PS 750: Political Economy of Development Gross 111

Spring 2017 Thursdays 10:05-12:35

Erik Wibbels

Office Hours: Wed, 1:30-3:30 OBA

Course Description:

This course provides an overview of advanced contemporary research on the political economy of development. The goal is to get some background even while focusing on recent papers at the frontier. We will spend the first several weeks working through basic theoretical and methodological issues bearing on the study of economic growth. We will spend considerable time on the pros and cons associated with the move toward field experimental turn in development economics. In the second third of the class, we will move on to some fundamentals of economic growth—climate, geography, endowments, historical legacies, technological innovation and human capital—and try to understand how and if they bear on political economy. Finally, in the third portion of the class we will move on to issues that are more explicitly political, including political institutions, inequality, redistribution, foreign aid, etc. The syllabus is wildly in complete. There are important bodies of work on identity/ethnicity, gender, foreign aid, etc. that we just don't have time to cover.

We will emphasize applied learning through the use of replications and extensions of recent research; this will be a group exercise that we will do using GitHub.

Course Requirement:

- Research Proposal (30 percent). The research proposals should be approximately 12 pages; it should reflect the organization of an NSF proposal and include a Project Summary, Project Description and References. See NSF's "full project guidelines" for the precise content and formatting of these elements of the proposals; the guidelines are available online. Your proposal can involve observational data or an experimental design:
 - o If it involves observational data, you should be clear about your theory, data availability/collection, and your identification strategy.
 - o If it involves a lab or field experiment, the proposal should be clear about your theory, a justification for the location of the experiment, the principles governing sample size, stratification and randomization, and a strategy for data collection and analysis.

Be as clear and detailed as you can with regards to research design. I would encourage you to talk with me soon about topics, methods, etc. Be ambitious *and* precise--this is an opportunity to be creative, albeit in a manner tightly constrained by a data generating process.

- The research proposal is due on the last day of class, i.e. April 13.
- O You will present your research proposal on the last day of class. Conditional on the size of the class, these presentations should not exceed 10 minutes.
- Two article reviews (20 percent; 10 percent each): You will write two, three-page (or so, single-spaced) reviews. Your review should eschew summary in favor of critically evaluating the paper. The basic goal is to make a recommendation to an editor (me in this case) as to whether or not the paper should be published. You should support your evaluation with a discussion of theory, method, data, etc. You can choose from any two of these recent job market and/or working papers:
 - o Gaikwad, Nikhar. 2016. "<u>East India Companies and Long-Term Economic Change in India</u>."
 - o Soledad Artiz Prillaman. 2016. "<u>Strength in Numbers: How Women's Networks Close</u> India's Political Gender Gap."
 - o Pia Raffler. 2016. "<u>Does Political Oversight of the Bureaucracy Increase Accountability?</u> Field Experimental Evidence from an Electoral Autocracy."

- o Callen et al. 2016. "The Political Economy of Public Sector Absence: Experimental Evidence from Pakistan."
- O. Christensen. 2016. "Concession Stands: How Foreign Investment Incites Protest in Africa."

The first review is due by end-of-business on **Friday**, **February 10**. The second review is due by end-of-business on **Friday**, **March 24**.

If you'd like some advice on how to write a peer review, see:

- Miller, Pevehouse, Tingley, Rogowski and Wilson. 2013. "How to be a Peer Reviewer: A
 Guide for Recent and Soon-to-be Ph.D.'s. PS: Political Science and Politics:
 http://scholar.harvard.edu/files/tingley-ps-referee 0.pdf
- Group Discussion, Replication and Extension Exercise (2x20: 40 percent total): I will organize you into two-member research teams. Each team will be responsible for a discussion, replication and extension of the empirics from a recently published article or working papers cited in the "required" or "recommended" articles for that week. Your team is free to choose the article. We will spend the last 30 minutes of each class on these exercises. Presentations should describe the paper, put it in the context of the broader literature, replicate results from the paper, check for robustness (by, for instance, analyzing subsamples or larger samples, estimating models using different assumptions, etc), and engage in at least one extension; your extension should be motivated by a clear sense of purpose rather than ad hoc-ness. You will provide 15-minute presentations of these exercises towards the end of the class, and we will budget 15 minutes for group discussion.
 - All data and code will be shared with the group on <u>GitHub.com</u> so that we can all see how the work was done. If you haven't used it before, a short introduction is <u>here</u>. You will need to set up a free account and send me your username or email. I will send you the path for the course repository.
 - o I don't care if you use R or Stata for this assignment. Whatever you use, please be sure to provide sufficient inline description of your code so that others can understand it. Each weekly exercise should be created under the "Projects" tab of the course repository.
 - The work should be reasonably advanced by **8pm the evening before class** so that others can view the work on GitHub.
- Participation (10 percent). You will be expected to have done all the required readings in advance of each class. Though I will begin each class with 45 (or so) minutes of lecture, class sessions will be conducted in a highly participatory seminar format.
 - To ensure we're all keeping up, *please post a half page or so of discussion points/questions bearing on the week's reading to our GitHub repository.* You can raise questions about theory, method, point out conflicts between readings, develop links with previous weeks' readings, whatever. These needn't be long and detailed, but they should be thoughtful.

Course Policies:

Late proposals, papers, etc. will be penalized by a letter grade per day. Contrary to common practice in the department, I am profoundly averse to issuing "Incompletes".

