

ECO2650 – Graduate Political Economy
Department of Economics
Wednesdays 5-7 p.m. OI 5160
Fall 2024

Instructor: Professor Ceren Baysan	Office:	Rm 326, Max Gluskin House
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Description: This course will cover frontier research in political economy. We will also relate research to real-world applications, motivating PhD students to identify exciting and important research questions and motivating MA students to think critically about the interactions between policy, firms, government, non-state actors, and civil society. Examples of topics that we will cover include institutions and democratic transitions, corruption, social and news media, information and political accountability, political agency, culture and development, and voting models.

This course is appropriate for Ph.D. students in Economics and related fields and MA students in Economics.

Lectures: Wednesdays 5-7 p.m. in OI 5160

TA: Dina O'Brien (dina.obrien@mail.utoronto.ca)

Communication and E-mail Policy

The preferable method of communication is to attend my office hours. However, I understand that students might prefer email for some queries. Please keep in mind the following guidelines for its use.

- Please include “[ECO2650]” in the subject heading of your e-mail.
- Email is not the appropriate medium for discussing course materials if the response requires more than one sentence. If it takes longer, class time or office hours are the more appropriate venues.
- In conformance with university policy, students are advised to ONLY use their utoronto email addresses.
- While I endeavor to respond to emails within 48 hours (except on weekends), if you do not get a response to your email, please get in touch after class or during office hours.

Course Requirements:

(1) Referee reports on three papers by recent job market candidates (40 percent):

The due dates are on Fridays: **September 27th, October 25th, and November 29th**

-- Each referee report should be no more than three pages, double-spaced. The report should begin with a one-paragraph summary of the paper's main argument. Then describe your main 3- 4 points in detail as if you were writing directly to the author. This should include questions about the author's empirical strategy and the robustness of the results. Conclude the report with more minor comments. A good referee report clearly states the work's shortcomings and lays out constructive, detailed, and realistic suggestions for improvement. I have uploaded examples from the previous year on Quercus.

-- These assignments will allow you to read and critique papers on the research frontier of political economy and learn how to assess work constructively. **The version of each paper that you should referee is on Quercus.**

- Report 1 on Miguel Ortiz: "Hate, Fear and Intergroup Conflict: Experimental Evidence from Nigeria," due **September 27th**
- Report 2 on Lukas Leucht: "Jobs for Votes: Patronage and Performance in Tammany Hall's NYPD," due **October 25th**
- Report 3 on Giulia Buccione: "Religious Messaging and Adaptation to Water Scarcity: Evidence from Jordan," due **November 29th**

(2) One research proposal (40 percent): The proposal will be 2-3 pages (single-spaced) and will also be presented in the two last classes (Nov 20 and Nov 27). The presentation should be no more than 15 minutes. The slide and proposal content should briefly survey the relevant literature, the contribution of your proposal to the literature, the proposal's details, and the research proposal's policy implications. The proposal deadline is **December 10th**. MA students can write a policy brief like the ones on the [J-PAL website](#). Please check the "Files" folder on Quercus for examples.

(3) Weekly-class presentations (20 percent): Before each class, students will be required to submit a short presentation (5-8 slides) on one of the weekly readings (denoted by an asterisk *). During the lecture, I will select someone at random to present the paper for discussion. There will be 1-2 required readings per week.

Overview of Course Requirements with Key Dates:

Assignment	Date	Weight
Referee Report #1	September 27	13.3%
Referee Report #2	October 25	13.3%
Research Proposal	November 20 and 27th for in-class presentations and December 10 for written proposal.	40%
Referee Report #3	November 29	13.3%
Weekly slides	Weekly	20%

Course Materials:

Recommended reference articles and texts (not required):

Acemoglu, Daron and James Robinson (2006) Economic Origins of Dictatorship and Democracy, Cambridge Univ. Press.

Besley, Tim (2006) Principled Agents: Selection and Incentives in Politics, Oxford University Press.

Besley, Tim and Torsten Persson (2011) Pillars of Prosperity, Princeton University Press.

