

Political Science G8211
Political Economy of Institutions
Spring 2014

Professors Massimo Morelli and Michael Ting

INTRODUCTION

This course will prepare advanced doctoral students in political science and economics who have completed their basic formal and quantitative training for theoretical research in political economy. Substantively, the course will focus on a number of broad institutional questions areas of interest within the field, ranging from elections and legislatures to the bureaucracy and international organizations. The topics should be of clear relevance for graduate students in American politics, comparative politics, political economy and public economics, and should complement well the other courses available in those four fields.

The course will be conducted primarily in lecture format. For each topic in the syllabus, we will focus on a small number of relatively recent articles and working papers. Students will also present on topics related to their own research.

LOGISTICS

Classes will meet on Thursday, 2:10 to 4, at 711 IAB. Office hours are Tuesday 2-4 (Ting) and Tuesday 10-12 (Morelli), and by appointment. Our contact information:

Morelli: 720 IAB, mm3331@columbia.edu, 212 854 5941

Ting: 701 IAB, mmt2033@columbia.edu, 212 854 7945

REQUIREMENTS

Students are expected to have completed an advanced course in game theory (at the level of Political Science W4210) as a prerequisite for enrollment.

Students will be evaluated on the basis of the following:

- Presentation of and written progress towards a publishable research paper (60%)
- Presentation of one article from the syllabus related to your paper (20%)
- One short assignment (20%)

The presentations and paper are parts of a single project, which will proceed as follows. By January 30 each student will inform the instructors of a general topic area of interest. During the semester, the student will present an article or working paper that is closely related to this topic. This article must be approved by the instructors, and we encourage articles that are not listed on this syllabus. In addition to summarizing the article, the presentation will discuss ideas about how to improve upon the model. Presentations are expected to take 40 minutes and will be scheduled on the dates of lectures on related topics.

The paper should identify an interesting question and show that the attempted answer is both sensible and feasible. For example, if a research paper involves mainly theoretical modeling, it should at least contain the proposed model to study the problem and some examples to show that the model can yield interesting results, even if the full-blown theorems are yet to be proved. The topic of the paper should be discussed with the instructor. Students will present the preliminary model in class during the final weeks of the semester. The paper is due May 1.

The short assignment will ask a number of questions related to articles covered in class. It is due March 27.

Links to all articles and working papers, as well as updates to this syllabus, may be found on the course's CourseWorks page.

READING LIST

Following is a list of topics that we plan to cover during the semester. Each topic will receive 1-2 weeks. The order of topics and the number of papers we cover will be determined by student (and instructor) interest. Papers marked by a (*) will tentatively be covered in class. Students should inform the instructors if there are papers that they are particularly interested in seeing, or that have been covered previously in another course.

- Voting

Bendor, Jonathan, Daniel Diermeier, and Michael M. Ting. 2003. "A Behavioral Model of Turnout." *American Political Science Review* 97(2): 261-280.

Herrera, Helios, and Cesar Martinelli. 2006. "Group Formation and Voter Participation." *Theoretical Economics* 1: 461-487.

- Electoral Competition

Adams, James, Thomas L. Brunell, Bernard Grofman, and Samuel Merrill III. 2010. "Why Candidate Divergence Should Be Expected to Be Just as Great (or Even Greater) in Competitive Seats as in Non-competitive Ones." *Public Choice* 145(3/4): 417-433.

Gul, Faruk, and Wolfgang Pesendorfer. 2010. "Strategic Redistricting." *American Economic Review* 100(4): 1616-1641.

- Electoral Systems

Austen-Smith, David. 2000. "Redistributing Income under Proportional Representation." *Journal of Political Economy* 108(6): 1235-1269.

Bandyopadhyay, Siddhartha, Kalyan Chatterjee, and Tomas Sjöström. 2011. "Pre-electoral Coalitions and Post-election Bargaining." *Quarterly Journal of Political Science* 6(1): 1-53.

Herrera, Helios, Massimo Morelli, and Thomas Palfrey. 2013. "Turnout and Power Sharing." *Economic Journal*, forthcoming.

Lizzeri, Alessandro, and Nicola Persico. 2001. "Provision of Public Goods under Alternative Electoral Incentives." *American Economic Review* 91(1): 225-239.

Milesi-Ferretti, Gian Maria, Roberto Perotti, and Massimo Rostagno. 2002. "Electoral Systems and Public Spending." *Quarterly Journal of Economics* 117(2): 649-657.

Morelli, Massimo. 2004. "Party Formation and Policy Outcomes under Different Electoral Systems," *Review of Economic Studies* 71(3): 829-853.

