

Universidad de San Andrés

2006

POLITICAL ECONOMY

Profesor: Mariano Tommasi

Este curso es una introducción a algunos temas del área conocida actualmente en inglés como *Political Economy*. Es un área fronteriza entre la economía, la ciencia política y algunas otras disciplinas. Trabajaremos con un enfoque que toma varios postulados metodológicos de la economía (especialmente teoría de juegos) y los utiliza para estudiar comportamientos políticos y los procesos de decisión e implementación de políticas públicas.

El curso consistirá principalmente de la lectura y discusión de un conjunto de papers y libros, articulados alrededor de algunas temáticas sustantivas y conceptuales, cruzadas con aplicaciones a la Argentina y a América Latina.

Pre-requisitos:

Microeconomía.

Algunas nociones de teoría de juegos.

Predisposición para interactuar con material proveniente de otras disciplinas (especialmente ciencia política)

Calificación:

20% participación en clase y resúmenes de lectura semanales

30% examen parcial

50% examen final (puede ser sustituido por un paper previo acuerdo del profesor)

LIBROS DE BACKGROUND

Political Economy:

* Persson, Torsten and Guido Tabellini (2000) Political Economics: Explaining Economic Policy. MIT Press.

Drazen, Allan (2000) Political Economy in Macroeconomics Princeton University Press.

*Dixit, Avinash (1996) The Making of Economic Policy: A Transaction-Cost Politics Perspective. MIT Press.

Aoki, Mashiko (2001) Toward a Comparative Institutional Analysis. MIT Press.

Shepsle, Kenneth and Bonchek (1997) Analyzing Politics: Rationality, Behavior and Institutions. Norton.

Menard, Claude and Mary Shirley (2005) Handbook of New Institutional Economics Springer – Verlag.

Mueller, Dennis (2003) Public Choice III. Cambridge: Cambridge University Press.

Saiegh, Sebastián y Mariano Tommasi (1998) La Nueva Economía Política. Racionalidad e Instituciones. EUDEBA.

Przeworski, Adam (2003) States and Markets. A Primer in Political Economy. Cambridge University Press.

Acemoglu, Daron, and James Robinson (2005) Economic Origins of Dictatorship and Democracy. Cambridge University Press.

Besley Tim (2006) Principled Agents? The Political Economy of Good Government. Oxford University Press.

Argentina:

Erro, Davide (1993) Resolving the Argentine Paradox. Rienner.

Llach & Gerchunoff (2004) Entre la Equidad y el crecimiento. Ascenso y caída de la economía argentina, 1880-2002. Siglo XXI

Svampa, Maristella (2005) La Sociedad Excluyente - La Argentina Bajo el Signo del Neoliberalismo. Editorial Aguilar Taurus Alfaguara.

Oszlak, Oscar (1997) La Formación del Estado Argentino: Orden, progreso y organización nacional. Editorial Planeta.

Sawers, Larry (1996) The Other Argentina. The Interior and National Development. Westview Press.

Waisman, Carlos (1987) Reversal of Development in Argentina. Princeton University Press

Levitsky and Murillo (2005) The Politics of Institutional Weakness. Argentine Democracy. The Pennsylvania State University Press.

Spiller and Tommasi (forthcoming) The Institutional Foundations of Public Policy in Argentina. A Transactions Approach. Cambridge University Press.

(artículo)

O'Donnell, Guillermo (1977), 'Estado y Alianzas en la Argentina, 1956-1976', Desarrollo Económico, 16(64): 523-554.

PROGRAMA

Political Economy: Introduction

Dixit, Avinash (2005) "Evaluating Recipes for Development Success"
<http://www.princeton.edu/~dixitak/home/Recipes.pdf>

Keefer, Philip (2004) "What does political economy tell us about economic development – and viceversa?" Annual Review of Political Science.

Robinson, James (1998) "Theories of Bad Policy" Journal of Policy Reform. Vol. 1: 1-45.

O'Flaherty and Bhagwati (1997) "Will free trade with political science put normative economists out of work?" Economics and Politics Vol 9, November.

Besley, Tim (2004) "The New Political Economy" (Keynes Lecture in Economics)
<http://econ.lse.ac.uk/staff/tbesley/papers/keyneslecturetext.pdf>
Forthcoming in the Proceedings of the British Academy, 2005.

