

Political Science 840: *Political Economics*
(aka, "CPE")

"All models are wrong, but some are useful." –George Box

Prof. John Ahlquist <https://mywebspace.wisc.edu/jahlquist/web/index.html>
Office: 201C North Hall Phone: 608.263.2019
Email: jaahlquist@wisc.edu Course meeting: Monday 1:30-3:30pm Ogg Room.
OH: Tuesday, Thursday 11:30-12:30, 2-3pm

Class meetings:

Description: This is an advanced graduate course designed to introduce students across political science subfields to major political-economic models and concepts relevant to the study of politics. Understanding these models will improve your ability to make contributions, whether theoretical or empirical, in any of the subfields of political science. The class will cover both theoretical work emerging out of political science and economics as well as and empirical work and current controversies.

This course is core to a graduate political economy curriculum. The other directly relevant courses are introductory and advanced game theory; political institutions; international political economy; and political economy of development. Since we only have a semester I have omitted important topics that are already covered in other courses. Relevant topics covered in greater detail elsewhere include:

- Basic social choice models (Arrow, etc.)
- Abstract bargaining models;
- Models of war, conflict, & terrorism;
- principal agent models, regulation & bureaucracy;
- accountability and representation;
- the spatial model and models of coalition formation
- the causes and effects of international trade, capital flows, currency regimes, and organizations.

There is a heavy reading load in this class, on the order of ~6-7 journal articles per class or a book and an article. The order of assigned readings in each week is important; often they cumulate or argue with one another. I have also made an effort to highlight an optional review article in each week. If you choose to read the review piece you should do so only *after* you have read the assigned readings for that week. I have also included extensive (but not exhaustive) lists of recommended reading for you to use as you prepare for your field exams and work towards finalizing a dissertation topic.

Class meetings will be a combination of lecture and discussion.

This syllabus is not carved in stone. I have intentionally included more material than is possible to cover in a semester. I reserve the right to alter it and I am amenable to spending more time on topics people may be struggling with. How far we get and which of the topics from the end of the course we end up covering will be driven by my assessment of your progress as well as which topics you find most relevant to your research agendas. Please let me know if the class is moving too quickly or slowly for you!

Prerequisites: This class assumes you have taken introductory game theory and basic regression courses. You should know how to take a derivative and should be able to recognize linear (matrix) algebra and Bayes' Rule.

Assignments & Grading:

There will be three primary written assignments for the course:

1. *Two (2) research proposals* (50% of grade; 25% each). Each proposal should be ~10 pages. It should briefly identify a political economy literature to engage with and then describe a proposed research project.
 - a. One proposal should involve either a pure (formal?) theory question or an empirical project involving observational data. Empirical projects should be clear about theoretical motivation, data availability/collection, and a discussion of causal identification issues.
 - b. The other proposal should describe a lab, field, or survey experiment. Be sure to be clear about the theory and provide a justification for the location, timing, and form of the experiment. What are the principles governing sample size & stratification, randomization, data collection & analysis?
 - c. The first proposal is due to me in week 8. The second is due in week 13. You will present your favored proposal to the class in our last class meeting.
2. *Two (2) reviews of written working papers* (20% of grade; 10% each). You will provide written reviews of two different papers in the spirit of what you will be asked to provide as a journal referee. Reviews should be no more than 3 single-spaced pages. You should avoid summary and focus on critical evaluation of theory, method, design, data, and presentation. You should make a recommendation as to whether the paper should be published or not. You can choose any two of the following recent job market or working papers:
 - a. Any of the papers presented this semester during PEC. **NB:** if you choose a PEC paper you will be required to submit the review *before* the PEC meeting in question. This may be at relatively short notice.
 - b. An approved paper circulated for APW, CPC, IRC this semester. I will also be willing to entertain reviews of papers circulated for colloquia in Economics, Agricultural Economics, Sociology, and the BRITE lab. **NB:** if you choose a seminar paper you will be required to submit the review *before* the talk.
 - c. A paper circulated as a job talk, conditional on my approval.
 - d. Grossman, Guy. "Causal effects of leader selection rules on leader responsiveness and cooperation: evidence from Ugandan community organizations" <http://users.polisci.wisc.edu/crc/protected/Grossman.pdf>
 - e. Frye, Timothy, Reuter, & Szakonyi. "Political Machines at Work: Voter Mobilization and Electoral Subversion in the Workplace." <http://papers.isnie.org/paper/997.html>
 - f. Min, Brian. "Distributing Power: Electrifying the Poor in India." http://www-personal.umich.edu/~brianmin/Min_UP_20101019.pdf
 - g. Pierskella, Jan. "A Curse for the Countryside? The politics of oil and the support for agriculture" (on course website)

Reviews are due no later than weeks 5 and 10.

