

Political Economy of Growth (PS 2543)

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Course Objectives

This graduate course is devoted to the study of the politics of economic growth. While this is nominally a course at the intersection of IPE and CPE, you will see that it borrows heavily from other subfields and disciplines (primarily economics, but also public policy, management, history, sociology, etc.).

The aim for this course is:

- to ensure that you have a strong overview of theoretical models of growth
- to show the richness of rigorous empirical work that has been conducted
- to stimulate new research ideas, new theories, and novel empirical designs

Note: the course is primarily one based on presentations and discussions. The readings consists in a mix of 'classics' and recent papers. The latter were selected because they are either interesting (if I read them) or they seem interesting (based on the abstract).

Requirements

Assignments.

- 50%: a research project/pre-analysis plan (including theory + empirical design; data analysis optional)
- 30%: in-class presentations and participation.
- 20%: a book review.

Grade scale: 0 < 60: F, 60 < 64: D-, 64 < 67: D, 67 < 70: D+, 70 < 73: C-, 74 < 77: C, 77 < 80: C+, 80 < 84: B-, 84 < 87: B, 87 < 90: B+, 90 < 94: A-, 93 or more: A. "Y < X" means: "from Y up to, but not including X." Grades are not rounded up.

Late submissions are penalized by a loss of 2 percentage points per day. If you have issues that prevent you from submitting an assignment on time, then please let me know immediately. If you inform me *after* a deadline has passed, I will need to be provided justification (e.g. doctor's note) to cancel the late submission penalty.

Important note: you can discuss ideas with your fellow students, but you must do your assignments individually. For pedagogical reasons, it is essential that you must try to understand the material on your own.

Readings

There are no required textbooks for this class. Useful textbooks to study growth models include:

Aghion, Philippe and Peter W Howitt (2008). *The Economics of Growth*. MIT Press.

Acemoglu, Daron (2009). *Introduction to Modern Economic Growth*. Princeton, NJ: Princeton University Press.

The following books and papers are classics that you need to be familiar with. You do *not* need to buy them. Draw inspiration from them.

- Schumpeter, Joseph (1934). *Capitalism, Socialism, and Democracy*. New York: Harper.
- Hirschman, Albert O. (1970). *Exit, Voice, and Loyalty*. Cambridge, MA: Harvard University Press.
- Keohane, Robert O. and Joseph S. Nye (1977). *Power and Interdependence: World Politics in Transition*. Boston: Little, Brown.
- Ostrom, Elinor (1990). *Governing the Commons: The Evolution of Institutions for Collective Action*. New York: Cambridge University Press.
- North, Douglass C. (1991). "Institutions' ". In: *Journal of Economic Perspectives* 5.1, pp. 97-112.
- Tilly, Charles (1992). *Coercion, Capital and European States: AD 990-1992*. New York: Wiley-Blackwell.
- Sen, Amartya (1999). *Development as Freedom*. Knopf.
- Przeworski, A., M.E. Alvarez, J.A. Cheibub, and F. Limongi (2000). *Democracy and Development*. Cambridge: Cambridge University Press.
- Polanyi, Karl (2001). *The Great Transformation*. Boston: Beacon Press.
- Weber, Max (2002). *The Protestant Ethic and the Spirit of Capitalism*. London: Penguin.
- Easterly, William (2007). *The White Man's Burden*. Penguin Books.
- Tocqueville, Alexis (2008). *The Ancien Régime and the Revolution*. London: Penguin.
- Banerjee, Abhijit and Esther Duflo (2012). *Poor Economics*. PublicAffairs.
- Strange, Susan (2015). *States and Markets*. London: Bloomsbury Publishing.
- Eichengreen, Barry (2019). *Globalizing Capital*. 3rd. Princeton University Press.

Class Schedule

The schedule is subject to change.

Week 01, 01/09:

Hall, Robert E. and Charles I. Jones (1999). "Why do Some Countries Produce So Much More Output Per Worker Than Others?" In: *The Quarterly Journal of Economics* 114.1, pp. 83-116.

No results.

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Week 02, 01/16: MLK Day

No class.

Week 03, 01/23: Growth models and persistence

Comin, Diego, William Easterly, and Erick Gong (2010). "Was the Wealth of Nations Determined in 1000 BC?" In: *American Economic Journal: Macroeconomics* 2, pp. 65–97.

Dell, Melissa (2010). "The Persistent Effects of Peru's Mining Mita". In: *Econometrica* 78.6, pp. 1863-1903.

Miguel, Edward and Gérard Roland (2011). "The Long-Run Impact of Bombing Vietnam". In: *Journal of Development Economics* 96.1, pp. 1-15.

Hornbeck, Richard (2012). "The Enduring Impact of the American Dust Bowl: Short- and Long-Run Adjustments to Environmental Catastrophe". In: *The American Economic Review* 102.4, pp. 1477-1507.