Shirley, Mary (2005) "Institutions and Development" Chapter 24 in Menard, Claude and Mary Shirley Handbook of New Institutional Economics Springer – Verlag.

Tommasi, M (2006) "The Institutional Foundations of Public Policy". Presidential Address to the Latin American and Caribbean Economic Association (LACEA), Paris, November 2005. To be published in Economia: Journal of the Latin American and Caribbean Economic Association.

Institutions: Introductory and Background Readings

Evans, Peter (2003) "The Challenges of the Institutional Turn: New Interdisciplinary Opportunities in Development Theory"

http://sociology.berkeley.edu/faculty/evans/evans_pdf/Evans%20InstitutionalTurn-%20Revised%20Nov%202003.pdf

Aoki, Mashiko (2001) Toward a Comparative Institutional Analysis. MIT Press. Chapter 1.

Searle, John (1995) The Construction of Social Reality New York. Free Press.

Ostrom, Elinor (2005) "Doing Institutional Analysis: Digging Deeper than Markets and Hierarchies" in Menard, Claude and Mary Shirley (2005) Handbook of New Institutional Economics Springer – Verlag.

Levitsky, S. and M.V. Murillo (2005) "Conclusion: Theorizing About Weak Institutions: Lessons from the Argentine Case" in Levitsky and Murillo (eds) The Politics of Institutional Weakness. Argentine Democracy. The Pennsylvania State University Press.

Levitsky, S. and M.V. Murillo (2006) "Variation in Institutional Strength in Latin America: Causes and Implications" paper presented at the international meeting of LASA, Puerto Rico, March.

Credibility and Commitment

North and Weingast (1989) "Constitutions and Commitment: the evolution of institutions governing public choice on seventeenth-century England" Journal of Economic History 49: 803-32.

Stasavage, David (2002) "Credible Commitment in Early Modern Europe: North and Weingast Revisited" Journal of Law, Economics and Organization 18(1): 155-186.

Jacobs, Alan (2005) "A Matter of Trust: Cognition, Institutions, and the Sources of Credible Commitment" Paper presented at the annual meeting of the American Political Science Association, Washington.

<http://faculty.arts.ubc.ca/jacobs/Jacobs%20Matter%20of%20Trust%20APSA.pdf>

Intertemporal Politics

Dixit, Avinash, Gene Grossman and Faruk Gul (2000) "The Dynamics of Political Compromise" Journal of Political Economy 108(3): 531-68.

Alesina, Alberto (1988) "Credibility and Policy Convergence in a Two-Party System with Rational Voters", American Economic Review 78 (4), 796-805.

Wantchekon, Leonard (2002) "Power-sharing Agreements as Risk-sharing Contracts" Mimeo, NYU.

Besley, Tim and Stephen Coate (1998) "Sources of Inefficiency in a Representative Democracy : A Dynamic Analysis" American Economic Review, Vol. 88, No. 1, March.

Jacobs, Alan (2004) "Democracy, Public Policy, and Timing: Toward a theory of intertemporal policy choice." Presented at the annual conference of Canadian Political Science.

<http://faculty.arts.ubc.ca/jacobs/Jacobs%20CPSA%20Paper%202004.pdf>

The Political Economy of Institutions and Development

Acemoglu, Daron, Simon Johnson and James Robinson (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation", American Economic Review, December, 91(5): 1369-1401.

Acemoglu, Daron, Simon Johnson and James Robinson (2002) "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution", Quarterly Journal of Economics, November, 117: 1231-1294.

Pande, R. and C Udry (2006) "Institutions and Development: A View from Below" forthcoming in the Proceedings of the 9th World Congress of the Econometric Society, edited by R. Blundell, W. Newey, and T. Persson, Cambridge University Press 2005

Engerman and Sokoloff (2002) "Factor Endowments, Inequality, and Paths of Development Among New World Economies" Economia 3. Fall.

Djankov, Simeon, Edward Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes and Andrei Shleifer. "The New Comparative Economics," Journal of Comparative Economics, 2003, v31(4,Dec), 595-619.

David, Paul (1994) "Why are Institutions the "Carriers of History"?" Social Change and Economic Dynamics 5 (2).

Gasparini, L. and E. Molina (2006) "Income Distribution, Institutions, and Conflict: An exploratory analysis for Latin America and the Caribbean." Mimeo, UNLP.

Endogeneizing Institutions and Theorizing about them

Mailath, George; Stephen Morris, and Andrew Postlewaite (2001) "Laws and Authority" Mimeo, Yale.

