

14.770: Introduction to Political Economy

Daron Acemoglu and Benjamin Olken

Fall 2018.

This course is intended as an introduction to field of political economy. It is the first part of the two-part sequence in political economy, along with 14.773 which will be offered in the spring. Combined the purpose of the two classes 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: Class requirements:

- Problem sets (50% of grade). You may work in groups of maximum 2 students on the problem sets, and even then each of you must hand in your own solutions. There will be approximately 5-6 problem sets in total, covering a mix of theory and empirics.
- Final Exam. (40% of grade).
- Class participation (10% of grade)

Course Information:

Professors

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Lecture

MW 10:30-12:00 (E51-376)

Recitation

F 12:00 - 1:00 (E51-372)

Collective Choices and Voting (DA, 9/6 & 9/11)

These two lectures introduce some basic notions from the theory of collective choice and the basic static voting models.

1. Arrow, Kenneth J. (1951, 2nd ed., 1963). *Social Choice and Individual Values*, Yale University Press.
2. Black, Duncan (1948). “On the Rationale of Group Decision-making”, *Journal of Political Economy* 56 (1), pp. 23-34.
3. Downs, Anthony (1957). “An Economic Theory of Political Action in a Democracy”, *Journal of Political Economy* 65 (2), pp. 135-150.
4. * Austen-Smith, David and Jeffrey S. Banks (1999). *Positive Political Theory I: Collective Preference*, University of Michigan Press.
5. Persson, Torsten and Guido Tabellini (2000). *Political Economics: Explaining Economic Policy*, MIT Press.
 - Chapter 2: Preferences and Institutions
 - Chapter 3: Electoral Competition
 - Chapter 6: General-Interest Politics
6. Acemoglu, Daron and James A. Robinson (2006). *Economic Origins of Dictatorship and Democracy*, Cambridge University Press.
 - Section 4: Democratic Politics
 - Appendix to Section 4: The Distribution of Power in Democracy
7. * Lindbeck, Assar, and Jorgen W. Weibull (1987). “Balanced-Budget Redistribution as the Outcome of Political Competition”, *Public Choice* 52 (3), pp. 273-297.

Voting and Information Aggregation (DA, 9/13)

This lecture will introduce models in which voters have imperfect information about the underlying state or their preferences, and investigates the extent to which voting can act as a method of information aggregation.

1. Myerson, Roger B. and Robert J. Weber (1993). “A Theory of Voting Equilibria”, *American Political Science Review* 87 (1), pp. 102-114.

2. Austen-Smith, David (1991). “Rational Consumers and Irrational Voters: A Review Essay on *Black Hole Tariffs and Endogenous Policy Theory*, by Stephen Magee, William Brock and Leslie Young, Cambridge University Ppress 1989”, *Economics and Politics* 3 (1), pp. 73-92.
3. Palfrey, Thomas R. and Howard Rosenthal (1985). “Voter Participation and Strategic Uncertainty”, *American Political Science Review* 79 (1), pp. 62-78.
4. * Feddersen, Timothy and Wolfgang Pesendorfer (1998). “Convicting the Innocent: The Inferiority of Unanimous Jury Verdicts under Strategic Voting”, *American Political Science Review* 92 (1), pp. 23-35.
5. * Feddersen, Timothy and Wolfgang Pesendorfer (1996). “The Swing Voter’s Curse”, *American Economic Review* 86 (3), pp. 408-424.
6. Fey, Mark and Jaehoon Kim (2002). “The Swing Voter’s Curse: Comment”, *American Economic Review*, 92 (4), pp. 1264-1268.
7. Martinelli, César (2001). “Elections with Privately Informed Parties and Voters”, *Public Choice* 108 (1-2), pp. 147-167.
8. * Battaglini, Marco, Rebecca B. Morton and Thomas R. Palfrey (2008). “Information Aggregation and Strategic Abstention in Large Laboratory Elections”, *American Economic Review* 98 (2), pp. 194-200.
9. Battaglini, Marco, Rebecca B. Morton and Thomas R. Palfrey (2010). “The Swing Voter’s Curse in the Laboratory”, *Review of Economic Studies* 77 (1), pp. 61-89.

Votes and Political Decisions in Practice (DA, 9/18 & 9/20)

These two lectures provide some evidence on how people vote, the extent to which the predictions of some basic models of voting are borne out, and the motives, strategic or otherwise, of voters.

