

# Economics 220 / PoliSci 311E: Political Economy I

Stanford University, Spring 2016

MW 9:30-11:20am, Landau 206

[https://coursework.stanford.edu/portal/site/Sp16-ECON-220-01\\_Sp16-POLISCI-311E-01](https://coursework.stanford.edu/portal/site/Sp16-ECON-220-01_Sp16-POLISCI-311E-01)

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NOTE: Preliminary and likely to be revised.

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## 1 Overview

This is a graduate-level survey course in political economy. We discuss game-theoretic models of political processes and their relationship with important economic outcomes such as growth, public good provision, and redistribution.

Roughly the first half of the course focuses on the implications of different democratic institutions (such as voting rules) for political choices that shape economic policies and outcomes. In the second half we consider models where democratic institutions are endogenous, non-existent, or a subject of armed conflict. This includes discussion of work on democratization, civil war, mass protest, autocratic politics, and weak states.

Note that this is principally a theory-oriented class; although some empirical work and findings will be discussed, the main focus is on the state of the art in political economy models.

We have 2nd year PhD students in the economics and political science departments in mind as the target audience, but we welcome and encourage participation from elsewhere.

**Prerequisite** The class will assume familiarity with game theory at the level of ECON 203. No specific background in political economy is needed. Some topics build on knowledge in basic micro- and macroeconomics (at the 1st year economics PhD level), but such background will not be systematically required to understand the course.

**Textbook** We primarily use original papers. There is one required text, Torsten Persson and Guido Tabellini's *Political Economics: Explaining Economic Policy*, The MIT Press, 2000. This contains a unified treatment of some of the voting theory we will cover in the first couple of weeks, and is a useful reference for a few other topics as well.

**Class structure** In each class meeting we will focus on **two** key papers. Students are expected to have read these papers carefully and to have made a serious attempt to understand models, broader arguments, evidence advanced, and author claims about relationship of the paper to prior work. Re-reading will often be a good idea.

The class format will be discussion, but combined with two sorts of presentations. First, students will choose articles to present each week, with each student presenting a total of 3 to 6 articles over the quarter. These presentations will be short, intended to focus on the core arguments and ideas as a prelude to discussion. In addition to discussing details of the focus papers, we will also try to bring out opportunities and ideas for interesting new work students might undertake in their own research.

Second, the instructors will in some classes present overviews of classes of models, empirical background, or prior literature relevant to understanding and evaluating the focus papers of the day.

**Requirements and grading** Evaluation will be based on (1) participation and effort shown for class discussion, including the presentations, and (2) a 5–10 page proposal for a research project involving a political economy model, including discussion of relation to the literature. Grading will place two-thirds weight on (1) and one-third on (2).

## 2 Reading List and Agenda

We have listed here the two focus papers for each class meeting. The next section contains further reading on each of the course topics.

This reading list is a more-or-less complete version. We will continue to make changes before the quarter starts, and may make minor revisions during the quarter.

1. Course introduction and voting theory

(3/28) Course introduction.

- i. Acemoglu, Daron, Simon Johnson, and James Robinson, “Institutions as a fundamental cause of long-run growth,” in Philippe Aghion and Steven Durlauf, eds., *Handbook of Economic Growth* (Amsterdam: North Holland, 2006).
- ii. Joseph Stiglitz, “The Private Uses of Public Interests: Incentives and Institutions,” *The Journal of Economic Perspectives* 12, 2 (Spring, 1998), 3-22.

(3/30) Voting theory, classic models

- i. Persson–Tabellini sections 2.2–2.3, 3.1–3.4
- ii. Lindbeck & Weibull (1987), “Balanced-Budget Redistribution as the Outcome of Political Competition,” *Public Choice* 52 (3), 273–297

2. Voting theory, continued

(4/4) Applications

- i. Krusell & Rios-Rull (1999), “On the Size of US Government: Political Economy in the Neoclassical Growth Model,” *American Economic Review* 89 (5), 1156–1181
- ii. Alesina & Angeletos (2005), “Fairness and Redistribution,” *American Economic Review* 95 (4), 960–980

(4/6) Accountability

- i. Persson-Tabellini sections 4.4–4.5
- ii. Ashworth (2005), “Reputational Dynamics and Political Careers,” *Journal of Law, Economics, and Organization* 21 (2), 441–466

