Instructor: Alejandro Gutiérrez-Li

Time and Location: M-F 11:00am-12:45pm (6/12/2017-7/14/2017); Simon Hall 020

Contact: agutierrez-li@wustl.edu; Seigle Hall 352

Office Hours: By appointment

Course Description

The goal of this course is to introduce you to the field of positive political economy, which seeks to understand and explain policy outcomes and political behavior. We will analyze the decision-making process of rational political actors in the context of institutional constraints. In addition, we will apply economic theories and concepts to gain a better understanding of the outcomes of collective choice and their implementation.

Textbooks

The main book is Analyzing Politics: Rationality, Behavior, and Institutions by K. Shepsle; W.W. Norton. We will also read parts of Why Nations Fail: The Origins of Power, Prosperity, and Poverty by Acemoglu and Robinson, and, Institutions, Institutional Change and Economic Performance by Douglass C. North. Additional readings might be assigned to link the theory to real-world examples.

Course documents

All the class documents will be uploaded to blackboard (bb.wustl.edu). It is your responsibility to check it on a regular basis. To access the site, direct any standard web browser to https://bb.wustl.edu and log in using your wustl key. You will find the syllabus, slides, and any other relevant materials in the corresponding sections.

I will send you an email to your wustl address in case I need to communicate with you. Therefore, you should check it daily or, if you haven’t yet, redirect it to your personal email address.

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1No particular edition is required. There is one copy of the book in the library. The book can be rented or purchased, new or used, at the campus bookstore.
Grading

Your grade will be based on your performance in two exams and a project. We will have a review session the day before each test. The final exam will be cumulative but I will most likely focus on the topics covered after the midterm. I will announce in advance what will be included in each test.

- Midterm 30%
  In-class exam. Tuesday, June 27.
  Chapters 1, 2, 3, 4, and part of 5 (tentative).

- Final 40%
  In-class exam. Thursday, July 13.

- Project 30%
  This will consist of an application of the concepts learned during the lectures. You will have to analyze a real-world case of your choice through the lens of any of the topics or theories covered in class. You have a lot of freedom here, and can chose to analyze an event that already took place. Some topics chosen in the past include the Brexit, the Iraqi War, the One Child Policy in China, and the African Union passport.
  I will suggest potential applications as we go over each topic and provide detailed guidelines of what you need to submit as the deadline approaches.

Written report 20%

Preliminary report: you are encouraged to discuss your ideas with me at any time and, the sooner, the better. Yet a preliminary one-page report indicating the example you have chosen, the concept(s) you are willing to apply, and the relevance of your topic should be submitted by Friday, June 30.
  This will not count towards your grade but is meant to give you the chance to get my feedback.

Final report: due on Wednesday, July 12\(^2\). It should be at most three pages (font optional) including the following:

Introduction
  - Topic: what are you analyzing? Briefly describe what you chose
  - Relevance: who was or will be affected under the different possible scenarios?
  Briefly describe why you chose to analyze that topic

\(^2\)Please bring a printed version to class and send it to my email.
Model
-Agents: who are or were the decision-makers (DMs)? Who was or will be affected by their decisions?
-Actions: what are or were the different options available to the DMs?
-Payoffs: what are or were the associated incentives to choose A over B from the point of view of the DMs? Who were or are going to be the losers/winners?

References: clearly list all of your sources. No particular format required.

Presentation 10%

July 14
You should present your main findings included in the written report. Prepare a 20 minutes (or less) presentation including Q&A.

Note: class participation and attendance are strongly encouraged and may be taken into consideration in the event of a borderline final grade.

Course Outline (tentative)

1. Introduction (6/12, 6/13, 6/14)
   -Motivation
   -Microeconomics review
   Chapters 1 & 2

2. Group Choice (6/15, 6/16, 6/19, 6/20)
   -Majority rules
   -Condorcet’s Paradox
   -The “Divide the dollars” example
   -Arrow’s Theorem, May’s Theorem, and Black’s Theorem
   -Single-peakedness
   Chapters 3 & 4

   -Geometric Approach
   -The median voter
   -McKelvey’s Theorem and Plott’s Theorem
   -Down’s Model
-Applications
Chapter 5

4. Review Session (6/26)

5. Midterm Examination (6/27)

6. Cooperation (6/30, 7/3)
   -Basics
   -Prisoner’s dilemma

   Chapter 8
   *Preliminary Report due on 6/30*
   **Note: No class on 7/4 (Independence Day)**

7. Public Goods (7/5, 7/6, 7/7)
   -Public Supply
   -Externalities

   Chapter 10

8. Strategic Behavior and Majority Rule (7/10, 7/11)
   -Basics
   -Examples

   Chapter 6

9. Review Session (7/12)

10. Written report deadline (7/12)

11. Final Examination (7/13)

12. Presentations (7/14)

**Administrative Details**

1. Only university-approved excuses will be accepted for missing either exam or the final project presentation, and it is your responsibility to notify me beforehand. If not, the corresponding grade will be recorded as a zero.

2. Students requiring special testing accommodations (via Cornerstone) must let me know during the first week of classes. If this applies to you, your “VISA” must be submitted to me - in person or as an emailed attachment - by Monday, June 19.

3. The exams and project are to be your own work. As such, evidence to the contrary will result, initially, in a failing grade on the assignment, and immediate academic disciplinary
action. If you ever feel that common standards of academic integrity are not being met, please notify me (or an undergraduate advisor) immediately.

4. You are allowed to bring electronic devices to class though there is no need to. Please keep them silent during the lectures. The exams will be closed-book.

5. I reserve the right to change this syllabus as time and circumstances dictate. Necessary changes will be announced in class and a copy of the revised syllabus will be posted on blackboard.