

**ECON 237**  
**Political Economy**  
FALL 2009

**Instructor:** Nageeb Ali, email: snali@ucsd.edu, Economics 214.

**Time and Location:** F 9:00am-12:00pm, ECON 304.

**Office Hours:** By appointment.

**Pre-requisites:** You should be a graduate student in either economics or political science and have taken a prior course in game theory. For Economics students, I will assume that you have taken the first year Ph.D. sequence in the Economics department. For Political Science students, you should have taken POLI 204C. I will assume a familiarity with game theory and standard equilibrium concepts.

**Description of the Course**

ECON 237 explores game-theoretic issues in political economy. The purpose of this course is to give students both a sense of the research frontier and a good command of useful tools in the field. While the topics studied in the course are diverse, we will see that a common game-theoretic approach to studying these various questions yields many useful insights. There will be several places where we will also see scope for further work, and my hope is that by studying these papers closely, we can all go on to write papers that advance the literature.

I don't expect to cover all the papers mentioned here and will adjust which papers to study based on our interests, pace, and progress. I will announce these in class at least a week prior to the lecture. You should read all the papers that we cover in class: many of these are "classics," not just for their formal innovation but also because they have a powerful intuition and economic story. Reading papers at this stage is a great way to help you think about how to ask and answer research questions, and exposit your ideas as a paper.

**Grading:** You will be evaluated through a combination of research presentations and a research proposal. Each of you will be required to make an in-class presentation (working in teams of 1 – 2 depending on enrollment). The second formal requirement is to write a referee report on a paper on the course reading list. I would like students to work independently on this, but of course, you can discuss your ideas with each other. The report should present a brief summary of the main contributions of the paper and identify its contributions. It should also discuss alternative ways to approach the problem, deficiencies in the model, or possible extensions. A target length for this report is three pages (in the font and spacing of this outline), but three pages is only a guide. This will be due on the Friday of finals week. The purpose of these two formal requirements is to help us focus on the course material. I hope that apart from the requirements, you will prepare in advance and actively participate in discussions. In the event that you do not, I will change the requirements to something more formal (i.e. problem sets, take-home final exam) and strenuous.

# Schedule of Readings

## A. Direct Democracy and Electoral Competition

1. September 25: Lecture Notes on preferences and Downsian competition.
2. October 2: [Osborne and Slivinski \(1996\)](#), [Besley and Coate \(1997\)](#).
3. Presentation / Referee: [Alesina \(1988\)](#), [Aragonès et al. \(2007\)](#), [Banks \(1990\)](#), [Bernheim and Nataraj \(2008\)](#), [Meirowitz \(2005\)](#).

## B. Legislative Decisionmaking

1. October 9: [Baron and Ferejohn \(1989\)](#) followed by guest lecture by Paul Niehaus.
2. October 16: [Battaglini and Coate \(2007\)](#).
3. Presentation / Referee: [Ali \(2006\)](#), [Austen-Smith and Banks \(1988\)](#), [Battaglini and Coate \(2008\)](#), [Merlo and Wilson \(1995\)](#), [Fréchette et al. \(2005\)](#).

## C. Information Aggregation Approach to Elections:

1. October 23 and 30: [Austen-Smith and Banks \(1996\)](#), [Feddersen and Pesendorfer \(1996, 1997, 1998\)](#).
2. November 6: [Ali and Bohren \(2009\)](#).
3. Presentation / Referee: [Bond and Eraslan \(2009\)](#), [Bouton and Castanheira \(2008\)](#), [Guarnaschelli et al. \(2000\)](#), [Piketty \(2000\)](#).

## D. Why People Vote:

1. November 13: [Palfrey and Rosenthal \(1985\)](#), [Feddersen \(2004\)](#), [Feddersen and Sandroni \(2006\)](#).
2. Presentation / Referee: [Borgers \(2004\)](#), [Coate and Conlin \(2004\)](#), [Funk \(2009\)](#), [Krasa and Polborn \(2008\)](#).

## E. Political Motivations and Transparency

1. November 20 and December 4: [Morris \(2001\)](#), [Maskin and Tirole \(2004\)](#).
2. Presentation / Referee: [Levy \(2007\)](#), [Prat \(2005\)](#), [Visser and Swank \(2007\)](#).

## References

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