

40993 – POLICY PROCESS

Bocconi University

A.Y. 2025-2026

Davide Cipullo (Lecturer)

Email: davide.cipullo@unibocconi.it

Vincenzo Galasso (Lecturer)

Email: vincenzo.galasso@unibocconi.it

Massimo Anelli (Lecturer)

Email: massimo.anelli@unibocconi.it

Office hours: by appointment via email

Course coordinator: Giulia Giupponi

Email: giulia.giupponi@unibocconi.it

Course description

This course aims to offer students an introduction to the main tools and empirical results emerging from the modern literature on public economics and political economics (or political economy, as it is also known). The course is primarily designed to offer Ph. D. students interested on researching within the areas of interest of the discipline the opportunity of familiarizing with high-quality research and to expand their knowledge about the interaction between political agents' behavior and the economy. At the end of the course students will have a working knowledge of the main theoretical models used in this literature and of their empirical applications at the current research frontier. Specifically, students will be able to work analytically with theoretical models and apply these models to data using state-of-the art econometric techniques.

Course structure

The course is structured in four modules:

Part I: Electoral competition I

Part II: Social and political preferences

Part III: Electoral competition II

Part IV: Political selection and political agency

Each session will feature (1) a lecture and (2) the presentation and discussion of at least one paper. The lecture will cover key concepts from theoretical and empirical work in political economics. Each student picks a paper and is responsible for preparing a presentation of the paper that will be used to lead the discussion. A PDF version of the presentation should be emailed to davide.cipullo@unibocconi.it before the start of the lecture. Students should indicate which paper they would like to present on the BlackBoard page of the course. One or more papers will then be selected for discussion during class.

Lecture topics and readings

Readings emphasized in class are marked with [*]

Part I. Electoral competition I

1. Buchanan, J. M. and Musgrave, R. (1999). "Public Finance and Public Choice: Two Contrasting Visions of the State", in *CESifo Seminar Series*, MIT Press, Cambridge MA.
2. Downs, A. (1957). An Economic Theory of Political Action in a Democracy. *Journal of Political Economy*, 65(2), 135-150.
3. Ferreira, F. and Gyourko, J. (2009). Do Political Parties Matter? Evidence from U.S. Cities. *Quarterly Journal of Economics* 124(1): 399-422. [*]
4. Fujiwara, T. (2015). Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil. *Econometrica* 83(2): 423-464. [*]
5. Lee, D. S., Moretti, E., Butler, M. J. (2004). Do Voters Affect or Elect Policies? Evidence from the U.S. House. *Quarterly Journal of Economics* 119(3): 807-859. [*]
6. Lott, J.R. Jr., Kenny, L. W. (1999). Did Women's suffrage change the size and scope of government? *Journal of Political Economy* 107(6): 1163-1198.
7. Marshall, J. (2024). Can Close-Election Regression Discontinuity Designs Identify Effects of Winning Politicians Characteristics? *American Journal of Political Science* 68(2), 494-510.
8. Meltzer, A. H. and Richards, S. F. (1981). A Rational Theory of the Size of Government, *Journal of Political Economy* 89(5), 914-927.
9. Miller, G. (2008). Women's Suffrage, Political Responsiveness, and Child Survival in American History. *Quarterly Journal of Economics* 123(3): 1287-1337. [*]
10. Sen, A. (2014). Arrow and the Impossibility Theorem, in *The Arrow Impossibility Theorem*, ed. by Maskin, E. and A. Sen. Columbia University Press.
11. Poole, K.T. and Rosenthal, H. (1996). Are Legislators Ideologues or the Agents of Constituents? *European Economic Review* 40(3-5), 707-717.

Part II. Social and political preferences

12. Alesina, A. and Giuliano P. (2011). Preferences for Redistribution, in *Handbook of Social Economics*, edited by J. Benhabib, A. Bisin, and M. O. Jackson, 93-131. North

Holland: Elsevier.

