

Reading list ECON 4640

Double-starred items are required readings for all students, single-starred items are required readings for PhD-students and recommended for interested master-students. Papers marked with *(*) highly recommended to read by everyone and are compulsory for PhD students. Non-starred items are for those who want to dig deeper into the topic.

General texts

- Drazen, A. 2000. *Political Economy in Macroeconomics*. Princeton: Princeton university Press.
- Mueller, D. C. 1989. *Public Choice II*. Cambridge: Cambridge University Press (he has also a *Public Choice III* you could consult)
- Austen-Smith, David and Jeffrey Banks. 1999. *Positive Political Theory* University Of Michigan Press, Arbor (Two volumes).
- Nurmi, Hannu. 2006. *Models of Political Economy*. London: Routledge.
- Weingast, Barry. R., and Donald A. Wittman (eds.). 2006. *The Oxford Handbook of Political Economy*. Oxford: Oxford University Press.

1 Introduction

**PT 1,2

- *Besley, Tim. 2007. "The new political economy." *Economic Journal* 117: F570-87.
- Drazen, A. 2000. *Political Economy in Macroeconomics*. Princeton: Princeton university Press.
- Mueller, D. C. 1989. *Public Choice II*. Cambridge: Cambridge University Press (he has also a *Public Choice III* you could consult)

2 Median voter models

**PT 2,3.1-3.3

- *Meltzer, Allan H. and Scott Richards (1981) "A Rational Theory of the Size of Government" *Journal of Political Economy* volume 89, #5, 914-927.
- *Romer, T. (1975): "Individual welfare, majority voting and the properties of a linear income tax." *Journal of Public Economics* 4: 163-85.
- Roberts, Kevin W.S. 1977. "Voting Over Income Tax Schedules" *Journal of Public Economics* 8: 329-340.
- Downs, A. 1957, *An Economic Theory of Democracy*. Boston: Addison-Wesley.
- Black, Duncan. 1948. "On the rationale of group decision making." *Journal of political Economy* 56: 23-34.

3 Probabilistic voting

**PT 3.4

- *(*)Alesina, A., Credibility and Policy Convergence in a Two-Party System with Rational Voters, *The American Economic Review*, Vol. 78, No. 4 (Sep., 1988), pp. 796-805.
- *(*) Ball, R., Discontinuity and non-existence of equilibrium in the probabilistic spatial voting model, *Social Choice and Welfare*, (1999), 16: 533-555.

()Lindbeck, Assar, and Jörgen W. Weibull. 1987. "Balanced-Budget Redistribution as the Outcome of Political Competition." *Public Choice* 52: 273-297.

*Besley, T., Persson, T., and D., Sturm, 2010. *Political Competition and Economic Performance: Theory and Evidence from the United States*, Review of Economic Studies, 77(3), 1329-1352.

4 Citizen candidates

**PT 5.3,

**Besley, T., and S. Coate (1997): "An economic model of representative democracy." *Quarterly Journal of Economics* 112: 85-114. (JSTOR)

5 Lobbying and special interests

**PT 3.5, 7,

()Grossman, Gene M., and Elhanan Helpman (1994). "Electoral Competition and Special Interest Politics." *Review of Economic Studies* 63: 265-286.

**Grossman, G. M., and E. Helpman (1994): "Protection for Sale." *American Economic Review* 84: 833-850. (JSTOR)

Grossman, G. M. and E. Helpman. 2001. *Special Interest Politics* Cambridge, MA: MIT Press.

6 Redistributive politics

**PT 6,

**Lind, J. T. (2005a): "Why is there so little redistribution?" *Nordic Journal of Political Economy* 31.

** Brunner, Eric, Stephen L. Ross, and Ebonya Washington: Economics and Policy Preferences: Causal Evidence of the Impact of Economic Conditions on Support for Redistribution and Other Ballot Proposals. *Review of Economics and Statistics* 2011 93:3, pp. 888-906.

*Bowen, T.R., Y. Chen and H. Eraslan, 2014, *Mandatory Versus Discretionary Spending: the Status Quo Effect*, American Economic Review, forthcoming.

*Cascio, Elizabeth U., and Ebonya Washington. 2014. "Valuing the Vote: The Redistribution of Voting Rights and State Funds following the Voting Rights Act of 1965", Forthcoming, QJE

*Moene, K. O. and M. Wallerstein (2003): "Earnings inequality and welfare spending: A disaggregated analysis." *World Politics* 55: 485-516.

Alesina, A. and E. Glaeser. 2004. *Fighting Poverty in the US and Europe: A World of Difference*, Oxford University Press, Oxford UK.

Bénabou, R. (2000): "Unequal societies: Income distribution and the social contract." *American Economic Review* 90: 96-129.

Bénabou, R., and E. Ok (2001): "Social mobility and the demand for redistribution: The POUM hypothesis." *Quarterly Journal of Economics* 116:447-87.

Lancia, F., and Russo, A., "A dynamic politico-economic model of intergenerational contracts", mimeo.

Lindert, P. H. 2004. *Growing Public*. Cambridge: Cambridge University Press.