Calvert, Randall (1995) "The Rational Choice Theory of Institutions: Cooperation, Coordination, and Communication" in Banks and Hanushek (eds.) Modern Political Economy. Cambridge University Press.

Calvert, R. (1995) "Rational Actors, Equilibrium and Social Institutions" in Knight and Sened Explaining Social Institutions. University of Michigan Press.

Calvert, R. and J. Johnson (1999) "Interpretation and Coordination in Constitutional Politics," with James Johnson. In Ewa Hauser and Jacek Wasilewski, eds., *Lessons in Democracy*. Jagiellonian University Press and University of Rochester Press.

Miller, Gary (2000) "Rational Choice and Dysfunctional Institutions." Governance: An International Journal of Policy and Administration, Vol. 13, No. 4, October, 535-547.

Acemoglu, D. (2005) "Modeling Inefficient Institutions" Mimeo, MIT.

Lohmann, Susanne (2000) "Sollbruchstelle: Deep Uncertainty and the Design of Monetary Institutions," International Finance, Vol. 3: 391-411.

Diermeier, Daniel and Keith Krehbiel (2003) "Institutionalism as a Methodology" Journal of Politics, 15(2): 123-144.

Greif and Laitin (2006) "A Theory of Endogenous Institutional Change" forthcoming American Political Science Review

Philippe Aghion & Alberto Alesina & Francesco Trebbi, 2002. "**Endogenous Political Institutions**," NBER Working Papers 9006, National Bureau of Economic Research,

Yao, Yang (2004) "Political Process and Efficient Institutional Change" Journal of Institutional and Theoretical Economics 160: 439-453.

Aoki, Mashiko (2001) Toward a Comparative Institutional Analysis. MIT Press. Part II: A Game Theoretic Framework for Institutional Analysis.

Informal Institutions, Culture, Ideology, Social Capital

Helmke and Levitsky (2006) Informal Institutions and Democracy: Lessons from Latin America. John's Hopkins University Press.

Tabellini, Guido (2005) "Culture and Institutions: Economic Development in the Regions of Europe" CESifo Working Paper 1492.
<http://www.wcfia.harvard.edu/seminars/pegroup/Tabellini2005.pdf>

Bawn, Kathleen (1999) "Constructing 'Us': Ideology, Coalition Politics, and False Consciousness" American Journal of Political Science 43, 2, April.

Knack and Keefer (2005) “Social Capital, Social Norms and the New Institutional Economics”, in Menard, Claude and Mary Shirley (2005) Handbook of New Institutional Economics Springer – Verlag.

Harrison and Huntington, eds. (2000) Culture Matters. How Values Shape Human Progress. Basic Books.

Spolaore and Wacziarg (2006) “The Diffusion of Development” mimeo
<http://www.tufts.edu/~espola01/>

Easterly, Ritzen, and Woolcock (2005) “Social Cohesion, Institutions and Growth”
Mimeo, NYU.
<http://www.nyu.edu/fas/institute/dri/DRIWP/DRIWP17.pdf>

Models of Politics

Grossman and Helpman (2001) “Voting and Elections” Chapter 2 in their Special Interest Politics. MIT Press.

Lindert, Peter (2004) “A Minimal Theory of Social Transfers” Chapter 13.
Growing Public. Volume II.

Grossman and Helpman, (2001, Chapter 1)

Persson and Tabellini (2000) Ch 3 and Ch 6

Besley, Timothy and Stephen Coate (1997) “An Economic Model of Representative Democracy,” Quarterly Journal of Economics, 85-114.

Political Institutions and Economic Policies

Besley, Persson and Sturm (2005) “Political Competition and Economic Performance: Theory and Evidence from the United States”, Mimeo, LSE.
<http://econ.lse.ac.uk/staff/tbesley/papers/bps.pdf>

Besley, Tim and Anne Case (2003) “Political Institutions and Policy Choices: Evidence from the United States”, Journal of Economic Literature, Vol 41, N° 1, March.

Persson, Torsten and Guido Tabellini (2004) The Economic Effect of Constitutions.
What do the data say? MIT Press.

(Especialmente, resumen de las predicciones teóricas en Chapter 2: “What does the theory say?”)

Acemoglu, Daron (2005) “Constitutions, Politics and Economics: A Review. Essay on Persson and Tabellini’s *The Economic Effects of Constitutions*”, Mimeo, February.

