

PUBLIC CHOICE (i.e., POLITICAL ECONOMY)

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Course Structure: This course is introducing students to several topics of research on political economy and closely related fields. However, it aims to benefit students interested in different fields of applied microeconomics since the methodologies presented are relevant across fields.

Assessment: Referee report on a paper of interest and presentation of this paper.

TOPICS & READINGS

1. Voting (Orestis Troumpounis, 6 hours)

We will discuss different models of voting combining the presentation of (seminal) theoretical models with testable empirical implications as well as their experimental or rempirical counterparts. Topics will include voter turnout, voting in multi-candidate elections, and voting with incomplete information.

Turnout

- Battaglini, M., R. Morton and T. Palfrey, "The Swing Voter's Curse in the Laboratory," *Review of Economic Studies*, 2010.
- Coate, S., Conlin, M. and A. Moro, "The Performance of Pivotal-Voter Models in Small-Scale Elections: Evidence from Texas Liquor Referenda," *Journal of Public Economics*, 2008.
- Feddersen, T., "Rational Choice Theory and the Paradox of Not Voting," *Journal of Economic Perspectives*, 2004.
- Feddersen, T. and W. Pesendorfer, "The Swing Voter's Curse," *American Economic Review*, 1996.
- Herrera, Helios, Massimo Morelli, and Salvatore Nunnari. 2015. "Turnout across Democracies." *American Journal of Political Science*. DOI: 10.1111/ajps.12215.
- Palfrey, T. and H. Rosenthal, "Voter Participation and Strategic Uncertainty," *American Political Science Review*, 1985.
- Shachar, R. and B. Nalebuff, "Follow the Leader: Theory and Evidence on Political Participation," *American Economic Review*, 1999.

Voting in multi-candidate elections

- Degan, A. and A. Merlo, "Do Citizens Vote Ideologically," *Journal of Economic Theory*, forthcoming.
- Myatt, D., "On the Theory of Strategic Voting," *Review of Economic Studies*, 2007.
- Myerson, R., "A Comparison of Scoring Rules in Poisson Voting Games," *Journal of*

Economic Theory, 2002 .

Voting with incomplete information

- Battaglini, M., R. Morton and T. Palfrey, “The Swing Voter’s Curse in the Laboratory,” Review of Economic Studies.
- Feddersen, T. and W. Pesendorfer, “The Swing Voter’s Curse,” American Economic Review, 1996.
- Tommaso Nannicini, How Do Voters Respond to Information? Evidence from a Randomized Campaign" (joint with Chad Kendall and Francesco Trebbi), April 2013, mimeo
- Coate S., and S. Morris, 1995, “On the Form of Transfers to Special Interests,” Journal of Political Economy, 103, 1210-36.
- Dal Bo, E., 2007, “Bribing Voters,” American Journal of Political Science, 51, 789-803.
- Gavazza, A. and A. Lizzeri, 2008, “Transparency and Economic Policy,” Review of Economic Studies.
- Levy, G., 2005, “Decision Making in Committees: Transparency, Reputation and Voting Rules,” American Economic Review, 97, 150-168.
- Prat, A., 2005, “The Wrong Kind of Transparency,” American Economic Review, 95, 862-77.

2. Political Economy and Immigration (8 hours, Giacomo Battiston)

This part of the course will examine the main factors that determine attitudes towards immigration, how these attitudes influence political outcomes in society, and how policy can impact them. We will utilize tools and resources from the fields of economics, sociology, and political science.

The first module will concentrate on the fundamental drivers of anti-immigrant sentiment.

The second module will explore the impact of immigration on political outcomes in high-income societies. In the third module, we will explore potential interventions to decrease the prevalence of anti-

immigrant attitudes in society. Specifically, we will analyse three types of interventions: the first type aims to correct misinformation about the immigrant population, the second type aims to diminish the anti-immigrant bias in the media, and the third type focuses on enhancing interactions between in-groups and out-groups.

