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**PLSC 24320/34320. Economic Shocks, Institutions, and Growth**  
**PBPL 224 Tuesday 9 - 12**

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**Instructor:** Prof. Jong Hee Park  
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**Office Hours:** Fri 1–2 PM or by appointment

### **Course Outline**

This course examines theoretical and empirical discussions on whether and how domestic institutions interact with exogenous shocks in determining economic outcomes. Various claims on the role of social, economic, and political institutions in mediating the effects of exogenous shocks on economic outcomes will be reviewed in their internal and external validity.

### **Discussion Questions**

All students are required to send one discussion question per reading *one day before the class*. Email questions to the class by midnight and on the class date, turn in a copy of questions.

### **Grade Policy**

20% Class participation  
20% Discussion questions  
60% Final paper

### **Final Project**

Students have an option to write a research paper (or a research proposal) or to take a take-home exam. Students who wish to write a research paper (or a research proposal) should consult the instructor in advance.

## Course Plan

### 1. Introduction (9/27)

### 2. Shocks and Responses (10/4)

- Peter Alexis Gourevitch, 1977, “International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896,” *Journal of Interdisciplinary History*, 8(2): 281-313.
- Peter Alexis Gourevitch, 1984, “Breaking with Orthodoxy: The Politics of Economic Policy Responses to the Depression of the 1930s.” *International Organization* 38(1): 95-129.
- ILO, 2011, *The Financial and Economic Crisis: A Decent Work Response*, pp. 21 –36

### 3. Institutions Matter (10/11)

- Douglas C. North, 1990, *Institutions, Institutional Change, and Economic Performance*. Ch.1~3.
- Douglass C. North and Barry R. Weingast, 1989, “Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth-Century England” *Journal of Economic History* 49(4): 803–832.
- Adam Przeworski. 2004. “Institutions Matter?” *Government and Opposition*.

### 4. Economic Effects of Political Institutions: Electoral Systems (10/18)

- Torsten Persson, Guido Tabellini, and F. Trebbi, 2003, Electoral rules and corruption. *Journal of the European Economic Association* 1: 958-989.
- Torben Iversen and David Soskice, 2006, “Electoral Systems and the Politics of Coalitions: Why Some Democracies Redistribute More than Others”, *American Political Science Review*, 100: 165-181.
- Allen Hicken, Shanker Satyanath, Ernest Sergenti. 2005. “Political Institutions and Economic Performance: The Effects of Accountability and Obstacles to Policy Change,” *American Journal of Political Science*, Vol.49, No.4, pp. 897-907.

### 5. Economic Effects of Political Institutions: Check and Balance (10/25)

- George Tsebelis, 2000, “Veto Players and Institutional Analysis.” *Governance* 13(4): 441-474.
- Torsten Persson and Guido Tabellini, 2004, “Constitutions and Economic Policy” *Journal of Economic Perspectives*, 18(1): 75 –98.
- James E. Alt and David D. Lassen, 2008, “Political and Judicial Checks on Corruption: Evidence from American State Governments” *Economics & Politics* 20(1): 33 –61.

### 6. Institutions of the Welfare State (11/1)

- Gosta Esping-Anderson, 1990. *The Three Worlds of Welfare Capitalism*, Ch.1~2
- Peter Hall and David Soskice. 2001. “An Introduction to Varieties of Capitalism” in Peter Hall and David Soskice, eds., *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*.

- Torben Iversen and Anne Wren, 1998, "Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy," *World Politics*, 50(4):507-546.
7. Institutions and Tax Policy (11/8)
- Sven Steinmo, 1989, "Political Institutions and Tax Policy in the United States, Sweden, and Britain" *World Politics* 41(4): 500 - 535.
  - Thomas R. Cusack and Pable Beramendi, 2006, "Taxing Work", *European Journal of Political Research* 45 (1): 4373.
  - Thomas Piketty and Emmanuel Saez, 2007, "How Progressive is the U.S. Federal Tax System? A Historical and International Perspective," *Journal of Economic Perspectives* 21(1): 3 -24.
8. American Exceptionalism (11/15)
- Theda Skocpol, 1995, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in United States*, pp.1 – 62.
  - Jacob S. Hacker, 1998, "The Historical Logic of National Health Insurance: Structure and Sequence in the Development of British, Canadian, and U.S. Medical Policy," *Studies in American Political Development*, 12: 57–130.
9. Institutions and Inequality (11/22)
- Ronald Rogowski and Duncan C. MacRae, "Ch. 11. Inequality and Institutions: What Theory, History, and (Some) Data Tell Us" In *Democracy, Inequality, and Representation: A Comparative Perspective*.
  - David Rueda and Jonas Pontusson, 2000. "Wage Inequality and Varieties of Capitalism" *World Politics* 52(3): 350-383.
  - Jacob S. Hacker and Paul Pierson, 2010, "Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States" *Politics & Society* 38: 152
10. Presentation of Research Papers (11/29)
11. Final paper due (12/6)

**ADA Accomodations:** Any student who, because of a disability, may require special arrangements in order to meet course requirements should contact me as soon as possible to make necessary arrangements.