Course Schedule:

Week 1, Jan 12: Introduction

Recommended (these provide broad background and are not required):

• Chapter 1 in Acemoglu in *An Introduction to Modern Economic Growth*. http://press.princeton.edu/chapters/s8764.pdf

- Nathan Nunn. 2009. "The Importance of History for Economic Development." *Annual Review of Economics* 1: 65-92.
- Macartan Humphreys and Jeremy Weinstein. 2009. "Field Experiments and the Political Economy of Development" *Annual Review of Political Science*. http://www.columbia.edu/~mh2245/papers1/HW_ARPS09.pdf
- Chapters 1 and 2 in Morton Jerven. 2013. *Poor Numbers: How We are Misled by African Development Statistics and What to do About it.* Ithaca: Cornell University Press.
- Krugman, Paul. "The fall and rise of development economics." Rethinking the Development Experience: Essays Provoked by the Work of Albert O. Hirschman (1994): 39-58.
- Hirschman, Albert, "Rise and Decline of Development Economics," in *Essays in Trespassing*, CUP 1-24
- Branko Milanovic. 2005. *Worlds Apart: Measuring International and Global Inequality*. Princeton: Princeton University Press. Pages 7-50.
- Olson, Mancur. 1996. "Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others are Poor." *Journal of Economic Perspectives* 10: 3-24.
- Torsten Persson and Guido Tabellini. 2000. Political Economics Explaining Economic Policy. MIT Press. Chapter 14.
- Levitt, Steven and John List. 2009. "Field Experiments in Economics: the Past, the Present and the Future." *European Economic Review*.
- De La O, Ana and Leonard Wantchekon. 2011. "Experimental Research on Democracy and Development." In Cambridge Handbook of Experimental Political Science.

Week 2, Jan 19: Growth Models and Development

- Barro and Sala-i-Martin, Chapter 1 in *Economic Growth*: http://mitpress.mit.edu/books/chapters/0262025531chap1.pdf
- Venables, Anthony. 2007. "Trade, Location, and Development: An Overview of Theory." In Lederman and Maloney, eds. Natural Resources: Neither Curse nor Destiny. Available on Venables' website.
- Banerjee and Duflo. 2005. "Growth Theory Through the Lens of Development Economics." In *Handbook of Development Economics*. http://econ-www.mit.edu/files/521
- Leonard Wantchekon, Natalija Novta, and Marko Klasnja. 2014. "Education and Human Capital Externalities: Evidence from Colonial Benin." *Quarterly Journal of Economics* 130: 703-57.

Recommended (a fair number of these deal w/the technology angle into endogenous growth):

- Romer, Paul M. 1994. "The Origins of Endogenous Growth." *Journal of Economic Perspectives* 8: 3-22.
- Paul Krugman. 1991. Geography and Trade.
- Grossman and Helpman. 1994. "Endogenous Innovation in the Theory of Growth." *Journal of Economic Perspectives* 8: 45-54.
- Nunn N, Qian N. 2011. The Potato's Contribution to Population and Urbanization: Evidence from a Historical Experiment. Quarterly Journal of Economics 126: 593-650. (the potato as technology!)
- Enrico Spolaore and Romain Wacziarg. 2009. "<u>The Diffusion of Development</u>", *Quarterly Journal of Economics*, 124: 469-530.
- Solow, Robert. 1988. "Growth Theory and After." American Economic Review 78: 307-17.
- Solow, Robert M. 1994. "Perspectives on Growth Theory." *Journal of Economic Perspectives 8:* 45-54.
- K. J. Arrow. 1962. "Economic welfare and the allocation of resources for invention," http://www.nber.org/books/univ62-1

- D. Acemoglu, P. Aghion, and F. Zilibotti, "Distance to frontier, selection and economic growth," Journal of the European Economic Association, vol. 4, no. 1, pp. 37–74, 2006.
- D. Acemoglu and J. A. Robinson, "Economic backwardness in political perspective," American Political Science Review, vol. 100, no. 1, pp. 115–131, 2006.
- Pablo Pinto and Jeff Timmons. 2005. "The Political Determinants of Economic Performance: Political Competition and the Sources of Growth." *Comparative Political Studies*, 38: 26-50.
- Philippe Aghion, "Growth and development: A schumpeterian perspective," Annals of Economics and Finance, vol. 5, pp. 1–24, May 2004.
- Parente, S. 2001. "The failure of endogenous growth." Knowledge, Technology & Policy 13: 49-58
- Crafts, N.F.R. 1997. "Endogenous growth: lessons for and from economic history." In David M. Kreps and Kenneth F. Wallis (eds.), Advances in economics and econometrics: theory and applications. Seventh World Congress. Cambridge: Cambridge University Press. Volume II: pages 38-78.
- Murphy, Kevin, Andrei Shleifer, and Robert Vishny. (1989). "<u>Industrialization and the Big Push</u>", Journal of Political Economy, 97(5), 1003-1026.
- Murphy, Shleifer and Vishny. 1989. "Income Distribution, Market Size and Industrialization." *Quarterly Journal of Economics* 3: 537-64.

Week 3, Jan 26: No Class. Professor Wibbels out of country.

