I. Endogenous Policy in Static, General Equilibrium

A. Endogenous Determination of Tax Policy

1. Optimal Taxation and Policy Reform by a Benevolent Government

a. Optimal Taxation


b. Optimal Incremental Reform


c. Informational Limits on Welfare Optimal Redistribution


2. Political Determination of Tax Policy
   a. Simple Referendum Models
     [comment by Staaf and West, and response, AER, 1980, V.70-#3, pp. 461-473]
   b. Lobbying Models
   c. Aumann-Kurz Model


B. Endogenous Determination of Trade Policy

1. Benevolent Governments and the Bhagwati-Johnson Theory of Economic Policy


2. Political Determination of Trade Policy: Endogenous Trade Policy


C. Planning the Economy and the Theory of Market Socialism

1. The Basic Argument


2. The Informational Problems with Planning


II. Endogenous Policy in Intertemporal, General Equilibrium

A. Intergenerational Politics and the Political Economy of Social Security

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**B. Political Economy of Growth and Income Distribution**

1. Surveys/Overviews


2. Income Distribution and Growth

   a. Mostly Theoretical

      (1) Incomplete Financial Markets


(2) Sorting

(a) Theory


(b) Empirical


  b. Mostly Empirical: Is There a Kuznets Curve?


3. Income Distribution and Growth with Endogenous Policy

a. Voting Models
(1) Models of Taxation, Redistribution, and Investment


(2) Models with Constrained Accumulation of Human Capital


b. Models of Distributional Struggle


c. Rent-Seeking and Growth


4. Income Distribution, Political Instability, and Growth

III. Endogenous Macroeconomic Policy for a Closed Economy

A. Politics of Macropolicy: Institutions and History

1. Overviews


### 2. Monetary Policy


### 3. Fiscal Policy


B. Time-Consistency and Sustainability of Macroeconomic Policy

1. Overviews


2. Time Inconsistency and the Case for Fixed Policy Rules under Full Information


3. Commitment, Commitment Mechanisms and Optimal Sustainable Policy

a. General Framework


b. Optimal Debt


c. Optimal Seignorage


4. Reputation and Optimal Sustainable Policy


5. Politics, Reputation and Sustainability

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b. Mostly Empirical


C. Political Consequences of Macroeconomic Conditions


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2. Electoral Consequences


a. Aggregate Economic Conditions and Political Performance


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b. Economic Conditions and Self-Regarding Political Choice


c. Sociotropic Voting


D. Macroeconomic Consequences of Political Competition

1. Democratic Constraint and the Size of Government

   a. Theory


b. Evidence on the Growth of the State


c. Consequences of the Growth of the State


2. Political Business Cycles
   a. Overviews and Surveys


   b. Political Business Cycles with a Rational Government

   (1) Myopic Voters


   (2) Rational Expectations


   (3) Empirical Results


c. Political Business Cycles with Rational Competitive Parties

(1) Myopic Voters


(2) Rational Expectations


(3) Empirical Tests of the Partisan Theory

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IV. Endogenous Policy for the Open Economy

A. Credibility of Policy in Open Economies

1. Credibility and Exchange Rate Policy


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2. The Speculative Attack Problem

a. Overviews


b. Stochastic Optimal Control and Stochastic Process Switching


c. The Basic Model


**d. Optimizing Models**


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e. Examples and Evidence


3. Coordination by Target Zones


a. Target Zone Proposals


b. The Basic Krugman Model


c. Target Zones with Realignment Risk


d. Intramarginal Intervention


e. Speculative Attack on the Target Zone


B. Coordination of Policy


1. Non-Strategic Analysis of Monetary/Exchange Rate Policy


2. Strategic Analysis of Monetary Policy


    a. Static Games


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b. Dynamic Games


3. Effectiveness of Coordinated Exchange Rate Intervention


a. Single Country Sterilization


b. The Theory of Optimum Currency Areas


c. Coordination with Political Integration: The EMS Experience


4. Coordination of Fiscal Policy

a. Non-Strategic Analysis of Interdependent Fiscal Policy


b. Strategic Analysis of Fiscal Policy


5. Cooperation with Model Uncertainty or Disagreement on Models


C. Domestic Politics and International Economic Policy


V. Power, Structure and Order

A. Thinking About Power


B. Political Structure

1. General Analysis of Political Structure


2. Party Competition and Structural Realignment
   a. Theory of Critical Elections and Structural Realignment


   b. Methodological and Measurement Issues


**c. Cases**

(1) The “System of ‘96”


(2) The New Deal


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d. Impact of Structural Realignment on Policy Outcomes


3. The Theory of the State
   a. Overviews


   b. Institutional/Functional Theories of the State

      (1) Historical-Sociological Theories


(2) Choice-Theoretic Approaches


c. More-or-Less Instrumentalist Theories

(1) Essentially Class-based Politics


(2) Essentially Sector-based Politics


d. More-or-Less Structuralist Theories


e. Capital-Theoretic Approaches to the State


C. Economic Structure

1. General Theories of Economic and Socio-Economic Structure


2. Structural Analysis At the Level of the Firm

    a. Structure and Performance of Individual Organizations


b. Incomplete Information, Teams, and Efficient Organization


### c. Asymmetric Information, Agency and the Theory of Contracts

(1) Texts and Surveys


(2) On Principal-Agent Models

(a) The Basic Principal-Agent Model with Moral Hazard


(b) Contract Renegotiation


(c) Repeated/Dynamic Agency


(d) Multiple Agents


  (e) Common Agency (i.e. Multiple Principals)