Why and How Do Voters Vote?

1. * Spenkuch, Jörg L. (2017). “Expressive vs. Pivotal Voters: An Empirical Assessment”, mimeo. Available at:
<http://www.kellogg.northwestern.edu/faculty/spenkuch/research/voting.pdf>
2. * Fujiwara, Thomas (2011). “A Regression Discontinuity Test of Strategic Voting and Duverger’s Law”, *Quarterly Journal of Political Science* 6, pp. 197-233.

3. Coate, Stephen, Michael Conlin and Andrea Moro (2008). "The Performance of Pivotal-Voter Models in Small-Scale Elections: Evidence from Texas Liquor Referenda", *Journal of Public Economics* 92 (3-4), pp. 582-596.
4. Degan, Arianna and Antonio Merlo (2009). "Do Voters Vote Ideologically?", *Journal of Economic Theory* 144(5), pp. 1868-1894.
5. Harsanyi, John (1980). "Rule Utilitarianism, Rights, Obligations and the Theory of Rational Behavior", *Theory in Decision*, 52 (1), pp. 15-33.
6. Feddersen, Timothy and Alvaro Sandroni (2002). "A Theory of Participation in Elections". Mimeo.
7. * DellaVigna, Stefano, John List, Ulrike Malmendier and Gautam Rao (2017). "Voting to Tell Others", *The Review of Economic Studies* 84 (1), pp. 143-181.
8. * Gerber, Alan S., Donald P. Green and Ron Shachar (2003). "Voting May Be Habit-Forming: Evidence from a Randomized Field Experiment", *American Journal of Political Science* 47(3), pp. 540-550.
9. Gerber, Alan S., Donald P. Green, and Christopher W. Larimer (2008). "Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment", *American Political Science Review* 102(1), pp. 33-48.
10. Nickerson, David W. (2008). "Is Voting Contagious? Evidence from Two Field Experiments", *American Political Science Review* 102(1), pp. 49-57.

Do Parties and Policies Converge to the Middle?

1. * Lee, David S., Enrico Moretti and Matthew J. Butler (2004). "Do Voters Affect or Elect Policies? Evidence from the U. S. House", *Quarterly Journal of Economics* 119 (3), pp. 807-859.
2. * Petterson-Lidbom, Per (2008). "Do Parties Matter for Economic Outcomes? A Regression-Discontinuity Approach", *Journal of the European Economic Association* 6 (5), pp. 1037-1056.
3. Levitt, Steven D. (1996). "How Do Senators Vote? Disentangling the Rate of Voter Preferences, Party Affiliation, and Senator Ideology", *American Economic Review* 86 (3), pp. 425-441.
4. Besley, Timothy and Stephen Coate (1997). "An Economic Model of Representative Democracy", *Quarterly Journal of Economics* 112 (1), pp. 85-114.

5. Osborne, Martin J. and Al Slivinski (1996). "A Model of Political Competition with Citizen-Candidates". *Quarterly Journal of Economics* 111 (1), pp. 65-96.
6. * Chattopadhyay, Raghendra and Esther Duflo (2004). "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India", *Econometrica* 72(5), pp. 1409-1443.
7. Mian, Atif, Amir Sufi, and Francesco Trebbi (2010). "The Political Economy of the US Mortgage Default Crisis", *American Economic Review* 100 (5), pp. 1967-98.

Do Policies Reflect Voter Preferences?

1. * Miller, Grant (2008). "Women's Suffrage, Political Responsiveness, and Child Survival in American History", *Quarterly Journal of Economics* 123 (3), pp. 1287-1327.
2. Lott, Jr., John R. and Lawrence W. Kenny (1999). "Did Women's Suffrage Change the Size and Scope of Government?", *Journal of Political Economy* 107 (6), pp. 1163-1198.
3. Husted, Thomas A. and Lawrence W. Kenny (1997). "The Effect of the Expansion of the Voting Franchise on the Size of Government", *Journal of Political Economy* 105 (1), pp. 54-82.
4. * Acemoglu, Daron, Suresh Naidu, Pascual Restrepo and James A. Robinson (2015). "Democracy, Redistribution, and Inequality" in *Handbook of Income Distribution*, Volume 2, edited by Anthony B. Atkinson and François Bourguignon, Elsevier.
5. * Fujiwara, Thomas (2015). "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil", *Econometrica* 83 (2), pp. 423-464.
6. Card, David and Enrico Moretti (2007). "Does Voting Technology Affect Election Outcomes? Touch-Screen Voting and the 2004 Presidential Election", *Review of Economics and Statistics* 89 (4), pp. 660-673.
7. * Achen, Christopher H., and Larry M. Bartels (2016). *Democracy for Realists: Why Elections Do Not Produce Responsive Government*. Princeton University Press.

