Politics posits a large role for economics in determining political outcomes, and economics suggests a central role for policy in the workings of markets. Political economy attempts to make these connections explicit, by treating economic and political outcomes as interdependent and endogenous. The course will consider the insights and lacuna that arise in using economic methodology, including formal models, optimization and regression analysis, to analyze political phenomena and interactions between the economic and political systems. Topics will include voting behavior, coalitions and interest groups, rent-seeking, bureaucracy, regulation, the formation and impact of political beliefs, culture and democracy, and the interactions between economic development, democratization and income inequality. Students will undertake a major research project as a significant portion of their grade.

Course Objectives

The primary objective of the course is for students to critically evaluate the literature on political economy. By this, I mean that, in addition to being familiar with key theories and results, students will gain an appreciation for the flaws and limits of this literature, for the nature of economic debate and the manner in which particular strands of this literature evolve, for inherent empirical challenges that arise in attempting to assign causality among correlated economic and political variables, and for the statistical techniques commonly employed to address these challenges. A critical perspective on this particular subfield of economics is intended to give students an appreciation for how economic knowledge is constructed. A number of aspects of the course are designed to support this objective, including the use of seminar-style discussions of frontier research, close attention to data sources and empirical techniques, and the undertaking of substantial research project.

Course Requirements

Class Participation: A big part of the course is talking about what you have read. In preparation for class discussions, you’ll want to read the papers for that meeting carefully and think about them in depth before coming to class. At the end of the course, I’ll ask each of you to rank your classmates based on their contribution to class discussions. I will use this information in determining your discussion grade. (15%)

In-Class Quizzes: I will start each discussion class with a short quiz to test whether you’ve read the material for that day. The quizzes will be graded on a 0-1-2 basis, and I will drop your lowest two grades. (20%)

Empirical Exercises: These exercises are designed to introduce you to the empirical techniques used in political economy and to some common empirical issues you will encounter in reading journal articles, e.g. designing and interpreting regressions, dealing with omitted variables bias, and endogenous regressors. From a practical point of view, doing these exercises will give you some experience manipulating data, using econometric software and writing up and interpreting empirical results.
There are three empirical exercises. We will discuss the topics addressed by each exercise in class the week before it is due. You will work in small groups (3 or 4) and hand in a single common answer. (15%)

Research Project: An important goal of the course is to assist you in what may be your first large research project. This will be a 20-25 page paper and presentation on a topic of your choice. This project is discussed in more detail in a separate handout. (50%)

I do not expect you to walk in here knowing how to do research. To help you along, we will discuss a “research topic” at the end of each class meeting for the first four or five weeks of the course. Key due dates are listed below, as well as in the course outline below.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper topics</td>
<td>April 14</td>
<td>0%</td>
</tr>
<tr>
<td>Literature Review</td>
<td>April 30</td>
<td>5%</td>
</tr>
<tr>
<td>Rough Draft</td>
<td>May 26</td>
<td>20%</td>
</tr>
<tr>
<td>Presentation</td>
<td>May 28-June 4</td>
<td>5%</td>
</tr>
<tr>
<td>Final Paper</td>
<td>June 5</td>
<td>20%</td>
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</tbody>
</table>

Software: For the empirical exercises and the research project, you’ll be working with data. This means you’ll need access to Excel or a similar spreadsheet program to manipulate data. In addition, you’ll need to obtain an econometric software package. I recommend Stata. Stata is widely available on campus and student versions run around $40. I’ll talk some about using Stata in class.

Course Materials: The course readings are posted on Nexus. There’s no textbook, which saves you some serious money, but I do expect you to print out the papers for each day and bring them to class. To save money on printing, you may format the papers as landscapes or use double-sided printing. At 10 cents per page, your estimated printing costs are under $150 for the term, which is around the cost of a textbook. Using landscape printing, this falls to $75, which is significantly less than a book.

Research Discussions: One of the main goals of this course is to help you improve your research and writing skills. To do this, we will be devoting time at the end of class to talk about some aspect of writing a research paper.

Attendance: It’s hard to participate if you are not there. You get two free absences (10% of the class). After that, each missed class counts two (2) points off your final grade. This includes absences during student presentations at the end of the course.

Cell Phone and Laptop Policy: I don’t allow the use of laptops during class. Looking at your cell phone during class will cost you a point on your final grade.

The Honor Code

Union College recognizes the need to create an environment of mutual trust as part of its educational mission. Responsible participation in an academic community requires respect for and acknowledgement of the thoughts and work of others, whether expressed in the present or in some distant time and place.

Matriculation at the College is taken to signify implicit agreement with the Academic Honor Code, available at honorcode.union.edu. It is each student's responsibility to ensure that submitted work is his or
her own and does not involve any form of academic misconduct. Students are expected to ask their course instructors for clarification regarding, but not limited to, collaboration, citations, and plagiarism.

Ignorance is not an excuse for breaching academic integrity, but I consider it my job to clarify any questions you have about how the honor code applies to work preformed for this class. I provide brief overview below.

**Research Project:** You may discuss your project with other students, but the work itself should be yours. The main issue here is plagiarism, which we’ll discuss later in detail.

**Empirical Exercises:** You are expected to work in groups. Within the group, work is collaborative, but do not copy material or discuss your results across groups. If you have problems with a mechanical issue, e.g. need help with the data or the software, and ask a member of another group, note that in material you hand in.

**Course Outline**

1. **March 31: Introduction to Political Economy**
   c. **Research:** Designing, running and interpreting regressions

2. **April 2: Anarchy and Despotism**
   c. **Research:** Basics of Stata

3. **April 7: Constitutions**
   c. **Research:** Finding a good paper topic

4. **April 9: Civil War**
   c. **Research:** Dealing with unobserved heterogeneity.
   d. **Due:** Empirical Exercise 01.

5. **April 14: Voting**
c. **Due:** Paper Topics

6. **April 16: Congressional Voting**
   c. **Research:** Dealing with Endogeneity.
   e. **Due:** Empirical Exercise 02

7. **April 21: Special Interest Groups**
   c. **Research:** Avoiding Plagiarism

8. **April 23: Jurisdictional Competition**

9. **April 28: Political Economy of Race**
   c. **Research:** The lit review
   d. **Due:** Empirical Exercise 03

10. **April 30: Media and Politics**
    c. **Due:** Literature Review

11. **May 5: Formation of Political Preferences**
    c. **Research:** Writing an introduction.

12. **May 7: Preferences and Political Outcomes**

14. May 14: Democratization  

15. May 19: Determinants of Institutional Quality: Colonization  
a. Due: Lit Review

16. May 21: Determinants of Institutional Quality: Culture  

17. May 26: Rough Drafts Due

18. May 28-June 4: Student Presentations