3. Legislative decision-making

(4/11) Bargaining outcomes

- i. Baron, Ferejohn (1989), “Bargaining in Legislatures,” *American Political Science Review* 83 (4), 1181–1206
- ii. Battaglini, Coate (2005), “Inefficiency in Legislative Policy-Making: A Dynamic Analysis,” *American Economic Review* 97 (1), 118–149

(4/13) Lobbying and special interests

- i. Grossman, Helpman (1994), “Protection for Sale,” *American Economic Review* 84 (4), 833–850
- ii. Fernandez, Rodrik (1991), “Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty,” *American Economic Review* 81 (5), 1146–1155

#### 4. Theories of endogenous democratic institutions

##### (4/18) Choice among democratic institutions

- i. Aghion, Alesina, Trebbi, 2004, “Endogenous Political Institutions,” *Quarterly Journal of Economics* 119 (2), 565–611
- ii. Messner, Polborn, 2004, “Voting on Majority Rules,” *Review of Economic Studies* 71 (1), 115–132

##### (4/20) Democratization

- i. Acemoglu and Robinson, “Why Did the West Extend the Franchise? Democracy, Inequality, and Growth, in Historical Perspective,” *Quarterly Journal of Economics* 115, 4 (November 2000).
- ii. Ben Ansell and David Samuels, “Democracy and Redistribution, 1880-1930: Reassessing the Evidence,” ms [here](#). [?] OR Stephan Haggard and Robert R. Kaufmann, “Inequality and Regime Change: Democratic Transitions and the Stability of Democratic Rule,” *American Political Science Review* 106, 3 (August 2012), 495-516.

#### 5. More on endogenous institutions

##### (4/25) Popular rebellion and self-enforcing democracy

- i. James D. Fearon, “Self-enforcing democracy,” *The Quarterly Journal of Economics* (2011) 126, 1661–1708.
- ii. Andrew Little, Joshua Tucker, and Tom LaGatta, “Elections, Protest, and Alternation of Power,” *Journal of Politics* 77, 4 (2015). [?] OR Heng Chen and Wing Suen, “Falling Dominoes: A Theory of Rare Events and Crisis Contagion,” *American Economic Journal: Microeconomics* 2016, 8(1): 228–255.

##### (4/27) Some empirical comparison of institutions

- i. Persson & Tabellini (2004), “Constitutional Rules and Fiscal Policy Outcomes,” *American Economic Review* 94 (1), 25–45
- ii. Lim (2013), “Preferences and Incentives of Appointed and Elected Public Officials: Evidence from State Trial Court Judges,” *American Economic Review* 103 (4), 1360–1397

## 6. Corruption

### (5/2) Economic consequences

- i. Shleifer, Vishny (1993), “Corruption,” *Quarterly Journal of Economics* 108 (3), 599–617
- ii. Mauro (1995), “Corruption and Growth,” *Quarterly Journal of Economics* 110 (3), 681–712

### (5/4) Causes and determinants

- i. Acemoglu, Verdier (2000), “The Choice Between Market Failures and Corruption,” *American Economic Review* 90 (1), 194–211
- ii. Ferraz, Finan (2011), “Electoral Accountability and Corruption: Evidence from the Audits of Local Governments,” *American Economic Review* 101 (4), 1274–1311

## 7. Conflict, war

### (5/9) Models of costly conflict

- i. James D. Fearon, “Rationalist explanations for war,” *International Organization* 49, 3 (Summer, 1995), 379–414.
- ii. James D. Fearon, “Why do some civil wars last so much longer than others?” *Journal of Peace Research* May 2004.

### (5/11) More on armed conflict

- i. Ernesto Dal Bó and Pedro Dal Bó, “Workers, Warriors, And Criminals: Social Conflict In General Equilibrium,” *Journal of the European Economic Association* 9, 4 (August 2011), 646–677.
- ii. Timothy Besley and Torsten Persson, “The Logic of Political Violence,” *Quarterly Journal of Economics* 126, 3 (2011), 1411–1445.

