

LEOPOLDO FERGUSSON
leopoldo@mit.edu

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

OFFICE CONTACT INFORMATION

MIT Department of Economics
50 Memorial Drive, E52-391
Cambridge, MA 02142-1347
617-372-4672
leopoldo@mit.edu
<http://econ-www.mit.edu/grad/leopoldo>

HOME CONTACT INFORMATION

38 Lee Street Apt 1R
Cambridge, MA 02139-1810
Mobile: 617-372-4672

MIT PLACEMENT OFFICER

Professor Nancy L. Rose nrose@mit.edu
617-253-8956

MIT PLACEMENT ADMINISTRATOR

Mr. Peter Hoagland pvhoag@mit.edu
617-253-8787

DOCTORAL STUDIES Massachusetts Institute of Technology (MIT)
PhD, Economics, Expected completion June 2011
DISSERTATION: "Essays on Political Economy"

DISSERTATION COMMITTEE AND REFERENCES

Professor Daron Acemoglu
MIT Department of Economics
50 Memorial Drive, E52-380B
Cambridge, MA 02142-1347
617-253-1927
daron@mit.edu

Professor Abhijit Banerjee
MIT Department of Economics
50 Memorial Drive, E52-252D
Cambridge, MA 02142-1347
617-253-8855
banerjee@mit.edu

Professor James A. Robinson
Harvard Department of Government
1737 Cambridge Street
Knafel Building RM 309
Cambridge, MA 02138
617-496-2839
jrobinson@gov.harvard.edu

Professor James Snyder
Harvard Department of Government
1737 Cambridge Street
Knafel Building RM 413
Cambridge, MA 02138
617-496-1089
jsnyder@gov.harvard.edu

PRIOR EDUCATION	M.A., honors	Economics	Universidad de los Andes, Bogotá, Colombia	2003
	B.A., magna cum laude	Economics	Universidad de los Andes, Bogotá, Colombia	2002

CITIZENSHIP Colombia

LANGUAGES English (fluent), Spanish (native)

RESEARCH & TEACHING FIELDS Primary Fields: Political Economy, Development Economics
Secondary Fields: Economic History

TEACHING EXPERIENCE	TEACHING ASSISTANT AT MIT	
	Microeconomics (undergraduate, MIT course 14.01), Professor Jeffrey Harris	Spring 2010
	Game Theory & Political Theory (graduate, MIT course 17.810/17.811), Professor Jim Snyder	Fall 2009
	Applied Economics for Managers (Sloan Fellows Program, MIT course 15.024), Professor Thomas Stoker	Summer 2008
	Microeconomic Theory and Public Policy (undergraduate, MIT course 14.03), Professor Panle Jia and Professor Stephen Ryan	Spring 2008 Spring 2009
	LECTURER AT UNIVERSIDAD DE LOS ANDES	
	Latin American Development in the Long Run, with Pablo Querubin and James Robinson, International Summer School	Summer 2010
	Political Economy of Economic Policy, with Pablo Querubín	2003-2005
	Macroeconomics I	2004-2005
	Macroeconomics II	Summer 2006
Macroeconomics III , with Gustavo Suárez in Summer 2007	2004-2005	
	Summer 2004, 2005 & 2007	
	Summer 2004	
	Macroeconomics for Non-economists (With Andrés Escobar)	Summer 2004
TEACHING ASSISTANT AT UNIVERSIDAD DE LOS ANDES		
	Wealth and Poverty, Macroeconomics III, Mathematical Economics, Monetary Theory and Policy, Macroeconomics for Non-economists	2001-2003
RELEVANT POSITIONS	Professor-Instructor, Department of Economics and Center for Studies in Economic Development (CEDE), Universidad de los Andes	2002-2005
	Junior Researcher and Analyst, Department of Economic Research, Central Bank of Colombia	2001-2002
FELLOWSHIPS, HONORS, AND AWARDS	<i>George and Obie Schultz</i> Fund Grant, “Words versus Bullets: Media and Democracy with Coercion”	2010
	<i>Lauchlin Currie</i> distinction, Central Bank of Colombia Scholarship on doctoral studies	2005
	<i>Juan Luis Londoño</i> Prize, best thesis, Master of Economics, Universidad de los Andes	2003
	<i>Ramón de Zubiría</i> Scholarship, best cumulative grade point average, Department of Economics, Universidad de los Andes	2000 and 2001
	<i>Excelencia Académica</i> Scholarship, best grade point average, Department of Economics, Universidad de los Andes	1999