Grossman, Gene and Elhanan Helpman (2001) Special Interest Politics, MIT Press.

Imbens, Guido and Jeff Wooldridge (2008) “Recent Developments in the Econometrics of Program Evaluation”, NBER Working paper #14251.

Persson, Torsten and Guido Tabellini (2000) Political Economics: Explaining Economic Outcomes, MIT Press.

Persson, Torsten and Guido Tabellini (2003) The Economic Effects of Constitutions, MIT Press.

Weingast, Barry and Donald Wittman (2006) Oxford Handbook of Political Economy, Oxford Univ. Press.

Methods (not required but suggested):

- Angrist, Josh and Stephen Pischke. Mostly Harmless Econometrics. Princeton and Oxford: Princeton University Press, 2009.
- Imbens, Guido and Donald Rubin. Causal Inference for Statistics, Social, and Biomedical Sciences: An Introduction. Cambridge University Press, 2015.

Recommended resources on new governance initiatives

- <https://compdemocracy.org/Case-studies/>
- <https://towardsdatascience.com/what-is-quadratic-voting-4f81805d5a06>
- <https://www.youtube.com/watch?v=uzFMdoGFyyA>

Recommended general audience books

Acemoglu, Daron and James Robinson (2012) Why Nations Fail: The Origins of Power, Prosperity, and Poverty.

Acemoglu, Daron and James Robinson (2019) *The Narrow Corridor: States, Societies, and the Fate of Liberty*, Penguin Random House.

Acemoglu, Daron and Simon Johnson (2023) *Power and Progress: Our Thousand-Year Struggle Over Technology and Prosperity*.

Tang, Audrey and E. Glen Weyl (2024) [Plurality: The Future of Collaborative Diversity and Democracy: An open, collaborative book project led by Audrey Tang and E. Glen Weyl](#)

Required Readings and Topics (Starred are required and one star means skim through)**

You can use your University of Toronto affiliation to find these articles through JSTOR. Some are available publicly and do not require a university affiliation. The Reading List will be updated throughout the course. Please check it regularly.

Topic 1: Institutions and Democratic Transitions

Lecture 1 (9/4)

**Acemoglu, Daron, Johnson, Simon and Robinson, James A. (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91, 1369-1401.

Acemoglu, Daron, Johnson, Simon and Robinson, James (2005) "Institutions as a Fundamental Cause of Long-Run Growth" in *Handbook of Economic Growth*, Aghion, Philippe and Durlauf, Steven, eds. Amsterdam; North-Holland.

Acemoglu, Daron (2003) "Why Not a Political Coase Theorem?" *Journal of Comparative Economics*, 31, 620-652.

Acemoglu, Daron and James Robinson, 2001, "A Theory of Political Transitions" *American Economic Review*, 91(4): 938-963.

Acemoglu, Daron and James Robinson, 2000, "Why did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective," *Quarterly Journal of Economics*, 115(4): 1167-1199.

Acemoglu, Daron, Simon Johnson, James A. Robinson, and Pierre Yared. 2008. "Income and Democracy." *American Economic Review*, 98 (3): 808-42.

Barro, Robert. (1999). "Determinants of Democracy," *Journal of Political Economy*, December 1999.

Besley, Timothy and Masayuki Kudamatsu. (2007). "Making Autocracy Work." London School of Economics <http://econ.lse.ac.uk/staff/tbesley/papers/maw.pdf>

*Dell, Melissa (2010) "The Persistent Effects of Peru's Mining Mita," *Econometrica*, 78(6), 1863-1903.

Francois, P., Rainer, I. and Trebbi, F. (2015), How Is Power Shared in Africa? *Econometrica*, 83: 465-503.

Mulligan, Casey, B., Ricard Gil, and Xavier Sala-i-Martin. 2004. "Do Democracies Have Different Public Policies than Nondemocracies? ." *Journal of Economic Perspectives*, 18 (1): 51-74.

Persson, Torsten, and Guido Tabellini. 2006. "Democracy and Development: The Devil in the Details." *American Economic Review*, 96 (2): 319-324.

