

# **ECON 43260/MGA 63200**

## **Political Economy of Development**

*Prof. Lakshmi Iyer*

**Spring 2019**

### **GENERAL INFORMATION**

**Class Time:** Mondays and Wednesdays, 9.30-10.45am (Section 1); 11.00-12.15 pm (Section 2)

**Location:** Jenkins-Nanovic B032

**Course website:** SAKAI – accessible to registered students. This is where you can access the syllabus, readings, lecture slides etc.

**Email:** liyer@nd.edu

**Office Hours:** Monday 1.00-3.00pm; Tuesday 2.30-3.30pm in Jenkins-Nanovic 3054. You can also email me to schedule an appointment at a different time. In general, the best way to communicate with me is via email.

### **COURSE OVERVIEW**

The course will focus on why and how political institutions affect economic development. The goal is to understand core theoretical concepts in political economy, discuss the political determinants of economic policy choices and learn how to understand and evaluate empirical evidence. The course will use evidence and examples from both developed and developing countries. Topics will include the role of historical circumstances and political leaders in fostering economic development, the incentives and constraints of political leaders, and the economic determinants of corruption and political instability.

The course will have two main components. First, we will be mainly reading academic journal articles; there is no textbook for this class. We will discuss the conceptual basis for the questions we study, how to model them theoretically and how to test these ideas empirically. We will discuss the methods and findings of the empirical papers, and identify their strengths and weaknesses. Second, you will develop an empirical project to address an original research question. This will involve data collection, descriptive data work, regression analysis and advanced econometric techniques as appropriate.

### **PRE-REQUISITES**

This class is meant as an advanced undergraduate course. As such, I will assume that you are comfortable with intermediate macro or microeconomics and basic calculus. Since a core component of the course is an empirical research paper, you must have taken Econometrics (ECON 30331) prior to enrolling in this class. Students in the MGA program must have taken Policy Evaluation (MGA 60204) or an equivalent class. You may use Stata (or any other statistical package) for the empirical analysis.

## COURSE REQUIREMENTS

### A. Class participation (20%)

Everyone is expected to participate in class discussions. Quality is valued over quantity. Good quality comments will help explain concepts from readings, highlight puzzles or inconsistencies or question the conclusions of the instructor or other classmates. I will cold-call frequently during class sessions; you should view being called upon as an opportunity to improve your grade!

Some of the assessment of your participation will be based on your contributions towards peer feedback on research papers (April 8 and April 29).

It is difficult to participate effectively if you do not attend and prepare for class. Required readings for each class are indicated on the syllabus, and will be available through Sakai Resources. You must read these before coming to class. In addition to required readings, the syllabus lists several optional readings, which you may read if you are interested in exploring a specific topic further. These are usually available through the library e-journal resources.

### B. Problem sets and assignments (25%)

There will be several assignments during the semester; due dates are listed on the class schedule. The assignments are geared to help assess your understanding of the course, prepare you for the midterm exam or guide you in the development of your empirical paper. Your three best assignments will contribute towards your grade.

### C. Midterm (25%)

A midterm exam will be held on **April 2, 2019**. Please note the different time and place: **8.00-9.15am in De Bartolo 129**. Attendance is mandatory. Only university-approved absences will be allowed (death in the immediate family, sickness resulting in hospitalization). Unexcused absences will earn you a zero on the exam.

### D. Research paper (30%)

In lieu of a final exam, you will write an empirical research paper of 10-15 pages. More details will be given early in the semester. The final paper is due in class on **May 1** (hard copy and an electronic version on Sakai). There are several interim deadlines for submission of different parts of the paper (research question, literature review, one-page proposal, summary statistics, preliminary tables etc) to enable you to complete the paper on time. You will also receive feedback along the way from me and from your classmates. I will use the final exam slot on May 10, 1.45-3.45pm, to hand back your exams.

