

# PS 843: The Political Economy of Development

Department of Political Science  
University of Wisconsin–Madison  
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Fall 2020

Class times: Tuesdays, 1:20–3:15pm

Class location: [Here](#)

Class website: [Here](#)

Office hours: Wednesdays, 9–11am

(Sign up [here](#))

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## Course overview

We examine why some countries are rich, and others are poor. To do so, we start with examining the root cause of development—institutions. We then explore selected topics, including the role of regime type, corruption, the resource curse, ethnic differences and state capacity. We focus on the cutting edge of the empirical literature on the political economy of development, and pay close attention to measurement issues and causal inference.

## Instructional mode

Online, synchronous. Classes will not be recorded.

## Learning outcomes

Gain an awareness of some of the classics and the cutting edge of the literature on the political economy of development. Develop an understanding of the strengths and weaknesses of contemporary research designs used in the empirical literature on development. Learn how to replicate existing empirical work and write journal reviews. Be able to develop theoretically grounded and testable hypotheses about the political economy of development, and to formulate and implement compelling research designs to evaluate hypotheses.

## Course credits

This is a three credit class. The credit standard for this course is met by an expectation of a total of 135 hours of student engagement with the course learning activities, which include class meetings of two hours each week, multiple instructor-student meetings over the course of the semester, reading, data collection, analysis, writing, etc.

## Assignments and grading

The class grade will be based on:

1. Active, informed class participation, for 15% of the class grade. Participants are expected to have read assigned works closely, and reflected on them, including possibly by discussing them with their colleagues before class.
2. An in-class presentation summarizing and critiquing the readings for a week, for 15% of the class grade. A PDF of the slide deck should be uploaded to Canvas before class. You will need to sign up for presentations in the first class.
3. A replication of any recently published paper on the syllabus, for 15% of the class grade. The replication should consist of all the data and code (in R or STATA) used to duplicate and extend the results of the paper, and a brief (2–3 single-spaced pages, excluding tables and figures) memo outlining the findings. Students should duplicate the key tables and figures in the paper, and should extend the results by checking for robustness, including, as appropriate, by using an alternative estimator, analyzing heterogeneous treatment effects, examining other observable implications, using new data, etc. All replication materials should be placed in a folder with your last name and uploaded to the class Box folder no later than one week after the paper has been discussed in class. This is a time intensive assignment, so please start early.
4. A referee report, for 15% of the class grade. These may be written on one of the unpublished readings, and should be posted on Canvas by 8pm the day before the reading is discussed. The report should be 1–3 single-spaced pages, and should start a short appreciative paragraph summarizing the work. See [here](#), [here](#), [here](#) and [here](#) for advice on how to write a referee report.
5. A 20–25 page research proposal or paper and its presentation, for 40% of the class grade. Students should discuss their topics with me once by week 6, and a second time by week 11. Papers are due on Canvas one week after the last class, on 12/15. The paper will be graded on the questions posed, theory, hypotheses and research design, and not the statistical significance of preliminary results.

All assignments will be given one of the following letter grades: A, AB, B, BC, C, D and F. To calculate the final letter grade, these grades will be converted to numeric scores (A=96, AB=90, B=85.5, BC=81, C=75, D=67.5, F=60), which will then be summed using the weights mentioned above. The total score will be converted to the final letter grade using the following scale—A=92-100, AB=89-91, B=83-88, BC=80-82, C=71-79, D=65-70, F=below 65.

## Rules, rights & responsibilities

See <http://guide.wisc.edu/graduate/>.

## Course evaluations

You will receive an official email two weeks prior to the end of the semester when your course evaluation is available. You will receive a link to log into the course evaluation with your NetID where you can complete the evaluation and submit it, anonymously. Your feedback is important to me.

## Academic calendar and religious observances

See <https://secfac.wisc.edu/academic-calendar/#religious-observances>.