13. Alesina, A., Miano, A. and Stantcheva, S. (2023). Immigration and Redistribution. *Review of Economic Studies* 90 (1): 1–39. [*]
14. Alesina, A., Stantcheva, S., and Teso, E. (2018). “Intergenerational Mobility and Preferences for Redistribution.” *American Economic Review* 108 (2), 521–554. [*]
15. Chetty, R., Grusky, D., Hell, M., Hendren, N., Manduca, R., Naran, J. (2017). The fading American dream: Trends in absolute income mobility since 1940. *Science* 356(6336): 398-406. [*]
16. Chetty, R., Hendren, N., Jones, M. R., Porter, S. R. (2020). Race and Economic Opportunity in the United States: an Intergenerational Perspective. *Quarterly Journal of Economics* 135(2): 711-783.
17. Chetty, R., Hendren, N., Kline, P., Saez, E. (2014). Where is the land of Opportunity? The Geography of Intergenerational Mobility in the United States. *Quarterly Journal of Economics* 129(4): 1553-1623. [*]
18. Hvidberg, K. B., Kreiner, C. T., and Stantcheva, S. (2023). Social Positions and Fairness Views on Inequality. *Review of Economic Studies* 90 (6): 3083–3118. [*]
19. Karadja, M., Mollerstrom, J., Seim, D. (2017). Richer (and holier) than thou? The effect of relative income improvements on demand for redistribution. *Review of Economics and Statistics* 99(2): 201-212. [*]
20. Kuziemko, I., Norton, M. I., Saez, E., and Stantcheva, S. (2015). How Elastic Are Preferences for Redistribution? Evidence from Randomized Survey Experiments. *American Economic Review* 105 (4): 1478–1508.
21. Stantcheva, S. (2023). How to Run Surveys: A Guide to Creating your Own Identifying Variation and Revealing the Invisible. *Annual Review of Economics* 15, 205-234.

Part III. Electoral competition II

22. Acemoglu, D. (2005), “Constitutions, Politics, and Economics: A Review Essay on Persson and Tabellini’s: The Economic Effects of Constitutions”. *The Journal of Economic Literature*, 43(4), 1025-1048.
23. Ansolabehere, S., de Figueiredo, J. M., and Snyder, J. M. (2003). Why is There so Little Money in U.S. Politics?. *Journal of Economic Perspectives* 17(1), 105-130.
24. Bordignon, M., Nannicini, T., Tabellini G. (2016). Moderating Political Extremism: Single Round versus Runoff Elections under Plurality Rule. *American Economic Review* 106 (8): 2349-2370.

25. Durante, R., Pinotti, P., Tesei, A., (2019). The Political Legacy of Entertainment TV. *American Economic Review* 109(7): 2497-2530. [*]
26. Lee, D. S. (2008). Randomized Experiments from Non-Random Selection in U.S. House Elections. *Journal of Econometrics* 142(2): 675-697.
27. Lindbeck, A. and Weibull, J. (1987). Balanced-budget Redistribution as the Outcome of Political Competition. *Public Choice*, 52, 273-297. [*]
28. Madestam, A., Shoag, D., Veuger, S., Yanagizawa-Drott, D. (2013). Do Political Protests Matter? Evidence from the Tea Party Movement. *Quarterly Journal of Economics* 128(4): 1633-1685. [*]
29. Persson, T. (2002). Do Political Institutions Shape Economic Policy? *Econometrica*, 70(3), 883–905.
30. Persson, T. and Tabellini, G. (2003). *The Economic Effects of Constitutions*, MIT Press, MA.
31. Strömberg, D. (2008). Electoral College Influence on Campaigns and Policy: The Probability of Being Florida. *The American Economic Review*, 98(3) 769-807. [*]

Part IV. Political selection and political agency

32. Alt, J., Bueno de Mesquita, E., Rose, S. (2011). Disentangling Accountability and Competence in Elections: Evidence from U.S. Term Limits. *Journal of Politics* 73(1), 171-186.
33. Autor, D., Dorn, D., Hanson, G., Majlesi, K. (2020). Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure. *American Economic Review* 110(10): 3139-3183. [*]
34. Beaman, L., Duflo, E., Pande, R. Topaloval, P. (2012). Female Leadership Raises Aspirations and Educational Attainment for Girls: A Policy Experiment in India. *Science* 335(6068):582–586.
35. Besley, T. and Coate, S. (1997). An Economic Model of Representative Democracy. *The Quarterly Journal of Economics*, 112(1), 85-114.
36. Bombardini, M., Li, B., Trebbi, F. (2023). Did US Politicians Expect the China Shock?. *American Economic Review* 113(1): 174-209.
37. Borusyak, K, Hull, P., Jaravel, X. (2022). Quasi-experimental Shift-share Designs. *Review of Economic Studies* 89(1), 181-213.
38. Carozzi, F., Cipullo, D., Repetto, L. (2022). Political Fragmentation and Government Stability: Evidence from Local Governments in Spain. *American Economic Journal: Applied Economics* 14(2): 23-50. [*]

