

Tulane University  
Undergraduate Program in Political Economy  
PECN 6000  
Political Economy of Nondemocracy  
Spring 2020

Professor: Patrick Testa  
Course hours: Mondays, 3:00-5:30pm  
Course location: 118 Norman Mayer Building  
Office: 201 Tilton Memorial Hall  
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## Overview

The world is changing. In the last decade, a number of previously-stable democracies have seen their political institutions erode – in some cases into dictatorship. What determines whether a country’s politics are subject to democratic institutions versus something else? And how are political decisions made by citizens and political leaders in the absence of democratic institutions, such as checks and balances or legitimate elections? This course is designed to study these questions, using a combination of rational choice political economy and cutting edge empirical research. Students should be juniors or seniors with prior training in basic microeconomics and positive political economy. It is also helpful to have a background in basic game theory and econometrics, although it is not necessary.

## Course goals and objectives

In this course:

1. Students will learn about early modern states, including how and when they first emerged.
2. Students will apply the tools of political economy to understand why some early states evolved into democracies while others saw power remain concentrated among a dictator, monarch, or small group of elites.
3. Students will critically examine the role of political and economic factors in driving democratization as well as democratic backsliding, such as geography, education, and inequality.
4. Students will examine how citizens effectively influence political outcomes in non-democracies, as well as how nondemocratic leaders deal with diversity of opinion and dissent in making their decisions.
5. Students will read cutting edge research and develop a research idea focusing on the political economy of nondemocracy, which will serve as the basis of a paper.

## **Weekly readings and assignments**

Lectures will be based in large part on a series of academic articles, most of which are already listed on the schedule below. Starred readings are considered to be required (subject to change). You will be expected to read these to the best of your ability prior to each class so that you may participate in class discussions. To ensure this, I ask that you complete an assignment prior to each class to help facilitate discussion. As part of each assignment, I ask that you briefly summarize one of the required articles' arguments or main points, and generate one or two questions about or related to that article that you can pose during class. I ask that you email these assignments to me prior to each lecture.

## **Presentations**

Each week, one student will lead a 30 minute presentation on one of the readings (required or not). You may also present on an article that is not the syllabus, subject to my approval. Grades will be based on both completeness (i.e. did you prepare to speak for the full 30 minutes?) and analysis (i.e. did you accurately summarize and interpret the article's findings?). However, you may focus on different aspects of the paper of your choosing (for example, the institutional setting, the theory, the econometrics, possible extensions, etc.). Non-presenters are expected to engage and ask questions.

## **Grades**

Your grade will consist of a total of 100 points. Of these, 30 will be derived from the weekly written assignments summarized above. 20 will be derived from your presentation, also described above. 10 will be derived from participation. The remaining 40 will be derived from a  $\sim 20$  page paper, which you will complete and hand in on the final exam date, May 1st. You may select any (relevant) topic for this final paper, subject to my approval. Students in the writing-intensive portion should submit to me a  $\geq 10$  page draft at least two weeks prior to the due date, upon which they will receive feedback. In general,  $\geq 93$  points will guarantee an A, 90-92.5 an A-, 87-89.5 a B+, 83-86.5 a B, etc.

## **Attendance policy**

As part of their participation grade, you should attend class and take notes so that you are aware of assignments and deadlines as well as any scheduling changes that may arise. Students should communicate to me via email when they will be absent and rely on office hours (please come see me!) as well as help from peers to fill in any blanks. Only a formal note from a doctor may qualify a student to delay any deadline.

## **ADA/Accessibility**

Any students with disabilities or other needs, who need special accommodations in this course, are invited to share these concerns or requests with the instructor and should contact Goldman Center for Student Accessibility: [accessibility.tulane.edu](http://accessibility.tulane.edu) or (504) 862-8433.

## Code of academic conduct

The Code of Academic Conduct applies to all undergraduate students, full-time and part-time, in Tulane University. Tulane University expects and requires behavior compatible with its high standards of scholarship. By accepting admission to the university, a student accepts its regulations (i.e., Code of Academic Conduct and Code of Student Conduct) and acknowledges the right of the university to take disciplinary action, including suspension or expulsion, for conduct judged unsatisfactory or disruptive.

## Course calendar

### Part one: From dictatorship to democracy and back

1/13: Introduction / the origins of the modern state

Topics: rational choice, strategic games, collective action, the first (extractive) institutions

Readings:

- Olson, Mancur (1993). "Dictatorship, democracy, and development," *American Political Science Review*. 87:567-76.