## HONOR CODE

You are expected to adhere to the Academic Code of Honor Pledge: *“As a member of the Notre Dame community, I will not participate in or tolerate academic dishonesty.”* The full *Code* and a *Student Guide to the Academic code of Honor* are available at: <http://honorcode.nd.edu>. Perhaps the most fundamental sentence is the beginning of section IV-B: The pledge to uphold the *Academic Code of Honor* includes an understanding that a student’s submitted work, graded or ungraded – examinations, draft copies, papers, homework assignments, extra credit work, etc. - must be his or her own.

In this course, you are welcome to discuss the readings with your classmates before or after class, but the assignments and midterm must be done independently. You are welcome to seek feedback on your research paper from your classmates.

## **RESOURCES**

All slides shown in class will be posted to **Sakai Resources**. Required readings will also be available through **Sakai Resources**.

**Stata** (statistical software for data analysis) is available in all classrooms and clusters on campus, but can also be purchased for your personal computer through the university's GradPlan:

<http://www.stata.com/order/new/edu/gradplans/student-pricing/>

If you are not familiar with Stata (or need a refresher), Dr. James Ng, the Economics and Social Science librarian has a great review on his website. <http://libguides.library.nd.edu/friendly.php?s=stata>

You can also email him at [james.ng@nd.edu](mailto:james.ng@nd.edu) to set up a time to review Stata.

## SCHEDULE

Class	Date	Topic	Readings	Assignments
1	Jan 16	Introduction		
2	Jan 21	<i>NO CLASS; MLK Day—please attend luncheon at the Joyce Center</i>		
3	Jan 23	Property Rights	Acemoglu, Johnson and Robinson (2001); Focus on Tables 2,3,4  Tools: Regression analysis, instrumental variables	Questions for class discussion: 1. What is the primary research question in the paper? 2. How do the authors construct the variables of interest? Are there better ways to do this? 3. Why do the authors need data on settler mortality? 4. What are the key findings of the paper?
4	Jan 28	Property Rights	Banerjee and Iyer (2005); focus on Table 3  Tools: Regression analysis	Questions for class discussion: 1. How is the primary research question similar or different from AJR (2001)? 2. Are the data and methods similar? 3. Are the results similar or different from the cross-country findings of AJR (2001)?  <b>Assignment 1 due on Jan 29</b>
5	Jan 30	Class cancelled due to extreme weather conditions.		
6	Feb 4	Colonial Rule + Democracy	Acemoglu, Johnson and Robinson, 2003 (Sections 1-3); Papaioannou and Siourounis (2008)  Tools: Case study; Difference-in-differences estimation	Questions for class discussion: 1. How did Botswana achieve high growth? What can other poor countries learn from Botswana's experience? 2. What is democracy? What rules and institutions do we need to sustain democracy? 3. Will democracy deliver better economic outcomes than autocracy? 4. If you run a regression of GDP growth on a dummy for democracy (as in Assignment 1), can you interpret the coefficient as the causal effect of democracy on growth?  <b>Assignment 2 due on Feb 5</b>
7	Feb 6	Varieties of Democracy	Coppedge et al (2016) <i>Guest lecture by Professor Michael Coppedge in JNH 1050</i>	Check out the V-Dem website and data at <a href="https://www.v-dem.net/en/">https://www.v-dem.net/en/</a> <i>Guest lecture will be 9.30-10.45, and will be recorded for the benefit of all students.</i>
8	Feb 11	Institutional Change	Olson (1993); Przeworski (2009): Table 2.  Tools: Testing alternative theories	Questions for class discussion: 1. According to Olson, why might autocracies persist? When might autocracies evolve into democracies? 2. What does Przeworski's data suggest about the conditions under which democratization occurs?  <b>Assignment 3 due on Feb 12</b>
9	Feb 13	Do Leaders Matter?	Jones and Olken (2005)  Tools: Difference-in-differences estimates	Questions for class discussion: 1. What is the main question Jones and Olken are trying to answer? 2. Under what assumptions does their empirical strategy identify the effects of leaders (and not

