

MECS 466-0

Social Choice and Voting Models

Spring 2015

Time: TBD

Location: Jacobs Center TBD

Professor Georgy Egorov (Kellogg – MEDS)

Description

The course focuses on collective decision-making, both from theoretical and more applied view. We will start with classical results from Social Choice theory. We will then look at strategic behavior in collective decision-making: elections, voting in committees, agenda selection and legislative bargaining. We will study both preference aggregation and information aggregation in voting, as well as theories of participation and turnout. Finally, we consider more applied topics, such as: coordination games and revolutions, political campaigns, and dynamics of political institutions.

Students are expected to attend and participate in class discussion, as well as make a presentation about a paper from the reading list at the beginning of a class. By the end of the term, students are expected to write a paper which either explores an original idea, or has a critical review of several related papers. The recommended textbook for the class is Austen-Smith and Banks "Positive Political Theory (I, II)".

The tentative reading list for each of the ten classes is below.

Lecture 1. Social choice, Arrow's theorem, dictatorships and oligarchies.

Austen-Smith, D. and J.S. Banks. 1999. *Positive Political Theory I*. Ann Arbor: Michigan University Press.

Arrow, K. 1963. *Social Choice and Individual Values (2ed)* New Haven:Yale University Press.

Sen, A.K. 1986. Social choice theory. In: K.J. Arrow and M. Intriligator (eds.), *Handbook of Mathematical Economics vol. III*. Amsterdam: North Holland.

Lecture 2. Social choice with restricted preferences.

Austen-Smith, D. and J.S. Banks. 1999. *Positive Political Theory I*. Ann Arbor: Michigan University Press.

Nakamura, K. 1979. *The vetoers in a simple game with ordinal preferences*. International Journal of Game Theory, 5:55-61.

Gans, J. and M. Smart. 1996. Majority voting with single-crossing preferences. *Journal of Public Economics*, 59:219-237.

Grandmont, J-M. 1978. Intermediate preferences and majority rule. *Econometrica*, 46: 317-330.

McKelvey, R. 1979. General conditions for global intransitivities in formal voting models. *Econometrica*, 47: 1086-1112.

Plott, C. 1967. A notion of equilibrium and its possibility under majority rule, *American Economic Review*, 57: 787-806

Lecture 3. Strategic behavior in voting. Gibbard-Satterthwaite theorem. Binary agendas.

Austen-Smith, D. and J.S. Banks (2005) *Positive Political Theory II*. Ann Arbor: Michigan University Press.

Moulin, H. (1979) Dominance solvable voting schemes. *Econometrica*, 47: 1337-1351.

Banks, J. 1985. Sophisticated voting outcomes and agenda control. *Social Choice and Welfare*, 1: 295-306.

Shepsle, K and B. Weingast 1984. Uncovered sets and sophisticated voting outcomes with implications for agenda institutions. *American Journal of Political Science*, 28: 49-74.

Lecture 4. Legislative bargaining.

Baron, D. and J. Ferejohn (1989) Bargaining in Legislatures. *American Political Science Review*, 83: 1181-206.

Baron, D. 1991. Majoritarian incentives, pork barrel programs and procedural control. *American Journal of Political Science*, 34: 57-90.

Banks, J.S. and J. Duggan 2000. A bargaining model of collective choice. *American Political Science Review*, 94: 73-89.

Eraslan, H. 2002. Uniqueness of stationary equilibrium payoffs in the Baron-Ferejohn model. *Journal of Economic Theory*, 103: 11-31.

Morelli, M. 1999. Demand competition and policy compromise in legislative bargaining. *American Political Science Review*, 93: 809-820.

Diermeier, D. and R. Myerson. 1999. Bicameralism and its consequences for the internal organization of legislatures. *American Economic Review*, 89: 1182-1196.

Diermeier, Daniel, and Pohan Fong (2011) Legislative bargaining with reconsideration, *Quarterly Journal of Economics* 126 (2): 947-985.

Diermeier, Daniel, Georgy Egorov, and Konstantin Sonin (2013). Endogenous property rights. NBER WP 19734.

Baron, David, and Renee Bowen. Dynamic Coalitions, mimeo.

Lecture 5. Classical voting models. Retrospective versus prospective voting, probabilistic voting models. Electoral competition.

Barro, R. 1973. The control of politicians: An economic model, *Public Choice*, 14(1): 19-42.

Ferejohn, J. 1986. Incumbent performance and electoral control, *Public Choice*, 50(1): 5-25.

Besley, Timothy (2007) "Principled Agents?: The Political Economy of Good Government," Oxford University Press.

Calvert, R. (1985) Robustness of the Multidimensional Voting Model: Candidate Motivations, Uncertainty, and Convergence, *American Journal of Political Science*, 29(1): 69-95.

Van Weelden, R. (2013) Candidates, Credibility, and Re-election Incentives, *Review of Economic Studies*, 80(4): 1622-1651.

Levy, Gilat. 2004. A model of parties. *Journal of Economic Theory*, 115: 250-277.

