

POSC 4003 POLITICAL ECONOMY AND PUBLIC POLICY

Fall 2025

Instructor:	Jonghoon Lee	Time:	TR 12:30 - 13:45
Email:	jolee@astate.edu	Place:	HSS 3001
Section#:		Credit Hours:	3

Course Pages:

1. <https://arkansasstateuniversity.instructure.com/courses/75052>

Office Hours: Tuesday 14:00 - 16:00, or by appointment.

Course Description: This course explores the intersection of politics and economics to understand how public policies are designed, implemented, and evaluated. Through a combination of theoretical frameworks and applied case studies, students will examine the foundational concepts and key dilemmas in political economy, such as governance goals, social dilemmas, and constraints on policymaking.

The first part of the course provides an in-depth look at concepts and perspectives in political economy, focusing on collective goals, externalities, coordination problems, commitment issues, and the role of institutions in shaping governance. We will analyze classical and contemporary texts to develop a robust understanding of the motivations, challenges, and mechanisms that underpin political and economic decision-making. In the second part, we shift to contemporary issues in political economy, including economic voting, partisan politics, redistribution, globalization, financial crises, and trade wars. We will consider how these topics influence and are influenced by political institutions, interest representation, and public policy.

The course combines lectures, discussions, and interactive activities to encourage critical thinking and application of the material. It is designed for students interested in public policy, economics, political science, and governance, providing them with tools to analyze and address complex policy issues.

Course Learning Outcomes: At the conclusion of this course, students should be able to:

- Understand the theoretical underpinnings of political economy and its application to public policy.
- Analyze real-world governance challenges and policy solutions through a political economy lens.
- Critically evaluate the interplay of political, economic, and social forces in shaping public policy outcomes.

Course Learning Environment: This course is designed to foster an inclusive and engaging learning environment where all students feel comfortable expressing their ideas and perspectives. Respectful dialogue is a core expectation, as we will explore complex political and economic issues that may inspire a range of viewpoints.

- Students will be encouraged to think critically and analytically, engaging with diverse perspectives and challenging their own assumptions.
- Students will develop the ability to analyze and interpret both quantitative and qualitative data, enhancing their ability to assess empirical evidence in political science.

- A key component of our discussions will involve systematic evaluation and critique of political science theories, allowing students to engage with major theoretical frameworks and assess their applicability to real-world political and policy issues.

Textbook and/or Resource Materials:

- Bueno de Mesquita, Ethan, *Political Economy for Public Policy*. 2016. Princeton University Press (hereinafter Mesquita).
- Other required readings will be provided by the instructor via Canvas.

Grading Policy: Participation (10%), Midterm (25%), and In-Class Discussion: Seminar Presentation (15%); Discussant Leader (30%); Active Audience (20%).

- Participation (10% of your grade): All students are expected to actively participate in class. Active participation entails asking questions and answering questions asked by either the instructor or other students.

Participation will be graded using a three-point scale each week. Not providing any questions or comments (0); providing comments or questions that lack a full understanding of the readings and/or that restate what's already been written in the articles (1); providing comments or questions based on critical reviews on the theory, empirical design, or results of the article(s) and/or showing a thorough understanding of the reading (2). The best comments or questions will point out what's not fully answered or unrecognized in the article(s) but is still important to the validity of the author's argument, research designs, or findings.

- Midterm (25% of your grade): During the week of , students will take an exam designed to evaluate their understanding of the foundational concepts and theories in political economy and public policy. The exam will be available **online** and can be taken at any point within this time-frame. This flexibility is intended to accommodate students' diverse schedules while ensuring all students complete the assignment.

The exam will assess students' understanding of concepts and theories introduced in the first part of the course, including governance goals, social dilemmas, institutional constraints, and economic framework. Students must complete the exam independently. Collaboration, discussion, or sharing of questions and answers with peers is strictly **prohibited** to maintain academic integrity.

Specific details about exam, including its format and access instructions, will be provided by the instructor in class closer to the exam date.

- In-Class Discussion: Beginning in Week 5, every Thursday will be dedicated to in-class discussions designed to deepen engagement with course materials and promote critical thinking. The format of these discussions will include: (1) 15-Minute **Seminar Presentation**, (2) 10-Minute Opening Discussion by the **Discussant Leader**, and (3) 40-Minute **Active Participation**.

To provide guidance and demonstrate the structure of discussions, the instructor will lead the first two sessions (Weeks 5 & 6). During these weeks, students will observe how to structure a seminar presentation and facilitate an inclusive and productive conversations. Starting after the midterm, each student will take a turn leading one discussion.

