

TOPICS IN POLITICAL ECONOMY

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The course is taught jointly by Vincenzo Galasso (VG) and Tommaso Nannicini (TN).

The goal of the course is to discuss current topics in political economics, both from a theoretical and from an empirical perspective. This means to study the formation of economic policy from a positive, rather than a normative, point of view. Thus, we will address questions such as: What are the political and institutional determinants of fiscal and economic policy in modern democracies? Which features of political institutions are more likely to foster economic development? Why are seemingly inefficient public policies preserved over time, and what can be done to overcome opposition to reform? Is the quality of politicians relevant for economic outcomes, and—if yes—how can we improve political selection? What institutional, monetary and social factors influence the behavior of elected officials? How do voters respond to information provided by the media and by political candidates? We will also discuss issues related to the role of institutions and culture in affecting policy making.

Main reference: Persson-Tabellini, *Political Economics: Explaining Economic Policy*, MIT Press, 2000 (paperback edition) (PT henceforth)

1) Tools of Political Economics: Voting Models (VG)

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2) Redistributive Politics (VG)

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4) The «Credibility Revolution» Goes to Empirical Political Economics (TN)

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5) Do Politicians Respond to Incentives?

The Elusive Quest for Political Accountability (TN)

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- (*) Ferraz, C. and F. Finan (2009), "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance," NBER Working Paper.
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6) Who Gets on Top, and Why?

The Determinants and Consequences of Political Selection (TN)

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7) It's the Information, Stupid!

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