

Political Economy (PhD level)

Instructor: Jeff Weaver

Course Description:

This course is an upper year field course for economics PhD students. Students are expected to have taken PhD-level econometrics and microeconomics. This course is intended to: 1) familiarize students with the literature in political economy; 2) learn to critically engage the academic literature; 3) equip students with skills that they will need as academic researchers, such as presenting and writing referee reports; and 4) assist students in starting their own research in political economy.

The course will meet once per week on Wednesdays from 8:30-11:50am. The format of class will be the following, with some adjustment as the course progresses (and based on anonymous feedback from all of you after 3-4 weeks)-

8:30-9:30am:

- The class will begin with a presentation on the first of the starred papers by a student (I will do this for the first week). The presentation should last for approximately 35-40 minutes, including interjections and questions by the class, followed by 20 minutes of discussion, led by the presenter.

9:30-11:50am:

- Following that, we will discuss each of the remaining papers in turn. I will ask one student to begin the discussion with a pithy 2-4 minute summary of the content of the paper. We will then go through the paper, with me asking questions to guide the conversation. We will spend between 30 and 45 minutes on each of the other papers, depending on their number.
- After the presentations and discussion of the first additional paper, we will take a short break. I will bring snacks for the breaks, so kindly alert me to any dietary restrictions that you may have.
- After discussing all of the papers, I will give a brief introduction to the material for the upcoming week and the types of questions that you should keep in mind when reading those papers.

Textbook:

There is no assigned textbook for this class. Material will be based on (occasional) lecture notes and the economics articles listed for each class. However, the following resources may be useful for additional reading.

Olken, Ben and Rohini Pande (2013). [JPAL Governance Initiative Review Paper](#)

Finan, Fred, Olken, Ben and Rohini Pande (2015). The Personnel Economics of the State. NBER Working Paper

Daron Acemoglu and James A. Robinson, Economic Origins of Dictatorship and Democracy, Cambridge University Press, 2005.

Besley, Tim and Torsten Persson (2011) Pillars of Prosperity, Princeton University Press.

Downs, Anthony (1957). An Economic Theory of Democracy. Boston, MA: Addison Wesley.

Grossman, Gene and Elhanan Helpman (2001) Special Interest Politics, MIT Press.

Persson, Torsten and Guido Tabellini (2000). Political Economics: Explaining Economic Policy. MIT Press.

Daron Acemoglu's (very detailed) [lecture notes](#)

Grading:

You will be graded according to the following outline. In cases where students are at the border between two grade levels, course participation may be taken into account.

Assignment	Requirements	% of Final Grade
Presentations	<p>Each week, one paper will be presented by either me or a student. These presentations will rotate such that everyone presents the same number of times. Papers will be assigned to students during the first week of class, and each student will present 2-3 times.</p> <p>The presentations should discuss: (i) the research question, motivation, contribution and relationship to the background literature; (ii) the data; (iii) the empirical strategy; (iv) the main results; (v) conclusions and generalizability; (vi) strengths and weaknesses of the paper; and (vii) future directions for research on the topic.</p> <p>The presentations will be followed by 15-20 minutes of questions from the rest of the class and discussion. The presentations will be graded by me, and other students in the class will give anonymous feedback (ungraded). Presentation scoring guidelines can be found below.</p>	20%
Written Responses	<p>If you are not presenting in a given week, you must select one of the papers and submit a short, written response to the paper. Responses are due no later than 3 hours prior to the start of class. These responses should be short (1-2 paragraphs) and give critical comments on one paper or comment on research questions that are suggested but not answered by the paper. You should not respond to the paper that is being presented (the first of the starred papers).</p>	10%
Class participation	<p>You should actively participate in class discussions on the papers.</p> <p>Furthermore, each week, you need to give anonymous feedback to the student who presented on their presentation. You should do that at this link: https://goo.gl/forms/rnX1HxPUzlfK8uC82 Please complete this by Wednesday evening so that the presentation is fresh in your mind.</p>	10%
Referee Reports (2)	<p>During the semester, students will select two papers from a list of recent job market papers in political economy and write a 2-3 page referee report on those papers. These reports should follow the format of a referee report and be as if you were actually refereeing the paper. Further details can be found below. You do not need to give a written response or presentation during the week that you write a referee report.</p>	10% each