Week 4, Feb 2: The Field Experimental Revolution in the Study of Development:

- Sala-i-Martin. 1997. "I Just Ran Two Million Regressions." AER 87: 178-83.
- Duflo, Esther, Rachel Glennerster, and Michael Kremer, "Using Randomization in Development Economics Research: A Toolkit", http://econwww.mit.edu/files/806
- Deaton, Angus. 2010. "Instruments, Randomization and Learning about Development." *Journal of Economic Literature* 48: 424-55.
- Humphreys, Macartan, Raul Sanchez de la Sierra, and Peter van der Windt. 2013 "Fishing, commitment, and communication: A proposal for comprehensive nonbinding research registration." *Political Analysis:* 21 (1): 1-20

Recommended:

- Alwyn Young 'Channelling Fisher: Randomization Tests and the Statistical Insignificance of Seemingly Significant Experimental Results.' Working Paper, LSE.
- Vivalt, Eva 2015 'Heterogeneous Treatment Effects in Impact Evaluation" American Economic Review 105(5): 467-470.
- Sovey, Allison J., and Donald P. Green. 2011. "Instrumental variables estimation in political science: a readers' guide." *American Journal of Political Science* 55: 188-200. Or the relevant chapter in Angrist and Pishke *Mostly Harmless Econometrics*.
- Guido W. Imbens "Better LATE Than Nothing: Some Comments on Deaton (2009) and Heckman and Urzua (2009)".
 http://www.economics.harvard.edu/faculty/imbens/files/bltn 09apr10.pdf
- Durlauf et al. 2005. "Growth Econometrics." *Handbook of Economic Growth*.
- Leamer, Edward. 2010. "Tantalus on the Road to Asymptopia." *Journal of Economic Perspectives*.
- Banerjee. 2008. "Big Answers for Big Questions: The Presumption of Growth Policy." Working Paper MIT: http://econ-www.mit.edu/files/3209
- Banerjee, Abhijit V., and Esther Duflo. (2008). "The Experimental Approach to Development Economics." http://www.nber.org/papers/w14467.pdf

- Angrist and Pishke. "The Credibility Revolution in Empirical Economics: How Better Research Design Is Taking the Con out of Econometrics." *Journal of Economic Perspectives*.
- Thad Dunning. 2008. <u>Model Specification in Instrumental-Variables Regression</u>. *Political Analysis* 16 (3): 290-302.
- Acemoglu, Daron. "Theory, General Equilibrium, Political Economy and Empirics in Development Economics." Forthcoming, *Journal of Economic Perspectives*: http://econ-www.mit.edu/files/5608
- Thad Dunning. 2008. <u>Improving Causal Inference: Strengths and Limitations of Natural Experiments</u>. *Political Research Quarterly* 61 (2): 282-293.
- Alan S. Gerber, Donald P. Green, and Edward H. Kaplan. 2004. "The Illusion of Learning from Observational Research." In *Problems and Methods in the Study of Politics*, edited by Ian Shapiro, Rogers M. Smith, Tarek E. Masoud Cambridge University Press, 2004. An earlier version is available here:
 - http://www.stanford.edu/class/polisci353/2004winter/reading/illusion september 2003.pdf
- Dani Rodrik. 2008. <u>The New Development Economics: We Shall Experiment, But How Shall We Learn?</u>
- Bruhn and McKenzie. 2009. "In Pursuit of Balance: Randomization in Practice in Development Field Experiments." *American Economic Journal: Applied Economics 2009, 1:4, 200–232*.

Part II: Deep Origins

Week 5, Feb. 9: Economic and Political Geography

- Wantchekon and Stanig. 2016. "The Curse of Good Soil: Land Fertility, Roads, and Rural Poverty in Africa." Working Paper.
- Diego Puga and Nathan Nunn. 2012. "Ruggedness: The blessing of bad geography in Africa." *Review of Economics and Statistics*.
- Herbst. 2000. *States and Power in Africa: Comparative Lessons in Authority and Control*. Princeton University Press, Princeton. Selections.
- Fenske, James. "Does Land Abundance Explain African Institutions?" *The Economic Journal* 123: 1363-1390.

Recommended

- Dell et al. 2013. "What can we learn from the weather? The new climate-economy literature." http://economics.mit.edu/files/9138
- Bates, Robert. H. 1981. *Markets and States in Tropical Africa*. Berkeley, CA, University of California Press. Selections.
- Fenske and Kala. 2014. "Climate and the Slave Trade." Working paper:
- https://www.dropbox.com/s/bbd2acu3x6vv6pc/FenskeKalaClimateAug2014.pdf
- Donald Davis and David Weinstein. (2002). "Bones, Bombs, and Breakpoints: The Geography of Economic Activity", *American Economic Review*, 92.
- Vernon Henderson and Arzaghi. 2008. "Networking Off Madison Avenue." *Review of Economic Studies* 75: 1011-1038.
- Sachs, Jeffrey D. 2001. "Tropical Underdevelopment." NBER Working Paper 8119. http://www.nber.org/papers/w8119.
- Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. "Temperature and Income: Reconciling New Cross-Sectional and Panel Estimates." *American Economic Review: Papers & Proceedings* 2009, 99:2, 198–204.
- Pomeranz, Kenneth. 2002. "Political Economy and Ecology on the Eve of Industrialization: Europe, China, and the Global Conjuncture", *American Historical Review*, 107(2), 425-46: http://www.historycooperative.org/journals/ahr/107.2/ah0202000425.html

- World Bank. 2009. World Development Report: Reshaping Economic Geography. Washington DC: World Bank.
- Jared Diamond. 1997. Guns, Germs and Steel.
- Lipton. 1977. Why Poor People Stay Poor.
- "Ethnic Enclaves and the Economic Success of Immigrants-Evidence from A Natural Experiment." PA Edin, P Fredriksson, O Åslund - Quarterly Journal of Economics, 2003 - MIT Press
- Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. 2008. "Climate Shocks and Economic Growth: Evidence from the Last Half Century." National Bureau of Economics Research. Working Paper 14132.
- Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. 2004. "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development." *Journal of Economic Growth*, 9(2): 131–65.
- Sachs, Jeffrey D. 2003. "Institutions Don't Rule: Direct Effects of Geography on Per Capita Income." National Bureau of Economic Research Working Paper 9490.
- Jonathan Rodden. 2010. "The Geographic Distribution of Political Preferences." *Annual Review of Political Science*.