Read this for good advice on how to write a good & useful referee report:

- Miller et al. 2013. "How To Be a Peer Reviewer: A Guide for Recent and Soon-to-be PhDs". *PS*.
http://journals.cambridge.org/download.php?file=%2FPSC%2FPSC46_01%2FS104909651200128Xa.pdf&code=1b865228177bcd12535dff80e4f96db5

3. (10%) Occasional problem sets.
 - a. Problem sets will be graded on a full credit/no credit basis, with no restrictions on the number of rewrites within the semester.
 - b. To get full credit, you must
 - i. Turn in a completed problem set by the initial due date.
 - ii. Provide an acceptable answer for every question.
 1. If you fail to do so, you can redo the questions you answered incorrectly and resubmit the problem set. You can do this as many times as necessary to get full credit, up to the last day of classes of the semester.
 - c. While you can hand write your problem sets and scan them, I prefer typeset versions using, e.g., LaTeX. If your problem sets are illegible, I reserve the right to require you to type your problem sets.
 - d. You can and should work together on problem sets provided that you attempt all problems on your own and you each write up individual assignments.
4. The remainder of your grade will be determined by the extent and quality of your participation.

Written work is due by noon on the day of our class meeting that week. *All written work MUST be submitted electronically via the dropbox on the course website. I will only accept .pdf or .txt files. No proprietary software files (.docx, etc.)!*

Attendance: I expect you attend each and every class meeting (**unless you are feeling ill!**). Simply appearing in class, however, is insufficient. You need to demonstrate to me (and your colleagues) that you have read and engaged with course readings.

I expect to see each of you in office hours at least twice during the semester. If my scheduled hours are inconvenient for you, we can find another mutually agreeable time.

PEC & other speaker series: We are lucky to have a very active and exciting political economy group at the University of Wisconsin, including the Political Economy Colloquium speaker series. *I expect to see each of you at all the PEC meetings this semester unless you have a course conflict.* More information and a schedule are here: <http://users.polisci.wisc.edu/pec/>. I will also be highlighting other speakers in APW, IRC, CPC and outside the department.

Incompletes: I generally refuse to grant incompletes though I may make exceptions for times of personal or family emergencies.

Required Books:

- Acemoglu, Daron, and James A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. New York: Cambridge University Press.
- Adolph, Christopher. 2013. *Bankers, Bureaucrats, and Central Bank Politics: The Myth of Neutrality*. Cambridge University Press.
- Ahlquist, John S. and Margaret Levi. 2013. *In the Interest of Others: Organizations & Social Activism*. Princeton University Press.
- Besley, T. and T. Persson. 2011. *Pillars of Prosperity*. Princeton University Press.

Diaz-Cayeros, Alberto, Federico Estevez, and Beatriz Magaloni. forthcoming. *Strategies of Vote Buying: Democracy, Clientelism and Poverty Relief in Mexico*.

<http://www.stanford.edu/~magaloni/dox/2012strategiesvotebuying.pdf>

Przeworski, Adam. 2003. *States and Markets: A Primer in Political Economy*. New York: Cambridge University Press.

All books are available for order online or through the university bookstore. Chapters of books I don't ask you to buy will be available as scanned .pdf downloads on the Learn@UW site. All journal articles can be downloaded through the library. SAVE A TREE...print double-sided (or not at all)!

Recommended reference:

Austen-Smith, David, Jeffrey A. Frieden, Miriam Golden, and Adam Przeworski, eds. 2008. *The Collected Works of Michael Wallerstein*. New York: Cambridge University Press.

Austen-Smith, David, and Jeffrey S. Banks. 1999. *Positive Political Theory I*. Ann Arbor: University of Michigan Press.