<p>Research proposal and presentation of proposal</p>	<p>The goal of this proposal is to give you a start on thinking about your dissertation. In it, you should: 1) describe the research question and why it is of interest; 2) summarize the related literature (1-3 pages); 3) give a description of your proposed project (5-7 pages). If empirical in nature, this should include an identification strategy and description of your data or planned data collection process.</p> <p>You should meet with me about your proposed project at least once before spending much time on it. In order to allow yourself time to put together the project, make sure that you do this by November 7th. You can email me to set up a time to talk during my office hours (Thursdays 1:30-3:30pm).</p> <p>During the final week of the course/exam period, you will present a proposal for your own original research project. Presentations will be graded on both content and presentation style. Other students in the class will give anonymous feedback (ungraded).</p>	<p>40% (20% proposal, 20% presentation)</p>
---	---	---

Auditing the Course

Advanced year PhD students and others are welcome to audit the course. My expectation is that auditors will have read each of the papers prior to class and be ready to discuss them. Depending on the number of enrolled students and auditors, they may also be expected to do one presentation during the course of the semester, but do not have to submit weekly written discussions or any of the other course assignments.

Course Outline:

In the syllabus, required papers are starred with an asterisk (*). Students are expected to have read all starred papers prior to the start of each class. Those papers can be found in this dropbox folder for download: <https://goo.gl/wifVhQ>

Week 1 (August 22): Introduction to Political Economy

I will give an overview of the course and an introduction to the material in the next week.

If you have time, you may find it useful to read Persson and Tabellini (2000) chapters 1-5 to get some background on the theoretical side of political economy. This class will be focused on empirical research, so I will not cover this material. But knowing about the theoretical side helps to motivate empirical research.

Week 2 (August 29): Voter Turnout

To give an example of how your presentations should look, I will give a presentation on the Gerber and Green (2000) paper at the start of class

*Gerber, Alan and Donald Green (2000). "The Effects of Canvassing, Telephone Calls, and Direct Mail on Voter Turnout: A Field Experiment." *American Political Science Review*, 94, 3, 653-663.

Coate, Stephen, Michael Conlin, and Andrea Moro (2008). "The performance of pivotal-voter models in small-scale elections: Evidence from Texas liquor referenda", *Journal of Public Economics*, 92, 582-596.

Coate, Stephen and Michael Conlin (2004). "A Group Rule-Utilitarian Approach to Voter Turnout: Theory and Evidence." *American Economic Review*, 94, 5, 1476-1504.

*DellaVigna, S., List, J. A., Malmendier, U., & Rao, G. (2016). Voting to tell others. *The Review of Economic Studies*, 84(1), 143-181.

Fujiwara, T., Meng, K., & Vogl, T. (2016). Habit formation in voting: Evidence from rainy elections. *American Economic Journal: Applied Economics*, 8(4), 160-88.

*Gerber, Alan, Donald Green, and Christopher Larimer (2008). "Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment", *American Political Science Review*, 102(1), 33-48.

*Washington, Ebonya (2006). "How Black Candidates Affect Voter Turnout", *Quarterly Journal of Economics*, 121(3), 973-998.

Week 3 (September 5): Political Preferences

*Alesina, Alberto and Nicola Fuchs-Schündeln (2007). "Good Bye Lenin (or Not?): The Effect of Communism on People's Preferences." *American Economic Review*, 97, 4, 1507-1528.

*Edlund, Lena and Rohini Pande (2002). "Why Have Women Become Left-Wing? The Political Gender Gap and the Decline in Marriage," *Quarterly Journal of Economics*, 917-961.

Kuziemko, I., R. Buell, T. Reich, and M. Norton (2014). "Last-place Aversion: Evidence and Redistributive Implications," *Quarterly Journal of Economics*, 129 (1): 105-149.

*E Luttmer (2001). "Group Loyalty and the Taste for Redistribution." *Journal of Political Economy*, 109, 3, 500-528.