Election Politics Gone Wrong: Lobbying, Vote Buying, Clientelism, Coercion and Populism (DA, 9/25 & 9/27)

In this block of lectures, we discuss how the democratic process is often distorted because of the powerful agents and groups exerting undue power via lobbying, vote buying, direct coercion, or the process of patron-client relationships.

Lobbying and Vote Buying

1. * Grossman, Gene and Elhanan Helpman (1994). “Protection for Sale”, *American Economic Review* 84 (4), pp. 833-850.
2. * Baron, David P. (1994). “Electoral Competition with Informed and Uninformed Voters” *American Political Science Review* 88 (1), pp. 33-47.
3. * Groseclose, Timothy and James Snyder Jr. (1996). “Buying Super Majorities” *American Political Science Review* 90 (2) pp. 303-315.
4. Dekel, Eddie, Matthew O. Jackson, and Asher Wolinsky (2008). “Vote Buying: General Elections”, *Journal of Political Economy* 116 (2), pp. 351-380.
5. * Blanes i Vidal, Jordi, Mirko Draca and Christian Fons-Rosen (2012). “Revolving Door Lobbyists”, *American Economic Review* 102 (7), pp. 3731-48.
6. * Bertrand, Marianne, Matilde Bombardini, and Francesco Trebbi (2014). “Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process”, *American Economic Review* 104 (12), pp. 3885-3920.
7. Bombardini, Matilde, and Francesco Trebbi (2011). “Votes or Money? Theory and Evidence from the US Congress.” *Journal of Public Economics* 95 (7-8), pp. 587-611.
8. Bartels, Larry M. (2008). *Unequal Democracy: The Political Economy of a New Gilded Age*, Princeton University Press.
9. Gilens, Martin (2012). *Affluence and Influence: Economic Inequality and Political Power in America*, Princeton University Press.
10. Gawande, Kishore, and Usree Bandyopadhyay (2000). “Is Protection for Sale? Evidence on the Grossman-Helpman Theory of Endogenous Protection”, *Review of Economics and Statistics* 82 (1), pp. 139-152.
11. Goldberg, Pinelopi Koujianou and Giovanni Maggi (1999). “Protection for Sale: An Empirical Investigation”, *American Economic Review* 89 (5), pp. 1135-1155.
12. Kerr, William R., William F. Lincoln and Prachi Mishra (2014). “The Dynamics of Firm Lobbying”, *American Economic Journal: Economic Policy* 6 (4), pp. 343-379.
13. Ansolabehere, Stephen, John M. de Figueiredo, and James M. Snyder Jr. (2003). “Why Is There So Little Money in U.S. Politics?”, *Journal of Economic Perspectives* 17 (1), pp. 105-130.

Clientelism, Patronage and Coercion

1. * Lizzeri, Alessandro and Nicola Persico (2005). "A Drawback of Electoral Competition", *Journal of the European Economic Association* 3 (4), pp. 1318-1348.
2. * Finan, Frederico and Laura Schechter (2012). "Vote-Buying and Reciprocity", *Econometrica* 80 (2), pp. 863-881.
3. Nichter, Simeon (2008). "Vote Buying or Turnout Buying? Machine Politics and the Secret Ballot", *American Political Science Review* 102 (1), pp. 19-31.
4. * Anderson, Siwan, Patrick François and Ashok Kotwal (2015). "Clientelism in Indian Villages", *American Economic Review* 105(6), pp. 1780-1816.
5. * Larreguy, Horacio A. (2013). "Monitoring Political Brokers: Evidence from Clientelistic Networks in Mexico", mimeo. Available at:
<https://sites.google.com/site/hlarreguy/research>
6. * Baland, Jean-Marie and James A. Robinson (2008). "Land and Power: Theory and Evidence from Chile", *American Economic Review* 98 (5), pp. 1737-1765.
7. * Folke, Olle, Shigeo Hirano and James M. Snyder Jr. (2011). "Patronage and Elections in U.S. States", *American Political Science Review* 105 (3), pp. 567-585.
8. de Kadt, Daniel and Horacio A. Larreguy (2017). "Agents of the Regime? Traditional Leaders and Electoral Behavior in South Africa", forthcoming in *The Journal of Politics*. Available at:
<https://sites.google.com/site/hlarreguy/accepted-and-revision-requested>
9. Martinez-Bravo, Monica (2014). "The Role of Local Officials in New Democracies: Evidence from Indonesia", *American Economic Review* 104 (4), pp. 1244-1287.

