

SPECIAL TOPICS IN FORMAL THEORY AND QUANTITATIVE METHODS: MODELING AND POLITICAL ECONOMY

Winter 2004

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CLASS MEETINGS

We will (tentatively) meet on Fridays (starting 1.16.2004), 11AM – 2PM, room to be announced.

Several papers and book chapters will be assigned for each meeting. Formal presentations will be given by the instructors. Students will be in charge of presenting some of the papers, as well as leading a discussion for each class.

REQUIREMENTS

Formal requirements include problem sets, class discussions, and preparation and presentation of a research proposal (involving a theoretical model).

OUTLINE

The goal of the class is to introduce students to tools of formal modeling as well as to provide an overview of the state of the art of models pertaining to deliberations and voting behavior.

In particular, we will discuss how different institutions affect strategic behavior, how communication affects individual choices, and how political debate can be formally modeled.

The following is a road-map of the class:

0. Introduction.
1. First defense of majoritarian elections: LLN and Condorcet's jury theorem.
2. Second defense of majoritarian elections: strategic behavior and its experimental validity.
3. Deliberative democracy: ideology, cheap talk, the revelation principle, and some formal results on voting with communication.
4. The media as a form of deliberations – political advertising and its connections to categorization.
5. Rhetoric and language.
6. Attention and memory.

READING LIST

Week 1: LLN and Condorcet's jury theorem

Condorcet, Marquis de. [1785], *Essai sur l'application de l'analyse à la probabilité des décisions rendues à la probabilité des voix*. Paris: De l'imprimerie royale.

Feller, W. [1968], *An Introduction to Probability Theory and Its Applications, Volume I*, Third Edition, John Wiley & Sons.

Young, H. P. [1988], "Condorcet's Theory of Voting," *American Political Science Review*, 82(4), 1231-1244 (JSTOR).

Week 2: Strategic voting and its experimental validity

Austen-Smith, D. and Banks, J. [1996], "Information Aggregation, Rationality, and the Condorcet Jury Theorem," *The American Political Science Review*, Vol. 90, No. 1., 34-45 (JSTOR).

Feddersen, T. and Pesendorfer, W. [1996], "The Swing Voter's Curse," *American Economic Review*, Vol. 86, No. 3, 408-424 (JSTOR).

Guarnaschelli, S., McKelvey, R. C., and Palfrey, T. R. [2000], "An Experimental Study of Jury Decision Rules," *American Political Science Review*, Vol. 94, No. 2, 407-423 (UCLA library online).

Week 3: Costly information and generalized information structures.

Gerardi, D. and Yariv, L. [2003], "Committee Design in the Presence of Communication," mimeo (Leeat's website).

Persico, N. [2002], "Committee Design with Endogenous Information," forthcoming in *The Review of Economic Studies*.

Martinelli, C. [2002], "Would Rational Voters Acquire Costly Information?" mimeo (available at <http://ftp.itam.mx/pub/academico/inves/martinelli/02-10.pdf>).

Yariv, L. [2002], "When Majority Rule Yields Majority Ruin," mimeo.

Week 4: Deliberative democracy 1

Austen-Smith, D. and Banks, J. S. [2000], "Cheap Talk and Burned Money," *Journal of Economic Theory*, Vol. 91, 1-16.

Crawford, V. and Sobel, J. [1982], "Strategic Information Transmission," *Econometrica*, Vol. 50, 1431-1451 (JSTOR).

Myerson, R. [1991], *Game Theory: Analysis of Conflict*, Cambridge University Press, Chapter 6.

Week 5: Deliberative democracy 2

Chwe, M. [1999], "Minority Voting Rights Can Maximize Majority Welfare." *American Political Science Review*, Vol. 93, 85-97.

Gerardi, D. and Yariv, L. [2002], "Putting Your Ballot Where Your Mouth Is: An Analysis of Collective Choice with Communication," mimeo (Leeat's website).

Week 6: The media as a form of deliberations

Gerber, A. S., and Green, D. P. [2000], "The Effects of Canvassing, Direct Mail, and Telephone Contact on Voter Turnout: A Field Experiment," *American Political Science Review*, Vol. 94, 653-63.

Iyengar, S. and McGuire, W. J. [1993], *Explorations in Political Psychology*, Duke University Press.

Week 7: Rhetoric and language 1 (concepts and categories)

Aragones, E., Gilboa, I., Postlewaite, A., and Schmeidler, D. [2001], "Rhetoric and Analogies, mimeo (available at: http://www.ssc.upenn.edu/~apostlew/paper/pdf/AGPS_Rhetoric_and_Analogies.pdf)

Jackson, M. and Fryer, R. [2003], "Categorical Cognition: A Psychological Model of Categories and Identification in Decision Making," mimeo (available at: <http://www.hss.caltech.edu/~jacksonm/categ.pdf>)

Tversky, A. [1977], "Features of Similarity," *Psychological Review*, 84, 327-352.

Week 8: Rhetoric and language 2 (dimensionality)

Chwe, M. [2002], "Rationally Constructing the Dimensions of the Public Sphere," mimeo, UCLA (available at: <http://chwe.net/michael/papers.html>)

DeMarzo, P. M., Vayanos, D., and Zwiebel, J. [2003] "Persuasion Bias, Social Influence, and Unidimensional Opinions," *Quarterly Journal of Economics*, 118:03, 909-968 (available at: <http://faculty-gsb.stanford.edu/demarzo/papers/persuasion.pdf>).

Spector, D. [2000], "Rational Debate and One-Dimensional Conflict," *Quarterly Journal of Economics*, Vol. 115 (1), 181-200.

Week 9: Rhetoric and language 3 (framing)

Benford, R. D. and Snow, D. A. [2000], "Framing Processes and Social Movements," *Annual Review of Sociology*, Vol. 26, 611-639 (available at: <http://arjournals.annualreviews.org/doi/abs/10.1146/annurev.soc.26.1.611>)

Margolis, E. and Laurence, S. [1999], *Concepts: Core Readings*, MIT Press.

Week 10: Attention and Memory

Gabaix, X., Laibson, D. I., Moloche, G., and Weinberg, S. [2003], "The Allocation of Attention: Theory and Evidence," mimeo (available at: <http://post.economics.harvard.edu/faculty/laibson/papers/braug302xwithauthorsnames.pdf>).

Iyengar, S. and McGuire, W. J. [1993], *Explorations in Political Psychology*, Duke University Press.

Wilson, A. [2003], "Bounded Memory and Biases in Information Processing," mimeo (available at: <http://www.princeton.edu/~awilson/memorybiases.pdf>).