

Tulane University
Undergraduate Program in Political Economy
PECN 6000
Political Economy of Nondemocracy
Fall 2022

Professor: Patrick Testa
Course hours: Thursdays, 3:30-5:55pm
Course location: 106 Richardson Hall
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. Mirroring this trend, the 2020 United States presidential election saw accusations of widespread voter fraud from the defeated incumbent, which culminated in violence at the U.S. Capitol. What drives democratic backsliding and 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 theory 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 are 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 a “reading and analysis” assignment prior to each class to help facilitate discussion. As part of this assignment, you will briefly summarize **one** of the required articles’ arguments or main points, and generate two or so questions about or related to that article, which you can then pose during class. I ask that you email these assignments to me prior to each lecture, as part of your participation grade.

Presentations

For most of our meetings after the first week, one student will lead a 30 minute presentation on one of the readings. You may also present on an article that is not in the syllabus, with advanced 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, criticisms, etc.). Non-presenters are expected to engage and ask questions. Additional instructions will be posted on Canvas.

Paper

A central part of this course involves the development of a research idea and corresponding essay. On December 8, you will complete and submit a final paper, consisting of a developed (i) research question, (ii) literature review, (iii) method of inquiry, as well as (iv) preliminary analysis, using data, historical evidence, and/or theory to test your research question, approximately 20 pages in length (12 point font, double-spaced). Additional instructions will be posted on Canvas.

Film analysis

In lieu of a final exam, I ask that you watch one of the following films (or similar, with advanced approval):

- *1984* (stream on Prime Video).
- *The Great Dictator* (stream on HBO Max).
- *Children of Men* (stream on Prime Video).
- *V For Vendetta* (stream on HBO Max).

Upon watching the film, you will write a single-page essay (12 point font, double-spaced), due December 17, critically analyzing the film's depiction of nondemocratic institutions. Comment for instance on their accuracy and realism, on whether they satisfy a "rational choice" model of nondemocratic actors, etc. Additional instructions will be posted on Canvas.

Grades

Your grade will consist of a total of 100 points. Of these, 30 will be derived from the weekly written assignments on readings and participation in class discussions thereof. 20 will be derived from your presentation. 10 will be derived from the film analysis. The remaining 40 will be derived from a ~ 20 page paper, which you will complete and hand in by our final class meeting on December 8. 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 ≥ 10 page draft at least two weeks prior to the due date, upon which they will receive feedback. In general, ≥ 93 points will guarantee an A, 90-92.5 an A-, 88-89.5 a B+, 83-87.5 a B, etc.

Attendance policy

As part of your 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.

COVID-19 policy

Given the discussion-based style of the course, lecture will be in-person only by default. We will move online only in the event of any college- or university-wide policy change regarding in-person lecture. If you are sick (with COVID or otherwise) and cannot attend, you will not be penalized. However, you will be expected to keep up with the reading material and rely on peers and office hours to make up for other missed course materials. Only a formal note from a doctor may qualify you to delay any deadline. Masks must be worn in the event of a university-wide mask mandate and are optional otherwise. Failure to comply is a violation of the Code of Student Conduct and students will be subject to University discipline, which can include suspension or permanent dismissal. Please see tulane.edu/covid-19/health-strategies for University policies regarding COVID-19 testing and isolation. Masking and other COVID-19 policies are subject to change.

ADA/Accessibility

Tulane University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability, please let me know immediately so that we can privately discuss options. I will never ask for medical documentation from you to support potential accommodation needs. Instead, to establish reasonable

accommodations, I may request that you register with the Goldman Center for Student Accessibility. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. Goldman Center contact information: goldman@tulane.edu, 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.

Statement of equity, diversity, and inclusion

Equity, diversity, and inclusion (EDI) are important Tulane values that drive excellence in our learning environments and help us build a supportive culture and climate for every member of our community. Diversity refers to many different identities and experiences that include the following and more: race, color, sex, religion, national origin, age, disability, genetic information, sexual orientation, gender identity, gender expression, pregnancy, marital status, military status, veteran status (or any other classification protected by applicable law). To live our values of EDI with one another, we acknowledge that each of us have areas of strength and growth in our EDI learning and competency that we each continuously work on to sustain EDI on our campus.

Religious accommodation policy

Per Tulane's religious accommodation policy and our core values of diversity and inclusion, I will make every reasonable effort to ensure that students are able to observe religious holidays without jeopardizing their ability to fulfill their academic obligations. Excused absences do not relieve the student from the responsibility for any course work required during the period of absence. Students should notify me within the first two weeks of the semester about their intent to observe any holidays that fall on a class day or on the day of the final exam.

