

Formal Models of Elections and Representation¹²

Tuesday 2:30 PM – 4:30 PM Eads Room 209

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Course Abstract: Political representation deals with the correspondence between citizen preferences and public policies. This seminar examines the critical role elections play in linking the two. In particular, we will examine how electoral incentives influence the platforms candidates campaign on and the policies they pursue upon entering office. A reoccurring theme throughout this course will be the role elections play in both disciplining incumbent behavior and enabling voters to select politicians that share their policy commitments. Particular attention will be given to understanding how changes in electoral laws and institutional arrangements affect the incentives of politicians to cater to certain constituencies while neglecting others.

Roughly, the first half of the semester focuses on models of candidate competition (i.e., we examine Downsian models where campaign promises are binding and citizen-candidate models where campaign promises are pure cheap talk). The second half of the semester focuses on the policy choices of incumbent office holders who make their decisions in the shadow of pending elections.

Office Hours: If you have questions concerning a particular reading, desire feedback on your writing, etc., I *strongly* encourage you to come to my office hours or make an appointment.

Grading: Your grade will be determined by the quality of your writing (3/5) and class participation/presentations (2/5)

Writing: The writing requirement for this course is six “analytical summaries” and one “research prospectus.”

Analytical Summaries (2/5 of grade): I’d like you to turn in six short analytical summaries over the course the semester. Each summary should be no longer than 4 pages (double-spaced, 12pt font) and focus on a single class reading. Each summary should (1) identify the paper’s research questions, (2) provide a brief overview of the paper’s model, (3) identify the paper’s main results, and (4) explain the logic underlying key results with as little mathematical notation as possible.³ The bulk of each summary should be devoted to explaining the logic of the results. When writing the summary, think of your audience being a scholar who

¹Last edited on January 15, 2013.

²While I do not expect to make changes to the syllabus, I reserve the right to do so if needed.

³Things like “option *A* and option *B*” are ok, but do not include equations. For an nice discussion of a model with no math that gives a pretty good understanding of the model and results, see the introduction of Stephen Morris, 2001, “Political Correctness,” *Journal of Political Economy* 109:231–265.

knows the literature, knows game theory, but hasn't read the paper being reviewed very closely. Summaries are to be e-mailed to me (jfox26@wustl.edu) the day of class. (For example, if you write a paper dealing with the readings we will discuss on January 22nd, you must e-mail me your paper by 9 AM on January 22nd.)

Research Prospectus (1/5 of grade): Your research prospectus is due at 5 PM on April 25th, and should be about five pages long, double spaced. We will schedule a special session of the class where you will be given ten to fifteen minutes to present your prospectus followed by questions from me and your classmates.⁴

Your research prospectus should consist of an extension of an *existing model*. Two potentially profitable approaches are the following: (1) Begin with a question – e.g., Does publishing roll-call votes lead to “better” public policy? – and use an existing theoretical setup to address the question.⁵ The other approach is to take an existing paper, modify one of its key assumptions in an interesting manner, and explore how the key insights of the original paper are affected.⁶ The way to do this is by constructing a simple example that illustrates the primary effect of changing one of the original model's assumptions.

The ultimate aim of this assignment is to get practice developing the “essential insight” that underlies a research paper. Students are required to meet with me no later than April 2nd to discuss their initial ideas about their research prospectus and to begin the conversation about what will constitute an acceptable prospectus. (1/5 of grade)

Student Presentations: All students will be expected to present two to four papers over the course of the semester (the total number of presentation will depend on the number of students taking the class). To the extent possible, I will take student preferences into account when assigning which papers everyone will present.

Each presentation is to be about 35-40 minutes long. And the presentation should have the following general structure: (1) The first couple minutes should be devoted to framing the question the paper is seeking to address. (2) The presenter should then go through the model's setup in detail. Be sure to clearly articulate who the players are, their respective strategies, and the solution concept employed. (3) The presenter should then work through the paper's main results on the white board/chalk board. Here the aim is not to reproduce every step of the paper's proofs, but to give a deep sense of the model's mechanics (this sometimes requires using figures, sometimes examining simplified variants of the model being discussed, etc.) and the general logic underlying the paper's main results. By watching me work through the papers during the first few class meetings, what I'm looking for in presentations will become more concrete. *Presenters should meet with me*

⁴I tentatively propose that we hold the session on April 26th.

⁵For example, Justin Fox 2007, “Government Transparency and Policymaking,” *Public Choice*, 131:23-44.

⁶For example, see Richard Van Weelden 2008, “Deliberation Rules and Voting,” *Quarterly Journal of Political Science*, 1:83-88. Alternatively, see Justin Fox and Richard Van Weelden 2010, “Costly Transparency,” *Journal of Public Economics*, 96:142–150.

the Thursday before their presentation to discuss the details of their talk.

Readings and Class Format: All reading are available online. For most weeks, we will cover two theoretical papers. Typically, I'll spend a couple minutes at the start and end of class highlighting how the assigned papers connect to the larger literature and broader questions of interest to political economists. We'll devote about 50 minutes to each paper.⁷ *Note, each student should expect to present two to four papers over the course of the semester.*

Prerequisites Either PS 506 or an equivalent game theory course. For those whose game theory is rusty, a very nice overview is “An Introduction to Applicable Game Theory” by Robert Gibbons, published in the *Journal of Economic Perspectives* .

⁷For the first two to three weeks of the semester, I will do most of the presenting.

Week 1: January 15 *The Spatial Model of Politics: Candidate Divergence* This week I will over the syllabus, walk through the median voter theorem, and present some, but not all, of the results from the following papers.

