

Tulane University
Undergraduate Program in Political Economy
PECN 3010
Positive Political Economy
Fall 2020

Professor: Patrick Testa

Course hours: Tuesdays and Thursdays, 3:35-4:45pm

Course location: Woldenberg Art Center Gallery

Office: ZOOM at <https://tulane.zoom.us/j/2087148040>

Office hours: Wednesdays, 3:00-5:00pm (please make an appointment)

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Overview

Political economy is the study of political decision-making and its implications for economic and policy outcomes. This course serves as an introduction to political economy as a positive social science and is intended for undergraduate political economy students. It is designed to provide students with a thorough overview of the rational choice approach to understanding political decision-making as well as introduce them to more recent theoretical and empirical research on institutions. Students should have prior training in basic microeconomics. It is also helpful to have a background in basic game theory and econometrics, although it is not necessary.

Course goals and objectives

The goals of this course are:

1. Provide students with a history of modern political economic thought.
2. Teach the tools of positive political economy analysis, as applied to understanding voting rules, social dilemmas, and institutions.
3. Introduce students to more recent advancements in institutional economics and the political economy of growth.

As a result of this course, students will be able to:

1. Analyze politics in new ways, using basic rational choice models of political behavior and institutions.
2. Understand how political actors and institutions influence economic outcomes.

Texts

For most of the course, lectures will follow *Analyzing Politics* by Shepsle and Bonchek (1997). Many later lectures will reference additional readings, as noted below, though we will not be able to discuss all of these. All readings are considered optional, unless specifically assigned.

Attendance policy

Students should attend class and take notes so that they are aware of assignments and deadlines as well as any scheduling changes that may arise. Students should communicate to me via email when they will be absent and rely on office hours (please come see me!) as well as help from peers to fill in any blanks. Only a formal note from a doctor may qualify a student for a makeup exam. If a student must miss an exam otherwise, they may opt for the second grading plan below.

COVID-19 policies

Students must wear masks to, from, and during class at all times. In addition, students should remain a minimum of six feet apart during classes and exams. Failure to comply is a violation of the Code of Student Conduct and students will be subject to University discipline, which can include suspension or permanent dismissal. Please see <https://tulane.edu/covid-19/health-strategies> for University policies regarding COVID-19 testing and isolation.

In the event that a student cannot attend class due to actual or suspected exposure to COVID-19 or because of unexpected campus closure, students are expected to continue attending and participating in class virtually, except for in the event of serious illness, in which case documentation from the University Health Center will enable me to make additional accommodations. Lecture notes and audio will be recorded and streamed and/or posted on Canvas. Students may not post class recordings elsewhere, either wholly or in part. Please email me or set up a ZOOM meeting for additional clarification or help.

Grades

Your grade will be based on either (i) three written assignments (10%), two midterm exams (25% each), and a cumulative final exam (40%), or (ii) three written assignments (10%) and the final exam (90%), whichever is greater. Grades will follow the typical system ($\geq 93\%$ is A range, 90-92.5% is an A-, 87-89.5% is a B+, etc.).

ADA/Accessibility

Any students with disabilities or other needs, who need special accommodations in this course, are invited to share these concerns or requests with the instructor and should contact Goldman Center for Student Accessibility: accessibility.tulane.edu or (504) 862-8433.

Code of academic conduct

The Code of Academic Conduct applies to all undergraduate students, full-time and part-time, in Tulane University. Tulane University expects and requires behavior compatible with its high standards of scholarship. By accepting admission to the university, a student accepts its regulations (i.e., Code of Academic Conduct and Code of Student Conduct) and acknowledges the right of the university to take disciplinary action, including suspension or expulsion, for conduct judged unsatisfactory or disruptive.

Course outline

Introduction (lectures 1-5)

Troubleshooting tech enhancements

The rational choice approach to modeling politics

Ch. 1-2 of *Analyzing Politics*

Preference relations

Non-cooperative games

Modeling group decision-making (lectures 6-10)

Group choice

Cycling and the Condorcet paradox

Arrow's impossibility theorem

Ch. 3-4 of *Analyzing Politics*

Voting rules

Ch. 5-7 of *Analyzing Politics*

Median voter theorem

Strategic voting

Midterm exam I (September 24)

Modeling collective action (lectures 11-19)

Cooperation and collective action

Public goods and non-excludability

Social dilemmas

Ch. 8-10 of *Analyzing Politics*

Hardin (1968)

Governing the commons I: social norms and divisions

Ostrom (2000)

Dippel (2014)

Banerjee, Iyer, and Somanathan (2010)

Alesina, Baqir, and Easterly (1999)

Fouka, Mazumder, and Tabellini (2019)

Governing the commons II: formal institutions

Leeson (2007)

Koyama (2010)

Rubin (2011)

Olson (1993)

North and Weingast (1989)

Theory of the second best

Midterm exam II (October 29)

Political economy of democracy (lectures 20-26)

Large-scale collective action and formal institutions

Ch. 11 of *Analyzing Politics*

Overcoming collective action problems in real democracies

Populism and “strategic extremism”

Glaeser, Ponzetto, and Shapiro (2005)

Acemoglu, Egorov, and Sonin (2013)

