

Political Economy II
PPHA 41102

University of Chicago
Harris School of Public Policy
Spring 2021

Mondays and Wednesdays, 3:30pm-4:50pm

Instructor

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OH: Wednesdays 2:30-3:30pm. or by appt., [Sign-up](#)

Course Description

In this course, students will delve into substantive debates in political economy and hone their empirical and analytical skills. We will focus on good research designs that answer important causal questions. In doing so, we will review the technical skills necessary to conduct credible empirical research such as differences-in-differences, instrumental variables, and regression discontinuity designs. More importantly, we will practice the thinking necessary to develop and evaluate good research designs. The class will also incorporate the theoretical training that students received in Political Economy I and devote attention to the interplay between theory and empirical testing.

This course is not an introduction to statistics or econometrics. The course is intended for PhD students who have already received training in these areas, have been exposed to the econometric tools used in the course, and have taken Political Economy I. Everyone other than Harris School PhD and MACRM students should consult the instructor before enrolling.

Class sessions will primarily be discussion, but will include some lecture review of material. Some sessions will review a particular set of empirical methods in detail, others will involve the detailed discussion of a single paper, and others will involve a mix of lecture and discussion revolving around a substantive topic in political economy. Students are expected to prepare for each class session and participate in the discussions.

Text

Mostly Harmless Econometrics by Angrist and Pischke is required. All other readings will be available on the course website.

Requirements

Class participation (1/6 of final grade): Students are expected to carefully read each assigned paper or book chapter, think about it carefully, and discuss it in class. Because the class aims to develop critical thinking about research design, participation and discussion are essential.

Referee report (1/6): Students will select an article from the syllabus and write a referee report just as if they were asked to referee the paper for a leading journal in political science or economics. The report should not be longer than 1500 words and should focus on research design. The report should also make specific recommendations and suggestions for improvement. The report should be submitted on the course website the night before the day that the particular paper will be discussed. You cannot write your referee report on the essays by Deaton or Imbens. More instructions for the referee report are provided below.

Replication study (1/6): Each student will select a recently published empirical paper in political economy and obtain the data necessary to replicate the results. The paper can but need not come from the syllabus. Often, the data will be available on the website of the journal or the author. If not, students should contact the authors directly and request replication data. Students should attempt to replicate the main result of the paper and add an extension or improvement of their own. The extension could be a methodological one (e.g., testing for pre-treatment trends, including state time trends, utilizing a more credible design, etc.). The extension could also be a substantive one based on theory (e.g., model X would predict that the estimated effect would vary in the following way, let's test for that variation). Each student will write a brief report of no more than 5 pages summarizing the replication exercise and extension. Students should begin as early as possible and consult the instructor for help and feedback.

Quizzes (1/6): Three times throughout the quarter, students will take a 10-minute, open-response quiz at the beginning of class. These quizzes are intended to prepare students for the empirical section of the political economy qualifying exam. They will require knowledge of the course readings up to that point, class discussion and lecture material up to that point, understanding of the econometric tools discussed up to that point, and the ability to think carefully about the intersection of theory and empirical work in political economy.

Paper proposal / pre-analysis plan (1/3): Students will develop their own empirical research project in political economy and submit a formal pre-analysis plan (PAP) for the project. The PAP should articulate a specific question in political economy and propose a new way to answer that question that improves upon previous studies. The PAP need not provide an extensive literature review, but it should include a theoretical motivation together with details about the empirical strategy, all within 8 pages. Students will submit a preliminary outline of their paper articulating the question and empirical approach before turning in a final PAP at the end of the quarter. In years past, students presented their project at an all-day conference open to the Harris community. This event may be converted to an online conference, if it is held at all this quarter.

All written assignments should be submitted electronically on the course website in PDF format. Late assignments will be docked 20% per day; please plan accordingly. If you would like to contest a grade, you must submit your assignment for a regrade via e-mail within one week of receiving your grade.

Instructions for Referee Reports

The purpose of a referee report is to advise an editor. You can recommend that the editor reject (most common), publish as is (rare), or send the paper back to the authors for revisions and resubmissions. A subsidiary goal (one that is particularly important in the case of an R&R) is to give the author useful advice.

