**Political Economy**
Department of Economics, Econ 3501 01

**Class Time:** Tuesdays - Thursdays 5:30 pm - 7:00 pm

**Location:** Seigle Hall 109

Fall Semester

**Instructor:** Valerio Dotti

**Contact:** vdotti@wustl.edu

**Office Hours:** Thursdays, 4.15 pm - 5.15 pm at Seigle Hall 341

**Assistant to Instructor:** Martina Ivanova

**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.

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1 You can expect a reply to your email within 72 hours. If you do not receive a reply within this time frame, please send a reminder.
2 No 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.
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.

Daily Work

Students are expected to read the relevant book chapters and other material assigned before each class. Please check blackboard (bb.wustl.edu) to verify which readings are required before each class.

Coursework

You will be assigned coursework that you are must hand in every two weeks, for a total of 7 assignments. You are required to submit a minimum of 5 pieces of coursework, else you will be penalized. Late submissions will not be accepted. Each piece of coursework handed in is going to be graded. If you have questions regarding the exercises assigned as coursework please contact the assistant to instructor for this course.

Class Participation

Attendance and class participation are strongly encouraged. All interactions in class must be civil, respectful, and supportive of an inclusive learning environment for all students. The students are also encouraged to speak to the instructor about any concerns they may have about classroom participation and classroom dynamics. Attendance will be recorded and verified.

Grading

Your grade will be based on your performance in two exams, on the coursework you submit and on class attendance. We will have a review session before each test. The second exam will be cumulative but it will be mostly focus on the topics covered after the first midterm exam. I will announce in advance what will be included in each test.

- Midterm 1 (30%). In-class exam. Thursday, October 11. Chapters 1, 2, 3, 4, and part of 5 (tentative).
• Midterm 2 (40%). In-class exam. Thursday, December 6.

• Coursework (20%). The score that will count towards the final grade is going to be calculated using the average of the 5 best pieces of coursework that each student has submitted.

• Attendance (10%). Students attending at least 24 classes will get full participation points (10% of total grade). Students attending at least 18-23 classes will get half participation points (5% of total grade). Students attending 17 classes or less will not get any participation points.

Course Outline (tentative)

1. Introduction (Ch.1&2; 8/28, 8/30, 9/4)
   (a) Motivation
   (b) Microeconomics review

2. Group Choice (Ch.3&4; 9/6, 9/11, 9/13, 9/18)
   (a) Majority rules
   (b) Condorcet’s Paradox
   (c) The “Divide the dollars” example
   (d) Arrow’s Theorem, May’s Theorem, and Black’s Theorem
   (e) Single-peakedness

3. Spatial Models of Majority Rule (Ch.5; 9/20, 9/25, 9/27, 10/2, 10/4)
   (a) Geometric Approach
   (b) The median voter
   (c) McKelvey’s Theorem and Plott’s Theorem
   (d) Down’s Model
   (e) Applications

4. Review Session (10/9)

5. Midterm Exam 1 (10/11) \(^3\)

\(^3\) No class on October 16 (Tuesday)
6. Strategic Behavior and Majority Rule (Ch.6; 10/18, 10/23)
   (a) Basics
   (b) Examples

7. Voting Methods and Electoral Systems (Ch.7; 10/25, 10/30)
   (a) Voting Methods
   (b) Electoral Systems

8. Cooperation (Ch.8; 11/1, 11/6)
   (a) Basics
   (b) Prisoner's dilemma

9. Public Goods (Ch.10; 11/8, 11/13 11/15)
   (a) Public Supply
   (b) Externalities
   (c) Commons

10. Institutions: Legislatures (Ch.12; 11/20, 11/25, 11/29)
    (a) Cooperation Among Legislators
    (b) Underlying Problems
    (c) Legislative Structure and Procedures

11. Review Session (12/4)

12. Midterm Exam 2 (12/6)

**Administrative Details**

1. Only university-approved excuses will be accepted for missing either exam or for not submitting the course-work, 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 Tuesday, September 25.

3. The exams and coursework 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. You are allowed to use a standard or scientific calculator during the exam (graphing calculators are not allowed).

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.

