

# Political Economy of Electoral Democracies

Professors Vincent Pons and Jesse Shapiro

Spring 2024

**PRELIMINARY AND SUBJECT TO CHANGE**

## Course Description

This class introduces students to a wide range of topics at the frontier of political economy research, with a focus on electoral democracies. Topics covered include theories of legislator and voter behavior, effects of elections, political media and advertising, special interest politics, and political polarization and populism. Methodologically, the class covers a range of techniques, including administrative data, surveys, text analysis, field and natural experiments, and structural methods.

## Contact Information

- Professor Vincent Pons (vpons@hbs.edu). Email Vincent and Taiga Kambara (tkambara@hbs.edu) to schedule office hours.
- Professor Jesse Shapiro (jesse\_shapiro@fas.harvard.edu). Information on office hours is [here](#).
- Aakaash Rao, Teaching Fellow (arao@g.harvard.edu). Email to schedule office hours. Please direct all logistical questions to Aakaash.

## Meeting Time and Location

This course is officially scheduled for Tuesdays/Thursdays, 10:30am-11:45am, with a section on Tuesdays, 1:30pm-2:45pm. **In practice, there will be two lectures every Tuesday, the first from 10:30am-11:45am and the second from 1:30pm-2:45pm; and sections will take place on Thursdays from 10:30am-11:15am. Both lectures and sections will take place in Littauer M17.**

## Enrollment Eligibility and Audit Policy

Enrollment is limited to Ph.D. students in Economics, Government, Public Policy, Business Economics, Strategy, and adjacent disciplines. Auditors satisfying these requirements are welcome. Others (undergraduates and masters students, doctoral students in other disciplines) who wish to audit the class should attend the first meeting, then email Aakaash with a transcript and a

statement of interest for permission to attend future meetings. Auditors should not expect to participate in class discussion unless they have done all written work for the given session, and should not expect comments on any written work that they submit.

## Assessment

Students will be assessed based on the following criteria:

- Class participation (15%): All students are expected to attend both Tuesday lectures in person and to actively contribute to class discussions. Each student is permitted one excused absence per month. Classes will not be recorded.
- Weekly comments (15%): Each week, students will write a comment on an assigned reading or set of readings, to be submitted by 11pm the day before class. (For some weeks, these comments will be guided by a series of questions provided on Canvas for papers denoted by (Q); in other weeks, comments are open-ended. Open-ended comments should reflect serious engagement with the readings and might include an alternative interpretation of the results, a related question that the paper leaves unanswered, and/or a suggestion for future research.) Late submissions will receive a grade of zero. Students are encouraged to discuss the readings with one another but must write and submit their own comments.
- Problem sets (30%): Students will complete four problem sets. Students are encouraged to work together on these problem sets in groups of three (or fewer) and to submit a joint writeup. Problem sets are due at 10am on the day marked. Each student is entitled to one 24-hour extension by advance request to the TF. Other late submissions will be penalized.
  - Problem Set 1 (due **before first class**, 1/21): Exploring Legislative Systems
  - Problem Set 2 (due 2/6): Close Election Regression Discontinuity
  - Problem Set 3 (due 4/9): Spatial Modeling and Topic Modeling
  - Problem Set 4 (draft of Q1 due 4/16; completed problem set due 4/23): Redistribution, Efficiency of Democracy, and Fiscal Policy
- Research proposal (40%): Throughout the semester, students will write a research proposal. The proposal should include an introduction motivating the project and situating it in the literature (making up results is fine, within reason), a discussion of the empirical strategy/experimental design and/or model, and any preliminary results. A default structure can be found in Appendix B of Four Steps to an Applied Micro Paper. Proposals should connect to course themes in some way; the topic is otherwise up to the student. Students are welcome to discuss proposals with one another, but each student must submit their own individual proposal. Late submissions will be penalized.
  - First submission (due 2/27): Students can choose between submitting 2-3 shorter research ideas or a single longer writeup. They will then have an individual meeting with Vincent or Jesse to discuss their submission.
  - Second submission (due 5/11): Students will submit a single “aspirational introduction” to a research paper. Optionally, students can submit a draft of this submission by 4/23 to receive faculty feedback prior to the final submission.

## Units and Reading List

### Week 1 (1/23): Legislative Behavior (Jesse)

- Strategic behavior
  - Bargaining
    - \* Diermeier, Daniel, & Feddersen, Timothy J. 1998. Cohesion in Legislatures and the Vote of Confidence Procedure. *American Political Science Review* 92(3): 611-621. <https://doi.org/10.2307/2585484>
    - \* (Q) Marco Battaglini. 2021. Coalition Formation in Legislative Bargaining. *Journal of Political Economy* 129(11): 3206-3258. **Sections I, II, III.** <https://doi.org/10.1086/716105>
    - \* (Q) Thomas Fujiwara, Carlos Sanz. 2020. Rank Effects in Bargaining: Evidence from Government Formation. *Review of Economic Studies*, 87(3): 1261–1295. <https://doi.org/10.1093/restud/rdz004>
    - \* (Q) Alba Huidobro and Albert Falcó-Gimeno. 2023. Women Who Win but Do Not Rule: The Effect of Gender in the Formation of Governments. *The Journal of Politics* 85(4): 1562-1568. <https://doi.org/10.1086/724956>
    - \* Agranov, M. (2022). Legislative Bargaining Experiments. In: Karagözoğlu, E., Hyndman, K.B. (eds) *Bargaining*. Palgrave Macmillan, Cham. [https://doi.org/10.1007/978-3-030-76666-5\\_9](https://doi.org/10.1007/978-3-030-76666-5_9)
  - Voting
    - \* (Q) Levitt, Steven D. 1996. How Do Senators Vote? Disentangling the Role of Voter Preferences, Party Affiliation, and Senator Ideology. *American Economic Review* 86(#): 425–41. **Sections Intro, I, II, III.** <http://www.jstor.org/stable/2118205>.
    - \* (Q) Spenkuch, Jörg L., B. Pablo Montagnes, and Daniel B. Magleby. 2018. Backward Induction in the Wild? Evidence from Sequential Voting in the US Senate. *American Economic Review* 108 (7): 1971-2013. **Sections Intro, I, II, III.** <https://doi.org/10.1257/aer.20150993>
- Section
  - Indices of voting power.
  - Legislative bargaining experiments.

