# 14.773: Political Economy of Institutions and Development

# Daron Acemoglu and Abhijit Banerjee

Spring 2019

This course is intended as an introduction to the newly emerging field of political economy of institutions and development. Its purpose is to give you both a sense of the frontier research topics and a good command of the tools in the area. The reading list is intentionally long, to give those of you interested in the field an opportunity to dig deeper into some of the topics in this area. The lectures will cover the material with \*'s in detail and also discuss the material without \*'s, but in less detail.

**Grading:** The course grade will be a combination of a final exam and approximately 6 problem sets, with 25% weight on problem sets.

#### **Course Information:**

Professors

Daron Acemoglu: daron@mit.edu Abhijit Banerjee: banerjee@mit.edu

Teaching Assistant

Cory Smith: corybsmith@gmail.com

Office Hours: Tue 4-5, E52-416

Lecture

TTh 10:30-12, E51-376

Recitation

F 4-5:30, E51-376

# 1 Introduction

### 1.1 Does Political Economy Matter? (DA, 1 lecture)

- 1. \*Acemoglu, Daron, Johnson, Simon and Robinson, James (2006) "Institutions as a Fundamental Cause of Long-Run Growth" in *Handbook of Economic Growth*, Aghion, Philippe and Durlauf, Steven, eds. Amsterdam; North-Holland.
- 2. \*Acemoglu, Daron (2003) "Why Not a Political Coase Theorem?" *Journal of Comparative Economics*, 31, 620-652.
- Demsetz, Harold (1967) "Toward a Theory of Property Rights," American Economic Review, 57, 61-70.
- 4. Taylor, M Scott (2011) "Buffalo Hunt: International Trade and the Virtual Extinction of the North American Bison." *American Economic Review*, 101(7), 3162-95.
- 5. Allen, Robert C. (1982) "The Efficiency and Distributional Consequences of Eighteenth Century Enclosures," *Economic Journal*, 92, 937-953.
- 6. La Porta, Rafael, Lopez-de-Silanes, Florencio, Shleifer, Andrei, and Vishny, Robert W. (1998) "Law and Finance," *Journal of Political Economy*, 106, 1113-1155.
- \*Acemoglu, Daron, Johnson, Simon and Robinson, James A. (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation," American Economic Review, 91, 1369-1401.
- 8. Acemoglu, Daron, Johnson, Simon and Robinson, James (2002) "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, 107, 1231-1294.
- 9. \*Dell, Melissa (2010) "The Persistent Effects of Peru's Mining Mita," *Econometrica*, 78(6), 1863-1903.
- \*Jones, Benjamin F. and Olken, Benjamin A. (2005) "Do Leaders Matter? National Leadership and Growth Since World War II," Quarterly Journal of Economics, 120, 835-864.
- 11. 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.
- 12. Banerjee, Abhijit and Iyer, Lakshmi (2005) "History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India." *American Economic Review*, 95, 1190-1213.

- 13. Pande, Rohini and Udry, Christopher (2005) "Institutions and Development: A View from Below," to appear in the Proceedings of the 9th World Congress of the Econometric Society, Blundell, Richard, Newey, W., and Perrson, Torsten http://www.econ.yale.edu/~rp269/website/papers/institutions draft.pdf
- 14. Persson, Torsten and Tabellini, Guido (2003) The Economic Effects of Constitutions: What Do the Data Say? MIT Press, Cambridge.
- 15. Acemoglu, Daron (2005) "Constitutions, Politics and Economic Growth: Review Essay on Persson and Tabellini's *The Economic Effects of Constitutions*," *Journal of Economic Literature*, XLIII, 1025-1048.

# 2 Modeling of Political Economy

# 2.1 Review: Static Models (Recitation)

This lecture will provide an introduction to models of collective choice and voting, and will consider an application of voting with multidimensional policy spaces to the problem of clientelism in the context of development economics.

- 1. \*Acemoglu, Daron (2008) Introduction to Modern Economic Growth, Chapter 22.
- 2. Austen-Smith, David and Banks, Jeffrey (1999) Positive Political Theory: Collective Preference, Ann Arbor; University of Michigan Press.
- 3. Person, Torsten and Tabellini, Guido (2000) Political Economics: Explaining Economic Policy, Cambridge; The MIT Press, Chapters 2, 3 and 6.
- 4. Acemoglu, Daron and Robinson, James (2006) "Chapter 4: Democratic Politics" and "Appendix to Chapter 4: Distribution of Power in Democracy" in *Economic Origins of Dictatorship and Democracy*, Acemoglu, Daron and Robinson, James, eds. Cambridge University Press.
- 5. \*Lindbeck, Assar, and Weibull, Jorgen W. (1987) "Balanced-Budget Redistribution as the Outcome of Political Competition." *Public Choice* 52: 273-297.