Grossman, Gene and Elhanan Helpman (2004) “A Protectionist Bias in Majoritarian Politics”, NBER Working Paper No. 11014, NBER, December.

Piketty, Thomas (1996) “The Politics of Redistribution. Recent Developments and Research Perspectives” Mimeo, MIT and CNRS-CEPREMAP, Paris
<http://www.jourdan.ens.fr/piketty/fichiers/public/Piketty1996b.pdf>

Spiller, Stein and Tommasi (2003) “Political Institutions, Policymaking Processes and Policy Outcomes. An Intertemporal Transactions Framework” Mimeo, Research Department, Inter-American Development Bank.

Spiller and Tommasi (2003) “The Institutional Foundations of Public Policy: A Transactions Approach with Application to Argentina.” Journal of Law, Economics, and Organization, Volume 19, N° 2: 281-306. October.

Haggard S. and M. McCubbins (2001) Presidents, Parliaments and Policy. New York: Cambridge University Press. Chapters 1 (Haggard and McCubbins), 2 (Cox and McCubbins) and 3 (Shugart and Haggard).

Tsebelis, George (2002) Veto Players: How Political Institutions Work. Princeton University Press

The Industrial Organization of Politics

IADB (2005) The Politics of Policies. 2006 Economic and Social Progress Report.

Weingast, Barry R. and Marshall, William J. (1988) “The Industrial Organization of Congress,” in Journal of Political Economy, Vol. 96, No. 11. Traducido al español en Saiegh, Sebastián y Mariano Tommasi (1998) La Nueva Economía Política. Racionalidad e Instituciones. EUDEBA. Buenos Aires.

Cox, Gary and Matthew McCubbins (2001) “The Institutional Determinants of Economic Policy Outcomes” (p. 52-58) in Haggard S. and M. McCubbins (eds.) Presidents, Parliaments and Policy. New York: Cambridge University Press.

Shepsle, Kenneth and Barry Weingast (1994) “Positive Theories of Congressional Institutions” Legislative Studies Quarterly 19(2), May, 149-179. (reprinted in Shepsle, K. and B. Weingast (1995) Positive Theories of Congressional Institutions The University of Michigan Press.)

Jones, Mark P., Saiegh, Sebastian, Spiller, Pablo and Tommasi, Mariano (2002) “Amateur Legislators-Professional Politicians,” in American Journal of Political Science, Vol. 46, No. 3: 656-669.

Spiller and Tommasi with Jones and Saiegh (2006) "Congress, Political Careers, and the Provincial Connection" Chapter 3 of Spiller and Tommasi (forthcoming) The Institutional Foundations of Public Policy in Argentina. A Transactions Approach. Cambridge University Press.

Mattozzi and Merlo (2006) "Political Careers or Career Politicians" Mimeo.
http://www.hss.caltech.edu/personal/andrea/pccp_pierwp.pdf

Diermeier, Daniel; M. Keane and Antonio Merlo (2005) "A Political Economy Model of Congressional Careers", American Economic Review, Vol. 95, No. 1, March, 347-373.

Caselli and Morelli (2004) "Bad Politicians" Journal of Public Economics 88 pp. 759-782.

Redistribution / The Welfare State

Lindert, K., E Skoufias and J. Shapiro (2005) et al "Redistributing Income to the Poor and the Rich: Public Transfers in Latin America" World Bank
http://wwwtest.aup.edu/lacea2005/system/step2_php/papers/lindert_klin.pdf

Mares, Isabela (2005) "Social Protection Around the World" Comparative Political Studies. Vol. 38, No. 6, 623-651

Mares, Isabela (2003) "The Sources of Business Interest in Social Insurance" World Politics. Vol. 55, 229-58. January.
http://muse.jhu.edu/journals/world_politics/v055/55.2mares.pdf

Lindert, P. H. (2004) Growing public. Social spending and economic growth since the eighteenth century Cambridge, Cambridge University Press. Especially Chapter 7

Iversen and Soskice (200x) "Electoral Institutions, Parties, and the Politics of Class: Why some democracies redistribute more than others" Mimeo, Harvard and Duke.

Estevez-Abe, Margarita; Torben Iversen, and David Soskice (2001) "Social Protection and the Formation of Skills: A Reinterpretation of the Welfare State", in Hall, Peter A. And David Soskice (eds.) Varieties of Capitalism. The Institutional Foundations of Comparative Advantage, Oxford University Press.