## 8. Autocratic politics

- (5/16) i. Roger Myerson, "The Autocrats Credibility Problem and Foundations of the Constitutional State," *American Political Science Review* 102, 1 (February 2008), 125-139.
- ii. Gary W. Cox, "Marketing Sovereign Promises," *Journal of Economic History* 75, 1 (March 2015), 190-218
- (5/18) i. Daron Acemoglu, Georgy Egorov, Konstantin Sonin, "Coalition Formation in Non-Democracies," *Review of Economic Studies* 75, 4, 987-1009.
- ii. Scott Gehlbach, Konstantin Sonin, Milan W. Svoblik, "Formal Models of Nondemocratic Politics," *Annual Review of Political Science*, forthcoming.

## 9. State capacity, weak states

- (5/23) i. Besley and Persson, "State capacity, conflict, and development," *Econometrica* 78, 1 (January 2010), 1-34.
- ii. Nicola Gennaioli and Hans-Joachim Voth, "State capacity and military conflict," *Review of Economic Studies* 82 (2015), 1409-1448.
- (5/25) i. Daron Acemoglu, Camilo Garcia-Jimeno, and James A. Robinson, "State capacity and economic development: A network approach," *American Economic Review* 105, 8 (2015), 2364-2409.
- ii. Alberto Bisin and Thierry Verdier, "The economics of cultural transmission," *Journal of Economic Theory* 97 (2001), 298-319.

## 10. Culture and cultural transmission

(5/30) Memorial day, no class.

- (6/1) i. Avner Greif, "Cultural beliefs and the organization of society: A historical and theoretical reflection on collectivist and individualist societies," *Journal of Political Economy* 102 (1994), 912-950.
- ii. Guido Tabellini, "The scope of cooperation: Values and institutions," *Quarterly Journal of Economics* 123 (2008), 905-950.

### 3 Deeper background

These are related reading suggestions in case you want to delve deeper into a particular area, and/or get a sense for significant papers that preceded or followed focus papers we will be discussing. Note that the list is not comprehensive or particularly systematic at this point.

#### 1. Course introduction and voting theory

(3/28) Course introduction.

- Acemoglu, Daron (2003) “Why Not a Political Coase Theorem?” *Journal of Comparative Economics*, 31, 620-652.
- Acemoglu, Daron, Johnson, Simon and Robinson, James A. (2001) “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*, 91, 1369-1401.
- 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.

(3/30) Voting theory, classic models

- Arrow, Kenneth J. *Social choice and individual values*. Vol. 12. Yale university press, 2012.
- Sen, Amartya. “The possibility of social choice.” *The American Economic Review* 89.3 (1999): 349-378.
- Sen, Amartya. “The impossibility of a Paretian liberal.” *The Journal of Political Economy* 78.1 (1970): 152-157.
- Gibbard, Allan. “Manipulation of voting schemes: a general result.” *Econometrica* (1973): 587-601.
- Satterthwaite, Mark Allen. “Strategy-proofness and Arrow’s conditions: Existence and correspondence theorems for voting procedures and social welfare functions.” *Journal of economic theory* 10.2 (1975): 187-217.
- May, Kenneth O. “A set of independent necessary and sufficient conditions for simple majority decision.” *Econometrica* (1952): 680-684.
- Reny, Philip J. “Arrow’s theorem and the Gibbard-Satterthwaite theorem: a unified approach.” *Economic Letters* 70.1 (2001): 99-105.
- Dixit, Avinash, and John Londregan, “The determinants of success of special interests in redistributive politics,” *Journal of Politics* 58, 4 (November 1996), 1132-1155.
- Dixit, Avinash, and John Londregan, “Redistributive politics and economic efficiency,” *American Political Science Review* 89, 4 (December 1995).

