

## Comparative Economic Systems

Econ 551

Professor Mieke Meurs

Fall 2008

In this course, we will develop an understanding of some of the political and economic institutions of several advanced capitalist countries (and their on-going evolution), attempting to link the varying institutions to differing economic and social outcomes. In particular, this course will emphasize the ability of different institutional structures to overcome distributional and efficiency problems inherent in market economies.

Communication is one of the most sought-after skills among both academic and non-academic employers. For this reason, assignments in this class are designed to build communications skills in economics, at the same time as building the usual skills in economic analysis.

Students will participate in two, short, in-class presentations (10% of grade each).

One empirical homework assignment and one 3-5 page paper on an assigned topic will be due on September 30 and November 11 (20% of grade each).

There will be an in-class midterm exam on October 14 and a final (20% of grade each).

The reading in this class is extensive. *You alone* are responsible for locating and completing the readings *in time for class* and for coming to class prepared to discuss the readings.

You may want to purchase two of the books: We will be reading fairly extensively from two books: David Kennett, *A New View of Comparative Economics* (buy this used from Amazon. It is cheaper that way than including it in the packet), and will be reading all of Georg Menz, *Varieties of Capitalism and Europeanization* (try Amazon for this too!).

Other readings are available in a course packet, available from [www.universityreaders.com](http://www.universityreaders.com)

Schedule:

I) Introduction: Comparing and Evaluating Systems

Aug 26: Introduction

Kennett, Ch. 1, pp. pp. 24-41

Sept. 2: Theoretical Background: Economic Institutions

Przeworski, Chs. 1-4

Sept 9: Performance Measured.

Ivanova, I, FJ Arcelus. Amd G Srinivasan, "An Assessment of the Measurement Properties of the Human Development Index," *Social Indicators Research* 46 (2), 1999, 157-180.

Sept. 16: Theoretical Background: Political Institutions

Timothy Besley, *Principled Agents? The Political Economy of Good Government*, Chs 1-2.

Francois Moreau, "The Role of the State in Evolutionary Economics," *Cambridge Journal of Economics* 28 2004, pp. 847-874.

Sept. 23: Economics of Cooperation and the Economic Role of Cooperative Institutions

Lane Kenworthy, "Cooperation and Political Economic Performance in Affluent Democratic Capitalism," *American Journal of Sociology*, v. 103 (6), 1998: 1631-72.

Ernst Fehr and Simon Gaechter, "Fairness and Retaliation: The Economics of Reciprocity," *Journal of Economic Perspectives* 14: 159-181, 2000.

II) Case Studies

Sept. 30: The United Kingdom: Liberal and Liberalizing Markets

Paper 1 due.

Kennett, Ch. 8

Malcom Sawyer, *The UK Economy*, Chs 9-10.

Oct. 7: UK Continued

Sawyer, Ch. 8

Massimo Florio, *The Great Divestiture: Evaluating the Welfare Impact of the British Privatizations 1979-1997* (2004), chs. 9-10.

Oct. 14: In-Class Midterm

Oct. 21: Germany: Social Market Economy

Martin Schnitzer, *Comparative Economic Systems*, 8th ed. (South Western College Publishing), pp. 89-107. Ch. 5.

David Soskice, "Reconciling Markets and Institutions: The German Apprenticeship System," Ch. 1 in Lisa M. Lynch, ed. *Training and the Private Sector* (1994).

Jochen Claesen, *Reforming European Welfare States*, chs 4-5 pp. 23-76 only.

Oct. 28: Sweden: Social Welfare State

Kennett, Ch. 7

Yellen, Janet, "Efficiency Models of Unemployment," *American Economic Review* 74 (2), 1984, 200-205.

Thomas A. DiPrete, "Life Course Risks, Mobility Regimes, and Mobility Consequences: A Comparison of Sweden, Germany, and the United States," *The American Journal of Sociology*, Vol. 108, No. 2 (Sep., 2002), pp. 267-309.

Janet Gornick and Marcia Meyers, "Creating Gender-Egalitarian Societies: An Agenda for Reform," *Politics and Society*, 36 (3), 2008.

Nov. 4: Inter-European Dynamics: Convergence ?

Georg Menz, *Varieties of Capitalism and Europeanization*  
Entire book.

Nov. 11: Japan: Coordinated Capitalism?

Paper 2 due

Kennett, Ch. 12

Masahiko Aoki, Gregory Jackson, and Hideaki Miyajima, *Corporate Governance in Japan*, chs. 1, 3

Nov. 18: Japan, continued.

Masahiko Aoki, Gregory Jackson, and Hideaki Miyajima, *Corporate Governance in Japan*, chs. 14

Akira Kawaguchi, "The Child-Care Leave System in Japan: Development, Problems and Further Reform," in Toshiaki Tachibanaki, ed., *The Economics of Social Security in Japan*.

Hyeong-ki Kwon, "National Model under Globalization: Japanese Model and Its Internationalization," *Politics and Society*, 33(2), 2005: 234-252.

Nov. 25: Alternative Organizational Forms

Avner Ben-Ner and Theresa Van Hoomiseen, "Non-Profit Organizations in the Mixed Economy: A Demand and Supply Analysis," *Annals of Public and Cooperative Economics*, 1991, vol. 62 (4), 519-550.

Edward Glaeser, "The Governance of Not-for-Profit Firms," Harvard Institute of Economic Research Discussion Paper 1954, 2002.

Gordon Cleveland and Michael Krashinsky, "The Non-Profit Advantage: Producing Quality in Thick and Thin Child Care Markets," 2005.  
([www.childcarepolicy.net/pdf/non-profitadvantage.pdf](http://www.childcarepolicy.net/pdf/non-profitadvantage.pdf))