

Political Economy III
PPHA 41103

University of Chicago
Harris School of Public Policy Studies
Spring 2016

Tuesdays and Thursdays, 10:30-11:50 a.m., Location TBA

Instructor

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Room 165
OH: Tues. 4-5 p.m. or by appt.

Course Description

In this course, students will delve into substantive debates in political economy and hone their empirical and analytical skills. We will focus on good research designs that answer important causal questions. In doing so, we will review the technical skills necessary to conduct credible empirical research such as differences-in-differences, instrumental variables, and regression discontinuity designs. More importantly, we will practice the thinking necessary to develop and evaluate good research designs. The class will also incorporate the theoretical training that students received in Political Economy I and II and devote attention to the interplay between theory and empirical testing.

This course is not an introduction to statistics or econometrics. The course is intended for PhD students who have already received training in these areas, have been exposed to the econometric tools used in the course, and have taken Political Economy I and II. Everyone other than Harris School PhD and MACRM students should consult the instructor before enrolling.

Class sessions will involve a combination of lecture and discussion. Some sessions will review a particular set of empirical methods in detail, others will involve the detailed discussion of a single paper, and others will involve a mix of lecture and discussion revolving around a substantive topic in political economy. Students are expected to prepare for each class session and participate in the discussions.

Text

Mostly Harmless Econometrics by Angrist and Pischke is required. All other readings will be available on the course website.

Requirements

Class participation (1/6 of final grade): Students are expected to carefully read each assigned paper or book chapter, think about it carefully, and discuss it in class. Because the class aims to develop critical thinking about research design, participation and discussion are essential.

Two referee reports (1/6): Students will select two articles from the syllabus and write a referee report just as if they were asked to referee the paper for a leading journal in political science or economics. The reports should not be longer than 1500 words and should focus on research design. The reports should also make specific recommendations and suggestions for improvement. These reports should be submitted on the course website before class on the day that the particular paper will be discussed. Specific instructions for the referee report are provided below.

Replication study (1/6): Each student will select a recently published paper in political economy and obtain the data necessary to replicate the results. The paper can but need not come from the syllabus. Hopefully, the data will be available on the websites of the journal or the author. If not, students should contact the authors directly and request replication data. Students should attempt to replicate the main result of the paper and add an extension or improvement of their own. The extension could be a methodological one (e.g., testing for pre-treatment trends, including state time trends, utilizing a more credible design, etc.). The extension could also be a substantive one based on theory (e.g., model X would predict that the estimated effect would vary in the following way, let's test for that variation). Each student will write a brief report of no more than 5 pages summarizing the replication exercise and extension. Students should begin as early as possible and consult the instructor for help and feedback.

Quizzes (1/6): Five times throughout the quarter, students will take a 10-minute, open-response quiz at the beginning of class. These quizzes are intended to prepare students for the empirical section of the political economy qualifying exam. They will require knowledge of the course readings up to that point, class discussion and lecture material up to that point, understanding of the econometric tools discussed up to that point, and the ability to think carefully about the intersection of theory and empirical work in political economy.

Final paper and presentation (1/3): Students will develop their own empirical research project in political economy, submit a written paper, and present their project to the political economy faculty at a conference at the end of the quarter. In some cases where the collection of data is difficult or time consuming, students can turn in a proposed research project without the empirical results. This option should only be used when the proposed study is feasible but the student needs more time to collect and assemble the data. The paper should articulate a specific question in political economy and propose a new way to answer that question that improves upon previous studies. The paper need not provide an extensive literature review and should not exceed 15 pages. Students should submit a preliminary outline of their paper articulating the question and empirical approach by May 22, present their project at an all-day conference on June 3, and turn in their final paper by June 8.

NOTE: All written assignments should be submitted electronically on the course website in PDF format. Late assignments cannot be accepted for any reason; please plan accordingly. If you are unable to complete an assignment, you should turn in whatever you have by the deadline.

Instructions for Referee Reports

The purpose of a referee report is to advise an editor. You can recommend that the editor reject (most common), publish as is (rare), or send the paper back to the authors for revisions and resubmissions. A subsidiary goal (one that is particularly important in the case of an R&R) is to give the author useful advice.

When writing reports, students should follow the following general format. Start with one or two paragraphs summarizing the paper and its contribution. This reassures the editor and author that you actually read the paper. It may also suggest useful reframing if you describe the contribution differently than the authors did. Then, turn to an evaluation. Many editors like to see a bottom line evaluation quickly, followed by a detailed discussion and specific recommendations for improvement.

In organizing your evaluation, proceed from major points (interest of question, identification, etc.) to minor points (specification details, standard errors, etc.). If you recommend an R&R, clarify which suggestions you see as essential.

Below are some questions to ask when evaluating a paper. Think about them while reading and make multiple passes through the paper as necessary. The report need not explicitly address each item. You should focus on the most important points for the specific paper:

1. What is the question? Is it interesting? A well-written paper will answer this question quickly. As soon as you identify the question, you should ask whether it is truly interesting. Is it intrinsically interesting, is it relevant for policy, or does it make progress in light of an existing, interesting literature?

2. Has this question already been answered well in previous papers? What contributions does the paper make over previous studies?

3. Before reading too far, think about how you would answer this question. What would you do if you had to write a paper on this question? This will help in your subsequent evaluations.

4. What is the empirical strategy? Think about the quantity being estimated. How does it relate to the question of the paper? What is the source of exogenous variation being used? What identification assumptions are necessary? Are these assumptions plausible? Are they clarified by the author and well justified?

5. What data are being used? How was it collected? How are the variables defined? What is the unit of observation? Are these choices appropriate?