# 2.2 Introduction to Dynamic Voting and Constitutional Choice (DA, 2 lectures)

This lecture provides a basic introduction of voting over distributive policies in dynamic models, and contrasts myopic versus non-myopic behavior by voters. It will also introduce ideas related to endogenous institutions and laws. We will focus on dynamic, game-theoretic models.

- 1. \*Acemoglu, Daron, Egorov, Georgy and Sonin, Konstantin (2008) "Coalition Formation in Nondemocratic Societies." *Review of Economic Studies*, 75: 987-1009.
- 2. Roberts, Kevin (2005) "Dynamic Voting in Clubs" http://www.nuff.ox.ac.uk/Users/Robertsk/papers.html.
- 3. \*Acemoglu, Daron, Georgy Egorov and Konstantin Sonin (2015) "Political Economy in a Changing World," *Journal of Political Economy*, 123(5): 1038-1086.
- 4. Alesina, Alberto and Rodrik, Dani (1994) "Distributive Politics and Economic Growth" Quarterly Journal of Economics, 109: 465-490.
- 5. Hassler Jon, Mora, Sevi, Storlesseten, Kjetil and Zilibotti, Fabrizio (2003) "Survival of the Welfare State," *American Economic Review*, 93, 87-112.
- 6. Krusell, Per and Rios-Rull, Jose-Victor (1996) "Vested Interests in a Positive Theory of Stagnation and Growth," *Review of Economic Studies* 63, 301-329.
- 7. Benabou, Roland and Ok, Efe, "Social Mobility and the Demand for Redistribution", *Quarterly Journal of Economics*, May, 2001.
- 8. Acemoglu, Daron, Egorov, Georgy and Sonin, Konstantin (2016) "Reevaluating De Tocqueville: Social Mobility and Stability of Democracy," NBER Working Paper.
- 9. Mailath, George J., Morris, Stephen and Postelwaite, Andrew (2001) "Laws and Authority," http://www.econ.yale.edu/~sm326/authority.pdf
- 10. \*Acemoglu, Daron, Egorov, Georgy and Sonin, Konstantin (2011) "Dynamics and Stability of Constitutions, Coalitions and Clubs," *American Economic Review*, 102(4), 1446-1476.
- 11. Barbera, Salvador and Jackson, Matthew (2004) "Choosing How to Choose: Self-Stable Majority Rules and Constitutions," Quarterly Journal of Economics, 119, 1011-1048.
- 12. Dixit, Avinash, Grossman, Gene M., and Gul, Faruk (2000) "The Dynamics of Political Compromise," *Journal of Political Economy* 108, 531-568.

# 2.3 Review: Dynamic Games (Recitation)

This review lecture will go over the analysis of dynamic games, in particular, differences between Markov Perfect Equilibria and Subgame Perfect Equilibria, their properties and how they can be computed in simple games.

1. \*Fudenberg, Drew and Tirole, Jean (1991) Game Theory, Cambridge; MIT Press. Chapters 4, 5 and 13.

- 2. \*Acemoglu, Daron (2008) Introduction to Modern Economic Growth, Appendix Chapter C.
- 3. \*Acemoglu, Daron (2005) "Modelling Inefficient Institutions," Advances in Economic Theory World Congress 2006,

https://economics.mit.edu/files/5697

# 3 Modeling Institutions

This part of the course will focus on using the insights from the previous part to develop political economy models of institutions where we study simultaneously the consequences and the origins of institutions.

# 3.1 Labor Coercion (DA, 1 lecture)

This literature focuses on one type of economic institution under the domination of one group, coercive labor relations, to provide more insights on how different types of inefficiencies can emerge.

- 1. \*Brenner, Robert (1976) "Agrarian Class-Structure and Economic-Development in Pre-Industrial Europe," *Past and Present*, 70, 30-75.
- 2. Aston, T.H. and Philpin, C.H.E. (1987) The Brenner Debate: Agrarian Class Structure and Economic Development in Pre-Industrial Europe, Cambridge: Cambridge University Press.
- 3. \*Acemoglu, Daron and Alexander Wolitzky (2011) "The Economics of Labor Coercion," *Econometrica*, March 2011, 79(2), pp. 555-600.
- 4. Chwe, Michael (1990) "Why Were Workers Whipped? Pain in a Principal-Agent Model," *Economic Journal*, 100, 1109-1121.
- 5. Basu, Kaushik (1986) "One Kind of Power," Oxford Economic Papers, 38, 259-282.
- Barzel, Yoram (1977) "An Economic Analysis of Slavery," Journal of Law and Economics, 20, 87-110.
- 7. Bloom, J. (1998) The End of the Old Order in Rural Europe, Princeton: Princeton University Press.
- 8. Domar, Evsey D. (1970) "The Causes of Slavery or Serfdom: A Hypothesis," *Journal of Economic History*, 30, 18-32.
- Lagerlöf, N. (2009) "Slavery and Other Property Rights," Review of Economic Studies, 76, 319-342.