### Week 2 (1/30): Theories of Voting and Collective Choice (Vincent)

- Alesina, Alberto, and Dani Rodrik. "Distributive Politics and Economic Growth." *Quarterly Journal of Economics* 109 (1994): 465-490.
- Arrow, Kenneth J. *Social Choice and Individual Values*. New York: Wiley, 1951.
- Balinski, Michel, and Rida Laraki. *Majority Judgment: Measuring, Ranking, and Electing*. Cambridge, MA: MIT Press, 2011.

- Besley, Timothy, and Stephen Coate. "An Economic Model of Representative Democracy." *The Quarterly Journal of Economics* (1997).
- Coate, Stephen, and Michael Conlin. "A Group-Rule Utilitarian Approach to Voter Turnout: Theory and Evidence." *American Economic Review* (2004).
- Dasgupta, Partha, and Eric Maskin. "On the Robustness of Majority Rule." *Journal of the European Economic Association* (2008).
- Dasgupta, Partha, and Eric Maskin. "Strategy-Proofness, Independence of Irrelevant Alternatives, and Majority Rule." *AER: Insights* (2020).
- Downs, Anthony. "An Economic Theory of Political Action in a Democracy." *Journal of Political Economy* 65, no. 2 (1957): 135–150.
- Duverger, Maurice. *Political Parties*. London: Methuen, 1954.
- \* Feddersen, Timothy, and Alvaro Sandroni. "A Theory of Participation in Elections." *American Economic Review* (2006).
- Feddersen, Timothy, and Wolfgang Pesendorfer. "Voting Behavior and Information Aggregation in Elections with Private Information." *Econometrica* (1997).
- Gibbard, Allan. "Manipulation of Voting Schemes: A General Result." *Econometrica* (1973).
- Hassler, Jon, José Vicente Rodríguez Mora, Kjetil Storesletten, and Fabrizio Zilibotti. "Survival of the Welfare State." *American Economic Review* 93 (2003): 87-112.
- Hotelling, Harold. "Stability in Competition." *The Economic Journal* 39, no. 153 (1929): 41–57.
- \* Maskin, Eric. "The Arrow Impossibility Theorem: Where Do We Go From Here?" Institute for Advanced Study, School of Social Science, Economics Paper No. 93, 2009.
- Maskin, Eric. "Borda's Rule and Arrow's Independence of Irrelevant Alternatives." Harvard University, 2023.
- Myerson, Roger B., and Robert J. Weber. "A Theory of Voting Equilibria." *American Political Science Review* (1993).
- Osborne, Martin J., and Al Slivinski. "A Model of Political Competition with Citizen-Candidates." *The Quarterly Journal of Economics* (1996).
- \* Persson, Torsten, and Guido Tabellini. *Political Economics: Explaining Economic Policy*. Cambridge, MA: The MIT Press, 2000. (Chapters 2-4 and 6)
- Piketty, Thomas. "Social Mobility and Redistributive Politics." *Quarterly Journal of Economics* 110, no. 3 (1995).
- Riker, William H., and Peter C. Ordeshook. "A Theory of the Calculus of Voting." *The American Political Science Review* (1968).

- Satterthwaite, Mark A. "Strategy-Proofness and Arrow's Conditions: Existence and Correspondence Theorems for Voting Procedures and Social Welfare Functions." *Journal of Economic Theory* (1975.).
- *Section*
  - Group rule-utilitarian voting models

