This 2-unit Ph.D. level course will take place in the second half of the winter quarter of 2013, and will cover theoretical methods in positive political economy, with a macroeconomic focus. It is a precursor to the full course on the political economy of long term growth and other topics in empirical political economy taught by Professors Voigtländer and Dippel in the Spring of 2013, and a prerequisite to it. In the course we will go in depth into the first few chapters of the textbook by Persson and Tabellini: *Political Economics: Explaining Economic Policy*, with more in-depth or applied readings subordinated to these main chapters.

**Textbooks:** The course will rely on two required textbooks in addition to some assigned articles:


**Prerequisites:** First-year graduate micro, first-year graduate econometrics. First-year macro and a Ph.D. course in formal political economy (especially voting theory) will prove very useful but are not prerequisites.

**Requirements:** The requirements of the course are 4 problem sets (for a total of 50% of the grade) and a final paper (50%).

Problem sets: The problem sets will be due every week in class. They will be returned promptly with solutions sets. You are urged to work on the problem sets alone. The goal of the problem sets is to make sure you learn the mechanics of the main workhorse models in political economy.

Final paper: The final paper can take one of two forms: 1) a critical survey of part of a literature we saw in class, including directions for future research. Such a survey would be useful to those who anticipate writing on political economics, but are not yet familiar with the field. The scope of the survey should not exceed the scope of one or two lectures in the course. 2) A piece of original research. This option is preferable for those who already know part of the literature, and are confident of the topic they wish to write a thesis about (or have already started). The goal of the final paper is to get you committed
to a topic so that you can start working on a more substantial project as soon as the class ends. There are no space constraints, either as a lower or as an upper bound.

**Administrative details:** My office is C-510 Entrepreneur’s Hall. My phone number is 310 825 4507. My email address is wacziarg@ucla.edu. My office hours are all the time.

## COURSE SCHEDULE

### Week 1: Preferences and Electoral Competition

**Required readings**
- PT, Chapters 2 and 3 (Chapter 1 assumed known)

**Additional Readings (in order of importance):**
- AD Chapters 1, 3, 7.

### Week 2: Agency and Partisan Politicians

**Required Readings**
- PT, Chapters 4 and 5.

**Additional Readings**

**Problem set 1 due at the end of week 2.**

### Week 3: General and Special Interest Politics

**Required Readings**
- PT, Chapters 6 and 7

**Additional Readings**
- AD Chapters 8 and 9.

**Problem set 2 due at the end of week 3.**
Week 4: Comparative Institutional Analysis

Required Readings
○ PT, Chapters 8, 9 and 10

Additional Readings

Problem set 3 due at the end of week 4

Week 5: Dynamic Policy Problems and Growth

Required Readings
○ PT, Chapters 11, 13 and 14

Additional Readings
○ Alesina and Drazen, AER 1991.
○ AD Chapter 10, 11

Problem set 4 due at the end of week 5.
Final paper due at the end of finals week, by email to me.