

Political Science 287/287W/487: Theories of Political Economy

Instructor: James Johnson ☞ Fall Semester 2013

Office Hours: Th 1:30-3:00 ☞ Harkness 312

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This course is something of an experiment. We will try to do the following:

[i] why, in substantive terms, politics is more fundamental than economics, and

[ii] why the approach to inquiry that economists adopt nonetheless is useful for illuminating political phenomena.

We will do those things by reading and discussing the work of some extremely accomplished economists. Each and every one of the readings for the course will be by individuals (nearly all men) who have won the Nobel Prize in economics. (See <http://www.nobelprize.org/nobelprizes/economic/>)

Two immediate caveats are in order. First, this is not an economics course. Second, you don't need any economics to take this course. It will help if you've had some. And I hope your work here will encourage you to go take some economics.

Among the topics we will take up are: the historical trajectory of political economy; the use of models; and the aims of political economic inquiry.

General requirements: Several matters are important. First, this is not a technical course. I expect you to come to class and to explain what you miss class if need be. Reading will be difficult, but there are generally not technical details to be read. Indeed, we will not dwell overly much on technical matters.

Third, there are two written assignments for the course. These are take home exams to be distributed and due on the dates indicated on the syllabus. Full instructions for the assignments will be provided at the time of the exam. But you can anticipate having to respond to two questions and to write about eight standard typed pages (total) for each exam. Fourth, please note the dates of these exams now. Except under the most dire of circumstances, *I will not accept late exams.* Finally, your grade for the course will reflect your performance on written assignments (I will weight them equally) with class participation considered as an additional factor of the margin. Smart, regular participation will get you bumped up.

topic that you work out in consultation with me. *You should contact me early in the term (during office hours, preferably) to get started on this.*

N.B.: I will meet graduate students enrolled in PSC 487 for additional group sessions periodically (scheduling to be determined) to discuss some additional readings. I will expect you to produce short response papers on readings for these sessions.

Books (marked *) have been ordered at the IIP Bookstore but should be available
from your preferred supplier as well. Other readings will be available
Blackboard page

Section I: What Do Economists Study? How Do They Study It? And What Does that Have To Do With Political Theory?

Robert Solow. 1997. "How Did Economics Get That Way and What Way Did It
Get?" *Daedalus* 126:39-58.

Milton Friedman. 1953. "The Methodology of Positive Economics." In *The
Philosophy of Economics*. Ed. Daniel Hausman. Cambridge IIP. 2009
Pages 145-78.

Gary Becker. 1976. "The Economic Approach to Human Behavior." In *The Economic
Approach to Human Behavior*. University of Chicago Press. August 1977.

* Thomas Schelling. 1978. *Micromotives and Macrobehavior*. W.W. Norton
Chapters 1-3.

Amartya Sen. 1977. "On Ethics and Economics." *Philosophy & Public Affairs* 6:317-324.

Gary Becker. 1976. "A Theory of Social Interactions." In *The Economic Approach to
Human Behavior*. University of Chicago Press. Pages 253-81.

Amartya Sen. 1990. "More Than 100 Million Women Are Missing?" *New York
Journal of Books & Reviews* 22(1).

Amartya Sen. 1990. "Gender and Economic Cooperation." In *Gender and
Economic Cooperation*. Ed. Irene Tinker. Oxford University Press. Pages 123-49.

Section II: Thinking About Markets & Their Limits

Kenneth Arrow. 1974. "General Economic Equilibrium." *American
Economic Review* 64(1):1-10.

August von Hayek. 1945. "The Use of Knowledge in Society." *American
Economic Review* 35:519-530.

Kenneth Arrow. 1994. "Methodological Individualism & Social Knowledge,"
American Economic Review 84(2):1-9.

* David Foray. 1999. *The Firm's Contractual Structure*. Harvard
Chapters 1,2,5,6,7.

George Akerlof. 1970. "The Market for Lemons." *The Quarterly Journal of
Economics* 84: 488-500.

Joseph Stiglitz. 2002. "Information and the Change in the Paradigm in Economics."
American Economic Review 92(3): 460-501.

Section III: Strategic Interaction

Robert M. Emerson, 2007. *Peace and War*. In *The American Political Science Association Studies Institute*, U.S. Army War College, Carlisle, PA).

Robert Aumann, 2006. "War & Peace," *Proceedings of the National Academy of Sciences* 103(46): 17075-78.

* Thomas Schelling, 1978. *Micromotives and Macrobehavior*. W.W. Norton. Chapters 4-8.

* Thomas Schelling, 1960. *The Strategy of Conflict*. Harvard University Press.

Debraj Mookherjee, 2000. "Learning from Civil War: A Theory of Civil War." *Journal of Economic Literature* 47:1109-1125.

Section IV: Political Economy Institutions

Douglas North, 1990. *Institutions, Institutional Change & Economic Performance*. Cambridge University Press.

* Elinor Ostrom, 1990. *Governing the Commons*. Cambridge University Press.

Section V: Well-Being & Measurement

* Amartya Sen, 1999. *Development as Freedom*. Knopf.

Joshua Sigmund, et al. 2010. *Measuring the Lives of the Poor*. Russell Sage New Press.

Class Schedule

We will *aspire* to keep to this schedule of readings

September

3 - Introduction
5 - Solow

10 - Friedman; Becker
12 - Schelling; Sen

17 - Becker; Sen
19 - Arrow

24 - Hayek; Arrow
26 - Coase

October

1 - Coase
3 - Akerlof; Stiglitz

8 - Fall Break, No Class
10 - Catch Up

15 - Myerson, Aumann
Mid-Term Distributed

17 - Myerson; Aumann

22 - Schelling
Mid-Term Due

24 - Schelling

29 - Catch Up
31 - Hayek

November

5 - Hayek
7 - North

12 - North
14 - Ostrom

19 - Ostrom
21 - Sen

26 - Sen
28 - Thanksgiving, No Class

December

3 - Sen
5 - Stiglitz

10 - Stiglitz
12 - Catch Up
Final Exam Distributed

19 - Final Exam Due (Noon)