### **Week 3 (2/6): Drivers of Election Outcomes (Vincent)**

- Anagol, Santosh, and Thomas Fujiwara. "The Runner-up Effect." *Journal of Political Economy* 124, no. 5 (2016): 1-47.
- Ansolabehere, Stephen, James M. Snyder Jr., and Charles Stewart III. "Candidate Positioning in U.S. House Elections." *American Journal of Political Science* 45, no. 1 (2001): 136-159.
- Avis, Eric, Claudio Ferraz, Frederico Finan, and Carlos Varjão. "Money and Politics: The Effects of Campaign Spending Limits on Political Entry and Competition." *American Economic Journal: Applied Economics* 14, no. 1 (2022): 1-36.
- Bonica, Adam. "Mapping the Ideological Marketplace." *American Journal of Political Science* 58, no. 2 (2014): 367-386.
- Braconnier, Céline, Jean-Yves Dormagen, and Vincent Pons. "Voter Registration Costs and Disenfranchisement: Experimental Evidence from France." *American Political Science Review* 111, no. 3 (2017): 584-604.
- Broberg, Nikolaaj, Vincent Pons, and Clémence Tricaud. "The Impact of Campaign Finance Rules on Candidate Selection and Electoral Outcomes: Evidence from France." NBER Working Paper No. 29788, 2022.
- Brown, David, Enrico Cantoni, Sahil Chinoy, Martin Koenen, and Vincent Pons. "The Effect of Childhood Environment on Political Behavior: Evidence from Young U.S. Movers, 1992-2021." NBER Working Paper No. 30872, 2023.
- \* Cantoni, Enrico, and Vincent Pons. "Does Context Outweigh Individual Characteristics in Driving Voting Behavior? Evidence from Relocations within the U.S." *American Economic Review* 112, no. 7 (2022): 2242-2280.
- Cox, Gary W. *Making Votes Count: Strategic Coordination in the World's Electoral Systems*. Cambridge: Cambridge University Press, 1997.
- \* Dal Bó, Ernesto, Frederico Finan, Olle Folke, Torsten Persson, and Johanna Rickne. "Who Becomes a Politician?" *The Quarterly Journal of Economics* 132, no. 4 (2017): 1877-1914.
- \* DellaVigna, Stefano, John A. List, Ulrike Malmendier, and Gautam Rao. "Voting to Tell Others." *Review of Economic Studies* 83, no. 1 (2016): 143-181.
- Di Tella, Rafael, Randy Kotti, Caroline Le Pennec, and Vincent Pons. "Keep Your Enemies Closer: Strategic Candidate Adjustments in U.S. and French Elections." NBER Working Paper No. 29780, 2023.

- Fishkin, James, Alice Siu, Larry Diamond, and Norman Bradburn. "Is Deliberation an Antidote to Extreme Partisan Polarization? Reflections on 'America in One Room'." *American Political Science Review* 115, no. 2 (2021): 456-478.
- Fowler, Anthony, Laura A. Baker, and Christopher T. Dawes. "Genetic Variation in Political Participation." *American Political Science Review* 102, no. 2 (2008): 233-248.
- Gerber, Alan S., and Donald P. Green. "The Effects of Canvassing, Telephone Calls, and Direct Mail on Voter Turnout: A Field Experiment." *American Political Science Review* 94, no. 3 (2000): 653-663.
- Gerber, Alan S., Mitchell Hoffman, John A. Morgan, and Collin Raymond. "One in a Million: Field Experiments on Perceived Closeness of the Election and Voter Turnout." *American Economic Journal: Applied Economics* 12, no. 4 (2020): 260-287.
- Granzier, Riako, Vincent Pons, and Clémence Tricaud. "Coordination and Bandwagon Effects: How Past Rankings Shape the Behavior of Voters and Candidates." *American Economic Journal: Applied Economics* (Forthcoming).
- Gulzar, Saad, and Muhammad Yasir Khan. "Good Politicians: Experimental Evidence on Motivations for Political Candidacy and Government Performance." SSRN.
- Hall, Andrew B. "What Happens When Extremists Win Primaries?" *American Political Science Review* 109, no. 1 (2015): 18-42.
- Kaplan, Ethan, and Yuan Yuan. "Early Voting Laws, Voter Turnout, and Partisan Vote Composition: Evidence from Ohio." *American Economic Journal: Applied Economics* 12, no. 1 (2020): 32-57.
- \* Le Pennec, Caroline, and Vincent Pons. "How Do Campaigns Shape Vote Choice? Multi-Country Evidence from 62 Elections and 56 TV Debates." *Quarterly Journal of Economics* (Forthcoming).
- Lee, David S. "Randomized Experiments From Non-Random Selection in U.S. House Elections." *Journal of Econometrics* 142, no. 2 (2008): 675-697.
- Lee, David S., Enrico Moretti, and Matthew J. Butler. "Do Voters Affect or Elect Policies? Evidence from the U.S. House." *The Quarterly Journal of Economics* 119, no. 3 (2004): 807-859.
- Levitt, Steven D. "Using Repeat Challengers to Estimate the Effect of Campaign Spending on Election Outcomes in the U.S. House." *Journal of Political Economy* 102, no. 4 (1994): 777-798.
- Pons, Vincent. "Will a Five-Minute Discussion Change Your Mind? A Countrywide Experiment on Voter Choice in France." *American Economic Review* 108, no. 6 (2018): 1322-1363.
- Pons, Vincent, and Clémence Tricaud. "Expressive Voting and Its Cost: Evidence from Runoffs with Two or Three Candidates." *Econometrica* 86, no. 5 (2018): 1621-1649.

- Shineman, Victoria. "If You Mobilize Them, They Will Become Informed: Experimental Evidence that Information Acquisition Is Endogenous to Costs and Incentives to Participate." *British Journal of Political Science* 46, no. 3 (2016): 675-698.
- Spenkuch, Jörg L. "Expressive vs. Strategic Voters: An Empirical Assessment." *Journal of Public Economics* 167 (2018): 73-88.
- Spenkuch, Jörg L., and David Toniatti. "Political Advertising and Election Results." *The Quarterly Journal of Economics*.
- *Section*
  - DellaVigna et al. 2016, Spenkuch 2018