Manacorda, Marco, Edward Miguel, and Andrea Vigorito. (2011). "Government Transfers and Political Support", *American Economic Journal: Applied Economics*, 3(3), 1-28.

*Mullainathan, Sendhil and Ebonya Washington (2009). "Sticking with Your Vote: Cognitive Dissonance and Political Attitudes", *American Economic Journal: Applied Economics*, 1(1), 86-111.

Week 4 (September 12): Representative Identity

*Chattopadhyay, Raghendra and Esther Duflo (2004). "Women as Policymakers: Evidence from a Randomized Policy Experiment in India." *Econometrica*, 72, 5, 1409-1443.

*Beaman, L., Chattopadhyay, R., Duflo, E., Pande, R., & Topalova, P. (2009). Powerful women: does exposure reduce bias?. *Quarterly Journal of Economics*, 124(4), 1497-1540.

*Ferreira, Fernando and Joseph Gyourko (2009). "Do Political Parties Matter? Evidence from Cities." *Quarterly Journal of Economics*, 124, 1.

*Washington, E. L. (2008). Female socialization: How daughters affect their legislator fathers. *American Economic Review*, 98(1):311-32.

Week 5 (September 19): Representative Agency, and Accountability

*Dal Bó, Ernesto and Martín Rossi (2011). "Term Length and the Effort of Politicians," *Review of Economic Studies*, 78(4), 1237-1263.

*Besley, Timothy and Anne Case (1995). "Does Political Accountability Affect Economic Policy Choices? Evidence From Gubernatorial Term Limits," *Quarterly Journal of Economics*, 110(3), 769-98.

Diermeier, Daniel, Michael Keane, and Antonio Merlo (2005). "A Political Economy Model of Congressional Careers." *American Economic Review*, 95:347-373.

*Ferraz, Claudio and Frederico Finan (2010). "Electoral accountability and corruption: Evidence from the audit of local governments," *American Economic Review*, 101, 1274-1311.

*Lee, David, Enrico Moretti and Matthew Butler (2004). "Do Voters Affect or Elect Policies? Evidence from the US House." *Quarterly Journal of Economics*, August, 807-859.

Week 6 (September 26): Money in Politics

*Spenkuch, Jorg and David Toniatti (2018). "Political Advertising and Election Results".
Forthcoming in the Quarterly Journal of Economics

*Ansolabehere, Stephen, John (2002). "Why is there So Little Money in Politics?" Journal of
Economic Perspectives, 17, 1, 105-130.

*Avis, Eric, Finan, Frederico, Ferraz, Claudio, and Carols Varjao (2017). "Money and Politics: The
Effects of Campaign Spending Limits on Political Entry and Competition". *Working Paper*

Bertrand, Marianne, Matilde Bombardini and Francesco Trebbi (2014). "Is it Whom You Know or
What you Know? An Empirical Assessment of the Lobbying Process." American Economic Review,
104, 12, 3885-3920.

Blanes-Vidal, Jordi, Mirko Draca and Christian Fons-Roen (2012). "Revolving Door Lobbyists."
American Economic Review, 102, 7, 3731-3748.

Dekel, Eddie, Matthew O. Jackson and Asher Wolinsky. 2008. 'Vote Buying: General Elections.'
Journal of Political Economy. 116(2): 351-380.

*Finan, Frederico and Laura Schecter (2012) "Vote-Buying and Reciprocity", *Econometrica*, 80(2):
863-881

Grossman, Gene M. and Elhanan Helpman. 1994. 'Protection for Sale.' American Economic Review.
84(4): 833-850.

Levitt, Steven (1994). "Using Repeat Challengers to Estimate the Effect of Campaign Spending on
Election Outcomes in the U.S. House", Journal of Political Economy, 102(4), 777-798.

Perez-Truglia, Ricardo and Guillermo Cruces (2015). "Partisan Interactions: Evidence from a
Field Experiment in the US." SSRN Working Paper.

Vicente, Pedro (2013), "Is Vote Buying Effective? Evidence from a Field Experiment in West Africa?"
Economic Journal.

