

The Political Economy of Democracy

Master in Social Sciences

Carlos III University

Fall 2021

Professor:

Pablo Fernandez-Vazquez

Office: 18.2.D.09

Email: pablfern@inst.uc3m.es

Office hours: Tuesdays from 10am to 1pm, or by appointment

Class time and location:

- Tuesdays from 2.30pm to 5.30pm
(Since 3h sessions are too long, classes may sometimes end before the established time)
- **Classroom:** TBD

Course Description

The main aim of this course is to discuss several central aspects of democratic politics and to link them to democratic theory. The central theme of the course will be whether the preferences of citizens are reflected in policymaking. A comparative approach is adopted: attention will be paid to how differences in institutional settings shape two basic issues. Namely, the correspondence between preferences and policies, and the way politicians are held accountable. Being the central mechanism citizens can count on to influence policy, elections will receive particular attention: whether they are free and fair, how citizens use the ballot to adapt to institutional settings and how they may discipline politicians in office.

Course objectives:

The objective of the course is threefold: First, to understand key concepts associated with democratic representation: selection, responsiveness, accountability, responsibility. Second, to be able to apply these concepts to specific settings and to evaluate whether they hold empirically or not. Third, and last, to be able to evaluate the merits and the flaws of empirical research that has been conducted around these concepts.

Course requirements

This is a graduate class, so you are expected to come to class having read the material and prepared to participate.

Course evaluation

Final paper: 50%

Analytical assessment of the readings: 30%

In-class participation: 20%

1. Final paper.

Each student is expected to write a research paper related to any of the topics covered in the course. The paper must: a) state a clear research question, b) motivate the importance of the question empirically, c) discuss the contribution of the paper relative to prior work, d) present a research design, e) report empirical analyses. These can be both descriptive and hypothesis testing. The last day of class (**December 21st**), students will present their paper project and receive feedback on it. The paper is due **January 25th**.

2. Analytical assessment of the readings:

Every week each student is expected to provide a short (1-2) paragraph assessment of the readings. The assessment will answer **one** of the following questions:

- a. What is the main contribution of the readings?
- b. The empirical methods chosen in the readings... Why have the authors chosen them?
Are there potentially better empirical approaches that the authors could have used?
- c. What research project would you propose to move the research on this area forward?
Explain why.

The analytical assessment should consider all readings assigned, but it is possible to pay particular attention to a single reading.

3. **Participation:** You are required to come to class prepared having read the assigned readings. Participation will be 20% of your final grade.

COURSE SCHEDULE

Week 1 – September 14th - Political Representation: Basic Concepts

This week provides a broad overview of the concept of political representation, distinguishing between descriptive and substantive representation. Focusing on substantive representation, then we will discuss two key concepts: responsiveness and accountability.

- Hanna F. Pitkin. 1967. *The Concept of Representation*. **Chapters 1, 2** (skim only), **4, 6** (skim only), **7 & 10**. Of course, feel free to skim the rest of the book.
- Adam Przeworski, Susan Stokes, Bernard Manin (eds). 1999. *Democracy, Accountability, and Representation*. Cambridge University Press. **Chapter 1**.
- Bernard Manin. 1997. *The Principles of Representative Government*. **Introduction, chapter 1, chapter 2** (skim pages 42-67, read carefully the remaining ones), **chapter 5**.

FIRST PART OF THE COURSE: SELECTION of POLITICIANS

Week 2 – September 21st – Ensuring representation through the selection of likeminded politicians. Spatial models of Voting and its critics

Elections offer the possibility of choosing representatives. This week examines the spatial model approach to elections, which posits that voters select the candidates or political parties with the most similar policy position or ideology. We then evaluate a major critique addressed to this view.

- Downs, Anthony. 1957. *An Economic Theory of Democracy*. Harper & Row. **Part I & Chapter 8**
[\[link\]](#)
- Samuel Merrill and Bernard Grofman. 1999. *A Unified Theory of Voting*. Cambridge University Press. Chapters 1 and 2.
- Achen, Chris and Larry Bartels. 2016. *Democracy for Realists*. **Chapter 2**. [\[link\]](#)

Week 3 – September 28th – Learning before selecting: Obtaining credible information about the preferences of political parties.

To be able to select likeminded politicians and parties, voters must first *know* the preferences and policy intentions of the options on the table. How can citizens learn about the ideology of political parties? We focus on different sources of information and their challenges: verbal messages, coalition politics, and government policy.

