

# Fall 2022

## PS3107 Political Economy

### Class Information:

- Time: Mondays, 15:30-17:20
- Place: Room 506 Social Sciences Building
- Course Website: <https://cool.ntu.edu.tw/courses/18397>

### Instructor:

- Name: **Hans H. Tung** ([hanstung@ntu.edu.tw](mailto:hanstung@ntu.edu.tw))
- Office Hours: Wednesdays, 15:30-17:30  
Sign up at:  
<https://www.signupgenius.com/go/70A0B4EAEAC2CAA8-fall>
- Office: Room 745, Social Sciences Building

## **1 Attention !! The Novel Coronavirus (COVID-19) Outbreak**

The NTU COVID-19 policy for the Spring 2022 stipulates that:

*Face masks must be worn in classrooms or laboratories by instructors and students when maintaining a social distance of 1.5 meters is not possible.*

We will also watch the outbreak closely during the semester and see if it is necessary for us to move the class online.

## 2 Course Design and Objectives

Located at the intersection between economics and political science, political economy as a field explores a great variety of issues arising from interactions between economic and political arenas. This course is designed to introduce to students the conceptual tools developed by political economists for assessing the role politics plays in economic activities and vice versa. Specifically, we will investigate together in class the following topics:

- Social Networks
- Historical Political Economy
- Institutional Complementarity
- Cognitive Political Economy
- Public Debt
- Regime Transitions
- Institutional Choices
- Natural Resource Curse
- Political Polarization

While the list is by no means exhaustive, the topics included are nonetheless well-established in the literature and very useful for students to learn the necessary analytic skills from both theoretical and empirical perspectives. The ultimate goal of the course is to make students able to think independently and formulate their own views as a political economist. Please bear in mind the following tips while taking this class:

1. Learn *how* political economists study and explain economic and political phenomena (methodologies).
2. Know *what* kind of concepts and theories political economists come up with for answering interesting puzzles in our political world (substance).
3. Understand *when* and *where* political economists apply their analytic frameworks (contexts).

## 3 Grading

- Mid-Term (30%)
- Final (70%)

## 4 Textbooks (Selected Chapters)

**BDM** Bueno de Mesquita, Ethan. 2016. *Political Economy for Public Policy*. Princeton: Princeton University Press.

## 5 Class Schedule and Reading List

### Part I Fundamentals

#### Week 1 September 05, 2022 Introduction

Readings:

- Trefler, Daniel. 1999. "An Interview with Elhanan Helpman." *Macroeconomic Dynamics* 3: 571-601.

#### Week 2 September 12, 2022 Conceptual/Theoretical Tools I Normative Foundations

Readings:

- (Relatively accessible) **BDM**: Chapters 2-3.

#### Week 3 September 19, 2022 Conceptual/Theoretical Tools II: Motivated Beliefs and Reasoning

Readings:

Readings:

- Golman, Russell, David Hagmann, and George Loewenstein. 2017. "Information Avoidance." *JOURNAL OF ECONOMIC LITERATURE* 55(1): 96-135.
- Golman, Russell, et al. 2016. "The Preference for Belief Consonance." *JOURNAL OF ECONOMIC PERSPECTIVES* 30(3): 165-187.

## **Week 4 September 26, 2022 perceptions Conceptual/Theoretical Tools III: Perceptions/Misperceptions**

Readings:

- Brady, David W., John A. Ferejohn, Brett Parker. 2022. "Cognitive Political Economy: A Growing Partisan Divide in Economic Perceptions." *American Politics Research* 50 (1): 3-16.
- Iacono, Roberto and Marco Ranaldi. 2021. "The nexus between perceptions of inequality and preferences for redistribution." *Journal of Economic Inequality* 19: 97-114.

