POSC 435: Politics and the Economy  
Spring 2019  
Last update: January 10, 2019  
School of International Relations  
University of Southern California

Lectures: TTh 12:30-1:50pm, VKC 152

Instructor: Prof. Tyson Roberts  
email: tysonrob@usc.edu  
Office Hours: W 10am-12pm  
Office: VKC 313

This syllabus is current as of the version date above. It is subject to change. You will be notified in class and/or by e-mail whenever the syllabus is updated. The current version of the syllabus will always be posted on Blackboard.

Course Description and Objectives
This class studies the relationship between politics and the economy, with primary focus on how politics generates policy choices that in turn affect economic outcomes such as national income level, income inequality, and sustainable development. To a lesser degree, we will examine how the economy affects politics, such as how income inequality affects policy choices such as tax rates and the welfare state.

Students will learn a number of analytical techniques and theoretical models to answer questions such as how governments can promote economic growth and reduce poverty, why some governments control the economy and what are the effects of those choices, and why countries have different policies regarding the environment.

Course Requirements and Grading

- Attendance, Participation, and Classroom Assignments: 20%
- Research Memo and Presentation: 20%
- Midterm: 25%
- Final Exam: 35%

Participation and Classroom Assignments
Students are expected to complete all assigned readings, videos, and podcasts before coming to lecture. In general, the professor will not present material that was assigned in the readings. Instead, lecture time will largely be devoted to applying the readings to review questions, analytical exercises, abbreviated research projects, debates, and related activities. Some of these activities will be individual but most will be done in pairs or small groups. In most weeks, some of these groups will be asked to present their analysis or research conclusions. Some of the activities will be graded based on performance, others will be graded based on completion. In addition, the midterm and exam questions will draw closely from the classroom assignments.

Some classroom assignments will include questions PollEv.com/sir211. You can visit it from your laptop or smartphone during class. To make sure your answers are recorded, register using your USC email address. More details will be provided during the first week of class. Every time you complete a quiz, you will need to log in first.
Research Memo and Presentation
In the final week, groups of 2-4 students will research in greater detail a topic from class, or a closely related topic, and present their analysis to the class. Details to follow…

Exams
The midterm and final exam will be in-class and will cover all readings/videos/podcasts assigned for the class. Students will be allowed to have a one-page “cheat sheet” for each exam. The exams will primarily cover questions or topics from the Classroom Assignments. Extra credit questions may cover material from beyond the Classroom Assignment topics.

Recommended Textbooks
There are no required textbooks for the class; all readings will be made available on Blackboard. However, there are a few textbooks from which we will be reading a number of chapters, and students may find it helpful to purchase the book to read related chapters.

  The course is largely organized around this book and most of the book is assigned as optional, if not required, reading. However, the book is targeted toward graduate students that have taken advanced math classes. The required excerpts from the book will be made available on Blackboard.
- Clark, Golder and Golder (CG&G). 2018. Principles of Comparative Politics
  We’ll read a few chapters and some shorter excerpts from these undergraduate-level textbooks, which is written for IPE and Introduction to Comparative Politics courses and includes several topics relevant for this class. Required readings will be available on Blackboard; students who wish to read the optional readings or other related sections should purchase the textbooks.

Americans with Disabilities Act
Students requesting accommodations based on disability are required to register with Disability Services and Programs each semester. A letter of verification for approved accommodations can be obtained from DSP when adequate documentation is filed. Please be sure the letter is delivered to me as early in the semester as possible. DSP is open Monday-Friday 8:30-5:00. The office is in Student Union 301 and their phone number is 213-740-0776. Students must make their request in the stipulated period prior to an exam.

Policy on Academic Ethics and Honesty
Academic honesty is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person’s work has been responsibly and honorably acquired, developed and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards academic dishonesty as an extremely serious matter, with serious consequences. When in doubt about plagiarism, paraphrasing, quoting or collaboration, consult your teaching assistant. For more information on USC policies regarding student integrity and plagiarism, see http://dornsife.usc.edu/usc-policies/#plagiarism.
Course Schedule

Week 1: What is Political Economy? (Jan. 8-10)
Due Thursday:
- O’Neil, Essentials of Comparative Politics, 6th ed., Chapter 4, pp. 96-132.

Week 2: How can the economic activities of millions be coordinated? (Jan. 15-17)
Due: Tuesday:

Due Thursday:
- Peter A. Hall and David Soskice, “An Introduction to Varieties of Capitalism,” Varieties of Capitalism, Chapter 1.1-1.2.2, pp. 1-9.

