

Syllabus

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Course: Political Economy

Professor: Fernanda Estevan

2018 FIRST SEMESTER

PROGRAM

The goal of this course is to expose graduate students to the political economy literature to familiarize them with the central themes and techniques used in theoretical and empirical work in the field, and to help them formulate and develop a research project in political economy or related areas.

BIBLIOGRAPHY

Main references:

Acemoglu, D. (2014). Political Economy Lecture Notes. Available at <http://economics.mit.edu/files/9524>.

Besley, T. (2007a). The new political economy. *The Economic Journal*, 117(524):F570–F587.

Besley, T. (2007b). *Principled Agents?: The Political Economy of Good Government*. OUP Catalogue. Oxford University Press.

Besley, T. and Coate, S. (1997). An economic model of representative democracy. *The Quarterly Journal of Economics*, 112(1):85–114.

Gans, J. S. and Smart, M. (1996). Majority voting with single-crossing preferences. *Journal of Public Economics*, 59(2):219–237.

Grossman, G. M. and Helpman, E. (2001). *Special Interest Politics*. The MIT Press.

Hinich, M. J., Ledyard, J. O., and Ordeshook, P. C. (1972). Nonvoting and the existence of equilibrium under majority rule. *Journal of Economic Theory*, 4(2):144 – 153.

Levy, G. (2004). A model of political parties. *Journal of Economic Theory*, 115(2):250–277.

Levy, G. (2005). The politics of public provision of education. *The Quarterly Journal of Economics*, 120(4):1507–1534.

Merlo, A. (2005). *Whither Political Economy? Theories, Facts and Issues*. PIER Working Paper Archive 05-033, Penn Institute for Economic Research, Department of Economics, University of Pennsylvania.

Persson, T. and Tabellini, G. (2002). *Political Economics: Explaining Economic Policy*. MIT Press Books. The MIT Press.

GRADING

Evaluation	Weight
Presentation	20%
Referee report	30%
Research project	50%

PROFESSOR - EMAILS

DETAILED PROGRAM

Below is a tentative schedule that is subject to modification. For each topic, we will cover both theoretical and empirical references.

Class	Topic
1	Introduction
2-5	Voting: Arrow Impossibility Theorem, voting rules, median voter, Downsian model, probabilistic model, citizen-candidate model, coalitions.
6-9	Agency models: electoral competition, asymmetric information, accountability, career concerns.
10-11	Lobbying
12-15	Institutions: weak institutions, democratization, political instability, and coups.