PROFESSIONAL CONFERENCE PRESENTATIONS
ACTIVITIES

Midwestern Political Science Association Annual Meetings 2010
Latin American and Caribbean Economic Association: Annual Meetings, 2003,
2004, 2007, and 2009; Political Economy Group Meeting (discussant), 2004 and
2010
Economic Commission for Latin American and the Caribbean, XVII Regional
Seminar on Fiscal Policy, 2005
NBER Inter-American Seminar on Economics, 2003

OTHER

Invited Lecturer, Department of Economics, Universidad de los Andes, Summer
2004, 2005, 2006, 2007 and 2010; Invited Scholar, Department of Economics,
Universidad del Rosario, March 20-28, 2010

Technical Committee, Ensayos Sobre Política Económica, Journal of the Central
Bank of Colombia

Revision of the Spanish translations of: Robert E. Lucas, *Lectures on Economic
Growth*; Rudiger Dornbusch, *Keys to Prosperity: Free Markets, Sound Money, and a
Bit of Luck*; and Paul Krugman, *The Great Unraveling*. Published in Bogotá,
Colombia, Grupo Editorial Norma, 2004 and 2005. With Juan Carlos Echeverry and
Pablo Querubín

Organizer of the Political Economics Group Student Conference, Cambridge,
Massachusetts, NBER, 2007 and 2008. With Marcello Miccoli and Pablo Querubin

Thesis Advisor, "The Impact of State Presence on FARC Attacks" by María A.
Palacio, B.A. in Economics, Universidad de los Andes, Special Mention, *Ulpiano
Ayala Prize*, best undergraduate thesis in 2004

PUBLICATIONS BOOKS

Política Fiscal: Un Enfoque de Tributación Óptima, (Fiscal Policy: An Optimal
Taxation Approach) with Gustavo Suárez, Bogotá, Ediciones Uniandes, March 2010.

CHAPTERS IN BOOKS

¿Quién Manda Sobre las Cuentas Públicas? (Who Decides on Public
Expenditures?) by Juan Carlos Echeverry with Jorge Alexander Bonilla, Andrés
Clavijo, Andrés Moya, Verónica Navas and Pablo Querubín, Ediciones Uniandes,
Bogotá, 2009.

PAPERS

**"Institutions for Financial Development: What are They and Where do They
Come From?"** Journal of Economic Surveys, 2006, 20 (1): 27-70.

"Impuestos, Crecimiento Económico y Bienestar en Colombia (1970-1999)"
(Taxation, Welfare and Growth in Colombia (1970-1999)), Desarrollo y Sociedad,
2004, 52: 145-204.

“Dollar’ Debt in Colombian Firms: Are Sinners Punished During Devaluations?”, with Juan Carlos Echeverry, Roberto Steiner and Camila Aguilar, *Emerging Markets Review*, 2003, 4(4): 417-449.

**RESEARCH
PAPERS**

“Media Markets, Special Interests, and Voters” (Job Market Paper)

This paper examines the role of mass media in countering special interest group influence by studying county-level support for candidates to the US Senate from 1980 to 2002 as a function of media exposure and campaign finance profiles. I use the concentration of campaign contributions from Political Action Committees to proxy capture of politicians by special interests, and compare the reaction of incumbent vote margins to increases in concentration in two different types of media markets – in-state media markets and out-of-state media markets. Unlike in-state media markets, out-of-state markets focus on neighboring states’ politics and elections. Thus, if citizens punish political capture, increases in concentration of special interest contributions to a particular candidate should reduce his vote share in in-state counties relative to the out-of-state counties, where the candidate receives less coverage. I find that a one standard deviation increase in concentration of special interest contributions to incumbents reduces their vote share in about 0.5 to 1.5 percentage points in in-state counties relative to the out-of-state counties. Results are similar in specifications that rely solely on variation in concentration across time within the same county, and when the sample is limited to in-state counties that are contiguous to out-of-state counties and have similar demographic structures. A placebo test where in-state counties bordering out-of-state ones are compared to other in-state counties shows no effects, confirming the identification hypothesis that the results are not driven by geographic characteristics or distance from the media center of the state.

