

**POLI 138D**  
**Special Topic in Comparative Politics:**  
**Inequality, Corruption, and Democracy**

**Spring 2007**  
**M/W/F, 10:00-10:50am, HSS 1330**

Professor Jong-Sung You (유종성; 柳鍾星).

Office: Robinson Building Complex (IR/PS) #1315.

Phone: 858-534-9825. E-mail: [jsyou@ucsd.edu](mailto:jsyou@ucsd.edu)

Web: <http://irps.ucsd.edu/faculty/faculty-directory/jongsung-you.htm>

Office hours: Tuesday 10:00-11:30am, Wednesday 11:00am-12:30pm

**Course Webpage:**

<http://www.polisci.ucsd.edu/ps138d/>

**Course Description:**

Why are some countries freer, more equal, and less corrupt than others? Does democracy promote economic equality and/or economic growth? This course will explore how democracy, economic inequality, and corruption affect one another and what impact they have on human development by studying relevant literature in comparative politics and comparative political economy. We will begin with normative questions about equality and efficiency, although most of the course will be devoted to positive theories and empirical studies. We will also study how various research questions have been explored with different research designs and methods.

**Course Requirements:**

- (1) All students must come to class each session prepared to discuss any of the required readings. Students may be called on at any time to answer questions. (10% of the course grade)
- (2) Students must submit to the whole class one or two questions or comments about the readings once a week (for Monday, Wednesday, or Friday classes), by 11pm the day before class. For the first week and the ninth week, students responsible for Monday classes will take either Wednesday or Friday class of their choice. Sign-up will take place the first day of class. Thoughtful, insightful, and/or interesting questions/comments will be appreciated and may be picked up in class. (20% of the course grade)
- (3) Each student will write a short essay (1000-1500 words) on readings of their choice. The essay should be submitted to the whole class by 11pm the day before class. Sign-up will take place the first day of class. (20% of the course grade)
- (4) A comprehensive final exam. (50% of the course grade)

**Readings:**

The following books will be used in this course and are available in the bookstore.

Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub, and Fernando Limongi, *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. Cambridge University Press (Paperback 2000)

Amartya Sen, *Development as Freedom*. New York: Anchor Books. 1999 (paperback)

Jonas Pontusson, *Inequality and Prosperity: Social Europe vs. Liberal America*. Ithaca and London: Cornell University Press. 2005 (paperback).

Susan Rose-Ackerman, *Corruption and Government: Causes, Consequences, and Reform*. New York, NY: Cambridge University Press. 1999 (paperback).

Robert E. Klitgaard, Ronald Maclean-Abaroa, and H. Lindsey Parris. *Corrupt Cities: A Practical Guide to Cure and Prevention*. Oakland, CA: ICS Press. 2000 (paperback)

All other course readings will be available through the course webpage and the library e-reserves unless the links are provided in the syllabus.

**Some tips for reading:**

Paul N. Edwards, "How to Read a Book: Strategies for Getting the Most out of Non-Fiction Reading." 2000, revised 2005. Available at:  
<http://www.si.umich.edu/~pne/PDF/howtoread.pdf>

**Week 1: Justice and Development**

**April 2. An introduction to the course**

**April 4. Justice as fairness and corruption, inequality, and democracy**

Rawls, John. *A Theory of Justice*. 1999 edition, pp. 3-30, 47-81.

**April 6. Justice as greatest happiness**

Easterlin, Richard A. 2003. "Explaining Happiness." *Proceedings of the National Academy of Sciences* September 16, 100(19): 11176-183.

Layard, Richard. 2006. "Happiness and Public Policy: A Challenge to the Profession." *The Economic Journal* 116 (510), 24-33.

(optional reading)

Layard, Richard. 2005. *Happiness: Lessons from a New Science*. New York and London: Penguin Books.

**Week 2: Development as Freedom**

**April 9. Capabilities approach**

Sen. Introduction, chs. 1-3.

**April 11. Development as freedom**

Sen. chs. 4, 5, and 11.

**April 13. Human Development Indicators**

UNDP, *Human Development Report 2006*, pp. 263-280 (the state of human development, readers guide and notes to tables), 393-401 (technical notes 1, 2).

Available at:

<http://hdr.undp.org/hdr2006/pdfs/report/HDR06-complete.pdf>

UNDP, *Human Development Report 2003*, pp. 1-14 (Overview: Millennium Development Goals).

Available at:

[http://hdr.undp.org/reports/global/2003/pdf/hdr03\\_overview.pdf](http://hdr.undp.org/reports/global/2003/pdf/hdr03_overview.pdf)

(optional reading)

King, Gary and Christopher J. L. Murray. 2001-02. "Rethinking Human Security." *Political Science Quarterly* 116(4): 585-610.

**Week 3. Democracy and Development**

**April 16. Economic development and political regimes**

Przeworski et al. Introduction, chs. 1, 2.