39. Chattopadhyay, R. and Duflo, E. (2004). Women as policy makers: evidence from a randomized policy experiment in India. *Econometrica* 72(5), 1409–1443.
40. Curto-Grau, M., Solé-Ollé, A., Sorribas-Navarro, P. (2018). Does electoral competition curb party favoritism? *American Economic Journal: Applied Economics* 10(4): 378-407. [*]
41. Dal Bò, E., Finan, F., Folke, O., Persson, T., Rickne, J. (2017). Who becomes a politician? *Quarterly Journal of Economics* 132(4): 1877-1914. [*]
42. Drazen, A. and Eslava, M. (2010). Electoral Manipulation via Voter-friendly Spending: Theory and Evidence. *Journal of Development Economics*, 92, 39-52.
43. Folke, O. (2014). Shades of Brown and Green: Party Effects in Proportional Representation System. *Journal of the European Economic Association* 12(5), 1361-1395.
44. Gagliarducci, S., Nannicini, T. (2013). Do better paid politicians perform better? Disentangling incentives from selection. *Journal of the European Economic Association* 11(2): 369-398. [*]

Part V The Political Economy of Technological Change

1. Acemoglu, D., Restrepo, M. (2019). Automation and New Tasks. *Journal of Economic Perspectives* 33(2), 3-30.
2. Acemoglu, D., Restrepo, M. (2020). Robots and Jobs: Evidence from US Labor Markets. *Journal of Political Economy* 128(6), 2188-2244.
3. Acemoglu, D. (2024). The Simple Macroeconomics of AI. *NBER Working Paper No. 32487*.
4. Agnolin, P., Anelli, M., Colantone, I., Stanig, P. (2025). Robots Replacing Trade Unions: Novel Data and Evidence from Western Europe. *IZA Discussion Paper No. 17864*.
5. Anelli, M., Giuntella, O., Stella, L. (2024). Robots, Marriageable Men, Family, and Fertility. *Journal of Human Resources* 59(2), 443-469.

Part VI. Political persuasion

1. Ansolabehere, Stephen, Shanto Iyengar, Adam Simon, and Nicholas Valentino. 1994. “Does Attack Advertising Demobilize the Electorate?” *American Political Science Review* 88(4): 829–38.

2. Galasso, Nannicini and Nunnari (2021) “Positive Spillovers from Negative Campaigning”, *American Journal of Political Science*, 67(1), 2023.
3. Galasso, Morelli, Nannicini and Stanig (2024) “The Populist Dynamic: Experimental Evidence on the Effects of Countering Populism,” CEPR DP18826 [*]
4. Issenberg, S. (2012). *The Victory Lab: The Secret Science of Winning Campaigns*. New York, NY: Crown Publishers.
5. Jacobson, G. C. (2015) “How Do Campaigns Matter?” *Annual Review of Political Science* 18: 31-47.
6. Carpenter, C. J. (2019). Cognitive dissonance, ego-involvement, and motivated reasoning. *Annals of the International Communication Association*, 43(1), 1-23. [*]
7. Chew, S. H., Huang, W., & Zhao, X. (2020). Motivated false memory. *Journal of Political Economy*, 128(10), 3913-3939.
8. Dana, J., Weber, R. A., & Kuang, J. X. (2007). Exploiting moral wiggle room: experiments demonstrating an illusory preference for fairness. *Economic Theory*, 33, 67-80.