#### **Week 4 (2/13): Special Interest Politics (Vincent, and guest lecture from Max Miller)**

- \* Grossman, Gene M., and Elhanan Helpman. "Protection for Sale." *The American Economic Review* 84, no. 4 (September 1994): 833-850.
- \* Bombardini, Matilde, and Francesco Trebbi. "Empirical Models of Lobbying." *Annual Review of Economics* 12 (August 2020): 391-413.
- \* Ansolabehere, Stephen, John M. de Figueiredo, and James M. Snyder Jr. "Why is There so Little Money in U.S. Politics?" *Journal of Economic Perspectives* 17, no. 1 (Winter 2003): 105-130.
- \* Hirsch, Alexander V., Karam Kang, and B. Pablo Montagnes. "Lobbyists as Gatekeepers: Theory and Evidence." *Journal of Politics* 85, no. 2 (2023): 731-748.
- \* Kerr, William R., William F. Lincoln, and Prachi Mishra. "The Dynamics of Firm Lobbying." *American Economic Journal: Economic Policy* 6, no. 4 (November 2014): 343-379.
- Austen-Smith, David, and Jeffrey S. Banks. "Costly Signaling and Cheap Talk in Models of Political Influence." *European Journal of Political Economy* 18 (2002): 263-280.
- Austen-Smith, David. "Campaign Contributions and Access." *American Political Science Review* 89, no. 3 (1995): 566-581.
- Austen-Smith, David. "Interest Groups, Campaign Contributions, and Probabilistic Voting." *Public Choice* 54, no. 2 (1987): 123-139.
- Austen-Smith, David. "Strategic Transmission of Costly Information." *Econometrica* 62 (1994): 955-963.
- Bertrand, Marianne, Matilde Bombardini, and Francesco Trebbi. "Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process." *American Economic Review* 104, no. 12 (2014): 3885-3920.
- Bertrand, Marianne, Matilde Bombardini, Ray Fisman, and Francesco Trebbi. "Tax-Exempt Lobbying: Corporate Philanthropy as a Tool for Political Influence." *American Economic Review* (2018).

- Blanes i Vidal, Jordi, Mirko Draca, and Christian Fons-Rosen. "Revolving Door Lobbyists." *American Economic Review* 102, no. 7 (2012): 3731-3748.
- Bombardini, Matilde, and Francesco Trebbi. "Competition and Political Organization: Together or Alone in Lobbying for Trade Policy?" *Journal of International Economics* 87, no. 1 (May 2012): 18-26.
- Austen-Smith, David. "Strategic Transmission of Costly Information." *Econometrica* 62, no. 4 (July 1994): 955-963.
- Baron, David. *Business and Its Environment*. Pearson, 2012.
- Diermeier, Daniel, Michael Keane, and Antonio Merlo. "A Political Economy Model of Congressional Careers." *American Economic Review* 95 (2005): 347-373.
- Feldmann, Sven, and Morten Bennedsen. "Informational Lobbying and Political Contributions." *Journal of Public Economics* 90, nos. 4-5 (2006): 631-656.
- Grossman, Gene M., and Elhanan Helpman. *Special Interest Politics*. The MIT Press, 2002.
- Grossman, Gene M., and Elhanan Helpman. "Electoral Competition and Special Interest Politics." *The Review of Economic Studies* 63, no. 2 (April 1996): 265-286.
- Goldberg, Pinelopi Koujianou, and Giovanni Maggi. "Protection for Sale: An Empirical Investigation." *American Economic Review* 89, no. 5 (1999): 1135-1155.
- Gulzar, Saad, Miguel R. Rueda, and Nelson A. Ruiz. "Do Campaign Contribution Limits Curb the Influence of Money in Politics?" *American Journal of Political Science* 66, no. 4 (2022): 932-946.
- Hall, Richard, and Alan Deardorff. "Lobbying as Legislative Subsidy." *American Political Science Review* (2006).
- Potters, Jan, and Frans van Winden. "Lobbying and Asymmetric Information." *Public Choice* 74, no. 3 (October 1992): 269-292.
- de Figueiredo, John M., and Brian Kelleher Richter. "Advancing the Empirical Research on Lobbying." *Annual Review of Political Science* 17 (May 2014): 163-185.
- de Figueiredo, John M., and Emerson H. Tiller. "The Structure and Conduct of Corporate Lobbying: How Firms Lobby the Federal Communications Commission." *Journal of Economics & Management Strategy* 10, no. 1 (Spring 2001): 91-122.
- Kang, Karam. "Policy Influence and Private Returns from Lobbying in the Energy Sector." *Review of Economic Studies* 83, no. 1 (2016): 269-305.
- Olson, Mancur. *The Logic of Collective Action: Public Goods and the Theory of Groups*. Harvard University Press, 1965.
- Stratmann, Thomas. "Some Talk: Money in Politics. A (Partial) Review of the Literature." *Public Choice* 124, nos. 1-2 (2005): 135-156.



- Zingales, Luigi. "Towards a Political Theory of the Firm." *Journal of Economic Perspectives* 31, no. 3 (2017): 113-130.

