

17.S952

Empirical Methods in Political Economy

M 11:00am-1:00pm

E53-485

Professors Jens Hainmueller & Danny Hidalgo

This course surveys recent empirical work in political economy. The focus will be on a variety of active topic areas including the relationship between electoral institutions and political representation, the effect of political institutions on policy outcomes, and distributive politics. Studies are drawn from various geographic areas including the US, Latin America, India, and Europe. Special attention will be paid to innovative approaches to research design and measurement. Each week there will be two articles assigned as required readings and in the class discussion we will dissect the empirical strategy of these studies, discuss their theoretical significance and overall strength and weaknesses, and examine future directions for research in this topic area.

Requirements:

The grade for the course will be based on:

(1) Class Participation (30% of the grade). To facilitate discussion, each week each student will write a short memo based on the assigned reading. This memo should be no more than one or two paragraphs, and it should address one or more of the following questions: (i) Are the claims in the text believable? (ii) Is the evidence presented in the article fully consistent with the main argument of the paper? (iii) If you do not find the claims fully convincing, what pieces of evidence would have you convinced you? (iv) What questions do the readings raise but not adequately address? (v) What do the readings suggest about promising directions for further research? The memos will not be graded, but they will be circulated to all participants so everyone can read them before class. The memos will help guide the discussion each week. Please post the memos on to the "Forum" section of the Stellar class website under the appropriate discussion thread by **5:00pm Sunday**.

(2) Discussion leader (20% of the class). Each week a group of two students will serve as discussion leaders. The tasks of the discussion leaders are to provide a short review of the readings to the class that synthesizes the contributions and explains the empirical strategy and results. Discussion leaders also guide the subsequent class discussion. In doing so they are encouraged to also bring in materials from the articles listed under suggested readings.

(3) A Final Paper and presentation (50% of the grade). You will attempt to write a publishable-quality paper. The paper should be empirical and at least vaguely relate to one of the topic areas or concepts covered in the course. By October 14th, you should send us a 1 page description of your hypotheses, data sources, and methodological approach. We strongly encourage you to meet with one of us to discuss the paper. The paper is due on or before December 11th. In the last two weeks before class each student will also present his or her paper to the class.

Readings:

The readings consist mainly of journal articles. The readings with a * are required readings for each week. All the readings are posted on the course web site at <http://stellar.mit.edu/S/course/17/fa13/17.S952/>

There is no class on October 14 (Columbus Day) and November 11 (Veterans Day).

Topics:

Week 1: Varieties of Democracies: Electoral Control

- *Gordon, Sanford C. & Gregory A. Huber. 2007. "The Effect of Electoral Competitiveness on Incumbent Behavior." *Quarterly Journal of Political Science* 2: 107-138.
- *Sances, Michael W. 2013. "The Effects of Direct Elections when Voters Are Unwise: Evidence from Tax Assessors." Working Paper.
- *Besley, Timothy & Stephen Coate. 2003. "Elected Versus Appointed Regulators: Theory and Evidence." *Journal of the European Economic Association* 1(5): 1176–1206.
- Bó, Pedro Dal, Andrew Foster, & Louis Putterman. 2010. "Institutions and Behavior: Experimental Evidence on the Effects of Democracy." *American Economic Review*, 100(5): 2205–2229.
- Besley, Timothy and Anne Case. 2003. Political Institutions and Policy Choices: Evidence from the United States. *Journal of Economic Literature* 41(1), 7-73.

Week 2: Varieties of Democracies: Direct Democracy

- *Funk, Patrick & Christina Gathmann. 2011. "Does Direct Democracy Reduce the Size of Government? New Evidence from Historical Data, 1890-2000*." *The Economic Journal* 121 (December): 1252-1280.
- *Matsusaka, John G. 2010. "Popular Control of Public Policy: A Quantitative Approach." *Quarterly Journal of Political Science* 5: 133-167.
- Pettersson-Lidbom, Per & Björn Tyrefors Hinnerich. 2013. "Democracy, Redistribution, and Political Participation: Evidence from Sweden 1919-1938." Working paper.

- Matsusaka, John G. 1995. "Fiscal Effects of the Voter Initiative: Evidence from the Last 30 Years." *Journal of Political Economy*, 103(3): 587-623.
- Olken, Benjamin A. 2010. "Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia." *American Political Science Review* 104(2), 243-267.

Week 3: Elites

- *Ferraz, Claudio and Frederico Finan. 2011. "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance." Working Paper.
- *Broockman, David E. 2013. "Black Politicians Are More Intrinsically Motivated to Advance Blacks' Interests: A Field Experiment Manipulating Political Incentives." *American Journal of Political Science* 57(3), 521–536.
- Besley, Timothy & Anne Case. 1995. "Does Electoral Accountability Affect Economic Policy Choices? Evidence from Gubernatorial Term Limits." *Quarterly Journal of Economics* 110(3), 769–798.
- Levitt, Steven D. 1996. "How Do Senators Vote? Disentangling the Role of Voter Preferences, Party Affiliation, and Senator Ideology." *American Economic Review* 86(3): 425-461.

