

# Week 1 Lecture 1 – Introduction

Political Economy

Yale-NUS – EC4308

January 13, 2020



## Next day

- Next day: \*Alesina, Alberto, Paola Giuliano, and Nathan Nunn. “On the origins of gender roles: Women and the plough.” *The Quarterly Journal of Economics* 128, no. 2 (2013): 469-530.
- Next week: \*\*Becker, Anke. “On the Economic Origins of Constraints on Women’s Sexuality.” (2019). *Unpublished manuscript*.

Click [here](#) if you want to read more about the experiment itself

# One example: France migration to the US

**Table 1.5** Migration rates by decade (per 1,000 mean population)

| Country                          | 1851–60 | 1861–70 | 1871–80 | 1881–90 | 1891–1900 | 1901–10 |
|----------------------------------|---------|---------|---------|---------|-----------|---------|
| <b>European emigration rates</b> |         |         |         |         |           |         |
| Austria–Hungary                  |         |         | 2.9     | 10.6    | 16.1      | 47.6    |
| Belgium                          |         |         |         | 8.6     | 3.5       | 6.1     |
| British Isles                    | 58.0    | 51.8    | 50.4    | 70.2    | 43.8      | 65.3    |
| Denmark                          |         |         | 20.6    | 39.4    | 22.3      | 28.2    |
| Finland                          |         |         |         | 13.2    | 23.2      | 54.5    |
| France                           | 1.1     | 1.2     | 1.5     | 3.1     | 1.3       | 1.4     |
| Germany                          |         |         | 14.7    | 28.7    | 10.1      | 4.5     |
| Ireland                          |         |         | 66.1    | 141.7   | 88.5      | 69.8    |
| Italy                            |         |         | 10.5    | 33.6    | 50.2      | 107.7   |
| Netherlands                      | 5.0     | 5.9     | 4.6     | 12.3    | 5.0       | 5.1     |
| Norway                           | 24.2    | 57.6    | 47.3    | 95.2    | 44.9      | 83.3    |
| Portugal                         |         | 19.0    | 28.9    | 38.0    | 50.8      | 56.9    |
| Spain                            |         |         |         | 36.2    | 43.8      | 56.6    |
| Sweden                           | 4.6     | 30.5    | 23.5    | 70.1    | 41.2      | 42.0    |
| Switzerland                      |         |         | 13.0    | 32.0    | 14.1      | 13.9    |

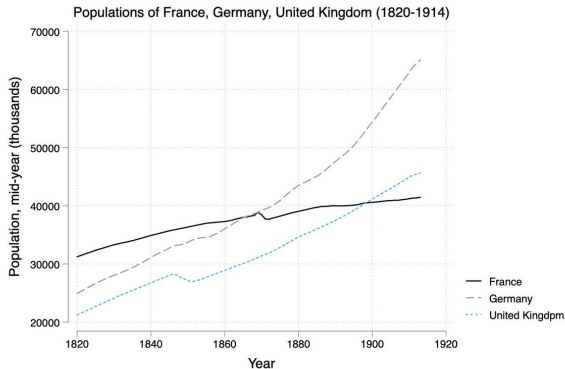
Source: Hatton and Williamson 1998, Table 2.1.

Twitter thread [here](#)

# French migration: Why was it so low?



# France: fertility decline



# Plausible reasons

- Partible inheritance (?)
- Prospect of upward mobility  $\Rightarrow$  quality rather than quantity
- Closer contact to urban, modernising bourgeoisie
- All incentives increased with French Revolution
- $\Rightarrow$  Fertility decline in France one century earlier  $\Rightarrow$  No “surplus” of human labour to “export”

# Next example: Why didn't the Nazis conquer Switzerland?



Twitter thread [here](#)



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- Swiss armed forces?
- Swiss neutrality?
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- Swiss armed forces? ✗
- Swiss neutrality? ✗
- Swiss cultural resemblance to Germany? ✗
- Swiss currency? ✓

Deutsche Mark  $\Leftrightarrow$  Swiss  $\Leftrightarrow$  Franc Portuguese Escudo  $\implies$  Wolfram (Azores)

# Remarks

- Institutions matter (such as laws)
- Actors matter (strategies are optimized given certain constraints)
- Not history, but framework: “Under which conditions do actors prefer a peaceful settlement than a violent one?”

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```
if (previous questions worth addressing) {
```



# Should I stay or should I go ?

```
if (previous questions worth addressing) {  
  
STAY  
  
}
```

# Should I stay or should I go ?

```
if (previous questions worth addressing) {  
  
STAY  
  
} else {
```

# Should I stay or should I go ?