Carlin, Wendy and David Soskice. 2006. *Macroeconomics*. New York. Oxford University Press.

Dewan, Torun, and Kenneth A. Shepsle. 2008. Recent Economic Perspectives on Political Economy, Parts I&II. *British Journal of Political Science*.

Drazen, Allan. 2000. *Political Economy in Macroeconomics*. Princeton: Princeton University Press.

Gehlbach, Scott. 2013. *Formal Models of Domestic Politics*. New York: Cambridge University Press.

Mas-Colell, Andreu, Michael D. Whinston, and Jerry R. Green. 1995. *Microeconomic Theory*. New York. Oxford University Press.

Mueller, Dennis C. 2003. *Public Choice III*. New York: Cambridge University Press.

Myerson, Roger B. 2013. "Fundamentals of Social Choice Theory." *Quarterly Journal of Political Science*. 8: 305-37.

Persson, Torsten, and Guido Tabellini. 2000. *Political Economics*. Cambridge: MIT Press.

Simon, Carl P., and Lawrence Blume. 1994. *Mathematics for Economists*. New York: W.W. Norton.

Velleman, Daniel J. 1994. *How to Prove It*. New York. Cambridge University Press.

Weingast, Barry, and Doug Wittman, eds. 2009. *The Oxford Handbook of Political Economy*. New York: Oxford University Press.

THE PLAN

1. What is political economy?

lecture on constrained optimization & utility functions

Besley, T. *The New Political Economy*. Keynes Lecture.

<http://econ.lse.ac.uk/staff/tbesley/papers/keyneslecturetext.pdf>

Wuffle, A. 1999. "Credo of a 'Reasonable Choice' Modeler." *Journal of Theoretical Politics*. 11(2):203-6.

Gerber, E. 2003 "What is Political Economy?" *The Political Economist*

<http://www.apsanet.org/%7Epolecon/Fall2003.pdf>

Ostrom, E. 2004 "A Letter from the Chair" *The Political Economist*

<http://www.apsanet.org/~polecon/Winter2005.pdf>

Perrson, Torsten and Guido Tabellini. 2000. Ch.1 (online)

Table of Contents. *The Oxford Handbook of Political Economy*.

Przeworski Ch. 1-2

→ First Problem set handed out

2. More utility functions, consumers, firms, & equilibria (partial, general)

Przeworski ch. 2-3

Shayo, Moses. 2009. "A Model of Social Identity with an application to Political Economy: Nation, Class, and Redistribution." *American Political Science Review* 103 (2):147-74.

Heyman, James and Dan Ariely. 2004. "Effort for payment." *Psychological Science*. 15(11). 787-93. <http://web.mit.edu/ariely/www/MIT/Papers/2markets.pdf>

Bowles, Samuel, and Sandra Polanía-Reyes. 2012. "Economic Incentives and Social Preferences: Substitutes or Complements?" *Journal of Economic Literature* 50 (2):368-425.

→ First problem set due.

→ Second problem set handed out

Recommended:

Kreps, David. 1988. *Notes on the Theory of Choice*. Underground Classics in Economics

Kahneman, Daniel. 2011. *Thinking Fast and Slow*.

3. Causality, Evidence, & Method

Przeworski, Adam. 2006. "Is the Science of Comparative Politics Possible?"

<http://politics.as.nyu.edu/object/AdamPrzeworski.html>

Angrist, Joshua D., and Jörn-Steffen Pischke. 2010. "The Credibility Revolution in Empirical Economics: How Better Research Design Is Taking the Con out of Econometrics." *Journal of Economic Perspectives*, 24(2): 3-30.

Bates, Robert et al. 1998. *Analytic Narratives*. Introduction & Ch. 1 (Greif). Princeton University Press. (online)

Duflo, Esther et al. 2007. "Using Randomization in Development Economics."

<http://economics.mit.edu/files/806>

Acemoglu, Daron. 2010. "Theory, General Equilibrium and Political Economy in Development Economics" *Journal of Economic Perspectives*. 24(3). 17-32.

Dunning, Thad. 2012. *Natural Experiments in the Social Sciences*. Cambridge University Press. (selections).

Recommended:

Duflo, Esther and Abhijit Banerjee. 2011. *Poor Economics*.