1/20: No class (MLK Day)

1/27: The evolution of institutions

Topics: credible commitment, fiscal capacity, inclusive institutions

Readings:

- \*Olson, Mancur (1993). "Dictatorship, democracy, and development," *American Political Science Review*. 87:567-76.
- \*North, Douglass C. and Barry R. Weingast (1989). "Constitutions and commitment: The evolution of institutions governing public choice in Seventeenth-Century England," *Journal of Economic History*. 49:308-32.
- Dincecco, Mark (2009). "Fiscal centralization, limited government, and public revenues in Europe, 1650-1913," *Journal of Economic History*. 69:48-103.

2/3: Equilibria with extractive versus inclusive institutions

Topics: colonialism, geography, disease, resource curse, slavery, human capital

Readings:

- \*Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001). "The colonial origins of comparative development: An empirical investigation," *American Economic Review*. 91:1369-1401.
- \*Engerman, Stanley L., and Kenneth L. Sokoloff (2000) "Institutions, factor endowments, and paths of development in the New World," *Journal of Economic Perspectives*. 14:217-32.
- Acemoglu, Daron, Simon Johnson, James A. Robinson, and Pierre Yared (2008). "Income and democracy," *American Economic Review*. 98:808-42.

2/10: Transition from nondemocracy to democracy

Topics: waves of democracy, protest, revolution, education

Readings:

- Tullock, Gordon (1971). "The paradox of revolution," *Public Choice*. 11:89-99.
- Cantoni, Davide, David Y. Yang, Noam Yuchtman, and Y. Jane Zhang (2019). "Protests as strategic games: Experimental evidence from Hong Kong's antiauthoritarian movement," *Quarterly Journal of Economics*. 134:1021-77.
- \*Campante, Felipe R. and Davin Chor (2012). "Why was the Arab World poised for revolution? Schooling, economic opportunities, and the Arab Spring," *Journal of Economic Perspectives*. 26:167-88.
- Acemoglu, Daron and James A. Robinson (2000). "Why did the West extend the franchise? Democracy, inequality, and growth in historical perspective," *Quarterly Journal of Economics*. 115:1167-99.
- Bourguignon, Francois and Thierry Verdier (2000). "Oligarchy, democracy, inequality and growth," *Journal of Development Economics*. 62:285-313.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin (2001). "A theory of political transitions," *American Economic Review*. 91:938-63.

2/17: Sustaining democracy

Topics: education, social capital, civil society

Readings:

- \*Putnam, Robert D. "Bowling alone: America's declining social capital," *Journal of Democracy*. 6:65-78.
- Nannicini, Tommaso, Andrea Stella, Guido Tabellini, and Ugo Troiano (2013). "Social capital and political accountability," *American Economic Journal: Economic Policy*. 5:222-50.
- Helliwell, John F. and Robert D. Putnam (2007). "Education and social capital," *Eastern Economic Journal*. 33:1-19.
- Glaeser, Edward L., Giacomo A. M. Ponzetto, and Andrei Shleifer (2007). "Why does democracy need education?," *Journal of Economic Growth*. 12:77-99.

2/24: No class (Mardi Gras holidays)

3/2: Democratic backsliding

Topics: backsliding, populism, erosion of institutions, inequality

Readings:

- \*Foa, Roberto S. and Yascha Mounk (2016). "The democratic disconnect," *Journal of Democracy*. 27:5-17.

- \*Norris, Pippa (2017). “Is western democracy backsliding? Diagnosing the risks,” *Journal of Democracy* Web Exchange.
- \*Alexander, Amy C. and Christian Welzel (2017). “The myth of deconsolidation: Rising liberalism and the populist reaction,” *Journal of Democracy* Web Exchange.
- Introduction to Huq, Aziz and Tom Ginsburg (2018). “How to lose a constitutional democracy,” *UCLA Law Review*. 78:65-169.
- \*Acemoglu, Daron and James A. Robinson (2019). “How do populists win?” *Project Syndicate*, May 31.
- Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin (2013). “A political theory of populism,” *Quarterly Journal of Economics*. 128:771-805.
- Kyle, Jordan and Yascha Mounk (2018). “The populist harm to democracy: An empirical assessment,” Tony Blair Institute for Global Change Paper Series.

3/9: Deep roots of institutions

Topics: history, culture, trust

Readings:

- \*Becker, Sascha O., Katrin Boeckh, Christa Hainz, and Ludger Woessmann (2014). “The empire is dead, long live the empire! Long-run persistence of trust and corruption in the bureaucracy,” *Economic Journal*. 126:40-74.
- Dell, Melissa (2010). “The persistent effects of Peru’s mining *mita*,” *Econometrica*. 78:1863-1903.
- \*Xue, Melanie Meng and Mark Koyama (2018). “Autocratic rule and social capital: Evidence from Imperial China.” Working Paper.

