

Econ 544 Preliminaries

Political Economy

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Welcome to Econ 544 Political Economy, Institutions, and Business.

- Material: All material, including syllabus and lecture notes, is posted on my webpage: http://faculty.arts.ubc.ca/ftrebbi/544_trebbi.html
- I upload all lecture notes online before class. They are comprehensive and detailed.
- In Class: Lecture starts at 11:00 am. I really appreciate your participation during class.
- Teaching Assistant: Juan Felipe Riano Rodriguez (email: juanfeliperianorodriguez@gmail.com)
- Office Hours: Available after class or by appointment. (Just send me an email and they are easily arranged.)
- Contact: e-mail: ftrebbi@mail.ubc.ca

- **MA students:** 100% 2 Midterms + Final (Midterms count one each, final counts three - take the highest three among those five grades and weigh 33% each – i.e. the lowest two of those five grades are dropped and the rest is used to determine your course grade).
- The two midterms will occur on February 13th and March 12th 2020 and will last about 1:20 hours.
- The midterms will take place at the beginning of class.
- NOTE: If you cannot make these exam times and you want to take the midterm, you should not take my class. No alternate arrangements will be made.

- **PhD students** (or **research-oriented MA/undergraduates** upon special permission by me): 100% Replication++
- Replication++: You will be assigned/chose an academic paper that you not only will need to completely replicate, but you will need to augment in at least two worthy directions (these may include finding lack of robustness along relevant dimensions or show novel results you obtained).
- A 30 minute in-class presentation of your paper and findings is also required.
- You will present a written submission of your Replication++ on the last day of exam period.

Why this course?

- Minimalist History of Economic Thought.
- The interaction of political and economic forces has been at the center of most social sciences since Karl Marx and Friedrich Engels.
- However, what we do today has little to do with what **Political Economy** was in the 1890s (that's where the JPE name comes from by the way).
- The main similitude remains in our interest in truly big social phenomena (i.e. power sharing, redistribution, collective decision-making, conflict, policy influence and distortion, government capture, etc.).
- We operate in areas that follow the footsteps of Social Choice (Ken Arrow – Nobel in '72) and of Public Choice (the Virginia School of James Buchanan – Nobel in '86 – & Gordon Tullock & the Chicago School in George Stigler – Nobel in '82).
- We also borrow heavily from Political Science
- Modern Political Economy studies the interaction of political systems with economic ones, in a much more applied and empirical sense than the purely theoretical SC approach and stays clear of the ideological connotations of PC.

Why this course? (cont.)

- This course will have an heavy empirical component and provide both rigorous conceptual treatment and econometric rigor (I will try my best).
- Political Economy may not be yet a fully mainstream field in Economics (this is changing).
- It can complement more established areas such as Public Economics, Trade, Development, Macro/Labor, Behavioral, IO, Finance.
- You need to be mindful of this for Job Market.

Why this course? (cont.)

- If you look around Econ departments you will find people who are essentially full time political economists slotted under artificial field boundaries.
- Here some examples:
 - Alberto Alesina, Torsten Persson, Guido Tabellini come from Macro in the 1990's (Pierre Yared, Columbia GSB now);
 - Daron Acemoglu comes from Macro/Labor in the early 2000's;
 - Tim Besley from Development in the mid 1990's (Fred Finan, Ernesto Dal Bo, Berkeley, now);
 - Stephen Coate, Brian Knight, from Public in the 1990's (Ebonya Washington, Yale, now);
 - Roger Myerson, Alessandro Lizzeri, Massimo Morelli from Theory in the 1990s (Navin Kartik, Columbia, now).