(optional readings)

Munck G. L. and J. Verkuilen. 2002. 'Conceptualizing and measuring democracy – Evaluating alternative indices.' *Comparative Political Studies*. 35 (1): 5-34.

Freedom House. "*Freedom in the World (2006 edition)*" Methodology, "*2007 Freedom in the World Scores*" Charts and Graphs, Explanatory Essay.

Marshall, Monty G. and Keith Jaggers. 2002. *Polity IV Project: Political Regime Characteristics and Transitions, 1800-2002: Dataset Users' Manual*. Maryland: University of Maryland. Available at: <http://www.cidcm.umd.edu/inscr/polity/>

**April 18. Political regimes and economic growth**

Przeworski et al. chs. 3-5, Conclusion.

Gerring, John, Philip Bond, William T. Barndt, and Carola Moreno. 2005. "Democracy and Economic Growth: A Historical Perspective." *World Politics* 57(3): 323-364.

(optional)

Rodrik, Dani and Romain Wacziarg. 2005. "Do Democratic Transitions Produce Bad Economic Outcomes?" *AEA PAPERS AND PROCEEDINGS* 95(2): 50-55.

**April 20. Democracy, inequality, and human development**

UNDP, *Human Development Report 2002*, ch. 2. "Democratic governance for human development" (pp. 51-61).

UNDP, *Human Development Report 2005*, ch. 2. "Inequality and human development" (pp. 51-71).

You, Jong-Sung. "Notes on measuring inequality."

**Week 4. Democracy and Inequality**

**April 23. Democracy and economic inequality**

Daron Acemoglu and James Robinson, "Why did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective," *Quarterly Journal of Economics* 115 (2000): 1167-1200.

Gradstein, Mark, Branko Milanovic, Yvonne Ying. 2001. "Democracy and income equality: an empirical analysis." *World Bank Policy research working paper* No. 2561.

(optional)

Rodrik, Dani. 1999. "Democracies Pay Higher Wages." *Quarterly Journal of Economics* August 1999.

Ross, Michael. 2006. "Is Democracy Good for the Poor?" *American Journal of Political Science* 50(4): 860-874.

**April 25. Unequal participation**

Lijphart, Arend. 1997. "Unequal Participation: Democracy's Unresolved Dilemma." *American Political Science Review* 91, 1-14.

Schlozman, Kay Lehman, Sidney Verba, and Henry Brady. 1999. "Civic Participation and the Equality Problem." In Theda Skocpol and Morris Fiorina eds., *Civic Engagement in American Democracy*. Washington, DC: Brookings Institution Press, ch. 12 (pp. 427-460).

**April 27. Unequal representation**

Martin Gilens. 2005. "Inequality and Democratic Responsiveness: Who Gets What They Want from Government?" *Public Opinion Quarterly* 69 (5): 778-796.

Bartels, Larry. 2005. "Homer Gets a Tax Cut: Inequality and Public Policy in the American Mind." *Perspectives on Politics* 3: 15-31.

(optional)

Hacker, Jacob S. and Paul Pierson. 2005. "Abandoning the Middle: The Bush Tax Cuts and the Limits of Democratic Control." *Perspectives on Politics* 3: 33-53.

## **Week 5. Inequality and Prosperity**

### **April 30. Varieties of welfare capitalism**

Pontusson. ch. 2.

Hall, Peter A. and David Soskice. 2001. "An Introduction to Varieties of Capitalism." Ch. 1 in Peter Hall and David Soskice, *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.

(optional)

Gösta Esping-Andersen. 1990. *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press, chs.1-3.

### **May 2. Income distribution and labor markets**

Pontusson. chs. 3-6.

(optional)

Michael Wallerstein, "Wage-Setting Institutions and Pay Inequality in Advanced Industrial Societies." *American Journal of Political Science* 43 (3) (July 1999), 649-680.

### **May 4. Inequality and growth**

Pontusson. chs. 1, 7.

Persson, Torsten and Tabellini, Guido. 1994. "Is Inequality Harmful for Growth?" *American Economic Review* 84(3): 600-621.

(optional)

Keefer, Philip and Stephen Knack. 2002. "Polarization, Politics, and Property Rights: Links between Inequality and Growth." *Public Choice* 111: 127-154.

## **Week 6. Politics and Political Economy of the Welfare State**

### **May 7. Political economy of redistribution**

Pontusson. ch. 7.

Meltzer, Allan H. and Scott F. Richard. 1981. "A Rational Theory of the Size of Government." *Journal of Political Economy* 89(5): 914-27.

### **May 9. The logic of universalism**

Rothstein, Bo. 1998. *Just Institutions Matter: The Moral and Political Logic of the Universal Welfare State*. New York, NY: Cambridge University Press. Ch. 6 (pp.144-170).

**May 11. Politics of the welfare state**

Paul Pierson. 1996. "The New Politics of the Welfare State." *World Politics* 48(2), 143-79.

Pontusson. chs. 8, 9.

**Week 7. Corruption and Development**

**May 14. Rent-Seeking and corruption**

Rose-Ackerman. chs. 1-3.