				<p>other factors)?</p> <p>3. Why do you think the effects of leaders differ across democracies and autocracies?</p> <p><b>Do the Political Predictions Poll.</b></p>
10	Feb 18	Voter turnout	<p>Gerber and Green (2000); Gerber, Green and Larimer (2008)</p> <p>Tools: Field experiments</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>Based on the papers assigned, what factors are likely to increase voter turnout? How can such factors be activated without a researcher-driven experiment?</li> <li>Are the results of the paper likely to generalize to other areas or time periods? Why or why not?</li> </ol>
11	Feb 20	Voters and information	<p>Banerjee et al (2011): sections 1,3,4; Pons (2018), Tables 3,4,5.</p> <p>Tools: Field experiments, interpreting interaction coefficients</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>Based on the results in the papers, what kinds of information are likely to change voter decisions?</li> <li>Are the results of the paper likely to generalize to other areas or time periods? Why or why not?</li> </ol>
12	Feb 25	Median voter theorem	<p>Shepsle (2010), Chapter 5, pp90-99, 110-123.</p> <p>Tools: Formal modeling</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>What does the median voter theorem imply about policy choices in a democracy?</li> <li>What are the underlying assumptions for the median voter model? Are they plausible approximations to real life situations?</li> </ol> <p><b>Two page literature review on an area of interest due on Feb 26.</b></p>
13	Feb 27	Median voter: Empirics	<p>Fujiwara (2015)</p> <p>Tools: Regression discontinuity</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>How does Fujiwara identify the electoral and policy effects of introducing voting machines in Brazilian elections?</li> <li>Are his empirical results consistent with the predictions of the Downsian median voter model?</li> </ol> <p><b>Fill out the Political Participation and Ambition Poll.</b></p>
14	Mar 4	Do Women Leaders Matter?	<p>Chattopadhyay and Duflo (2004)</p> <p>Tools: Formal modeling, natural experiments</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>Will electing women instead of men make a difference to policy outcomes? Why or why not?</li> <li>How do Chattopadhyay &amp; Duflo identify the impact of women leaders on policy outcomes?</li> <li>Are their results generalizable to other contexts?</li> </ol> <p><i>I will be in computer cluster B077 from 1-3pm to help you with data collection and analysis.</i></p>
15	Mar 6	Why So Few Women Leaders?	<p>Kornblut (2011), Chapter 7; Iyer and Mani (2018)</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>What factors might be deterring women from political candidacy?</li> <li>What policy options can address such barriers?</li> </ol> <p><b>One-page research proposal due on Mar 6.</b></p>
<b>Spring Break</b>				
16	Mar 18	Collective action	<p>Miguel &amp; Gugerty (2005), Sections 1-2.</p>	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>What are the inefficiencies in collective decision making and how can they be addressed?</li> <li>How does group size and group diversity</li> </ol>

				<p>affect contribution towards public goods?</p> <p>3. How do Miguel &amp; Gugerty empirically identify the impact of ethnic diversity on public goods provision?</p> <p><i>Summary statistics for research paper due on Mar 19.</i></p>
17	Mar 20	Ethnic divisions	Miguel & Gugerty (2005), Sections 3-6.	
18	Mar 25	Decentralization	Galiani et al (2008), Sections 1-2; Bardhan & Mookherjee (2000)	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>1. When will local governments provide better public services than provincial or federal governments?</li> <li>2. What do the results of Galiani et al (2008) imply about decentralization? What settings will these results generalize to?</li> </ol>
19	Mar 27	Decentralization	Galiani et al (2008), Sections 3-6	<i>Assignment 4 due on Mar 27</i>
20	Apr 1	NO CLASS. Prep for midterm exam.		
	<b>Apr 2</b>	<b>Midterm Exam 8.00-9.15 in De Bartolo 129</b>		
21	Apr 3	NO CLASS. <i>I will be in computer cluster B077 from 9.30am-12.30pm to help you with data analysis.</i>		
22	Apr 8	<i>Bring draft of results table to class for peer feedback.</i>		<b>Main table(s) of results due on Apr 9</b>
23	Apr 10	Controlling corruption	Olken (2007)	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>1. What is corruption? How does Olken measure corruption in Indonesian road projects?</li> <li>2. What do Olken's results tell us about the best way to control corruption?</li> </ol>
24	Apr 15	Controlling corruption	Bjorkman and Svensson (2009)	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>1. When will community monitoring be effective in improving public service delivery?</li> <li>2. What are the differences between the community monitoring intervention in Bjorkman &amp; Svensson (2009) compared to Olken (2007)?</li> <li>3. What settings will the Uganda results generalize to?</li> </ol>
25	Apr 17	Why do wars happen?	Fearon (1995)	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>1. What "rationalist" explanations does Fearon provide for wars to happen despite their huge human and economic costs?</li> <li>2. Which of these explanations (if any) do you find credible? Why?</li> <li>3. Can you think of alternative reasons why wars happen?</li> </ol>

