PSC575: Topics in Political Economy (Spring 2020)

Time: TR 1230-1345 , Room: Harkness 112

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Office Hours: Monday 1300-1400 or by appointment

Course Description

This course surveys classic and recently developed game theoretic models of political institutions. We first examines models of intra-branch policymaking (e.g., legislative bargaining, bureaucratic policymaking, and judicial rulemaking), and we move to models of how the branches interact with each other in policymaking. The goals of this course are as follow:

1. Students become aware of literature on formal models.

2. Students practice reading, presenting, and writing about research that has formal models.

Prerequisites

Game theory course. Students should know key solution concepts such as Nash equilibrium, subgame perfect equilibrium, and perfect Bayesian equilibrium.

Class Format

There will be a total of 14 class meetings (excluding the first meeting). 12 of those meetings (i.e., normal class meeting) will be devoted to presenting and discussing papers that have formal models. Of the 2 remaining class meetings, one meeting will be used for student's proposals of their course projects. The other meeting (i.e., the final class meeting) is devoted to a mini-conference in which students present their course projects.

Course Work

Class Presentations: Each student must present at least three papers over the course of the semester. In each normal class meeting, three papers are presented. For each paper presented, 30 minutes are assigned for the presentation, and 20 minutes are assigned to discussion. One of the best ways to learn something is to prepare to teach it. To conduct a good presentation, it would be great to imagine yourself as the author of the paper and you are going to teach your paper to graduate students who have basic game theory knowledge and have not read the paper yet. An effective presentation used to have the following general structure:

1. The question the paper seeks to address should be framed in the beginning of the presentation. That is, what is the question and why the question is important should be pointed out.

2. The next couple minutes are devoted to explain the model's basic setup in detail, that is, articulating who the players are, their respective strategies, payoffs, and the solution concept used.

3. Then, the main results of the model is presented. In this course, you must use the chalk board to explain the results. You should be careful that this does not

- two op-eds, one law review article, and, if possible, one classic political text (e.g., the Federalist papers), where people discuss the potential consequences of the institution that interests you
- one to two paragraphs explaining why you think the questions you posed

Ashworth, S., and Bueno de Mesquita, E. 2006. "Monotone Comparative Statics." *American Journal of Political Science* 50(1): 214-231.

Bueno de Mesquita, E. 2017. *Political Economy for Public Policy*. Princeton University Press.

Gelbach, S. 2013. *Formal Models of Domestic Politics*. Cambridge University Press.

McCarty, N., and Meirowitz, A. 2007. *Political Game Theory: An Introduction*. Cambridge University Press.

Sundaram, R. 2014. *A First Course in Optimization Theory*. Cambridge University Press.

Weingast, B., and Wittman, D. 2006. *Oxford Handbook of Political Economy*. Oxford University Press.

Proposed Course Outline

Week 2: Spatial Bargaining

- Buisseret, Peter and Dan Bernhardt. 2017. "Dynamics of Policymaking: Stepping Back to Leap Forward, Stepping Forward to Keep Back." *American Journal of Political Science* 61(4): 820-835.
- Chen, Ying and Hulya Eraslan. 2015. "Dynamic Agenda Setting." *American Economic Journal: Microeconomic* 9(2): 1-32.
- Gehlbach, Scott. 2013. *Formal Models of Domestic Politics*, chapter 4.

Week 3: Veto Bargaining

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- Facchini, Giovanni, and Cecilia Testa. 2014. "The Rhetoric of Close Borders: Quotas, Lax Enforcement and Illegal Migration." Working paper.
- Sean Gailmard. 2009. "Oversight and Agency Problems in Legislative-Bureaucratic Interaction." *Journal of Theoretical Politics* 121(2): 161-186.

Week 6: Delegation and Accountability

- Fox, Justin, and Stuart V. Jordan. 2011. "Delegation and Accountability." *Journal of Politics* 73(3): 831-844.
- Gailmard, Sean. 2002. "Expertise, Subversion, and Bureaucratic Discretion." *Journal of Law, Economics, and Organization* 18(2): 536-555.
- Volden, Craig. 2002. "A Formal Model of the Politics of Delegation in a Separation of Powers System." *American Journal of Political Science* 46(1): 111-133.

Week 7: Politics of Appointments

- McCarty, Nolan. 2004. "The Appointment Dilemma." *American Journal of Political Science* 48(3): 413-438.
- Bertelli, Anthony, and Sven Feldmann. 2007. "Strategic Appointments." *Journal of Public Administration Research and Theory* 17: 19-38.
- Shotts, Kenneth, and Alan Wiseman. 2010. "The Politics of Investigations and Regulatory Enforcement by Independent Agents and Cabinet Appointees." *Journal of Politics* 72: 209-226.

Week 8: Research Proposal Presentations

Week 9: Learning in Agencies

- Hirsch, Alexander V. 2016. "Experimentation and Persuasion in Political Organizations." *American Political Science Review* 110(1): 68-84.
- Warren, Patrick L., and Thomas S. Wikenberg. 2012. "Regulatory Fog: The Role of Information in Regulatory Persistence." *Journal of Economic Behavior and Organization* 84(3): 840-856.
- Sean Gailmard, and John W. Patty. 2007. "Slackers and Zealots: Civil Service, Policy Discretion, and Bureaucratic Expertise." *American Journal of Political Science* 51(4): 873-889.

Week 10: Unilateral Actions

- Howell, William G., and Stephane Wolton. 2018. "The Politician's Province." *Quarterly Journal of Political Science* 13(2): 119-146.
- Chiou, Fang-Yi, and Lawrence S. Rothenberg. 2014. "The Elusive Search for Presidential Power." *American Journal of Political Science* 58(3): 653-668.
- Voeten, Erik. 2001. "Outside Options and the Logic of Security Council Action." *American Political Science Review* 95(4): 845-858.

Week 11: Judicial Politics

- Gennaioli, Nicola, and Andrei Shleifer. 2007. "The Evolution of Common Law." *Journal of Political Economy* 115(1): 43-68.

- Fox, Justin, and Matthew C. Stephenson. 2011. "Judicial Review as a Response to Political Posturing." *American Political Science Review* 105(2): 397-414.

- Deborah Beim, Tom S. Clark, and John W. Patty. 2017. "Why Do Courts Delay?" *Journal of Law and Courts* 5(2): 199-241.

Week 12: Separation of Powers

- Persson, Torsten, Gerard Roland, and Guido Tabellini. 1997. "Separation of Powers and Political Accountability." *Quarterly Journal of Economics* 112(4): 1163-1202.

- Gailmard, Sean. 2017. "Building a New Imperial State: The Strategic Foundations of Separation of Powers in America." *American Political Science Review* 111(4): 668-685.

- Ting, Michael M. 2001. "The 'Power of the Purse' and Its Implications for Bureaucratic Policy-Making." *Public Choice* 106(3-4): 234-274.

Week 13: Deference13: Deference13: Deference13: Deference13:1ke5Lbez(Gai12bliristo)-3(Gai12