

# Introduction to Political Economy

POLS1465 - Spring 2021

Professor: David Skarbek  
Email: david\_skarbek@brown.edu  
Office hours: Fridays at 3pm  
Seminar times and location: MWF 2-2:50pm on zoom

## Learning Goals and Objectives:

This class investigates topics in political economy. Scholars working in political economy do so with several valuable approaches, including grand historical narratives, detailed studies of economic regulation, formal models of politics, and comparative institutional analysis. This class focuses on comparative institutional approaches – understanding how institutions and mechanisms structure and affect economic and political activities – with a dash of simple formal models along the way.

We will discuss a collection of models and mechanisms to understand how individuals and groups respond to a variety of social dilemmas and to see how these change under varying institutional settings. We will discuss the collective action problem, prisoner’s dilemma, coordination problem, knowledge problem, preference falsification, path dependence, information cascades, signaling theory, sorting models, Arrow’s impossibility theorem, and voting models.

## Course Time Allocation:

Over 14 weeks, students will spend 3 hours per week in class (42 hours total), 3 hours preparing for, and participating in, discussion section (42 hours), 5 hours per week doing course reading, weekly assignments, and other out-of-class work (70 hours total). The paper will require a minimum of 30 hours of work (30 hours total).

## Assessment:

50% - discussion papers. You will submit four discussion papers. Each one should briefly summarize that week’s topic / readings and raise several questions. You can choose which weeks to do. These discussion papers should identify the central arguments and themes in the reading, evaluate the strengths and weaknesses in the arguments and evidence presented, assess whether or not the reading fosters greater understanding of the topic, and highlight discussion questions for the seminar that emerge from the reading. Each paper should be about 3 to 4 double-spaced pages. Email it to me at least 24 hours before our discussion.

50% - final paper. You will write a 10-15 page paper that applies one of the ideas / models / mechanisms that we’ve learned in class to a new example found “in the wild.”

## Schedule

I will post the **lectures** on Canvas.

We will have **discussions** on Fridays at 2pm EST on zoom.

Please complete **activities** before that week's discussion.

### Week 1: Introduction and Methods

#### Readings:

Heath, J. (2006). "The Benefits of Cooperation" *Philosophy & Public Affairs*.

Madestam et al. (2013). Do political protests matter? Evidence from the tea party movement. *The Quarterly Journal of Economics*.

McCloskey, D. (2016). The Formula for a Richer World? Equality, Liberty, Justice. *New York Times*.

January 20: **Lecture**

January 22: **Lecture**

### Week 2: The Collective Action Problem

#### Readings:

Olson, M. (1965). *The Logic of Collective Action: Public Goods and the Theory of Groups*. Chapters 1 and 2.

Lichbach, M. I. (1994). Rethinking rationality and rebellion: theories of collective action and problems of collective dissent. *Rationality and Society*.

Wasow, O. (2020). Agenda Seeding: How 1960s Black Protests Moved Elites, Public Opinion and Voting. *American Political Science Review*.

January 25: **Lecture**

January 27: **Lecture**

January 29: **Discussion**

### Week 3: Prisoner's Dilemma

#### Readings:

Axelrod, R. (1984). *The Evolution of Cooperation*. Chapters 1, 2, and 4

Bicchieri, C., & Sontuoso, A. (2015). I cannot cheat on you after we talk. *The Prisoner's Dilemma*.

February 1: **Activity** - <https://ncase.me/trust/>

February 3: **Lecture**

February 5: **Discussion**

### Week 4: Tragedy of the Commons & Coordination Problems

#### Readings:

Hardin, G. (1968). The Tragedy of the Commons. *Science*.

Ostrom, E. (2000). Collective Action and the Evolution of Social Norms. *Journal of Economic Perspectives*.

Leeson, P. T. (2010). Pirational choice: the economics of infamous pirate practices. *Journal of Economic Behavior & Organization*.