Week 3: How do markets affect prosperity? (Jan. 22-24)
Due Tuesday:
- OPTIONAL:
  - If the Oatley reading above wasn’t clear, be sure to watch Khan Academy. Microeconomics > Product possibilities frontier and Comparative advantage and gains from trade

Due Thursday:

Week 4: When do markets fail? (Jan. 29-31)
Due Tuesday:
- Przeworski. (2003). Chapter 2.4-2.5, pp. 28-41. (Skim over the math)
- Khan Academy. Microeconomics > Public Goods and Externalities
• OPTIONAL:

Due Thursday:
• The Economist. (2009). “Universal health insurance is a common good.”
• The Economist. (2002). “Never the twain shall meet.”
• The Economist. (2016). “Pigouvian Taxes.”

**Week 5: What is the role of the state in the economy?** (Feb. 5-7)
Due Tuesday:
• Przeworski. (2003). Chapter 5.1-5.3, pp. 79-85

Due Thursday:

**Week 6: Why do states restrict markets?** (Feb. 12-14)
Due Tuesday:
• Oatley 5th ed. Trade Policy Preferences and Organizing Interests, pp. 69-80.
• The Economist. (2017). “The University of Chicago worries about a lack of competition.”
• OPTIONAL:
  o Przeworski. (2003). Chapter 6

Due Thursday:
• The Economist. (2015). “How weak regulation is helping to build corporate kingdoms in America.”
• The Economist. (2018). “Which American industries are most in danger of monopoly?”
Week 7: How can states promote development? (Feb. 19-21)
Due Tuesday:
- Oatley 5th ed. States and Industrial Policy, pp. 89-103.
- Khan Academy. Microeconomics > Positive externalities of innovation
Due Thursday:
    - Chapter 1: Fifty Years of Growth (and Lack Thereof), pp. 14-55.
    - Institutions for High Quality Growth, pp. 153-161.
  - The Economist. (2018). *What governments can do for the losers from free trade.*

Week 8: Review and Midterm (Feb. 26-28)

Week 9: What do rulers want, and how does that affect their economies? (Mar. 5-7)
Due Tuesday:
- Przeworski. (2003). States and Markets, Chapter 5.4-5.5, Chapter 8
Due Thursday:

SPRING BREAK

Week 10: How do individuals who disagree make decisions that affect the group? (Mar. 19-21)
Due Tuesday:
- CGG, 3rd ed., Chapter 11, pp. 410-441
- OPTIONAL: Przeworski. (2003). Chapter 10.1-10.4.1
Due Thursday:
- Oatley 5th ed. Trade Bargaining and Enforcing Agreements, pp. 53-67

Week 11: How can those who are elected by a part rule on behalf of all? (March 26-28)
Due Tuesday:
- Przeworski. (2003). Chapter 7
• CGG 3rd edition, Chapter 12 excerpts: pp. 453-458, 468-475, 499-511

Due Thursday:
• CGG 3rd edition, Veto Players, pp. 679-688
• The Economist. (2008). “Order in the jungle.”
• Dylan Matthews. (2013). “The shutdown is the Constitution’s fault.”

Week 12: How do different governments address poverty and inequality? (Apr. 2-4)
Due Tuesday:
• OPTIONAL:
  o Przeworski. (2003). Chapter 10.4.2-10.5

Due Thursday:
• O’Neil. Political Parties and Electoral Systems, pp. 156-165
• Oatley. (2012). Political Institutions and the supply of trade policy, pp. 81-86.
• Hall and Soskice, “An Introduction to Varieties of Capitalism.” Chapter 1.2.6, pp. 17-22.

Week 13: How do governments address economic recessions? (Apr. 9-11)
Due Tuesday:
• Keynes vs. Hayek: https://www.youtube.com/watch?v=d0nERTFo-Sk
• Oatley 5th ed. A society-centered approach to monetary and exchange-rate policies, pp. 249-272
• The Economist. (2016). “Where does the buck stop?”
• The Economist. (2016). “Two out of three ain’t bad.”

Due Thursday:
• Oatley 5th ed. Chapter 12: A state-centered approach to monetary and exchange-rate policies, pp. 273-297
• NPR Planet Money. 2103. Episode 421: The birth of the dollar bill.

Week 14: Research topic development and design (April 16-18)

Week 15: Student presentations (April 23-25)

May 8: Final Exam, 2-4pm