Main readings:

- Pablo Fernandez-Vazquez. 2017. The Credibility of Party Policy Rhetoric: Survey- Experimental Evidence. *Journal of Politics* 81(1): 309-314. Longer version: [\[link\]](#)
- Falcó, Albert & Pablo Fernandez-Vazquez. 2019. “Choices that Matter: Coalition Formation and Parties’ Ideological Reputations.” *Political Science Research and Methods* 8(2): 285-300.
- James Adams, Luca Bernardi, and Christopher Wlezien. 2020. “Social Welfare Policy Outputs and Governing Parties’ Left-Right Images: Do Voters Respond?” *Journal of Politics* 82(3): 1161-1165.

Further readings if you are particularly interested in the topic:

- Zeynep Somer-Topcu. 2015. “Everything to Everyone: The Electoral Consequences of Broad-Appeal Strategy in Europe.” *American Journal of Political Science* 59(4).
- Fortunato, David & Randy Stevenson. 2013. “Perceptions of Partisan Ideologies: The Effect of Coalition Participation” *American Journal of Political Science* 57(2): 459-477.

Week 4 –October 5th – A Democratic Aristocracy?

This week examines the nature of the pool of politicians. We examine the distribution of key characteristics among representatives and decision makers (the agents) and compare such distribution against that of the principal (citizenry).

Main readings: [read in the order in which they are listed]

- Nicholas Carnes. 2018. *The Cash Ceiling*. Princeton University Press. **Chapter 1**

- Nicholas Carnes & Noam Lupu. 2016. "Do Voters Dislike Working-Class Candidates? Voter Biases and the Descriptive Underrepresentation of the Working Class." *American Journal of Political Science* 110(4).
- Nicholas Carnes. 2018. *The Cash Ceiling*. Princeton University Press. **Chapters 3 & 4**
- Nicholas Carnes & Noam Lupu. 2015. "Rethinking the Comparative Perspective on Class and Representation: Evidence from Latin America." *American Journal of Political Science* 59(1).

Further reading (optional, in case you are particularly interested in this topic)

- Bernard Manin. 1997. *The Principles of Representative Government*. **Chapter 4**
- Nicholas Carnes & Eric R. Hansen. 2016. "Does Paying Politicians More Promote Economic Diversity in Legislatures?" *American Political Science Review* 110(4).

Week 5 – October 19th - Descriptive Representation: The impact of Quotas

When members of traditionally underrepresented groups access positions of political power, how does this affect the responsiveness of institutions to these underrepresented groups? This is the question we examine in this session.

Main readings:

- Raghavendra Chattopadhyay and Esther Duflo. 2004. "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India". *Econometrica*, 72(5): 1409-1443.
- Miguel Pereira & Pablo Fernández-Vázquez. 2020. "Does Electing Women Reduce Corruption? A Regression Discontinuity Approach." *Unpublished Manuscript*. [[link](#)]
- Simon Chauchard. 2014. "Can Descriptive Representation Change Beliefs about a Stigmatized Group? Evidence from Rural India". *American Political Science Review*, 108(2): 403-422

Additional (optional readings)

- Pande, Rohini. 2003. "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India" *American Economic Review* 93(4): 1132-1151
- Beaman, Chattopadhyay, Duflo, Pande & Topalova. 2009. "Powerful Women: Does Exposure Reduce Bias?" *The Quarterly Journal of Economics* 124(4).
- Baltrunaitre, Bello, Casarico & Profeta. 2014. "Gender Quotas and the Quality of Politicians." *Journal of Public Economics* 118(62).

- Besley, Folke, Persson, & Rickne. 2017. "Gender Quotas and the Crisis of the Mediocre Man: Theory and Evidence from Sweden." *American Economic Review* 107(8).

SECOND PART OF THE COURSE: RESPONSIVENESS

Week 6 – October 26th - Money and Politics

A key factor that determines who politicians are responsive to is the access of interest groups to lobbying, campaign finance, and the use of the revolving door. This week we examine these three key components of the link between money and politics.