## 2. Voting theory, continued

### (4/4) Applications

- Romer, Thomas. “Individual welfare, majority voting, and the properties of a linear income tax.” *Journal of Public Economics* 4.2 (1975): 163–185.
- Roberts, Kevin W. S. “Voting over income tax schedules.” *Journal of Public Economics* 8.3 (1977): 329–340.
- Meltzer, Allan H. and Scott F. Richard. “A rational theory of the size of government.” *Journal of Political Economy* 89.5 (1981): 914–927.
- Mayer, Wolfgang. “Endogenous tariff formation.” *American Economic Review* 74.5 (1984): 970–985.
- Alesina, Alberto, Reza Baqir, and William Easterly. “Public goods and ethnic divisions.” *Quarterly Journal of Economics* 114.4 (1999): 1243–1284.
- Piketty, Thomas. “Social mobility and redistributive politics,” *Quarterly Journal of Economics* 110.3 (1995): 551–584.
- Benabou, Roland, and Efe A. Ok. “Social mobility and the demand for redistribution: the POUM hypothesis,” *Quarterly Journal of Economics* 116.2 (2001): 447–487.
- Hassler, John, José V. Rodríguez Mora, Kjetil Storesletten, and Fabrizio Zilibotti. “The survival of the welfare state,” *American Economic Review* 93.1 (2003): 87–112.

### (4/6) Accountability

- Barro, Robert J. “The control of politicians: An economic model.” *Public Choice* 14.1 (1983): 19–42.
- Ferejohn, John. “Incumbent performance and electoral control.” *Public Choice* 50.1 (1986): 5–25.
- Fearon, James D. “Electoral accountability and the control of politicians: selecting good types versus sanctioning poor performance,” in Manin, Przeworski, and Stokes, eds., *Democracy, accountability and representation* (1999).
- Rogoff, Kenneth S., and Anne Sibert. “Elections and macroeconomic policy cycles.” *Review of Economic Studies* 55.1 (1988): 1–16.
- Rogoff, Kenneth S. “Equilibrium political budget cycles.” *American Economic Review* 80.1 (1990), 21–36.
- Alesina, Alberto, and Guido Tabellini. “Bureaucrats or politicians? Part I: A single policy task.” *American Economic Review* 97.1 (2007): 169–179.
- Alesina, Alberto, and Guido Tabellini. “Bureaucrats or politicians? Part II: Multiple policy tasks.” *Journal of Public Economics* 92.3–4 (2008): 426–447.



- Acemoglu, Daron, Mikhail Golosov, and Aleh Tsyvinski. “Political economy of mechanisms.” *Econometrica* 76.3 (2008): 619–641.

### 3. Legislative decision-making

#### (4/11) Bargaining outcomes

- Romer, Thomas, and Howard Rosenthal. “Political resource allocation, controlled agendas, and the status quo.” *Public choice* 33.4 (1978): 27-43.
- Banks, Jeffrey S., and John Duggan. “A bargaining model of collective choice.” *American Political Science Review* (2000): 73-88.
- Merlo, Antonio, and Charles Wilson. “A stochastic model of sequential bargaining with complete information.” *Econometrica* (1995): 371-399.
- Ansolabehere, Stephen, James M. Snyder, and Michael M. Ting. “Bargaining in Bicameral Legislatures: When and Why Does Malapportionment Matter?.” *American Political Science Review* 97.03 (2003): 471-481.
- McKelvey, Richard D., and Raymond Riezman. “Seniority in legislatures.” *American Political Science Review* (1992): 951-965.
- Baron, David P., and Daniel Diermeier. “Elections, governments, and parliaments in proportional representation systems.” *The Quarterly Journal of Economics* 116.3 (2001): 933-967.
- Diermeier, Daniel, and Timothy J. Feddersen. “Cohesion in legislatures and the vote of confidence procedure.” *American Political Science Review* (1998): 611-621.
- Besley, Timothy, and Stephen Coate. “Sources of inefficiency in a representative democracy: a dynamic analysis,” *American Economic Review* 88.1 (1998): 139–156.
- Alesina, Alberto, and Guido Tabellini. “A Positive Theory of Fiscal Deficits and Government Debt,” *Review of Economic Studies* 57.3 (1990): 403–414.
- Persson, Torsten, and Lars E. O. Svensson. “Why a stubborn conservative would run a deficit: Policy with time-inconsistent preferences,” *Quarterly Journal of Economics* 104.2 (1989): 325–345.
- Azzimonti, Marina. “Barriers to investment in polarized societies,” *American Economic Review* 101.5 (2011): 2182–2204.

#### (4/13) Lobbying and special interests

- B. Douglas Bernheim and Michael D. Whinston, “Menu Auctions, Resource Allocation, and Economic Influence.” *The Quarterly Journal of Economics* 101, 1 (Feb., 1986), 1-32.
- Bagwell, Kyle, and Robert W. Staiger. “An Economic Theory of GATT.” *The American Economic Review* 89.1 (1999): 215-248.

