

UNIVERSITY OF MARYLAND
Department of Economics

Economics 754
Fall 2006

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**Topics in Political Economy I
Reading List**

This course is the first of a two-course sequence, the second course being Economics 757 to be taught by Professor Razvan Vlaicu in the spring. The prerequisites for this course are the first-year micro and macro sequences. The requirements for the course are two: a class presentation; and a take-home exam at the end of the course. There will be occasional lecture notes, which will have more references. (PEM) after an article means it is covered in detail in Drazen (2000).

Texts: (None is "required". The first 2 are available for purchase)
Drazen (2000), *Political Economy in Macroeconomics*, Princeton
Persson and Tabellini (2000). *Political Economics*, MIT Press.
Riker (1982), *Liberalism Against Populism*, Waveland Press
Grossman and Helpman (2001), *Special Interest Politics*, MIT Press.
Austen-Smith and Banks (2000), *Positive Political Theory I*, U. of Michigan Press.
Mueller (2003), *Public Choice III*, Cambridge University Press

1. Introduction

PEM, chapter 1
Riker, chapter 1

2. Elections, Voting, and Voting Rules

Riker, chapter 3
PT, 19-58
M, Ch. 14
PEM, chapter 3, p.70-85
M, Section 6.1 (Condorcet's Jury Theorem)

3. Strategic Voting, Agenda Setting

Riker, chapter 6, 7
GH, sections 2.1,2.2,
M, sections 5.10-5.13

4. Voter Participation

GH, sect. 3.1, M: Ch. 14

Palfrey and Rosenthal (1985), "Voter Participation and Strategic Uncertainty," *American Political Science Review* 79, 62-78
Feddersen and Pesendorfer (1996), "The Swing Voter's Curse," *AER* 86, 408-24
Feddersen, T., "Rational Choice Theory and the Paradox of Not Voting," *Journal of Economic Perspectives*, 2004.

5. Opportunistic Politicians

M: Chs.11 & 12

Lindbeck, A. and J. Weibull (1987), "Balanced-Budget Redistribution as the Outcome of Political Competition," *Public Choice* (At this point in the course, I am interested only in an illustration of probabilistic voting.)
Ferejohn, J. (1986), "Incumbent Performance and Electoral Control," *Public Choice* 50, 5-26. (PEM)

6. Policy-Motivated Candidates

P&T: 97-104

Besley, T. and S. Coate (1997), "An Economic Model of Representative Democracy," *QJE* 112, 85-114.
Osborne and Slivinski (1996), "A Model of Political Competition with Citizen Candidates," *QJE* 111, 65-96.

7. Distributive Politics

PEM, chapter 8

Drazen and Limao (2005), "A Bargaining Theory of Inefficient Redistribution Policies"
Acemoglu and Robinson (2001), "Inefficient Redistribution," *American Political Science Review* 95, 649-661.
Dixit, and Londregan (1996), "The Determinants of Success of Special Interests in Redistributive Politics," *Journal of Politics* 58, 1132-55.
Dixit, and Londregan (1998), "Ideology, Tactics, and Efficiency in Redistributive Politics," *QJE* 113, 497-529.
Weingast, B., K. Shepsle, and C. Johnsen (1981), "The Political Economy of Benefits and Costs: A Neoclassical Approach to Distributive Politics," *JPE* 89, 642-64.
Tabellini, G. (1991), "The Politics of Intergenerational Redistribution," *JPE* 99, 335-57 (PEM)

8. Reform

PEM, chapter 10

Acemoglu and Robinson (2000), "Political Losers as a Barrier to Economic Development," *AER* 90, 126-30
Jain and Mukand (2003), "Redistributive Promises and the Promise of Economic Reform,' Analysis," *AER* 93, 256-64
Wittman (1989), "Why Democracies Produce Efficient Results," *JPE* 97, 1395-1424

- T. Besley and S. Coate (1998), "Sources of Inefficiency in a Representative Democracy: A Dynamic Analysis," *AER* 88, 139-56
- Dixit, A., Grossman, G. and F. Gul (2000), "The Dynamics of Political Compromise," *JPE* 108, 531-568.

9. *Weak States and Developing Economies*

Bates, R. (1981), *Markets and States in Tropical Africa*, Berkeley: University of California Press.

Acemoglu, D. and J. Robinson (2006) *Economic Origins of Dictatorship and Democracy*, New York; Cambridge University Press.

Acemoglu, D. (2005), "Politics and Economics in Weak and Strong States" working paper.

Dixit, A. (2006), "Predatory States and Failing States: An Agency Perspective," working paper.

North, D. and B. Weingast (1989) "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England," *Journal of Economic History*, 49, pp. 803-832.

La Ferrara, E. and R.H. Bates (2001) "Political Competition in Weak States," *Economics and Politics*, 13, 159-84.

Jackson, R. and C. Rosberg (1984), "Personal Rule: Theory and Practice in Africa," *Comparative Politics* 16, 421-42.

Acemoglu, D., J. Robinson, and T. Verdier (2004), "Kleptocracy and Divide-And-Rule: A Model Of Personal Rule" *Journal of the European Economic Association* 2, 162—192

Acemoglu, D. and J. Robinson, "Persistence of Power, Elites and Institutions," working paper.

Robinson, J. and N. Parsons (2006), "State Formation and Governance in Botswana," *Journal Of African Economies* 15, AERC Supplement, 100–140.