February 8: **Activity** - <https://99percentinvisible.org/episode/h-day/>

**Activity** - <http://www.bbc.co.uk/programmes/b037hmwr>

February 10: **Lecture**

February 12: **Discussion**

## Week 5: Preference Falsification

### Readings:

Kuran, T. (1997). *Private Truths, Public Lies: The Social Consequences of Preference Falsification*. Chapters 1 and 2.

Loury, G. (1994). Self-censorship in public discourse: A theory of “political correctness” and related phenomena. *Rationality and Society*.

February 15: No Class Held.

Optional Activity – <https://www.breaker.audio/rationally-speaking/e/29292106>

February 17: Lecture

February 19: Discussion

## Week 6: Availability Cascades, Conspiracy Theories, & Threshold Effects

### Readings:

Kuran, T., & Sunstein, C. (1998). Availability cascades and risk regulation. *Stanford Law Review*.

Sunstein, C. R., & Vermeule, A. (2009). Conspiracy theories: Causes and cures. *Journal of Political Philosophy*.

Gladwell, M. (2015). Thresholds of Violence: How School Shootings Catch On. *The New Yorker*.

February 22: Activity - <https://ncase.me/crowds/>

February 24: Lecture

February 26: Discussion

## Week 7: Signaling Theory, Sorting, and Self-Fulfilling Prophecies

### Readings:

Schelling, T. (2006). *Micromotives and Macrobehavior*. Chapters 4 and 5.

Biggs, M. (2009). Self-fulfilling prophecies. *The Oxford Handbook of Analytical Sociology*.

Lupton, D. L. (2018). Signaling resolve: Leaders, reputations, and the importance of early interactions. *International Interactions*.

March 1: **Lecture**

March 3: **Activity** - <https://ncase.me/polygons/>

March 5: **Discussion**

## Week 8: Winner-take-all Markets & Path Dependence

### Readings:

Frank, R. & Cook, P. (1996). *The winner-take-all society: Why the few at the top get so much more than the rest of us*. Chapters 1 and 2.

Anderson, C. (2004). The long tale. *Wired*.

Pierson, P. (1997). Path dependence, increasing returns, and the study of politics. *American Political Science Review*.

Liebowitz, S. J., & Margolis, S. E. (1990). The fable of the keys. *The Journal of Law and Economics*.

March 8: **Lecture**

March 10: **Discussion**

March 12: **Discussion**

## Week 9: Choosing in Groups

### Readings:

Buchanan, J. M. (1954). Individual choice in voting and the market. *Journal of Political Economy*.

DeCanio, S. (2014). Democracy, the market, and the logic of social choice. *American Journal of Political Science*.

Achen, C. H., & Bartels, L. M. (2017). *Democracy for realists: Why elections do not produce responsive government*. Chapters 1 and 2.

March 15: **Lecture**

March 17: **Activity** - <https://ncase.me/ballot/>

March 19: **Discussion**

## Week 10: Market Failure

### Readings:

Friedman, D. (1990). "Market Failures" *Price Theory*.

Roth, A. (2007). Repugnance as a Constraint on Markets. *Journal of Economic Perspectives*.

Schaeffer, E. C. (2008). Remittances and Reputations in Hawala Money-Transfer Systems: Self-Enforcing Exchange on an International Scale. *Journal of Private Enterprise*.

March 22: **Activity** - <https://vimeo.com/190024419>

March 24: **Lecture**

March 26: **Discussion**

## Week 11: Government Failure

### Readings:

Achen, C. H., & Bartels, L. M. (2017). *Democracy for realists: Why elections do not produce responsive government*. Chapters 3 and 4.

Weaver, V. M., & Lerman, A. E. (2010). Political consequences of the carceral state. *American Political Science Review*.

Hinton, E., & Cook, D. (2020). The Mass Criminalization of Black Americans: A Historical Overview. *Annual Review of Criminology*.

March 29: **Lecture**

March 31: **Discussion**

April 2: **Discussion**

## Week 12: Gerrymandering

### Readings:

Beitz, C. R. (2018). How Is Partisan Gerrymandering Unfair? *Philosophy & Public Affairs*.

April 5: **Activity** - <http://www.redistrictinggame.org/game.php>

April 7: **Discussion**