```
if (previous questions worth addressing) {  
  
STAY  
  
} else {  
  
find another course  
  
}
```

# Syllabus overview

- Syllabus can be found [here](#)
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- Can be malleable according to your preferences

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- Syllabus can be found [here](#)
- Topics: not exhaustive overview
- Can be malleable according to your preferences
- We are all learning along the journey
- Heterogeneous background:  $\Rightarrow$  effort to “catch-up”

# Grading

- Take home assignments: 35%: Assignments will be based on standard problem sets, paper reviews similar to referee reports, project proposals, novel/movie reviews, and for those media-friendly (optional) twitter threads or FB posts (group [here](#)).
- Attendance, quizzes and participation 20% [▶ let's play!](#)
- Class presentation: 20% (in pairs if class size  $> 10$ ). **Next Monday, all topics!**
- Exam: 25%
- Note: this is pretty much continuous assessment.
- **Keep a close eye to the assignments page in Canvas. Link [here](#)**

▶ what are the set of skills we want to work on?



# Schedule

- M-TH 2.30pm – 3.30pm
- Some weeks may be 2.50pm – 3.50pm
- Make up class in week 5/6
- OH: **email me in advance**

# Resources

- If you find it helpful, there's a FB page that can be used for sharing resources, ideas, news, or what not
- Feel completely free to join or not
- (regardless, questions to me only by email, please)
- [Political Economy Yale-NUS](#)



## 2 first weeks

- 1 Thursday 16
  - 1 Key concepts
  - 2 Long lasting effect of institutions: one example
  - 3 5-minutes intro to 🖱️ instrumental variables 🖱️
- 2 Monday 20
  - 1 Origins of institutions
  - 2 Cooperation and conflict
- 3 Thursday 23
  - 1 Growth and welfare: the role of institutions

# Next day

- 1 Key concepts
- 2 Reading 1: \*\*Acemoglu, Daron. "Why Nations Fail?." *The Pakistan Development Review* 54, no. 4 (2015): 301-312.

## Next day (1): Key concepts (2 people for each one)

How do economists define them? Do other disciplines use different definitions? How can we measure them?

- Institutions
- Regimes & regime types
- Welfare
- Economic development & political development
- Social capital
- Ethnographic Atlas (by Murdock, 1967) and similar databases.

## Next day (2): “Why Nations Fail?.”

- Reading 1: \*\*Acemoglu, Daron. “Why Nations Fail?.” *The Pakistan Development Review* 54, no. 4 (2015): 301-312.
  - What do they mean by extractive vs. inclusive institutions?
  - What do they mean by creative destruction?
  - Why did the Spanish colonizers prefer densely populated, hierarchical societies (like the Guarani) rather than sparsely populated, non-hierarchical societies (like the charruas)?
  - Why is the Virginia Company relevant? What can we learn from it?
  - Can you analyse your own country using their framework? What lessons are there?
  - Is there any point he makes you find particularly weak, or that you disagree with?

# Next Monday

- Reading: \*Boix (2015): Introduction and Chapter 3.
  - Summarize the story & present situation of your country using his framework of analysis:
  - Be ready to make a 2min. delivery in class. Also bring a 1/2 page summary (or thread)
    - When did the first state-like society appear. Who shaped it? Who were the bandits and who were the producers?
    - How about nowadays?

# Next Monday

- Reading: \*Boix (2015): Introduction and Chapter 3.
  - How does he define a state?
  - What is a critical characteristic of state-less societies?
  - What was the main consequence of the Neolithic agricultural revolution around 6,000-7,000 years ago?
  - What are *bandits* and *producers*?
  - According to the author, what was the key to determine the shape of political order (and also growth, and inequality)?
  - What are the two key strategies that economic agents may take? Which is the dominant in primitive societies?
  - What is a key condition for cooperation?
  - Why is technological change unlikely in stateless societies?

# Next Thursday

- \*\*Becker, Anke. “On the Economic Origins of Constraints on Women’s Sexuality.” (2019). *Unpublished manuscript*.
- Check [Assignments page](#) for more details

# References

See you on Thursday!

Questions? 

[ecsgra@nus.edu.sg](mailto:ecsgra@nus.edu.sg)



# Kahoot quizz

- Let's play!

▶ back to slides

# Grading: not so much about content but about skills

- Analytical
- Creative (can you use tools to address new problems)
- Presentation: to live audiences, to online audiences, to reading audiences
- Motivating (can you convince others why a certain issue is important)
- Collaborative (can you help others improve)

▶ back to slides