Udry, Christopher and Goldstein, Markus (2008) "The Profits of Power: Land Rights and Agricultural Investment in Ghana", *The Journal of Political Economy*, Vol. 116, No. 6, pp. 981-1022.

Lecture 2 (9/11)

*Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, James A. Robinson. (2019). "Democracy Does Cause Growth" *Journal of Political Economy*, 127(1), pp. 47-100.

Aidt, Toke and Franck, Raphael. (2015), "Democratization Under the Threat of Revolution: Evidence From the Great Reform Act of 1832," *Econometrica*, 83(2), pp 505-547.

Cox, Gary, Adriane Fresh and Sebastian Saiegh (2023), "The Political Economy of Suffrage Reform: The Great Reform Act of 1832", *Journal of Historical Political Economy*: Vol. 3: No. 1, pp 65-93.

**Dal Bo, Pedro, Andrew Foster, Louis Putterman (2010) "Institutions and Behavior: Experimental Evidence on the Effects of Democracy", *American Economic Review*, 100(5), 2205-2229.

Hinnerich, Bjorn and Per Pettersson-Lidbom. (2014). "Democracy, Redistribution, and Political Participation: Evidence From Sweden 1919–1938," *Econometrica*, 82(3), pp. 961-993.

Pande, R. (2020), "Can Democracy Work for the Poor?" *Science*, Vol. 369, No. 6508, pp. 1188-1192.

Topic 2: Political Agency and Corruption

Lecture 3 (9/18)

Besley, Tim (2006) *Principled Agents: Selection and Incentives in Politics*, Oxford University Press.

*Dal Bó, Ernesto and Martín Rossi (2011). “Term Length and the Effort of Politicians,” *Review of Economic Studies*, 78(4), 1237-1263.

**Ferraz, Claudio, and Frederico Finan. “Electoral accountability and corruption: Evidence from the audits of local governments.” *American Economic Review* 101.4 (2011): 1274-1311.

Topic 4: Media and Information, and Propaganda

Lecture 4 (9/25)

*Baysan, Ceren (2022). “Persistent Polarizing Effects of Persuasive Communication: Experimental Evidence from Turkey,” *American Economic Review*, 112(11), 3528-46.

**Chen, Y. and D. Yang, (2019). “[The Impact of Media Censorship: 1984 or Brave New World?](#)” *American Economic Review*, Vol. 109, No. 6, pp. 2294–2332.

Durante, Ruben and Ekaterina Zhuravskaya (2015) “Attack when the World is Not Watching? International Media and the Israeli-Palestinian Conflict”, *Journal of Political Economy*, forthcoming.

Snyder, James and David Strömberg (2010). “Press Coverage and Political Accountability”, *Journal of Political Economy*, 118(2), 355-408.

Topic 5: Public Finance (Guest Lecture: Roman Zarate)

Lecture 5 (10/2)

Alatas et al. (2012): “Targeting the Poor: Evidence from a Field Experiment in Indonesia”

Camacho & Conover (2011): Manipulation of Social Program Eligibility

Gordon and Li (2009)

Khan, Khwaja & Olken: Tax Farming Redux: Experimental Evidence on Performance Pay for Tax Collectors

**Pomeranz (2015): No Taxation without Information: Deterrence and Self-Enforcement in the Value Added Tax

Topic 6: Calculus of Voting, Median Voter Theorem, and Citizen Candidate Model

Lecture 6 (10/9) – Calculus of Voting and Median-Voter

Charles, Kerwin Kofi, and Melvin Stephens Jr. 2013. "Employment, Wages, and Voter Turnout." *American Economic Journal: Applied Economics*, 5 (4): 111-43.

Dellavigna, Stefano, John A. List, Ulrike Malmendier, and Gautam Rao (2017) "Voting to Tell Others", *The Review of Economic Studies*, Volume 84, Issue 1, 1 January 2017, Pages 143–181.