Recommended: Natural Resources, Endowments and Development

- Easterly William and Ross Levine. 2003. "Tropics, Germs, and Crops: How Endowments Influence Economic Development", *Journal of Monetary Economics*, January pp.3-40.
- Engerman, Stanley L. and Kenneth L. Sokoloff. 2002. "Factor Endowments, Inequality, and Paths of Development among New World Economies." *Economia* 3: 41-109
- Leamer et al. 1999. "Does Natural Resource Abundance Increase Latin American Inequality?" *Journal of Development Economics* 59: 3-42.
- Wibbels, Erik and Ellis Goldberg. 2010. "Natural Resources, Economic Geography and Development." Working Paper.
- Caselli and Michaels. 2009. "Do Oil Windfalls Improve Living Standards? Evidence from Brazil" Working Paper, LSE: http://personal.lse.ac.uk/casellif/papers/brazil.pdf
- Alexeev and Conrad. 2009. "The Elusive Curse of Oil." *Review of Economics and Statistics* 91: 586-98.
- Vicente, Pedro. 2010. "Does Oil Corrupt? Evidence from a Natural Experiment in West Africa." Journal of Development Economics 92: 28-38
- Kevin Tsui. 2010. "More Oil, Less Democracy: Evidence from Worldwide Crude Oil Discoveries." Working paper, Cornell University: http://people.clemson.edu/~ktsui/resume.html
- Dube and Vargas. 2009. "Commodity Price Shocks and Civil Conflict: Evidence from Colombia." Working Paper, NYU: http://politics.as.nyu.edu/docs/IO/13746/Commodity shocks civil conflict.pdf
- Thad Dunning. 2010. "Endogenous Oil Rents." Comparative Political Studies 43: 379-410
- Wright, Gavin. 2001. "Resource Based Growth, Then and Now." Manuscript, Stanford Department of Economics.
- Robinson, Torvik and Verdier. 2006. "Political foundations of the resource curse", *Journal of Development Economics* 79: 447-68.
- McLean, Ian. 2005. "No Flash in the Pan: Resource Abundance and Economic Growth in California." Manuscript, UC-Berkeley and University of Adelaide.
- Mehlum, Halvor, Karl Moene, and Ragnar Torvik. 2006. "Institutions and the Resource Curse." *The Economic Journal* 508: 1-20.
- Sachs, Jeffrey D. and Andrew M. Warner. 1995. "Natural Resource Abundance and Economic Growth." *NBER Working Paper No.* 5398.

- Stijns, J.P. 2005. "Natural Resource Abundance and Economic Growth Revisited." *Resources Policy*.
- Angrist and Kugler. 2008. "Rural Windfall or a New Resource Curse? Coca, Income, and Civil Conflict in Colombia." *The Review of Economics and Statistics* 90: 191-215.
- Przeworski et al. on population dynamics.

Week 6, Feb. 16: Historical Legacies & Colonialism (Review #1 due this week)

- Acemoglu, Daron, Simon Johnson and James Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation" *American Economic Review*, vol. 91 (5) 1369-1401.
- Michalopoulos, Stelios and Elias Papaioannou. 2013. "Pre-Colonial Ethnic Institutions and Contemporary African Development." *Econometrica*, 81(1): 113–152.
- Nathan Nunn and Leonard Wantchekon, "The Slave Trade and the Origins of Mistrust in Africa" American Economic Review 101 (December 2011): 3221–3252
- Berkowitz, Daniel, Katharina Pistor and Jean-Francois Richard. 2003. "Economic development, legality, and the transplant effect," *European Economic Review*, 47(1): 165–195

Recommended:

- M. Bruhn and F. A. Gallego. "Good, Bad, and Ugly Colonial Activities: Do They Matter for Economic Development?" The Review of Economic and Statistics, 94(2):433-461, 2012.
- Kuran, Timur. 2003. "The Islamic Commercial Crisis: Institutional Roots of Economic Underdevelopment in the Middle East," *Journal of Economic History*, 63(2): 414-446.
- Huillery, E. (2009). History Matters: The Long-term Impact of Colonial Public Investments in French West Africa. *American Economic Journal: Applied Economics*, 1:176–215.
- Dell, Melissa. 2010. The Persistent Effects of Peru's Mining Mita. *Econometrica* 78: 1863-1903.
- Nathan Nunn. 2009. "The Importance of History for Economic Development." *Annual Review of Economics* 1: 65-92.
- Krugman, Paul. 1991. "History Versus Expectations." *Quarterly Journal of Economics* 105: 651-67.
- Arthur, W. Brian. 1989. "Competing Technologies, Increasing Returns and Lock-In by Historical Events," *Economic Journal* 99 (394): 116-131.
- Banerjee, Abhijit, and Lakshmi Iyer. 2005. "History, Institutions and Economic Performance: the Legacy of Colonial Land Tenure Systems in India." *American Economic Review* 95: 1190-1213.
- James Mahoney. 2010. Colonialism and Postcolonial Development: Spanish America in Comparative Perspective
- William Easterly. 2006. "Reliving the 50s: the Big Push, Poverty Traps, and Takeoffs in Economic Development", *Journal of Economic Growth* 11: 289-318. [think of takeoffs as breaks from legacies]
- Fails and Krieckhaus. 2010. "Colonialism, Property Rights and the Modern World Income Distribution." *British Journal of Political Science* 40: 487-508.
- Jones and Olken. 2009. "The Anatomy of Start-Stop Growth." MIT Working Paper: http://econ-www.mit.edu/files/2911 [how square the findings on legacies with this volatility? Or is the volatility the legacy story in different garb?]
- Comin, Diego, William Easterly and Erick Gong. 2010. "Was the Wealth of Nations Determined in 1000 BC?" *American Economic Journal: Macroeconomics* 2: 65-97.
- Nunn, Nathan (2008), "The Long Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics*, Vol. 123: 139-176.
- Daniel Berger "Taxes, Institutions and Local Governance: Evidence from a Natural Experiment in Colonial Nigeria" http://homepages.nyu.edu/~db1299/Nigeria.pdf

- Miller, Joseph C. 1988. Way of Death: Merchant Capitalism and the Angolan Slave Trade 1730–1830. Madison: U. Wisconsin Press.
- Reid, Anthony. 1993. Southeast Asia in the Age of Commerce 1450–1680; vol. 2, Expansion and Crisis. New Haven: Yale U. Press.
- Bruhn, Miriam and Francisco Gallego (2007) "Good, Bad, and Ugly Colonial Activities: Studying Development across the Americas," World Bank Working Paper (a within country analogue to the between country AJR piece above): http://dev.wcfia.harvard.edu/sites/default/files/pegroup mbruhn.pdf
- Hausmann et al. 2005. "Growth Accelerations." Journal of Economic Growth.

Week 7, Feb 23: Political Order, the Bureaucracy and Policing:

- Acemoglu, Daron, C. Garcia-Jimeno, and J. A. Robinson. 2015. "State Capacity and Economic Development: A Network Approach." American Economic Review, 105(8): 2364–2409.
- de la Sierra, Raul S. 2016. "On the Origin of States: Stationary Bandits and Taxation in Eastern Congo". *Working Paper*.
- Wibbels et al. 2016. "Order, Geography and Development." R&R *Quarterly Journal of Political Science*.
- Banerjee et al. 2014. "Improving Police Performance in Rajasthan, India: Experimental Evidence on Incentives, Managerial Autonomy and Training." Working Paper, MIT.

Recommended:

- Blaydes and Paik. 2016. "The Impact of Holy Land Crusades on State Formation: War Mobilization, Trade Integration, and Political Development in Medieval Europe." *IO*
- Hollenbach, Wibbels and Ward. 2016. "State Building and the Geography of Governance: Evidence from Satellites and Civil Wars." Working Paper.
- Rassul and Rogger. 2015. "Management of Bureaucrats and Public Service Delivery: Evidence from the Nigerian Civil Service." *Working Paper*.
- Francis Fukuyama. 2013. "What is Governance?" *Governance* 26: 347-68.
- Evans, Peter. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.
- Grant Gordon. 2016. "Monitoring Conflict to Reduce Violence: Evidence from a Satellite Intervenion in Darfu." Working Paper.
- Bhavnani, Rikhil R. and Alexander Lee. 2016, "Local Embeddedness and Bureaucratic Performance: Evidence from India," unpublished manuscript
- Hassan, Mai. Forthcoming. "The Strategic Shuffle: Ethnic Geography, the Internal Security Apparatus, and Elections in Kenya." *American Journal of Political Science*.
- North, Douglass C., John Joseph Wallis and Barry R. Weingast. 2013. Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History, Cambridge University Press
- Evans, Peter. 1995. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press
- Haggard, Macintrye and Tiede. 2008. "The Rule of Law and Economic Development." *Annual Review of Political Science*.

Part III: Politics

Week 8, March 2: Political Institutions: The Macro Picture

• Acemoglu, Johnson, and Robinson. 2002. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Economy." *Quarterly Journal of Economics* 1231-1296.

- Glaeser, E., La Porta R., Lopez-de-Silanes F, Shleifer A. 2004. "Do Institutions Cause Growth?" *Journal of Economic Growth* 9: 271-303.
- Stasavage, David and Robin Harding. 2014. "What Democracy Does (and Doesn't Do) for Basic Services: School Fees, School Inputs, and African Elections." The Journal of Politics 76: 229–245
- Burgess, Robin, et al. 2015. "The value of democracy: evidence from road building in Kenya." *The American Economic Review* 105(6): 1817-1851
- M. Ross. Is Democracy Good for the Poor? American Journal of Political Science, 50(4):860-874, 2006

Recommended:

- Bourguignon, François and Thierry Verdier. 2000. "Oligarchy, Democracy, Inequality, and Growth", *Journal of Development Economics*, vol.62, pp.285-313.
- Przeworski, Adam. 2004. "<u>The Last Instance: Are Institutions the Primary Cause of Economic Development?</u>" *European Journal of Sociology* 45(2): 165-188.
- Hariri, Jacob Gerner. 2012. "The Autocratic Legacy of Early Statehood." *American Political Science Review* 106: 471-94.
- "<u>The Consequences of Radical Reform The French Revolution</u>." Daron Acemoglum Davide Cantoni, Simon Johnson and James A. Robinson. July 2010
- James Robinson. 2006. "Economic Development and Democracy." *Annual Review of Political Science* 9: 503-27.
- Greif, Avner. 2006. *Institutions and the Path to the Modern Economy*. Chapters 1-2 & 6-7.
- North, Douglas and Barry Weingast, "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England, *Journal of Economic History* 49(4), 1989, 803-32.
- Herbst, Jeffrey. 2000. States and Power in Africa: Comparative Lessons in Authority and Control. Princeton, N.J.: Princeton University Press. pp 3 58.
- Douglass North. 1990. Institutions, Institutional Change and Economic Performance. Cambridge: Cambridge University Press.
- Acemoglu and Robinson. 2006. "<u>Economic Backwardness in Political Perspective</u>" *American Political Science Review* 100: 115-31.
- Krueger, Ann O. 1990. "Government Failures in Development." Journal of Economic Perspectives 4: 9-25.
- Daniel Triesman. 2000. "The Causes of Corruption: A Cross-National Study." Journal of Public Economics. 76 (3). www.sscnet.ucla.edu/polisci/faculty/treisman/pages/causes.PDF
- Jon Elster. "The Impact of Constitutions on Economic Performance." *Proceedings of the World Bank Annual Conference on Development Economics 1994.* Washington, World Bank, 1995. pp. 209-239
- Hendrik Spryut. War, trade, and state formation. in the Oxford Handbook of Comparative Politics
- Evans, Peter. 1979. Dependent Development: The Alliance of Multinational, State, and Local Capital in Brazil. Princeton: Princeton UP. Pgs. 3-54.
- Wade, Robert. 1990. Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization. Princeton: Princeton University Press. Chapters 1 and 11.
- Besley and Persson. "State capacity, conflict and development", forthcoming in Econometrica

Week 9, March 9: Institutions II (Going Micro)—Property Rights and Land

- Rohini Pande and Christopher Udry. <u>Institutions and Development: A View from Below</u>, in the *Proceedings of the 9th World Congress of the Econometric Society*, edited by R. Blundell, W. Newey, and T. Persson, Cambridge University Press, 2005
- Galiani, Sebastian and E Schargrodsky. 2010. "Property rights for the poor: Effects of land titling." *Journal of Public Economics* 94: 700-29.
- Murtazashvili, Ilia. 2016. *The Political Economy of the American Frontier*. Cambridge University Press, selections.
- Wibbels et al. 2016. "Satellites, Slums and Social Networks: Evidence on the Origins and Consequences of Property Rights from 157 Slums in Bangalore." Working Paper.

Recommended:

- Stanislav Markus (2012). "Secure Property as a Bottom-Up Process: Firms, Stakeholders, and Predators in Weak States," *World Politics*, 64 (2) (April 2012): 242-277.
- Timothy Besley and Maitreesh Ghatak, "Property Rights and Economic Development." In Dani Rodrik and Mark Rosenzweig, editors: Handbook of Development Economics, Vol. 5, The Netherlands: North-Holland, 2010, pp. 4525-4595.
- Marx, Stoker and Suri. 2014. "There is no Free House: Ethnic Patronage and Property Rights in a Kenyan Slum." Working Paper MIT.
- Goldstein, Markus and Christopher Udry (2008). "The Profits of Power: Land Rights and Agricultural Investment in Ghana. Journal of Political Economy, 116 (December): 981-1022
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- Brasselle et al. 2002. "Land Tenure Security and Investment Incentives: Puzzling Evidence from Burkina Faso." *Journal of Development Economics* 67: 373-418.
- Field, E. (2007). "Entitled to Work: Urban Property Rights and Labor Supply in Peru." The Quarterly Journal of Economics, 122(4): 1561-1602.
- Do and Iyer 2007. "Land Titling and Rural Transitions in Vietnam." SMALL effects
- Naidu, Suresh and Noam Yuchtman (2009). "How Green Was My Valley? Coercive Contract Enforcement in 19th Century Industrial Britain," Harvard University mimeo.
- Malesky, Edmund and Markus Taussig. 2008. "Where is Credit Due? Companies, Banks, and Locally Differentiated Investment Growth in Vietnam," (with Marcus Taussig). *Journal of Law, Economics, and Organization*.
- Timothy Besley, Rohini Pande, Vijayendra Rao "Just Rewards? Local Politics and Public Resource Allocation in South India." http://econ.lse.ac.uk/staff/tbesley/papers/justrewards.pdf
- Vicente, Pedro C. 2007. "Is vote buying effective? Evidence from a randomized experiment in West Africa." Economics Series Working Papers 318, University of Oxford, Department of Economics, Oxford, UK.
- Paluck EL, Green DP. 2009. "Deference, Dissent, and Dispute Resolution: An Experimental Intervention Using Mass Media to Change Norms and Behavior in Rwanda." *American Political Science Review* 103 (4): 622-644
- Bertrand, Marianne, Simeon Djankov, Rema Hanna, and Sendhil Mullainathan. 2006. Obtaining a driver's license in India: An experimental approach to studying corruption. *Quarterly Journal of Economics* 122 (4): 1639-76.