- Abadie, Alberto, Alexis Diamond, and Jens Hainmueller. 2010. "Synthetic Control Methods for Comparative Case Studies: Estimating the Effect of California's Tobacco Control Program." *Journal of the American Statistical Association* 105 (490):493-505.
- Rodden, Jonathan. 2009. "Back to the Future: Endogenous Institutions and Comparative Politics." In *Comparative Politics: Rationality, culture, and structure*, ed. M. I. Lichbach and A. S. Zuckerman. New York: Cambridge University Press.
- Angrist & Pischke. *Mostly Harmless Econometrics*
- Ward, Michael D. et al. 2010. "The perils of policy by *p*-value: predicting civil conflicts." *Journal of Conflict Resolution*. 47(4): 363-75.
- Leamer, Edward. 2010. "Tantalus on the Road to Asymptopia." *Journal of Economic Perspectives*.

→ Second problem set due.

4. Collective Action

- Taylor, Michael. 1987. *The Possibility of Cooperation*. New York: Cambridge University Press. (selections online)
- Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. New York: Cambridge University Press. (selections online)
- Henrich, J. et al. 2001. "In Search of Homo Economicus: Behavioral Experiments in 15 Small-Scale Societies." *American Economic Review Papers & Proceedings*. 91(2). p. 73-78.
<http://tuvalu.santafe.edu/~bowles/InSearchHomoEconomicus2001.pdf>
- Habyarimana, James et al. 2007. "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review*. 101(4). 709-25.

Recommended:

- Axelrod, Robert. 1984. *The Evolution of Cooperation*. New York: Basic Books.
- Axelrod, Robert. 1997. *The Complexity of Cooperation*. Princeton: Princeton University Press.
- Benabou, R., and J. Tirole. 2006. "Incentives and Prosocial Behavior." *American Economic Review* 96 (5):1652-78.
- Bendor, Jonathan, and Dilip Mookherjee. 1987. Institutional Structure and the Logic of Ongoing Collective Action. *The American Political Science Review* 81 (1):129-154.
- Bendor, Jonathan and Piotr Swistak. 1997. "The Evolutionary Stability of Cooperation." *American Political Science Review*. 91(2): 290-307
- Bowles, Samuel. 2011. "Economic incentives and social preferences: substitutes or complements?" *Journal of Economic Literature*.
- Bowles, Samuel, and Herbert Gintis. 2002. Social Capital and Community Governance. *The Economic Journal* 112:419-436.
- Centola, Damon, Robb Willer, and Michael Macy. 2005. "The Emperor's Dilemma: A Computational Model of Self-Enforcing Norms." *American Journal of Sociology* 110(4), pp. 1009-1040.
- Gintis, Herbert. 2000. Strong Reciprocity and Human Sociality. *Journal of Theoretical Biology* 206:169-179.
- Granovetter, Mark S. 1988. Threshold Models of Collective Behavior. *American Journal of Sociology* 83 (6):1420-1443.
- Habyarimana, James, Macartan Humphreys, Dan Posner, and Jeremy M. Weinstein. 2009. *Coethnicity: Diversity and the Dilemmas of Collective Action*. New York: Russell Sage.
- Henrich, Joseph, Robert Boyd, Samuel Bowles, Colin Camerer, Ernst Fehr, and Herbert Gintis, eds. 2004. *Foundations of Human Sociality - Economic Experiments and Ethnographic Evidence from Fifteen Small-Scale Societies*. New York: Oxford University Press.

- Henrich, J., J. Ensminger, R. McElreath, A. Barr, C. Barrett, A. Bolyanatz, J. C. Cardenas, M. Gurven, E. Gwako, N. Henrich, C. Lesorogol, F. Marlowe, D. Tracer, and J. Ziker. 2010. "Markets, Religion, Community Size, and the Evolution of Fairness and Punishment." *Science* 327 (5792):1480-84.
- Olson, Mancur. 1971. *The Logic of Collective Action*. Cambridge, MA: Harvard University Press.
- Ostrom, Elinor. 1998. A Behavioral Approach to the Rational Choice Theory of Collective Action. *American Political Science Review* 92 (1):1-22.
- Satyanath, Shanker, Nico Voigtlaender and Hans-Joachim Voth. 2013. "Bowling for Fascism: Social Capital and the Rise of the Nazi Party in Weimar Germany, 1919-33." NBER Working paper 19201.
- Siegel, David. 2009. Social Networks and Collective Action. *American Journal of Political Science* 53 (1):122-38.
- Stutzer, A., Goette, L. and Zehnder, M. (2011), Active Decisions and Prosocial Behaviour: a Field Experiment on Blood Donation. *The Economic Journal*, 121: F476–F493.