Populist Politics

1. * Acemoglu, Daron, Georgy Egorov and Konstantin Sonin (2013). "A Political Theory of Populism", *Quarterly Journal of Economics* 128 (2), pp. 771-805.
2. Judis, John B. (2016). *The Populist Explosion: How the Great Recession Transformed American and European Politics*, Columbia Global Reports.
3. Guiso, Luigi, Helios Herrera, Massimo Morelli and Tommaso Sonno (2017). "Demand and Supply of Populism", mimeo. Available at:
<http://www.heliosherrera.com/populism.pdf>
4. Dornbusch, Rudiger and Sebastian Edwards, ed. (1991). *The Macroeconomics of Populism in Latin America*, University of Chicago Press.

Political Agency (DA, 10/2 & 10/4)

In this lecture, we introduce the notion of political agency whereby decision-making powers delegated to elect politicians who are then controlled by voters through the democratic process.

1. Barro, Robert J. (1973). "The Control of Politicians: An Economic Model", *Public Choice* 14, pp. 19-42.
2. * Ferejohn, John (1986). "Incumbent Performance and Electoral Control", *Public Choice* 50 (1), pp. 5-25.
3. Banks, Jeffrey S. and Rangarajan K. Sundaram (1998). "Optimal Retention in Agency Models", *Journal of Economic Theory* 82 (2), pp. 293-323.
4. * Acemoglu, Daron, Michael Golosov and Aleh Tsyvinski (2008). "Political Economy of Mechanisms", *Econometrica* 76 (3), pp. 619-641.
5. Myerson, Roger B. (2015). "Moral Hazard in High Office and the Dynamics of Aristocracy", *Econometrica* 83 (6), pp. 2083-2126.
6. * 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.
7. * Ferraz, Claudio and Frederico Finan (2011). "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance", mimeo. Available at:
https://eml.berkeley.edu/~ffinan/Finan_MPoliticians.pdf
8. Besley, Timothy and Anne Case (1995). "Does Electoral Accountability Affect Economic Policy Choices? Evidence from Gubernatorial Term Limits", *Quarterly Journal of Economics* 110 (3), pp. 769-798.
9. * Dal Bó, Ernesto and Martín A. Rossi (2011). "Term Length and the Effort of Politicians", *Review of Economic Studies* 78 (4), pp. 1237-1263.

Political Agency Gone Wrong (DA, 10/11)

This lecture shows how, in contrast to the theoretical benchmark of well-functioning political agency, in much of the world politicians are able to manipulate the election process and thwart democratic control mechanisms.

1. * Albertus, Michael and Victor Menaldo (2014). "Gaming Democracy: Elite Dominance During Transition and the Prospects for Redistribution", *British Journal of Political Science* 44 (3), pp. 575-603.