Voigtländer, Nico and Hans-Joachim Voth (2012). "Persecution perpetuated: the medieval origins of anti-Semitic violence in Nazi Germany". In: *Quarterly Journal of Economics* 127.3, pp. 1339-1392.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales (2016). "Long-Term Persistence". In: *Journal of the European Economic Association* 14.6, pp. 1401-1436.

Dalgaard, Carl-Johan, Nicolai Kaarsen, Ola Olsson, and Pablo Selaya (2018). "Roman roads to prosperity: Persistence and non-persistence of public goods provision". CEPR Discussion Paper DP12745.

Background reading:

Kelly, Morgan (2019). "The standard errors of persistence". CEPR Discussion paper no. DP13783.

Week 04, 01/30: Capital, investments, and firms

Gray, Julia (2013). *The company states keep: International economic organizations and investor perceptions*. New York: Cambridge University Press.

Jensen, Nathan M (2017). "Job creation and firm-specific location incentives". In: *Journal of Public Policy* 37.1, pp. 85-112.

Samila, Sampsa and Olav Sorenson (2017). "Community and Capital in Entrepreneurship and Economic Growth". In: *American Sociological Review* 82.4, pp. 770–795.

Danzman, Sarah Bauerle (2019). *Merging interests: when domestic firms shape FDI policy*. Cambridge University Press.

Jensen, Nathan M, Michael G Findley, and Daniel L Nielson (2020). "Electoral institutions and electoral cycles in investment incentives: A field experiment on over 3,000 US municipalities". In: *American Journal of Political Science* 64.4, pp. 807–822.

Background reading:

Coase, Ronald H. (1937). "The Nature of the Firm". In: *Economica* 4.16, pp. 386–405.

Edwards, Sebastian (1995). "Why are saving rates so different across countries? An international comparative analysis". NBER Working Paper 5097.

Mellahi, Kamel, Jędrzej George Frynas, Pei Sun, and Donald Siegel (2016). "A review of the non-market strategy literature: Toward a multi-theoretical integration". In: *Journal of Management* 42.1, pp. 143–173.

Week 05, 02/06: Labor: migration and unions

Franzen, Axel and Dominik Hangartner (2006). "Social networks and labour market outcomes: The non-monetary benefits of social capital". In: *European Sociological Review* 22.4, pp. 353–368.

Hayashi, Fumio and Edward C Prescott (2008). "The depressing effect of agricultural institutions on the prewar Japanese economy". In: *Journal of Political Economy* 116.4, pp. 573–632.

Hainmueller, Jens and Michael J. Hiscox (2010). "Attitudes toward Highly Skilled and Low-Skilled Immigration: Evidence from a Survey Experiment". In: *American Political Science Review* 104.1, pp. 61–84.

Hainmueller, Jens and Dominik Hangartner (2013). "Who gets a Swiss passport? A natural experiment in immigrant discrimination". In: *American Political Science Review* 107.1, pp. 159–187.

Jansen, Giedo, Roderick Sluiter, and Agnes Akkerman (2016). "The Diffusion of Strikes: A Dyadic Analysis of Economic Sectors in the Netherlands, 1995–2007". In: *American Journal of Sociology* 121.6, pp. 1885–1918.

Frymer, Paul and Jacob M Grumbach (2021). "Labor unions and white racial politics". In: *American Journal of Political Science* 65.1, pp. 225–240.

Bouscasse, Paul, Emi Nakamura, and Jón Steinsson (2021). "When did growth begin? New estimates of productivity growth in England from 1250 to 1870". NBER Working Paper 28623.

Erikson, Emily and Hirokazu Shirado (2021). "Networks, Property, and the Division of Labor". In: *American Sociological Review* 86.4, pp. 759–786.

Lim, Junghyun (2022). "The Electoral Consequences of International Migration in Sending Countries: Evidence from Central and Eastern Europe". In: *Comparative Political Studies*.

Jones, Charles I (2022). "The end of economic growth? Unintended consequences of a declining population". In: *American Economic Review* 112.11, pp. 3489–3527.

Background reading:

Jäger, Simon, Shakked Noy, and Benjamin Schoefer (2022). "The German Model of Industrial Relations: Balancing Flexibility and Collective Action". In: *Journal of Economic Perspectives* 36.4, pp. 53-80.

Naidu, Suresh (2022). "Is There Any Future for a US Labor Movement?". In: *Journal of Economic Perspectives* 36.4, pp. 3-28.

Week 06, 02/13: Land and agriculture

Heldring, Leander, James A Robinson, and Sebastian Vollmer (2021). "The long-run impact of the dissolution of the English monasteries". In: *Quarterly Journal of Economics* 136.4, pp. 2093-2145.

