

CSS 391: Senior Colloquium
POLITICAL ECONOMY
Fall 2016 WF 2:40-4pm

Prof. Gil Skillman
325 PAC x2359

Hours: Th 1:30-3
and by appointment.

This course studies political economy from the vantage point of a broader distinction between the *public* and *private* spheres of social life: we consider what that distinction might mean and how it matters, how the two spheres are manifested and interrelate in actual societies, and how the appropriate or “optimal” boundary between the two spheres might be determined. There are a number of lines of social inquiry out there that touch on this distinction. Perhaps none of them fits exactly with our purposes in this course, but the analytical framework of *game theory* will serve, in a broad way, as the foundation for our inquiries.

One difficulty in conducting this course is that the class is relatively large for the intended “colloquial” format. We’ll accommodate this difficulty by combining interactive lectures (at first) with instructor-facilitated class discussions. In any case, broad-based student involvement in discussing the material is essential to making the course work, so class participation will count for 10% of the course grade. Regular attendance is strongly encouraged although not required. Absences necessitated by medical and family emergencies or employment interviews will of course be completely excused. If you do choose to attend class, *please show up on time*, as late arrivals impair focus and disrupt the flow of discussion.

Course evaluation will also be based on a series of “opportunities for focused thought” (OFTs) (40%), a group presentation (25%), and a 15-20 page term paper (25%). Group presentations will take place in the last two weeks of class, during which the four regular class periods will be supplemented with a class outside the regular slot. Final papers are due on Friday, December 16th by 6 pm. You have an automatic extension to Saturday, December 17th no later than 6 p.m., without penalty. If I receive your project any time between Saturday at 6 pm and Sunday at noon, it receives a five-point penalty. After that there will be an additional penalty of one point off per hour or fraction thereof. Please send me your final paper as an e-mail attachment.

The course will proceed as follows. It’s my responsibility to inform you of the material to be covered for each upcoming week, and to indicate the key questions that are likely to be addressed. Please plan to have the indicated readings done before they are taken up in class.

Required Texts:

Daron Acemoglu and James Robinson, *Economic Origins of Dictatorship & Democracy*

Daron Acemoglu and James Robinson, *Why Nations Fail*

Kaushik Basu, *Prelude to Political Economy*

Albert Hirschman, *Exit, Voice, and Loyalty*

Robert Nozick, *Anarchy, State, and Utopia*

John Rawls, *Justice as Fairness: A Restatement*

Paul Seabright, *The Company of Strangers*

All of these texts will be available for purchase at Broad Street Books. Additional readings will be made available by suitable means, e.g. via the course Moodle page or distributed directly to your CSS mailboxes. I reserve the right, with due notice, to add required texts as deemed appropriate for the evolving needs of the course.

Disability Resources and Accommodations: Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in and benefit from its programs and services. To receive accommodations, a student must have a documented disability as defined by Section 504 of the Rehabilitation Act of 1973 and the ADA Amendments Act of 2008, and provide documentation of the disability. Since accommodations may require early planning and generally are not provided retroactively, please contact Disability Resources as soon as possible. If you believe that you need accommodations for a disability, please contact Dean Patey in Disability Resources, located in North College, Room 021, or call 860/685-5581 for an appointment to discuss your needs and the process for requesting accommodations.

Course Outline

I. A Framework for the Study of Political Economy

A. Explaining and Assessing Social Outcomes

Basu: Preface, 1; Introduction; Blaut, *The Colonizer's Model of the World*: 2; Acemoglu and Robinson, *Why Nations Fail*, 1-2

B. Social Interactions as Games

Poundstone, *Prisoner's Dilemma*: 3; Basu: 2.1-2.3, 4.5; Skillman: "Social Situations as Games" and "Equilibrium in Rational Choice and Evolutionary Games"; Cooper, *Coordination Games*: Preface, 1; Dixit and Skeath, *Games of Strategy*, 13.

Poundstone, *Prisoner's Dilemma*: 6; Dixit and Skeath, *Games of Strategy*: 3,6; *Economic Applications* 4, 5, 17.1-17.4; Taylor, *The Possibility of Cooperation*: 3, 4.

