

Formal Comparative Politics and Constitutional Design

Fall 2007 Political Science G8454 section 001

Professor: Massimo Morelli

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Class: Wednesday 9:00am-10:50am 711 IAB

- **Course Description:**

This course covers recent models of *democratic policy making*, with particular emphasis on the comparison of institutional systems used across liberal democracies. Government policies are decided by elected politicians, who are assumed to be rational and strategic. To understand public decisions, it is therefore crucial to understand how the electoral system, the legislative rules, the separation of powers, and other constitutional characteristics, modify the incentives and behavior of politicians.

We will study various approaches to modelling representative democracies, emphasizing the role of the electoral system, the occupational choice of citizens, party formation, and the coalitional bargaining process before and after the elections. We will cover recent research on electoral reforms, quorum participation rules and term limits. We will also analyze the role of interest groups, corruption of public officials across institutional systems, and comparative affirmative action in politics.

Throughout the course we will give equal weight to *positive* analysis of different institutional systems and to *normative* constitutional design considerations.

The course is designed for Ph.D. students interested in formal political theory, formal comparative politics, public economics and political economy.

- **Pre-requisites:** Some knowledge of game theory is required. This means having the basic knowledge of key concepts like Nash Equilibrium, Subgame Perfect Equilibrium, Perfect Bayesian Equilibrium.

- **Requirements:**

1. The students are expected to do the readings in advance, and email a two page report on them the day before the class in which they are discussed. The report should contain a summary (short) and a number of comments on the main strengths and weaknesses of the article plus questions for the class discussion.
2. The main requirement is a well worked out proposal of a paper (around 10 pages), by the end of the semester. The paper proposal will be graded on the basis of its *potential* for eventual publishability in a refereed academic journal.
3. Two take-home problem sets.

Early discussions about the research paper are strongly encouraged, even on a weekly basis.

- **Note:** All requirements should be submitted via email as .tex attachments (use pctex, latex, scientific workplace, or similar softwares that create .tex files).

- **Recommended book:** Persson T. and G. Tabellini (2000), *Political Economics Explaining Economic Policy*, MIT Press. This is probably the political economics textbook most focused on comparative politics topics. It is mostly theoretical. They also have a second volume on the corresponding empirical research.

- **Weekly plan:**

1. September 5: Introduction. Read in advance chapters 1 and 2 of recommended book.
2. September 12: party formation and the role of parties and institutions in different political competition environments. Read in advance chapters 2 and 3 of textbook, Levy (2004, JET).
3. September 19: Relationship between parties and candidates in multi district electoral competition. Read in advance Morelli (2004 on RES), Eyster and Kittsteiner (2007 on TE, vol 2), Castanheira and Bouton (2007), and Klump (2007).
4. September 26: On electoral reforms: Accountability, corruption, polarization, etc. Read in advance Bordignon and Tabellini (2007), Myerson on EER.
5. October 3: Economic policy consequences of electoral systems. Read in advance Austen-Smith JPE and one of PRT papers.
6. October 10: Political regimes and their effects on public good provision, taxes, and rents. Ch. 10 of the book and other PRT papers.
7. October 17: The citizen-candidate model and its implications for public finance; 5.3 of the book and papers by Besley and Coate in the reading list.
8. October 24: Implications for endogenous quality of elected officials and for comparison across countries. Read in advance Caselli and Morelli (2004), Myerson (1993), Ashworth or others on valence.
9. October 31: Endogenous laws (e.g. on gender quotas and campaign financing) deriving from politicians incentives, compared across countries and electoral systems. Morelli (2006).
10. November 7: Behavioral political economy. The role of experiments to understand legislative bargaining in distributive and allocative politics. Read in advance Frechette, Kagel and Morelli (2005), Volden and Wiseman (2006), Frechette, Kagel and Morelli (2007).
11. November 14: Lobbying and Campaign advertizing. Bennesen and Feldmann, Grossman Helpman, Prat. Particular focus on understanding variation across countries.

12. November 21: On term length and related reforms: Schulz (2007), Caselli and Morelli (2007), Ashworth, Shotts.
13. November 28: Quorum rules and the value of participation requirements: Herrera, Corte-Real, Maniquet and Morelli.
14. December 5: Politicians and judges (frequent election vs. nomination) and politicians versus bureaucrats (responsiveness/competence trade-off). Read in advance Maskin and Tirole and Alesina Tabellini.
15. Additional topic if time allows: general discussion on the history and theory of constitutions, reading Acemoglu, Myerson, and Shepsle.

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