

Comparing Political Systems

Week 19: Political Economy & Essay

Dr. Julian Limberg

Department of Political Economy
King's College London

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- Remember: No lecture next week due to industrial action!

- ① **What's Political Economy?**
- ② States and Markets: Example of Inequality
- ③ Essay Preparation

What's Political Economy?

	Politics	Economy
Political Science	"Classical" Political Science	Political Economy II
Economics	Political Economy I (Public Choice etc)	"Classical" Economics

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- Economic ideas can change over time.
 - Laws on how markets work are not set in stone. Not even among economists.
 - How are economic ideas politically embedded? How do they impact policy-making? Why do they change? Are ideas used by actors or do they shape their interests?

- ① What's Political Economy?
- ② **States and Markets: Example of Inequality**
- ③ Essay Preparation

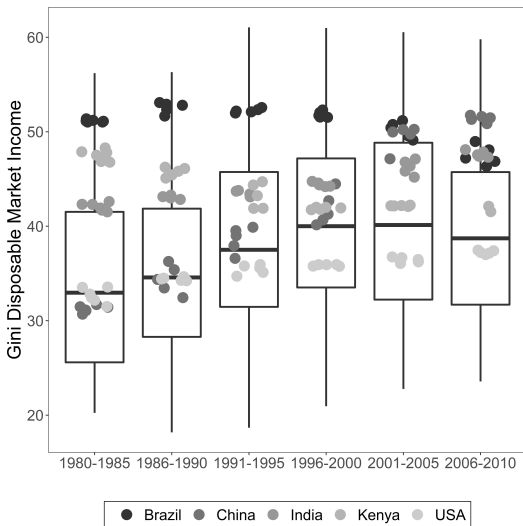
States and Markets: Example of Inequality

- Inequality as a major outcome of state market relations.
- Which inequality?
- In principle, we can think of several dimensions of socio-economic inequality.
 - Environmental inequality
 - Health inequality
 - Gender inequality
 - Political inequality
- We focus on economic inequality – strongly connected to other dimensions.

States and Markets: Example of Inequality

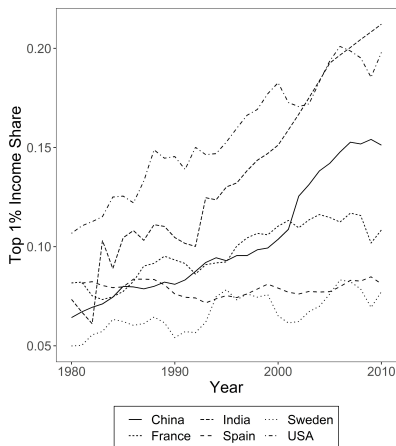
- How to measure economic inequality?
- Each indicator with different focus:
 - Gini coefficients for income (both pre- and post tax and transfer)
 - Top 1% income share
 - Top 10% income share
 - 50/10 percentile income ratio
 - Top 1% wealth share...

States and Markets: Example of Inequality



Limberg (2020) based on Solt (2016)

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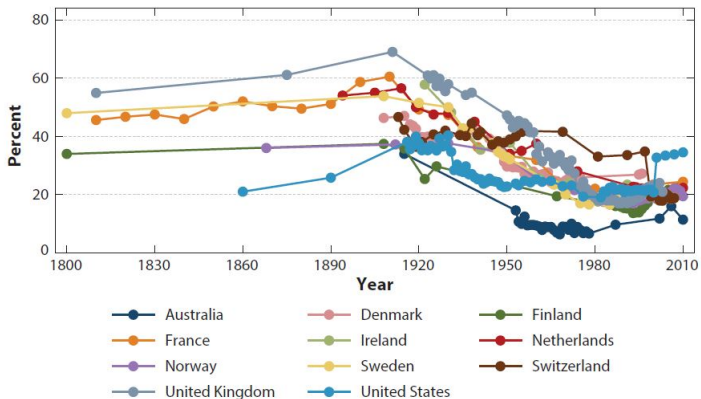


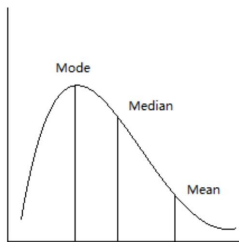
Figure 2

Wealth inequality, top 1% share, 1800–2010. Source: for Ireland, Turner (2010); for all other countries, Roine & Waldenström (2015).

Scheve & Stasavage (2017)

States and Markets: Example of Inequality

- When do countries use policies to lower inequality?
- Standard economic model: median voter theory (Meltzer & Richard 1981)
 - In democracies, income/wealth of mean voter higher than median voter (right skewed distribution)
 - Median voter theoretically decisive for election outcomes.
 - Redistribution until income of median voter = income mean voter.
 - Hence, increasing inequality should lead to a redistributive backlash and be self-correcting via domestic politics.