- *Section*

– Blanes i Vidal et al. 2012, Bertrand et al. 2018

## Week 5 (2/20): Political Persuasion (Aakaash)

- Bonomi, Giampaolo, Nicola Gennaioli, and Guido Tabellini. "Identity, Beliefs, and Political Conflict." *The Quarterly Journal of Economics* 136, no. 4 (October 11, 2021): 2371–2411.
- Broockman, David E., and Joshua L. Kalla. "When and Why Are Campaigns' Persuasive Effects Small? Evidence from the 2020 U.S. Presidential Election." *American Journal of Political Science* 67, no. 4 (October 2023): 833–49.
- Bursztyn, Leonardo, Georgy Egorov, Ingar Haaland, Aakaash Rao, and Christopher Roth. "Justifying Dissent." *The Quarterly Journal of Economics* 138, no. 3 (June 23, 2023): 1403–51.
- Coppock, Alexander, Seth J. Hill, and Lynn Vavreck. "The Small Effects of Political Advertising Are Small Regardless of Context, Message, Sender, or Receiver: Evidence from 59 Real-Time Randomized Experiments." *Science Advances* 6, no. 36 (September 4, 2020): eabc4046.
- \* DellaVigna, Stefano, and Matthew Gentzkow. "Persuasion: Empirical Evidence." *Annual Review of Economics* 2, no. 1 (September 4, 2010): 643–69. Eliaz, Kfir, Simone Galperti, and Ran Spiegler. "False Narratives and Political Mobilization," 2022.
- Eliaz, Kfir, and Ran Spiegler. "A Model of Competing Narratives." *American Economic Review* 110, no. 12 (December 1, 2020): 3786–3816.
- Galperti, Simone. "Persuasion: The Art of Changing Worldviews." *American Economic Review* 109, no. 3 (March 1, 2019): 996–1031.
- Gentzkow, Matthew, and Emir Kamenica. "Competition in Persuasion." *The Review of Economic Studies* 84, no. 1 (January 2017): 300–322.
- \* Haaland, Ingar, Christopher Roth, and Johannes Wohlfart. "Designing Information Provision Experiments." *Journal of Economic Literature* 61, no. 1 (March 1, 2023): 3–40.
- Kalla, Joshua L., and David E. Broockman. "The Minimal Persuasive Effects of Campaign Contact in General Elections: Evidence from 49 Field Experiments." *American Political Science Review* 112, no. 1 (February 2018): 148–66.
- Kamenica, Emir, and Matthew Gentzkow. "Bayesian Persuasion." *American Economic Review* 101, no. 6 (October 1, 2011): 2590–2615. Mullainathan, Sendhil, Joshua Schwartzstein, and Andrei Shleifer. "Coarse Thinking and Persuasion." *Quarterly Journal of Economics* 123, no. 2 (May 2008): 577–619.

- Schwardmann, Peter, Egon Tripodi, and Joël J. Van Der Weele. "Self-Persuasion: Evidence from Field Experiments at International Debating Competitions." *American Economic Review* 112, no. 4 (April 1, 2022): 1118–46.
- (Q) Schwartzstein, Joshua, and Adi Sunderam. "Using Models to Persuade." *American Economic Review* 111, no. 1 (January 1, 2021): 276–323.
- (Q) Shiller, Robert J. "Narrative Economics." *American Economic Review* 107, no. 4 (April 1, 2017): 967–1004.
- Spiegler, Ran. "Behavioral Implications of Causal Misperceptions." *Annual Review of Economics* 12, no. 1 (August 2, 2020): 81–106.
- Vavreck, Lynn. *The Message Matters: The Economy and Presidential Campaigns*. Princeton, NJ: Princeton Univ. Press, 2009.
- *Section*
  - None (individual office hours)

## **Week 6 (2/27): Economic Effects of Elections (Vincent)**

- Acemoglu, Daron, Suresh Naidu, Pascual Restrepo, and James A. Robinson. "Democracy Does Cause Growth." *Journal of Political Economy* 127, no. 1 (2019).
- Barro, Robert J. "The Control of Politicians: An Economic Model." *Public Choice*, 1973.
- Cascio, Elizabeth U., and Ebonya Washington. "Valuing the Vote: The Redistribution of Voting Rights and State Funds Following the Voting Rights Act of 1965." *The Quarterly Journal of Economics* 129, no. 2 (2014).
- Chattopadhyay, Raghabendra, and Esther Duflo. "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India." *Econometrica* 72, no. 5 (2004): 1409–1443.
- Ferejohn, John. "Incumbent Performance and Electoral Control." *Public Choice* 50, no. 1 (1986): 5–25.
- \* Ferraz, Claudio, and Frederico Finan. "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments." *American Economic Review* 101, no. 4 (2011): 1274–1311.
- Ferreira, Fernando, and Joseph Gyourko. "Do Political Parties Matter? Evidence from U.S. Cities." *The Quarterly Journal of Economics* 124, no. 1 (2009): 399–422.
- Fowler, Anthony. "Electoral and Policy Consequences of Voter Turnout: Evidence from Compulsory Voting in Australia." *Quarterly Journal of Political Science* 8, no. 2 (2013): 159–182.
- \* Fujiwara, Thomas. "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil." *Econometrica* 83, no. 2 (2015): 423–464.