Eguia, J. X. 2011. Voting blocs, party discipline and party formation, *Games and Economic Behavior*, 73(1), 111-135.

Lecture 6. Models of candidate entry and voter turnout.

Besley, Timothy and Stephen Coate (1997) "An Economic Model of Representative Democracy," *Quarterly Journal of Economics*, 112(1), 85-114.

Osborne, Martin, and Al Slivinski (1996) "A Model of Political Competition with Citizen-Candidates," *Quarterly Journal of Economics*, 111(1), 65-96.

Feddersen, Timothy J. 2004. Rational choice theory and the paradox of not voting. *Journal of Economic Perspectives* 18(1): 99-112.

Feddersen, Timothy, and Alvaro Sandroni. 2006. A theory of participation in elections. *American Economic Review* 96(4): 1271-1282.

Feddersen, Timothy, Sean Gailmard, and Alvaro Sandroni. 2009. Moral bias in large elections: theory and experimental evidence, *American Political Science Review* 103(2): 175-192.

Feddersen, T. and W. Pesendorfer. 1996. The Swing Voter's Curse. *American Economic Review*. 86(3): 408-424.

Krasa, Stefan, and Mattias K. Polborn. "Is mandatory voting better than voluntary voting?." *Games and Economic Behavior* 66(1): 275-291.

Riker, William H., and Peter C. Ordeshook. "A Theory of the Calculus of Voting." *American Political Science Review*, 62(1): 25-42.

Herrera, Helios, Massimo Morelli, and Thomas Palfrey. "Turnout and power sharing." *Economic Journal* 124.574: F131-F162.

Lecture 7. Information aggregation in voting and communication

Feddersen, T. and W. Pesendorfer. 1998. Convicting the Innocent: The Inferiority of Unanimous Jury Verdicts. *American Political Science Review*. 92(1): 23-35.

Feddersen, T. and W. Pesendorfer. 1999. Abstention in Elections with Asymmetric Information and Diverse Preferences. *American Political Science Review*. 93(3): 381-398.

Ahn, David S., and Santiago Oliveros. 2012. Combinatorial voting. *Econometrica* 80(1): 89-141.

Austen-Smith, David. 1990. Information transmission in debate. *American Journal of Political Science*, 34(1).

Galeotti, A., C. Ghiglino, and F. Squintani. 2013. Strategic Information Transmission Networks. *Journal of Economic Theory*, 148(5): 1751-1769.

Lecture 8. Formal models of political campaigns

Amorós, Pablo, and M. Socorro Puy (2013) "Issue convergence or issue divergence in a political campaign," *Public Choice*, 155(3-4): 355-371.

Aragonès, Enriqueta, Micael Castanheira, and Marco Giani (2012) "Electoral Competition through Issue Selection," *American Journal of Political Science*, forthcoming.

Polborn, Mattias, and David T. Yi (2006) "Positive and Negative Campaigning," *Quarterly Journal of Political Science*, 1, pp. 351-371.

Dragu, Tiberiu, and Xiaochen Fan (2013) "An Agenda-Setting Theory of Electoral Competition," mimeo.

Kartik, Navin, and Richard Van Weelden (2014) "Informative Cheap Talk in Elections," mimeo.

Egorov, Georgy (2013). "Single-issue Campaigns and Multidimensional Politics," mimeo.

Lecture 9. Models of coordination. Global games, revolutions, and voting.

Carlsson, Hans, and Eric Van Damme. 1993. Global games and equilibrium selection. *Econometrica*, 61(5): 989-1018.

Morris, Stephen, and Hyun Song Shin. 1998. Unique Equilibrium in a Model of Self-Fulfilling Currency Attacks, *American Economic Review*, 88(3): 587-597.

Persson, Torsten, and Guido Tabellini, 2009. Democratic Capital: The Nexus of Political and Economic Change, *American Economic Journal: Macroeconomics*, vol. 1(2), pages 88-126 (formal model available in the NBER version: <http://www.nber.org/papers/w12175.pdf>)

Shadmehr, Mehdi, and Dan Bernhardt. 2012. A Theory of State Censorship, mimeo.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2105407

Lecture 10. Forward-looking considerations: voting for voters, choosing institutions, etc.

Barberà, S. and M Jackson (2004) Choosing How to Choose: Self-Stable Majority Rules and Constitutions, *Quarterly Journal of Economics*, 119(3), 1011-1048.

Barberà, S., M. Maschler, and J. Shalev (2001) Voting for Voters: A Model of the Electoral Evolution, *Games and Economic Behavior*, 37: 40-78.

Roberts, Kevin (1999), Dynamic Voting in Clubs, mimeo.
<http://economics.ouls.ox.ac.uk/12043/1/te367.pdf>

Acemoglu, D., G. Egorov, and K. Sonin (2012) Dynamics and Stability of Constitutions, Coalitions, and Clubs, *American Economic Review*, 2012, 102(4): 1446-1476.

Acemoglu, D., G. Egorov, and K. Sonin (2014) Political Economy in a Changing World, *Journal of Political Economy*, forthcoming.