“The Political Economy of Rural Property Rights and the Persistence of the Dual Economy” (revise and resubmit, *Journal of Development Economics*)

Theory and evidence suggest that improving agricultural productivity in developing countries is essential to reduce the income gap between the rich and poor, and that property rights in land are a major determinant of such productivity. If property rights in land are so beneficial, why are they not adopted more widely? I propose a theory based on the idea that limited property rights over peasants’ plots are optimal from the point of view of elite landowners, who depend on peasants for labour, because they achieve two goals. First, like other distortions such as taxation, they reduce peasants’ income from their own plots. This generates a cheap labour force for landowners. Second, and unlike taxation, they force peasants to remain in the rural sector to protect their property, even if job opportunities appear in the urban sector. The theory implies that with low urban wages and no effective threat of peasant migration, good property rights prevail. In contrast, with an effective threat of migration, minimal taxation and bad property rights to avoid migration of the labour force arises as long as peasants own little land. If peasants own sufficient land, however, property rights for peasants are optimal since the elite again focuses on taxation. The theory implies that, at low levels of modernization, bad property rights arise only if landowners have limited ability to tax peasants. However, bad rural property rights may easily persist at high levels of modernization. The model also predicts a non-monotonic relationship between the quality of rural property rights and land in the hands of peasants. It thus provides a specific mechanism for the endogenous persistence of bad institutions highlighted in important development and history literatures, and also suggests a general reason why small land reforms may deliver poor results.

“He Who Counts Elects: Determinants of Fraud in the 1922 Colombian Presidential Election,” with Isaías N. Chaves and James A. Robinson, NBER Working Paper No. 15127, July 2009 (revise and resubmit, *American Political Science Review*)

In this paper, we construct measures of the extent of ballot stuffing (fraudulent votes) and electoral coercion at the municipal level, using data from Colombia's 1922 Presidential elections. Our main findings are that the presence of the state reduced the extent of ballot stuffing, but that the presence of the clergy, which was closely imbricated in partisan politics, increased coercion. We also show that landed elites to some extent substituted for the absence of the state and managed to reduce the extent of fraud where they were strong. At the same time, in places which were completely out of the sphere of the state and thus partisan politics, both ballot stuffing and coercion were relatively low. Thus the relationship between state presence and fraud is not monotonic.

**RESEARCH IN
PROGRESS**

“Population and Social Conflict,” with Daron Acemoglu and Simon Johnson

This paper examines the effect of population growth on violent social conflict. Exploiting the international epidemiological transition that began in the 1940s, we construct an instrument for changes in population (Acemoglu and Johnson, 2007) and find that countries with higher (exogenous) increases in population experienced larger increases in social conflict. A simple falsification test indicates that changes in conflict from 1900 to 1940 are uncorrelated with our instrument, lending support to our identification strategy. Our results are robust to using a variety of standard measures for conflict and are not driven by differential trends between countries with different baseline characteristics often emphasized in the literature on civil wars. Using a simple theoretical framework, we interpret these findings as an indication that a larger population, without a corresponding increase in resources and technology, generates greater competition for resources and makes conflict and civil wars more likely in environments where the institutions cannot handle the higher level of disputes.

“The Rich-poor Divide, Within-groups Inequality and Armed Conflict,” with Juan Fernando Vargas

Economic inequality is often considered a prime cause of violent conflict. However, empirical research and theoretical arguments suggest that there is no reason to expect an unambiguous impact of wealth inequality on conflict. In this paper we use a simple theoretical framework to examine the way in which two different dimensions of inequality influence violent conflict. The first dimension is the "rich-poor divide," or the overall level of inequality between a large majority of relatively poor and homogenous individuals, and a smaller elite of wealthier individuals. The second dimension of inequality is the wealth dispersion within the rich individuals in society. In terms of the poor-rich divide, we identify two possible regimes with opposing predictions in terms of the inequality and conflict relation: a "dispossession regime," where the relationship is negative, and a "grievance regime," where instead inequality increases conflict. Using cadastral records from Colombia, we provide *prima facie* evidence in favor of the "grievance regime." However, wealth inequality within the relatively rich is correlated with less conflict. We interpret this last result as an indication that state capacity is low and the extent of property rights protection thus depends upon the capacity of groups in society to either organize effectively

their own protection or lobby the state for protection. In this context, this negative correlation is consistent with an Olsonian view of collective action: greater concentration of wealth improves collective effort by the rich, and deters the poor from initiating conflict.

“Words versus Bullets: Media and Democracy with Coercion,” with Juan Fernando Vargas

A growing strand of the political economy literature has stressed the crucial role of the media in facilitating the flow of candidates' information to voters. In general, this research has shown that well-informed voters make better choices. This paper examines whether this result breaks down in weakly institutionalized environments. We construct a unique individual-level high-frequency dataset on the press coverage of over 500 politicians across 14 years, as well as time-varying data on press penetration at the municipal level, to examine the limits of media exposure of corrupt politicians in disciplining voters in Colombia. In particular, we study a nation-wide scandal involving a large number of incumbent legislators proved to have colluded with illegal paramilitaries. To identify the causal effect of media exposure, we rely on differences in the timing of press coverage and compare 'parapoliticians' exposed shortly before and after the election. We conduct additional robustness checks to verify that results are not driven by potential endogeneity in the timing of media exposure.