## **Part II From Politics to Economy**

### **Week 5 October 03, 2022 Institutional Complementarity and Varieties of Capitalism**

Readings:

- Feldmann, Magnus. 2019. "Global Varieties of Capitalism." *World Politics* 71(1): 162-96.
- Hall, Peter A., and David Soskice. 2001. "Introduction." In *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

### **Week 6 October 10, 2022 Holiday**

### **Week 7 October 17, 2022 Historical Political Economy**

Readings:

- Ciron, Alexandra e and Arthur Spirling (2021), "Turning History into Data: Data Collection, Measurement, and Inference in HPE", *Journal of Historical Political Economy* Vol. 1: No. 1, pp 127-154.
- Gailmard, Sean. 2021. "Theory, History, and Political Economy", *Journal of Historical Political Economy*: Vol. 1: No. 1, pp 69-104.
- Huang, Yasheng and Clair Yang. 2022. "A Longevity Mechanism of Chinese Absolutism." *Journal of Politics* 84(2): 1165-1175.

## Week 8 October 24, 2022 Midterm

## Week 9 October 31, 2022 Social Networks

Readings:

- Battaglini, Marco and Eleonora Patacchini. 2019. "Social Networks in Policy Making." *Annual Review of Economics* 11:473-94
- Liu, Lisha, Alexander Kuo, Jose Fernandez-Albertos. 2022. "Economic crisis, social networks, and political preferences." *Socio-Economic Review* 20(1): 199-231.

## Week 10 November 07, 2022 Dynamic Political Economy of Public Debt

Readings:

- (Relatively accessible) **BDM**: Chapter 8.
- Alesina, Alberto, and A. Passalacqua. 2016. "Chapter 33: The Political Economy of Government Debt. " In: J. B. Taylor Harald Uhlig (ed.), *Handbook of Macroeconomics*. Elsevier.

## Part III From Economy to Politics

## Week 11 November 14, 2022 Economic Origins of Political Regimes

Readings:

- (Relatively accessible) **BDM**: Chapter 6.
- Aidt, Toke S. and Raphaël Franck. 2015. "Democratization Under the Threat of Revolution: Evidence From the Great Reform Act of 1832. *Econometrica* 83(2): 505-547.
- Tung, Hans H., Daiki Kishishita, and Ming-Jen Lin. 2022. "Preferences for Government Concessions amid Protests and Repression: Experimental Evidence from Hong Kong's Anti-ELAB Movement and National Security Law. " The 2022 ASSA Annual Meeting, The American Economic Association.

## **Week 12 November 21, 2022 Guest Lecture: Yukyung Yeo, Kyung Hee University**

Topic: To be announced.

## **Week 13 November 28, 2022 Economic Origins of Institutional Choices**

Readings:

- Arias, Luz Marina and Desha M. Girod. 2014. "Indigenous Origins of Colonial Institutions." *Quarterly Journal of Political Science* 9: 371-406.
- Harvey, Anna. 2015. "The Economic Origins of Entrenched Judicial Review." *Studies in American Political Development* 29(1): 1-22.
- Cusack, Thomas R., Torben Iversen, and David Soskice. 2007. "Economic Interests and the Origins of Electoral Systems." *American Political Science Review*. 101(3): 373-391.

## **Week 14 December 05, 2022 Natural Resource Curse**

Readings:

- Al-Ubaydli, Omar, Kevin McCabe, and Peter Twieg. 2014. "Can More Be Less? An Experimental Test of the Resource Curse." *Journal of Experimental Political Science* 1: 39-58.
- Michael L. Ross. 2015. "What Have We Learned about the Resource Curse?" *Annual Review of Political Science* 18:239-259.

## **Week 15 December 12, 2022 Political Polarization**

Readings:

- Garro, Haritz. 2021. "Political Consequences of Economic Hardship: State Economic Activity and Polarization in American Legislatures." *Journal of Law, Economics, and Organization* 37(3): 512-533.
- Margalit, Yotam. 2019. "Economic Insecurity and the Causes of Populism, Reconsidered." *Journal of Economic Perspectives* 33(4): 152-70.

**Week 16 December 19, 2022 Final Exam**