**Fujiwara, Thomas (2014) "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil", *Econometrica*, 83: 423–464.

Gerber, Alan, Donald Green, and Christopher Larimer (2008). "Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment", *American Political Science Review*, 102(1), 33-48.

Gerber, Elisabeth and Jeffrey Lewis (2004) "Beyond the Median: Voter Preferences, District Heterogeneity, and Political Representation", *Journal of Political Economy*, 121(6), 1364-83.

Pande, Rohini (2003). "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India," *American Economic Review*, 93(4), 1132- 1151.

Lecture 7 (10/16) – Citizen Candidate Model

**Casey, K., A.B. Kamara and N. Meriggi (2020) "An Experiment in Candidate Selection", *American Economic Review*, forthcoming

*Chattopadhyay, Raghavendra and Esther Duflo (2004). "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India," *Econometrica*, 72(5), 1409-1443.

Dal Bó, Ernesto & Frederico Finan, 2018. "Progress and Perspectives in the Study of Political Selection," *Annual Review of Economics*, Annual Reviews, vol. 10(1), pages 541-575, August.

Topic 7: Culture and Institutions

Lecture 8 (10/23)

**Alesina, A., P. Giuliano and N. Nunn, “On the Origin of Gender Roles: Women and the Plough,” 2013, *Quarterly Journal of Economics*, 128 (2), 469-530.

*Alesina, A. and P. Giuliano. “Culture and Institutions,” 2015, *Journal of Economic Literature*, 53 (4), 898-944.

Becker, A. “On the Origins of Restricting Women’s Promiscuity.” Forthcoming, *Review of Economic Studies*.

Lowes, Sara, Nathan Nunn, James A Robinson, and Jonathan L Weigel. 2017. “The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom.” *Econometrica* 85(4):1065-1091.

Tabellini, Guido, 2008, “The Scope of Cooperation: Values and Incentives,” *Quarterly Journal of Economics*, 123 (3): 905-950.

Voigtlaender, N. and J. Voth, “Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany,” *Quarterly Journal of Economics*, 2012, 127 (3): 1339-1392.

No Lecture on October 30th – Reading Week

Topic 8: Political Economy of China

Lecture 9 (11/6)

**Francois, Patrick, Francesco Trebbi, Kairong Xiao. 2023. “Factions in Nondemocracies: Theory and Evidence from the Chinese Communist Party”, *Econometrica*, 91(2), pp. 565-603.

Lorentzen, Peter and Lu Xi “Personal Ties, Meritocracy, and China’s Anti-Corruption Campaign,” *mimeo*, University of San Francisco

Meng, Xin Nancy Qian Pierre Yared 2016 “The Institutional Causes of China’s Great Famine, 1959-1961” *Review of Economic Studies*.

Persico, N., Pueblita, J.C. and Silverman, D., 2011. “Factions and political competition.” *Journal of Political Economy*, 119(2), pp.242-288.

Ting Chen and James Kai-sing Kung. “Busting the ‘Princelings’: The Campaign Against Corruption in China’s Primary Land Market”, *The Quarterly Journal of Economics*, Volume 134, Issue 1, February 2019, Pages 185–226.

Topic 9: Institutional Preferences (and Debate) – Subject to Change

Lecture 10 (11/13)

Acemoglu, Daron, Cevat Aksoy, Ceren Baysan, Carlos Molina, and Gamze Zeki, “Voter Misperceptions and Preferences for Democratic Institutions,” *Working Paper*

Rivera, Eduardo, Enrique Seira, and Saumitra (2024) “Democracy corrupted: Apex corruption and the erosion of democratic values.” *Working Paper*

In-class presentations for Lectures 11 (11/20) and 12 (11/27)

Late Submissions

- Late assignments will be subject to a late penalty of 10% per day (including weekends) of the total marks for the assignment. Assignments submitted five calendar days beyond the due date will be assigned a grade of zero.
- Assignments handed in AFTER the work has been returned to the class cannot be marked for credit. Accommodations due to late registration into the course will NOT be approved.
- If you require an extension of time please request this at least 5 business days in advance. Asking for an extension the day before, or the day of, is not a sufficient amount of time.
- Computer viruses, crashed hard drives, broken printers, lost or corrupted files, incompatible file formats, faulty internet, battery problems, and similar mishaps are common issues when using technology, and are not acceptable grounds for a deadline extension.
- It is every student’s responsibility to ensure that their online submission is submitted successfully by the due date. Accommodations will not be made for unsuccessful submissions due to, but not limited to, i) the system timing out, ii) submitting the incorrect document(s), iii) poor internet connection / no internet connection etc.