- 10. \*Dell, Melissa (2010) "The Persistent Effects of Peru's Mining Mita," *Econometrica*, 78(6), 1863-1903.
- 11. \*Naidu, Suresh and Noam Yuchtman (2013) "Coercive Contract Enforcement: Law and the Labor Market in 19th Century Industrial Britain," *American Economic Review*, 103(1), 107-144.
- 12. \*Acemoglu, Daron, Camilo Garcia-Jimeno and James Robinson (2012) "Finding El Dorado: Slavery and Long-run Development in Columbia" *Journal of Comparative Economics*, 40(4), pp. 534-564.

# 3.2 Political Economy of Weak States and State Building (DA, 2 lectures)

These lectures will discuss the role of the state and how weak states can become a barrier to economic development. They will then turn to see how and under what circumstances states form and why weak states persist.

- 1. Tilly, Charles (1990) Coercion, Capital and European States, AD 990-1990, Blackwell, Cambridge MA.
- 2. Mann, Michael (1986) The Sources of Social Power, Volume I, Cambridge University Press, New York.
- 3. Evans, Peter (1989) "Predatory, Developmental and Other Apparatuses: A Comparative Political Economy Perspective on the Third World State," Sociological Forum. 4(4):561-587 (December, 1989)
- 4. \*Gennaioli, Nicola and Ilia Rainer (2007) "The Modern Impact of Pre-Colonial Centralization in Africa", *Journal of Economic Growth*, 12(3), 185-234.
- 5. \*Michalopoulos, Stelios and Elias Papaioannou (2013) "Pre-Colonial Ethnic Institutions and Contemporary African Development", *Econometrica*, 81(1), 113–152.
- 6. Bockstette, Valerie, Areendam Chanda and Louis Putterman (2002) "States and Markets: The Advantage of an Early Start", *Journal of Economic Growth*, 7: 347-69.
- 7. Tilly, Charles (1985) "War Making and State Making as Organized Crime," in P. Evans, D. Rueschmeyer and T. Skocpol eds. Bringing the State Back In, Cambridge University Press.
- 8. Gennaioli, Nicola and Hans-Joachim Voth (2015) "State Capacity and Military Conflict" *The Review of Economic Studies*, Vol. 82, No. 4, pp. 1409-1448.

- 9. Herbst, Jeffery I. (2000) States and Power in Africa: Comparative Lessons in Authority and Control, Princeton University Press, Princeton NJ.
- 10. Besley, Timothy and Persson, Torsten (2011) Pillars of Prosperity: The Political Economics of Development Clusters, Princeton University Press.
- 11. Osafo-Kwaako, Philip and James A. Robinson (2013) "Political Centralization in Pre-Colonial Africa," Journal of Comparative Economics", Journal of Comparative Economics, 41(1), 534-564.
- 12. Blair, Robert (2013) "Peacebuilding and State Legitimacy: Evidence from Two Lab in the Field Experiments in Liberia" Yale mimeo.
- 13. \*Sanchez de la Sierra, Raul (2013) "On the Origins of the State: Stationary Bandits and Taxation in Eastern Congo" mimeo, Columbia.
- 14. Acemoglu, Daron (2005) "Politics and Economics in Weak and Strong States" *Journal of Monetary Economics*, 52, 1199-1226.
- 15. \*Besley, Timothy and Torsten Persson (2009) "The Origins of State Capacity: Property Rights, Taxation and Politics", *American Economic Review*, 99(4), 1218-44.
- 16. \*Acemoglu, Daron and James A. Robinson (2017) "The Emergence of Weak, Despotic and Inclusive States" mimeo.
- 17. \*Acemoglu, Daron, and James A. Robinson (2016) "Paths to Inclusive Political Institutions" *Economic History of Warfare and State Formation, Essays in Honor of Mark Harrison*, Springer Singapore, 3-50.
- 18. Waldner, David (1999) State-Building and Late Development, Ithaca, Cornell University Press.
- 19. \*Acemoglu, Daron, Camilo Garcia-Jimeno, and James A. Robinson (2015). "State Capacity and Economic Development: A Network Approach" *American Economic Review*, Vol. 105, No. 8, pp. 2364-2409.
- 20. \*Koyama, Mark, Chiaki Moriguchi, and Tuan-Hwee Sng (2015). "Geopolitics and Asia's Little Divergence: A Comparative Analysis of State Building in China and Japan after 1850" unpublished, George Mason University.

# 3.3 Institutional Change and Democratization (DA, 1 lecture)

This lecture will first provide a basic model of nondemocratic politics and highlight central commitment problems involved in such interactions. It will then introduce the basic models of institutional change in the context of transitions from nondemocratic to democratic politics.