Week 7 (October 3): Media

*Snyder, James and David Stromberg (2010). "Press Coverage and Political Accountability."
Journal of Political Economy 118(2).

*Ferraz, Claudio, and Fred Finan. (2008). "Exposing Corruption politicians: The Effects of Brazil's
Publicly Released Audits on Electoral Outcomes", Quarterly Journal of Economics, 123(2), 703-745.

*Gentzkow, M., Shapiro, J. M., & Sinkinson, M. (2011). The Effect of Newspaper Entry and Exit on
Electoral Politics. American Economic Review, 101(7), 2980-3018.

Paluck, Elizabeth and Don Green (2009). "Deference, Dissent and Dispute Resolution: An
Experimental Intervention Using Mass Media to Change Norms and Behavior in Rwanda."
American Political Science Review, 103, 4, 622-644.

Week 8 (October 10): Institutions and Institutional Persistence

*Acemoglu, D., S. Johnson and J. Robinson (2001). "The Colonial Origins of Comparative Development: An Empirical Investigation." *The American Economic Review* 91(5): 1369-1401.

Acemoglu, D., Johnson, S., & Robinson, J. A. (2002). Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *The Quarterly Journal of Economics*, 117(4), 1231-1294.

Banerjee, Abhijit and Iyer, Lakshmi (2005) "History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India." *American Economic Review*, 95, 1190-1213.

Bleakely, Hoyt and Lin, Jeffrey "Portage and Path Dependence". *Quarterly Journal of Economics*, May 2012, volume 127, pp. 587-644.

*Dell, M. (2010). The persistent effects of Peru's mining mita. *Econometrica*, 78(6), 1863-1903

Nunn, N. (2008). The Long-Term Effects of Africa's Slave Trades. *The Quarterly Journal of Economics*, 139-176.

*Engerman, S. L., & Sokoloff, K. L. (2002). "Factor endowments, inequality, and paths of development among new world economies" (No. w9259). National Bureau of Economic Research.

Week 9 (October 17): Democracy and Democratization

*Olken, B. A. (2010). Direct democracy and local public goods: Evidence from a field experiment in Indonesia. *American Political Science Review*, 104(02), 243-267.

Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared. (2008). "Income and Democracy", *American Economic Review*, 98(3), 808-842.

Acemoglu, D. (2006). *Economic origins of dictatorship and democracy*. Cambridge University Press (pgs. 99-203)

*Burgess, Robin, Remi Jedwab, Edward Miguel, Ameet Morjaria and Gerard Pedró i Miguel (2013). "The Value of Democracy: Evidence from Road Building in Kenya." *American Economic Review*, 105, 6, 1817-51.

*Dal Bó, Pedro, Andrew Foster and Louis Putterman (2010). "Institutions and Behavior: Experimental Evidence on the Effects of Democracy." *American Economic Review*, 100, 2205-2229.

*Martinez-Bravo, M., i Miquel, G. P., Qian, N., & Yao, Y. (2014). Political Reform in China: The Effect of Local Elections.

Pande, R. (2011). Can informed voters enforce better governance? Experiments in low-income democracies. *Annu. Rev. Econ.*, 3(1), 215-237.

Week 10 (October 24): Corruption

*Ferraz, Claudio and Frederico Finan (2011) "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments." *American Economic Review*, 101: 1274-1311.

*Bai, J., Jayachandran, S., Malesky, E. and Olken, B. (2014). "Does Economic Growth Reduce Corruption? Theory and Evidence from Vietnam." NBER Working Paper #19483

Bertrand, Marianne, Djankov, Simeon, Hanna, Rema and Mullainathan, Sendhil, (2007) "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption," *Quarterly Journal of Economics*, 122(4), 1639-1676

Burgess, Robin, Matthew Hansen, Benjamin Olken, Peter Potapov, and Stefanie Sieber, "The Political Economy of Deforestation in the Tropics," *Quarterly Journal of Economics*, 127(4): 1707-1754.

Di Tella, Rafael and Ernesto Schargrotsky (2003). "The Role of Wages and Auditing During a Crackdown on Corruption in the City of Buenos Aires," *Journal of Law and Economics*, 46: 269-292.

