

# Topics in political economics and political institutions

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## Goals:

The goal of the course is to discuss current topics in the literature of political economics. This means to study the formation of economic policy and the historical evolution of political and economic institutions from a positive, rather than a normative, perspective. Thus, the course addresses questions such as: which features of political institutions are more likely to foster economic development? Why do seemingly inefficient public policies persist over time? What institutional and cultural features explain why some societies develop and succeed while others fail?

## Plan of the course:

The first part of the course will introduce tools of political economics. It will continue with reading groups focused on topics such as institutions, culture, and the development of effective states, which will provide useful material to write the paper required to pass the course.

## Textbook

Persson-Tabellini, *Political Economics: Explaining Economic Policy*, MIT Press, 2000 (PT)

## **PART 1 - Tools of political economics**

### Introduction

\* General Introduction: PT, Ch. 1

### Collective choice and voting

\* PT, Ch. 2.1-2.3

### Downsian electoral competition; partisan politicians

\* PT, Ch. 3.1-3.3; 5.1-5.2

### Probabilistic voting

\* PT, Ch. 3.4

## **Agency**

\* PT, Ch. 4.4.1, 4.5

## **Legislative bargaining**

\* PT, Ch. 5.4

## **Lobbying**

\* PT, Ch. 3.5

# **PART 2 - Topics**

## **Institutions, colonialism, and development**

Acemoglu, Cantoni, Johnson and Robinson, 2011, “The Consequences of Radical Reform: The French Revolution,” *American Economic Review*

Acemoglu, Johnson, and Robinson, 2001, “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*

Acemoglu, Johnson, and Robinson, 2005, “The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth”, *American Economic Review*

Dell, 2010, “The Persistent Effects of Peru's Mining Mita,” *Econometrica*

Dell, Lane, and Querubin, 2018, “The Historical State, Local Collective Action, and Economic Development in Vietnam,” *Econometrica*

Dell and Olken, 2020, “The Development Effects of the Extractive Colonial Economy: The Dutch Cultivation System in Java,” *Review of Economic Studies*

Michalopoulos, and Papaioannou, 2013, “Pre-Colonial Ethnic Institutions and Contemporary African Development”, *Econometrica*

Heblich, Redding, and Voth, 2022, “Slavery and the British Industrial Revolution”, NBER Working Paper

Lowes, and Montero, 2021, “The Legacy of Colonial Medicine in Central Africa,” *American Economic Review*

Pascali, 2017, “The Wind of Change: Maritime Technology, Trade, and Economic Development” *American Economic Review*

## **Corruption and Selection of Politicians**

Brollo, Nannicini, Tabellini, Perotti, 2013, “The Political Resource Curse”, *American Economic Review*

Beath, Christia, Egorov, and Enikolopov, 2016, “Electoral rules and political selection: Theory and evidence from a field experiment in Afghanistan” *Review of Economic Studies*

Dal Bò, Finan, Folke, Persson and Rickne, 2017, "Who becomes a politician?" *Quarterly Journal of Economics*

Finan, and Ferraz, 2008, “Exposing Corrupt Politicians: The Effect of Brazil's Publicly Released Audits on Electoral Outcomes”, *Quarterly Journal of Economics*

Gagliarducci, and Nannicini, 2013, “Do better paid politicians perform better? Disentangling incentives from selection”, *Journal of the European Economic Association*

Gagliarducci, Nannicini, and Naticchioni, 2010, "Moonlighting politicians," *Journal of Public Economics*

Galasso, and Nannicini, 2011, "Competing on good politicians," *American Political Science Review*

Galasso, and Nannicini, 2017, “Political selection under alternative electoral Rules,” *Public Choice*

Jones, and Olken, 2005, “Do Leaders Matter? National Leadership and Growth Since World War II”, *Quarterly Journal of Economics*

Olken, 2007, “Monitoring Corruption: Evidence from a Field Experiment in Indonesia”, *Journal of Political Economy*

### **Culture**

Alesina, Giuliano, and Nunn 2013. “On the Origins of Gender Roles: Women and the Plough,” *Quarterly Journal of Economics*, 128(2): 469– 530.

Galasso and Profeta, 2018, “When the state mirrors the family: the design of pension systems,” *Journal of the European Economic Association*

Geddes and Lueck, 2002, "The gains from self-ownership and the expansion of women's rights," *American Economic Review*

Giuliano, 2007, “Living Arrangements in Western Europe: Does Cultural Origin Matter?”, *Journal of the European Economic Association*

Giuliano, and Nunn. 2021. “Understanding Cultural Persistence and Change,” *Review of Economic Studies*

Guiso, Sapienza and Zingales, 2006, “Does Culture Affect Economic Outcomes?”, *Journal of Economic Perspectives*

Guiso, Sapienza and Zingales, 2009, “Cultural Biases in Economic Exchange,” *Quarterly Journal of Economics*

Guiso, Sapienza and Zingales, 2016, “Long-Term Persistence”, *Journal of European Economic Association*

Lowes, Nunn, Robinson and Weigel, 2017, “The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom,” *Econometrica*

Michalopoulos, and Meng Xue. 2021. “Folklore,” *Quarterly Journal of Economics*, 136 (4): 1993–2046.