MARCH 16, NO CLASS, SPRING BREAK

Week 10, Mar 23: Institutions (Going Micro II)—Democracy & Transparency (Review #2 due this week)

- Ben Olken. "Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia." *American Political Science Review 104 (2)*, pp. 243-267, May 2010.
- Grossman, Guy. 2014. "Do Selection Rules Affect Leader Responsiveness? Evidence from Rural Uganda." *Quarterly Journal of Political Science*. 9:1-44.
- Laura Paler. 2013. "Keeping the Public Purse: An Experiment in Windfalls, Taxes and the Incentives to Restrain Government." *American Political Science Review* 107....
- Ben Olken (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia", Journal of Public Economics, 115(2), 200-249.

Recommended:

- Fisman, Raymond (2001), "Estimating the Value of Political Connections." American Economic Review 91: 1095-1102.
- McMillan and Zoido. 2004. "How to Subvert Democracy: Montesinos in Peru." *Journal of Economic Perspectives* 18: 69-92.
- Nickerson, David Ezequiel Gonzalez-Ocantos, Chad Kiewiet de Jonge, Carlos Meléndez, Javier Osorio. 2010. "Vote Buying and Social Desirability Bias: Experimental Evidence from Nicaragua." Unpublished manuscript, University of Notre Dame.
- Green, Jennifer, Abhijit Banerjee, Donald Green, and Rohini Pande. 2010. "Political Mobilization in Rural India: Three Randomized Field Experiments" Paper presented at the annual meeting of the MPSA Annual National Conference, Palmer House Hotel, Hilton, Chicago, IL
- Collier P, Vicente P. 2008. "Votes and violence: experimental evidence from a Nigerian election". Households in Conflict Network Working Paper 50.
- Lily Tsai "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China", American Political Science Review, vol.101, no.2 (May 2007), pp.355-372.
- Monica Martinez-Bravo, Gerard Padró-i-Miquel, Nancy Qian and Yang Yao (2011) "<u>Do Local Elections in Non-Democracies Increase Accountability? Evidence from Rural China</u>" (with <u>Monica Martinez-Bravo</u>, <u>Nancy Qian</u> and Yang Yao). working paper # <u>16948</u>
- Khwaja, Asim, and Atif Mian. (2005). "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market", Quarterly Journal of Economics, 120(4).
- Banerjee, Abhijit, Rukmini Banerji, Esther Duflo, Rachel Glennerster, and Stuti Khemani. 2010. "Pitfalls of Participatory Programs: Evidence from a Randomized Evaluation in Education in India." *American Economic Journal: Economic Policy*, 2(1): 1–30. http://econ-www.mit.edu/files/3120
- Olken and Barron. The Simple Economics of Extortion: Evidence from Trucking in Aceh.
- Bjorkman, Martina and Jakob Svensson (forthcoming), "Power to the People: Evidence from a Randomized Field Experiment of Community-Based Monitoring in Uganda", Quarterly Journal of Economics.
- Tim Besley and Robin Burgess. 2002. "The Political Economy of Government Responsiveness: Theory and Evidence from India", QJE, 117(4).
- Macartan Humphreys and Jeremy Weinstein. "Policing Politicians." Working Paper, Columbia University http://www.columbia.edu/~mh2245/Scorecard/scorecard_paper_2008.pdf

Week 11, March 30: Accountability (priority readings TBD)

- Fearon, James D. 1999. "Electoral Accountability and the Control of Politicians: Selecting Good Types versus Sanctioning Poor Performance," in *Democracy, accountability, and representation*.
- Claudio Ferraz and Fred Finan. 2008. "Exposing Corrupt politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes", QJE, 123: 703-745.

Grossman, Guy. 2014. "Do Selection Rules Affect Leader Responsiveness? Evidence from Rural Uganda" *Quarterly Journal of Political Science* 9(1):1-44

- Gottlieb, Jessica. 2016. "Greater Expectations: A Field Experiment to Improve Accountability in Mali." *American Journal of Political Science* 60(1): 143-157.
- Casey, Katherine. 2015. "Crossing party lines: The effects of information on redistributive politics." *The American Economic Review* 105(8): 2410-2448.
- Horacio A. Larreguy, John Marshall, & James M. Snyder. 2016. "Publicizing Malfeasance: When Media Facilitates Electoral Accountability in Mexico," unpublished manuscript
- Arias, Eric, Horacio Larreguy, John Marshall, and Pablo Querubin. 2016. "Priors Rule: When Do Malfeasance Revelations Help and Hurt Incumbent Parties?" unpublished manuscript
- Martinez-Bravo, Monica Gerard Padró i Miquel, Nancy Qian and Yang Yao. 2014." Do Local Elections in Non-Democracies Increase Accountability? Evidence from Rural China"
- Bjorkman, M. and Svensson. 2009. "Power to the People: Evidence from a Randomized Field Experiment on Community-based Monitoring in Uganda." *Quarterly Journal of Economics*, 124(2):735–769.

Recommended:

Ashworth, Scott. 2012. "Electoral accountability: recent theoretical and empirical work." *Annual Review of Political Science* 15:183–201 (review)

Chong, Alberto, Ana de la O, Dean Karlan, and Leonard Wantchenkon. 2015 "Does corruption information inspire the fight or quash the hope? A field experiment in Mexico on voter turnout, choice, and party identification." *Journal of Politics* 77(1): 55-71

Tsai, Lily. 2007 "Solidary Groups, Informal Accountability, and Local Public Goods Provision in Rural China", *American Political Science Review*, 101(2): 355-372.