26	Apr 24	Economic shocks and civil war	Dube and Vargas (2013)	<p>Questions for class discussion:</p> <ol style="list-style-type: none"> <li>1. Why should changes in global commodity prices affect conflict in Colombia?</li> <li>2. What do the results in Dube &amp; Vargas (2013) tell us about the role of economic factors in conflict?</li> <li>3. What policies should governments adopt to reduce conflict?</li> </ol> <p><i>Email draft of complete paper to me and your assigned peer by April 26</i></p>
27	Apr 29	<i>Peer-review of research projects + 3-5 minute paper discussions</i>		
28	May 1	<i>3-5 minute paper discussions (contd.)</i>	<b><i>Final paper due on May 1</i></b>	
29	May 10	Final exam slot 1:45-3:45pm (I will hand back your research papers)		

## READING LIST

(\* indicates required readings; they will be discussed on the dates listed in the schedule above)

### A. The Role of Institutions

#### A1. Institutions and Development

- \*Acemoglu, Daron, Simon Johnson, James Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91, no. 5 (2001): 1369–401.
- \* Acemoglu, Daron, Simon Johnson, James Robinson. 2003. "An African Success Story: Botswana," in *In Search of Prosperity: Analytic Narratives on Economic Growth* edited by Dani Rodrik, Princeton University Press, pp. 80-122.  
[http://scholar.harris.uchicago.edu/sites/default/files/jamesrobinson/files/jr\\_africansuccess\\_0.pdf](http://scholar.harris.uchicago.edu/sites/default/files/jamesrobinson/files/jr_africansuccess_0.pdf)
- \*Banerjee, Abhijit and Lakshmi Iyer. 2005. "History, Institutions and Economic Performance: the Legacy of Colonial Land Tenure Systems in India." *American Economic Review* 95(4): 1190-1213.
- \*Iyer, Lakshmi. 2010. "Direct versus Indirect Colonial Rule in India: Long-term Consequences." *Review of Economics and Statistics* 92(4): 693-713.  
[http://www.mitpressjournals.org/doi/pdfplus/10.1162/REST\\_a\\_00023](http://www.mitpressjournals.org/doi/pdfplus/10.1162/REST_a_00023)
- \*Papaioannou, Elias and Gregorios Siourounis. 2008. "Democratisation and Growth." *The Economic Journal*, 118 (October), 1520–1551.
- \*Coppedge, Michael, Staffan Lindberg, Svend-Erik Skaaning and Jan Teorell. 2016. "Measuring high level democratic principles using the V-Dem data." *International Political Science Review* 37(5): 580–593.
- Blinder, Alan S. and Mark W. Watson. 2016. "Presidents and the US Economy: An Econometric Exploration." *American Economic Review* 106(4): 1015-1045.
- Kenny, Charles. 2005. Why are we worried about income? Nearly everything that matters is converging. *World Development*, 33(1), 1-19.
- Pritchett, Lant. 1997. "Divergence, Big Time." *The Journal of Economic Perspectives* 11 (3):3-17.
- Nunn, Nathan. "Long Term Effects of Africa's Slave Trades." *The Quarterly Journal of Economics* 123, no. 1 (2008): 139–76.
- North, Douglass C., and Barry R. Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *The Journal of Economic History* XLIX (4):803-32.
- Persson, Torsten and Guido Tabellini. 2004. "Constitutional Rules and Fiscal Policy Outcomes." *American Economic Review* 94(1): 25-45.
- Persson, Torsten and Guido Tabellini. 2006. "Democracy and Development: The Devil is in the Details." *American Economic Review* 96(2): 319-324.
- Vietor, Richard H.K. and Hilary White. 2015. "Singapore's 'Midlife Crisis'?" Harvard Business School Case 714039.
- Xu, Chenggang. 2015. "China's Political-Economic Institutions and Development." *Cato Journal*, Vol. 35, No. 3, pp 535-548. <http://object.cato.org/sites/cato.org/files/serials/files/cato-journal/2015/9/cj-v35n3-4.pdf>