## **Part two: Political decision-making in nondemocracies**

3/16: How do citizens influence politics in nondemocracies? (part 1)

Topics: competitive authoritarianism, elections

Readings:

- Gehlbach, Scott, Konstantin Sonin, and Milan W. Svolik (2016). “Formal models of nondemocratic politics,” *Annual Review of Political Science*. 19:565-84.
- Gehlbach, Scott (2018). “What is next for the study of nondemocracy,” *A Research Agenda for New Institutional Economics*, Ch. 2.
- \*Introduction to Levitsky, Steven and Lucan A. Way (2010). *Competitive Authoritarianism: Hybrid Regimes after the Cold War*. New York: Cambridge University Press.
- Little, Andrew T. (2016). “Are non-competitive elections good for citizens?” *Journal of Theoretical Politics*. 29:214-42

3/23: How do citizens influence politics in nondemocracies? (part 2)

Topics: dictatorship, protest, revolt

Readings:

- Edmond, Chris (2013). “Information manipulation, coordination, and regime change,” *Review of Economic Studies*. 80:1422-58.
- \*Lorentzen, Peter L. (2013). “Regularizing rioting: Permitting public protest in an authoritarian regime,” *Quarterly Journal of Political Science*. 8:127-58.

3/30: How do dictators deal with diversity and dissent?

Topics: repression, preference falsification, expulsion and forced migration

Readings:

- \*Kuran, Timur (2015). “An atmosphere of repression leads to preference falsification among opinion leaders,” *Institute of Modern Russia*. <https://imrussia.org/en/opinions/2445-timur-kuran>.
- Besley, Timothy and Torsten Persson (2011). “The logic of political violence,” *Quarterly Journal of Economics*. 126:1411-45.
- Voigtländer, Nico and Hans-Joachim Voth (2012). “Persecution perpetuated: The medieval origins of anti-Semitic violence in Nazi Germany,” *Quarterly Journal of Economics*. 127:1339-92.
- \*Grosfeld, Irena, Alexander Rodnyansky, and Ekaterina Zhuravskaya (2013). “Persistent antimarket culture: A legacy of the Pale of Settlement after the Holocaust,” *American Economic Journal: Economic Policy*. 5:189-226.
- Becker, Sascha O., Irena Grosfeld, Pauline Grosjean, Nico Voigtländer, and Ekaterina Zhuravskaya (2019). “Forced migration and human capital: Evidence from post-WWII population transfers.” Working Paper.
- Testa, Patrick A. (2020). “The economic legacy of expulsion: Lessons from postwar Czechoslovakia.” Working Paper.

4/6: No class (Spring Break)

4/13: No class (Spring Break)

4/20: Nation-building (part 1)

Topics: war, rally-round-the-flag effect, developmental dictatorship

Readings:

- \*Mueller, John E. (1970). “Presidential popularity from Truman to Johnson,” *American Political Science Review*. 64:18-34.
- Sambanis, Nicholas, Stergios Skaperdas, and William C. Wohlforth (2015). “Nation-building through war,” *American Political Science Review*. 109:279-296.

- \*Voigtländer, Nico, and Hans-Joachim Voth (2018). “Highway to Hitler.” Working Paper.
- Hong, Ji Yeon, Sunkyoung Park, and Hyunjoo Yang (2019). “The effects of village development programs on authoritarian and democratic elections.” Working Paper.

4/27: Nation-building (part 2)

Topics: propaganda, manipulation, indoctrination, education

Readings:

- \*King, Gary, Jennifer Pan, and Margaret E. Roberts (2013). “How censorship in China allows government criticism but silences collective expression,” *American Political Science Review*. 107:1-18.
- King, Gary, Jennifer Pan, and Margaret E. Roberts (2017). “How the Chinese government fabricates social media posts for strategic distraction, not engaged argument,” *American Political Science Review*. 111:484-501.
- \*Adena, Maja, Ruben Enikolopov, Maria Petrova, Veronica Santarosa, Ekaterina Zhuravskaya (2015). “Radio and the rise of the Nazis in prewar Germany,” *Quarterly Journal of Economics*. 130:1885-1939.
- Cantoni, Davide, Yuyu Chen, David Y. Yang, Noah Yuchtman, and Y. Jane Zhang (2017). “Curriculum and ideology,” *Journal of Political Economy*. 125:338-92.
- Testa, Patrick A. (2018). “Education and propaganda: Tradeoffs to public education provision in nondemocracies,” *Journal of Public Economics*. 160:66-81.