- Bernhardt, Dan, John Duggan, and Francesco Squintani. 2009. “The Case for Responsible Parties.” *American Political Science Review* 103(3): 570–587.
- Calvert, Randall. 1985. “Robustness of the Multidimensional Voting Model: Candidate Motivations, Uncertainty, and Convergence.” *American Journal of Political Science* 29:69–95.
- Virag, Gabor. 2008. “Playing for Your own Audience: Extremism in Two Party Elections.” *Journal of Public Economic Theory* 10:891–922.

Week 2: January 22 *The Spatial Model of Politics: Competing on Ideology and Valence*

- Groseclose, Tim. 2001. “A Model of Candidate Location when One Candidate has a Valence Advantage.” *American Journal of Political Science* 45:862–886.
- Kartik, Navin and Preston McAfee. 2007. “Signaling Character in Electoral Competition.” *American Economic Review* 97:852–870.

Week 3: January 29 *Citizen Candidate Models of Politics*

- Besley, Timothy and Stephen Coate. 1997. “An Economic Model of Representative Democracy.” *Quarterly Journal of Economics* 112:85–106.
- Besley, Timothy and Stephen Coate. 1998. “Sources of Inefficiency in a Representative Democracy: A Dynamic Analysis.” *American Economic Review* 88:139–156.
- Besley, Timothy and Stephen Coate. 2008. “Issue Unbundling Via Citizens’ Initiatives.” *Quarterly Journal of Political Science* 3:379–397.

Week 4: February 5 *Spending Limits and Advertising Bans*

- Prat, Andrea. 2002. “Campaign Advertising and Voter Welfare.” *Review of Economic Studies* 69:999–1017.
- Meirowitz, Adam. 2008. “Electoral Contests, Incumbency Advantages, and Campaign Finance.” *Journal of Politics* 3:681–699.

Week 5: February 12 *Money and Politics Continued*

- Dal Bo, Ernesto and Rafael Di Tella. 2003. “Capture by Threat.” *Journal of Political Economy* 111:1123–1154.
- Besley, Timothy and Stephen Coate. 2001. “Lobbying and Welfare in a Representative Democracy.” *Review of Economic Studies* 68:67–82.

Week 6: February 19 *Contracting Models (Inducing effort by politicians)*

- Ashworth, Scott and Kenneth Shotts. 2011. “Challengers, Democratic Contestation, and Electoral Accountability.” Working Paper.
- Bueno de Mesquita, Ethan. 2007. “Politics and the Suboptimal Provision of Counterterrorism.” *International Organization* 61:9–36.

Week 7: February 26 *Selecting on Competence*

- Banks, Jeffrey and Rangarajan Sundaram. 1998. “Optimal Retention in Agency Problems.” *Journal of Economic Theory* 82:293–323.
- Ashworth, Scott. 2005. “Reputational Dynamics and Political Career.” *Journal of Law, Economics, and Organization* 21:441–466.
- Ashworth, Scott and Ethan Bueno de Mesquita. 2012. “Disasters and Incumbent Electoral Fortunes: No Implications for Democratic Competence.” Working paper.

Week 8: March 5 *Selecting on Ideology*

- Duggan, John. 2000. “Repeated Elections with Asymmetric Information.” *Economics and Politics* 12:109–136.
- Acemoglu, Daron, Gregory Egorov, and Konstantin Sonin. 2011. “A Political Theory of Populism.” Working Paper.

Week 9: March 19 *Trustee Models and Signaling Competence*

- Canes-Wrone, Brandice, Michael Herron and Kenneth Shotts. 2001. “Leadership and Pandering: A Theory of Executive Policymaking.” *American Journal of Political Science* 45:532–550.

- Majumdar, Sumon and Sharun Mukand. 2004. “Policy Gambles.” *American Economic Review* 94:1207–1222.

Week 10: March 26 *Trustee Models and Signaling Ideology*

- Morris, Stephen. 2001. “Political Correctness.” *Journal of Political Economy* 109:231–265.
- Coate, Stephen and Stephen Morris. 1995. “On the Form of Transfers to Special Interests.” *Journal of Political Economy* 103:1210–1235.

Week 11: April 2 *Applications: Institutional Solutions to Agency Slack*

- Maskin, Eric and Jean Tirole. 2004. “The Politician and the Judge: Accountability in Government.” *American Economic Review* 94:1034–1054.
- Prat, Andrea. 2005. “The Wrong Kind of Transparency.” *American Economic Review* 95:862–877.

Week 12: April 9 *Campaigning*

- Polborn, Mattias and David Yi. 2006. “Informative Positive and Negative Campaigning.” *Quarterly Journal of Political Science* 1:351–371.
- Callandar, Steven and Simon Wilkie. 2007. “Lies, Damned Lies, and Political Campaigns.” *Games and Economic Behavior* 60:262–286.

Week 13: April 16 *Elections and Public Finance*

- Lizzerie, Alessandro and Nicola Persico. 2001. “The Provision of Public Goods under Alternative Electoral Incentives.” *American Economic Review* 91: 225–239.
- Gavazza, Alessandro and Alessandro Lizzeri. 2009. “Transparency and Economic Policy.” *Review of Economic Studies* 76: 1023–1048.

Week 14: April 23 *Policymaking when Voters are Learning about Policies*

- Callandar, Steven. 2011. “Searching for Good Policies.” *American Political Science Review* 105:643–662.
- Shultz, Christian. 2002. “Policy Biases and Voters’ Uncertainty about the Economy and the Government.” *European Economic Review* 46: 487–506

- Kartik, Navin, Francesco Squintani, and Katrian Trinn. “Information Revelation and Anti-Pandering in Elections.” Working paper.

Student Presentations TBA