Finley, Theresa (2021). "Free riding in the monastery: Club goods, the cistercian order and agricultural investment in Ancien Regime France". In: *Journal of Economic Behavior & Organization* 184, pp. 318-336.

Chang, Qing (2022). "Career Incentives, Economic Competition, and Public Land Prices". Working Paper.

Background reading:

Johnston, Bruce F and John W Mellor (1961). "The role of agriculture in economic development". In: *American Economic Review* 51.4, pp. 566-593.

Moore, Barrington (1966). *Social origins of dictatorship and democracy: Lord and peasant in the making of the modern world*. Beacon Press.

Byerlee, Derek, Alain De Janvry, and Elisabeth Sadoulet (2009). "Agriculture for development: Toward a new paradigm". In: *Annual Review of Resource Economics* 1.1, pp. 15-31.

Week 07, 02/20: Technology and the backlash against globalization

Acemoglu, Daron and Pascual Restrepo (2020). "Robots and jobs: Evidence from US labor markets". In: *Journal of Political Economy* 128.6, pp. 2188-2244.

Owen, Erica (2019). "Firms vs. Workers? The Politics of Openness in an Era of Global Production and Automation". Working Paper.

Busemeyer, Marius R. and Tobias Tober (2022). "Dealing with Technological Change: Social Policy Preferences and Institutional Context". In: *Comparative Political Studies*, p. 00104140221139381.

Lim, Junghyun, Michaël Aklin, and Morgan Frank (2022). "Quantifying Barriers to a Just Transition for US Fossil Fuel Workers". Working Paper.

Background reading:

Schumpeter, Joseph (1934). *Capitalism, Socialism, and Democracy*. New York: Harper.

Iversen, Torben and David Soskice (2001). "An asset theory of social policy preferences". In: *American Political Science Review* 95.4, pp. 875-893.

Walter, Stefanie (2021). “The backlash against globalization’’. In: *Annual Review of Political Science* 24.1, pp. 421–442.

Week 08, 02/27: Human capital

Harding, Robin and David Stasavage (2013). “What Democracy Does (and Doesn’t Do) for Basic Services: School Fees, School Inputs, and African Elections’’. In: *Journal of Politics* 76.1, pp. 229–245.

Ansell, Ben and Johannes Lindvall (2013). “The political origins of primary education systems: Ideology, institutions, and interdenominational conflict in an era of nation-building’’. In: *American Political Science Review* 107.3, pp. 505–522.

Cantoni, Davide and Noam Yuchtman (2014). “Medieval Universities, Legal Institutions, and the Commercial Revolution’’. In: *Quarterly Journal of Economics* 129.2, pp. 823–887.

Squicciarini, Mara P and Nico Voigtländer (2015). “Human capital and industrialization: Evidence from the age of enlightenment’’. In: *The Quarterly Journal of Economics* 130.4, pp. 1825–1883.

Rauscher, Emily (2016). “Does Educational Equality Increase Mobility? Exploiting Nineteenth-Century U.S. Compulsory Schooling Laws’’. In: *American Journal of Sociology* 121.6, pp. 1697–1761.

Croke, Kevin, Guy Grossman, Horacio A. Larreguy, and John Marshall (2016). “Deliberate Disengagement: How Education Can Decrease Political Participation in Electoral Authoritarian Regimes’’. In: *American Political Science Review* 110.3, pp. 579–600.

De la Croix, David, Matthias Doepke, and Joel Mokyr (2018). “Clans, guilds, and markets: Apprenticeship institutions and growth in the preindustrial economy’’. In: *Quarterly Journal of Economics* 133.1, pp. 1–70.

Squicciarini, Mara P (2020). “Devotion and development: religiosity, education, and economic progress in nineteenth-century France’’. In: *American Economic Review* 110.11, pp. 3454–91.

Background reading:

Barro, Robert J (2001). “Human Capital and Growth’’. In: *American Economic Review* 91.2, pp. 12–17.

Goldin, Claudia and Lawrence F. Katz (2010). *The Race between Education and Technology*. Cambridge, MA: Belknap Press.

Week 08, 02/27: Social capital and networks

Satyanath, Shanker, Nico Voigtlaender, and Hans-Joachim Voth (2017). “Bowling for Fascism: Social Capital and the Rise of the Nazi Party’’. In: *Journal of Political Economy* 125.2.

Frank, Morgan R, Lijun Sun, Manuel Cebrian, Hyejin Youn, and Iyad Rahwan (2018). “Small cities face greater impact from automation’’. In: *Journal of the Royal Society Interface* 15.139, p. 20170946.

Hong, Inho, Morgan R Frank, Iyad Rahwan, Woo-Sung Jung, and Hyejin Youn (2020). “The universal pathway to innovative urban economies’’. In: *Science Advances* 6.34, p. eaba4934.