5. Firms, organizations, delegation & leadership

Przeworski, Ch. 4

- Ahlquist, John S. and Margaret Levi. 2013. *In the Interest of Others: Organizations & Social Activism*. Princeton University Press. (selections)
- Ashworth, Scott. 2012. Electoral Accountability: Recent Theoretical and Empirical Work. *Annual Review of Political Science*.

→ First review due.

Recommended:

- Acemoglu, Daron, Michael Kremer, and Atif Mian. 2007. "Incentives in Markets, Firms, and Governments." *Journal of Law, Economics, & Organization*.
- Aghion, Philippe, and Jean Tirole. 1997. Formal and Real Authority in Organizations. *Journal of Political Economy* 105 (1):1-29.
- Ahlquist, John S., and Margaret Levi. 2011. "Leadership: What It Means, What It Does, and What We Want to Know About It." *Annual Review of Political Science* 14:1-24.
- Arrow, Kenneth J. 1974. *The Limits of Organization*. New York: Norton.
- Banerjee, Abhijit and Rohini Somanathan. 2001. A Simple Model of Voice. *Quarterly Journal of Economics*. 115:181-200.
- Bendor, Jonathan et al. 2001. "Theories of Delegation." *Annual Review of Political Science*. 4:235-69.
- Bolton, Patrick, Markus K. Brunnermeier, and Laura Veldkamp. 2008. Leadership, Coordination and Mission-Driven Management. In *NBER Working Papers*.
- Bolton, Patrick, and Mathias Dewatripont. 2005. *Contract Theory*. Cambridge: The MIT Press.
- Coase, Ronald H. 1937. "The Nature of the Firm." *Economica* 4:386-405.
- . 1960. "The Problem of Social Cost." *Journal of Law and Economics* 3:1-44.
- Dessein, W. 2002. Authority and Communication in Organizations. *Review of Economic Studies*. 69: 811-38.
- Dewan, Torun, and David P. Myatt. 2007. Leading the Party: Coordination, Direction, and Communication. *American Political Science Review* 101 (4):827-45.
- Dewan, Torun, and David P. Myatt. 2008. The Qualities of Leadership: Direction, Communication, and Obfuscation. *American Political Science Review*.
- Dewatripont, M. et al. 1999. "The Economics of Career Concerns, Part II: Application to Missions and Accountability of Government Agencies." *Review of Economic Studies* 66: 199-217.

