

Syllabus

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Course: Political Economy

Professor: Fernanda Estevan

2020 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.

BIBLIOGRAPHY

Main references:

- Acemoglu, D. (2010). Theory, General Equilibrium, and Political Economy in Development Economics. *Journal of Economic Perspectives*, 24(3):17–32.
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- de la Croix, D. and Doepke, M. (2009). To segregate or to integrate: Education politics and democracy. *The Review of Economic Studies*, 76(2):597–628.
- Dottori, D., Estevan, F., and Shen, I.-L. (2013). Reshaping the schooling system: The role of immigration. *Journal of Economic Theory*, 148(5):2124–2149.
- Epple, D. and Romano, R. E. (1996a). Ends against the middle: Determining public service provision when there are private alternatives. *Journal of Public Economics*, 62(3):297–325.
- Estevan, F. (2013). The impact of conditional cash transfers on public education expenditures: A political economy approach. *European Journal of Political Economy*, 32(0):268–284.
- Ferraz, C. and Finan, F. (2008). Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes. *Quarterly Journal of Economics*, 123(2):703–745.
- Fujiwara, T. (2015). Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil. *Econometrica*, 83(2):423–464.
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Merlo, A. (2005). Whither Political Economy? Theories, Facts and Issues. PIERWorking Paper Archive 05-033, Penn Institute for Economic Research, Department of Economics, University of Pennsylvania.

Pande, R. (2003). Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India. *American Economic Review*, 93(4):1132–1151.

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

Robinson, J. A. (2010). *The Political Economy of Redistributive Policies*, chapter 3, pages 39-71. Brookings Institution Press.

Stiglitz, J. E. (1974). The demand for education in public and private school systems. *Journal of Public Economics*, 3(4):349–385.

GRADING

Apart from the program below, the student must choose an additional topic. The student will write two referee reports on that topic using the references given on that list. I provide the list of topics/references and additional instructions on <https://eclass.fgv.br/> under 'Syllabus.'

Evaluation	Weight	Date
Assignments	40%	May 25 and June 17
Final exam (<i>open book</i>)	60%	Jun 26

PROFESSOR – EMAILS

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DETAILED PROGRAM

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

Lectures	Dates	Topic	References
1	May 11	Introduction	Persson and Tabellini (2002), chap. 1; Besley (2007b), chap. 1; Acemoglu (2010); Merlo (2005); Besley (2007a); Baland et al (2010); Robinson (2010).
2-3	May 13-18	Voting: Arrow Impossibility Theorem, voting rules, median voter, empirical evidence.	Persson and Tabellini (2002), chap.2; Grossman and Helpman (2001), chap. 1; Stiglitz (1974); Epple and Romano (1996a); Gans and Smart (1996); Estevan (2013).
4-5	May 20-25	Downsian and Probabilistic voting model, empirical evidence.	Persson and Tabellini (2002), chap. 3; Hinich et al. (1972); de la Croix and Doepke (2009); Dottori et al. (2013) ; Fujiwara (2015).
6	May 27	Citizen-candidate model, empirical evidence.	Persson and Tabellini (2002), chap.5; Besley and Coate (1997); Pande (2003).
7-10	Jun 1-10	Agency models: electoral competition, asymmetric information, accountability, career concerns, empirical evidence.	Persson and Tabellini (2002), chap.4; Besley (2007b), chap.3; Ferraz and Finan (2008).
11	Jun 15	Lobbying	Grossman and Helpman (2001), chap.4.
12-14	Jun 17-24	Institutions: weak institutions, democratization, political instability, and coups, empirical evidence.	Acemoglu (2014), chap.1 and 17-21.