- 1. \*Acemoglu, Daron,  $Lecture\ Notes$ , Chapters 17, 18 and 20.
- 2. \*Acemoglu, Daron and Robinson, James (2006) Economic Origins of Dictatorship and Democracy, Cambridge University Press, Chapters 5 and 6.
- 3. \*North, Douglass C. and Weingast, Barry R. (1989) "Constitutions and Commitment: Evolution of Institutions Governing Public Choice in Seventeenth Century England, *Journal of Economic History*, 49, 803-832.
- \*Acemoglu, Daron and Robinson, James A. (2000) "Why Did the West Extend the Franchise? Growth, Inequality and Democracy in Historical Perspective", Quarterly Journal of Economics, CXV, 1167-1199.
- 5. \*Aidt, Toke S. and Peter S. Jensen (2013) "Workers of the World Unite! Franchise Extensions and the Threat of Revolution in Europe, 1820-1938," University of Cambridge mimeo.
- 6. Collins, William and Robert A. Margo (2007) "The Economic Aftermath of the 1960s Riots in American Cities: Evidence from Property Values" *Journal of Economic History*, 67(4), 849-883.
- 7. \*Madestam, Andreas, Daniel Shoag, Stan Veuger and David Yanagizawa-Drott 2013) "the Political Protests Matter? Evidence from the Tea Party Movement" *Quarterly Journal of Economics*, 128(4), 1633-1685.
- 8. Llavador, Humberto and Oxoby, Robert J. (2005) "Partisan Competition, Growth, and the Franchise," Quarterly Journal of Economics, 120, 1155-1192.
- 9. Jack, William and Lagunoff, Roger (2006) "Dynamic Enfranchisement," *Journal of Public Economics*, 90(4-5), 551-572
- 10. Moore, Barrington (1966) The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World, Beacon Press, Boston MA.
- 11. Lagunoff, Roger (2006) "Markov Equilibrium in Models of Dynamic Endogenous Political Institutions" http://www.georgetown.edu/faculty/lagunoff/
- 12. Lagunoff, Roger (2006) "Dynamic Stability and Reform of Political Institutions," http://www.georgetown.edu/faculty/lagunoff/

# 3.4 Persistence and Dysfunctional Democracies (DA, 2 lectures)

This lecture expands on the analysis of dynamic models presented to discuss persistence of economic and political institutions and also how democracies that follow elite-dominated regimes may have a variety of different types of inefficiencies, including implicit elite dominance, clientelism, emergence of inefficient state institutions, and violence.

- 1. Arthur, W. Brian. (1989) "Competing Technologies, Increasing Returns and Lock-In by Historical Events," *Economic Journal*, 1989, 99(1), pp. 106-131.
- 2. Coate, Stephen and Morris, Stephen E. (1999) "Policy Persistence." American Economic Review, 1999, 89(5), pp. 1327-1336.
- 3. Page, Scott (2006) "Path Dependence," Quarterly Journal of Political Science, 1, 87-115.
- 4. \*Acemoglu, Daron and Robinson, James A. (2008) "Persistence of Power, Elites and Institutions," *American Economic Review* 98(1), 267-291.
- 5. Albertus, Michael and Victor Menaldo (2013) "Gaming Democracy: Elite Dominance During Transition and the Prospects for Redistribution," *British Journal of Political Science*.
- 6. \*Baland, Jean-Marie and James A. Robinson (2008) "Land and Power: Theory and Evidence from Chile," *American Economic Review*, 98, 1737–65.
- 7. \*Anderson, Siwan, Patrick François and Ashok Kotwal (2015) "Clientelism in Indian Villages," *American Economic Review*, 105(6), 1780–1816.
- 8. Thelen, Kathleen (2004) How institutions evolve: the political economy of skills in Germany, Britain, the United States, and Japan, New York; Cambridge University Press.
- 9. \*Lizzeri, Alessandro and Nicola Persico (2005) "A drawback of electoral competition." Journal of the European Economic Association 3 (4), 1318-1348.
- 10. \*Acemoglu, Daron, Davide Ticchi and Andrea Vindigni (2010) "Emergence and Persistence of Inefficient States," *Journal of European Economic Association*, 9(2), pp. 177-208.
- 11. Horacio Larreguy (2012) "Monitoring Political Brokers: Evidence from Clientelistic Networks in Mexico" mimeo.
- 12. François, Patrick, Ilia Rainer and Francesco Trebbi (2015) "How Is Power Shared in Africa?" *Econometrica*, 83(2), 465–503.
- 13. \*Acemoglu, Daron, James A. Robinson and Ragnar Torvik (2012) "Why Do Voters Dismantle Checks and Balances?" *Review of Economic Studies*.

# 4 Beliefs, Culture and Institutions

#### 4.1 Beliefs, Information and Politics (DA, 2 lectures)

This lecture will discuss the two-way interaction between between voting and beliefs, shaped by learning.