2. * Acemoglu, Daron, Thierry Verdier and James A. Robinson (2004). “Kleptocracy and Divide-and-Rule: A Model of Personal Rule”, The Alfred Marshall Lecture, *Journal of the European Economic Association Papers and Proceedings* 2 (2-3), pp. 162-192.
3. * Padro í Miquel, Gerard (2008). “The Control of Politicians in Divided Societies: Politics of Fear”, *Review of Economic Studies* 74 (4), pp. 1259-1274.
4. Dixit, Avinash, Gene M. Grossman and Elhanan Helpman (1997). “Common Agency and Coordination: General Theory and Application to Government Policy Making”, *Journal of Political Economy* 105 (4), pp. 752-769.
5. Acemoglu, Daron, Georgy Egorov and Konstantin Sonin (2010). “Political Selection and Persistence of Bad Governments”, *Quarterly Journal of Economics* 125 (4), pp. 1511-1576.
6. Acemoglu, Daron, James A. Robinson and Ragnar Torvik (2013). “Why Do Voters Dismantle Checks and Balances?”, *Review of Economic Studies* 80 (3), pp. 845-875.
7. * Anderson, Siwan and Patrick François (2017). “Reservations and the Politics of Fear”, mimeo. Available at:
<http://faculty.arts.ubc.ca/fpatrick/research.html>
8. * Acemoglu, Daron, Tristan Reed and James A. Robinson (2014). “Chiefs: Economic Development and Elite Control of Civil Society in Sierra Leone”, *Journal of Political Economy* 122 (2), pp. 319-368.

Economic Policy under Representative Democracy (DA, 10/16)

In this lecture, we discuss two different approaches to economic policy on the representative democracy: legislative bargaining and policy competition with political agency.

1. * Baron, David P. and John A. Ferejohn (1989). “Bargaining in Legislatures”, *American Political Science Review* 83 (4), pp. 1181-1206.
2. Banks, Jeffrey S. and John Duggan (2000). “A Bargaining Model of Collective Choice”, *American Political Science Review* 94 (1), pp. 73-88.
3. Bernheim, B. Douglas, Antonio Rangel and Luis Rayo (2006). “The Power of the Last Word in Legislative Policy Making”, *Econometrica* 74 (5), pp. 1161-1190.
4. Cox, Gary W. (1997). *Making Votes Count: Strategic Coordination in the World’s Electoral Systems*, Cambridge University Press.

5. * Persson, Torsten, Gérard Roland and Guido Tabellini (1997). “Separation of Powers and Political Accountability”, *Quarterly Journal of Economics* 112 (4), pp. 1163-1202.
6. * Persson, Torsten, Gérard Roland and Guido Tabellini (2000). “Comparative Politics and Public Finance”, *Journal of Political Economy* 108 (6), pp. 1121-1161.
7. Grossman, Gene M. and Elhanan Helpman (1996). “Electoral Competition and Special Interest Politics”, *Review of Economic Studies* 63 (2), pp. 265-286.
8. Persson, Torsten and Guido Tabellini (2003). *The Economic Effects of Constitutions*, MIT Press.
9. * Acemoglu, Daron (2005). “Constitutions, Politics, and Economics: A Review Essay on Persson and Tabellini’s the Economic Effects of Constitutions”, *Journal of Economic Literature* XLIII, pp. 1025-1048.

Political Compromise (DA, 10/18)

This lecture will discuss how dynamic interactions can lead to political compromise between different groups or parties (both in democratic and nondemocratic environments) and what the limits of this type of political compromise are.

1. * Alesina, Alberto (1987). “Macroeconomic Policy in a Two-Party System as a Repeated Game”, *Quarterly Journal of Economics* 102 (3), pp. 651-678.
2. * Dixit, Avinash, Gene M. Grossman and Faruk Gul (2000). “The Dynamics of Political Compromise”, *Journal of Political Economy* 108 (3), pp. 531-568.
3. * Acemoglu, Daron, Mikhail Golosov and Aleh Tsyvinski (2010). “Power Fluctuations and Political Economy”, *Journal of Economic Theory* 146 (3), pp. 1009-1041.

Economic Policy under Nondemocratic Institutions (DA, 10/23)

This lecture provides an introduction to economic policy when one group holds political power and uses policy in order to directly or indirectly further its economic interests.

1. * Acemoglu, Daron (2006). “Modelling Inefficient Institutions”, *Advances in Economic Theory World Congress 2006*. Available at:
<https://economics.mit.edu/files/5697>
2. * Acemoglu, Daron (2009). *Introduction to Modern Economic Growth*, Princeton University Press.
 - Chapter 22: Institutions, Political Economy, and Growth

3. Acemoglu, Daron and James A. Robinson (2006). “Economic Backwardness in Political Perspective”, *American Political Science Review* 100 (1), pp. 115-131.
4. Fergusson, Leopoldo (2013). “The Political Economy of Rural Property Rights and the Persistence of the Dual Economy”, *Journal of Development Economics* 103, pp. 167-181.
5. * Acemoglu, Daron (2008). “Oligarchic versus Democratic Societies”, *Journal of the European Economic Association* 6 (1), pp. 1-44.
6. Olson, Mancur (1982). *The Rise and Decline of Nations: Economic Growth, Stagflation, and Social Rigidities*, Yale University Press.
7. Stasavage, David (2014). “Was Weber Right? The Role of Urban Autonomy in Europe’s Rise” *American Political Science Review* 108 (2), pp. 337-354.
8. Stasavage, David (2017). “When Inclusive Institutions Failed: Lessons from the Democratic Revolutions of the Middle Ages” mimeo, New York University.