Fisman, Raymond and Yongxian Wang (2015). "The Mortality Cost of Political Connections." *Review of Economic Studies*, 2015, 82, 4, 1346-1382.

Muralidharan, K., Niehaus, P., & Sukhtankar, S. (2016). Building state capacity: Evidence from biometric smartcards in India. *American Economic Review*, 106(10), 2895-2929.

Niehaus, Paul, and Sandip Sukhtankar (2013). "Corruption dynamics: The golden goose effect." *American Economic Journal: Economic Policy* 5.4: 230-69.

*Olken, Benjamin (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy*, 115, 2, 200-249.

*Olken, Benjamin and Barron, Patrick (2009), "The Simple Economics of Extortion: Evidence from Trucking in Aceh", *Journal of Political Economy* 117(3), 417-452.

Week 11 (October 31): Bureaucrats

If you have not done any referee reports yet, you need to do one this week.

*Duflo, E., Hanna, R., & Ryan, S. P. (2012). Incentives work: Getting teachers to come to school. *The American Economic Review*, 1241-1278.

Banerjee, A. V., Chattopadhyay, R., Duflo, E., Keniston, D., & Singh, N. (2012). Can institutions be reformed from within? Evidence from a randomized experiment with the Rajasthan police.

*Dal Bó, E., Finan, F., & Rossi, M. A. (2013). Strengthening state capabilities: The role of financial incentives in the call to public service. *The Quarterly Journal of Economics*, 128(3), 1169-1218.

Dhaliwal, Iqbal, and Rema Hanna (2017). Deal with the Devil: The Successes and Limitations of Bureaucratic Reform in India. *Journal of Development Economics*

*Khan, A., Khwaja, A., and Olken, B. (2016). "Tax Farming Redux: Experimental Evidence on Performance Pay for Tax Collectors." *Quarterly Journal of Economics*. 131(1), 219-271.

Muralidharan, K., & Sundararaman, V. (2011). Teacher Performance Pay: Experimental Evidence from India. *Journal of Political Economy*, 119(1), 39-77.

*Olken, B, F. Finan & R Pande (2016) "The Personnel Economics of the State" *Handbook of Field Economics*

Rasul, Imran and Daniel Rogger. 2015. "Management of Bureaucrats and Public Service Delivery: Evidence from the Nigerian Civil Service." Working Paper

Week 11 (November 7): Political Influences on Economic Outcomes/Clientelism

By this point, you should have set up a time to discuss your research proposal with me in office hours

*Fisman, Ray (2001). "Estimating the Value of Political Connections", *American Economic Review*, 91: 1095-1102.

*Anderson, Siwan, Patrick Francois, and Ashok Kotwal (2015). "Clientelism in Indian Villages." *American Economic Review*, 105(6): 1780-1816.

Dube, Arin, Ethan Kaplan, and Suresh Naidu (2011). "Coups, Corporations, and Classified Information", *Quarterly Journal of Economics*, 126(3), 1-35.

*Khwaja, Asim, and Atif Mian. (2005). "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market", *Quarterly Journal of Economics*, 120(4).

*Martinez-Bravo, M. 2014. "The Role of Local Officials in New Democracies: Evidence from Indonesia." *American Economic Review*, 104(4): 1244-87.

Shleifer, Andrei and Robert Vishny (1992). "Politicians and Firms", *Quarterly Journal of Economics*, 109: 995-1026.

Week 12 (November 14): Conflict

*Berman, Eli, Jacob Shapiro, and Joseph Felter (2011) "Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq," *Journal of Political Economy*, 119(4): 766-819.

Abadie, Alberto and Javier Garbeazabal (2003), "The Economic Costs of Conflict: A Case Study of the Basque Country," *American Economic Review* 93.

Blattman, Christopher and Miguel, Edward (2010). "Civil War" *The Journal of Economic Literature*. 48(1): 3-57.

Cicccone, A. (2011). Economic shocks and civil conflict: A comment. *American Economic Journal: Applied Economics*, 3(4), 215-227.

Collier, Paul and Anke Hoffler (1998), "On economic causes of civil war," Oxford Economic Papers, 50: 563-573.