- Girardi, Daniele. "Partisan Shocks and Financial Markets: Evidence from Close National Elections." *American Economic Journal: Applied Economics* 12, no. 4 (October 2020): 224-252.
- Husted, Thomas A., and Lawrence W. Kenny. "The Effect of the Expansion of the Voting Franchise on the Size of Government." *Journal of Political Economy* 105, no. 1 (1997): 54-82.
- Jones, Benjamin F., and Benjamin A. Olken. "Do Leaders Matter? National Leadership and Growth Since World War II." *The Quarterly Journal of Economics* 120, no. 3 (2005): 835-864.
- \* Marx, Benjamin, Vincent Pons, and Vincent Rollet. "Electoral Turnovers." NBER Working Paper, 2023.
- Meltzer, Allan H., and Scott F. Richard. "Tests of a Rational Theory of the Size of Government." *Public Choice* 41, no. 3 (1983): 403-418.
- Miller, Grant. "Women's Suffrage, Political Responsiveness, and Child Survival in American History." *The Quarterly Journal of Economics* 123, no. 3 (2008): 1287-1327.
- Pande, Rohini. "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities?" *American Economic Review* 93, no. 4 (2003): 1132-1151.
- Papaioannou, Elias, and Gregorios Siourounis. "Democratisation and Growth." *Economic Journal* 118, no. 532 (2008): 1520-1551.
- *Section*
  - Models of political agency

## **Week 7 (3/5): Individual feedback on research proposals**

## **Spring Recess (3/12): No class.**

## **Week 8 (3/19): Mass Media and Text Analysis (Guest lecture from Eliana La Ferrara, and Jesse)**

- (Q) DellaVigna, Stefano, Ruben Durante, Brian Knight, and Eliana La Ferrara. 2016. "Market-Based Lobbying: Evidence from Advertising Spending in Italy." *American Economic Journal: Applied Economics*, 8 (1): 224-56.
- (Q) Cagé, Julia, Nicolas Herve, and Marie-Luce Viaud (2020). "The Production of Information in an Online World." *The Review of Economic Studies* 87, no. 5: 2126-64. **Sections 1-5.**
- Djourelouva, Milena. 2023. "Persuasion through Slanted Language: Evidence from the Media Coverage of Immigration." *American Economic Review*, 113 (3): 800-835.
- Martin, Gregory J., and Ali Yurukoglu (2017). "Bias in Cable News: Persuasion and Polarization." *American Economic Review* 107, no. 9: 2565-99.

### *Section*

- Text modeling: embeddings, LLMs, and topic models

## Week 9 (3/26): Polarization and Spatial Modeling (Jesse)

- Canen, Nathan, Chad Kendall, and Francesco Trebbi (2021). “Political Parties as Drivers of U.S. Polarization: 1927-2018.” Cambridge, MA: National Bureau of Economic Research.
- (Q) Canen, Nathan, Chad Kendall, and Francesco Trebbi (2020). “Unbundling Polarization.” *Econometrica* 88, no. 3: 1197–1233. <https://doi.org/10.3982/ECTA16756>.
- Gentzkow, Matthew, Jesse M. Shapiro, and Matt Taddy (2019). “Measuring Group Differences in High-Dimensional Choices: Method and Application to Congressional Speech.” *Econometrica* 87, no. 4: 1307–40. <https://doi.org/10.3982/ECTA16566>.
- (Q) Iyengar, Shanto, Yphtach Lelkes, Matthew Levendusky, Neil Malhotra, and Sean J. Westwood (2019). “The Origins and Consequences of Affective Polarization in the United States.” *Annual Review of Political Science* 22:1, 129-146.
- Laver, Michael (2014). “Measuring Policy Positions in Political Space.” *Annual Review of Political Science*, 17:1, 207-223

### Section

- Factor models and item response theory

## Week 10 (4/2): Social Media (Jesse, and guest lectures from Alexey Makarin and another speaker)

- Effects of social media
  - Aridor, G., Jiménez Durán, R., Levy, R., & Song, L. (2024) The Economics of Social Media
  - Allcott, H., Braghieri, L., Eichmeyer, S., & Gentzkow, M. (2020). The welfare effects of social media. *American Economic Review*, 110(3), 629-676.
  - Bursztyn, L., Handel, B. R., Jiménez Durán, R., & Roth, C. (2023). When product markets become collective traps: The case of social media (No. w31771). National Bureau of Economic Research.
  - Braghieri, L., Levy, R. E., & Makarin, A. (2022). Social media and mental health. *American Economic Review*, 112(11), 3660-3693.
- Content moderation
  - (Q) Daron Acemoglu, Asuman Ozdaglar, James Siderius, A Model of Online Misinformation, *The Review of Economic Studies*, 2023; <https://doi.org/10.1093/restud/rdad111>
  - Jiménez Durán, Rafael and Müller, Karsten and Schwarz, Carlo, The Effect of Content Moderation on Online and Offline Hate: Evidence from Germany’s NetzDG (August 2, 2023). <http://dx.doi.org/10.2139/ssrn.4230296>
  - Kominers, Scott D. and Jesse M. Shapiro (2024). “Content Moderation with Opaque Policies.” *NBER Working Paper No 32156*.

- Yi Liu, Pinar Yildirim, and Z. John Zhang. Implications of Revenue Models and Technology for Content Moderation Strategies. *Marketing Science* 2022 41:4, 831-847.
- (Q) Shapiro, Jesse M., Natalia Rigol, Benjamin N. Roth, and William R. Kerr. “Independent Governance of Meta’s Social Spaces: The Oversight Board.” Harvard Business School Case 823-111, March 2023. (Revised April 2023.) *Course staff will arrange access to this case.*
- (Q) *Meta Community Standards*. <https://transparency.fb.com/policies/community-standards/>. You need not read these in detail; skimming to become broadly familiar should suffice.