- **Seminar presentation (15% of your grade):** After the midterm, one student will present the seminar article to the class. Each student is required to present **once during the semester**. The presentation slides must be uploaded to Canvas by 2 pm on Wednesday. Please consult the course schedule to check the week you were assigned to present.

The presentation should be between 12 and 15 minutes, and must answer the following questions:
1) What is the main question the authors are trying to answer? 2) Why is answering this

question important? 3) What is the answer provided by the authors to the main question they have posed? and 4) What kind of evidence do the authors use to support their conclusions? To obtain maximum points, students should structure their presentation according to the four questions mentioned earlier and adhere to the allotted time limit.

- **Discussant leader (30% of your grade):** From Week 8, students will be required to act as discussant leaders **once during the semester**. Please consult the course schedule to check the week you were assigned to be a discussant leader. As a discussant leader, students will have the following responsibilities: (1) submit a discussion paper and (2) lead in-class discussion the week.

For each discussion paper, you should indicate how the seminar article relates to at least one of the main readings assigned for that week and how it relates to the supplementary information provided by the professor. Avoid extensively summarizing the readings. Each discussion paper must be three pages long (2.5 pages minimum and 3.5 pages maximum), double-spaced, in 12-point font, with one-inch margins. All discussion papers must be submitted on Canvas by 2 pm on Wednesday. Your performance as discussion leader will be graded on a scale from 0 to 100 as described below:

1. Paper's introductory paragraph (5% of your "discussant leader" grade): In your first paragraph, you must provide a summary of the seminar article (no more than one paragraph). Does the article aim to answer a research question or mainly to provide a literature review of a topic? What does the author want to convince you of (i.e., what is their answer to the research question)? What evidence do they use to support their conclusions (e.g., a survey study in a single country, an experiment, etc)?
2. Clearly state what is the main point you will try to make in your discussion paper (5% of your "discussant leader" grade): Either at the end of the first paragraph or the beginning of the second, indicate what is the point you will try to make in your discussion paper. For example, will you discuss how the seminar paper conflicts with the other articles assigned for the given week and explore how one could reconcile the two arguments? Will you discuss how a broader argument may not apply as well to a particular case and why? Are you going to explore how we can broaden our understanding of a particular topic by investigating the issue at different levels of aggregation? These are just a few illustrative instances, and you have the freedom to critically explore numerous other inquiries. Clearly stating your objective greatly assists both the writer and the reader by providing a clear direction.
3. How does the seminar article relate to the main readings for that particular week? (20% of your "discussant leader" grade): You must indicate how the seminar article relates to at least one of the main readings assigned for that week. Are the readings addressing the same research question? If yes, are their answers conflicting or complementary (explain why)? If they are not directly investigating the same question, how does the seminar reading enhance our understanding of public opinion/political behavior in a way that the main readings do not (e.g., by developing a similar explanation to a different phenomenon; by providing additional information about a given case; by broadening the scope of the investigation to more countries; etc).
4. How does the seminar article help us understand current events? (20% of your "discussant leader" grade): For each seminar article, I will provide you with recent news stories, videos, and/or statistics pertaining to the topic in advance (available on Canvas). In your discussion paper, you are required to demonstrate the connection between the seminar articles and this supplementary information. For example, based on the seminar article, is the news story surprising (explain why and speculate why you think the news story contradicts the article)? Does the news story introduce aspects not addressed in the seminar article (identify these aspects and discuss how their inclusion could enrich the seminar article)?
5. Quality of writing (5% of your "discussant leader" grade): Make sure you state your ideas clearly and proofread all your work. Additionally, when citing an article/chapter, cite the author and the year in the body of the text and provide the full reference at the end of the

paper. For instance, in the body of the text: “Acemoglu and Robinson (2001) have stated that...”, and, in the end, add a section named “References,” where you will add the complete information for the cited articles: Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). “The Colonial Origins of Comparative Development: An Empirical Investigation.” *American Economic Review*, 91(5):1369–1401.

