

RED Structural Political Economics

Syllabus

Rome, Spring 2025

Professor Francesco Trebbi

Instructors:

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Course Materials:

Most of the readings are online, available through JSTOR.

Course Objective:

This graduate course in political economy addresses the interactions among citizens, profit-maximizing firms and a vast class of non-market agents, such as governments, public administration and regulatory institutions. The class emphasizes the operative implications of non-market institutions in affecting and constraining firm strategy and individual behavior. Topics and cases cover economic and political institutions, economic policy, lobbying, clientelism, bureaucracy, regulation, antitrust, activism and the media. We corroborate the analytical framework with real-world applications, ranging from the US historical experience to cross-country comparisons, to develop insight in interpreting fundamental politico-economic constraints.

A Note on Course Materials

The bulk of course materials will come from one source: the lectures notes. We will sometime refer directly to the suggested books and the course readings however.

Course Grade (and grading policies):

For PhD students and research-oriented Masters (upon special permission by faculty):

Spring 2025: 80% *Referee Report (Take home)*
20% *Quality of In-Class Participation*

Honor Code

Even if not explicitly stated on each test, the honor code is always in effect. Anyone caught cheating on any test in this course will receive a failing grade in the course and will also be reported to the University Center for Student Conduct.

Course Outline/Reading List

The lectures of the course will describe important empirical regularities to help identify key questions, to guide model-building efforts, to evaluate the usefulness of the economic models, and/or to provide perspective on major politico-economic developments.

Topics covered in the course (and some of, but not all, the ancillary readings) are:

Topic	Title		Date
1	<i>Course overview + Voters & elections: political behavior</i>	16:00-18:00	28/05/25
1	<i>Voters & elections: electoral campaigns</i>	11:00-13:00	29/05/25
2	<i>Legislatures & parties (part I)</i>	15:00-18:00	29/05/25
2/3	<i>Legislatures & parties (part II) + Intro to lobbying</i>	11:00-13:00	30/05/25
3	<i>Lobbying, special interests, & money in politics + How to write a good referee report</i>	15:00-18:00	30/05/25

Topic 1. Voters and Elections: Empirics.
Prof Finan & Prof Trebbi

Gerber, Alan, Donald Green, and Christopher Larimer (2008). "Social Pressure and Voter Turnout: Evidence from a Large-Scale Field Experiment", *American Political Science Review*, 102(1), 33-48.

Stefano Dellavigna, John A. List, Ulrike Malmendier, Gautam Rao (2017) "Voting to Tell Others", *The Review of Economic Studies*, Volume 84, Issue 1, 1 January 2017, Pages 143–181.

Charles, Kerwin Kofi, and Melvin Stephens Jr. 2013. "Employment, Wages, and Voter Turnout." *American Economic Journal: Applied Economics*, 5 (4): 111-43.
Median-voter (2/1)

Fujiwara, Thomas (2014) "Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil", *Econometrica*, 83: 423–464.

Gerber, Elisabeth and Jeffrey Lewis (2004) "Beyond the Median: Voter Preferences, District Heterogeneity, and Political Representation", *Journal of Political Economy*, 121(6), 1364-83.
Citizen-candidates, identity and policy outcomes (2/8)

Kawai, Kei, and Yasutora Watanabe. 2013. "Inferring Strategic Voting." *American Economic Review*, 103(2): 624-62.

Thomas Fujiwara (2011), "A Regression Discontinuity Test of Strategic Voting and Duverger's Law", *Quarterly Journal of Political Science*: Vol. 6: No. 3–4, pp 197-233.

Kendall, Chad, Tommaso Nannicini Francesco Trebbi. 2015. "How Do Voters Respond to Information? Evidence from a Randomized Campaign", *American Economic Review*, 105(1): pp.322-53.

Broockman, David and Joshua Kalla "The Minimal Persuasive Effects of Campaign Contact in General Elections: Evidence from 49 Field Experiments" (with Joshua Kalla) *American Political Science Review*, 112 no. 1 (2018).

Knight, Brian, and Nathan Schiff. "Momentum and social learning in presidential primaries." *Journal of Political Economy* 118.6 (2010): 1110-1150.

Coate, Stephen, Michael Conlin, and Andrea Moro. "The Performance of Pivotal Voter Models in small-scale Elections: Evidence from Texas Liquor Referenda." *Journal of Public Economics* 92.3 (2008): 582-596.

Amanda de Albuquerque, Fred Finan, Anubhav Jha, Laura Karpuska, Francesco Trebbi "Decoupling Taste-Based versus Statistical Discrimination in Elections", mimeo UC Berkeley

Topic 2: Legislatures and Parties in Democracies

McCarthy, Nolan (2019) Polarization: What Everyone Needs to Know, Ch. 1-3, 5.

Lee, David, and 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.

Canen, Nathan, Kendall, Chad, and Francesco Trebbi. 2020. “Unbundling Polarization”, *Econometrica*, May 2020, 88(3): pp.1197-1233.

Canen, Nathan, Kendall, Chad, and Francesco Trebbi. 2021. “Political Parties as Drivers of U.S. Polarization: 1927-2018”, *NBER wp* 28296.

Krehbiel, K. (1993). Where’s the party? *British Journal of Political Science*, 23(2):235–266.

Krehbiel, K. (2000). Party discipline and measures of partisanship. *American Journal of Political Science*, pages 212–227.

Levitt, S. D. (1996). How do senators vote? Disentangling the role of voter preferences, party affiliation, and senator ideology. *American Economic Review*, 86(3):425–441.