Outline

1. Primitives: Attitudes towards immigration

- a. Contact hypothesis and integrated threat theory [1, 2]
- b. Competition in the labor market [3, 4]
- c. Immigrants and the welfare system [5]

2. Consequences: Far-right voting, populism, and hate crimes

- a. Empirical studies on immigration and voting in Europe [6, 7, 8]
- b. Explaining populism: cultural backlash theory [12]
- c. Effects of populism on migrants [9, 10] [11]

3. Policy: Interventions to affect attitudes towards migrants and minorities

- a. Misperceptions about migration [13, 14]
- b. Slanted language [15]
- c. Interaction between migrants and natives [16, 17, 18, 19]

References

- [1] Gordon Willard Allport, Kenneth Clark, and Thomas Pettigrew. *The nature of prejudice*. Addison-wesley Reading, MA, 1954.
- [2] Todd D Nelson. *Handbook of prejudice, stereotyping, and discrimination*. Psychology Press, 2009.
- [3] Jens Hainmueller, Michael J Hiscox, and Yotam Margalit. Do concerns about labor market competition shape attitudes toward immigration? new evidence. *Journal of International Economics*, 97(1):193–207, 2015.
- [4] Anna Maria Mayda. Who is against immigration? a cross-country investigation of individual attitudes toward immigrants. *The review of Economics and Statistics*, 88(3):510–530, 2006.
- [5] Christian Dustmann and Ian P Preston. Racial and economic factors in attitudes to immigration. *The BE Journal of Economic Analysis & Policy*, 7(1), 2007.
- [6] Elias Dinas, Konstantinos Matakos, Dimitrios Xefteris, and Dominik Hangartner. Waking up the golden dawn: does exposure to the refugee crisis increase support for extreme-right parties? *Political analysis*, 27(2):244–254, 2019.
- [7] Dominik Hangartner, Elias Dinas, Moritz Marbach, Konstantinos Matakos, and Dimitrios Xefteris. Does exposure to the refugee crisis make natives more hostile? *American political science review*, 113(2):442–455, 2019.
- [8] Christian Dustmann, Kristine Vasiljeva, and Anna Piil Damm. Refugee migration and electoral outcomes. *The Review of Economic Studies*, 86(5):2035–2091, 2019.
- [9] Karsten Muller and Carlo Schwarz. Fanning the flames of hate: Social media and hate crime. *Journal of the European Economic Association*, 19(4):2131–2167, 2021.
- [10] Karsten Muller and Carlo Schwarz. From hashtag to hate crime: Twitter and anti-minority sentiment. Available at SSRN 3149103, 2020.
- [11] Rafael Jimenez Duran, Karsten Muller, and Carlo Schwarz. The effect of content moderation on online and offline hate: Evidence from Germany’s netzdg. Available at SSRN 4230296, 2022.
- [12] Pippa Norris and Ronald Inglehart. *Cultural backlash: Trump, Brexit, and authoritarian populism*. Cambridge University Press, 2019.
- [13] Alexis Grigorieff, Christopher Roth, and Diego Ubfal. Does information change attitudes toward immigrants? *Demography*, 57(3):1117–1143, 2020.
- [14] Alberto Alesina, Armando Miano, and Stefanie Stantcheva. Immigration and redistribution. *The Review of Economic Studies*, 90(1):1–39, 2023.

- [15] Milena Djourelova. Persuasion through slanted language: Evidence from the media coverage of immigration. *American Economic Review*, 2022.
- [16] Elias Dinas, Vasiliki Fouka, and Alain Schläpfer. Family history and attitudes toward outgroups: evidence from the European refugee crisis. *The journal of politics*, 83(2):647–661, 2021.
- [17] Matt Lowe. Types of contact: A field experiment on collaborative and adversarial caste integration. *American Economic Review*, 111(6):1807–44, 2021.
- [18] Salma Mousa. Building social cohesion between Christians and Muslims through soccer in post-ISIS Iraq. *Science*, 369(6505):866–870, 2020.
- [19] Alexandra Scacco and Shana S Warren. Can social contact reduce prejudice and discrimination? Evidence from a field experiment in Nigeria. *American Political Science Review*, 112(3):654–677, 2018.