6. In-class performance (45% of your “discussant leader” grade): You will be asked to share the main points of your discussion paper in class. Your focus should be on demonstrating the connections between the seminar paper, the other assigned readings, and current events, as you have outlined in your discussion paper. You should also be ready to answer the professor’s and other students’ questions. While you have the option to prepare slides, they are not mandatory. Your presentation should aim to cover the main points within a time frame of six to eight minutes.
 - Active Audience (20% of your grade): During the semester, each student will be required to participate as an active audience member in three different weeks. One of these roles must be assigned in either Week 5 or Week 6, while the other two should be assigned to weeks after the midterm. Please refer to the course schedule to confirm the weeks you have been assigned this role. If you believe you may not be able to fulfill this responsibility on the assigned day, please inform the professor immediately. As an active audience member, you are expected to pose two thoughtful questions to the class based on the seminar readings. You should be prepared to explain the motivation behind each question in class. These questions must be submitted on Canvas by Wednesday at 2 pm of the assigned week.
- The overall class grade will be the following:

A: 89.5 +
B: < 89.5 - 79.5
C: < 79.5 - 69.5
D: < 69.5 - 59.5
F: < 59.5

Grading Disputes: If a student wishes to dispute a graded assignment, the student can send the instructor a one-page memo within one week of receiving the graded assignment. The memo should respond to the feedback on the assignment from the instructor. The instructor will carefully review the assignment and its grade, given that the memo provides a reason to do so. After regrading, students must accept the reviewed grade, even if the grade is lower than the original assignment.

Late Work Policy: Late work is defined as submitting the assignments after the established deadline. Work submitted by a student as makeup work for an excused absence is not considered late work and is exempted from the late work policy.

Attendance Policy: The university views class attendance and participation as an individual student responsibility. Students are expected to attend class and complete all assignments. To be considered for an excused absence, the student must notify the instructor in writing (e-mail is acceptable) prior to the day of absence. In cases where advanced notification is not possible, the student must provide notification by the end of the second business day after the last date of the absence. This notification must include an explanation of why the notice could not be sent.

Course Outline:

All required readings will be provided by the instructor via Canvas.

Week 1: Introduction to Political Economy for Public Policy

- Class 1: Syllabus Day.
- Class 2: Mesquita, Introduction and Ch 1.

Week 2: Goals & Dilemmas for Governance

- Class 1: Mesquita, Ch 2.
- Class 2: Mesquita, Ch 3 & 4.

Week 3: Social Dilemmas - Coordination Problem

- Class 1: Mesquita, Ch 5.
- Class 2: Olson, Mancur. "Dictatorship, Democracy, and Development." *American Political Science Review* 87, no. 3 (1993): 567-576.
- Logistics:
 - In-class discussion sign-up.

Week 4: Social Dilemmas - Commitment Problem

- Class 1: Mesquita, Ch 6.
- Class 2: Weingast, Barry R. "Constitutions as governance structures: The political foundations of secure markets." *Journal of Institutional and Theoretical Economics* (1993): 286-311.
- Suggested further readings
 - Acemoglu, Daron, and James A. Robinson. *Economic Origins of Dictatorship and Democracy*. Cambridge University Press, 2005.

Week 5: Behavioral Constraints on Good Governance

- Class 1: Mesquita, Ch 10.
- Class 2: Hojnacki, Marie, and David C. Kimball. "Organized interests and the decision of whom to lobby in Congress." *American Political Science Review* 92, no. 4 (1998): 775-790.
- Logistics:
 - Active audience participation begins.
- Suggested further readings
 - Kahneman, Daniel. *Thinking, Fast and Slow*. Macmillan, 2011.

Week 6: Institutional Constraints on Good Governance

- Class 1: Mesquita, Ch 11.

- Class 2: Hall, Peter A., and David Soskice. "An Introduction to Varieties of Capitalism." *Debating Varieties of Capitalism: A Reader* (2001): 21-74.
- Suggested further readings
 - North, Douglass C. *Institutions, Institutional Change and Economic Performance*. Cambridge University Press, 1990.
 - Acemoglu, Daron, Simon Johnson, and James A. Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91, no. 5 (2001): 1369-1401.

Week 7: Midterm

- Logistics:
 - Take a midterm exam.

Week 8: Economic Voting in Democratic Regimes

- Class 1: Fiorina, Morris P. "Economic Retrospective Voting in American National Elections: A Micro-Analysis." *American Journal of Political Science* (1978): 426-443.
- Class 2: Powell Jr, G. Bingham, and Guy D. Whitten. "A Cross-National Analysis of Economic Voting: Taking Account of the Political Context." *American Journal of Political Science* (1993): 391-414.
- Logistics:
 - Students' presentation and discussion leading begin.
- Suggested further readings
 - Lewis-Beck, Michael S., and Mary Stegmaier. "Economic Determinants of Electoral Outcomes." *Annual Review of Political Science* 3, no. 1 (2000): 183-219.

Week 9: Electoral Business Cycles

- Class 1: Mesquita, Ch 6.
- Class 2: Canes-Wrone, Brandice, and Jee-Kwang Park. "Electoral Business Cycles in OECD Countries." *American Political Science Review* 106, no. 1 (2012): 103-122.
- Suggested further readings
 - Nordhaus, William D. "The Political Business Cycle." *The Review of Economic Studies* 42, no. 2 (1975): 169-190.