Course calendar

Part one: The emergence and evolution of institutions

8/25: Introduction / the origins of the modern state

Topics: rational choice, collective action, institutions, extractive institutions

Readings:

- *Olson, Mancur (1993). "Dictatorship, democracy, and development," *American Political Science Review*. 87:567-76.
- Allen, Robert C., Mattia C. Bartazzini, and Leander Heldring (2020). "The economic origins of government." Working Paper.

- *Mayshar, Joram, Omer Moav, and Luigi Pascali (2021). “The origins of the state: Land productivity or appropriability?” *Journal of Political Economy*. Forthcoming.
- Dal Bó, Ernesto, Pablo Hernández-Lagos, and Sebastian Mazzuca (2019). “The paradox of civilization: pre-institutional sources of security and prosperity.” Working paper, University of California: Berkeley.
- Fernández-Villaverde, Jesús, Mark Koyama, Youhong Lin, and Tuan-Hwee Sng (2020). “The Fractured Land Hypothesis.” Working Paper.
- Stasavage, David (2021). “Biogeography, writing, and the origins of the state,” *Handbook of Historical Economics*. Ch. 28. 881-902.

9/1: The evolution of institutions

Topics: credible commitment, inclusive institutions, checks and balances, state capacity

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.
- Cox, Gary W. (2012). “Was the Glorious Revolution a constitutional watershed?” *Journal of Economic History*. 72:567-600.
- *Chambru, Cedric, Emeric Henry, and Benjamin Mark (2022). “Building a state one step at a time: Evidence from France.” *VoxEU*.
- Dincecco, Mark (2009). “Fiscal centralization, limited government, and public revenues in Europe, 1650-1913,” *Journal of Economic History*. 69:48-103.

9/8: Geography, resources, and institutions: determinants of institutional equilibria

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.
- *Sokoloff, Kenneth L. and Engerman, Stanley L. (2000) “History lessons: Institutions, factor endowments, and paths of development in the New World,” *Journal of Economic Perspectives*. 14:217-32.
- *Bentzen, Jeanet Sinding, Nicolai Kaarsen, Asger Moll Wingender (2017). “Irrigation and autocracy,” *Journal of the European Economic Association*. 15:1-53.
- Acemoglu, Daron, Simon Johnson, James A. Robinson, and Pierre Yared (2008). “Income and democracy,” *American Economic Review*. 98:808-42.

9/15: Institutional persistence: “deep roots” of institutions and culture (part 1)

Topics: history, culture, trust, path dependence

Readings:

- *Dell, Melissa (2010). “The persistent effects of Peru’s mining *mita*,” *Econometrica*. 78:1863-1903.
- *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.
- Xue, Melanie Meng and Mark Koyama (2018). “Autocratic rule and social capital: Evidence from Imperial China.” Working Paper.
- Giuliano, Paola and Nathan Nunn (2013). “The transmission of democracy: From the village to the nation-state,” *American Economic Review*. 103:86-92.

9/22: Institutional persistence: “deep roots” of institutions and culture (part 2)

Topics: United States, slavery, migration, cultural geography

Readings:

- *Acharya, Avidit, Matthew Blackwell, and Maya Sen (2016). “The political legacy of American slavery,” *Journal of Politics*. 78:621–641.
- *Williams, Jhacova A (2017). “Historical lynchings and contemporary voting behavior of blacks,” *American Economic Journal: Applied Economics*.
- Bazzi, Samuel, Andreas Ferrara, Martin Fiszbein, Thomas P. Pearson, and Patrick A. Testa (2021). “The other Great Migration: Southern whites and the New Right.” NBER Working Paper.
- Giuliano, Paola and Marco Tabellini (2020). “The seeds of ideology: Historical immigration and political preferences in the United States,” NBER Working Paper.
- Testa, Patrick A. (2021) “Shocks and the spatial distribution of economic activity: The role of institutions,” *Journal of Economic Behavior & Organization*. 183:791–810.

Part two: From dictatorship to democracy and back

9/29: Transitioning from nondemocracy to democracy

Topics: democratization, conflict-led transition, education, elite-led transition

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.
- *Glaeser, Edward L., Giacomo A. M. Ponzetto, and Andrei Shleifer (2007). “Why does democracy need education?,” *Journal of Economic Growth*. 12:77-99.
- *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.

10/6: No class (Fall Break)

10/13: Sustaining democracy: the role of “social capital”

Topics: education, social capital, civil society, populism

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.
- *Guiliano, Paula and Romain Wacziarg (2020). “Who voted for Trump? Populism and social capital,” NBER Working Paper.
- *Enke, Benjamin (2020). “Moral values and voting,” *Journal of Political Economy*. 128:3679-3729.

10/20: Threats to democracy: populism

Topics: backsliding, erosion of institutions, populism, 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.
- *Margalit, Yotam, Shir Raviv, and Omer Solodoch (2021). “The cultural origins of populism,” Working Paper.
- 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.

