This course analyzes the paths through which preferences of individuals and groups are transformed into policies in democracies. We begin with a brisk review of theoretical approaches to questions of voting, majority rule, delegation and agency, cooperation, public goods, and the commons. We then analyze some of the key institutions through which preferences are aggregated in modern democracies: electoral systems, parties, parliaments, presidents, and federalism. We then examine the ways in which these institutions can shape incentives and ultimately outcomes. We focus on two broad classes of outcomes. First, why do some democracies redistribute more than others? Second, why are some better at producing collective goods than others?

In most modern democracies, wealth is distributed unequally across the population but the right to vote is not. For this reason, Aristotle described democracy as the “rule of the poor,” and throughout history, wealthy elites have assumed that democracies would be unable to protect private property, and hence would undermine prosperity. Yet democratization in the 19th and 20th centuries has not led to expropriation. Some democracies (e.g. Continental Europe) undertake much more redistribution of income than others (e.g. the United States), and these differences do not seem to be explained by initial cross-country variation in income inequality. Early critics of democracy had another concern: by encouraging too much self-seeking by individuals and interest groups, democracies would be unable to provide basic collective goods necessary for a peaceful and prosperous society. Here again, democracies seem to show considerable variation over time and across countries.

This course examines the ways in which the preferences of voters and the organization of interest groups interact with the incentives generated by political institutions to shape policy outcomes along both of these dimensions. The course also considers alternative causal paths, where preferences and the formation of interest groups are shaped in part by institutions, or where institutions themselves should be understood as the outcomes to be explained.

Assignments and grading

The course is meant to help students design empirical research projects, and the main assignment is a final analytical paper. Students will consult with the instructor about the topic, and informally present their work in progress throughout the term.

Students will also choose two weeks for which to write a short (2-3 pages) paper in reaction to the readings. This paper will form the basis for a more active role for the student in leading the week’s discussion. For example, the paper and resulting discussion might critique some aspect of the readings, discuss extensions, critical case studies, or potential empirical applications, entertain alternative
assumptions or approaches, or explore related questions that are left unaddressed by the readings. These papers will be circulated to the other students by Tuesday night.

Grading is as follows:

- Short papers: 15% each
- Participation: 20%
- Final paper: 50%

The following books can be purchased, but should also be available in the library.


April 2  
**Introduction to the course**

- Madison, James, *The Federalist No. 10*.


April 9  
**Democracy, inequality, and growth**


**April 16**

**Analytic building blocks for the study of democracy**

- Shepsle and Bonchek, *Analyzing Politics*. Chapters 1-6 and 8-10.


**April 23**

**Electoral and party systems**


**April 30**

**Horizontal and vertical organization of government**

*First hour: Presidential vs. parliamentary government*

- Montesquieu, selection from The Spirit of the Laws (Chapter 2).
- Madison, James, The Federalist Nos. 47, 48 (Chapter 3).
- Hamilton, Alexander, The Federalist No. 70 (Chapter 4).
- Wilson, Woodrow, “Committee or Cabinet Government?,” (Chapter 7).
- Laski, Harold J., ”The President and Congress” (Chapter 8).
- Mainwaring, Scott, “Presidentialism in Latin America” (Chapter 13).
- Linz, Juan, “The Perils of Presidentialism” (Chapter 14).
- Riggs, Fred, “Presidentialism: A Problematic Regime Type” (Chapter 32).


- Persson and Tabellini, Political Economics, chapter 10.

Second hour: Federalism and decentralization


May 7

Redistribution


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**May 14**

### Who Gets What? Interest groups, geography, and pork


May 21

Institutions, parties, and fiscal outcomes


[BRIEF IN-CLASS DISCUSSION OF FINAL PAPER TOPICS]

May 28

Endogenous institutions


June 4  

Presentations of student papers