Background reading:

Montgomery, James D (1991). "Social networks and labor-market outcomes: Toward an economic analysis' ". In: *American economic review* 81.5, pp. 1408-1418.

Putnam, Robert D. (2001). *Bowling Alone*. New York: Simon & Schuster.

Glaeser, Edward L (2008). *Cities, agglomeration, and spatial equilibrium*. Oxford University Press.

Week 09, 03/06: Spring Break

No class.

Week 10, 03/13: Institutions (democracy vs autocracy)

Feyrer, James and Bruce Sacerdote (2009). "Colonialism and Modern Income: Islands as Natural Experiments' ". In: *The Review of Economics and Statistics* 91.2, pp. 245-262.

Fernández, Raquel (2014). "Women's rights and development' ". In: *Journal of Economic Growth* 19.1, pp. 37-80.

Pepinsky, Thomas B (2016). "Colonial migration and the origins of governance: Theory and evidence from Java' ". In: *Comparative Political Studies* 49.9, pp. 1201-1237.

Lacroix, Jean (2017). "Steam democracy up! Industrialization-led opposition in Napoleonic plebiscites' ". In: *European Review of Economic History* 22.2, pp. 135-160.

Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, and James A Robinson (2019). "Democracy does cause growth' ". In: *Journal of Political Economy* 127.1, pp. 47-100.

Background reading:

Lipset, Seymour Martin (1959). "Some Social Requisites of Democracy: Economic Development and Political Legitimacy' ". In: *American Political Science Review* 53.1, pp. 69-105.

O'Donnell, Guillermo (1973). *Modernization and bureaucratic-authoritarianism: Studies in South American politics*. Institute of International Studies.

Dahl, Robert A. (1989). *Democracy and Its Critics*. New Haven: Yale University Press.

Przeworski, Adam (1991). *Democracy and the market: Political and economic reforms in Eastern Europe and Latin America*. Cambridge University Press.

Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001). "The Colonial Origins of Comparative Development: An Empirical Investigation' ". In: *American Economic Review* 91.5, pp. 1369-1401.

Baum, Matthew A. and David A. Lake (2003). "The Political Economy of Growth: Democracy and Human Capital' ". In: *American Journal of Political Science* 47.2, pp. 333-347.

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi (2004). "Institutions rule: the primacy of institutions over geography and integration in economic development' ". In: *Journal of Economic Growth* 9.2, pp. 131-165.

Glaeser, Edward L., Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer (2004). "Do Institutions Cause Growth?' " In: *Journal of Economic Growth* 9.3, pp. 271-303.

Cheibub, Jose A., Jennifer Gandhi, and James Vreeland (2010). "Democracy and Dictatorship Revisited' ". In: *Public Choice* 143.1, pp. 67–101.

Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin (2021). "Institutional change and institutional persistence' ". In: *The Handbook of Historical Economics*. Elsevier, pp. 365–389.

Week 11, 03/20: Institutions (autocracy)

Albertus, Michael (2015). *Autocracy and Redistribution*. New York: Cambridge University Press.

Miller, Michael K. (2015). "Electoral Authoritarianism and Human Development' ". In: *Comparative Political Studies* 48.12, pp. 1526-1562.

Geddes, Barbara, Joseph Wright, Joseph George Wright, and Erica Frantz (2018). *How dictatorships work: Power, personalization, and collapse*. New York: Cambridge University Press.

Dower, Paul Castañeda, Evgeny Finkel, Scott Gehlbach, and Steven Nafziger (2018). "Collective action and representation in autocracies: Evidence from Russia's great reforms' ". In: *American Political Science Review* 112.1, pp. 125-147.

Rozenas, Arturas and Yuri M. Zhukov (2019). "Mass Repression and Political Loyalty: Evidence from Stalin's 'Terror by Hunger' ". In: *American Political Science Review* 113.2, pp. 569–583.

Rizio, Stephanie M and Ahmed Skali (2019). "How often do dictators have positive economic effects? Global evidence, 1858–2010' ". In: *The Leadership Quarterly*.

Chang, Qing (2022). "Career Incentives, Economic Competition, and Public Land Prices' ". Working Paper.

Background reading:

Linz, Juan José (2000). *Totalitarian and authoritarian regimes*. Lynne Rienner Publishers.

Gandhi, Jennifer (2008). *Political institutions under dictatorship*. New York: Cambridge University Press.

Olson, Mancur (1993). "Dictatorship, democracy, and development' ". In: *American political science review* 87.3, pp. 567-576.

Gehlbach, Scott, Konstantin Sonin, and Milan W. Svolik (2016). "Formal Models of Nondemocratic Politics' ". In: *Annual Review of Political Science* 19.1, pp. 565-584.

