

Department of Economics
Delhi School of Economics
M.A. Economics

COURSE 905: POLITICAL ECONOMICS

Course Description

This course introduces students to political economy of institutions and development. We explore the interrelation and interaction between state, power and economic outcomes. Lectures will mainly focus on theoretical frameworks. Empirical papers will be covered through class discussions and students' presentations. As a supplement we may also read original texts on Liberalism and Marxism. The list of topics is intentionally long so that students can choose topics for self-study – a subset of topics and papers will be covered in lecture.

This course is only open to M.A. (final) students. Though there are no pre-requisites, students are expected to be comfortable in basic Microeconomics and Game Theory.

Topics

- A. Economics and Politics – Does politics matter?
- B. Political Rent, Corruption
- C. Convergence and Persistence of Policies
- D. Power of Propertied Classes in Democracy
- E. Democratization and Repression
- F. Divide and Rule
- G. Imperialism and Colonialism
- H. Role of Media and Experts
- I. Collective Action
- J. Conflict and War

Readings

Book:

1. T. Persson and G. Tabellini, *Political Economics: Explaining Economics Policy*, MIT press, 2002.

2. Lecture Notes of Daron Acemoglu, MIT, Freely available online,
<http://economics.mit.edu/files/8753>

Papers (A selection of the following. New papers will be added every year and some may be removed from the list).

1. Production, Appropriation, and Land Reform; Grossman (AER, 1994)
2. Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution; Acemoglu, Johnson and Robinson (QJE, 2002)
3. Separation of Powers and Political Accountability; Persson, Roland and Tabellini (QJE, 1997)
4. Electoral Accountability and Corruption: Evidence from the Audits of Local Governments; Ferraz and Finan (AER, 2011)
5. Resistance to Reform: Status Quo Bias in the Presence of Individual- Specific Uncertainty; Fernandez and Rodrik (AER, 1991)
6. Electoral Competition and Special Interest Politics; Grossman and Helpman (RES, 1996)
7. On the Form of Transfers to Special Interests; Coate and Morris (JPE, 1995)
8. Land and Power: Theory and Evidence from Chile; Baland and Robinson (AER 2008)
9. Estimating the Value of Political Connections; Fisman (AER 2001)
10. The control of Politicians in Divided Societies: The Politics of Fear; Miquel (RES, 2007)
11. Ethnicity and Conflicts: Theory and Facts; Esteban, Mayoral and Ray (Science, 2012)
12. Campaign Advertising and Voter Welfare; Prat (RES, 2002)
13. Persistence of Power, Elites, and Institutions; Acemoglu and Robinson (AER, 2008)
14. Diversity and the Power of the Elites in Democratic Societies: A Model and a Test; Bandiera and Levy (Working Paper, 2010)
15. Church-state separation and redistribution; Huber and Stanig (JPubE, 1995)
16. Public Goods and Ethnic Divisions; Alesina, Baqir and Easterly (QJE, 1999)
17. Implications of an Economic Theory of Conflict: Hindu-Muslim Violence in India; Mitra and Ray (JPE, 2014)
18. The Economics of Labor Coercion; Acemoglu and Wolitzky (Econometrica, 2011)
19. The Persistent Effects of Peru's Mining 'Mita'; Dell (Econometrica, 2010)
20. IMF programs: Who is chosen and what are the effects; Barro and Lee (JDE, 2005)
21. Coups, Corporations, and Classified Information; Dube, Kaplan and Naidu (QJE, 2011)

22. Commercial Imperialism? Political Influence and Trade During the Cold War; Berger, Easterly, Nunn, Satyanath (AER, 2013)
23. Inequality, Growth and Development: Democratization or repression?; Acemoglu and Robinson (EER, 2000)
24. Why did the West extend the franchise? Democracy, inequality and growth in historical perspective; Acemoglu and Robinson (QJE, 2000)
25. Why did the elites extend the suffrage? Democracy and the Scope of Government, with an Application to Britain's "Age of Reform"; Lizzeri and Persico (QJE 2004)
26. Why Do Voters Dismantle Checks and Balances?; Acemoglu, Robinson and Torvik (RES 2013)


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