Week 10: Partisanship in Economic Politics

- Class 1: Hibbs Jr, Douglas A. "Political Parties and Macroeconomic Policy." *American Political Science Review* 71, no. 4 (1977): 1467-1487.
- Class 2: Bartels, Larry M. 2016. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton University Press: Chapters 1 & 2.
- Suggested further readings

- McCarty, Nolan, Keith T. Poole, and Howard Rosenthal. *Polarized America: The Dance of Ideology and Unequal Riches*. MIT Press, 2016.

Week 11: Bureaucratic Politics and Economic Regulations

- Class 1: Mesquita, Ch 7.
- Class 2: Lee, Jonghoon. “How do Public Agency Respond to Budgetary Control? A Theory of Strategic Task Portfolios in Public Administration.” Working Paper.
- Suggested further readings
 - Carpenter, Daniel. *The Forging of Bureaucratic Autonomy: Reputations, Networks, and Policy Innovation in Executive Agencies, 1862-1928*. Princeton University Press, 2002.

Week 12: Inequalities and Redistribution

- Class 1:
 - Meltzer, Allan H., and Scott F. Richard. “A Rational Theory of the Size of Government.” *Journal of Political Economy* 89, no. 5 (1981): 914-927.
 - Piketty, Thomas, and Emmanuel Saez. “Income Inequality in the United States, 1913–1998.” *The Quarterly Journal of Economics* 118, no. 1 (2003): 1-41.
- Class 2: Hacker, Jacob S., and Paul Pierson. *Winner-Take-All Politics: How Washington Made the Rich Richer - and Turned its Back on the Middle Class*. Simon and Schuster, 2010: Chapters 1 & 2.
- Suggested further readings
 - Piketty, Thomas. *Capital in the Twenty-First Century*. Harvard University Press, 2014.
 - Houle, Christian. “Does Economic Inequality Breed Political Inequality?.” *Democratization* 25, no. 8 (2018): 1500-1518.

Week 13: Globalization and International Trades

- Class 1: Stolper, Wolfgang F., and Paul A. Samuelson. “Protection and Real Wages.” *The Review of Economic Studies* 9, no. 1 (1941): 58-73.
- Class 2: Autor, David H., David Dorn, and Gordon H. Hanson. “The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade.” *Annual Review of Economics* 8, no. 1 (2016): 205-240.
- Suggested further readings
 - Frieden, Jeffry A. *Global Capitalism*. WW Norton & Company, 2020.

Week 14: Tariff Wars and Domestic Politics

- Class 1:
 - Fetzer, Thiemo, and Carlo Schwarz. “Tariffs and Politics: Evidence from Trump’s Trade Wars.” *The Economic Journal* 131, no. 636 (2021): 1717-1741.
 - Kim, Sung Eun, and Yotam Margalit. “Tariffs as Electoral Weapons: The Political Geography of the US–China Trade War.” *International Organization* 75, no. 1 (2021): 1-38.

- Class 2: Autor, David, Anne Beck, David Dorn, and Gordon H. Hanson. “Help for the Heartland? The Employment and Electoral Effects of the Trump Tariffs in the United States.” No. w32082. *National Bureau of Economic Research*, 2024.
- Suggested further readings
 - Betz, Timm, David Fortunato, and Diana Z. O’Brien. “Women’s Descriptive Representation and Gendered Import Tax Discrimination.” *American Political Science Review* 115, no. 1 (2021): 307-315.

Week 15: Credit and Crisis in Capitalism

- Class 1:
 - Reinhart, Carmen M., and Kenneth S. Rogoff. “The Aftermath of Financial Crises.” *American Economic Review* 99, no. 2 (2009): 466-472.
 - Kumhof, Michael, Romain Rancière, and Pablo Winant. “Inequality, Leverage, and Crises.” *American Economic Review* 105, no. 3 (2015): 1217-1245.
- Class 2: Ahlquist, John S., and Ben W. Ansell. “Taking Credit: Redistribution and Borrowing in an Age of Economic Polarization.” *World Politics* 69, no. 4 (2017): 640-675.
- Suggested further readings
 - Stiglitz, Joseph E. *Freefall: America, Free markets, and the Sinking of the World Economy*. WW Norton & Company, 2010.
 - Aliber, Robert Z., Charles P. Kindleberger, and Robert N. McCauley. *Manias, Panics, and Crashes: A History of Financial Crises*. Basingstoke: Palgrave Macmillan, 2015: Selected Chapters.