Svolik, Milan W. (2012). *The politics of authoritarian rule*. New York: Cambridge University Press.

Week 12, 03/27: Institutions (bureaucracy and state capacity)

Acemoglu, Daron, Camilo García-Jimeno, and James A Robinson (2015). "State capacity and economic development: A network approach' ". In: *American Economic Review* 105.8, pp. 2364–2409.

Vogler, Jan P (2019). "Imperial rule, the imposition of bureaucratic institutions, and their long-term legacies' ". In: *World Politics* 71.4, pp. 806-863.

Colonnelli, Emanuele, Mounu Prem, and Edoardo Teso (2020). "Patronage and selection in public sector organizations' ". In: *American Economic Review* 110.10, pp. 3071-99.

Rich, Jessica AJ (2022). "Outsourcing Bureaucracy to Evade Accountability: How Public Servants Build Shadow State Capacity". In: *American Political Science Review*, pp. 1–16.

Slough, Tara (2022). "Bureaucratic Quality and Electoral Accountability". Working Paper.

Background reading:

Weber, Max (2019). *Economy and Society*. Harvard University Press.

Hendrix, Cullen S (2010). "Measuring state capacity: Theoretical and empirical implications for the study of civil conflict". In: *Journal of Peace Research* 47.3, pp. 273–285.

Pomeranz, Dina and José Vila-Belda (2019). "Taking state-capacity research to the field: Insights from collaborations with tax authorities". In: *Annual Review of Economics* 11, pp. 755–781.

Besley, Timothy, Robin Burgess, Adnan Khan, and Guo Xu (2022). "Bureaucracy and development". In: *Annual Review of Economics* 14, pp. 397–424.

Week 13, 04/03: Institutions (informal)

Tsai, Kellee S (2006). "Adaptive informal institutions and endogenous institutional change in China". In: *World Politics* 59.1, pp. 116–141.

Alesina, Alberto, Paola Giuliano, and Nathan Nunn (2013). "On the origins of gender roles: Women and the plough". In: *Quarterly Journal of Economics* 128.2, pp. 469–530.

Cantoni, Davide (2015). "The economic effects of the Protestant Reformation: testing the Weber hypothesis in the German lands". In: *Journal of the European Economic Association* 13.4, pp. 561–598.

Nowak, Andrzej, Michele J Gelfand, Wojciech Borkowski, Dov Cohen, and Ivan Hernandez (2016). "The evolutionary basis of honor cultures". In: *Psychological science* 27.1, pp. 12–24.

Schulz, Jonathan (2017). "The Churches' Bans on Consanguineous Marriages, Kin-Networks and Democracy". Working Paper.

Lowes, Sara, Nathan Nunn, James A Robinson, and Jonathan L Weigel (2017). "The evolution of culture and institutions: Evidence from the Kuba kingdom". In: *Econometrica* 85.4, pp. 1065–1091.

Lehne, Jonathan (2018). "An opium curse? The long-run economic consequences of narcotics cultivation in British India". Working Paper.

Background reading:

Bourdieu, Pierre and Jean-Claude Passeron (1990). *Reproduction in Education, Society and Culture*. London: Sage Publications.

Mauss, Marcel (2000). *The Gift*. New York: W. W. Norton.

Lauth, Hans-Joachim (2000). "Informal Institutions and Democracy". In: *Democratization* 7.4, pp. 21–50.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales (2006). "Does culture affect economic outcomes?". In: *Journal of Economic perspectives* 20.2, pp. 23–48.

Alesina, Alberto and Paola Giuliano (2015). "Culture and institutions". In: *Journal of Economic Literature* 53.4, pp. 898-944.

Week 14, 04/10: Law, crime, and property rights

Kostelnik, James and David Skarbek (2013). "The governance institutions of a drug trafficking organization". In: *Public Choice* 156.1-2, pp. 95-103.

Dube, Oeindrila, Omar García-Ponce, and Kevin Thom (2016). "From Maize to Haze: Agricultural Shocks and the Growth of the Mexican Drug Sector". In: *Journal of the European Economic Association* 14.5, pp. 1181-1224.

Dimico, Arcangelo, Alessia Isopi, and Ola Olsson (2017). "Origins of the Sicilian Mafia: The Market for Lemons". In: *The Journal of Economic History* 77.4, pp. 1083-1115.

Daniele, Gianmarco and Gemma Dipoppa (2022). "Fighting Organized Crime by Targeting their Revenue: Screening, Mafias, and Public Funds". In: *Journal of Law, Economics, and Organization*.

Background reading:

Anderson, Robert T (1965). "From Mafia to Cosa Nostra". In: *American Journal of Sociology* 71.3, pp. 302-310.