- Dickson, Eric. 2009. Leadership, Followership, and Beliefs About the World: An Experiment. Mimeo. NYU.
- Fearon, James D. 1999. "Electoral Accountability and Control of Politicians: Selecting Good Types versus Sanctioning Poor Performance." In *Democracy, Accountability and Representation*, ed. A. Przeworski, S. C. Stokes and B. Manin. Cambridge: Cambridge University Press.
- Ferejohn, John. 1999. "Accountability and Authority: Toward a Theory of Political Accountability." In *Democracy, Accountability, and Representation*, ed. A. Przeworski, S. C. Stokes and B. Manin. Cambridge: Cambridge University Press.
- 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.
- Gailmard, Sean and John Patty. 2012. "Formal Models of Bureaucracy". *Annual Review of Political Science*.
- Grossman, Gene M., and Oliver Hart. 1986. The Costs and Benefits of Ownership: A Theory of Vertical and Lateral Integration. *Journal of Political Economy* 94:691-719.
- Hart, Oliver. 1995. *Firms, Contracts, and Financial Structure, Clarendon Lectures in Economics*. Oxford: Oxford University Press.
- Hermalin, Benjamin E. 1998. Toward an Economic Theory of Leadership. *The American Economic Review* 88 (5):1188-1206.
- Hirschman, Albert O. 1970. *Exit, Voice, and Loyalty*. Cambridge: Harvard University Press.
- Holmstrom, Bengt. 1982. Moral Hazard in Teams. *Bell Journal of Economics* 13:324-40.
- Holmstrom, Bengt, and Paul Milgrom. 1991. "Multitask Principal-Agent Analyses: Incentive Contracts, Asset Ownership, and Job Design." *Journal of Law, Economics, and Organization* 7:24-52.
- Huber John D., Shipan Charles R. 2002. *Deliberate Discretion?* New York: Cambridge University Press
- Jack, B. Kelsey and Recalde, Maria P. in progress. Local Leadership and the Voluntary Provision of Public Goods: Field Evidence from Bolivia. <http://papers.isnie.org/paper/1144.html>
- Jones, B. F., and B. A. Olken. 2005. "Do leaders matter? National leadership and growth since world war II." *Quarterly Journal of Economics* 120 (3):835-64.
- Kreps, David M. 1990. Corporate Culture and Economic Theory. In *Perspectives on Positive Political Economy*, edited by J. E. Alt and K. Schepsle. New York: Cambridge University Press.
- Miller, Gary. 1992. *Managerial Dilemmas*. New York: Cambridge University Press.
- Miller, Gary. 2000. Why is Trust Necessary in Organizations: The Moral Hazard of Profit-Maximization. In *Trust in Society*, edited by K. S. Cook. New York: Russell Sage Foundation.
- Williamson, Oliver E. 1975. *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: Free Press.
- Williamson, Oliver E. 1985. *The Economic Institutions of Capitalism*. New York: Free Press.

6. The State

Przeworski Ch.5

- Levi, Margaret. 1981. "The Predatory Theory of Rule." *Politics & Society*. 10: 431-65
- Acemoglu, Daron. 2003. "Why Not A Political Coase Theorem? Social Conflict, Commitment, And Politics." *Journal of Comparative Economics*. 31(4): 620-652.
- Stasavage, David. 2010. "When Distance Mattered: Geographic Scale and the Development of European Representative Assemblies." *American Political Science Review* 104 (4):625-43.

Recommended

- Acemoglu, Daron, Mikhail Golosov, and Aleh Tsyvinski. 2008. "Markets Versus Governments." *Journal of Monetary Economics* 55:159-89.

- Alesina and Spolaore. 2005. "War, Peace and the Size of Countries." *Journal of Public Economics* 1333–1354
- Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. *The Logic of Political Survival*. Cambridge: MIT Press. (AKA BDM²S²)
- Ellickson, Robert C. 1994. *Order Without Law: How Neighbors Settle Disputes*. Cambridge: Harvard University Press.
- Evans, Peter. 1995. *Embedded Autonomy*. Princeton: Princeton University Press.
- Levi, Margaret. 1988. *Of Rule and Revenue*. Berkeley: University of California Press.
- Olson, Mancur. 1982. *The Rise and Decline of Nations*. New Haven: Yale University Press.
- Olson, Mancur. 1993. Dictatorship, Democracy, and Development. *American Political Science Review* 87 (3):567-576.
- Ostrom, Elinor. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. New York: Cambridge University Press.
- Scheve, Kenneth F., and David Stasavage. 2010. "The Conscription of Wealth: Mass Warfare and the Demand for Progressive Taxation." *International Organization*.
- Stasavage, David. 2007. "Cities, Constitutions, and Sovereign Borrowing in Europe, 1274–1785." *International Organization* 61 (3):489-525.
- . 2011. *States of Credit: size, power, and the development of European polities*. Princeton University Press.
- Taylor, Michael. 1982. *Community, Anarchy and Liberty*. Cambridge: Cambridge University Press.
- Tilly, Charles. 1985. "War Making and State Making as Organized Crime." In *Bringing the State Back In*, ed. P. Evans, D. Reuschemeyer and T. Skocpol. New York: Cambridge University Press.

