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Government 2160 Politics and Economics

**Fall 2018
Tuesdays 9.45-11.45 am, CGIS Knafel 108
Harvard University**

Final version

This seminar is on the political economy of policymaking and institutional change in democracies across the world. Readings include a mixture of foundational approaches and recent research, covering a variety of methodological perspectives. The topical emphasis is on democracy, accountability, inequality, redistribution, and growth. The course provides students interested in these topics an overview over the existing literature (with a focus on recent, exciting work), an understanding of key unanswered questions and puzzles, as well as a set of theoretical and methodological tools that can be employed to answer those questions and puzzles.

Requirements

A 25-30 page research paper on a topic chosen by the student (in consultation with us). In addition, students are expected to come to class prepared and ready to discuss the readings. This includes a week where students will present their ideas and preliminary results for their research papers.

Every week: Please include three discussion questions prompted by the readings by Monday night in the Google doc (link included under each week).

Grades

Research paper: 70%; participation: 30%.

Materials and access

All required readings will be available online on Canvas.

Collaboration policy

Students are encouraged to discuss the materials for class with each other. You may also discuss your ideas for your research paper and share data with each other, but the analysis and writing must be entirely your own, using standard citation practices to acknowledge the use of books, articles, websites, lectures, discussions, etc.

Topics and Readings

Week 1 (September 4). Introduction

Week 2 (September 11). State formation and capacity

Herbst, Jeffrey, *States and Power in Africa: Comparative Lessons in Authority and Control* (Princeton: Princeton University Press, 2000), Chapters 1 and 2.

North, Douglass C., and Barry R. Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History* 49, No 4 (December 1989): 803-832.

Raul Sanchez de la Sierra (2017) "On the Origins of States: Stationary Bandits and Taxation in Eastern Congo." Working paper. (*Please read the working paper, not the VoxDev article which was previously posted*)

Bates, R.H., *The Development Dilemma: Security, Prosperity, and a Return to History*. (Princeton University Press, 2017). Chapters 1-2

Scheve, Kenneth, and David Stasavage. "Democracy, War, and Wealth: Lessons from Two Centuries of Inheritance Taxation." *American Political Science Review* 1.1 (2011): 1-22.

Background readings:

Tilly, Charles, "War Making and State Making as Organized Crime" in Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol, *Bringing the State Back In* (Cambridge University Press, 1985), pp. 169-191.

Gerschenkron, Alexander, *Economic Backwardness in Historical Perspective* (Cambridge: Harvard University Press, 1962), pp. 5-30.

Scott, James C., *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. (Yale University Press, 1998), Chapter 7.

Centeno, Miguel, "Blood and Debt: War and Taxation in Nineteenth-Century Latin America," *American Journal of Sociology* 102 (6) 1997, pp. 1565-1605.

Thies, Cameron G. "War, Rivalry, and State Building in Latin America." *American Journal of Political Science* 49.3 (2005): 451-465.

Bates, R.H., *The Development Dilemma: Security, Prosperity, and a Return to History*. (Princeton University Press, 2017). Chapter 3.

Week 3 (September 18). Economic growth and performance

Acemoglu, Daron, and James A. Robinson. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (Broadway Business, 2013), Chapter 3.

Douglas North, *Institutions, Institutional Change and Economic Performance* (Cambridge University Press, 1990), Chapters 12-14.

Glaeser, E. L., R. La Porta, et al. (2004). "Do Institutions Cause Growth?" *Journal of Economic Growth* 8: 271-303.

Peter A. Hall and David Soskice, "An Introduction to Varieties of Capitalism." In Peter A. Hall and David Soskice, eds. *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford University Press, 2001), Chapter 1.

Iversen, Torben and David Soskice. *Democracy and Prosperity. The Reinvention of Capitalism Through a Turbulent Century* (Princeton: Princeton University Press 2018), Chapter 1.

Background readings:

Mancur Olson, *The Rise and Decline of Nations*. (New Haven: Yale University Press, 1982). Chapters 2-3.

Daron Acemoglu, Simon Johnson, James A. Robinson. "Reversal of Fortune: Geography and Institutions in The Making of The Modern World Income Distribution." *The Quarterly Journal of Economics* 117 (4) 1231 -- 1294

Week 4 (September 25). Origins of democracy and their varieties

Levitsky, Steven and Lucan A. Way, *Competitive Authoritarianism: Hybrid Regimes After the Cold War* (New York: Cambridge University Press, 2010), Chapters 1-2.