1 Conflict (BO, 3 lectures: 10/25, 10/30, 11/1)

1.1 Theory: Why Does Conflict Take Place? Bargaining Failures and Other Reasons

- * Fearon, James D. (1995). “Rationalist Explanations for War.” *International Organization* 49(3): 379-414.
- * Jackson, Matthew O. and Massimo Morelli (2007). “Political Bias and War.” *American Economic Review* 97(4): 1353-1373.
- Baliga, Sandeep and Tomas Sjöström (2011). “Conflict Games with Payoff Uncertainty.” Mimeo.
- Caselli, Francesco and Wilbur John Coleman II (2013). “On the Theory of Ethnic Conflict.” *Journal of the European Economic Association* 11(1): 161-192.
- Chassang, Sylvain and Gerard Padró I Miquel (2010). “Conflict and Deterrence Under Strategic Risk.” *Quarterly Journal of Economics* 125(4): 1821-1858.
- Dal Bó, Ernesto and Pedro Dal Bó (2011). “Workers, Warriors, and Criminals: Social Conflict in General Equilibrium.” *Journal of the European Economic Association* 9(4): 646-677.
- Powell, Robert (2004). “The Inefficient Use of Power: Costly Conflict with Complete Information.” *American Political Science Review* 98(2): 231-241 .

- Shelling, Thomas C. (1980). *The Strategy of Conflict*, Harvard University Press.

1.2 Empirics

1.2.1 Why does conflict occur? Costs, benefits, and other factors

- * Dube, Oeindrila and Juan F. Vargas (2013). “Commodity Price Shocks and Civil Conflict: Evidence from Colombia.” *Review of Economics Studies* 80(4): 1384-1421.
- * Nunn, Nathan and Nancy Qian (2014). “U.S. Food Aid and Civil Conflict,” *American Economic Review* 104(6): 1630- 1666.
- Blattman, Christopher and Jeannie Annan (2016). “Can Employment Reduce Lawlessness and Rebellion? A Field Experiment with High- Risk Men in a Fragile State.” *American Political Science Review* 110(1): 1-17.
- Jones, Benjamin F. and Benjamin A. Olken (2009). “Hit or Miss? The Effect of Assassinations on Institutions and War.” *American Economic Journal: Macroeconomics* 1(2): 55-87.
- Miguel, Edward, Shanker Satyanath and Ernest Sergenti (2004). “Economic Shocks and Civil Conflict: An Instrumental Variables Approach.” *Journal of Political Economy* 112(4): 725-753.
- Hsiang, Solomon M., Marshall Burke and Edward Miguel (2013). “Quantifying the Influence of Climate on Human Conflict.” *Science* 341 (6151): 1235367.
- Melissa Dell, Benjamin Feigenberg, Kensuke Teshima (2018). “The Violent Consequences of Trade-Induced Worker Displacement in Mexico.” Forthcoming in *American Economic Review: Insights*.
- Bazzi, Samuel and Matthew Gudgeon (2016). “Local Government Proliferation, Diversity, and Conflict.” Mimeo.
- Dell, Melissa (2015). “Trafficking Networks and the Mexican Drug War”, *American Economic Review* 105(6): 1738-1779.

1.2.2 Counterinsurgency

- * Dell, Melissa and Pablo Querubin (2018). “Nation Building Through Foreign Intervention: Evidence from Discontinuities in Military Strategies.” *Quarterly Journal of Economics* 133(2): 701-764.
- * Beath, Andrew, Fontini Christia and Ruben Enikolopov (2017). “Can Development Programs Counter Insurgencies?: Evidence from a Field Experiment in Afghanistan.” Mimeo.