#### *Section*

- Jiménez Durán et al. (2023)
- Liu, Yildirim, and Zhang (2022)

### **Week 11 (4/9): Morality and Culture (Guest lectures from Ben Enke)**

- Enke, B. Moral Values and Voting. *Journal of Political Economy*, 128(10), 3679–3729. (2020)
- Cappelen, Alexander W., Benjamin Enke, and Bertil Tungodden. "Universalism: Global Evidence." (2022).
- Enke, Benjamin, Raymond Fisman, Luis Mota Freitas, and Steven Sun. Universalism and political representation: Evidence from the field. No. w31265. National Bureau of Economic Research, 2023.
- \* Enke, Benjamin. "Moral Boundaries." (2023).
- Enke, Benjamin. Morality and Political Economy from the Vantage Point of Economics. (2024)

#### *Section*

- None (individual office hours)

### **Week 12 (4/16): Fiscal Policy and Dynamics (Jesse)**

- Efficiency of Democracy
  - Meltzer, Allan H., and Scott F. Richard. “A Rational Theory of the Size of Government.” *Journal of Political Economy* 89, no. 5 (1981): 914–27. <http://www.jstor.org/stable/1830813>.
  - (Q) Wittman, Donald. “Why Democracies Produce Efficient Results.” *Journal of Political Economy* 97, no. 6 (1989): 1395–1424. <http://www.jstor.org/stable/1833245>.
  - Acemoglu, Daron. “Why not a political Coase theorem? Social conflict, commitment, and politics” *Journal of Comparative Economics* 31(4): 620-652, <https://doi.org/10.1016/j.jce.2003.09.003>.
- Fiscal Constraints

- Alesina, Alberto, and Guido Tabellini. “A Positive Theory of Fiscal Deficits and Government Debt.” *The Review of Economic Studies* 57, no. 3 (1990): 403–14. <https://doi.org/10.2307/2298021>.
- (Q) Wioletta Dziuda and Antoine Loeper. Dynamic Collective Choice with Endogenous Status Quo. *Journal of Political Economy* 2016 124:4, 1148–1186. <https://doi.org/10.1086/686747>. **Sections I, III.**
- (Q) Halac, M. and Yared, P. (2022), Fiscal Rules and Discretion Under Limited Enforcement. *Econometrica*, 90: 2093–2127. <https://doi.org/10.3982/ECTA16962>. **Sections I, II, III.1–III.4.**
- (Q) Grembi, Veronica, Tommaso Nannicini, and Ugo Troiano. “Do Fiscal Rules Matter?” *American Economic Journal: Applied Economics* 8, no. 3 (2016): 1–30. <http://www.jstor.org/stable/24739127>. **Sections 0, I, II, III, IV.A, IV.C**
- Laurent Bouton, Alessandro Lizzeri, Nicola Persico, The Political Economy of Debt and Entitlements, *The Review of Economic Studies*, Volume 87, Issue 6, November 2020, Pages 2568–2599, <https://doi.org/10.1093/restud/rdaa003>
- Zareh Asatryan, César Castellón, Thomas Stratmann. Balanced budget rules and fiscal outcomes: Evidence from historical constitutions. *Journal of Public Economics*. Volume 167, 2018, Pages 105–119. <https://doi.org/10.1016/j.jpubeco.2018.09.001>.

- *Section*

- Theories of (re)distributive politics

## Week 13 (4/23): Populism and Politics at Work (Vincent)

- Populism

- Sergei Guriev and Elias Papaioannou, “The Political Economy of Populism,” *Journal of Economic Literature*, 2022
- Manuel Funke, Moritz Schularick, and Christoph Trebesch, “Populist Leaders and the Economy,” *American Economic Review*, 2023
- Cas Mudde, *Populist Radical Right Parties in Europe* (New York: Cambridge University Press, 2007)
- \* Cas Mudde and Cristobal Rovira Kaltwasser, *Populism: A Very Short Introduction* (Oxford: Oxford University Press, 2017)
- Pippa Norris and Ronald Inglehart, *Cultural Backlash: Trump, Brexit, and Authoritarian Populism* (New York: Cambridge University Press, 2018)
- Italo Colantone and Piero Stanig, “Global Competition and Brexit,” *American Political Science Review*, 2018
- \* Italo Colantone and Piero Stanig, “The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe,” *American Journal of Political Science*, 2018
- David Autor, David Dorn, Gordon Hanson, and Kaveh Majlesi, “Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure,” *American Economic Review*, 2020