Magaloni, Beatriz. *Voting for Autocracy: Hegemonic Party Survival and Its Demise in Mexico* (Cambridge University Press, 2006). Introduction

Svolik, Milan W. "Which democracies will last? Coups, incumbent takeovers, and the dynamic of democratic consolidation." *British Journal of Political Science* 45.4 (2015): 715-738.

Lizzeri, Alessandro and Nicola Persico, "Why Did Elites Extend the Suffrage? Democracy and the Scope of Government, with an Application to Britain's 'Age of Reform'" *Quarterly Journal of Economics* vol. 119 no. 2 (2004): 707-765.

Acemoglu, Daron, and James A. Robinson, *Economic Origins of Dictatorship and Democracy* (Cambridge University Press, 2006), Chapter 2.

Iversen, Torben and David Soskice. 2018. *Democracy and Prosperity. The Reinvention of Capitalism Through a Turbulent Century* (Princeton: Princeton University Press 2018), Chapter 2, Two Paths to Democracy.

Background readings:

Lipset, Seymour Martin, *Political Man: The Social Bases of Politics* (Garden City, NY: Doubleday, 1960), chapter 2.

Przeworski, Adam, and Fernando Limongi, "Modernization: Theories and Facts," *World Politics*, 49 (January 1997), pp. 155-183.

Boix, Carles and Susan C. Stokes Source: "Endogenous Democratization" *World Politics*, Vol. 55, No. 4 (Jul., 2003), pp. 517-549 (More detail in C., *Democracy and Redistribution* Chs. 1-2).

Week 5 (October 2). Distributive politics: Theory

Moene, Karl Ove, and Michael Wallerstein. "Inequality, Social Insurance, and Redistribution." *American Political Science Review* 95.4 (2001): 859-874.

Milesi-Ferretti, G. M. Perotti, and M. Rostagno, "Electoral Systems and Public Spending." *Quarterly Journal of Economics* 117 (2), 2002. [skip empirics]

Torben Iversen and David Soskice, "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More than Others." *American Political Science Review* 100(2) (2006), 165-81. [skip empirics]

Bates, Robert H. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. (University of California Press, 2014), Chapters 5-7

Olken, Benjamin A., and Rohini Pande. "Corruption in Developing Countries." *Annual Review of Economics* 4.1 (2012): 479-509.

Background readings:

Allan H. Meltzer and Scott. F. Richard, "A Rational Theory of the Size of Government." *Journal of Political Economy* 89(5) (1981). [Read only first 3 pages]

Gøsta Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton, NJ: Princeton University Press, 1990), Chapters 1-2.

Margarita Estevez-Abe, Torben Iversen and David Soskice, "Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State." In Peter A. Hall and David Soskice, *Varieties of Capitalism*. Oxford: Oxford University Press.

Gordon, Roger, and Wei Li. "Tax structures in developing countries: Many puzzles and a possible explanation." *Journal of Public Economics* 93.7-8 (2009): 855-866.

Dixit, Avinash, and John Londregan. "The Determinants of Success of Special Interests in Redistributive Politics." *Journal of Politics* 58.4 (1996): 1132-1155.

Week 6 (October 9). Distributive politics: Applications

Philipp Rehm, "Social Policy by Popular Demand." *World Politics* 63 (2) (2011), 271-299.

Martin Gilens, "Inequality and Democratic Responsiveness: Who Gets What They Want from Government?" *Public Opinion Quarterly* 69 (2005), 778-96.

Elkjær, Mads and Torben Iversen. "The Political Representation of Economic Interests: Subversion of Democracy or Middle-Class Supremacy?" [read p.1-11 and conclusion]

Holland, Alisha C. "Forbearance." *American Political Science Review* 110.2 (2016): 232-246.

Olken, Benjamin and Monica Singhal. "Informal Taxation" *American Economic Journal: Applied Economics* 3 (4), pp. 1-28, October 2011.

Bardhan, Pranab, and Dilip Mookherjee. "Determinants of redistributive politics: An empirical analysis of land reforms in West Bengal, India." *American Economic Review* 100.4 (2010): 1572-1600.