Missed Assignments

Students who miss an assignment because of circumstances beyond their control (e.g. illness or an accident) can request that the Department grant them special consideration. The following steps must be completed in order to be considered for academic accommodation for any missed quiz/test/assignment.

- Your absence must be declared on ACORN on the day of the missed test / due date, or by the day after, at the latest.
- You must notify your professor by e-mail within one week of the missed test / deadline.
- Complete an online Special Consideration Request within one week of the missed test / due date. The University is temporarily suspending the need for a doctor’s note or medical certificate for any absence from academic participation if you are experiencing COVID-19 symptoms. However, this policy may change at any point

during the course. If you missed your test for a reason connected to your registered disability, the department will accept documentation supplied by Accessibility Services. If you visited a Dentist, Nurse/Nurse Practitioner, Physician/Surgeon, Psychologist, Psychotherapist or Social Worker registered and licensed in the Province of Ontario, have them fill out the University's Verification of Student Illness or Injury form. In other cases, a Verification of Extenuating Circumstances form is acceptable. Other documentation can include, but is not limited to, automobile collision or police reports, death certificates, and supporting documentation from employers, lawyers and other related personnel. Please email your form to economics.utm@utoronto.ca.

- Consult the Office of the Registrar should your absence be lengthy or affect multiple courses.
- The written explanation and documentation that you submit represents an appeal from you, requesting the opportunity to account for that portion of your grade in some other manner. If an appeal is not received, or if the appeal is deemed unacceptable, you will receive a grade of zero for the item you missed. If the appeal is granted – that is, your reason for missing the item is considered acceptable by the professor – then the other quizzes' average will be assigned to the missed test.
- Note that it is your responsibility to ensure that your email account is working. Claims that a Departmental decision was not received will NOT be considered as a reason for further consideration.
- Note that holidays and pre-purchased plane tickets, family plans, your friend's wedding, lack of preparation, or too many other tests/assignments are not acceptable excuses for missing a quiz, a test or an item of term work.

Regrade Requests

- Graded assignments will be posted on Quercus.
- Assignments may be submitted for regrades to correct grading errors.
- Regrade requests are due no later than one month after the material is returned.
- Regrade requests must be clearly written and attached to the assignment.
- Regrades requests are intended to correct grading errors, NOT for negotiating a higher grade.
- When work is submitted for regrade, the entire work may be regraded, which may result in a lower grade.

Student Conduct

It is your responsibility as a student at the University of Toronto to familiarize yourself with, and adhere to, The Code of Student Conduct, which is a University policy that sets out expectations for student behavior, and prescribes processes for dealing with prohibited behaviour.

The Student's Companion to the Student Code of Conduct is a set of frequently asked questions and the responses about the Code of Student Conduct. It aims to simplify and clarify Code usage for the University's community members.

Academic Integrity

Academic integrity is essential to the pursuit of learning and scholarship in a university, and to ensuring that a degree from the University of Toronto is a strong signal of each student's individual academic achievement.

The University of Toronto's Code of Behaviour on Academic Matters outlines behaviours that constitute academic dishonesty and the process for addressing academic offences. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment.

In academic work:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required, including (but not limited to) doctor's notes.

All suspected cases of academic dishonesty will be investigated following procedures outlined in the Code of Behaviour on Academic Matters. If you have questions or concerns about what constitutes appropriate academic behaviour or appropriate research and citation methods, you are expected to seek out additional information on academic integrity from your instructor or from other institutional resources.

Generative AI tools are NOT permitted aids in this course

