Introduction to Political Economy
READING LIST (tentative)

This course is a first course in political economy, with the aim giving students a solid grounding in methods and subject matter of modern political economy, stressing concepts and theory. The prerequisites for this course are the first-year micro and macro sequences. There will be a final exam at the end of the semester as well as a student presentation of one area on the reading list.

The course website is https://sites.google.com/site/econ754/ which contains course material. When readings are not easily available at JSTOR, I will try to put them on the course website.

Texts: (None is “required”)
Austen-Smith and Banks, Positive Political Theory I and II, U. of Michigan Press
Drazen (2000), Political Economy in Macroeconomics, Princeton (D)
Grossman and Helpman, Special Interest Politics, MIT Press (GH)
Persson and Tabellini (2000), Political Economics, MIT Press (PT)
Riker (1982), Liberalism Against Populism, Waveland Press (R)

1. Basic Electoral Models
a) Introduction and Background
D, ch. 1
R, ch. 1

b) The Downsian Model
PT, pp. 19-41, 47-58
JR, pp. 13-27, 52-55
R, chapter 3, 4

c) Equilibrium in a Downsian Model
Public Choice 52, 273-297

d) Information Aggregation
Mueller (2003), Public Choice III, Cambridge University Press, section 6.1
Bouton, L. and M. Castanheira (2010), “One Person, Many Votes: Divided Majority and Information Aggregation,” *Econometrica* 80, 43-87

2. **Politicians**
   a) **Representative Democracy**
   GH, sections 2.1, 2.2
   JR, pp. 28-37, 55-72

   b) **Entry**

   c) **Pandering – Bureaucrats vs. Politicians**

3. **Political Agency and Accountability**
   a) **Moral Hazard**

   b) **Selection**
4. Participation and Turnout
GH, sect. 3.1

5. Applications
a) Credibility of Monetary Policy
D, pp. 175-207

b) Political Budget Cycles (Career Concerns)

6. Legislatures
a) Legislative Bargaining

b) Legislative Rules


c) *Legislative Dynamics*


7. *Special Interest Politics*

a) *Redistribution*


b) *Resistance to Policy Change*


c) *Lobbying*

Grossman and Helpman, *Special Interest Politics*, MIT Press, ch. 7, 8, 9


GH Ch. 4, 5, 6

d) *Campaign Financing*


9. *Political Parties*


SOME TOPICS NOT COVERED (FYI if you're interested. Some may be covered in 756)

Comparative Electoral Systems

Federalism

Nondemocratic Politics

Threats to Democracy

Inclusive vs. Extractive Political Systems


**Political Economy of Development – Empirical Studies**


**Experiments in Political Economy**


**Deliberation**


**Media**