Nunn and Wantchekon, 2011, “The Slave Trade and the Origins of Mistrust in Africa,” *American Economic Review*

Satyanath, Voigtländer and Voth, 2017, “Bowling for Fascism: Social Capital and the Rise of the Nazi Party,” *Journal of Political Economy*

Tabellini, 2008, “The Scope of Cooperation: Values and Incentives”, *Quarterly Journal of Economics*

### **Anger and populism**

Anelli, Colantone, and Stanig, 2021, “Individual vulnerability to industrial robot adoption increases support for the radical right,” *PNAS - Proceedings of the National Academy of Sciences*

Bonomi, Gennaioli, and Tabellini, 2021, “Identity, Beliefs, and Political Conflict”, *Quarterly Journal of Economics*

Colantone, and Stanig, 2018, "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe," *American Journal of Political Science*

Colantone, and Stanig, 2018, “Global Competition and Brexit”, *American Political Science Review*

Colantone, and Stanig, 2019, “The Surge of Economic Nationalism in Western Europe”, *Journal of Economic Perspectives*

Dustmann, Vasiljeva, and Damm, 2018, “Refugee migration and electoral outcomes”, *Review of Economic Studies*

Funke, Schularick and Trebesch, 2020, “Do Populist Leaders Matter? Populist Governments and Economic Decline, 1900-2018.” Mimeo, University of Bonn

Guriev, and Papaioannou, 2022, “The Political Economy of Populism”, *Journal of Economic Literature*

Margalit, 2019, “Economic Insecurity and the causes of Populism, Reconsidered,” *Journal of Economic Perspectives*

Hainmueller, and Hiscox, 2010, “Attitudes toward highly skilled and low-skilled immigration: Evidence from a survey experiment”, *American political science review*

Fetzer, 2019, “Did Austerity Cause Brexit?”, *American Economic Review*

### **Effective states, warfare, and development**

Acemoglu, 2005, “Politics and economics in weak and strong states”, *Journal of Monetary Economics*

Acemoglu, Garcia-Jimeno, and Robinson, 2015, “State Capacity and Economic Development: A Network Approach,” *American Economic Review*

Acemoglu, De Feo, De Luca, 2019, “Weak States: Causes and Consequences of the Sicilian Mafia”, *Review of Economic Studies*

Angelucci, Meraglia and Voigtlaender, 2022, “How Merchant Towns Shaped Parliaments: From the Norman Conquest of England to the Great Reform Act”, *American Economic Review*

Besley and Persson, 2009, “The Origins of State Capacity: Property Rights, Taxation, and Politics”, *American Economic Review*

Becker, Ferrara, Melander and Pascali, 2020, “Wars, Taxation and Representation: Evidence from Five Centuries of German History”, Working Paper

Cantoni, Mohr, and Weigand, 2021, The Rise of Fiscal Capacity", Working Paper

Dincecco 2015, “The Rise of Effective States in Europe,” *Journal of Economic History*

Dincecco and Katz, 2016, “State Capacity and Long-Run Economic Performance,” *Economic Journal*

Gennaioli and Voth, 2015, “State Capacity and Military Conflict,” *Review of Economic Studies*

Voigtländer and Voth, 2013, “The Three Horsemen of Riches: Plague, War and Urbanization in Early Modern Europe,” *Review of Economic Studies*

### **Religion**

Becker and Woessmann, 2009, “Was Weber wrong? A Human Capital Theory of Protestant Economic History,” *Quarterly Journal of Economics*, 124(2): 531–596

Becker, and Pascali, 2019, "Religion, Division of Labor, and Conflict: Anti-semitism in Germany over 600 Years," *American Economic Review*

Botticini, and Eckstein, 2005, “Jewish Occupational Selection: Education, Restrictions, or Minorities?” *The Journal of Economic History*

Botticini, and Eckstein, 2007, “From Farmers to Merchants, Conversions and Diaspora: Human Capital and Jewish History Source,” *Journal of the European Economic Association*

Caicedo, 2019, “The Mission: Economic Persistence, Human Capital Transmission and Culture in South America,” *Quarterly Journal of Economics*

Cantoni, 2015, "The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands," *Journal of the European Economic Association*

Michalopoulos, Naghavi and Prarolo, 2018, “Trade and Geography in the Spread of Islam”, *Economic Journal*

Squicciarini, 2020, “Devotion and Development: Religiosity, Education, and Economic Progress in 19th-century France,” *American Economic Review*

Voigtländer and Voth, 2012, “Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany,” *Quarterly Journal of Economics*