5/1: Conclusion / final presentation period (at 1pm)

*Note: order of material may be subject to change.*

## **Title IX**

Tulane University recognizes the inherent dignity of all individuals and promotes respect for all people. As such, Tulane is committed to providing an environment free of all forms of discrimination including sexual and gender-based discrimination, harassment, and violence like sexual assault, intimate partner violence, and stalking. If you or someone you know has experienced or is experiencing these types of behaviors, know that you are not alone. Resources and support are available: you can learn more at [allin.tulane.edu](http://allin.tulane.edu). Any and all of your communications on these matters will be treated as either “Confidential” or “Private” as explained in the chart below. Please know that if you choose to confide in me I am mandated by the university to report to the Title IX Coordinator, as Tulane and I want to be sure you are connected with all the support the university can offer. You do not need to respond to outreach from the university if you do not want. You can also make a report yourself, including an anonymous report, through the form at [tulane.edu/concerns](http://tulane.edu/concerns).

Confidential	Private
Except in extreme circumstances, involving imminent danger to one's self or others, nothing will be shared without your explicit permission.	Conversations are kept as confidential as possible, but information is shared with key staff members so the University can offer resources and accommodations and take action if necessary for safety reasons.
Counseling & Psychological Services (CAPS)   (504) 314-2277 or The Line (24/7)   (504) 264-6074	Case Management & Victim Support Services   (504) 314-2160 or <a href="mailto:srss@tulane.edu">srss@tulane.edu</a>
Student Health Center   (504) 865-5255	Tulane University Police (TUPD)   Uptown - (504) 865-5911. Downtown – (504) 988-5531
Sexual Aggression Peer Hotline and Education (SAPHE)   (504) 654-9543	Title IX Coordinator   (504) 314-2160 or <a href="mailto:msmith76@tulane.edu">msmith76@tulane.edu</a>

## Emergency preparedness and response

EMERGENCY NOTIFICATION SYSTEM: TU ALERT	RAVE GUARDIAN
<p>In the event of a campus emergency, Tulane University will notify students, faculty, and staff by email, text, and phone call. You were automatically enrolled in this system when you enrolled at the university.</p> <p>Check your contact information annually in Gibson Online to confirm its accuracy.</p>	<ul style="list-style-type: none"> <li>• Download the RAVE Guardian app from the App Store</li> <li>• Communicate with dispatchers silently by selecting “Submit Tip” feature in the app</li> <li>• Use the Safety Timer feature to alert your “guardian” (TUPD, family, friend) when travelling alone at night</li> </ul> <p>For more information, visit <a href="http://publicsafety.tulane.edu/rave-guardian">publicsafety.tulane.edu/rave-guardian</a></p>
ACTIVE SHOOTER / VIOLENT ATTACKER	SEVERE WEATHER
<ul style="list-style-type: none"> <li>• <b>RUN</b> – run away from or avoid the affected area, if possible</li> <li>• <b>HIDE</b> – go into the nearest room that can be locked, turn out the lights, silence cell phones, and remain hidden until all-clear message is given through TU ALERT</li> <li>• <b>FIGHT</b> – do not attempt this option, except as a last resort</li> </ul> <p>For more information on Active Shooter emergency procedures or to schedule a training, visit <a href="http://emergencyprep.tulane.edu">emergencyprep.tulane.edu</a></p>	<ul style="list-style-type: none"> <li>• Follow all TU Alerts and outdoor warning sirens</li> <li>• Seek shelter indoors until the severe weather threat has passed and an all-clear message is given</li> <li>• Do not attempt to travel outside if weather is severe</li> <li>• Monitor the Tulane Emergency website (<a href="http://tulane.edu/emergency/">tulane.edu/emergency/</a>) for university-wide closures during a severe weather event</li> </ul>

## Other references

1. Acemoglu, Daron, Simon Johnson, and James A. Robinson (2002). “Reversal of fortune: Geography and institutions in the making of the modern world income distribution,” *Quarterly Journal of Economics*. 117:1231-94.
2. Banerjee, Abhijit, Lakshmi Iyer, and Rohini Somanathan (2010). “History, social divisions and public goods in rural India,” *Journal of the European Economic Association*. 3:639-47.



3. Boix, Carles and Milan W. Svolik (2013). "The foundations of limited authoritarian government: Institutions, commitment, and power-sharing in dictatorships," *Journal of Politics*. 75:300-16.
4. Burgess, Robin, Remi Jedwab, Edward Miguel, Ameet Morjaria, and Gerard Padrò i Miquel (2015). "The value of democracy: Evidence from road building in Kenya," *American Economic Review*. 105:1817-51.
5. Easterly, William (2011). "Benevolent autocrats." Unpublished.
6. Glaeser, Edward L., Rafael La Porta, Florencio López-de-Silanes, and Andrei Shleifer (2004). "Do institutions cause growth?" *Journal of Economic Growth*. 9:271-303.
7. Yanagizawa-Drott, David (2014). "Propaganda and conflict: Evidence from the Rwandan genocide," *Quarterly Journal of Economics*. 129:1947-94.