- 1. \*Piketty, Thomas, (1995) "Social Mobility and Redistributive Politics," Quarterly Journal of Economics, 110: 551-584.
- 2. Austen-Smith, David (1991) "Rational Consumers and Irrational Voters," *Economics and Politics*, 3:73-92.
- 3. Fedderson, Timothy and Wolfgang Pesendorfer (1996) "The Swing Voter's Curse," *American Economic Review*, 86: 408-424.
- 4. Fey, Mark and J. Kim (2002) "The Swing Voter's Curse: A Comment," *American Economic Review*, 92: 1264-1268.
- 5. \*Strulovici, Bruno (2010) "Voting and Experimentation," Econometrica.
- 6. Acemoglu, Daron, Egorov, Georgy and Sonin, Konstantin (2012) "A Political Theory of Populism," *Quarterly Journal of Economics* 128(2), pp. 771-805.
- 7. \*Acemoglu, Daron and Alexander Wolitzky (2014) "Cycles of Conflict: An Economic Model" American Economic Review.

# 4.2 Culture, Values and Cooperation (DA, 2 lectures)

These two lectures will discuss some of the recent evidence suggesting persistence of culture and values, and recent models of culture and endogenous beliefs and how they interact with political economy and cooperation in society.

- \*Greif, Avner (1994) "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies," *Journal of Political Economy*, 102, 912-950.
- 2. \*Tabellini, Guido (2008) "Culture and Institutions." Journal of European Economic Association, 2008, 255-294.
- 3. Tabellini, Guido (2010) "Culture and Institutions: Economic Development in the Regions of Europe." *Journal of European Economic Association*, 8, 677-716.
- 4. \*Guiso, Luigi, Paola Sapienza and Luigi Zingales (2006) "Does Culture Affect Economic Outcomes?" *Journal of Economic Perspectives*, 20, 23-48.

- 5. Guiso, Luigi, Paola Sapienza and Luigi Zingales (2009) "Cultural Biases in Economic Exchange," Quarterly Journal of Economics, 124, 1095-1131.
- Fernandez, Raquel and Alessandra Fogli (2009) "Culture: An Empirical Investigation of Beliefs, Work and Fertility," American Economic Journal: Macroeconomics, 1, 146-177.
- 7. Lowes, Sara, Nathan Nunn, James Robinson and Jonathan Weigel (2015) "Understanding Ethnic Identity in Africa: Evidence from the Implicit Association Test" NBER working paper.
- 8. Roland, Gerard and Yury Gorodnichenko (2017) "Culture, Institutions and the Wealth of Nations," *Review of Economics and Statistics*, 99(3), 402–416.
- 9. Acemoglu, Daron, Ufuk Akcigit and Murat Alp Celik (2014) "Young, Restless and Creative: Openness to Disruption and Creative Innovations", mimeo.
- 10. \*Voth, Hans-Joachim and Nico Voigtlander (2012) "Persecution Perpetuated: The Medieval Origins of Antisemitic Violence in Nazi Germany" Quarterly Journal of Economics.
- 11. \*Acemoglu, Daron, Tristan Reed and James Robinson (2014) "Chiefs: Economic Development and Elite Control of Civil Society in Sierra Leone" *Journal of Political Economy*, 122(2): 319-368.
- 12. Voth, Hans-Joachim, Shanker Satyanath and Nico Voigtlander (2014) "Bowling for Fascism" NBER working paper.
- 13. \*Bisin, Alberto and Thierry Verdier (2001) "The Economics of Cultural Transmission and the Dynamics of Preferences," *Journal of Economic Theory*, 97, 298-319.
- 14. Bisin, Alberto and Thierry Verdier (2000) "Beyond the Melting Pot: Cultural Transmission, Marriage, and the Evolution of Ethnic and Religious Traits," *Quarterly Journal of Economics*, 115, 955-988.
- 15. \*Tabellini, Guido (2008) "The Scope of Cooperation: Values and Incentives," Quarterly Journal of Economics, 123, 905-950.
- 16. Doepke, Matthias and Fabrizio Zilibotti (2008) "Occupational Mobility in the Spirit of Capitalism," Quarterly Journal of Economics, 123, 747-793.
- 17. \*Acemoglu, Daron and Matthew Jackson (2015) "History and Expectations in the Evolution of Cooperation," *Review of Economic Studies*, 82: 423-456.
- 18. Benabou, Roland and Jean Tirole (2011) "Laws and Social Norms" mimeo.

- 19. \*Acemoglu, Daron and Matthew Jackson (2016) "Norms and the Enforcement of Laws" *Journal of the European Economic Association*.
- 20. Heldring, Leander (2016) "Violence and the State: Evidence from Rwanda's Decade of Atrocities" mimeo.