- Parties

Caillaud, Bernard, and Jean Tirole. 2002. "Parties as Political Intermediaries." *Quarterly Journal of Economics* 117(4): 1453-1489.

Castanheira, Micael, Benoît Crutzen, and Nicolas Sahuguet. 2010. "Party Governance and Electoral Competition." *Journal of Law, Economics, and Organization* 26(2): 212-242.

Frèchette, Guillaume R., François Maniquet, and Massimo Morelli. 2008. "Incumbents' Interests and Gender Quotas." *American Journal of Political Science* 52(4): 891-909.

Hirano, Shigeo, James M. Snyder, and Michael M. Ting. 2013. "Primary Elections and the Provision of Public Goods." Unpublished manuscript, Columbia University.

Persico, Nicola, Dan Silverman, and Jose-Carlos Rodriguez-Pueblita. 2011. "Factions and Political Competition." *Journal of Political Economy* 119(2): 242-288.

- Parliamentary Systems

Bennedsen, Morten, and Sven E. Feldmann. 2002. "Lobbying Legislatures." *Journal of Political Economy* 110(4): 919-946.

Diermeier, Daniel, and Timothy Feddersen. 1998. "Cohesion in Legislatures and the Vote of Confidence Procedure." *American Political Science Review* 92(3): 611-621.

Nakaguma, Marcos Y. 2014. "Choosing the Form of Government: Theory and Evidence from Brazil." *Economic Journal*, forthcoming.

Vlaicu, Razvan, and Daniel Diermeier. 2011. "Executive Control and Legislative Success." *Review of Economic Studies* 78(3): 846-871.

- Campaigns

Ashworth, Scott. 2006. "Campaign Finance and Voter Welfare with Entrenched Incumbents." *American Political Science Review* 100(1): 55-68.

Austen-Smith, David. 1995. "Campaign Contributions and Access." *American Political Science Review* 89(3): 566-581.

Galeotti, Andrea, and Andrea Mattozzi. 2011. " "Personal Influence": Social Context and Political Competition." *American Economic Journal: Microeconomics* 3: 307-327.

Grossman, Gene M., and Elhanan Helpman. 1999. "Competing for Endorsements." *American Economic Review* 89(3): 501-524.

Prat, Andrea. 2002. "Campaign Advertising and Voter Welfare." *Review of Economic Studies* 69(4): 997-1017.

Prato, Carlo, and Stephane Wolton. 2013. "Information and Reforms: Electoral Campaigns and Voters' Curses." Unpublished manuscript, Georgetown University.

- Lobbying

Groseclose, Tim, and James M. Snyder. 1996. "Buying Supermajorities." *American Political Science Review* 90(2): 303-315.

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

- Legislative Careers

Caselli, Francesco, and Massimo Morelli. 2004. "Bad Politicians." *Journal of Public Economics* 88(3-4): 759-782.

Diermeier, Daniel, Michael Keane, and Antonio Merlo. 2005. "A Political Economy Model of Congressional Careers." *American Economic Review* 95(2): 347-373.

Snyder, James M., and Michael M. Ting. 2003. "Roll Calls, Party Labels, and Elections." *Political Analysis* 11(4): 419-444.

- Reelection

Alesina, Alberto, and Guido Tabellini. 2007. "Bureaucrats or Politicians? Part I: A Single Policy Task." *American Economic Review* 97(1): 169-179.

Maskin, Eric, and Jean Tirole. 2004. "The Politician and the Judge: Accountability in Government." *American Economic Review* 94(4): 1034-1054.

Morelli, Massimo, and Richard Van Weelden. 2013. "Ideology and Information in Policy Making." *Journal of Theoretical Politics* 25(3): 412-439.

Morelli, Massimo, and Richard Van Weelden. 2013. "Reelection through Division." Unpublished manuscript, Columbia University.

Rogoff, Kenneth. 1990. "Equilibrium Political Budget Cycles." *American Economic Review* 80(1): 21-36.

Smart, Michael, and Daniel Sturm. 2013. "Term Limits and Electoral Accountability." Unpublished manuscript, London School of Economics.

- Regimes

Acemoglu, Daron, and James A. Robinson. 2000. "Why Did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective." *Quarterly Journal of Economics* 115(4): 1167-1199.

Aghion, Phillippe, Alberto Alesina, and Francesco Trebbi. 2004. "Endogenous Political Institutions." *Quarterly Journal of Economics* 119(2): 565-611.

Baliga, Sandeep, David O. Lucca, and Tomas Sjöström. 2011. "Domestic Political

Survival and International Conflict: Is Democracy Good for Peace?" *Review of Economic Studies* 78: 458-486.