North, Douglass C and Barry R Weingast (1989). "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England". In: *The Journal of Economic History* 49.4, pp. 803-832.

Gottfredson, Michael and Travis Hirschi (1990). *A General Theory of Crime*. Stanford: Stanford University Press.

Fiorentini, Gianluca and Sam Peltzman (1997). *The economics of organised crime*. New York: Cambridge University Press.

Porta, Rafael La, Florencio Lopez-de-Silanes, and Andrei Shleifer (2008). "The Economic Consequences of Legal Origins". In: *Journal of Economic Literature* 46.2, pp. 285-332.

Venkatesh, Sudhir (2008). *Gang Leader for a Day*. New York: Penguin.

Week 15, 04/17: Violence and war

Nunn, Nathan and Leonard Wantchekon (2011). "The slave trade and the origins of mistrust in Africa". In: *American Economic Review* 101.7, pp. 3221-52.

Berger, Daniel, William Easterly, Nathan Nunn, and Shanker Satyanath (2013). "Commercial imperialism? Political influence and trade during the Cold War". In: *American Economic Review* 103.2, pp. 863-96.

Oatley, Thomas (2015). *A Political Economy of American Hegemony*. New York: Cambridge University Press.

Braun, Robert (2016). "Religious minorities and resistance to genocide: The collective rescue of Jews in the Netherlands during the Holocaust". In: *American Political Science Review* 110.1, pp. 127-147.

Klor, Esteban F, Sebastian M Saiegh, and Shanker Satyanath (2017). "Cronyism in State Violence: Evidence from Labor Repression During Argentina's Last Dictatorship". Working Paper.

Dell, Melissa and Pablo Querubin (2017). "Nation Building Through Foreign Intervention: Evidence from Discontinuities in Military Strategies". In: *The Quarterly Journal of Economics* 133.2, pp. 701-764.

Leeson, Peter T and Jacob W Russ (2017). "Witch trials". In: *The Economic Journal* 128.613, pp. 2066-2105.

Feigenbaum, James J, James Lee, and Filippo Mezzanotti (2018). "Capital Destruction and Economic Growth: The Effects of Sherman's March, 1850-1920". NBER Working Paper 25392.

Cox, Gary W and Mark Dincecco (2019). "The Budgetary Origins of Fiscal-Military Prowess". Working Paper.

Background reading:

Tilly, Charles (2017). "War making and state making as organized crime". In: *Collective Violence, Contentious Politics, and Social Change*. Routledge, pp. 121-139.

Week 16, 04/24: Agency and leadership

Li, Hongbin and Li-An Zhou (2005). "Political turnover and economic performance: the incentive role of personnel control in China". In: *Journal of public economics* 89.9-10, pp. 1743-1762.

Jones, Benjamin F. and Benjamin A. Olken (2005). "Do Leaders Matter? National Leadership and Growth since World War II". In: *Quarterly Journal of Economics* 120.3, pp. 835-864.

Khwaja, Asim Ijaz and Atif Mian (2005). "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market". In: *The Quarterly Journal of Economics* 120.4, pp. 1371-1411.

Ferguson, Thomas and Hans-Joachim Voth (2008). "Betting on Hitler – The Value of Political Connections in Nazi Germany". In: *Quarterly Journal of Economics* 123.1, pp. 101-137.

Querubin, Pablo and James M Snyder Jr (2013). "The Control of Politicians in Normal Times and Times of Crisis: Wealth Accumulation by US Congressmen, 1850-1880". In: *Quarterly Journal of Political Science* 8, pp. 409-450.

Carreri, Maria (2017). "Can Good Politicians Compensate for Bad Institutions?". Working Paper.

Dal Bó, Ernesto, Frederico Finan, Olle Folke, Torsten Persson, and Johanna Rickne (2017). "Who Becomes A Politician?". In: *Quarterly Journal of Economics* 132.4, pp. 1877-1914.

Girardi, Daniele and Samuel Bowles (2018). "Institution Shocks and Economic Outcomes: Allende's Election, Pinochet's Coup and the Santiago Stock Market". In: *Journal of Development Economics* 134, pp. 16-27.

Chen, Ting and James Kai-sing Kung (2018). "Busting the "Princelings": The Campaign Against Corruption in China's Primary Land Market". In: *Quarterly Journal of Economics* 134.1, pp. 185-226.

Thompson, Daniel M, James J Feigenbaum, Andrew B Hall, and Jesse Yoder (2019). "Who Becomes a Member of Congress? Evidence From De-Anonymized Census Data". NBER Working Paper 26156.

Easterly, William and Steven Pennings (2020). "Leader value added: assessing the growth contribution of individual national leaders". World Bank Policy Research Working Paper 9215.

