Goals:

The goal of this course is to discuss current topics in political economics. This means to study the formation of economic policy from a positive, rather than a normative, perspective. Thus, the course will address questions such as: what are the political and institutional determinants of fiscal policy and macroeconomic policy in modern democracies? Which features of political institutions are more likely to foster economic development? We will also discuss issues related to the endogenous formation and the economic consequences of institutions, and to the role played by cultural factors.

Readings and Course Outline

Useful Textbook:
Grossman and Helpman: Special Interest Politics, MIT Press, 2001
Drazen, Political Economy in Macroeconomics, Princeton University Press, 2000
Roland, Transition and Economics – Politics, Markets and Firms, MIT Press, 2000

1. Introduction
   General Introduction : PT, Ch. 1

2. Political Decisions: Elections, Bargaining and Lobbying
   • PT, Ch. 2 & 3

3. The role of politicians: Agency, Career Concerns and Selection
• PT, Ch. 4 & 9

4. Electoral Campaigns & Media


5. Comparative Politics

- Persson and Tabellini, “Political Economics”, MIT Press 2000, ch 8, 9, 10

6. Redistributive Policies, Reforms & Migration

7. Economic Policies, Institutions and Growth

- G. Tabellini, (2005) The role of the state in economic development, *Kyklos*

8. Institutions and Development

9. **Cultural Economics: The role of social norms**