- Baron, David P. “Electoral competition with informed and uninformed voters.” *American Political Science Review* (1994): 33-47.
- Besley, Timothy, and Coate, Stephen. “Lobbying and Welfare in a Representative Democracy.” *Review of Economic Studies* (2001), 68(1), 67–82.
- Grossman, Gene M., and Elhanan Helpman. “Electoral competition and special interest politics.” *The Review of Economic Studies* 63.2 (1996): 265-286.
- Coate, Stephen, and Stephen Morris. “Policy persistence.” *The American economic review* 89.5 (1999): 1327-1336.
- Aidt, Toke S. “Political internalization of economic externalities and environmental policy.” *Journal of Public Economics* 69.1 (1998): 1-16.
- Mitra, Devashish. “Endogenous lobby formation and endogenous protection: a long-run model of trade policy determination.” *American Economic Review* (1999): 1116-1134.

#### 4. Theories of endogenous democratic institutions

##### (4/18) Choice among democratic institutions

- Salvador Barbera and Matthew O. Jackson, “Choosing How to Choose: Self-Stable Majority Rules and Constitutions,” *The Quarterly Journal of Economics* 119, 3 (Aug., 2004), 1011-1048.
- Bard Harstad, “Majority Rules and Incentives,” *The Quarterly Journal of Economics* 120, 4 (Nov., 2005), 1535-1568.

##### (4/20) Democratization

- Barbara Geddes, “What causes democratization?” *Oxford Handbook of Comparative Politics* 2009.
- Acemoglu, Daron, and James A. Robinson. “A theory of political transitions.” *American Economic Review* 91.4 (2001): 938–963.
- Lizzeri, Alessandro, and Nicola Persico. “Why did the elites extend the suffrage? Democracy and the scope of government, with an application to Britain’s ‘age of reform.’ ” *Quarterly Journal of Economics* 119.2 (2004): 707–765.
- Acemoglu, Daron. “Oligarchic versus democratic societies.” *Journal of the European Economic Association* 6.1 (2008): 1–44.
- Bourguignon, François, and Thierry Verdier. “Oligarchy, democracy, inequality and growth.” *Journal of Development Economics* 62.2 (2000): 285–313.

#### 5. More on endogenous institutions

##### (4/25) Popular rebellion and self-enforcing democracy

- Acemoglu, Daron, and James A. Robinson. “Persistence of power, elites, and institutions.” *American Economic Review* 98.1 (2008): 267–293.
- Bidner, C. and P. Francois (2013). The emergence of political accountability. *The Quarterly Journal of Economics* 128 (3), 1397–1448.
- Heng Chen and Wing Suen, “Falling Dominoes: A Theory of Rare Events and Crisis Contagion,” *American Economic Journal: Microeconomics* 2016, 8(1): 228–255.
- Edmond, C. (2013). Information manipulation, coordination, and regime change. *The Review of Economic Studies* 80 (4), 1422–1458.
- Daron Acemoglu, Tarek A. Hassan, and Ahmed Tahoun, “The Power of the Street: Evidence from Egypt’s Arab Spring,” ms., MIT 2014.
- Peter Lorentzen, “Regularizing Rioting: Permitting Public Protest in an Authoritarian Regime,” *Quarterly Journal of Political Science* 8, 2, 127–158.
- Chernykh, Svitlana, and Milan Svolik. 2015. “Third-Party Actors and the Success of Democracy: How Electoral Commissions, Courts, and Observers Shape Incentives for Election Manipulation and Post-Election Protest.” *Journal of Politics* 77(2): 407–420.
- Casper, Brett Allen, and Scott A. Tyson. 2014. “Popular Protest and Elite Coordination in a Coup d’état. *Journal of Politics* 76(2): 548–564.
- Shadmehr, Mehdi, and Dan Bernhardt. 2011. “Collective Action with Uncertain Payoffs: Coordination, Public Signals, and Punishment Dilemmas.” *American Political Science Review* 105(4): 829–851.
- Morris and Shin, “Unique Equilibrium in a Model of Self-Fulfilling Currency Attacks,” *American Economic Review* 88.3. (1998), 587–597.
- Lohmann, S. (1994). The dynamics of informational cascades: The Monday demonstrations in Leipzig, East Germany. *World Politics* 47 (01), 42–101.
- Adam Przeworski, *Democracy and the Market*, Cambridge University Press, 1991.