## Academic integrity

By enrolling in this course, each student assumes the responsibilities of an active participant in UW–Madison’s community of scholars in which everyone’s academic work and behavior are held to the highest academic integrity standards. Academic misconduct compromises the integrity of the university. Cheating, fabrication, plagiarism, unauthorized collaboration, and helping others commit these acts are examples of academic misconduct, which can result in disciplinary action. This includes but is not limited to failure on the assignment/course, disciplinary probation, or suspension. Substantial or repeated cases of misconduct will be forwarded to the Office of Student Conduct & Community Standards for additional review. For more information, refer to <http://studentconduct.wiscweb.wisc.edu/academic-integrity/>.

## Accommodations for students with disabilities

The University of Wisconsin–Madison supports the right of all enrolled students to a full and equal educational opportunity. The Americans with Disabilities Act (ADA), Wisconsin State Statute (36.12), and UW–Madison policy (Faculty Document 1071) require that students with disabilities be reasonably accommodated in instruction and campus life. Reasonable accommodations for students with disabilities is a shared faculty and student responsibility. Students are expected to inform me of their need for instructional accommodations by the end of the third week of the semester, or as soon as possible after a disability has been incurred or recognized. I, will work either directly with you or in coordination with the McBurney Center (at 1305 Linden Drive and 608.263.2741; see [www.mcburney.wisc.edu](http://www.mcburney.wisc.edu)) to identify and provide reasonable instructional accommodations. Disability information, including instructional accommodations as part of a student’s educational record, is confidential and protected under FERPA.

## Diversity and inclusion

Diversity is a source of strength, creativity, and innovation for UW–Madison. We value the contributions of each person and respect the profound ways their identity, culture, background, experience, status, abilities, and opinion enrich the university community. We commit ourselves to the pursuit of excellence in teaching, research, outreach, and diversity as inextricably linked goals. The University of Wisconsin–Madison fulfills its public mission by creating a welcoming and inclusive community for people from every background—people who as students, faculty, and staff serve Wisconsin and the world.

# Course Schedule

## Class 1 (9/8): Introduction

Banerjee, Abhijit and Esther Duflo (2011). *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York: Public Affairs.

Lerner, Daniel (1958). "The Grocer and the Chief: A Parable". In: *The Passing of Traditional Society: Modernizing the Middle East*. Glencoe, Ill.: The Free Press.

Sen, Amartya (1999). *Development as Freedom*. New York: Alfred A. Knopf.

## Class 2 (9/15): Institutions rule

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.

--- (2002). "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution". In: *The Quarterly Journal of Economics* 117.4, pp. 1231-1294.

Dell, Melissa and Benjamin A Olken (2020). "The Development Effects of the Extractive Colonial Economy: The Dutch Cultivation System in Java". In: *The Review of Economic Studies* 87.1, pp. 164-203.

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.

Stasavage, David (2014). "Was Weber right? The Role of Urban Autonomy in Europe's Rise". In: *American Political Science Review* 108.2, pp. 337-354.

## Class 3 (9/22): How institutions do rule?

Banerjee, Abhijit and Lakshmi Iyer (2005). "History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India". In: *American Economic Review* 95.4, pp. 1190-1213.

Dell, Melissa, Nathan Lane, and Pablo Querubin (2018). "The Historical State, Local Collective Action, and Economic Development in Vietnam". In: *Econometrica* 86.6, pp. 2083-2121.

Greif, Avner (2006). "Chapter 3". In: *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*. Cambridge University Press.

Kuran, Timur (2003). "The Islamic Commercial Crisis: Institutional Roots of Economic Underdevelopment in the Middle East". In: *The Journal of Economic History* 63.2, pp. 414-446.

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.

## **Class 4 (9/29): Regime type and development**

Cascio, Elizabeth U and Ebonya Washington (2014). “Valuing the vote: The redistribution of voting rights and state funds following the voting rights act of 1965”. In: *The Quarterly Journal of Economics* 129.1, pp. 379-433.

Ferraz, Claudio, Frederico Finan, and Monica Martinez-Bravo (2020). “Political Power, Elite Control, and Long-Run Development: Evidence from Brazil”.

Harding, Robin and David Stasavage (2014). “What Democracy Does (and Doesn’t Do) for Basic Services: School Fees, School Inputs, and African Elections”. In: *The Journal of Politics* 76.1, pp. 229-245.