(f) Adverse Selection and Generalized PA Problems


(3) Internal Structure of the Firm

(a) Transaction Costs, Incomplete Contracts, and the Nature of the Firm


(b) Team Production with Moral Hazard

   i) Tha Basic Analysis


**ii) Partnerships**


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iv) Career Concerns


v) Why Capital Hires Labor


(c) Incomplete Contracts and Holdup: The Problem


(d) The Firm as a Nexus of Contracts: Principal-Agent Analysis


(e) Incomplete Contracts, Property Rights and Renegotiation


(f) Collusion and Renegotiation


(4) Transfer Pricing and Managerial Control

(a) Under Full Information


Management Science; V.11-#1, pp. 1-31.


(b) Under Asymmetric Information


(5) Financial Structure and Managerial Incentives


d. Asymmetric Information and Efficiency Wages

(1) Overviews


(2) Adverse Selection and Efficiency Wages


(3) Worker Moral Hazard and Efficiency Wages


(4) Fairness and Efficiency Wages
3. Institutional Structure of the Macroeconomy


e. Class Struggle at the Point of Production


a. Property Rights


b. Coordination, Convention, and Cooperation

(1) Basic Analysis


(2) Evolutionary Game Theory


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(3) Experimental Analysis


c. Emergence and Evolution of Norms


d. Culture, Norms and Performance


e. Analysis of Concrete Institutional Structure and Economic Performance

(1) Feudalism to Capitalism


(2) Enclosure of Open Fields


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(5) Corruption


(6) Intermediaries, Middlemen, etc.


(7) Other


4. Structural Analysis At the Level of the Economy

a. The Division of Labor and the Social Structure of Production

b. Structures of Corporate Control


c. Class


d. Labor Market Structure

(1) Search


(2) Insiders and Outsiders


5. Social Networks

a. Sociology of Networks


b. Social Networks in Markets

(1) General Discussions


(2) Labor Markets


(3) Production Markets


(4) International Trade


(5) International Migration


c. Matching


d. Networks in Bargaining


e. Microeconomic and Game Theoretic Analyses of Networks


**D. Capitalism, Socialism, and Democracy**

1. The Theoretical Relationship between Capitalism and Democracy


2. The Empirical Relationship Between Capitalism and Democracy

   a. Quantitative Studies

(1) Measuring Democracy


(2) Democracy and Development

(a) The Effect of Growth/Development on Democracy


(b) The Effect of Democracy on Economic Performance


(c) The Relationship between “Economic Freedom” and Growth


b. Historical Analysis of the Relationship between Capitalism and Democracy


c. Non-Democratic Political Institutions and Economic Performance


3. Managing the Transition to Capitalism and Democracy: Political Economy of Policy Reform


a. Timing, Credibility and Sustainability of Policy Reform

(1) Intertemporal Economic Foundations of (In)Credibility


(2) Political Economic Foundations of (In)Credibility

(a) Referenda with Imperfect/Asymmetric Information


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(b) Lobbying Games


(c) Information Cascades and Regime Transformation


b. Sequencing and Sustainability of Policy Reform


\textbf{c. Politics of Liberalization}


VI. Class Struggle, Economic Crisis, Corporatism and the Welfare State

A. The Political-Economy of Capital-Labor Conflict


1. Bargaining Models of Capital-Labor Relations

a. Bargaining Over Wages and Employment

(1) The Monopoly Model


  (2) The Efficient Bargain Model


b. Bargaining and Strikes

2. The Politics of Capital-Labor Conflict


B. Capital-Labor Bargaining and Economic Performance in General Equilibrium

1. Static GE Models with K-L Conflict

   a. GE Models with Wage Differentials


b. GE Models with Economy-Wide Bargaining


c. GE Models with Sector-Specific Bargaining


2. Dynamic GE Models with K-L Conflict

a. Dynamic Game Models of Class Conflict


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b. Capital-Labor Conflict in Growth Models


C. Labor Market Institutions and Macroeconomic Performance

1. On Corporatism

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2. Rethinking Corporatism: Unions, the State and Economic Policy in Comparative Perspective

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b. Firms and Employer Associations


c. The Role of the State and Political Organization


3. The Macroeconomic Consequences of Labor Market Institutions

a. Closed Economies with Monopoly Unions

(1) Theory


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(2) Empirical Findings

(a) Labor Market Institutions and Macroeconomic Performance


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(b) Mostly inflation


(c) Mostly Unemployment


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(e) Corporatism and Growth


b. Open Economy with Monopoly Unions

(1) General Equilibrium with Unions


(2) Strategic Unions and Trade


(3) Labor Market Arrangements and Integration


c. Monetary Institutions, Bargaining, and Performance

(1) Central Bank Independence


(2) Labor Market Arrangements, Exchange Rates and Credibility


(3) EMU


D. Is there a Tendency to Economic Crisis in Advanced Capitalism?

1. Theories of Capitalist Crisis


2. The State and Capitalist Crisis


3. The Welfare State