(4/27) Some empirical comparison of institutions

- Besley, Timothy, and Stephen Coate, “Elected versus Appointed Regulators: Theory and Evidence,” *Journal of the European Economic Association* 1.5 (2003), 1176–1206
- Dal Bó, Ernesto, and Martín A. Rossi, “Term length and the effort of politicians.” *Review of Economic Studies* 78.4 (2011): 1247–1263.

6. Corruption

(5/2) Economic consequences

- Olken, Benjamin A., and Patrick Barron. “The simple economics of extortion: Evidence from trucking in Aceh.” *Journal of Political Economy* 117.3 (2009): 417–452.
- Banerjee, Abhijit V. “A theory of misgovernance.” *Quarterly Journal of Economics* 112.4 (1997): 1289–1332.
- Guriev, Sergei. “Red tape and corruption.” *Journal of Development Economics* 73.2 (2004): 489–504.

(5/4) Causes and determinants

- Bardhan (1997), “Corruption and Development: A Review of Issues,” *Journal of Economic Literature* 35 (3), 1320–1346.
- Aidt (2003), “Economic Analysis of Corruption: A Survey,” *Economic Journal* 113, F632–F652
- Mookherjee, Dilip, and I. P. L. Png. “Corruptible law enforcers: How should they be compensated?” *The Economic Journal* 105.428 (1995): 145–159.
- Tirole, Jean. “A theory of collective reputations (with applications to the persistence of corruption and to firm quality).” *Review of Economic Studies* 63.1 (1992): 1–22.

7. Conflict, war

- Garfinkel, Michelle R., and Stergios Skaperdas. “Chapter 22: Economics of conflict: An overview,” in *Handbook of Defense Economics*, Vol. 2, 649–709.
- J. Hirshleifer. Anarchy and its breakdown. *Journal of Political Economy*, 103:2653, 1995.
- Blattman, Christopher, and Edward Miguel. “Civil war.” *Journal of Economic Literature* 48.1 (2010): 3–57.
- Skaperdas, Stergios. “Contest success functions.” *Economic Theory* 7.2 (1996): 283–290.
- Skaperdas, Stergios. “Cooperation, conflict, and power in the absence of property rights.” *American Economic Review* 82.4 (1992): 720–739.
- Powell, Robert. “Guns, butter, and anarchy.” *American Political Science Review* 87.1 (1993): 115–132.
- Robert Powell, “The Inefficient Use of Power: Costly Conflict with Complete Information,” *American Political Science Review*, 98, 2. (May, 2004), 231–241.
- Robert Powell, “War as a Commitment Problem,” *International Organization*, 60(Winter): 169–203, 2006.
- Robert Powell, “Bargaining Theory and International Conflict,” *Annual Review of Political Science*, Vol. 5. (Jun, 2002), 1–30.

- Robert Powell, “Bargaining and Learning While Fighting,” *American Journal of Political Science*, 48, 2 (Apr, 2004), 344-361.
- R. Harrison Wagner, “Bargaining and War,” *American Journal of Political Science*, Vol. 44, No. 3. (Jul, 2000), 469-484.
- M. O. Jackson and M. Morelli. Political bias and war. *American Economic Review*, 97:1353-73, 2007.
- Matthew O. Jackson and Massimo Morelli, “Strategic Militarization, Deterrence and Wars”, *Quarterly Journal of Political Science*, 2009, 4: 279–313.
- Adam Meirowitz and Anne Sartori, “Strategic Uncertainty as a Cause of War,” *Quarterly Journal of Political Science* 2008, 3, 327-352.
- P. Martin, T. Mayer, and M. Thoenig. Make trade not war? *Review of Economic Studies*, 75:865–900, 2008.
- Esteban, Joan, and Debraj Ray. “Conflict and distribution.” *Journal of Economic Theory* 87.2 (1999): 379–415.
- Esteban, Joan, and Debraj Ray. “Collective action and the group size paradox.” *American Political Science Review* 95.3 (2001): 663–672.
- S. Chassang and G. Padro i Miquel. “Conflict and deterrence under strategic risk,” *Quarterly Journal of Economics* 125.4 (2010): 1821–1858.
- Gonzalez, Francisco M. “Insecure property and technological backwardness.” *Economic Journal* 115.505 (2005): 703–721.
- Gonzalez, Francisco M. “Effective property rights, conflict and growth.” *Journal of Economic Theory* 137.1 (2007): 127–139.
- Branislav L. Slantchev, “The Principle of Convergence in Wartime Negotiations,” *American Political Science Review*, 97, 4 (Nov, 2003), 621-632.