When writing reports, students should follow the following general format. Start with one or two paragraphs summarizing the paper and its contribution. This reassures the editor and author that you actually read the paper. It may also suggest useful reframing if you describe the contribution differently than the authors did. Then, turn to an evaluation. Many editors like to see a bottom line evaluation quickly, followed by a detailed discussion and specific recommendations for improvement.

In organizing your evaluation, proceed from major points (interest of question, identification, etc.) to minor points (specification details, standard errors, etc.). If you recommend an R&R, clarify which suggestions you see as essential.

Below are some questions to ask when evaluating a paper. Think about them while reading and make multiple passes through the paper as necessary. The report need not explicitly address each item. You should focus on the most important points for the specific paper:

1. What is the question? Is it interesting? A well-written paper will answer this question quickly. As soon as you identify the question, you should ask whether it is truly interesting. Is it intrinsically interesting, is it relevant for policy, or does it make progress in light of an existing, interesting literature?

2. Has this question already been answered well in previous papers? What contributions does the paper make over previous studies?

3. Before reading too far, think about how you would answer this question. What would you do if you had to write a paper on this question? This will help in your subsequent evaluations.

4. What is the empirical strategy? Think about the quantity being estimated. How does it relate to the question of the paper? What is the source of exogenous variation being used? What identification assumptions are necessary? Are these assumptions plausible? Are they clarified by the author and well justified?

5. What data are being used? How were they collected? How are the variables defined? What is the unit of observation? Are these choices appropriate?

6. What estimation technique is used? Is it appropriate?

7. Are there any non-standard standard error issues? These come up more often than you might think.

8. Are there reasons to be worried about multiple testing, specification searching, or publication bias? Is this the kind of paper where you worry that the authors (or lots of authors) tested many outcomes or specifications, and you're only seeing those where they found an effect? Where there many "researcher degrees of freedom" that may have allowed the authors to get the result they wanted? If the results had come out in the opposite direction, do you think the authors would have still written the paper and submitted it?

9. Did the authors appropriately interpret their results? Did they interpret their results in substantively meaningful ways? Did they conflate statistical and substantive significance?

Deadlines and Dates

April 14 – quiz 1

April 21 – quiz 2

May 12 – quiz 3

May 15 – final project proposal

May 26 – replication study

June 5 – PAP due

Class Sessions and Readings

April 7. Theory and Research Design

Ashworth, Scott, Christopher R. Berry and Ethan Bueno de Mesquita. Theory and Credibility. Chapters 1-2.

Anzia, Sarah F. and Christopher R. Berry. 2011. The Jackie (and Jill) Robinson Effect: Why do Congresswomen Outperform Congressmen? *American Journal of Political Science* 55(3):478-493.

Practitioner's Guide to Experiments: Angrist and Pischke, Chapters 1 – 2

April 9. Influencing Legislative Behavior

Butler, Daniel M. and David Nickerson. 2011. Can Learning Constituency Opinion Affect How Legislators Vote? Results from a Field Experiment. *Quarterly Journal of Political Science* 6(1):55-83.

Zelizer, Adam P. 2019. Is Position-Taking Contagious?. *American Political Science Review* 113(2): 340-352.

April 14. Voter Turnout and Political Participation (Quiz 1)

Gerber, Alan S., Donald P. Green, and Christopher W. Larimer. 2008. Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment. *American Political Science Review* 102(1):33-48.

Nickerson, David W. 2008. Is Voting Contagious? Evidence from Two Field Experiments. *American Political Science Review* 102(1):49-57.

April 16. Practitioner's Guide to Selection on Observables, Fixed Effects, and Differences-in-Differences

Angrist and Pischke, Chapter 3 and 5

April 21. Election Timing and Interest Group Influence (Quiz 2)

Berry, Christopher R. and Jacob E. Gersen. 2011. Election Timing and Public Policy. *Quarterly Journal of Political Science* 6:103-135.

Anzia, Sarah F. 2012. The Election Timing Effect: Evidence from a Policy Intervention in Texas. *Quarterly Journal of Political Science* 7:209-248.

April 23. Practitioner's Guide to Instrumental Variables

Angrist and Pischke, Chapter 4

April 28. Electoral Accountability

Shaukat, Mahvish. 2018. Too Close to Call: Electoral Competition and Politician Behavior in India. Working paper.