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

Week 12, Apr 6: Clientelism, Distributive Politics and Redistribution (priority readings TBD)

- Stokes et al. 2013. 2013. Brokers, Voters and Clientelism. Chapters 1-3.
- Fujiwara and Wantchekon. 2014. "Can Informed Public Deliberation Overcome Clientelism? Experimental Evidence from Benin." *American Economic Journal: Applied Econ:* http://www.princeton.edu/~lwantche/Fujiwara and Wantchekon AEJ Applied.pdf
- Baland, Jean Marie, and James A. Robinson. 2012. "The Political Value of Land: Political Reform and Land Prices in Chile." *American Journal of Political Science*.
- Paul Novosad and Sam Asher. 2013. "Politics and Local Economic Growth: Evidence from India," unpublished working paper: http://www.dartmouth.edu/~novosad/asher-novosad-politicians.pdf
- Cruz, Cesi, Philip Keefer and Julien Labonne. 2016. "Incumbent Advantage, Voter Information and Vote Buying," unpublished manuscript
- Hidalgo, F. Daniel, and Simeon Nichter. 2016. "Voter Buying: Shaping the Electorate through Clientelism." *American Journal of Political Science* 60(2):436-455
- Gingerich, Daniel. 2014. "Brokered Politics in Brazil: An Empirical Analysis." *Quarterly Journal of Political Science* 9(3): 269-300.
- Rueda, Miguel R. 2016. "Small Aggregates, Big Manipulation: Vote Buying Enforcement and Collective Monitoring." *American Journal of Political Science*.
- Larreguy, Marshall and Trucco. 2015. "Breaking Clientelism or Rewarding Incumbents? Evidence from an Urban Titling Program in Mexico. [Download PDF]
- Dan Gingerich. 2014. 'Can Institutions Cure Clientelism? Assessing the Impact of the Australian Ballot in Brazil' Working Paper.

Recommended:

- Avinash Dixit and John Londregan. 1995. "Redistributive Politics and Economic Efficiency," *American Political Science Review* 89: 856-866.
- Bardan and Mookherjee. 2008. "Determinants of Redistributive Politics: An Empirical Analysis of Land Reforms in West Bengal, India" *American Economic Review*.
- Wibbels and Ahlquist. 2010. "Trade, Social Insurance and Development." *International Studies Quarterly*.
- Levy, Santiago. 2008. *Good Intentions, Bad Outcomes: Social Policy, Informality, and Economic Growth in Mexico*. Selections.
- Lichstig and Morrison. 2010. "Government Spending and Re-election." Working paper, Cornell University.
- Lichstig and Morrison. 2013. "The Impact of Intergovernmental Transfers on Education Outcomes and Poverty Reduction." *American Economic Journal: Applied Economics*.
- Morrison book chapter on Brazilian oil shocks and municipal spending.
- Arriola, Leonardo R. "Patronage and political stability in Africa." *Comparative Political Studies* 42.10 (2009): 1339-1362
- Robinson, James A, and Jean-Marie Baland. 2008. "Land and Power: Theory and Evidence from Chile." *American Economic Review* 98: 1737–1765.
- Leonard Wantchekon. 2003. "Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin." World Politics 55 (3): 399-422.

Recommended

- Martin Ravallion. 2009. "Do Poorer Countries Have Less Capacity for Redistribution?
- Fiszbein and Schady. 2009. *Conditional Cash Transfers: Reducing Present and Future Poverty*. World Bank. Chapters 1, 2 and 4. (available free on the World Bank's web page).
- Imbens, Rubin, and Sacerdote. 2001. "Estimating the Effect of Unearned Income on Labor Supply, Earnings, Savings and Consumption: Evidence from a Survey of Lottery Players." *American Economic Review* 91, 778-794.
- Acemoglu, Daron and Alex Wolitzky (2009). "The Economics of Labor Coercion." MIT mimeo.
- Buddlemeyer and Sko as (2003) and Diaz and Handa (2006), Schultz 2004. Gertler 2004 (this and Schultz on Progressa).
- Benabou, Roland and Efe Ok. 2001. "Social Mobility and the Demand for Redistribution: The POUM Hypothesis." *Quarterly Journal of Economics* 116: 447-87.
- Iversen, Torben and David Soskice. 2001. "An Asset Theory of Social Policy Preferences." American Political Science Review 95: 875-893.
- Michelbach, P., J. Scott, R. Matland, and B. Bornstein. 2003. "Doing Rawls Justice: An Experimental Study of Income Distribution Norms." *American Journal of Political Science* 47: 523-539.
- Scott, John, Richard Matland, Philip Michelbach, and Brian Bornstein. 2001. "Just Deserts: An Experimental Study of Distributive Justice Norms." *American Journal of Political Science* 45: 749-767.
- Scheve, Kenneth and David Stasavage. 2006. "Religion and Preferences for Social Insurance", *Quarterly Journal of Political Science*, vol.1, no.3, pp.255-286.
- Wibbels, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World," *International Organization* 60 (2): 433-468.
- Barber, Beramendi, Wibbels. 2010. "The Behavioral Foundations of Social Politics: An Experimental Approach." Working Paper.

Week 13, Apr 13: Presentations for Research Designs; proposals due.