- Berman, Eli, Jacob N. Shapiro and Joseph H. Felter (2011). “Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq.” *Journal of Political Economy* 119(4): 766-819.
- Crost, Benjamin, Joseph Felter and Patrick Johnston (2014). “Aid Under Fire: Development Projects and CivilConflict.” *American Economic Review* 104(6): 1833-1856.
- Crost, Benjamin, Joseph H. Felter and Patrick B. Johnson (2016). “Conditional Cash Transfers, Civil Conflict, and Insurgent Influence: Experimental Evidence from the Philippines.” *Journal of Development Economics* 118(1): 171-182.
- Shaver, Andrew and Jacob N. Shapiro (2017). “The Effect of Civilian Casualties on Wartime Informing: Evidence from the Iraq War.” forthcoming in *Journal of Conflict Resolution*.

1.2.3 The Costs of Conflict

- * Abadie, Alberto and Javier Gardeazabal (2003). “The Economic Costs of Conflict: A Case Study of the Basque Country.” *American Economic Review* 93(1): 113-132.
- * Blumenstock, Joshua, Tarek Ghani, Sylvan Herskowitz, Ethan B. Kapstein, Thomas Scherer and Ott Toomet (2018). “Insecurity and Industrial Organization: Evidence from Afghanistan.” The World Bank.
- Blomberg, S. Brock and Rozlyn C. Engel (2012). ”Lines in the Sand: Price Dispersion across Iraq’s Intranational Borders before, during, and after the Surge.” *The Journal of Law and Economics* 55(3): 503-538.
- Davis, Donald R., David E. Weinstein (2002). “Bones, Bombs, and Break Points: the Geography of Economic Activity.” *American Economic Review* 92(5): 1269-1289.
- Brodeur, Abel (2017). “The Effect of Terrorism on Employment and Consumer Sentiment: Evidence from Successful and Failed Terror Attacks.” Forthcoming in the *American Economic Journal: Applied Economics*.
- Miguel, Edward, and Gérard Roland (2011). “The Long-run Impact of Bombing Vietnam.” *Journal of Development Economics* 96(1): 1-15.
- Blattman, Christopher and Jeannie Annan (2010). “The Consequences of Child Soldiering.” *Review of Economics and Statistics*, 92(4): 882–898.
- Guidolin, Massimo and Eliana La Ferrara (2010). “The Economic Effects of Violent Conflict: Evidence from Asset Market Reactions.” *Journal of Peace Research* 47(6): 671–684.

2 Media (BO, 3 lectures, 11/6, 11/8, 11/13)

2.1 Media Bias and Voting

- * Gentzkow, Matthew and Jesse M. Shapiro (2006). “Media Bias and Reputation.” *Journal of Political Economy* 114(2): 280-316.
- * Gentzkow, Matthew and Jesse M. Shapiro (2010). “What Drives Media Slant? Evidence from U.S. Daily Newspapers.” *Econometrica* 78(1): 35-71.
- Chiang, Chun-Fang. F., & Brian Knight. (2011). “Media bias and influence: Evidence from newspaper endorsements.” *The Review of Economic Studies*, 78(3), 795-820.
- Durante, Ruben and Brian Knight (2012). “Partisan Control, Media Bias, and Viewer Responses: Evidence from Berlusconi’s Italy.” *Journal of the European Economic Association* 10(3): 451-481.
- Adena, Maja, Ruben Enikolopov, Maria Petrova, Veronica Santarosa and Katia Zhuravskaya (2015). “Radio and the Rise of the Nazis in Prewar Germany”, *Quarterly Journal of Economics* 130(4): 1885-1939.
- Martin, Gregory J. and Ali Yurukoglu (2017). “Bias in Cable News: Persuasion and Polarization.” *American Economic Review* 107(9): 2565–2599.
- DellaVigna, Stefano, Ruben Durante, Vera Mironova, Maria Petrova and Ekaterina Zhuravskaya (2014). “Cross-Border Media and Nationalism: Evidence from Serbian Radio in Croatia.” *American Economic Journal: Applied Economics* 6(3): 103-132.
- Prat, Andrea (2017). “Media Power.” Forthcoming in *Journal of Political Economy*.
- Mullainathan, Sendhil and Andrei Shleifer (2005). “The Market for News.” *American Economic Review* 95(4): 1031-1053.
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