# 5 The challenge of making democracy work

#### 5.1 Group conflict and voting (AB, 2 lectures)

- 1. Meltzer, A.and Richards (1981) "A Rational Theory of the Size of Government", Journal of Political Economy, Vol. 89 (5), 914-927.
- 2. Austen-Smith, D. (2000), "Redistributing Income under Proportional Representation," Journal of Political Economy, 108, 1235-1269
- 3. Persson, Torsten, and Guido Tabellini. (1994). "Is Inequality Harmful for Growth?" American Economic Review 84: 600-621.
- 4. \*Alesina, Alberto, and Dani Rodrik. (1994). "Distributive Politics and Economic Growth." Quarterly Journal of Economics 109: 465-490.
- 5. \*Banerjee, A. and E. Duflo (2003), "Inequality and Growth: What Can the Data Say?", Journal of Economic Growth 8: 267-299.
- 6. Galasso, V. and P. Profeta (2002), "The political economy of social security: A survey", European Journal of Political Economy, 18, 1-29.
- 1. \*Piketty, Thomas (2018), "Brahmin Left vs Merchant Right: Rising Inequality & the Changing Structure of Political Conflict" (Evidence from France, Britain and the US, 1948-2017), mimeo Paris School of Economics
- \*Banerjee, Abhijit, Amory Gethin and Thomas Piketty (2019), "Growing Cleavages in India? Evidence from the Changing Structure of Electorates, 1962-2014", mimeo ,Paris School of Economics
- 3. \*Banerjee, Abhijit and Rohini Pande, "Parochial Politics: Ethnic Preferences and Political Corruption", mimeo, Harvard University, 2011.
- 4. Munshi, Kaivan and Mark Rosenzweig, "The Efficacy of Parochial Politics: Caste, Commitment, and Competence in Indian Local Governments", mimeo Yale University, 2011.

# 5.2 Mediating group conflict (AB, 1 lecture)

- 1. \*Fujiwara, Thomas, and Leonard Wantchekon "Can Public Deliberation Overcome Clientelism? Experimental Evidence from Benin." American Economic Journal: Applied Economics, forthcoming.
- 2. \*Wantchekon, Leonard. 2003. "Clientelism and Voting Behavior: Evidence from a Field Experiment in Benin." World Politics, 55 (3): 399-422.
- 3. \*Banerjee, Abhijit, Donald Green and Rohini Pande, "Can voters be primed to choose better legislators? Experiment evidence from rural India", mimeo Harvard University
- 4. \*Collier, Paul and Pedro Vicente, "Violence, Bribery, and Fraud: The Political Economy of Elections in Sub-Saharan Africa," Public Choice, 2012, 153(1-2). pp. 117-147

# 5.3 Information and voting (AB, 4 lectures)

#### 5.3.1 Theory

- 1. Barro, Robert (1973) "The Control of Politicians: An Economic Model," Public Choice 14: pp. 19-42.
- Ferejohn, John (1986) "Incumbent Performance and Electoral Control," Public Choice 50: pp. 5-25.
- Caselli, Francesco, Thomas E. Cunningham, Massimo Morelli and Ines Moreno de Barreda (2012) "Signaling, Incumbency Advantage and Optimal Reflection Thresholds" National Bureau of Economic Research Working Paper 17833, February 2012 version.

#### 5.3.2 Information and ideology

- 1. \*Alesina, Alberto, Armando Miano, and Stefanie Stantcheva. Working Paper. "Immigration and Redistribution." NBER Working Paper 24733.
- \*Alesina, Alberto, Stefanie Stantcheva, Edoardo Teso. 2018. "Intergenerational Mobility and Support for Redistribution." American Economic Review [also NBER Working Paper 23027] 108 (2): 521-554.
- 3. \*Barrera Rodriguez, Oscar and Guriev, Sergei M. and Henry, Emeric and Zhuravskaya, Ekaterina V., "Facts, Alternative Facts, and Fact Checking in Times of Post-Truth Politics" (December 14, 2018). Available at SSRN: https://ssrn.com/abstract=3004631 or http://dx.doi.org/10.2139/ssrn.3004631
- 4. \*Chen, Yuyu and David Y. Yang "The Impact of Media Censorship: 1984 or Brave New World?" Forthcoming, American Economic Review