States and Markets: Example of Inequality

- Does it hold empirically?
- Not really, as we have seen previously. Dynamics of increasing inequality tend to be persistent.
- In fact, Huber et al. (2017) look at the drivers of top 1% income shares and find the opposite:
- Inequality dynamics do not come naturally, but are driven by politics and policy.
- Government partisanship, labour power and organisation, as well as policies like marginal tax rates seem to be important determinants of inequality.
- Thus, inequality does not rise *despite* domestic politics, but *because* of it.

States and Markets: Example of Inequality

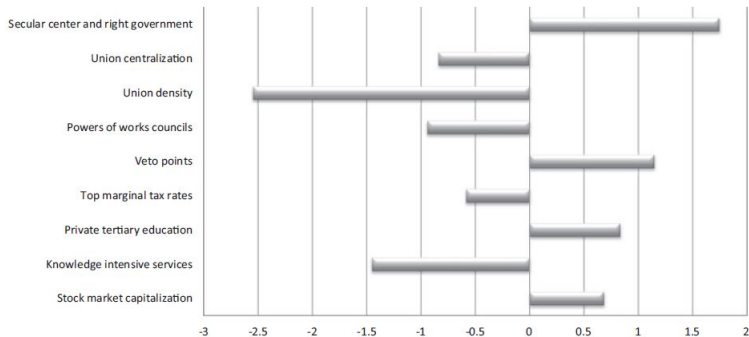


Figure 2. Estimated effect of a two standard deviation change in the independent variables on income share of the top 1% of income earners.

- In other words, rising inequality can only be explained when applying a genuine political economy perspective
→ interests, institutions, ideas.

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Exam & Essay Preparation– Exam

- Exam: same structure as previous exam.
- Exam consists of two sections
 - Section A
 - 5 questions, you have to answer all questions, each answers is assessed individually and worth 10% of the overall exam mark, approximately 200 word answers are expected
 - Sections B
 - You have to answer one of the two questions, approximately 1000 word answer expected, worth 50% of your overall exam mark
- Sample exam is on Keats

Exam & Essay Preparation – Exam

- Exam covers topics of the second semester (i.e. starting with Week 11 - Political Participation)
- No exam questions on sessions that were affected by industrial action.
- Exam, not an essay! No need for reference list, no need to present data, no need to test hypotheses.
- Section A: clear and precise answers covering definitions/explanations of core aspects.
- Section B: build a line of argument that is straightforward, refer to key thinker we have covered, use some intuitive examples to strengthen your points.
- Suggestion: Go through material for "Week 10: Exam preparation" again!

Exam & Essay Preparation – Essay

- Guidelines – make sure to check the CPS syllabus and the Undergraduate Programme Handbook.
- If you cannot find the answers there, write us an email.
- But: Keep your questions short and straightforward! No philosophical open-ended questions.
- Otherwise we will not be able to provide you with the clear answers that you want to have!
- For essay: Also check the "Instructions for Essay" as well as the "Plagiarism information" documents on Keats.

Exam & Essay Preparation – Essay

- Does a good economy lead to democratization? Yes, no, and why? Exemplify with your selected countries.
- Does the structure of the state (federalism, types of legislature, presidentialism, or court system) explain democratic stability? Yes, no, and why? Exemplify with your selected countries.
- Does globalization affect voting behaviour? Yes, no, and why? Exemplify with your selected countries.
- Do political parties matter for policy-making? Yes, no, and why? Exemplify with your selected countries.

Exam & Essay Preparation – Essay

- All questions have a clear X-Y structure.
- X = Independent variable. Y = Dependent variable.
- Does X affect Y?
- Keep this in mind when choosing your research design and countries.

Exam & Essay Preparation – Essay

- Research Design: No preference for qualitative/quantitative work. Has to be comparative, though.
- For more info on comparative method, go through "Week 5 - Comparative method" again.
- Important: Justification of your methodological decisions in light of your theory.
- Qualitative: Logic of case selection – e.g. most similar system design?
 - Do not go through all potential country characteristics!
 - Only those that might be important.
- Quantitative: Which countries? Which indicator do you choose?
- For both qualitative and quantitative work, beware of time dimension!
- Always relate findings back to initial question and theoretical expectations.

Exam & Essay Preparation – Essay

- Have a clear structure.
- Introduction
 - Why important?
 - Summarise main argument
 - Brief summary method
 - Short outline of the essay structure
- Main Part
 - Main theory
 - Research design and justification
 - Results – show the reader your findings and how they relate to your argument.
- Conclusion
 - What have you found? Are your findings in line with your theoretical expectations?
 - Limitations

Essay – General Guidelines

- Keep your sentences short. Easier to understand, more fun to read, better style.
- Long sentences are NOT an indication for high intellectual capacity!
- No opinion piece – make an informed argument. Speak to the literature (and cite it).
- Literature research: Additional readings on Keats, King's library online catalogue, google scholar (<https://scholar.google.com/>).
- For all questions: You are not restricted to European countries! Thus, you can (in theory) choose from all countries worldwide.
- However, think about country selection in terms of research design.

Thank you for your attention.