Brollo, Fernanda, Tommaso Nannicini, Roberto Perotti, and Guido Tabellini. 2013. "The Political Resource Curse." *American Economic Review* 103(5): 1759-1796.

Egorov, Georgy, and Konstantin Sonin. 2011. "Dictators and Their Viziers: Endogenizing the Loyalty-Competence Trade-Off." *Journal of the European Economic Association* 9(3): 905-930.

Myerson, Roger B. 2008. "The Autocrat's Credibility Problem and Foundations of the Constitutional State." *American Political Science Review* 102(1): 125-139.

Persson, Torsten, Gerard Roland, and Guido Tabellini. 1997. "Separation of Powers and Political Accountability." *Quarterly Journal of Economics* 112(4): 1163-1202.

- Bureaucracy

Aghion, Philippe, and Jean Tirole. 1997. "Formal and Real Authority in Organizations." *Journal of Political Economy* 105(1): 1-29.

Banerjee, Abhijit V. 1997. "A Theory of Misgovernance." *Quarterly Journal of Economics* 112(4): 1289-1332.

Gailmard, Sean, and John W. Patty. 2007. "Slackers and Zealots: Civil Service, Policy Discretion and Bureaucratic Expertise." *American Journal of Political Science* 51(4): 873-889.

Prendergast, Canice. 2003. "The Limits of Bureaucratic Efficiency." *Journal of Political Economy* 111(5): 929-958.

Ting, Michael M. 2012. "Legislatures, Bureaucracies, and Distributive Spending." *American Political Science Review* 106(2): 367-385.

- Direct Democracy

Maniquet, François, and Massimo Morelli. 2013. "Approval Quorum Rules Dominate Participation Quorum Rules." Unpublished manuscript, Columbia University.

Matsusaka, John G. 2005. "Direct Democracy Works," *Journal of Economic Perspectives* 19(2): 185-206. (NB: This is a survey article)

Matsusaka, John G. 2005. "The Eclipse of Legislatures: Direct Democracy in the 21st Century." *Public Choice* 124(1-2): 157-177.

Prato, Carlo, and Bruno Strulovici. 2013. "Direct Democracy, Political Delegation and Responsibility Substitution." Unpublished manuscript, Northwestern University.

- Dynamic Political Economy

Battaglini, Marco. 2013. "A Dynamic Theory of Electoral Competition." Unpublished manuscript, Princeton University.

Lagunoff, Roger. 2008. "Markov Equilibrium in Models of Dynamic Endogenous Political Institutions." Unpublished manuscript, Georgetown University.

Eguia, Jon, and Kenneth Shepsle. 2013. "Endogenous Assembly Rules, Senior Agenda

Power, and Incumbency Advantage.” Unpublished manuscript, Harvard University.
Ales, Laurence, Pricila Maziero, and Pierre Yared. 2012. “A Theory of Political and Economic Cycles.” Unpublished manuscript, Columbia University.

- International Organizations

Harstad, Bård. 2005. “Majority Rules and Incentives.” *Quarterly Journal of Economics* 120(4): 1535-1568.

Maggi, Giovanni. 2013. “International Trade Agreements.” *The Handbook of International Economics*, Volume 4, forthcoming. (Text on Courseworks site.)

Maggi, Giovanni, and Massimo Morelli. 2006. “Self-Enforcing Voting in International Organizations.” *American Economic Review* 96(4): 1137-1158.

Maggi, Giovanni, and Andrés Rodríguez-Clare. 2007. “A Political-Economy Theory of Trade Agreements.” *American Economic Review* 97(4): 1374-1406.

Stasavage, David. 2004. “Open-Door or Closed-Door? Transparency in Domestic and International Bargaining.” *International Organization* 58(4): 667-703.

- Norms and Identity

Alesina, Alberto, and George-Marios Angeletos. 2005. “Fairness and Redistribution.” *American Economic Review* 95(4): 960-980.

Bénabou, Roland, Davide Ticchi, and Andrea Vindigni. 2013. “Forbidden Fruits: The Political Economy of Science, Religion, and Growth.” Unpublished manuscript, Princeton University.

Bénabou, Roland, and Jean Tirole. 2006. “Incentives and Prosocial Behavior.” *American Economic Review* 96(5): 1652-1678.

Bénabou, Roland, and Jean Tirole. 2011. “Identity, Morals, and Taboos: Beliefs as Assets.” *Quarterly Journal of Economics* 126: 805-855.

Levy, Gilat, and Ronny Razin. 2012. “Religious Beliefs, Religious Participation, and Cooperation.” *American Economic Journal: Microeconomics* 4(3): 121-151.

Passarelli, Francesco, and Guido Tabellini. 2013. “Emotions and Political Unrest.” Unpublished manuscript, Bocconi University.