#### 5.3.3 Reactions to voter information campaigns

- 1. \*Kendall, Chad, Tommaso Nannicini and Francesco Trebbi(2015) "How Do Voters Respond to Information? Evidence from a Randomized Campaign", American Economic Review, 105(1): 322-53.
- \*Banerjee, Abhijit, Selvan Kumar, Rohini Pande, and Felix Su (2011) "Do Informed Voters Make Better Choices? Experimental Evidence from Urban India," Unpublished paper, Department of Economics MIT, April 21, 2011 version.
- 3. \*Banerjee, Abhijit, Nil Enevoldsen, Rohini Pande and Michael Walton "Information as an Incentive: Experimental Evidence from Delhi" unpublished manuscript, 2018
- 4. \*Ferraz, Claudio and Frederico Finan (2008) "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes," Quarterly Journal of Economics 123(2): pp. 703-745.
- \*Ferraz, Claudio and Frederico Finan (2011) "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments", American Economic Review 101: pp. 1274-1311.
- 6. \*Casey, Katherine, "Crossing Party Lines: The Effects of Information on Redistributive Politics", American Economic Review, 2015.
- 7. Marx, Ben, Vincent Pons and Tavneet Suri, "The Perils of Voter Mobilization" Working Paper, MIT 2017
- Aker, Jenny, Paul Collier and Pedro Vicente, "Is Information Power? Using Mobile Phones and Free Newspapers during an Election in Mozambique", Review of Economics and Statistics, 2017
- 9. \*Beaman, Lori, Esther Duflo, Rohini Pande and Petia Topalova "Female Leadership Raises Aspirations and Educational Attainment for Girls: A Policy Experiment in India", Science Magazine, Vol. 335 no. 6068, February 2012.
- 10. \*Beaman, Lori, Raghab Chattopadhyay, Esther Duflo, Rohini Pande and Petia Topalova "Powerful Women: Does Exposure Reduce Bias?", Quarterly Journal of Economics, Vol. 124(4): 1497-1540, November 2009.
- 11. De La O, Ana (2013) "Do Conditional Cash Transfers Affect Electoral Behavior? Evidence from a Randomized Experiment in Mexico", American Journal of Political Science, Volume 57, Issue 1, pages 1?14
- 12. Chong, Alberto, Ana De La O, Dean Karlan, and Leonard Wantchekon (2012) "Looking Beyond the Incumbent: The Effects of Exposing Corruption on Electoral Outcomes," Yale University Department of Economics Working Paper #94, January 2012 version.

- 13. Manacorda, Marco, Edward Miguel, and Andrea Vigorito (2011) "Government Transfers and Political Support," American Economic Journal: Applied Economics 3: pp. 1-28.
- 14. Snyder, James M. and David Stromberg (2010) "Press Coverage and Political Accountability," Journal of Political Economy 118(2): 355-4

# 5.4 Voting technology (AB, 1 lecture)

- 1. \*Callen, Mike and James Long, "Institutional Corruption and Election Fraud: Evidence from a Field Experiment in Afghanistan" American Economic Review, 2015
- 2. \*Fujiwara, Thomas, "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil", Econometrica, 2015, 83(2): 423-464
- 3. \*Olken, Ben, "Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia", American Political Science Review 104 (2), pp. 243-267, May 2010.
- 4. \*Beath Andrew, Fotini Christia, Georgy Egorov, Ruben Enikolopov, 2016. "Electoral Rules and Political Selection: Theory and Evidence from a Field Experiment in Afghanistan," Review of Economic Studies, Oxford University Press, vol. 83(3), pages 932-968.
- 5. Beath, Andrew, Fotini Christia, Ruben Enikolopov (2012) "Direct Democracy and Resource Allocation: Experimental Evidence from Afghanistan," Mimeo.

# 6 Collective Action

# 6.1 Constraints on Collective Action (AB, 3 lectures)

- 1. Olson, Mancur (1965), The Logic of Collective Action.
- 2. Putnam, Robert D. (1993): "Making democracy work: civic traditions" in Modern Italy, Princeton University Press.
- 3. \*Ray, Debraj and Esteban, Joan Maria (2001) "Collective Action and the Group Size Paradox", American Political Science Review, 95, 663-672.
- 4. \*Banerjee, Abhijit, Lakshmi Iyer and Rohini Somanathan, "Public Action for Public Goods", forthcoming in Handbook of Development Economics, Chapter 4, Shultz, T. Paul ed.
- 5. \*Banerjee, Abhijit and Rohini Somanathan, "The Political Economy of Public Goods in India" Journal of Development Economics, 82(2), 287-314.