Partisanship

Lee, Moretti, and Butler (2004)

Albouy (2013)

Burgess, Jedwab, Miguel, Morjaria, and Padró i Miquel (2015)

Tiebout competition

Teibout (1956)

Hoxby (2000)

Banzhaf and Walsh (2008)

Jones and Walsh (2018)

Ferreira and Gyourko (2009)

Pettersson-Lidbom (2010)

Political business cycles

Cahan (2019)

Alston, Jenkins, and Nonnenmacher (2006)

Legislatures, bureaucracies, and interest groups

Ch. 12-13 of *Analyzing Politics*

Blanes i Vidal, Draca, and Fons-Rosen (2012)

Nondemocracy

Edmond (2013)

Adena et al (2015)

Yanagizawa-Drott (2014)

Cantoni et al (2017)

Thanksgiving break (November 26)

Final exam (December 5 at 4pm)

Note: dates and order of material may be subject to change.

Title IX

Tulane University recognizes the inherent dignity of all individuals and promotes respect for all people. As such, Tulane is committed to providing an environment free of all forms of discrimination including sexual and gender-based discrimination, harassment, and violence like sexual assault, intimate partner violence, and stalking. If you or someone you know has experienced or is experiencing these types of behaviors, know that you are not alone. Resources and support are available: you can learn more at allin.tulane.edu. Any and all of your communications on these matters will be treated as either “Confidential” or “Private”

as explained in the chart below. Please know that if you choose to confide in me I am mandated by the university to report to the Title IX Coordinator, as Tulane and I want to be sure you are connected with all the support the university can offer. You do not need to respond to outreach from the university if you do not want. You can also make a report yourself, including an anonymous report, through the form at tulane.edu/concerns.

Confidential	Private
<i>Except in extreme circumstances, involving imminent danger to one's self or others, nothing will be shared without your explicit permission.</i>	<i>Conversations are kept as confidential as possible, but information is shared with key staff members so the University can offer resources and accommodations and take action if necessary for safety reasons.</i>
Counseling & Psychological Services (CAPS) (504) 314-2277 or The Line (24/7) (504) 264-6074	Case Management & Victim Support Services (504) 314-2160 or srss@tulane.edu
Student Health Center (504) 865-5255	Tulane University Police (TUPD) Uptown - (504) 865-5911. Downtown – (504) 988-5531
Sexual Aggression Peer Hotline and Education (SAPHE) (504) 654-9543	Title IX Coordinator (504) 314-2160 or msmith76@tulane.edu

Emergency preparedness and response

EMERGENCY NOTIFICATION SYSTEM: TU ALERT	RAVE GUARDIAN
<p>In the event of a campus emergency, Tulane University will notify students, faculty, and staff by email, text, and phone call. You were automatically enrolled in this system when you enrolled at the university.</p> <p>Check your contact information annually in Gibson Online to confirm its accuracy.</p>	<ul style="list-style-type: none"> • Download the RAVE Guardian app from the App Store • Communicate with dispatchers silently by selecting “Submit Tip” feature in the app • Use the Safety Timer feature to alert your “guardian” (TUPD, family, friend) when travelling alone at night <p>For more information, visit publicsafety.tulane.edu/rave-guardian</p>
<p>ACTIVE SHOOTER / VIOLENT ATTACKER</p> <ul style="list-style-type: none"> • RUN – run away from or avoid the affected area, if possible • HIDE – go into the nearest room that can be locked, turn out the lights, silence cell phones, and remain hidden until all-clear message is given through TU ALERT • FIGHT – do not attempt this option, except as a last resort <p>For more information on Active Shooter emergency procedures or to schedule a training, visit emergencyprep.tulane.edu</p>	<p>SEVERE WEATHER</p> <ul style="list-style-type: none"> • Follow all TU Alerts and outdoor warning sirens • Seek shelter indoors until the severe weather threat has passed and an all-clear message is given • Do not attempt to travel outside if weather is severe • Monitor the Tulane Emergency website (tulane.edu/emergency/) for university-wide closures during a severe weather event

References and other resources

1. Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin (2013). “A political theory of populism,” *Quarterly Journal of Economics*. 128:771-805.

2. Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001). "The colonial origins of comparative development: An empirical investigation," *American Economic Review*. 91:1369-1401.
3. Adena, Maja, Ruben Enikolopov, Maria Petrova, Veronica Santarosa, Ekaterina Zhuravskaya (2015). "Radio and the rise of the Nazis in prewar Germany," *Quarterly Journal of Economics*. 130:1885-1939.
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6. Alston, Lee J., Jeffrey A. Jenkins, and Tomas Nonnenmacher (2006). "Who should govern Congress? Access to power and the Salary Grab of 1873," *Journal of Economic History*. 66:674-706.
7. Banerjee, Abhijit, Lakshmi Iyer, and Rohini Somanathan (2010). "History, social divisions and public goods in rural India," *Journal of the European Economic Association*. 3:639-47.
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19. Glaeser, Edward L., Giacomo A. M. Ponzetto, and Jesse M. Shapiro (2005). "Strategic extremism: Why Republicans and Democrats divide on religious values," *Quarterly Journal of Economics*. 120:1283-1330.
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