JSGS 862 – Political Economy

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<th>UNIVERSITY OF REGINA CAMPUS</th>
<th>UNIVERSITY OF SASKATCHEWAN CAMPUS</th>
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<tr>
<td>INSTRUCTOR: Murray Fulton</td>
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<tr>
<td>PHONE: (306) 966-8507</td>
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<tr>
<td>E-MAIL: <a href="mailto:Murray.Fulton@usask.ca">Murray.Fulton@usask.ca</a></td>
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<td>OFFICE HOURS: By appointment</td>
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<td>OFFICE LOCATION: JSGS Main Office, Diefenbaker Building</td>
<td>Term 2 (Winter)</td>
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<td>ROOM: Canada Room</td>
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<td>DATE AND TIME: Tuesday — 1:00 pm – 4:00 pm</td>
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**CALENDAR DESCRIPTION**

Focuses on the politics of aggregating individual decisions into collective action, revealing the difficulty of formulating and implementing public policy broadly construed. The course readings emphasize formal approaches to this subject, while the assignments and discussion emphasize their application to real problems.

**LEARNING OBJECTIVES**

JSGS has developed a set of six competencies that all graduates will be able to demonstrate in their JSGS 884 portfolio. The specific readings, assignments and activities in JSGS 862 will help you both acquire and demonstrate the ability to:

- Understand how economic and political factors interact to create and determine the effect of policy
- Think critically and analytically about policy problems and issues from a political economy perspective
- Analyze policy problems using theories of political economy
- Communicate information and analyses critically and effectively
ATTRIBUTES OF JSGS GRADUATES

1. Management, Governance, and Leadership: Ability to inspire support for a vision or course of action and successfully direct the teams, processes, and changes required to accomplish it.
2. Communication and Social Skills: Ability to communicate effectively and build enduring, trust-based interpersonal, professional relationships.
3. Systems Thinking and Creative Analysis: Ability to identify key issues and problems, analyze them systematically, and reach sound, innovative conclusions.
4. Public Policy and Community Engagement: Ability to understand how organizational and public policies are formulated, their impact on public policy and management and how to influence their development.
5. Continuous Evaluation and Improvement: Commitment to on-going evaluation for continuous organizational and personal improvement.
6. Policy Knowledge: Ability to analyze and contribute content to at least one applied policy field.

COURSE CONTENT AND APPROACH

The purpose of this course is to provide a framework to analyze political and economic behaviour. The course uses concepts from economics and political science (e.g., collective action problems, voting models, the Coase theorem) to construct a conceptual model of how policy and institutional choices affect and are affected by economic and political factors. In this conceptualization, political and economic institutions (e.g., courts, legislatures, corporate governance structures) are understood to be endogenously determined. This model is then used to examine contemporary topics such as tax cuts, health care policy and climate change policy.

A key goal of this course is to develop a structure by which the connection between the economic and the political spheres of a country can be understood. Among the questions considered are: How is decision making in the political and economic spheres conceptualized? What impact does the economic system have on political institutions and developments? What role do political institutions and developments have on economic performance?

The material in this course is built on a number of building blocks:

- The need to integrate the micro foundations of individual behaviour of voters and government decision makers (e.g., legislators, bureaucrats) with the macro behaviour that is observed at the government or country level;
- The need to understand the impossibility of maximizing social welfare;
- The key role of collective action problems and the role of government in addressing them;
- The role of political institutions in influencing economic decisions and the role of economic factors (e.g., growth, income inequality) in influencing political decisions;
- The role of time and temporal processes in explaining economic and political decisions; and
• The role of economic and political power in the performance of an economic and political system.

COURSE OUTLINE AND ASSIGNMENTS

• **Introduction** (Week 1 – January 9, 2018)
  
  Handbook, Chapter 1 – Weingast and Wittman
  
  Handbook, Chapter 37 – Acemoglu and Robinson

• **The Economic Perspective: Maximizing the Size of the Pie**

  **Property Rights and The Rational Group** (Week 2 – January 16, 2018)
  

  Co-cooperation and Coordination Problems (Week 2 – January 16, 2018)
  
  Weber, Roberto A. 2012. *Organizational Coordination: a Game-Theoretic View*. Department of Social and Decision Sciences, Carnegie Mellon University. [http://repository.cmu.edu/cgi/viewcontent.cgi?article=1017&context=sds](http://repository.cmu.edu/cgi/viewcontent.cgi?article=1017&context=sds)


  Class notes on the Prisoners’ Dilemma

  Class notes on public goods, toll goods, and common property goods.

3. **The Political Perspective: Dividing the Pie**

  **Objective Functions for a Group** (Week 3 – January 23, 2018)
  


  Handbook, Chapter 22 – Saari.

  Saari, D.G. *Decisions and Elections: Explaining the Unexpected*. Cambridge University Press:


  Mann, Thomas E. 2016. Too much or too little democracy? Some reflections on *Democracy for Realists*.
  