10/27: Threats to democracy: polarization

Topics: backsliding, erosion of institutions, polarization

Readings:

- *Przeworski, Adam (2022). <https://twitter.com/AdamPrzeworski/status/1483931153455370242>. Jan. 19, 2022.
- *Luo, Zhaotian and Adam Przeworski (2022). “Democracy and its vulnerabilities,” *Quarterly Journal of Political Science*. Forthcoming.
- *Autor, David, David Dorn, Gordon Hanson, and Kaveh Majlesi (2020). “Importing political polarization? The electoral consequences of rising trade exposure,” *American Economic Review*.110:3139-83.
- McCarty, Nolan, Keith T. Poole, and Howard Rosenthal (2009). “Does gerrymandering cause polarization?” *American Journal of Political Science* 53:666-680
- Bertrand, Marianne and Emir Kamenica (2018). “Coming apart? Cultural distances in the United States over time,” NBER Working Paper No. 24771.
- Desmet, Klaus and Romain Wacziarg. (2021). “The cultural divide,” *Economic Journal*. 131:2058-88.
- DellaVigna, Stefano and Ethan Kaplan (2007). “The Fox News effect: Media bias and voting,” *Quarterly Journal of Economics*. 122:1187-1234.

Part three: Political decision-making in nondemocracies

11/3: How do citizens influence politics in nondemocracies?

Topics: competitive authoritarianism, elections, protest, revolt

Readings:

- Egorov, Georgy and Konstantin Sonin (2020). “The political economics of nondemocracy,” Working Paper.
- Gehlbach, Scott, Konstantin Sonin, and Milan W. Svobik (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.
- *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.

11/10: How do dictators deal with diversity and dissent?

Topics: repression, preference falsification, 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. (2021). “The economic legacy of expulsion: Lessons from postwar Czechoslovakia,” *Economic Journal*. 131:2233-71.

11/17: Nation-building (part 1)

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

Readings:

- *Caceres-Delpiano, Julio, Antoni-Italo De Moragas, Gabriel Facchini, and Ignacio González (2022). “Intergroup contact and nation building: Evidence from military service in Spain,” *Journal of Public Economics*. 201:1044-77.

- Gehring, Kai (2021). “Can external threats foster a European Union identity? Evidence from Russia’s invasion of Ukraine,” *Economic Journal*. Forthcoming.
- 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.

11/24: No class (Thanksgiving Break)

12/1: Nation-building (part 2)

Topics: propaganda, manipulation, indoctrination, education

Readings:

- *Paglayan, Agustina S. (2021). “The non-democratic roots of mass education: Evidence from 200 years,” *American Political Science Review*. 115:179-198.
- Bazzi, Samuel, Masyhur Hilmy, and Benjamin Marx (2020). “Islam and the state: Religious education in the age of mass schooling,” Working Paper.
- *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.

12/8: Conclusion / final presentation period / final paper due date and roundtable

12/17: Final “exam” session / film assignment due date

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. 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.

Confidential	Private
<i>Except in extreme circumstances, involving imminent danger to one’s self or others, nothing will be shared without your explicit permission.</i>	<i>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.</i>
Counseling & Psychological Services (CAPS) (504) 314-2277 or The Line (24/7) (504) 264-6074	Case Management & Victim Support Services (504) 314-2160 or srss@tulane.edu
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 msmith76@tulane.edu

Emergency preparedness and response

EMERGENCY NOTIFICATIONS: TU ALERT	SEVERE WEATHER
<p>In the event of a campus emergency, Tulane University will notify students, faculty, and staff by email, text, and/or 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"> ▪ Follow all TU Alerts and outdoor warning sirens ▪ Seek shelter indoors until the severe weather threat has passed and an all-clear message is given ▪ Do not use elevators ▪ Do not attempt to travel outside if weather is severe <p>Monitor the Tulane Emergency website (tulane.edu/emergency/) for university-wide closures during a severe weather event</p>
ACTIVE SHOOTER / VIOLENT ATTACKER	EVERBRIDGE APP
<ul style="list-style-type: none"> ▪ RUN – run away from or avoid the affected area, if possible ▪ HIDE – go into the nearest room that can be locked, turn out the lights, and remain hidden until all-clear message is given through TU ALERT ▪ FIGHT – do not attempt this option, except as a last resort ▪ For more information or to schedule a training, visit emergencyprep.tulane.edu 	<ul style="list-style-type: none"> ▪ Download the Everbridge app from the App Store or Google Play store ▪ The Report feature allows you to silently and discreetly communicate with TUPD dispatchers ▪ The SOS button allows you to notify TUPD if you need help ▪ The Safe Corridor button serves as a virtual escort and allows you to send check-in notifications to TUPD