Carreri, Maria (2021). "Can good politicians compensate for bad institutions? Evidence from an original survey of Italian mayors". In: *Journal of Politics* 83.4, pp. 1229-1245.

Week 17, 05/01: Trade

Rho, Sungmin and Michael Tomz (2017). "Why don't trade preferences reflect economic self-interest?". In: *International Organization* 71.

Juhász, Réka (2018). "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade". In: *American Economic Review* 108.11, pp. 3339-76.

Barjamovic, Gojko, Thomas Chaney, Kerem Coşar, and Ali Hortaçsu (2019). "Trade, merchants, and the lost cities of the bronze age". In: *Quarterly Journal of Economics* 134.3, pp. 1455-1503.

Background reading:

Greif, Avner (1993). "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition". In: *American Economic Review* 83.3, pp. 525-548.

Milner, Helen V and Keiko Kubota (2005). "Why the move to free trade? Democracy and trade policy in the developing countries". In: *International Organization* 59.1, pp. 107-143.

Spolaore, Enrico and Romain Wacziarg (2009). "The Diffusion of Development". In: *Quarterly Journal of Economics* 124.2, pp. 469-529.

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Week 18, 05/08: Fiscal policy

Dincecco, Mark (2010). "The Political Economy of Fiscal Prudence in Historical Perspective". In: *Economics & Politics* 22.1, pp. 1-36.

Pickering, Andrew and James Rockey (2011). "Ideology and the growth of government". In: *Review of Economics and Statistics* 93.3, pp. 907-919.

Raess, Damian and Jonas Pontusson (2015). "The politics of fiscal policy during economic downturns, 1981-2010". In: *European Journal of Political Research* 54.1, pp. 1-22.

Scheve, Kenneth and David Stasavage (2016). *Taxing the Rich A History of Fiscal Fairness in the United States and Europe*. Princeton, NJ: Princeton University Press.

Benedictis-Kessner, Justin de and Christopher Warshaw (2016). "Mayoral partisanship and municipal fiscal policy". In: *Journal of Politics* 78.4, pp. 1124-1138.

Bodea, Cristina and Masaaki Higashijima (2017). "Central Bank Independence and Fiscal Policy: Can the Central Bank Restrain Deficit Spending?". In: *British Journal of Political Science* 47.1, pp. 47-70.

Hübscher, Evelyne and Thomas Sattler (2017). "Fiscal Consolidation under Electoral Risk". In: *European Journal of Political Research* 56.1, pp. 151-168.

Rickard, Stephanie J (2018). *Spending to win: Political institutions, economic geography, and government subsidies*. New York: Cambridge University Press.

Andersson, Per F. (2022). "Fiscal capacity in non-democratic states: the origins and expansion of the income tax". In: *Journal of Institutional Economics*, pp. 1–15.

Background reading:

Levi, Margaret (1988). *Of Rule and Revenue*. University of California Press.

Alt, James E and Robert C Lowry (1994). "Divided government, fiscal institutions, and budget deficits: Evidence from the states". In: *American Political Science Review* 88.4, pp. 811–828.

Week 19, 05/15: Models of inequality

Acemoglu, Daron, DAvid Autor, Joe Hazell, and Pascual Restrepo (2021). "AI and jobs: evidence from online vacancies". In: *Journal of Labor Economics*.

Acemoglu, Daron and Pascual Restrepo (2022). "Tasks, automation, and the rise in US wage inequality". In: *Econometrica* 90.5, pp. 1973-2016.

Lindgren, Karl-Oskar and Sven Oskarsoon (2022). "The Perpetuity of the Past: Transmission of Political Inequality across Multiple Generations". In: *American Political Science Review*, pp. 1–15.

Background reading:

Moene, Karle Ove and Michael Wallerstein (2001). "Inequality, Social Insurance, and Redistribution". In: *American Political Science Review* 95.4, pp. 859-874.

Kenworthy, Lane and Jonas Pontusson (2005). "Rising Inequality and the Politics of Redistribution in Affluent Countries". In: *Perspectives on Politics* 3.3, pp. 449–471.

Piketty, Thomas (2013). *Le Capital au XXIe Siècle*. Paris: Le Seuil.

Blanchard, Olivier and Dani Rodrik, ed. (2021). *Combating Inequality*. MIT Press.

Week 19, 05/15: Money, credit, and debt

Fahlenbrach, Rüdiger, Robert Prilmeier, and René M. Stulz (2012). "This Time Is the Same: Using Bank Performance in 1998 to Explain Bank Performance during the Recent Financial Crisis". In: *The Journal of Finance* 67.6, pp. 2139–2185.

Schularick, Moritz and Alan M. Taylor (2012). "Credit Booms Gone Bust: Monetary Policy, Leverage Cycles, and Financial Crises, 1870-2008". In: *American Economic Review* 102.2, pp. 1029-1061.