7. State Building and Market Building

- North, Douglass C., and Barry Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in 17th Century England." *Journal of Economic History* 69 (4):803-32.
- Besley & Persson book

Recommended:

- Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2002. "Reversals of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution." *Quarterly Journal of Economics*:1231-94.
- Bates, Robert H. *States and Markets in Tropical Africa*.
- Dixit, Avinash K. 1996. *The Making of Economic Policy: a transaction cost politics approach*. MIT Press.
- Gershenkron, Alexander. 1967. *Economic Backwardness in Historical Perspective*.
- Greif, Avner. 2006. *Institutions and the Path to the Modern Economy*. New York: Cambridge University Press.
- Greif, Avner, and David Laitin. 2004. "A Theory of Endogenous Institutional Change." *American Political Science Review* 98 (4):633-52.
- Greif, Avner, Paul Milgrom, and Barry Weingast. 1994. "Coordination, Commitment, and Enforcement: The Case of Merchant Guilds." *Journal of Political Economy* 102 (4):745-76.
- Polanyi, Karl. 1944. *The Great Transformation*.
- Weingast, Barry. 1995. "The Economic Role of Political Institutions: Market Preserving Federalism and Economic Development." *Journal of Law, Economics, and Organization* 11 (1).

8. Growth & Development

Przeworski, Ch. 9

- Przeworski, Adam, and Michael Wallerstein. 1988. Structural Dependence of the State on Capital. *American Political Science Review* 82 (1):11-29.
- Galiana, Sebastian and Ernesto Schargrodsky. 2010. "Property rights for the poor: Effects of land titling." *Journal of Public Economics*. 94: 700-29.
- Roemer, Paul M. 1994. The Origins of Endogenous Growth. *Journal of Economic Perspectives* 8 (1):3-22.
- Acemoglu, Daron, James A. Robinson, and Theirry Verdier. 2012. "Can't We All Be More Like Scandinavians? Asymmetric Growth and Institutions in an Interdependent World." <http://economics.mit.edu/files/8172>
- Engerman, Stanley, and Kenneth L. Sokoloff. 2008. Debating the Role of Institutions in Political and Economic Development: Theory, History, and Findings. *Annual Review of Political Science* 11:119-135.

→ First research design paper due.

Recommended:

- Acemoglu, Daron, and James A. Robinson. 2006. "Economic Backwardness in Political Perspective." *American Political Science Review* 100 (1):115-31.
- Acemoglu, Daron, Simon Johnson, James A. Robinson, and Pierre Yared. 2008. "Income and Democracy." *American Economic Review* 98 (3):808-42.
- Acemoglu, Daron, Simon Johnson, James A. Robinson, and Pierre Yared. 2009. "Reevaluating the Modernization Hypothesis." *Journal of Monetary Economics* 56:1043-58.
- Aghion, Philippe, and Peter Howitt. 1997. *Endogenous Growth Theory*. Cambridge, MA: MIT Press.
- Barro, Robert J. 1990. Government Spending in a Simple Model of Endogenous Growth. *Journal of Political Economy* 98 (5):103-125.
- Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. *The Logic of Political Survival*. Cambridge: MIT Press. (AKA BDM²S²)
- Dunning, Thad. 2008. *Crude Democracy: Natural Resource Wealth and Political Regimes*. New York: Cambridge University Press.
- . 2010. "Endogenous Oil Rents." *Comparative Political Studies* 43 (3):379-410.
- Engerman, Stanley, and Kenneth A. Sokoloff. 2000. Institutions, factor endowments, and paths of development in the new world. *Journal of Economic Perspectives* 14:217-32.
- Haber, Sephen, and Victor Menaldo. 2011. "Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse." *American Political Science Review* 105 (1):1-26.
- Lipset, Seymour Martin. 1959. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *American Political Science Review* 53 (1):69-105.
- Morrison, Kevin. 2009. Oil, non-tax revenue, and the redistributive foundations of regime stability. *International Organization* 63:107-38.
- Murphy, Kevin M., Andrei Shleifer, and Robert W. Vishny. 1989. Industrialization and the Big Push. *Journal of Political Economy* 97 (5):1003-26.
- Murphy, Kevin M., Andrei Shleifer, and Robert W. Vishny. 1993. Why is Rent-Seeking so Costly to Growth? *American Economic Review* 83:409-414.
- North, Douglass C. 1990. *Institutions, Institutional Change and Economic Performance*. New York: Cambridge University Press.
- Przeworski, Adam, R. Michael Alvarez, Jose Antonio Cheibub, and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World: 1950-1990*. New York: Cambridge University Press.
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*** Pending student interest**