Background readings:

Torsten Persson and Guido Tabellini, "Constitutions and Economic Policy." *Journal of Economic Perspectives* 18(1) (2004), 75-98.

Goñi, Edwin, J. Humberto López, and Luis Servén. "Fiscal redistribution and income inequality in Latin America." *World Development* 39.9 (2011): 1558-1569.

Week 7 (October 16). Political parties and elites: Theory

Aldrich, John, *Why Parties? The Origins and Transformation of Party Politics in America* (Chicago: University of Chicago Press, 1995), pp. 3-61 [Chapter 2, skim Chapter 1].

Kitschelt, Herbert, and Steven I. Wilkinson, "Citizen-Politician Linkages: An Introduction," in Herbert Kitschelt and Steven I. Wilkinson, eds. *Patrons, Clients, and Policies: Patterns of Democratic Accountability and Political Competition* (Cambridge University Press, 2007), pp. 1-46.

Mares, Isabela, and Lauren Young, *Conditionality and coercion: Electoral clientelism in Eastern Europe* (Cambridge University Press, 2018), Chapter 2.

Lupu, Noam, and Rachel Beatty Riedl. "Political Parties and Uncertainty in Developing Democracies." *Comparative Political Studies* 46.11 (2013): 1339-1365.

Svolik, M.W., 2013. Learning to love democracy: electoral accountability and the success of democracy. *American Journal of Political Science*, 57(3), pp.685-702.

Background readings:

Katz, Richard S. and Peter Mair. 2009. "The Cartel Party Thesis: A Restatement." *Perspectives on Politics*, Vol. 7, 4: 753-766.

Stokes, Susan C., Thad Dunning, Marcelo Nazareno, and Valerie Brusco, *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics* (Cambridge University Press, 2013), Chapters 7-8.

Stokes, Susan C. "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina." *American Political Science Review* 99, No. 3 (August 2005): 315-325

Lipset, Seymour Martin, and Stein Rokkan, "Cleavage Structures, Party Systems, and Voter Alignments: An Introduction," in Peter Mair, ed. *The West European Party System* (Oxford University Press, 2009), pp. 91-138.

Week 8 (October 23). Political parties and elites: Applications

Nellis, Gareth. "The Fight Within: Intra-Party Factionalism and Incumbency Spillovers in India." Working Paper, (2018).

Gingrich, Jane, and Silja Häusermann. "The decline of the working-class vote, the reconfiguration of the welfare support coalition and consequences for the welfare state." *Journal of European Social Policy* 25.1 (2015): 50-75.

Rueda, D. "Insider–outsider politics in industrialized democracies: The challenge to social democratic parties." *American Political Science Review*, 99(1) (2005), pp.61-74.

Huber, John D., and Pavithra Suryanarayan. "Ethnic inequality and the ethnification of political parties: Evidence from India." *World Politics* 68.1 (2016): 149-188.

Feierherd, German. "Does the Left Breed Economic Informality? Party Strategies and Selective Enforcement in Brazil." Working Paper.

Background readings:

Neundorf, Anja, and James Adams. "The micro-foundations of party competition and issue ownership: The reciprocal effects of citizens' issue salience and party attachments." *British Journal of Political Science* (2016): 1-22.

Stegmaier, Mary, Michael S. Lewis-Beck, and Beomseob Park. "The VP-function: a review." *The SAGE Handbook of Electoral Behaviour 2* (2017): 584-605.

Week 9 (October 30). Voting and participation I

Fearon, James D. "Electoral accountability and the control of politicians: Selecting good types versus sanctioning poor performance." In: *Democracy, accountability, and representation* (1999): 61.

Powell, Bingham G., and Guy Whitten. "A Cross-National Analysis of Economic Voting: Taking Account of the Political Context," *American Journal of Political Science*, 37 (1993).

Gottlieb, J., 2016. Greater expectations: A field experiment to improve accountability in Mali. *American Journal of Political Science*, 60(1), pp.143-157.

Martin, L.E. and Raffler, P. (2018). Fault Lines. The Effects of Bureaucratic Power on Electoral Accountability, Working paper.

Abrams, Sam, Torben Iversen and David Soskice, "Rational Voting with Socially Embedded Individuals". *British Journal of Political Science* (2011). [Read only pp. 1-15 (bottom)]

Kasara, Kimuli, and Pavithra Suryanarayan. "When do the rich vote less than the poor and why? Explaining turnout inequality across the world." *American Journal of Political Science* (2015): 613-627.