Moskowitz, D. J., Rogowski, J., and James M. Snyder, J. (2017). Parsing party polarization. *mimeo*.

Spenkuch, Jorg, Pablo Montagnes, and Daniel Magleby. 2018 “Backward Induction in the Wild? Evidence from Sequential Voting in the US Senate.” *American Economic Review* vol. 108, no. 7, July, (pp. 1971–2013)

Heckman, J. J. and Snyder, J. M. (1997). Linear probability models of the demand for attributes with an empirical application to estimating the preferences of legislators. *The RAND Journal of Economics*.

Jenkins, J. A. (2000). Examining the robustness of ideological voting: evidence from the confederate house of representatives. *American Journal of Political Science*, pages 811–822.

Snyder, James M., and Timothy Groseclose. 2000. “Party Influence and Congressional Roll-Call Voting.” *American Journal of Political Science* 44: 193-211.

Dal Bó, Ernesto and Martín Rossi (2011). “Term Length and the Effort of Politicians,” *Review of Economic Studies*, 78(4), 1237-1263

Diermeier, Daniel, Michael Keane, and Antonio Merlo. 2005. “A Political Economy Model of Congressional Careers.” *American Economic Review*, 95:347–373

Matilde Bombardini, Bingjing Li, Francesco Trebbi. 2023. “Did U.S. Politicians Expect the China Shock?”, *American Economic Review* 113(1): pp.174-209.

Knight, Brian. “Estimating the value of proposal power.” *American Economic Review* 95.5 (2005): 1639-1652.

Topic 3: Lobbying, Special Interest and Money in Politics.

Persson-Tabellini (2000): chapter 7

Grossman and Helpman (1994) "Protection for Sale" *American Economic Review* 84(4), 833-850.

Grossman Helpman (2001) *Special Interest Politics*. Chapters 4 and 5 as well as the readings in those chapters.

Ansolabehere, Steven, John de Figueiredo, James Snyder (2003). "Why is There so Little Money in U.S. Politics?" *Journal of Economic Perspectives*, 17(1) ,105-130.

Bombardini, Matilde and Francesco Trebbi. (2025). "The Political Power of Firms", NBER WP 33696.

Bertrand, Marianne, Matilde Bombardini and Francesco Trebbi. (2014). "Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process", *American Economic Review*, 104(12): pp.3885-3920.

Blanes we Vidal, Jordi, Draca, Mirko and Fons-Rosen, Christian. (2012) "Revolving door lobbyists", *American Economic Review*, Vol.102 (7). pp. 3731-3748.

Kang, Karam (2016). "Policy Influence and Private Returns from Lobbying in the Energy Sector", *Review of Economic Studies*, Vol. 83(1), pp. 269-305.

Grossman, Gene and Elhanan Helpman, "Protection for Sale", *American Economic Review*, 84: 833-850, 1994.

Grossman, Gene and Elhanan Helpman, *Special Interest Politics*. Ch.8-10

Goldberg, Pinelopi, Koujianou, and Giovanni Maggi. 1999. "Protection for Sale: An Empirical Investigation." *American Economic Review*, 89(5): 1135-1155.

Stratmann, Thomas, "Some Talk: Money in Politics. A (Partial) Review of the Literature," *Public Choice*, 124(1-2): 135-156, 2005

Austen-Smith, D., "Interest groups, campaign contributions, and probabilistic voting", *Public Choice*, 54 (2), 123–139, 1987.

Austen-Smith, D., "Strategic transmission of costly information", *Econometrica*, 62, 955– 963, 1994.

Austen-Smith, D., "Campaign contributions and access", *American Political Science Review*, 89 (3), 566– 581, 1995.

Austen-Smith, D., Banks, J.S., "Costly signaling and cheap talk in models of political influence", *European Journal of Political Economy*, 18, 263– 280, 2002.

Diermeier, Daniel, Michael Keane, and Antonio Merlo. 2005. "A Political Economy Model of Congressional Careers." *American Economic Review*, 95:347–373

Goldberg, Pinelopi Koujianou, and Giovanni Maggi. "Protection for sale: An empirical investigation." *American Economic Review* 89.5 (1999): 1135-1155.

Feldmann, Sven and Morten Bennedsen. "Informational Lobbying and Political Contributions", *Journal of Public Economics*, 90.4-5, 631-656, 2006.

Bombardini, Matilde and Francesco Trebbi, "Votes or Money? Theory and Evidence from the US Congress," *Journal of Public Economics*, August 2011, 95(7-8): pp. 587-611.

Bombardini, Matilde and Francesco Trebbi, "Competition and Political Organization: Together or Alone in Lobbying for Trade Policy?" *Journal of International Economics*, May 2012, 87(1): pp. 18-26.

Bombardini, Matilde and Francesco Trebbi, "Empirical Models of Lobbying," *Annual Review of Economics*, Summer 2019.

Olson, Mancur, "The Logic of Collective Action: Public Goods and the Theory of Groups", Harvard University Press, Cambridge, 1965.

Potters, Jan, and Frans Van Winden. "Lobbying and Asymmetric Information." *Public Choice* 74, no. 3 (1992): 269-92.

Bertrand, Marianne, Matilde Bombardini, Ray Fisman, and Francesco Trebbi. 2018. "Tax-Exempt Lobbying: Corporate Philanthropy as a Tool for Political Influence". *American Economic Review*, Forthcoming.

Perez-Truglia, R. and Cruces, G. (2017). Partisan Interactions: Evidence from a Field Experiment in the United States. *Journal of Political Economy*, Vol. 125 (4), pp. 1208–1243.