This short course is intended as an introduction to new research and the applications of dynamic political economy tools to an in-depth understanding of institutions and key problems of economic development. The emphasis will be on theory, but several recent research articles on empirical aspects of the problem will also be discussed. The lectures will cover the material with *'s in detail and also discuss the material without *'s, but in less detail.

1 Lecture 1

1.1 Does Political Economy Matter?


1.2 Economic Institutions under Elite Domination

This lecture presents some tractable models of the determination of economic institutions and policies when a particular group is in power. The potential inefficiencies that arise because of the desire of the group in power to extract rents is contrasted with policy determination in the classical public finance approach.

1. * Acemoglu, Daron, Lecture Notes, Chapters 11 and 14.


2 Lecture 2

2.1 Politics and Social Mobility


2.2 Labor Coercion

This literature focuses on one type of economic institution under the domination of one group, coercive labor relations, to provide more insights on how different types of inefficiencies can emerge.


### 3 Lecture 3

#### 3.1 Dynamics of Political Power

This lecture provides a basic introduction of voting over a distributive policies in dynamic models, and contrasts myopic versus non-myopic behavior by voters. It will also introduce ideas related to endogenous institutions and laws. We will focus on dynamic, game-theoretic models.


4 Lecture 4

4.1 Weak States and State Building

These lectures will discuss the role of the state and how weak states can become a barrier to economic development. They will then turn to see how and under what circumstances states form and why weak states persist.


5 Lecture 5

5.1 Beliefs, Information and Politics

This lecture will discuss the two-way interaction between voting and beliefs, shaped by learning.

1. * Acemoglu, Daron, Lecture Notes, Chapter 7.