Miller, Grant (2008). “Women’s Suffrage, Political Responsiveness, and Child Survival in American History”. In: *The Quarterly Journal of Economics* 123.3, pp. 1287-1327.

Olson, Mancur (1993). “Dictatorship, Democracy, and Development”. In: *American Political Science Review*, pp. 567-576.

Sanchez de la Sierra, Raul (2020). “On the Origins of the State: Stationary Bandits and Taxation in Eastern Congo”. In: *Journal of Political Economy* 128.1, pp. 32-74.

## **Class 5 (10/6): Corruption**

Earle, John S and Scott Gehlbach (2015). “The Productivity Consequences of Political Turnover: Firm-Level Evidence from Ukraine’s Orange Revolution”. In: *American Journal of Political Science* 59.3, pp. 708-723.

Fisman, Raymond and Edward Miguel (2007). “Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets”. In: *Journal of Political Economy* 115.6, pp. 1020-1048.

Fisman, Raymond, Florian Schulz, and Vikrant Vig (2019). “Financial Disclosure and Political Selection: Evidence from India”.

Lehne, Jonathan, Jacob N Shapiro, and Oliver Vanden Eynde (2018). “Building Connections: Political Corruption and Road Construction in India”. In: *Journal of Development Economics* 131, pp. 62-78.

Shleifer, Andrei and Robert W Vishny (2002). *The Grabbing Hand: Government Pathologies and their Cures*. Harvard University Press.

## **Class 6 (10/13): Accountability and responsiveness**

Besley, Timothy and Robin Burgess (2002). “The Political Economy of Government Responsiveness: Theory and Evidence from India”. In: *The Quarterly Journal of Economics* 117.4, pp. 1415-1451.

Ferraz, Claudio and Frederico Finan (2011). “Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance”.

Raffler, Pia (2019). “Does Political Oversight of the Bureaucracy Increase Accountability? Field Experimental Evidence from an Electoral Autocracy”.

Achen, Christopher H and Larry M Bartels (2012). “Blind Retrospection: Why Shark Attacks are Bad for Democracy”. In: *Center for the Study of Democratic Institutions, Vanderbilt University. Working Paper*.

Fowler, Anthony and Andrew B Hall (2018). “Do Shark Attacks Influence Presidential Elections? Reassessing a Prominent Finding on Voter Competence”. In: *The Journal of Politics* 80.4, pp. 1423-1437.

Achen, Christopher H and Larry M Bartels (2018). “Statistics as If Politics Mattered: A Reply to Fowler and Hall”. In: *The Journal of Politics* 80.4, pp. 1438-1453.

Fowler, Anthony and Andrew B Hall (2018). “Politics as if Evidence Mattered: A Reply to Achen and Bartels”.

Dunning, Thad, Guy Grossman, Macartan Humphreys, Susan D Hyde, Craig McIntosh, and Gareth Nellis (2019). *Information, Accountability, and Cumulative Learning: Lessons from Metaketa I*. Cambridge University Press.

### **Class 7 (10/20): The resource curse**

Andersen, Jorgen J and Michael L Ross (2014). “The Big Oil Change: A Closer Look at the Haber-Menaldo analysis”. In: *Comparative Political Studies* 47.7, pp. 993-1021.

Bhavnani, Rikhil R. and Noam Lupu (2016). “Oil Windfalls and the Political Resource Curse: Evidence from a Natural Experiment in Brazil”.

Cruz, Cesi and Christina J Schneider (2017). “Foreign Aid and Undeserved Credit Claiming”. In: *American Journal of Political Science* 61.2, pp. 396-408.

Haber, Stephen and Victor Menaldo (2011). “Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse”. In: *American Political Science Review* 105.1, pp. 1-26.

Paler, Laura (2013). “Keeping the Public Purse: An Experiment in Windfalls, Taxes, and the Incentives to Restrain Government”. In: *American Political Science Review*, pp. 706-725.

Weigel, Jonathan L (2020). “The Participation Dividend of Taxation: How Citizens in Congo Engage More with the State When it Tries to Tax Them”. In: *The Quarterly Journal of Economics* 135.4, pp. 1849-1903.