**May 16. Corruption and development**

Mauro, Paolo. 1997. "The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis." In Kimberly Ann Elliott ed., *Corruption and the Global Economy*. Washington, DC: Institute for International Economics, 83-107.

Lambsdorff, Johann Graf. 2005. Consequences and Causes of Corruption: What Do We Know from a Cross-section of Countries? Diskussionsbeitrag Nr. V-34-05, Volkswirtschaftliche Reihe

**May 18. Democracy and corruption**

Rose-Ackerman. chs. 8, 9, 11.

**Week 8. Anti-Corruption Reform**

**May 21. Assessing and measuring corruption**

Reinikka, Ritva and Jakob Svensson, "Survey Techniques to Measure and Explain Corruption," The World Bank, 2003.

Lambsdorff, Johann Graf. 2006. "The Methodology of the Corruption Perceptions Index 2006." Transparency International (TI) and University of Passau.

Transparency International. 2006. "Global Corruption Barometer 2006 Report."

Available at:

[http://www.transparency.org/policy\\_research/surveys\\_indices/gcb/2006](http://www.transparency.org/policy_research/surveys_indices/gcb/2006)

(optional)

World Bank, Governance and Anti-Corruption Diagnostic Surveys. Available at: [www.worldbank.org/wbi/governance/diagnostics](http://www.worldbank.org/wbi/governance/diagnostics)

Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. 2006. "Governance Matters V: Aggregate and Individual Governance Indicators for 1996-2005." Available at: <http://www.worldbank.org/wbi/governance/govdata>

Mark Duggan and Steven D. Levitt. 2002. "Winning Isn't Everything: Corruption in Sumo Wrestling." *American Economic Review* 92: 1594-1605.

**May 23. Anti-corruption reform in Hong Kong and La Paz**  
Klitgaard et al.

**May 25. Inequality and corruption**

Gupta, Sanjeev, Hamid R. Davoodi, and Rosa Alonso-Terme. 2002. "Does Corruption Affect Income Inequality and Poverty?" *Economics of Governance* 3:23-45.

You, Jong-Sung and Sanjeev Khagram. 2005. "A Comparative Study of Inequality and Corruption." *American Sociological Review*

(optional)

Li, Hongyi, Lixin C. Xu, and Heng-fu Zou. 2000. "Corruption, Income Distribution, and Growth." *Economics and Politics* 12:155-82.

**Week 9. Inequality, Corruption, and Social Trust**

**May 30. Social trust and social capital**

Putnam, Robert D. 1993. *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press. Ch. 6 (pp.163-185).

Putnam, Robert D. 2001. "Social Capital: Measurement and Consequences." *Canadian Journal of Policy Research* 2(1): 41-51.

(optional)

Knack, Stephen, and Philip Keefer. 1997. "Does Social Capital Have An Economic Payoff? A Cross-Country Investigation." *The Quarterly Journal of Economics* 112(4): 1251-1288.

John F. Helliwell and Robert D. Putnam. 2004. "The Social Context of Well-Being" *Philosophical Transactions of the Royal Society B: Biological Sciences* 359, 1435-1446.

**June 1. Inequality, corruption, and social trust**

You, Jong-Sung. 2005. "Inequality and Corruption as Correlates of Social Trust: Fairness Matters More Than Similarity." *Hauser Center for Nonprofit Organizations and the Kennedy School of Government Working Paper* No. 29.

Rothstein, Bo and Eric Uslaner. 2005. "All for All: Equality, Corruption, and Social Trust." *World Politics* 58 (October 2005), 41-72.

## **Week 10. Inequality, corruption, and development**

### **June 4. Inequality, corruption, and East Asian Development**

You, Jong-Sung. 2005. "Embedded Autonomy or Crony Capitalism? Explaining Corruption in South Korea, Relative to Taiwan and the Philippines." Paper presented at the Annual Meeting of the American Political Science Association.

Rodrik, Dani. 1995. "Getting Interventions Right: How South Korea and Taiwan Grew Rich." *Economic Policy* 20.

### **June 6. Inequality and development across Americas**

Engerman, Stanley and Kenneth L. Sokoloff. 2002. "Factor Endowments, Inequality and Paths of Development Among New World Economies." *Economia* 3(1): 41-88.

Huber, Evelyne, Francois Nielsen, Jenny Pribble, and John D Stephens. 2006. "Politics and inequality in Latin America and the Caribbean." *American Sociological Review* 71 (6): 943-963

### **June 8. Inequality and corruption in transition economies**

Black, Bernard, Reinier Kraakman, and Anna Tarassova. 2000. "Russian Privatization and Corporate Governance: What Went Wrong?" *Stanford Law Review* 52:1731-1808.

Uslaner, Eric. "Transition and the Road to the Inequality Trap" Draft Ch. 4. and tables for Ch. 4. in Eric Uslaner, *The Bulging Pocket and the Rule of Law* (forthcoming, Cambridge University Press)

### **June 14. Final Exam**