Empirical Political Economy and Development

Lecture for MSc/PhD (6 ECTS, 3 SWS, WS 2018/19)

Course Description

The main goal of this course is to give an overview of empirical research in political economy and development in addition to some hands-on data analysis training. It is complimentary to courses on political economy, development economics, and applied econometrics. It includes training sessions in Stata and should also be a good preparation for your own writing of applied research papers.

The course consists of three parts.

In the first and the third part (taught by Sebastian Fehrler) give an introduction into field and lab experiments in political economy and development. You will get an overview of current research in development policy evaluation and of experiments designed to test predictions derived from game-theoretical models, for example voting models. You will also get a thorough introduction into experimental and quasi-experimental methods.

In the second part (taught by Stephan Maurer), we will be studying factors that explain the vast differences in income levels across space and over time. The focus of this part will be trying to empirically establish how and whether geography, institutions, and culture are ultimate causes of economic growth.

Prerequisites

You should have a good understanding of frequently-used tools in applied econometrics, such as methods to analyze categorical data, panel data, and instrumental variable techniques. Good background or catch-up reading in this respect would be Mastering ’Metrics by Joshua Angrist and Jörn-Steffen Pischke, or (by the same authors, more advanced) Mostly Harmless Econometrics. In addition, you should have a basic background in microeconomics.

The course is open to students in the MSc Economics, MSc Political Economy, and for PhD students from Economics, Political Science or related disciplines.

Instructors and Meeting Times

Sebastian Fehrler (sebastian.fehrler@uni-konstanz.de)
Stephan Maurer (stephan.maurer@uni-konstanz.de)
Meetings: Tuesday, 13.30-15.00, F425
Tutorials: Thursday, 13.30-15.00, J213, fortnightly
Office Hours: by appointment (via email)

Examination

- Class Exercise (50%)
  - This will be a replication/small extension of a data analysis in a published empirical research paper on the topic
- Final exam (50%) on 1\textsuperscript{st} of March (17\textsuperscript{th} of April)
Topics (preliminary)
(* denotes optional reading)

I. Fehrler: Field Experiments in Political Economy and Development

I.1 Introduction: Rubin Causal Model, Example Studies
- Morton and Williams (2010)
- Gerber et al. (2009)

I.2 Quasi-Experimental Methods: Diff-in-Diff, Regression Discontinuity Design, Matching, Lab-in-the-Field Studies
- Cameron and Trivedi (2005)
- Hanna and Wang (2017)
- Karlan (2015)
- Giné et al. (2010)

II. Maurer: Long-run growth and development

II.1 Introduction: A long-run view on growth and development
- *Allen 2001
- *Allen et al 2011
- *Clark 2007, Chapters 1 and 2
- *Maddison 2001

II.2 Geography: Location fundamentals and persistence
- *Diamond 1997
- Dalgaard et al WP
- Davis and Weinstein 2002
- *Bosker and Buringh 2017
- Bleakley and Lin 2012
- Hanlon 2017
- Michaels and Rauch 2018

II.3 Geography as a determinant of institutions
- Sokoloff and Engerman 2000
- Mayshar et al WP

II.4 Institutions
- North and Weingast 1989
- DeLong and Shleifer 1993
- Acemoglu, Johnson and Robinson 2001
- Glaeser et al 2004
- Acemoglu, Johnson and Robinson 2005
- La Porta, Lopez-de-Silanes and Shleifer 2008
- Dell 2010
- Acemoglu et al 2011
- Michalopoulos and Papaioannou 2013
- Pascali 2017

III. Fehrler: Lab Experiments in Political Economy

III.1 Introduction: Methodology
- Morton and Williams (2010)

III.2 Voting Experiments
- Guarnaschelli et al. (2000)
- Esponda and Vespa (2014)
- Fehrler and Hughes (2018)
Schedule of Lectures

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<th>Week</th>
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<td>1</td>
<td>23/10</td>
<td>Introduction</td>
<td>Maurer</td>
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<td>2</td>
<td>30/10</td>
<td>Introduction</td>
<td>Fehrler</td>
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<tr>
<td>3</td>
<td>06/11</td>
<td>Field Experiments in Political Economy &amp; Development</td>
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<td>4</td>
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<td>Quasi-Experimental Studies</td>
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<td>5</td>
<td>20/11</td>
<td>Lab-in-the Field Studies</td>
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<td>6</td>
<td>27/11</td>
<td>Geography I</td>
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<td>Geography and Institutions</td>
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<td>14</td>
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Schedule of Tutorials

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<td>08/11</td>
<td>Intro to Stata and Replication of a Published Study</td>
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<td>15/11</td>
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Note: The computer room is booked for every week. In the odd weeks, when there is no tutorial, you can use it to work on your project.

References