

## Syllabus “Topics in Theory: Political Economy” ECO 4932, Spring 2017

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Office hours: Tue, Thu 2:15-3:15pm or by appointment.

Time: Tue, Thu 12:30-1:45pm  
Location: Graham Center 271A

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**Objectives:** Back in the 19<sup>th</sup> century, our discipline was commonly called “Political Economy”. This term reflected the thinking that the functioning of markets is intrinsically interwoven with the workings of political institutions. In the 20<sup>th</sup> century, “Economics” has made great progress in understanding the former, under the assumption that the political context is exogenously given. For the analysis of the latter, “Political Science” emerged as a separate discipline that developed a different methodology of analysis. Over the course of the past two decades, Economics (with the help of quantitatively oriented political scientists) has slowly started to bring political agents back into the picture by applying its own analytical tools based on quantitative models (with a heavy dose of Game Theory). This subfield has become to be known as Political Economy in the contemporary sense of the term. This course will provide an introduction to some of the most important models that explain the behavior of political agents, and the resulting aggregate political outcomes. The focus will be on models of domestic politics applicable to the United States (political scientist may call this “American Politics”). However, towards the end of the course we will see some models that apply to other settings (“Comparative Politics”). The principal aim of the course is to give the student a more structured understanding of our domestic political process. Secondary aims are to give Economics/Political Science double majors an opportunity to tie the two disciplines together; and also to equip students bound for graduate school in any of the two disciplines a solid foundation for their future studies.

**Prerequisites:** The student should have passed ECO3101 (Intermediate Microeconomics), and have knowledge of basic calculus and algebra. The content is designed as an advanced (400-level) undergraduate course that provides a bridge to graduate school level of instruction. It makes heavy use of mathematical tools, going beyond the level of formalization in ECO3101. The student should, therefore, be comfortable with quantitative reasoning. The course will provide a review of game theory in the first week, and more advanced mathematical tools will be explained when appropriate.

**Requirements and grading schemes:** Your final grade will be determined by four in-class quizzes and an accumulative final exam. The material covered in the quizzes will necessarily

build upon previous material; in that sense, they might also be considered accumulative. I will also assign practice questions (taken from the end of chapter questions in the textbook) to which solutions will be provided. However, the practice questions are not to be handed in, nor will they be graded. It is your own responsibility to keep up with the course material. The four quizzes will also be based all or in part on the end of chapter questions. Answer keys will, of course, only be provided after the quiz. But you are *encouraged* to try solve the questions for practice before the quiz; you may do so in groups. The questions in the final exam will have a similar format to the end of chapter questions, but will not be copied directly. Each quiz will account for 10% of your grade, the composition of your final grade is thus:

Quizzes:	40%
Final Exam:	60%

I will *not* give letter grades on individual assignments. At the end of the semester, grades will be curved based on your total score.

**Textbook:** You are *required* to purchase the following book (which is relatively cheap):

Scott Gehlbach; "*Formal Models of Domestic Politics*"; Cambridge University Press, 2013; ISBN 978-1-107-61042-2

**Policies Concerning Academic Misconduct:** It is imperative that students become aware of FIU's definitions of and policies toward academic misconduct. These policies may be found on the FIU web-site at Academic Misconduct and Code of Academic Integrity (<http://www2.fiu.edu/~oabp/misconductweb/1acmisconductproc.htm>).

**Students with Disabilities:** If you have any specific physical, psychiatric or learning disabilities that require accommodations (such as a note taker or special testing arrangements), please let me know early in the semester so your learning needs can be appropriately met. You will need to provide documentation of your disability to the **Disability Resource Center, GC 190, (305) 348-3532**. I cannot make any accommodations without a written statement from the DRC.

### **Course outline:**

Week 1: Game Theory Review

Use your favorite Intermediate Microeconomics textbook.

Week 2: Electoral Competition under Certainty

Chapter 1

Week 3: Electoral Competition under Certainty cont. & Uncertainty

Chapter 1

Chapters 2.1

Week 4: Electoral Competition under Uncertainty

Chapters 2.2 & 2.5

Week 5: Special Interest Politics & Quiz 1  
Chapters 3.1 & 3.3

**Quiz 1: Thu February 9 (Chapters 1)**

Week 6: Special Interest Politics cont.  
Chapter 3.4

Week 7: Veto Players  
Chapter 4.1-4.2

Week 8: Veto Players cont.

Week 9: Veto Players cont. & Quiz 2  
Chapter 4.3

**Quiz 2: Thu March 9 (Chapters 2 & 3)**

*SPRING BREAK, March 13-18*

Week 10: Veto Players cont.

Week 11: Delegation  
Chapters 5.1 & 5.2

Week 12: Political Agency cont. & 3<sup>rd</sup> Quiz  
Chapter 7.1.1

**Quiz 3: Thu April 6 (Chapter 4)**

Week 13: Political Agency cont.  
Chapter 7.1.4 & 7.2.1

Week 14: Political Agency cont. & Quiz 4

**Quiz 4: Thu April 20 (Chapters 5 & 7)**

**FINAL EXAM: Tue 04/25 12:00-2:00pm, GC271A**