Background readings:

Aldrich, John. "Rational Choice and Turnout," *American Journal of Political Science*, 37, (1993): 246-78.

Persson, Torsten, and Guido Enrico Tabellini. *Political economics: explaining economic policy*. (MIT Press, 2002). Chapter 4 Agency.

Alan Gerber, Donald Green and Christopher Larimer, 'Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment', *American Political Science Review*, 102 (2008), 33-48

Fiorina, Morris P. *Retrospective voting in American national elections* (Yale University Press, 1981) [theory chapter]

Dassonneville, Ruth, and Marc Hooghe. "Economic indicators and electoral volatility: economic effects on electoral volatility in Western Europe, 1950-2013." *Comparative European Politics* 15.6 (2017): 919-943.

Harding, Robin and David Stasavage, 2013 What Democracy Does (and Doesn't Do) for Basic Services: School Fees, School Inputs, and African Elections. *Journal of Politics*, 76(1), pp. 229-245.

Week 10 (November 6). Voting and participation II

Nathan, Noah. *Electoral Politics and Africa's Urban Transition*, Cambridge University Press, 2018. Chapters 1 and 9.

Platas, M.R. and Raffler, P. (2018). "The Limits of Partisanship: How Information Can Encourage Crossing Party Lines", Working Paper.

Iversen, Torben and David Soskice "Information, Inequality, and Mass Polarization: Ideology in Advanced Democracies." *Comparative Political Studies* (2015).

Bhandari, Abhit, Horacio Larreguy, and John Marshall. "An Empirical Anatomy of Political Accountability: Experimental Evidence from a Pre-Election Information Dissemination Campaign in Senegal." Working paper, 2018.

Pande, Rohini. "Can informed voters enforce better governance? Experiments in low-income democracies." *Annual Review of Economics* 3.1 (2011): 215-237

Week 11 (November 13). In-class presentations of paper topics

Please read the memos by your colleagues and be prepared to discuss them.

Week 12 (November 20). In-class presentations of paper topics

Please read the memos by your colleagues and be prepared to discuss them.

Week 13 (November 27). Crosscutting cleavages I

John Roemer, "Why the poor do not expropriate the rich: an old argument in new garb," *Journal of Public Economics* 70, 1998, 399-424

Kenneth Scheve and David Stasavage, "Religion and Preferences for Social Insurance" *Quarterly Journal of Political Science* 1(3), 2006, pp. 255-86.

Iversen, Torben and Max Goplerud, "Politics without a Median Voter". *Annual Review of Political Science*, 2018.

Dunning, Thad, and Lauren Harrison. "Cross-cutting cleavages and ethnic voting: An experimental study of cousinage in Mali." *American Political Science Review* 104, no. 1 (2010): 21-39.

Ichino, Nahomi and Noah Nathan, 2013. *Crossing the Line: Local Ethnic Geography and Voting in Ghana*. *American Political Science Review*, 107(2), pp. 344-361.

Week 14 (December 5). Competing cleavages II

Dancygier, R.M. and Laitin, D.D., 2014. Immigration into Europe: Economic discrimination, violence, and public policy. *Annual Review of Political Science*, 17, pp.43-64.

Gaikwad, N. and Nellis, G., 2017. The Majority-Minority Divide in Attitudes toward Internal Migration: Evidence from Mumbai. *American Journal of Political Science*, 61(2), pp.456-472.

Hall and Gidron, 2017. "The politics of social status: economic and cultural roots of the populist right." *The British Journal of Sociology* (68).

Jim Alt and Torben Iversen. 2017. "Inequality, labor market segmentation, and preferences for redistribution". *American Journal of Political Science* 61 (1): 21-36.

Suryanarayan, Pavithra. "When Do the Poor Vote for the Right Wing and Why: Status Hierarchy and Vote Choice in the Indian States." *Comparative Political Studies* (2018).

Background reading

Oesch, Daniel. "Explaining workers' support for right-wing populist parties in Western Europe: Evidence from Austria, Belgium, France, Norway, and Switzerland." *International Political Science Review* 29.3 (2008): 349-373.

Alberto Alesina and Edward Glaeser, *Fighting Poverty in the US and Europe* (Oxford U. P., 2003), Chapter 6.