- \*Banerjee, Abhijit, Dilip Mookherjee, Kaivan Munshi and Debraj Ray, "Inequality, Control Rights and Rent-Seeking: Sugar Cooperatives In Maharashtra", Journal of Political Economy, Feb. Vol. 109, Feb., pp. 138–190.
- 7. Miguel, Edward and Mary Kay Gugerty (2005) "Ethnic Diversity, Social Sanctions, and Public Goods in Kenya", Journal of Public Economics 89, 2325-2368.
- 8. Alesina, Alberto and Eliana La Ferrara, "Participation in heterogeeous communities," Quarterly Journal of Economics, 2000, 115, 847–904.
- 9. \*Khwaja, Ijaz, Asim (2008) "Can good projects succeed in bad communities?" working paper, department of economics, Harvard University.
- 10. \*Alesina, Alberto, Reza Baqir and Caroline Hoxby, "Political Jurisdictions in Heterogenous Communitues", Journal of Political Economy, University of Chicago Press, vol. 112(2), pages 348-396, April.
- 11. Alesina, Alberto F. and Zhuravskaya, Ekaterina V., "Segregation and the Quality of Government in a Cross-Section of Countries" (January 15, 2010). American Economic Review, Forthcoming. Available at SSRN: https://ssrn.com/abstract=1220263 or http://dx.doi.org/10.2139/ssrn.1220263
- 12. Olken, Benjamin A., "Do TV and Radio Destroy Social Capital? Evidence from Indonesian Villages," mimeo, MIT.
- 13. \*Miguel, Ted, "Tribe or Nation?: Nation Building and Public Goods in Kenya versus Tanzania", World Politics Volume 56, Number 3, April 2004, 327-362.
- 14. Alesina, Alberto, Reza Baqir and William Easterly (1999), "Public Goods and Ethnic Divisions," QJE 114, 1243-1284.

# 6.2 Collective Action Interventions (AB, 2 lectures)

Promoting collective action

- Enikolopov, Ruben, Makarin, Alexey, Petrova, Maria, 2016. "Social Media and Protest Participation: Evidence from Russia," CEPR Discussion Papers 11254, C.E.P.R. Discussion Papers.
- 2. Cantoni, Davide, David Y. Yang, Noam Yuchtman, and Y. Jane Zhang, "Are Protests Games of Strategic Complements or Substitutes? Experimental Evidence from Hong Kong's Democracy Movement", No. w23110. National Bureau of Economic Research, 2017

- 3. \*Banerjee, Abhijit et al, (2010), "Pitfalls of Participatory Programs: Evidence from three randomized experiments in education in India," *American Economic Journal: Economic Policy*, 2(1): 1–30.
- 4. \*Bj■¶rkman, Martina and Svensson, Jakob, (2009). "Power to the People. Evidence from a Randomized Experiment of a Citizen Report Card Project in Uganda", Quarterly Journal of Economics, 124 (2): 735-769.
- 5. Bjorkman Nyqvist, M., de Walque, D., & Svensson, J. (2014). "Information is power: experimental evidence on the long-run impact of community based monitoring." mimeo, Stockholm.
- 6. Menno Pradhan, Daniel Suryadarma, Amanda Beatty, Arya Gaduh, Rima Prama Artha, and Maisy Wong, (2014) "Improving Educational Quality through Enhancing Community Participation: Results from a Randomized Field Experiment in Indonesia". American Economic Journal: Applied Economics. XXciteXX
- 7. \*Olken, Benjamin (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy*, 115 (2): 200-249
- 8. De Laat, Joost, Michael Kremer, and Christel Vermeersch (2009), "Teacher Incentives and Local Participation," Mimeo.

Can Stimulating Collective Actions Change Institutions?

- \*Casey, Katherine, Rachel Glennerster, and Edward Miguel (2012) "Reshaping Institutions: Evidence on Aid Impacts Using a Pre-Analysis Plan," Quarterly Journal of Economics, 1755–1812
- \*Beath, Andrew, Christia, Fotini, and Enikolopov, Ruben. (2013) "Do Elected Councils Improve Governance? Experimental Evidence on Local Institutions in Afghanistan." mimeo, MIT.
- 3. Feron, James, Humphreys, Macartan, and Weinstein, Jeremy (forthcoming). "Democratic Institutions and Collective Action Capacity". *American Political Science Review*.
- 4. Humphreys, Macartan, Raul Sanches de la Sierra, and P van der Windt (2014), "Social Engineering in the tropics: A Grassroots Democratization Experiment in Eastern Congo," mimeo, Columbia.

#### Decentralization and local capture

 Alatas, Vivi, Abhijit Banerjee, Rema Hanna, Benjamin Olken, and Julia Tobias (2012). "Targeting the Poor: Evidence from a Field Experiment in Indonesia," American Economic Review.

- 2. \* Alatas, Vivi, Abhijit Banerjee, Rema Hanna, Benjamin Olken, Ririn Purnamasari, and Matthew Wai-Poi (2013) "Does Elite Capture Matter? Local Elites and Targeted Welfare Programs in Indonesia" Mimeo.
- 3. \* Acemoglu, Daron, Tristan Reed, and James A. Robinson (2013) "Chiefs: Elite Control of Civil Society and Economic Development in Sierra Leone." Mimeo
- 4. Bardhan, Pranab and Dilip Mookherjee, "Capture and Governance at Local and National Levels," *American Economic Review*, 90(2): .135-139.
- \* Marti-nez-Bravo, Monica, Gerard Padro i Miquel, Nancy Qian, and Yang Yao (2012)
  "The Effects of Democratization on Public Goods and Redistibution: Evidence from China" NBER WP.