Main readings:

- David Broockman and Neil Malhotra. 2020. "What Do Donors Want?" *Public Opinion Quarterly* 84(1): 104-118. DOI: <https://doi.org/10.1093/poq/nfaa001>
- Joshua L. Kalla and David E. Broockman. 2016. "Campaign Contributions Facilitate Access to Congressional Officials: A Randomized Field Experiment". *American Journal of Political Science* 60(3): 545-558
- Simon Weschle. 2019. "Campaign Finance Legislation and the Supply-Side of the Revolving Door" *Political Science Research and Methods*. DOI: <https://doi.org/10.1017/psrm.2019.46>

Further (optional) reading:

- Alexander Fourinaies and Andrew B. Hall. 2014. "The Financial Incumbency Advantage: Causes and Consequences" *Journal of Politics* 76(3): 711-724.
- Michael J. Barber, Brandice Canes-Wrone, and Sharece Tower. 2017. "Ideologically Sophisticated Donors: Which Candidates do Individual Donors Finance?" *American Journal of Political Science* 61(2): 271-288. DOI: <https://doi.org/10.1111/ajps.12275>
- Simon Weschle. 2021. "Parliamentary Positions and Politicians' Private Sector Earnings." *Journal of Politics* 83(2): 706-721.
- Anthony Fowler, Haritz Garro and Jörg Spenkuch. 2020. "Quid Pro Quo? Corporate Returns to Campaign Contributions" *Journal of Politics* 82(3). DOI: <https://doi.org/10.1086/707307>

Week 7 – Nov 2nd – Whose interests are best represented?

This week we examine the influence of social groups and classes on policymaking.

Main readings:

- Larry Bartels, Benjamin I. Page, and Jason Seawright. 2013. “Democracy and the Policy Preferences of Wealthy Americans”. *Perspectives on Politics* 11(1): 51-73.
- Liz Suhay, Marko Klasnja, and Gonzalo Rivero. 2020. “Ideology of Affluence. Attributions of Inequality and Political Attitudes among Rich Americans.” *Journal of Politics*. [\[link\]](#)
- Martin Gilens and Benjamin I. Page. 2014. “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens”. *Perspectives on Politics* 12(3):564-581.
- Pereira, Miguel. 2021. “Understanding and Reducing Biases in Elite Beliefs About the Electorate.” *American Political Science Review*. Forthcoming. [\[link\]](#)

Further (optional) reading:

- Larry Bartels. 2016. *Unequal Democracy*. Russell Sage. Chapter 8: Economic Inequality and Political Representation. **Make sure you read the second edition**
- Branham, Soroka, and Wlezien. 2017. “When Do the Rich Win?” *Political Research Quarterly* 132(1): 43-62.
- Peter Enns and Chris Wlezien (eds). 2011. *Who Gets Represented?* Russell Sage Foundation.
- Jeffrey Lax, Justin Phillips, and Adam Zelizer. 2019. “The Party or the Purse? Unequal Representation in the US Senate.” *American Political Science Review* 113(4) 917-940. <https://doi.org/10.1017/S0003055419000315>
- Cory Moks-Solomon and Elizabeth Rigby. 2019. “Are Democrats Really the Party of the Poor? Partisanship, Class, and Representation in the US Senate.” *Political Research Quarterly*. <https://doi.org/10.1177%2F1065912919862623>

THIRD PART OF THE COURSE: ACCOUNTABILITY

Week 8 – November 9th –Accountability: Its basic logic and criticism of that logic.

This week we examine a major mechanism to ensure representation: retrospective accountability.

According to this logic, voters examine how the incumbent has done in office and reelect if the performance has been good enough. Anticipating this verdict, politicians represent voters’ interests in order to survive that verdict.

Main readings:

- Ferejohn, John. 1986. "Incumbent Performance and Electoral Control." *Public Choice* 50:5-25.
- Besley, Timothy. 2006. *Principles Agents? The Political Economy of Good Government*. Oxford University Press. **Pages 98-123**. [\[link\]](#)
- Achen, Chris and Larry Bartels. 2016. *Democracy for Realists*. **Chapters 4 and 5**. [\[link\]](#)

Additional (optional) readings

- Achen, Chris and Larry Bartels. 2016. *Democracy for Realists*. **Chapters 6 and 7**. [\[link\]](#)

Week 9 – November 16th – Clarity of Responsibility and Accountability

To hold politicians accountable for their actions it must be possible to assign credit and blame for political outcomes. This week we examine the theory of "Clarity of Responsibility" and discuss empirical evidence of how clarity of responsibility (and lack thereof) affects both economic and corruption voting.

