Political Science 259-2:
Survey of Political Economy

Professor Daniel Treisman
Department of Political Science
3244 Bunche Hall
968-3274
treisman@polisci.ucla.edu
Office Hours: Weds 1-2 pm

I   About the seminar
The seminar surveys recent work on a variety of important topics in political economy. These include the determinants of economic growth and development; the politics of international trade; and monetary and fiscal policy. The course aims to build familiarity with both substantive research issues and methodological approaches. It involves the application of formal modeling and statistical techniques to analyzing the many interactions of economics and politics. Some familiarity with statistical methods, basic calculus, and basic economics is recommended.

II   Readings
Some of the required readings will be available online, as indicated below. I will make available a complete set of the other readings each week, as discussed in class.

III   Requirements
Attendance and preparation are required. Participation in the discussion throughout the course will count for 20 percent of the course grade.

In weeks 3-9, each class will include brief (no more than 10 minute) presentations by one or more students. Each presenter will serve as “discussant” for one of the week’s readings, chosen from among those marked with a “D” on the list below. These assignments will be arranged in advance. The model is that of a discussant on a conference panel. Each presenter should first briefly summarize the questions addressed, methods, and conclusions of the relevant paper, and then evaluate the paper critically and suggest questions for further research. These presentations will count for 20 percent of the course grade.

Each student will write five two-page, double-spaced commentaries on the readings for five of the seven weeks from week 3 to week 9. Commentaries should evaluate the readings critically, attempt to integrate them where possible, noting points of agreement or disagreement, and suggesting questions for future research. These commentaries are due each week by 5 pm at my office on the Monday before the course meets. Late commentaries will not be accepted. These will count for 60 percent of the course grade.
The course will assume knowledge of basic calculus, microeconomics, game theory, and statistics. Students are encouraged to prepare by reviewing the following texts (a copy will be available from me for students to borrow):

**Optimization, single-variable and Lagrange method for multi-variable**  

**Production functions, convexity**  

**Game theory: Nash equilibrium, subgame perfect equilibrium**  

**Correlation and regression**  

### IV Course meetings and topics

JSTOR = available online via JSTOR: [http://www.jstor.org/](http://www.jstor.org/).  
D = reading may be chosen for discussant’s presentation.

#### 1. Introduction (Jan 10)

#### 2 Models of voting (Jan 17)

**Downsian models, “citizen-candidate” models**  

**Retrospective voting models**  

#### 3. Fiscal policy (Jan 24)

**Overview**  

**Redistribution**  
-Meltzer and Richard, “A rational theory of the size of the government”, *Journal of Political Economy* 89, 1981. JSTOR. *(Don’t worry if you find the model difficult to follow. We will work through an easier version in class. Try to get the idea.)*

**Budget deficits and debt**  

**Fiscal adjustment**  
4. Monetary policy (Jan 31)

**Quantity Theory of Money and Inflation**

**Phillips curves and monetary neutrality**

**Time consistency problem**

**Inflation around the world**

5. Political business cycles and elections (Feb 7)

**Political business cycles**

**Endogenous election timing**

6. Growth models (Feb 14)

**Models**

**Conditional convergence and growth accounting**

NOTE: NO CLASS FEB 21!

7. Long-run economic development (Feb 28)

**Overview and increasing returns**

**Geography**

**Endowments and institutions**

---

8. **International Trade models (Mar 7)**

**Models**

**Political applications**

9. **Globalization debates (Mar 14)**

**Overview**

**Trade**

**Capital flows**