6. What estimation technique is used? Is it appropriate?

7. Are there any non-standard standard error issues? These come up more often than you might think.

8. Are there reasons to be worried about multiple testing, specification searching, or publication bias? Is this the kind of paper where you worry that the authors (or lots of authors) tested many outcomes or specifications, and you're only seeing those where they found an effect? Where there many "researcher degrees of freedom" that may have allowed the authors to get the result they wanted? If the results had come out in the opposite direction, do you think the authors would have still written the paper and submitted it?

9. Did the authors appropriately interpret their results? Did they interpret their results in substantively meaningful ways? Did they conflate statistical and substantive significance?

Deadlines and Dates

April 5 – quiz #1

April 12 – quiz #2

April 19 – no class

April 21 – quiz #3

May 3 – quiz #4

May 10 – quiz #5

May 15 – replication study

May 22 – final project proposal

June 3 – presentation of final project (all day, Room 140B)

June 8 – final paper

Class Sessions and Readings

March 29. Theory and Research Design

Anzia, Sarah F. and Christopher R. Berry. 2011. The Jackie (and Jill) Robinson Effect: Why do Congresswomen Outperform Congressmen? *American Journal of Political Science* 55(3):478-493.

March 31. Practitioner's Guide to Selection on Observables

Angrist and Pischke, Chapter 3

April 5. Practitioner's Guide to Experiments (Quiz #1)

Angrist and Pischke, Chapters 1-2

April 7. Experimental Paper Discussion #1

Butler, Daniel M. and David Nickerson. 2011. Can Learning Constituency Opinion Affect How Legislators Vote? Results from a Field Experiment. *Quarterly Journal of Political Science* 6(1):55-83.

April 12. Experimental Paper Discussion #2 (Quiz #2)

Nickerson, David W. 2008. Is Voting Contagious? Evidence from Two Field Experiments. *American Political Science Review* 102(1):49-57.

April 14. Practitioner's Guide to Fixed Effects and Differences-in-Differences

Angrist and Pischke, Chapter 5

April 19. No Class

April 21. Diff-in-Diff Paper Discussion (Quiz #3)

Gordon, Sanford C. 2011. Politicizing Agency Spending Authority: Lessons from a Bush-era Scandal. *American Political Science Review* 105(4):717-734.

April 26. Diff-in-Diff Paper Discussion #2

Berry, Christopher R. and Jacob E. Gersen. 2011. Election Timing and Public Policy. *Quarterly Journal of Political Science* 6:103-135.

Anzia, Sarah F. 2012. The Election Timing Effect: Evidence from a Policy Intervention in Texas. *Quarterly Journal of Political Science* 7:209-248.

April 28. Practitioner's Guide to Instrumental Variables

Angrist and Pischke, Chapter 4

May 3. IV Paper Discussion (Quiz #4)

Hall, Andrew B. 2013. Systemic Effects of Campaign Spending. Working paper.

May 5. Practitioner's Guide to Regression Discontinuity

Angrist and Pischke, Chapter 6

May 10. RD Paper Discussion (Quiz #5)

Lee, David S., Enrico Moretti, and Matthew J. Butler. 2004. Do Voters Affect or Elect Policies? Evidence from the U.S. House. *Quarterly Journal of Economics* 119(3):807-859.

May 12. Incumbency Advantage

- Ansolabehere, Stephen and James M. Snyder, Jr. 2002. The Incumbency Advantage in U.S. Elections: An Analysis of State and Federal Offices, 1942-2000. *Election Law Journal* 1(3):315-338.
- Fowler, Anthony and Andrew B. Hall. 2014. Disentangling the Personal and Partisan Incumbency Advantages: Evidence from Close Elections and Term Limits. *Quarterly Journal of Political Science* 9(4):501-531.

May 17. Electoral Accountability

- Ashworth, Scott. 2012. Electoral Accountability: Recent Theoretical and Empirical Work. *Annual Review of Political Science* 15:183-201.
- Alt, James, Ethan Bueno de Mesquita, and Shanna Rose. 2011. Disentangling Accountability and Competence in Elections: Evidence from U.S. Term Limits. *Journal of Politics* 73(1):171-186.

May 19. Electoral Accountability and Media Politics

- Snyder, James M., Jr. and David Stromberg. 2010. Press Coverage and Political Accountability. *Journal of Political Economy* 118(2):335-408.
- Ferraz, Claudio and Frederico Finan. 2008. Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes. *Quarterly Journal of Economics* 123(2):703-745.

May 24. Voter Turnout and Political Participation

- Gerber, Alan S., Donald P. Green, and Christopher W. Larimer. 2008. Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment. *American Political Science Review* 102(1):33-48.
- Fowler, Anthony. 2013. Electoral and Policy Consequences of Voter Turnout: Evidence from Compulsory Voting in Australia. *Quarterly Journal of Political Science* 8(2):159-182.

May 26. Institutions and Development

- Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. The Colonial Origins of Comparative Development: An Empirical Investigation. *American Economic Review* 91(5):1369-1401.

May 31. Economic Incentives and Conflict

- Dube, Oeindrilla and Juan F. Vargas. 2013. Commodity Price Shocks and Civil Conflict: Evidence from Columbia. *Review of Economic Studies* 80(4):1384-1421.

June 2. Trade-offs between Identification and Substance?

- Deaton, Angus S. 2009. Instruments of Development: Randomization in the Tropics, and the Search for the Elusive Keys to Economic Development. NBER Working Paper 14690.
- Imbens, Guido W. 2010. Better LATE Than Nothing: Some Comments on Deaton (2009) and Heckman and Urzua (2009). 2010. *Journal of Economic Literature* 48:399-423.

June 3. Conference and Paper Presentations (all day, Room 140B)