SYLLABUS

Course Description
This is a seminar course in political economy. The focus is on critical reading of seminal works and developing students own research skills. Topics covered include: (i) models of elections and application of voting models to redistributive policies, (ii) legislative bargaining, (iii) interest groups and lobbying, (iv) constitutions and federalism. (v) information, cheap talk and communication, and (vi) dynamic political economy with applications to democratization and debt.

Instructor
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Office Hours: Tuesdays 7:30-9:30pm

Texts
Most of the material in this course will involve reading journal articles (see reading list, below). For students who desire an additional resource, the following texts are quite helpful:
• Torsten Persson & Guido Tabellini, Political Economics: Explaining Economic Policy, MIT Press, 2002
• Martin Osborne, An Introduction to Game Theory, Oxford UP, 2005.

An electronic copy of Obsorne (an older edition) will be available on Moodle. Students who have not taken a course in game theory would be advised to review the following: Chapter 2 (pp. 11-35), Chapter 4 (pp. 105-112) and Chapter 5 (pp. 151-170). Chapters 3 and 6 provide additional examples that might prove useful, and Chapter 9 discusses game theory with imperfect information.

Prerequisites
ECON201 or ECON 300, MATH118 (MATH121 is desirable),
This course is intended as part of the Mathematical Economics concentration and is most suitable for students who enjoy theoretical and analytic approaches to economics.

Structure of Seminar
The seminar will be structured around student presentations of the readings. Students will present in pairs and will give a 45-60 minute presentation on a paper from the reading list, followed by class discussion. All students must be prepared to discuss the assigned readings, even if they are not presenting. Presentations should seek to both explain the main ideas of the paper, and to critically evaluate these. The presenter should meet with the instructor in the days before his/her presentation to discuss the paper. Students should expect to present 3-4 times over the course of the semester. In addition, twice during the
semester, students will be assigned to write a (2 page) summary/critique of one of the papers being presented. The goal is to explain technical material in the student’s own words.

Typically, we will have two presentations per session. Occasionally, in lieu of presenting a paper, we will consider a recent issue of interest and collectively build a model to help explain the observed outcomes/curiosities.

At the end of the semester, students will submit a term-paper, in which they will explore a model of their own design. Students may work in pairs.

**Assessment**
Student evaluation will be based on presentations (30%), article summaries (20%), term paper (20%), class participation (30%).

**Course Outline & Required Readings**

**Week 1**  
Social Choice Theory, Single-Peakedness  
- Introductory lecture notes (see Moodle)  
- Game Theory review.

**Week 2:**  
Probabilistic Voting  

**Week 3:**  
Retrospective Voting  

**Week 4:**  
Redistribution and the Laffer Curve  
Week 5: Social Justice and Redistribution

Week 6: Legislative Bargaining

Week 7: Bargaining (cont.)

Week 8: Nations, Polities and Secession

Week 9: Judiciary
- Modelling Exercise # 1.

Week 10: Lobbying

Week 11: Information

Week 12: Federalism
- Modelling Exercise # 2

Week 13: Federalism and Dynamics

Week 14: Dynamics