Main readings:

- Thiago Silva & Guy D. Whitten. 2017. "Clarity of Responsibility and Vote Choice" in Kau Arzheimer et al. (eds). *The Sage Handbook of Electoral Behavior*. [\[link\]](#)
- Tavits, Margit. 2007. "Clarity of Responsibility and Corruption." *American Journal of Political Science* 51(1): 218-229
- Timothy Hellwig and David Samuels. 2007. "Voting in Open Economies. The Electoral Consequences of Globalization." *Comparative Political Studies* 40(3): 283-306.

Optional Readings

- G. Bingham Powell and Guy D. Whitten. 1993. "A cross-national analysis of economic voting: taking account of the political context." *American Journal of Political Science* 37(2): 391-414.
- León, Sandra and Lluís Orriols. 2016. "Asymmetric Federalism and Economic Voting." *European Journal of Political Research* 55(4): 847-865.
- Spyros Kosmidis. 2018. "International Constraints and Electoral Decisions: Does the Room to Maneuver Attenuate Economic Voting?" *American Journal of Political Science* 62(3): 519-534.

- Ignacio Jurado and Pablo Fernandez-Vazquez. 2020. “Retrospective Voting under Supranational Constraints.” *Unpublished manuscript*. [\[link\]](#)

Week 10 – November 23rd – Elections as Instruments to Discipline Governments for Corruption

Main readings:

- Frederico Finan and Claudio Ferraz. 2008. Exposing corrupt politicians: the effect of Brazil’s publicly released audits on electoral outcomes. *Quarterly Journal of Economics*, 123(2): 703-745.
- Alberto Chong, Ana de la O, Dean Karlan, and Leonard Wantchekon. 2014. Does corruption information inspire the fight or quash the hope? A field experiment in Mexico on voter turnout, choice, and party identification. *Journal of Politics* 77(1): 55-71
- Marko Klasnja, Noam Lupu, and Joshua Tucker. 2020. “When Do Voters Sanction Corrupt Politicians?” *Journal of Experimental Political Science* 8(2): 161 - 171. [\[link\]](#)

Week 11 – November 30th – Horizontal Accountability

This week examines how institutional checks and balances can hold incumbents accountable.

Main readings:

- Guillermo O’Donnell. 2003. “Horizontal Accountability: The Legal Institutionalization of Mistrust.” in Scott Mainwaring and Christopher Welna (eds). *Democratic Accountability in Latin America*. Oxford University Press. [\[link\]](#)
- Litschig, Stephan and Yves Zamboni. 2015. Judicial presence and rent extraction. Barcelona GSE Working Paper Series. [\[link\]](#)
- Taylor Boas, F. Daniel Hidalgo, and Marcus A. Melo. 2020. “Horizontal but Not Vertical: Accountability Institutions and Electoral Sanctioning in Northeast Brazil.” In Dunning, Grossman, Humphreys, Hyde, McIntosh, Nellis (eds). *Information, Accountability, and Cumulative Learning: Lessons from Metaketa I*. Cambridge University Press. [\[link\]](#)

CODA: Populism and Technocracy

Week 12 – December 14th – Challenges to Representative Government: Populism and Technocracy.

The rise of Populist and Technocratic Challenges to Standard models of Democratic Representation -ie Party Government-. Conceptual and Empirical analysis.

Main readings:

- Daniele Caramani. 2017. “Will vs Reason: The Populist and Technocratic Forms of Political Representation and their Critique of Party Government”. *American Political Science Review*, 111(1): 54-67
- Italo Colantone and Piero Stanig. 2018. “The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe.” *American Journal of Political Science* 62(4): 936-953.
- Eri Bertsou and Daniele Caramani. 2020. “People Haven’t Had Enough of Experts. Technocratic Attitudes among European Citizens.” *American Journal of Political Science*. DOI: <https://doi.org/10.1111/ajps.12554>

Additional optional readings

- Baccini, Leonardo and Thomas Sattler. 2021. “Austerity, Economic Vulnerability, and Populism”. Unpublished manuscript. [\[link\]](#)
- Arias, Eric and David Stasavage. 2019. “How Large Are the Political Costs of Austerity?” *Journal of Politics* 81(4): 1517-1522.

Week 13 – December 21st - In-class presentations of paper projects

Paper due January 25th