McCarty, Nolan, Keith T. Poole, and Howard Rosenthal (2013). *Political Bubbles: Financial Crises and the Failure of American Democrac*. Princeton, NJ: Princeton University Press.

Calomiris, Charles W. and Stephen H. Haber (2014). *Fragile by Design*. Princeton: Princeton University Press.

Reinhart, Carmen M. and Kenneth S. Rogoff (2014). "Recovery from Financial Crises: Evidence from 100 Episodes' ". NBER Working Paper 19823.

McDowell, Daniel (2017). *Brother, can you spare a billion? The United States, the IMF, and the International Lender of Last Resort*. Oxford University Press.

Lipsky, Phillip Y (2018). "Democracy and Financial Crisis' ". In: *International Organization* 72.4, pp. 937-968.

Copelovitch, Mark and David A Singer (2020). *Banks on the Brink: Global Capital, Securities Markets, and the Political Roots of Financial Crises*. New York: Cambridge University Press.

Background reading:

Satyanath, Shanker (2005). *Globalization, Politics, and Financial Turmoil: Asia's Banking Crisis*. New York: Cambridge University Press.

Frieden, Jeffry A. (2007). *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York: W. W. Norton.

Broz, J. Lawrence (2009). *The International Origins of the Federal Reserve System*. Cornell: Cornell University Press.

Reinhart, Carmen M. and Kenneth S. Rogoff (2009). *This Time is Different: Eight Centuries of Financial Folly*. Princeton, NJ: Princeton University Press.

Stasavage, David (2011). *States of credit: Size, power, and the development of European polities*. Princeton: Princeton University Press.

Course policies

Pandemic/COVID

During this pandemic, it is extremely important that you abide by the public health regulations, the University of Pittsburgh's health standards and guidelines, and Pitt's Health Rules. These rules have been developed to protect the health and safety of all of us. Universal face covering is required in all classrooms and in every building on campus, without exceptions, regardless of vaccination status. This means you must wear a face covering that properly covers your nose and mouth when you are in the classroom. If you do not comply, you will be asked to leave class. It is your responsibility have the required face covering when entering a university building or classroom. For the most up-to-date information and guidance, please visit <https://coronavirus.pitt.edu> and check your Pitt email for updates before each class.

If you are required to isolate or quarantine, become sick, or are unable to come to class, contact me as soon as possible to discuss arrangements.

Disability Resource Services

If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact both your instructor and the Office of Disability Resources and Services, 140 William Pitt Union, 412-648-7890, as early as possible in the term. Disability Resources and Services will verify your disability and determine reasonable accommodations for this course.

Academic Integrity Policy

Cheating/plagiarism will not be tolerated. Students suspected of violating the University of Pittsburgh Policy on Academic Integrity, noted below, will be required to participate in the outlined procedural process as initiated by the instructor. A minimum sanction of a zero score for the quiz, exam or paper will be imposed. (For the full Academic Integrity policy, go to www.provost.pitt.edu/info/ai1.html.)

E-mail Communication Policy

Each student is issued a University e-mail address (username@pitt.edu) upon admittance. This e-mail address may be used by the University for official communication with students. Students are expected to read e-mail sent to this account on a regular basis. Failure to read and react to University communications in a timely manner does not absolve the student from knowing and complying with the content of the communications. The University provides an e-mail forwarding service that allows students to read their e-mail via other service providers (e.g., Hotmail, AOL, Yahoo). Students that choose to forward their e-mail from their pitt.edu address to another address do so at their own risk. If e-mail is lost as a result of forwarding, it does not absolve the student from responding to official communications sent to their University e-mail address. To forward e-mail sent to your University account, go to <http://accounts.pitt.edu>, log into your account, click on Edit Forwarding Addresses, and follow the instructions on the page. Be sure to log out of your account when you have finished. (For the full E-mail Communication Policy, go to www.bc.pitt.edu/policies/policy/09/09-10-01.html.)

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The University of Pittsburgh does not tolerate any form of discrimination, harassment, or retaliation based on disability, race, color, religion, national origin, ancestry, genetic information, marital

status, familial status, sex, age, sexual orientation, veteran status or gender identity or other factors as stated in the University's Title IX policy. The University is committed to taking prompt action to end a hostile environment that interferes with the University's mission. For more information about policies, procedures, and practices, see: <https://www.diversity.pitt.edu/about>. I ask that everyone in the class strive to help ensure that other members of this class can learn in a supportive and respectful environment. If there are instances of the aforementioned issues, please contact the Title IX Coordinator, by calling 412-648-7860, or e-mailing titleixcoordinator@pitt.edu. Reports can also be filed online: <https://www.diversity.pitt.edu/civil-rights-title-ix-compliance/make-report>.