## A2. Institutional Change

- \*Olson, Mancur. "Dictatorship, Democracy, and Development." *The American Political Science Review* 87, no. 3 (1993): 567–76.
- \*Przeworski, Adam. 2009. "Conquered or Granted: A History of Franchise Extensions." *British Journal of Political Science* 39: 291-321.
- Acemoglu, Daron, and James A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. Cambridge University Press. Chapter 6, "Democratization."
- Acemoglu, Daron, and James A. Robinson. 2000. "Why did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective." *Quarterly Journal of Economics* 1167-99.
- Alesina, A., P. Aghion, and F. Trebbi (May 2004) "Endogenous Political Institutions" *Quarterly Journal of Economics*, 565-612

## **B. The Role of Political Leaders**

- \*Chattopadhyay, Raghavendra and Esther Duflo. 2004. "Women as Policy Makers: Evidence From a Randomized Experiment in India." *Econometrica* 72 (5): 1409–43.
- \*Iyer, Lakshmi and Anandi Mani. 2018. "The Road Not Taken: Gender Gaps along Paths to Political Power." [http://sites.nd.edu/lakshmi-iyer/files/2018/10/IyerMani\\_RoadNotTaken\\_Oct2018Full.pdf](http://sites.nd.edu/lakshmi-iyer/files/2018/10/IyerMani_RoadNotTaken_Oct2018Full.pdf)
- \*Jones, Benjamin F. and Benjamin A. Olken. "Do Leaders Matter? National Leadership and Growth Since World War II." *Quarterly Journal of Economics* 120, no. 3 (2005): 835–64.
- \*Kornblut, Anne E. 2011. *Notes from the Cracked Ceiling: What It Will Take For a Woman to Win*. New York: Broadway Paperbacks.
- Bhalotra, Sonia, Irma Clots-Figueras and Lakshmi Iyer. 2018. "Pathbreakers? Women's Electoral Success and Future Political Participation." *Economic Journal*, 128 (613): 1844-1878.
- Iyer, Lakshmi, Anandi Mani, Prachi Mishra and Petia Topalova. 2012. "The Power of Political Voice: Women's Political Representation and Crime in India." *American Economic Journal: Applied Economics* 4(4): 165-193.
- Pande, Rohini. "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities." *American Economic Review* 93, no. 4 (2003): 1132–51.

## **C. Incentives and Constraints of Elected Political Leaders**

### C1. Voters

- \* Gerber, Alan and Donald Green. 2000. "The effects of canvassing, telephone calls, and direct mail on voter turnout: a field experiment." *American Political Science Review* 94(3):653–63
- \*Gerber, Alan, Donald Green and Christopher Larimer. 2008. "Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment." *American Political Science Review* 102(1): 33-48.
- \*Fujiwara, Thomas. 2015. "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil." *Econometrica* 83(2): 423-464.
- \*Shepsle, Kenneth. 2010. *Analyzing Politics: Rationality, Behavior and Institutions, 2<sup>nd</sup> Edition*. W.W.Norton.
- \*Banerjee, Abhijit V., Selvan Kumar, Rohini Pande and Felix Su. "Do Informed Voters Make Better Choices? Experimental Evidence from Urban India." Working paper, 2011.