3. The Political, Economic and Cultural impact of the Media (6 hours, Andrea Tesei)

The impact of different media technologies on societal outcomes, ranging from politics to violence to individual behavior and attitudes, has been the subject of an extensive literature in the social sciences. In this short course I will present key findings about the impact of both traditional and new media on politics, economics and culture.

Media and Politics

Traditional media

- Della Vigna, Stefano, and Ethan Kaplan. "The Fox News effect: Media bias and voting." *The Quarterly Journal of Economics* 122, no. 3 (2007): 1187-1234.
- Durante, Ruben, Paolo Pinotti, and Andrea Tesei. "The political legacy of entertainment TV." *American Economic Review* 109, no. 7 (2019): 2497-2530.
- Gentzkow, Matthew, Jesse M. Shapiro, and Michael Sinkinson. "The effect of newspaper entry and exit on electoral politics." *American Economic Review* 101, no. 7 (2011): 2980-3018.
- Manacorda, Marco, and Andrea Tesei. "Liberation technology: Mobile phones and political mobilization in Africa." *Econometrica* 88, no. 2 (2020): 533-567.
- Snyder Jr, James M., and David Strömberg. "Press coverage and political accountability." *Journal of political Economy* 118, no. 2 (2010): 355-408.

New media

- Campante, Filipe, Ruben Durante, and Francesco Sobbrío. "Politics 2.0: The multifaceted effect of broadband internet on political participation." *Journal of the European Economic Association* 16, no. 4 (2018): 1094-1136.
- Enikolopov, Ruben, Alexey Makarin, and Maria Petrova. "Social media and protest participation: Evidence from Russia." *Econometrica* 88, no. 4 (2020): 1479-1514.
- Guriev, Sergei, Nikita Melnikov, and Ekaterina Zhuravskaya. "3g internet and confidence in government." *The Quarterly Journal of Economics* 136, no. 4 (2021): 2533-2613.

Manacorda, Marco, Guido Tabellini, and Andrea Tesei. "Mobile Internet and the rise of political tribalism in Europe." (2022).

Media and Economics

Prices and arbitrage

Jensen, Robert. "The digital divide: Information (technology), market performance, and welfare in the South Indian fisheries sector." *The quarterly journal of economics* 122, no. 3 (2007): 879-924.

Aker, Jenny C. "Information from markets near and far: Mobile phones and agricultural markets in Niger." *American Economic Journal: Applied Economics* 2, no. 3 (2010): 46-59.

Consumption

Bursztyn, Leonardo, and Davide Cantoni. "A tear in the iron curtain: The impact of western television on consumption behavior." *Review of Economics and Statistics* 98, no. 1 (2016): 25-41.

Technology adoption and productivity

Cole, Shawn A., and A. Nilesh Fernando. "'Mobile'izing agricultural advice technology adoption diffusion and sustainability." *The Economic Journal* 131, no. 633 (2021): 192-219.

Labor markets

Hjort, Jonas, and Jonas Poulsen. "The arrival of fast internet and employment in Africa." *American Economic Review* 109, no. 3 (2019): 1032-79.

Media and Culture

Allcott, Hunt, Luca Braghieri, Sarah Eichmeyer, and Matthew Gentzkow. "The welfare effects of social media." *American Economic Review* 110, no. 3 (2020): 629-676.

Braghieri, Luca, Ro'ee Levy, and Alexey Makarin. "Social media and mental health." *American Economic Review* 112, no. 11 (2022): 3660-3693.

Manacorda, Ponticelli and Tesei "Importing Values" WP (2023)

Blumenstock, Joshua, Oeindrila Dube, and Karrar Hussain. "Can Secular Media Create Religious Backlash? Evidence from Pakistan's Media Liberalization." (2022).