## 8. Autocratic politics

- Padro i Miquel, Gerard. 2007. “The Control of Politicians in Divided Societies: The Politics of Fear.” *Review of Economic Studies* 74(4): 1259–1274.
- Timothy Besley and Masayuki Kudamatsu, “Making Autocracy Work,” LSE STICERD Research Paper No. DEDPS48, 2007.
- Milan Svoblik, *The Politics of Authoritarian Rule* Cambridge University Press 2012.
- Gehlbach, Scott. 2013. *Formal Models of Domestic Politics*. Cambridge: Cambridge University Press.
- Milan Svoblik, “Power Sharing and Leadership Dynamics in Authoritarian Regimes,” *American Journal of Political Science*, 53, 2, 477–494, April 2009.

- Carles Boix and Milan Svoblik, “The Foundations of Limited Authoritarian Government: Institutions, Commitment, and Power-Sharing in Dictatorships,” *The Journal of Politics* 75, 2, April 2013, 300-316.
- Gehlbach and Keefer, “Investment without democracy: Ruling-party institutionalization and credible commitment in autocracies,” *Journal of Comparative Economics* 39, 2, June 2011, 123–139.
- Acemoglu, Daron, Davide Ticchi, and Andrea Vindigni. 2010. “A Theory of Military Dictatorships.” *American Economic Journal: Macroeconomics* 2(1): 1–42.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin. 2008. “Coalition Formation in Non-Democracies.” *Review of Economic Studies* 75(4): 987-1009.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin. 2010. “Political Selection and Persistence of Bad Governments.” *Quarterly Journal of Economics* 125(4): 1511–1575.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin. 2012. “Dynamics and Stability of Constitutions, Coalitions, and Clubs.” *American Economic Review* 102(4): 1446–1476.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin. 2013. “A Political Theory of Populism.” *Quarterly Journal of Economics* 128(2): 771–805.
- Acemoglu, Daron, James A. Robinson, and Thierry Verdier. 2004. “Kleptocracy and Divide-and-Rule: A Model of Personal Rule.” *Journal of the European Economic Association* 2(2-3): 162–192.

## 9. State capacity, weak states

- Daron Acemoglu, “Politics and economics in weak and strong states,” *Journal of Monetary Economics* 52 (2005) 1199-1226.
- Acemoglu, D., Robinson, J.A., “Economic backwardness in political perspective.” *American Political Science Review* 100, 1 February 2006.
- Acemoglu, Daron and Ticchi, Davide and Vindigni, Andrea. Emergence and persistence of inefficient states. *Journal of the European Economic Association* 9, 2, 177-208.
- Daron Acemoglu, Isaias N. Chaves, Philip Osafo-Kwaako, and James A. Robinson, “Indirect Rule and State Weakness in Africa: Sierra Leone in Comparative Perspective,” in *African Economic Successes*, ed. Sebastian Edwards, Simon Johnson and David Weil, University of Chicago Press, Chicago, IL, 2014.
- Robert H. Bates. *Prosperity and Violence*. Harvard University Press, Cambridge. 2001.

- Herbst, Jeffrey. 2000. *States and Power in Africa: Comparative Lessons in Authority and Control*. Princeton: Princeton University Press.
- Jackson, Robert H. and Carl G. Rosberg. 1982. "Why Africa's Weak States Persist: The Empirical and the Juridical in Statehood." *World Politics* 35:124.

#### 10. Culture and cultural transmission

- Guido Tabellini, "Culture and Institutions: Economic Development in the Regions of Europe," *Journal of the European Economic Association* 8, 4, 677–716, June 2010.
- Alesina, Alberto, and Paola Giuliano. 2015. "Culture and Institutions." *Journal of Economic Literature*, 53, 4, 898-944.