- \* Rudiger Dornbusch and Sebastian Edwards, “Chapter 1. The Macroeconomics of Populism,” in *The Macroeconomics of Populism in Latin America* (Chicago: The University of Chicago Press, 1991).
- Emilie Sartre and Gianmarco Daniele, “Toxic Loans and the Rise of Populist Candidacies,” SSRN working paper, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4261333](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4261333)
- Alan De Bromhead, Barry Eichengreen, and Kevin H. O’Rourke, “Political Extremism in the 1920s and 1930s: Do German Lessons Generalize?” *Journal of Economic History*, 2013
- Rafael Di Tella and Robert MacCulloch, “Why Doesn’t Capitalism Flow to Poor Countries?” *Brookings Papers on Economic Activity*, 2009
- Christian Dustmann, Kristine Vasiljeva, and Anna Piil Damm, “Refugee Migration and Electoral Outcomes,” *Review of Economic Studies*, 2019
- Sebastian Edwards, “On Latin American Populism, and Its Echoes around the World,” *Journal of Economic Perspectives*, 2019
- James J. Feigenbaum and Andrew B. Hall, “How Legislators Respond to Localized Economic Shocks: Evidence from Chinese Import Competition,” *Journal of Politics*, 2015
- Thiemo Fetzer, “Did Austerity Cause Brexit?” *American Economic Review*, 2019
- Manuel Funke, Moritz Schularick, and Christoph Trebesch, “Going to Extremes: Politics after Financial Crises, 1870–2014,” *European Economic Review*, 2016
- Sergei Guriev, Nikita Melnikov, and Ekaterina Zhuravskaya, “3G Internet and Confidence in Government,” *Quarterly Journal of Economics*, 2021
- Martin Halla, Alexander F. Wagner, and Josef Zweimüller, “Immigration and Voting for the Far Right,” *Journal of the European Economic Association*, 2017
- Ronald Inglehart, “The Silent Revolution in Europe: Intergenerational Change in Post-Industrial Societies,” *American Political Science Review*, 1971
- \* Ronald Inglehart and Pippa Norris, “Trump, and the Populist Authoritarian Parties: The Silent Revolution in Reverses,” *Perspectives on Politics*, 2017
- Rodrik, Dani, “Populism and the Economics of Globalization,” *Journal of International Business Policy*, 2018
- Gilat Levy, Ronny Razin, and Alwyn Young, “Misspecified Politics and the Recurrence of Populism,” *American Economic Review*, 2022
- Marco Tabellini, “Gifts of the Immigrants, Woes of the Natives: Lessons from the Age of Mass Migration,” *Review of Economic Studies*, 2020
- Politics at Work
  - Jacob Conway and Levi Boxell, “Consuming Values,” working paper, [https://jacob-conway.com/pdfs/Conway\\_JMP\\_consuming-values.pdf](https://jacob-conway.com/pdfs/Conway_JMP_consuming-values.pdf)
  - \* Emanuele Colonnelli, Valdemar Pinho Neto, and Edoardo Teso, “Politics at Work,” NBER working paper 30182, 2022
  - Elisabeth Kempf, Mancy Luo, Larissa Schäfer, and Margarita Tsoutsoura, “Political Ideology and International Capital Allocation,” *Journal of Financial Economics*, 2023

- \* Elisabeth Kempf and Margarita Tsoutsoura, “Partisan Professionals: Evidence from Credit Rating Analysts,” *Journal of Finance*, 2021
- Vyacheslav Fos, Elisabeth Kempf, and Margarita Tsoutsoura, “The Political Polarization of Corporate America,” NBER working paper 30183, 2022
- Joey Engelberg, Jorge Guzman, Runjing Lu, and William Mullins, “Partisan Entrepreneurship,” NBER working paper 30249, 2022, <https://drive.google.com/file/d/1jcrGak7CSyhDU1M7EsEWpdHf8>
- Joey Engelberg, Runjing Lu, Rick Townsend, and William Mullins, “Political Sentiment and Innovation: Evidence from Patenters,” NBER working paper 31619, 2023, <https://drive.google.com/file/d/1xkZ090tbLsB7-8FENZQJ127KOye26T2z/view>
- Guy Michaels and Xiaojia Zhi, “Freedom Fries,” *American Economic Journal: Applied Economics*, 2010
- Sonal S. Pandya and Rajkumar Venkatesan, “French Roast: Consumer Response to International Conflict—Evidence from Supermarket Scanner Data,” *The Review of Economics and Statistics*, 2016
- Vasili Fouka and Hans-Joachim Voth, “Collective Remembrance and Private Choice: German–Greek Conflict and Behavior in Times of Crisis,” *American Political Science Review*, 2023
- Christopher McConnell, Yotam Margalit, Neil Malhotra, and Matthew Levendusky, “The Economic Consequences of Partisanship in a Polarized Era,” *American Journal of Political Science*, 2018
- Vanessa C. Burbano, “The Demotivating Effects of Communicating a Social-Political Stance: Field Experimental Evidence from an Online Labor Market Platform,” *Management Science*, 2021
- Aaron K. Chatterji and Michael W. Toffel, “Assessing the Impact of CEO Activism,” *Organization & Environment*, 2019
- Alexander Hertel-Fernandez, “American Employers as Political Machines,” *The Journal of Politics*, 2017
- Y. Sekou Bermiss and Rory McDonald, “Ideological Misfit? Political Affiliation and Employee Departure in the Private-equity Industry,” *Academy of Management Journal*, 2018
- Daniel Hedblom, Brent R. Hickman, and John A. List, “Toward an Understanding of Corporate Social Responsibility: Theory and Field Experimental Evidence,” NBER working paper 26222, 2019

- Section

- Misspecified models of the economy and populism

## Generative AI Policy

This course permits students to explore the use of generative artificial intelligence (GAI) tools such as ChatGPT for collecting or cleaning data, coding, and all other tasks in the research workflow. These tools may not be used to write the referee reports and research proposals. It is each student’s responsibility to assess the validity and applicability of any GAI output that is submitted; you bear the final responsibility. Violations of this policy will be considered academic misconduct.



## **Academic Integrity**

All students are expected to abide by the Harvard University Honor Code. Suspected violations of the Honor Code will be reported to the Office of Academic Integrity and Student Conduct.

## **Accessibility**

Any student needing academic adjustments or accommodations is requested to present their letter from the Accessible Education Office (AEO) and speak with the professor by the end of the second week of the term. Failure to do so may result in the course head's inability to respond in a timely manner. All discussions will remain confidential, although AEO may be consulted to discuss appropriate implementation.