- \*Pons, Vincent. 2018. "Will a Five-Minute Discussion Change Your Mind? A Countrywide Experiment on Voter Choice in France." *American Economic Review*, 108(6): 1322–1363.
- Durante, Ruben and Emilio Gutierrez. 2014. "Political Advertising and Voting Intentions: Evidence from Exogenous Variation in Ads Viewership." Working paper.  
[http://media.wix.com/ugd/dc1c3f\\_5aa108d540d441e88ba6804541718d82.pdf](http://media.wix.com/ugd/dc1c3f_5aa108d540d441e88ba6804541718d82.pdf)
- Wantchekon, Leonard. 2003. "Clientelism and voting behavior: evidence from a field experiment in Benin." *World Politics* 55(3):399–422
- Fujiwara, Thomas, and Leonard Wantchekon. "Can Informed Public Deliberation Overcome Clientelism? Experimental Evidence from Benin". *American Economic Journal: Applied Economics* (Forthcoming)
- Benjamin, Daniel and Jesse Shapiro. 2009. "Thin Slice Forecasts of Gubernatorial Elections." *Review of Economics and Statistics* 91(3): 523–536.
- Miller, Grant. "Women's Suffrage, Political Responsiveness, and Child Survival in American History." *The Quarterly Journal of Economics* 123, no. 3 (2008): 1287–327.
- Meltzer, Allan H., and Scott F. Richards. "A Rational Theory of the Size of Government." *Journal of Political Economy* 89, no. 5 (1981): 914–27.
- Pande, Rohini. 2011. "Can informed voters enforce better governance? Experiments in low-income democracies." *Annual Review of Economics* 3 (1):215-37.
- Aker, Jenny C., Paul Collier and Pedro C. Vicente. "Is Information Power? Using Mobile Phones and Free Newspapers during an Election in Mozambique." *Review of Economics and Statistics* (forthcoming)
- Miguel, Edward, Marco Manacorda, et al. "Government Transfers and Political Support." *American Economic Journal: Applied Economics*.
- Ferraz, Claudio, and Frederico Finan. "Exposing Corrupt Politicians: The Effect of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics* 123, no. 2 (2008): 703–45.
- Gentzkow, M. (August 2006) "Television and Voter Turnout" *Quarterly Journal of Economics*, 121 (3): 931-972.
- Della Vigna, Stefano and Ethan Kaplan. 2007. "The Fox News Effect: Media Bias and Voting." *Quarterly Journal of Economics* 122: 1187-1234.
- DellaVigna, Stefano, John List, Ulrike Malmendier and Gautam Rao. 2016. "Voting to Tell Others." *Review of Economic Studies* (forthcoming).

## C2. Interest Groups, Collective Action and Social Capital

- \*Miguel, Edward, and Mary Kay Gugerty. "Ethnic Diversity, Social Sanctions, and Public Goods in Kenya." *Journal of Public Economics* 89, no. 11–12 (2005): 2325–68.
- Easterly, William and Ross Levine, "Africa's Growth Tragedy: Policies and Ethnic Divisions," *Quarterly Journal of Economics* 112(4): 1203-1250, 1997.
- Miguel, Edward. "Tribe or Nation?: Nation Building and Public Goods in Kenya versus Tanzania." *World Politics* 56, no. 3 (2004): 327–62.
- Olson, Mancur. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Harvard University Press, 1965. ISBN: 9780674537507.
- Ray, Debraj, and Joan Maria Esteban. "Collective Action and the Group Size Paradox." *American Political Science Review* 95, no. 3 (2001): 663–72.