Course Policies and Information for Students

INCLUSIVE LEARNING ENVIRONMENT STATEMENT The best learning environment -whether in the classroom, studio, laboratory, or fieldwork site- is one in which all members feel respected while being productively challenged. At Washington University in St. Louis, we are dedicated to fostering an inclusive atmosphere, in which all participants can contribute, explore, and challenge their own ideas as well as those of others. Every participant has an active responsibility to foster a climate of intellectual stimulation, openness, and respect for diverse perspectives, questions, personal backgrounds, abilities, and experiences, although instructors bear primary responsibility for its maintenance. A range of resources is available to those who perceive a learning environment as lacking inclusivity, as defined in the preceding paragraph. If possible, we encourage students to speak directly with their instructor about any suggestions or concerns they have regarding a particular instructional space or situation. Alternatively, students may bring concerns to another trusted advisor or administrator (such as an academic advisor, mentor, department chair, or dean). All classroom participants -including faculty, staff, and students- who observe a bias incident affecting a student may also file a report (whether personally or anonymously) utilizing the online Bias Report and Support System.
Resources for Students

1. DISABILITY RESOURCES: If you have a disability that requires an accommodation, please speak with instructor and consult the Disability Resource Center at Cornerstone (cornerstone.wustl.edu/). Cornerstone staff will determine appropriate accommodations and will work with your instructor to make sure these are available to you.

2. WRITING ASSISTANCE: For additional help on your writing, consult the expert staff of The Writing Center (writingcenter.wustl.edu) in Olin Library (first floor). It can be enormously helpful to ask someone outside a course to read your essays and to provide feedback on strength of argument, clarity, organization, etc. < The Engineering Communication Center http://engineering.wustl.edu/current-students/student-services/Pages/default.aspx offers students in the School of Engineering and Applied Sciences help with oral presentations, writing assignments, and other communications projects, as well as job-search documents such as resumes and cover letters. >

3. THE UNIVERSITY’S PREFERRED NAME POLICY FOR STUDENTS, with additional resources and information, may be found here: registrar.wustl.edu/student-records/ssn-name-changes/preferred-name-policy/preferred-name-policy-student/.

4. SEXUAL ASSAULT: The University is committed to offering reasonable academic accommodations to students who are victims of sexual assault. Students are eligible for accommodation regardless of whether they seek criminal or disciplinary action. Depending on the specific nature of the allegation, such measures may include but are not limited to: implementation of a no-contact order, course/classroom assignment changes, and other academic support services and accommodations. If you need to request such accommodations, please direct your request to Kim Webb (kim_webb@wustl.edu), Director of the Relationship and Sexual Violence Prevention Center. Ms. Webb is a confidential resource; however, requests for accommodations will be shared with the appropriate University administration and faculty. The University will maintain as confidential any accommodations or protective measures provided to an individual student so long as it does not impair the ability to provide such measures. SEXUAL ASSAULT REPORTING: If a student comes to me to discuss or disclose an instance of sexual assault, sex discrimination, sexual harassment, dating violence, domestic violence or stalking, or if I otherwise observe or become aware of such an allegation, I will keep the information as private as I can, but as a faculty member of Washington University, I am required to immediately report it to my Department Chair or Dean or directly to Ms. Jessica Kennedy, the University’s Title IX Director. If you would like to speak with Ms. Kennedy, she can be reached at (314) 935-3118, jwkennedy@wustl.edu,
or by visiting her office in the Women’s Building. Additionally, you can report incidents or complaints to Tamara King, Associate Dean for Students and Director of Student Conduct, or by contacting WUPD at (314) 935-5555 or your local law enforcement agency. You can also speak confidentially and learn more about available resources at the Relationship and Sexual Violence Prevention Center by calling (314) 935-8761 or visiting the 4th floor of Seigle Hall.

5. BIAS REPORTING: The University has a process through which students, faculty, staff and community members who have experienced or witnessed incidents of bias, prejudice or discrimination against a student can report their experiences to the University’s Bias Report and Support System (BRSS) team. See: brss.wustl.edu

6. MENTAL HEALTH: Mental Health Services’ professional staff members work with students to resolve personal and interpersonal difficulties, many of which can affect the academic experience. These include conflicts with or worry about friends or family, concerns about eating or drinking patterns, and feelings of anxiety and depression. See: shs.wustl.edu/MentalHealth