Week 4: Political Connections

- *Fisman, Raymond. 2001. "Estimating the Value of Political Connections." *The American Economic Review* 91(4), 1095–1102.
- *Khwaja, Asim Ijaz & Atif Mian. 2005. "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market." *The Quarterly Journal of Economics* 120(4), 1371–1411.
- Dube, Arindrajit & Suresh Naidu. 2011. "Coups, Corporations, and Classified Information." *The Quarterly Journal of Economics* 126: 1375-1409.
- Acemoglu, Daron, Simon Johnson, Amir Kermani, James Kwak & Todd Mitton. 2013. "The Value of Connections In Turbulent Times: Evidence from the United States." Working Paper.
- Faccio, Mara. 2006. "Politically Connected Firms." *The American Economic Review* 96 (1): 369–86.

Week 5: Corruption

- *Reinikka, Ritva & Jakob Svensson. 2004. "Local Capture: Evidence from a Central Government Transfer Program in Uganda." *The Quarterly Journal of Economics* 119(2), 679-705.
- *Björkman, Martina and Jakob Svensson. "Power to the People: Evidence from a Randomized Field Experiment on Community-based Monitoring in Uganda." *The Quarterly Journal of Economics* 124(2), 735-769.

- Bertrand, Marianne, Simeon Djankov, Rema Hanna & Sendhil Mullainathan. 2007. "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption." *The Quarterly Journal of Economics* 122 (4), 1639-1676.
- Olken, Benjamin A. 2007. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *Journal of Political Economy* 115(2), 200-249.

Week 6: Political Inequality

- *Beaman, Lori, Raghendra Chattopadhyay, Esther Duflo, Rohini Pande, & Petia Topalova. 2009. "Powerful Women: Does Exposure Reduce Bias?" *Quarterly Journal of Economics* 124(4), 1497-1540.
- *Miller, Grant. 2008. "Women's Suffrage, Political Responsiveness, and Child Survival in American History." *The Quarterly Journal of Economics* 123(3), 1287-1327.
- Ansolabehere, Stephen, Alan Gerber, & James Snyder. 2003. "Equal Votes, Equal Money: Court-Ordered Redistricting and Public Expenditures in the American States." *American Political Science Review* 96(04), 767-777.
- Cascio, Elizabeth U. & Ebonya Washington. 2012. "Valuing the Vote: The Redistribution of Voting Rights and State Funds Following the Voting Rights Act of 1965." Working Paper.
- Pande, Rohini, "Can Mandated Political Representation Provide Disadvantaged Minorities Policy Influence? Theory and Evidence from India." *American Economic Review* 93(4), 1132-1151.
- Dunning, Thad & Janhavi Nilekani. 2013. "Ethnic Quotas and Political Mobilization: Caste, Parties, and Distribution in Indian Village Councils." *American Political Science Review* 107 (1), 35-56.
- Lott, John R. Jr. & Lawrence L. Kenny. 1999. "Did Women's Suffrage Change the Size and Scope of Government?" *Journal of Political Economy* 107(6), 1163-1198.

Week 7: Media

- *Snyder, James M. Jr. & David Strömberg. 2010. "Press Coverage and Political Accountability." *Journal of Political Economy*, 118(2), 355-408.
- *DellaVigna, Stefano & Ethan Kaplan. 2007. "The Fox News Effect: Media Bias and Voting." *Quarterly Journal of Economics* 122(3), 1187-1234.
- Enikolopov, Ruben, Maria Petrova & Ekaterina Zhuravskaya. 2011. "Media and Political Persuasion: Evidence from Russia." *American Economic Review* 101(7), 3253-85.
- Ladd, Jonathan McDonald & Gabriel S. Lenz. 2009. "Exploiting a Rare Communication Shift to Document the Persuasive Power of the News Media." *American Journal of Political Science*, 53(2), 394-410.

- Hopkins, Daniel J. & Jonathan M. Ladd. 2010. "The Consequences of Broader Media Choice: Evidence from the Expansion of Fox News." Working Paper.

Week 8: Representation

- *Bafumi, Joseph & Michael C. Herron. 2010. "Leapfrog Representation and Extremism: A Study of American Voters and Their Members in Congress." *American Political Science Review* 104(3), 519-542.
- *Butler, Daniel M. & David W. Nickerson. 2011. "Can Learning Constituency Opinion Affect How Legislators Vote? Results from a Field Experiment." *Quarterly Journal of Political Science* 6: 55-83.
- Lax, Jeffrey R. & Justin H. Phillips. 2009. "Gay Rights in the States: Public Opinion and Policy Responsiveness." *American Political Science Review*, 103(3), 367-386.
- Brunner, Eric, Stephen L. Ross, & Ebonya Washington. 2011. Does Less Income Mean Less Representation? Working Paper.

Week 9: Politics in Authoritarian Regimes

- *King, Gary, Jennifer Pan & Margaret E. Roberts. 2013. "How Censorship in China Allows Government Criticism but Silences Collective Expression." *American Political Science Review* 107(2), 326-343.
- *Malesky, Edmund, Paul Schuler & Anh Tran. 2012. "The Adverse Effects of Sunshine: A Field Experiment on Legislative Transparency in an Authoritarian Assembly." *American Political Science Review* 106 (November), 762-786.
- Martinez-Bravo, Monica, Gerard Padró i Miquel, Nancy Qian, & Yang Yao. 2011. "Do Local Elections in Non-Democracies Increase Accountability? Evidence from Rural China." Discussion Paper No. 8368. Retrieved from Center for Economic Policy Research Website: www.cepr.org.

Week 10: Student Presentations

Week 11: Student Presentations