4. The Response to Decline (Week 4 – January 30, 2018)

5. The Nature of Institutions (Week 4 – January 30, 2018)
6. Constitutions – An institutional solution to collective action problems (Week 5 – February 6, 2018)
Readings: Handbook, Chapter 16 – Hardin

7. Pivot voters and legislators – Institutions and the stability of the status quo (Week 5 – February 6, 2018)
Handbook, Chapter 12 – Krehbiel

http://www.jstor.org/stable/2777096

9. Indigenous political economy (Extra Class, 2018)
http://digitalcommons.osgoode.yorku.ca/cgi/viewcontent.cgi?article=1196&context=clpe
Alcantara, Christopher. 2007. Reduce transaction costs? Yes. Strengthen property rights? Maybe: The

10. Corruption and rent seeking (Week 8 – March 6, 2018)


11. Varieties of capitalism, political power and corporate control (Week 9 – March 13, 2018)


12. Institutions – Structure, agents and change (Week 10 – March 20, 2018)


13. Institutions for Good Public Policy (Week 11 – March 27, 2018)


Handbook, Chapter 17 – Przeworski
Handbook, Chapter 33 – Iversen
Handbook, Chapter 37 – Acemoglu and Robinson


PODCASTS AND THINGS


CBC Ideas Podcast – Reflections on Global Affairs: Is the world really falling apart?
http://www.cbc.ca/radio/ideas/reflections-on-global-affairs-is-the-world-really-falling-apart-1.3898134


New York Times


How Stable Are Democracies? ‘Warning Signs Are Flashing Red’

Hungar Without Two Thirds.

The New Dictators Rule by Velvet Fist.

Can Clinton or Trump Recapture Robust American Growth?

Vox

Maclean’s Magazine

The Economist
Lobbying: Grey eminences – How companies try to influence governments.

The Globe and Mail
Major assignment and poster
The purpose of this assignment is to apply one or more concepts or theories from this course to a policy issue or problem that you believe is interesting. There are two parts to the assignment – a presentation and a written paper. The presentation will be focused around a poster. The poster will serve as a way of getting feedback on the topic, feedback that can then be incorporated into a final paper that is due after exams. The posters that are developed will be evaluated for submission to the poster competition associated with the Tansley lecture. This assignment can be done individually or in a group of two.

Possible topic areas (but students may choose their own)

- Pipelines
- Immigration
- Federalism
- Privatization of Provincial Crowns
- Electoral Reform

Globalization and Trade

China’s Investment in Africa and South America

REQUIRED READINGS


While you should read the entire Why Nations Fail book, make sure to read Chapters 1-7 and 11-15.
EVALUATION

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Problem sets</td>
<td>25%</td>
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<tr>
<td>Major assignment</td>
<td>25%</td>
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<tr>
<td>Class participation</td>
<td>10%</td>
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<tr>
<td>Poster</td>
<td>10%</td>
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<tr>
<td>Final</td>
<td>30%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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JSGS will hold a workshop on academic integrity on Thursday, January 18, 2018, 1:30-3:00 pm in the Prairie Room. This workshop is a requirement for the course and all students are expected to attend the workshop or indicate to the instructor that they have watched the video that will be made of the workshop (details on where to find the video will be provided after the workshop). Students must meet this requirement to successfully complete the course.

LATE ASSIGNMENTS

All assignments must be submitted by the due date. Please see the instructor if your assignment is going to be late.

STUDENTS WITH SPECIAL NEEDS

University of Regina (U of R): Students in this course who, because of a disability, may have a need for accommodations are encouraged to discuss this need with the instructor and to contact the Coordinator of Special Needs Services at (306) 585-4631.

U OF S: Students in this course who, because of a disability, may have a need for accommodations are encouraged to discuss this need with the instructor and to contact Disability Services for Students (DSS) at 966-7273.

Students Experiencing Stress

University of Regina (U of R): Students in this course who are experiencing stress can seek assistance from the University of Regina Counselling Services. For more information, please see the attached document, visit this website: http://www.uregina.ca/student/counselling/contact.html, or call (306) 585-4491 between 8:30 a.m. to 4:30 p.m. Saskatchewan time Monday to Friday.
ACADEMIC INTEGRITY AND CONDUCT

U of R: Ensuring that you understand and follow the principles of academic integrity and conduct as laid out by the University of Regina (available at http://www.uregina.ca/gradstudies/grad-calendar/policy-univ.html) is vital to your success in graduate school. Ensuring that your work is your own and reflects both your own ideas and those of others incorporated in your work is important: ensuring that you acknowledge the ideas, words, and phrases of others that you use is a vital part of the scholarly endeavour. If you have any questions at all about academic integrity in general or about specific issues, contact your course instructor to discuss your questions.

U OF S: Understanding and following the principles of academic integrity and conduct as laid out in the University of Saskatchewan’s Guidelines for Academic Conduct is vital to your success in graduate school (available at www.usask.ca/university_secretary/council/reports_forms/reports/guide_conduct.php). Ensuring that your work is your own and reflects both your own ideas and those of others incorporated in your work is important: ensuring that you acknowledge the ideas, words, and phrases of others that you use is a vital part of the scholarly endeavour. If you have any questions at all about academic integrity in general or about specific issues, contact any faculty member and we can discuss your questions.