C. Public and Private Games

Skillman, "Public and Private Spheres of Social Interaction"; Basu: 6; Hirschman 1-4, 9; Papandreou, *Externalities and Institutions*: 2, 3

Basu, 9, 10; Arrow, "A Difficulty in the Concept of Social Welfare"; Rawls, Part I; Haidt, *The Righteous Mind*, Part I; Nozick, 3, 7; Arrow, *Social Choice and Justice*, 8, 13; Elster, "The Market and the Forum: Three Varieties of Political Theory"

II. Articulation of Political and Economic Institutions

A. Social Norms and Institutions

1. Social Norms

Basu: 4; Elster, *The Cement of Society*: 3; Seabright, 2-5; Stout, “Social Norms and Other-Regarding Preferences”; Sacco, “On the Dynamics of Social Norms”; Bicchieri, *Rationality and Coordination*: 6; Bowles and Gintis, *A Cooperative Species*, 3; Strimling and Eriksson, “Regulating the Regulation: Norms about Punishment”

2. Institutions

Why Nations Fail, 4, 6; Aoki, *Toward a Comparative Institutional Analysis*: 1, 7; Ostrom, *Governing the Commons*: 2,3; Ostrom, *Understanding Institutional Diversity*: 1, 3; Greif, *Institutions and the Path to the Modern Economy*, 5,6

B. Property and Markets

Haddock, “Force, Threat, Negotiation: The Private Enforcement of Rights”; Aoki, *Toward a Comparative Institutional Analysis*: 2; Dixit, *Lawlessness and Economics*: 3, 5.1-5.2; Greif, *Institutions and the Path to the Modern Economy*, 3; Seabright, 6; Milgrom *et al.*, “The Role of Institutions in the Revival of Trade;” *Why Nations Fail* 3

C. Emergence of the State

Basu: 8; Michael Taylor, *The Possibility of Cooperation*, 6; Aoki, 3; Dixit, 5.4; John Gledhill, “Introduction: the comparative analysis of social and political transitions” in *State and Society: The Emergence and Development of Hierarchy and Political Centralization*; Nozick, Chs. 5-6; *Chiefdoms: Power, Economy and Ideology*, Chs. 1-2; Cohen, “Introduction” and Service, “Classical and Modern Theories of the Origin of the State”; Carneiro, “Political Expansion as an Expression of Competitive Exclusion”

III. Development of Political and Economic Institutions

A. Rule of Law and the Modern State

Basu, 5; Barry Weingast, “The Political Foundations of Democracy and the Rule of Law”; Brennan and Buchanan, *The Reason of Rules*: 1-2

B. Liberalization and Capitalism

Heilbroner, *The Making of Economic Society*: 2, 3; Seabright, *The Company of Strangers*: 8-12; ; Przeworski, *Democracy and the Market*: 2, 54-66; Riker and Weimer, “The Political Economy of Transformation: Liberalization and Property Rights;” *Why Nations Fail*: 5, 7-10.

C. Democratization

Rueschemeyer, Stephens & Stephens, *Capitalist Development and Democracy*, Chs. 1-3; Acemoglu and Robinson, *Economic Origins of Dictatorship and Democracy*; Boix, *Democracy and Redistribution*; Dahl, *Democracy and Its Critics*: 16-18; Przeworski, *Democracy and the Market*: 2, 66-99; Dunning, *Crude Democracy*: 3-4.
Arrow, "A Difficulty in the Concept of Social Welfare"; Elster, "The Market and the Forum: Three Varieties of Political Theory";

IV. Political-Economic Systems

A. Modes of Political Economy

Wilensky, *Rich Democracies*, 2; Tsai, *Accountability without Democracy*; Streek and Yamamura, *The Origins of Nonliberal Capitalism*; Ktschelt and Wilkonson, *Patrons, Clients, and Policies*; Pontusson, *Inequality and Prosperity*

B. Social and Economic Influences on Democracy

Putnam, *Making Democracy Work*: 1-4; Lily Tsai, *Accountability without Democracy*
Bartels, *Unequal Democracy*: 9

C. Political Influences on Growth and Development

Sen, *Development as Freedom*: 6-8; Wydick, *Games in Economic Development*: 9, 10
Gradstein and Konrad, "The Development Puzzle"; *Why Nations Fail* 11-15

Group formation and individual topic proposals due Friday, November 4th

V. Global Political Economy (2 weeks)

A. Globalization and National Sovereignty

David Held, *Democracy and the Global Order*; Nathan Jensen, *Nation-States and the Multinational Corporation*; Basu, *Beyond the Invisible Hand*: 9, 10. Seabright 16,17

B. International Political and Economic Relations

Keohane, *After Hegemony*; Stephen Pinker, *The Better Angels of Our Nature*

Group Presentations: November 28th through December 9th.