

Political Economy

Course coordinator: Roberto Ricciuti

Course lecturers: Roberto Ricciuti (roberto.ricciuti@univr.it), Emanuele Bracco (emanuele.bracco@univr.it) and Marcella Veronesi (marcella.veronesi@univr.it)

Module A – 8 hours (Roberto Ricciuti)

This module introduces state capacity a topic of current research in political economy. In particular, it will deal with:

1. Development clusters, 2. Fiscal capacity, 3. Legal capacity, 4. Political violence

The main reference is Besley and Persson (2011), *Pillars of Prosperity*. Princeton University Press.

Module B – 6 hours (Emanuele Bracco)

This module provides further theoretical underpinning to part C, looking in particular at electoral and political systems, and accountability.

- Morelli, M., “Party Formation and Policy Outcomes under Different Electoral Systems,” *Review of Economic Studies*, 2004.
- Myerson, R., “Theoretical Comparisons of Electoral Systems: 1998 Schumpeter Lecture,” *European Economic Review*, 1999.
- Lizzeri, A. and N. Persico [2001], “The provision of public goods under alternative electoral incentives”, *AER* 91, 225-245.
- Rogoff, Kenneth. “Equilibrium Political Budget Cycles.” *The American Economic Review*, vol. 80, no. 1, 1990, pp. 21–36.
- Persson, Torsten, et al. “Comparative Politics and Public Finance.” *Journal of Political Economy*, vol. 108, no. 6, 2000, pp. 1121–1161.

Module C – 6 hours (Marcella Veronesi)

This module introduces students to methods frequently used in political economy to infer causality. A close understanding of these methods is central to current empirical work in political economy. This module will focus on both experimental and non-experimental methods with a focus on hands-on implementation of methods using actual data. Students will be expected to read the assigned papers, discuss the basic issues, the methods used, and reproduce the results. There is no single textbook on which lectures are based. Specific readings will be suggested during the course such as

Acemoglu, D., S. Johnson, J. A. Robinson (2001), “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*, 91(5): 1369-1401.

<http://economics.mit.edu/faculty/acemoglu/data/ajr2001>

Brollo, F., T. Nannicini, R. Perotti, and G. Tabellini (2013), “The Political Resource Curse,” *American Economic Review* 2013, 103(5): 1759–1796. <https://www.aeaweb.org/articles?id=10.1257/aer.103.5.1759>

Dal Bó, P., A. Foster, and L. Putterman (2010), “Institutions and Behavior: Experimental Evidence on the Effects of Democracy,” *American Economic Review* 100: 2205–2229.

<https://www.aeaweb.org/articles?id=10.1257/aer.100.5.2205>

Nannicini, T., A. Stella, G. Tabellini, and U. Troiano (2013), “Social Capital and Political Accountability,” *American Economic Journal: Economic Policy* 5(2): 222–250.

<https://www.aeaweb.org/articles?id=10.1257/pol.5.2.222>

Grades will be calculated based upon the following criteria:

20% Assignment on case studies

80% Essay. It could be either a survey of the literature (4000 words) or (preferably) an empirical application on a relevant economic issue (3000 words).