Part VII. LLMs as Political agents

9. Rozado, D. (2023). The political biases of ChatGPT. *Social Sciences*, 12(3), 148.
10. Rozado, D. (2024). The political preferences of LLMs. *PloS one*, 19(7), e0306621.
11. Park, Joon Sung, Carolyn Q. Zou, Aaron Shaw, Benjamin Mako Hill, Carrie Cai, Meredith Ringel Morris, Robb Willer, Percy Liang, and Michael S. Bernstein. "Generative agent simulations of 1,000 people." arXiv preprint arXiv:2411.10109 (2024).
12. Argyle, L. P., Busby, E. C., Fulda, N., Gubler, J. R., Rytting, C., & Wingate, D. (2023). Out of one, many: Using language models to simulate human samples. *Political Analysis*, 31(3), 337-351. [*]
13. Bisbee, J., Clinton, J. D., Dorff, C., Kenkel, B., & Larson, J. M. (2024). Synthetic replacements for human survey data? the perils of large language models. *Political Analysis*, 32(4), 401-416.
14. Galasso and Melo (2025) “Digital Twins: Political Differences in Accuracy from LLMs Simulated Human Respondents in Surveys” mimeo.

Additional references

General References in Public Economics:

1. Atkinson, A. and J. E. Stiglitz (1980). *Lectures on Public Economics*, McGraw-Hill, Singapore.
2. Auerbach, A. J. and M. Feldstein (eds.), *Handbook of Public Economics*, vol. 1 (1985), vol. 2 (1987), vol. 3 (2002), vol. 4 (2002), vol. 5 (2013), Elsevier, Amsterdam.
3. Gruber, J. (2019). *Public Finance and Public Policy*, Worth Publishers, New York.
4. Laffont, J.-J. (1988) *Fundamentals of Public Economics*. MIT Press.
5. Myles, G. (1995). *Public Economics*, Cambridge University Press, Cambridge.

6. Salanié, B. (2003). *The Economics of Taxation*, MIT Press, Cambridge.

General References in Political Economics:

1. Persson, T. and G. Tabellini (2000). "Political Economics: Explaining Economic Policy". MIT Press, Cambridge MA.
2. Besley, T. (2006). "Principled Agents? The Political Economy of Good Government". Oxford University Press, Oxford UK.

Background References on Empirical Methods:

1. Angrist, J. and Krueger, A. (2001). Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments. *Journal of Economic Perspectives* 15, 69-87.
2. Angrist, J. and Pischke, S. (2009). "Mostly Harmless Econometrics: An Empiricist's Companion." Princeton University Press, Princeton.
3. Bertrand, M., Duflo, E., and Mullainathan, S. (2004). How Much Should We Trust Differences-in-Differences Estimates? *Quarterly Journal of Economics* 119, 249-275.

Assessment

The assessment for this course is based on in-class paper presentations/discussions (40% of final grade) and a take-home assignment (60% of final grade). For the take-home assignment, students will be asked to write a referee report on a paper provided by the course instructor. Detailed instructions will be provided separately.

Honor code

Bocconi University conceives of education as an ongoing process that stretches across a person's entire professional life. The University hopes that the entire Bocconi community will respect the values of fairness and correctness associated with it, values which inspire and guide the conduct of all community members as they pursue common objectives and a shared mission.

Bocconi University is also committed to building a truly inclusive climate based on diversity. With the collaboration of faculty and students, it aims to ensure a safe learning environment free from any form of discrimination based on race, religion, gender, geography, age, disability or sexual orientation, in which there is room for a diversity of approaches and where discussions are always conducted in a respectful manner.

The Bocconi University Honor Code is published on the website at <http://www.unibocconi.eu/honorcode>, and all students are encouraged to read it.

All students participating in the course are expected to adhere to these principles. Should you feel uncomfortable, please get in touch with one of the course lecturers.

Course schedule

All lectures are held in room 1.E4.SR01

DATE	TIME	TOPIC
Monday 02 February 2026	08:45-12:00	Electoral competition I
Monday 09 February 2026	08:45-10:15	Social and political preferences
Monday 09 February 2026	10:15-12:00	Electoral competition II
Monday 16 February 2026	08:45-12:00	Electoral competition II
Monday 23 February 2026	08:45-12:00	Political selection and political agency
Wednesday 04 March 2026	14:45-18:00	TBD
Monday 16 March 2026	10:15-11:45	Political Persuasion
Monday 16 March 2026	14:45-16.15	LLMs as political agents