reading:
3. GOVERNANCE AND REDISTRIBUTION

Acemoglu et al. (2005: 446) have argued that “economic institutions are chosen for their distributional consequences. Which specific economic institutions emerge depends on who is able to get their way – who has political power.” The implication of this statement is that democracies, where a majority govern, will be more redistributive than non-democracies, where a minority govern. This week’s discussions engage with literature that tests this assumption and proposes some political economic explanations for why this assumption might be valid or, indeed, not.

**Session 13. A political economic model of redistribution under different political regimes**

The session engages with explanations about (1) why democracies and non-democracies will (re)distribute collective resources differently; (2) why non-democratic regimes also engage in redistribution, although with different outcomes. This session also draws on previous discussions about theories of autocratic rule and theories of democracy.

Key reading:

Additional reading:

**Session 14. The politics of redistribution in democracies: reviewing the literature**

This session engages with empirical literature focusing on redistribution in democratic nations over recent decades.

Key reading:

Additional reading:
4. UNEVEN GROWTH AND WEALTH AROUND THE WORLD

Session 15. Uneven economic development: an endogenous model
Why is it that some countries are wealthier than others? The focus of this session is economist Daron Acemoglu and colleagues’ influential institutionalist explanation about cross-national variations in levels of economic development.

Key reading:

Additional reading:

Session 16. Uneven economic development: the developmental state perspective
The question remains: why is it that some countries are wealthier than others? By drawing on arguments from the developmental state literature, this session engages with the role of state structure and state-society relations in explaining growth. It discusses 20th century developmental state conceptualizations.

Key readings:

Additional reading:

Session 17. Uneven economic development: an international political economic perspective
This final session about uneven economic development, by drawing on previous discussions in international political economy (week 2), engages with the role of trade openness and poverty alleviation through global economic integration in explaining growth.

Key reading:
III. THEORETICAL FRAMEWORKS AND APPROACHES IN POLITICAL ECONOMY

Building on the readings from previous weeks, the following four discussions reflect on a range of theoretical and methodological approaches common in explaining behaviour and institutional continuity and change in political research. The section starts with game theory, going on to discuss historical institutionalism as a particular approach to the study of politics. Sessions present these approaches in more general terms, moving onto key concepts and their application in empirical research.

1. RATIONAL CHOICE THEORY

Session 18. Rational Choice Theory and Its Applications
Building on the definition of institutions, this session introduces one of the fundamental conceptual approaches in political economy: rational choice theory and its applications.

Key reading:

Additional readings:

2. GAME THEORY

Session 19. What is game theory?
This discussion focuses on a particular approach in rational choice theory: game theory. This discussion outlines the key assumptions and conceptual toolkit of game theory.

Key reading:

Additional reading:

3. HISTORICAL INSTITUTIONALISM

**Session 20. What historical institutionalism is**
This session revisits what we already know about institutional analysis that takes history seriously and asks: what is historical institutionalism as a particular theoretical approach?

*No key reading assigned.*

Additional reading:

**Session 21. Critical junctures**
A key concept in theorising institutional continuity and change using history is critical junctures.

Key reading:

IV. CONCLUDING SECTION

**Session 22. Closing discussion: topics and methods in political economy**

**Sessions 23 & 24. Final assignments**
The purpose of these two final student-led meetings is to provide, through student presentations, a structured review and analytical clarifications regarding some of the fundamental concepts that political economy operates with and, in a similar vein, of key explanatory models regarding a range of student-identified issues based on course readings.