Alt, James, Ethan Bueno de Mesquita, and Shanna Rose. 2011. Disentangling Accountability and Competence in Elections: Evidence from U.S. Term Limits. *Journal of Politics* 73(1):171-186.

April 30. Electoral Accountability and Media Politics

Snyder, James M., Jr. and David Stromberg. 2010. Press Coverage and Political Accountability. *Journal of Political Economy* 118(2):335-408.

Ferraz, Claudio and Frederico Finan. 2008. Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes. *Quarterly Journal of Economics* 123(2):703-745.

May 5. Economic Incentives and Conflict

- Bazzi, Samuel and Christopher Blattman. 2014. Economic Shocks and Conflict: Evidence from Commodity Prices. *American Economic Journal: Macroeconomics* 6(4):1-38.
- Dube, Oeindrilla and Juan F. Vargas. 2013. Commodity Price Shocks and Civil Conflict: Evidence from Columbia. *Review of Economic Studies* 80(4):1384-1421.

May 7. Practitioner's Guide to Regression Discontinuity

Angrist and Pischke, Chapter 6

May 12. Validity of Electoral RD Designs (Quiz 3)

- Caughey, Devin and Jasjeet S. Sekhon. 2011. Election and the Regression Discontinuity Design: Lessons from Close U.S. House Races, 1942-2008. *Political Analysis* 19:385-408.
- Eggers, Andrew C., Anthony Fowler, Jens Hainmueller, Andrew B. Hall, and James M. Snyder, Jr. 2015. On the Validity of the Electoral Regression Discontinuity Design for Estimating Electoral Effects: New Evidence from Over 40,000 Close Races. *American Journal of Political Science* 59(1):259-274.

May 14. Open Class

May 19. Ideology and Elections

- Ansolabehere, Stephen, James M. Snyder, Jr., and Charles Stewart, III. 2001. Candidate Positioning in U.S. House Elections. *American Journal of Political Science* 45(1):136-159.
- Hall, Andrew B. 2015. What Happens When Extremists Win Primaries? *American Political Science Review* 109(1):18-42.

May 21. Distributive Politics

- Brollo, Fernanda and Tommaso Nannicini. 2012. Tying Your Enemy's Hands in Close Races: The Politics of Federal Transfers in Brazil. *American Political Science Review* 106(4):742-761.
- Fourinaies, Alexander and Hande Mutlu-Eren. 2015. English Bacon: Copartisan Bias in Intergovernmental Grant Allocation in England. *Journal of Politics* 77(3):802-817.

May 26. Electoral Reform and Compulsory Voting

- Gonzales, Mariella, Gianmarco Leon, and Luis R. Martinez. 2018. Monetary Incentives to Vote: Evidence from Nationwide Policy. Working paper.
- Cepaluni, Gabriel and F. Daniel Hidalgo. 2016. Compulsory Voting Can Increase Political Inequality: Evidence from Brazil. *Political Analysis* 24:273-280.

May 28. Comparative Electoral Institutions

- Fujiwara, Thomas and Carlos Sanz. Forthcoming. Rank Effects in Bargaining: Evidence from Government Formation. *Review of Economic Studies*.
- Eggers, Andrew C. 2015. Proportionality and Turnout: Evidence from French Municipalities. *Comparative Political Studies* 48(2):135-167.

June 2. Voter Behavior, Irrelevant Events, and Avoiding False Positives

- Fowler, Anthony and B. Pablo Montagnes. 2015. College Football, Elections, and False-Positive Results in Observational Research. *Proceedings of the National Academy of Sciences* 112(45):13800-13804.

Fowler, Anthony and Andrew B. Hall. 2018. Do Shark Attacks Influence Presidential Elections? Reassessing a Prominent Finding on Voter Competence. *Journal of Politics* 80(4):1423-1437.

June 4. Trade-offs between Identification and Substance?

Deaton, Angus S. 2009. Instruments of Development: Randomization in the Tropics, and the Search for the Elusive Keys to Economic Development. NBER Working Paper 14690.

Imbens, Guido W. 2010. Better LATE Than Nothing: Some Comments on Deaton (2009) and Heckman and Urzua (2009). 2010. *Journal of Economic Literature* 48:399-423.