

Political Economy (2011-12)

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Description: Collective choice. Pre- and post-election politics. Comparative politics. Multiple jurisdictions. Dynamic policy Choice. Good government. Institutions. Persistence, instability and change of institutions.

Objectives of the course:

- To analyse problems of collective choice, with a focus on economic policy making.
- To find out the factors that influence economic and political institutions in a dynamic setup.

Methodology:

Lectures and classes.

Syllabus:

- Collective choice. The role of the state. Rents and conflict. Motivation of politicians.
- Pre- and post-election politics. Median voter. Probabilistic voting. Agency. Career concerns.
- Good government and government failure. Accountability. Selection of politicians. Bureaucracy
- Comparative politics. Majoritarian v proporcional elections. Presidential v parliamentary regimes. Empirical evidence.
- Multiple jurisdictions. Federalism. Migration: “Voting with the feet”.
- Dynamic policy choice. Expectations. Commitment. Time inconsistency. Growth. Debt.
- Institutions. Property rights. Political power. Democracy, oligarchy and autocracy.
- Persistence, instability and change of institutions. Democratisation. Coups. Colonialism.

Evaluation:

Exercises and presentations

Bibliography:

Textbooks:

- Persson, Torsten and Guido Tabellini (2002), *Political Economics: Explaining Economic Policy*, MIT Press.
- Persson, Torsten and Guido Tabellini (2003), *The Economic Effects of Constitutions*, MIT Press.
- Besley, Timothy (2006), *Principled Agents?: The Political Economy of Good Government (Lindahl Lectures)*, Oxford University Press.
- Acemoglu, Daron and James A. Robinson (2006), *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.
- Mueller, D. C. (2003), *Public Choice III*, Cambridge University Press