7 Voter behaviour

- **Andersen, J. J., Fiva, J. H. and G. J. Natvik (2014), Voting When the Stakes are High, *Journal of Public Economics*,
- ** Lind, J. T.: Fractionalization and the size of government. 2007, *Journal of Public Economics* 91, pp. 51-76.
- *Funk , Patricia: Social Incentives and Voter Turnout: Evidence from the Swiss Mail Ballot System , 2010. *Journal of the European Economic Association* 8(5). pp. 1077-1103.
- *Hibbs, D. A. 2006: Voting and the macroeconomy, Ch. 31 in B. R. Weingast and D. A. Wittman: "*The Oxford Handbook of Political Economy*."
- Lind, J. T.: Do the rich vote Conservative because they are rich?, 2010. *Review of Economics and Institutions*. 1 (2). Article 5.
- Matususaka, J. G. and F. Palda: Voter turnout: How much can we explain?, *Public Choice*, vol. 98, No. 3/4 (jan. 1999), pp. 431-446.

8 Politician behaviour

- **Duflo, E., and R. Chattopadhyay (2005): "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India," *Econometrica* 72 1409-43. (Blackwell Synergy)
- ** Pettersson-Lidbom, P.: Do Parties Matter for Economic Outcomes? A Regression-Discontinuity Approach, 2008. *Journal of the European Economic Association* 6(5). pp. 1037-1056.
- * Besley, T., and A., Case. 1995. Incumbent Behavior: Vote-Seeking, Tax-Setting and Yardstick Competition. *American Economic Review*. 85:1, pp. 25-45.
- *Callender, S., 2008. *Political Motivations*, *Review of Economic Studies* 75 (3):671-697.
- * Clots-Figueras, Irma. 2012. "Are Female Leaders Good for Education? Evidence from India." *American Economic Journal: Applied Economics*, 4(1): 212-44.
- *Krasa, S. and M. Polborn, 2014, *Social ideology and taxes in a differentiated candidates framework*, *American Economic Review*. forthcoming.
- * Fiva, Jon, Olle Folke and Rune Sørensen: 'The Power of Parties: Evidence From Close Municipal Elections in Norway' Mimeo, BI.
- *Olle Folke. 2014. "Shades of Brown and Green: Party Effects in Proportional Election Systems" Forthcoming, JEEA
- Pande, R. 2003. "Can Mandated Political Representation Provide Disadvantaged Minorities Policy Influence? Theory and Evidence from India." *American Economic Review*, Vol. 93(4), pp.1132-1151.
- Steve Levitt. 1996. "How do Senators Vote? Disentangling the Role of Voter Preferences, Party Affiliation and Senator Ideology", *American Economic Review*, 86, 3.

9 Controlling politicians

- **PT 4
- ** Fisman, Raymond: *Estimating the Value of Political Connections*, 2001. *American Economic Review* 91 (4). [pp. 1095-1102](#).

- ** Khwaja, Asim Ijaz and Atif Mian: Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market, 2005. *Quarterly Journal of Economics*, 120 (4). [pp. 1371-1411](#).
- ** Willumsen, Fredrik: *The value of political experience: Evidence from a regression discontinuity design*, 2011. Mimeo, University of Oslo.
- * Eggers, Andy, and Jens Hainmueller. 2009: "MPs For Sale: Returns to Office in Post-War British Politics" *American Political Science Review*, Vol. 103, No. 4 (November 2009), pp. 1-21.
- * Kotakorpi, Kaisa, Panu Poutvaara, and Marko Terviö. 2013: "Returns to office in national and local politics". Mimeo
- *Barro, R. 1973. "The control of politicians. An economic model." *Public Choice* 14: 19-42.
- *Ferejohn, J. 1986. "Incumbent performance and electoral control." *Public Choice* 50: 5-26.
- *Van Weelden, R. 2013. *Candidates, Credibility, and Re-election Incentives*. *Review of Economic Studies* 80(4), 1622-1651.
- Besley, T., T. Persson and D. M. Sturm: "Political Competition, Policy and Growth: Theory and Evidence from the United States." in *Review of Economic Studies*, 2010. 77: 1329–1352.
- Dixit, A., G. M. Grossman, and F. Gul. 2000. "The dynamics of political compromise", *Journal of Political Economy* 108: 531-68

10 Dynamic politics: Debt

**PT 13

- **Alesina, A., and G. Tabellini. 1990. "A positive theory of fiscal deficits and government debt." *Review of Economic Studies* 57: 403-14.
- **Persson, T., and L. Svensson. 1989. "Why a stubborn conservative would run a deficit: Policy with time-inconsistent preferences." *Quarterly Journal of Economics* 104: 325-45.
- *Brender, A., and A., Drazen, 2008. *How Do Budget Deficits and Economic Growth Affect Reelection Prospects? Evidence from a Large Panel of Countries*, *American Economic Review*, 98(5), 2203-2220.
- *Song, Z, K. Storesletten, and F. Zilibotti. 2007. "Rotten Parents and Disciplined Children: A Politico-Economic Theory of Public Expenditure and Debt", Mimeo, UiO
- Tabellini, G. and A. Alesina. 1990. "Voting on the budget deficit." *American Economic Review* 80: 37-39.