Political Economy Core  
G53.1400  
Spring 2006

Professor: Catherine Hafer  
Office Hours: Tuesdays 2:30-4:00  
Thursdays 4:00-6:00  
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Requisite Coursework
Students must have completed G53.1110 and be enrolled in (or have completed) G53.2108.

Course Description
The primary goal of this course is to introduce students to a broad range of topics in contemporary political economy, i.e. in the study of phenomena that are both political and economic in nature. Although the works we will discuss cover a variety of substantive issues, they share a unifying methodological and conceptual framework, commonly known as rational choice theory. The readings have been selected to familiarize students with the canonical models that inform much of the work of formal political economists, and emphasis will be given to understanding and critiquing formal work.

Course Requirements
Course grades will be determined by four graded problem sets (50%), class participation (10%), and the final exam (40%). While I encourage you to work together on the problem sets, the solutions you submit ought to reflect only your own work and understanding. The problem sets are an irreplaceable opportunity to learn the material, and students benefit from struggling with them independently before discussing them with others. The final exam will be the independent work of each student.

Students are urged to ask questions, answer questions, and tackle problems in the classroom. Active and constructive behavior in the classroom enhances everyone’s learning experience and develops skills that are requisite in a scholarly community.
Introduction
0. Reading and Critiquing Formal Models

Part 1: Voting

1. Median Voter Theorem
   Study:
   David Austen-Smith and Jeffrey Banks, *Positive Political Theory I*, U of Michigan Press, 1998, Ch. 4 Sections 1-4


2. Order-Restriction, Tax Choice and Re-distribution
   Study:
   David Austen-Smith and Jeffrey Banks, *Positive Political Theory I*, U of Michigan Press, 1998, Ch. 4 Sections 5-7


   Read:

Assignment 1

3. Agenda-Setter
   Study:


   Background:

4. Time-Inconsistency and Commitment
   Study:
Read:


Background:
Allan Drazen, *Political Economy in Macroeconomics*, Princeton UP, 2000, Chapter 2 Section 4 (on overlapping generations)


Assignment 2

Part 2: Bargaining and Public Goods

5. Non-Cooperative Bargaining
Study:

Read:

Background:


6. Provision of Public Goods
Study:


Read:

Background:
Martin J. Osborne, *An Introduction to Game Theory*, Oxford UP, 2004, Ch. 2 Section 6 and Ch. 7 Section 7.

**Assignment 3**

7. Externalities
   Study:
   Skim:
   Background:

**Part 3: Appropriative Activity and Rent-Extraction**

8. Regulation and Lobbying
   Study:


   Read:

   Background:

9. Corruption
   Study:
Read:

**Assignment 4**

10. Economic and Political Transitions

Study:


11. Conflict and Property Rights

Study:

Read:


Background:


**Exam**