### **Class 8 (10/27): Ethnic differences**

Atkin, David, Eve Colson-Sihra, and Moses Shayo (2020). “How do we Choose our Identity? A Revealed Preference Approach using Food Consumption”.

Harris, J Andrew and Daniel N Posner (2019). “(Under what Conditions) do Politicians Reward their Supporters? Evidence from Kenya’s Constituencies Development Fund”. In: *American Political Science Review* 113.1, pp. 123-139.

Jha, Saumitra (2013). “Trade, Institutions, and Ethnic Tolerance: Evidence from South Asia”. In: *American Political Science Review*, pp. 806-832.

Kasara, Kimuli (2007). “Tax Me if You Can: Ethnic Geography, Democracy, and the Taxation of Agriculture in Africa”. In: *American Political Science Review*, pp. 159-172.

Michelitch, Kristin (2015). “Does electoral competition exacerbate interethnic or interpartisan economic discrimination? Evidence from a field experiment in market price bargaining”. In: *The American Political Science Review* 109.1, p. 43.

### **Class 9 (11/3): State capacity—deep causes**

Charnysh, Volha and others (2019). “Diversity, Institutions, and Economic Outcomes: Post-WWII Displacement in Poland”. In: *American Political Science Review* 113.2, pp. 423-441.

Garfias, Francisco (2018). “Elite Competition and State Capacity Development: Theory and Evidence from Post-revolutionary Mexico”. In: *American Political Science Review* 112.2, pp. 339-357.

Lee, Melissa M and Nan Zhang (2017). “Legibility and the Informational Foundations of State Capacity”. In: *The Journal of Politics* 79.1, pp. 118-132.

Suryanarayan, Pavithra (2019). “Hollowing out the State: Franchise Expansion and Fiscal Capacity in Colonial India”.

Wang, Yuhua and Mark Dincecco (2020). “Internal Conflict, Geopolitics, and State Development: Evidence from Imperial China”.

### **Class 10 (11/10): State capacity—proximate causes**

Bhavnani, Rikhil R and Alexander Lee “Does Affirmative Action Worsen Bureaucratic Performance? Evidence from the Indian Administrative Service”. In: *American Journal of Political Science*.

Brierley, Sarah (2020). “Unprincipled Principals: Co-opted Bureaucrats and Corruption in Ghana”. In: *American Journal of Political Science* 64.2, pp. 209-222.

Dasgupta, Aditya and Devesh Kapur “The Political Economy of Bureaucratic Overload: Evidence from Rural Development Officials in India”. In: *American Political Science Review*.

Rao, Manaswini (2020). “Judges, Lenders, and the Bottom Line: Court-ing Firm Growth in India”.

Toral, Guillermo (2019). “The Benefits of Patronage: How the Political Appointment of Bureaucrats can Enhance their Accountability and Effectiveness”.

### **Class 11 (11/17): Women and development**

Alesina, Alberto, Paola Giuliano, and Nathan Nunn (2013). “On the Origins of Gender Roles: Women and the Plough”. In: *The Quarterly Journal of Economics* 128.2, pp. 469-530.

Brulé, Rachel E (2020). “Reform, Representation, and Resistance: The Politics of Property Rights Enforcement”. In: *The Journal of Politics* 82.4.

Chattopadhyay, Raghendra and Esther Duflo (2004). “Women as Policy Makers: Evidence from a Randomized Policy Experiment in India”. In: *Econometrica* 72.5, pp. 1409-1443.

Grosjean, Pauline and Rose Khattar (2019). “It’s Raining Men! Hallelujah? The Long-run Consequences of Male-biased Sex Ratios”. In: *The Review of Economic Studies* 86.2, pp. 723-754.

La Ferrara, Eliana, Alberto Chong, and Suzanne Duryea (2012). “Soap Operas and Fertility: Evidence from Brazil”. In: *American Economic Journal: Applied Economics* 4.4, pp. 1-31.

**Class 12 (11/24): Final project presentations, 1/3**

**Class 13 (12/1): Final project presentations, 2/3**

**Class 14 (12/8): Final project presentations, 3/3**

**Final papers due on Canvas, 12/15**