Franzese, Robert (2000) "Political Participation, Income Distribution, and Public Transfer in Developed Democracies"
<http://www-personal.umich.edu/~franzese/t&t.paper.pdf>

Huberman and Lewchuk (2003) "European Economic Integration and the Labour Compact: 1850-1913" European Review of Economic History 7: 3-41
<http://www.hist.umontreal.ca/u/huberman/Huberman%20%20European%20Economic%20Integration.pdf>

Roemer, John (2005) "Distribution and Politics: A Brief History and Prospect" Social Choice and Welfare, 25, 507-526.
<http://cowles.econ.yale.edu/P/cd/d14b/d1487.pdf>

Calvo, Szwarcberg and Torre (200x) "The New Welfare Alliance" Mimeo, UTDT.

Vargas de Flood, Cristina (2006) Política del Gasto Social. La Experiencia Argentina. ASAP. Editorial La Colmena. Buenos Aires.

Social Security

Mulligan and Sala-i-Martin (2004) "Political and Economic Forces Sustaining Social Security." *Advanced in Economic Analysis & Policy*. 4(1), 2004: Article 5.

Galasso, Vincenzo & Profeta, Paola, 2002. "[The political economy of social security: a survey](#)," European Journal of Political Economy, vol. 18(1), pages 1-29, March.

Scheve and Stasavage (2005) "Religion and Preferences for Social Insurance"
<http://irpshome.ucsd.edu/faculty/jwallack/religionpaper6.pdf>

Besley and Prat (2003) "Pension Fund Governance and the Choice between Defined Benefit and Define Contribution Plans"
<http://www.lse.ac.uk/ubs/pdf/dp12.pdf>

Moene and Wallerstein (2001) "Inequality, Social Insurance, and Redistribution"
American Political Science Review 95 (4).

Mesa-Lago, C. (2000) "Desarrollo social, reforma del Estado y de la seguridad social al umbral del siglo XXI" Santiago de Chile, Cepal, 2000.

Rofman, Rafael (2005) "The Impact of Argentina's Economic Crisis on Its Pension System" in Crabbe, Carolin (ed) A Quarter Century of Pension Reform in Latin America and the Caribbean. Inter-American Development Bank.

Social Contracts

Benabou, Roland (2000) "[Unequal Societies: Income Distribution and the Social Contract](#)" American Economic Review, 90, March 2000, 96-129

Moore, Mick (2004) "Revenues, State Formation, and the Quality of Governance in Developing Countries" International Political Science Review 25(3): 297-319.

North & Weingast (VER ARRIBA)

Aghion and Bolton (2003) "Incomplete Social Contracts" Journal of the European Economic Association. 1(1): 38-67.

Piketty, Thomas (1995) “Social Mobility and Redistributive Politics,” Quarterly Journal of Economics, CX, 551—583

Latin America

Abel and Lewis (2002) “Exclusion and Engagement: A Diagnosis of Social Policy in Latin America in the Long Run” in Abel and Lewis Exclusion and Engagement: Social Policy in Latin America. Institute of Latin American Studies. London.

Robinson and Sokoloff 2004 “Historical Roots of Inequality in Latin America” ch 4 in World Bank 2004 Inequality in Latin America and the Caribbean: Breaking with History?

World Bank 2004 Inequality in Latin America and the Caribbean: Breaking with History?

Engerman and Sokoloff 2002 (ver arriba)

Sokoloff and Zolt (2005) “Inequality and the Evolution of the Institutions of Taxation: Evidence from the Americas” Mimeo, UCLA

Grafe and Irigoin 2006 “The Spanish Empire and Its Legacy: Fiscal Redistribution and Political Conflict in Colonial and Post-Colonial Spanish America” GEHN Working Paper 23/06 Department of Economic History, London School of Economics.

Stein and Tommasi (forthcoming) Political Institutions, Policymaking Processes and Policy Outcomes in Latin America. Stanford University Press.

Underlying project in:

Filguera, Fernando (2005) “Past, present and future of the Latin America social state: Critical junctures and critical choices”. Mimeo, INDES, IADB.

Dion, Michelle (2006) “Globalización, tipo de régimen político, y gasto social en países de ingresos medios” Política y Gobierno XIII (1): 11-50.
<http://www.prism.gatech.edu/~md177/DionPolRegSpendingPyGproofs.pdf>