- Alesina, A. and E. Le Ferrara (Sept. 2005) "Ethnic Diversity and Economic Performance" *Journal of Economic Literature*, Vol. 43, 3: 762-800.
- Alesina, Alberto, Reza Baqir, et al. "Public Goods and Ethnic Divisions." *Quarterly Journal of Economics* 114, no. 4 (1999): 1243-84.
- Guiso, L., P. Sapienza, and L. Zingales (Spring 2006) "Does Culture Affect Economic Outcomes?" *Journal of Economic Perspectives*, 23-48

### C3. Decentralization

- \*Galiani, Sebastian, Paul Gertler, Ernesto Schargrotsky. "School decentralization: Helping the good get better, but leaving the poor behind." *Journal of Public Economics* 92 (2008) 2106-2120.
- \*Bardhan, Pranab and Dilip Mookherjee. 2000. "Capture and Governance at Local and National Levels." *American Economic Review* 90(2): 135-139.
- Galasso, Emanuela and Martin Ravallion. 2004. "Decentralized Targeting of an Antipoverty Program." *Journal of Public Economics* 89: 705- 727.
- Bardhan, Pranab and Dilip Mookherjee. 2005. "Decentralizing antipoverty program delivery in developing countries." *Journal of Public Economics* 89: 675-704.
- Faguet, Jean-Paul. 2004. "Does Decentralization Increase Government Responsiveness to Local Needs? Evidence from Bolivia." *Journal of Public Economics* 88: 867- 893.
- Joanis, M. 2014. "Shared Accountability and Partial Decentralization in Local Public Good Provision." *Journal of Development Economics* 107: 28-37.

## **D. Failures of Politics**

### D1. Corruption

- \*Olken, Benjamin. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *Journal of Political Economy* 115, no. 2 (2007): 200-49.
- \*Björkman, Martina, and Jakob Svensson. "Power to the People: Evidence from a Randomized Experiment of a Citizen Report Card Project in Uganda." *Quarterly Journal of Economics* 124, no. 2 (2009): 735-69.
- Björkman, Martina, Damien de Walque and Jakob Svensson. 2016. "Information is Power: Experimental Evidence on the Long-Run Impact of Community Based Monitoring." *American Economic Journal: Applied Economics* (forthcoming).
- Fisman, Ray. "Estimating the Value of Political Connections." *American Economic Review* 91, no. 4 (2001): 1095-102.
- Olken, Benjamin A., and Patrick Barron. "The Simple Economics of Extortion: Evidence from Trucking in Aceh." (PDF) *Journal of Political Economy* 117, no. 3 (2009): 417-52.
- Rose-Ackerman, Susan. 1975. "The Economics of Corruption." *Journal of Public Economics* 4: 187-203.
- Svensson, Jakob. 2005. "Eight Questions about Corruption." *The Journal of Economic Perspectives* 19 (3):19-42.
- Treisman, Daniel. 2007. "What Have we Learned about the Causes of Corruption from Ten Years of Cross-national Empirical Research?" *Annual Review of Political Science* 10:211-44.
- Becker, Gary. 1968. "Crime and punishment: An economic approach." *Journal of Political Economy* 76, 169-217.

- Di Tella, Rafael, and Ernesto Schargrotsky. "The Role of Wages and Auditing During a Crackdown on Corruption in the City of Buenos Aires." *Journal of Law and Economics* 46, no. 1 (2003): 269–92.
- Shleifer, Andrei, and Robert W. Vishny. "Corruption." *The Quarterly Journal of Economics* 108, no. 3 (1993): 599–617.
- Khwaja, Asim Ijaz, and Atif Mian. "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market." *Quarterly Journal of Economics* 121, no. 4 (2005): 1371–411.
- Lewis-Faupel S, Neggers Y, Olken BA, Pande R. 2016. "Can Electronic Procurement Improve Infrastructure Provision? Evidence from Public Works in India and Indonesia." *American Economic Journal: Economic Policy* 8(3): 258-283.
- Banerjee, Abhijit, Rukmini Banerji, Esther Duflo, Rachel Glennerster, Stuti Khemani. 2010. "Pitfalls of Participatory Programs: Evidence from three randomized experiments in education in India." *American Economic Journal: Economic Policy, Vol. 2 (1)*.

## D2. Conflict

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