*Dell, M. (2015). Trafficking networks and the Mexican drug war. The American Economic Review, 105(6), 1738-1779.

Dube, O., & Vargas, J. F. (2013). Commodity price shocks and civil conflict: Evidence from Colombia. The Review of Economic Studies, 80(4), 1384-1421.

Fearon, James D. and David D. Laitin (2003), "Ethnicity, Insurgency, and Civil War," American Political Science Review, 97(1):75-90.

*Miguel, E., Satyanath, S., & Sergenti, E. (2004). Economic shocks and civil conflict: An instrumental variables approach. Journal of political Economy, 112(4), 725-753.

*Nunn, N., & Qian, N. (2014). US food aid and civil conflict. The American Economic Review, 104(6), 1630-1666. [note reply of Barrett and Christian (2017)]

Reynal-Querol, M., & Montalvo, J. G. (2005). Ethnic polarization, potential conflict and civil war. American Economic Review, 95(3), 796-816.

November 21: No Class (Thanksgiving Break)

November 28 and December 5: Student Presentations on Research Projects

During these weeks, we will have 2-3 students per class present on their research proposals

Written version of proposal is due on December 12th

Referee Reports:

Writing referee reports is an important task on which graduate students frequently do not receive much training. This is an important way in which you can contribute to the profession and improve the research of others. Whenever doing a referee report, you should prepare two documents. The first is the referee report, which should be 2-3 pages double-spaced. The report should start off with a one paragraph summary of the main argument of the article. You should describe your main 3-4 points in detail as if you were writing directly to the author. Conclude the report with minor comments. A good referee report not only clearly states the shortcomings of the work, but also lays out constructive, detailed and realistic suggestions for improvement. Do not include your recommendation in the report. This [document](#) outlines what your report should include.

The second document is a recommendation letter to the editor. This should be no more than a paragraph. You should list your recommendation for the paper (reject, revise and resubmit, acceptance) and a brief set of reasons for this recommendation.

One of the best ways to learn about how to write a successful job market is to read that of successful past candidates. I have thus selected a number of the best political economy job market papers over the past 2 years for you to select from for the referee reports. Please use the version of the papers in this [dropbox folder](#), NOT any updated drafts. It is more instructive to practice referee reports on less polished papers rather than the final published draft.

- Chen, Yuyu and **Yang, David (Stanford)**. “The Impact of Media Censorship: Evidence from a Field Experiment in China”
- Colonnelli, Emanuele, Prem, Mounu and **Teso, Edoardo (Harvard)**. “Patronage in the Allocation of Public Sector Jobs”
- **Gupta, Sarika (Harvard Kennedy School)**. “Perils of the Paperwork”
- **McGuirk, Eoin (Yale)**, Hilger, Nathaniel, and Miller, Nicholas. “No Kin in the Game: Moral Hazard and War in Congress”
- **Lowe, Matt (MIT)**. “Types of Contact: A Field Experiment on Collaborative and Adversarial Caste Integration”
- **Lowes, Sara (Harvard)** and Montero, Eduardo. “Blood Rubber”
- **Szucs, Ferenc (Berkeley)**. “Discretion and Corruption in Public Procurement”
- **Weigel, Jonathan (Harvard)**. “Building State and Citizen: How Tax Collection in Congo Engenders Citizen Engagement with the State”
- **Xu, Guo (LSE)**. “The Costs of Patronage: Evidence from the British Empire”

Please read these resources prior to writing your referee reports. They provide useful guidance on how to write a successful report:

- Berk et al, “Preparing a Referee Report: Guidelines and Perspectives”:
<https://www.aeaweb.org/content/file?id=222>
- Bellemare, “Contributing to Public Goods: My 20 Rules for Refereeing”:
<http://marcfbellemare.com/wordpress/5542>
- Chris Blattman 2013 Syllabus (see the last four pages):
<https://chrisblattman.com/files/2009/07/POLS-G8412-Syllabus-Spring-2013-Jan-2013-final.docx>
- https://thepoliticalmethodologist.files.wordpress.com/2016/02/tpm_v23_n1.pdf