

## **Economics and politics**

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### **Syllabus**

#### **0. Introduction**

##### **0.1 General Discussion**

Austen Smith and Banks, *Positive Political Theory I*, Michigan University Press 2000

"Implications from the Disequilibrium of Majority Rule for the Study of Institutions", William H. Riker, *The American Political Science Review*, Vol. 74, No. 2. (Jun., 1980), pp. 432-446.

"Economic Analysis of Institutions", Roger Myerson, mimeo (downloadable from Math Center w.p.).

"Political Institutions and Policy Outcomes: What are the Stylized facts", T. Persson, G. Tabellini, Mimeo (downloadable from: [www.uni-bocconi.it/bocconi/ricerca/centri/igier/personal/tabellini/homepage.htm](http://www.uni-bocconi.it/bocconi/ricerca/centri/igier/personal/tabellini/homepage.htm))

##### **0.2 Some important reference books**

*Positive Political Theory I: Collective Preference*, D. Austen-Smith and J. Banks, Ann Arbor, the university of Michigan Press

*The Making of Economic Policy: A Transaction Cost Politics Perspective*, Avinash Dixit, Munich Lectures in Economics, M.I.T. Press, 1996.

*Special Interest Politics*, G. Grossman and E. Helpman- forthcoming MIT Press.

*Political Economics: Explaining Economic Policy*, T. Persson and G. Tabellini, The MIT Press, Cambridge, Massachusetts. (2000).

#### **Section 1**

#### **Decision Making in a Legislature**

##### **1.1 legislative Bargaining**

###### **1.1.1 Exogenous types**

Baron and Ferejohn "[Bargaining in Legislatures](#)" *APSR* 1989, 83(4), 1181-1206.  
(Download from Jstor)

Banks and Duggan "A Bargaining Model of Collective Choice" *APSR* 2000.

A Stochastic Model of Sequential Bargaining with Complete Information , A. Merlo, C. Wilson, *Econometrica*, Vol. 63, No. 2. (Mar., 1995), pp. 371-399.

Bargaining over Governments in a Stochastic Environment , Antonio Merlo, *The Journal of Political Economy*, Vol. 105, No. 1. (Feb, 1997), pp. 101-131.

### 1.1.2 Endogenous types:

David Austen-Smith, Jeffrey Banks (1988), "Elections, Coalitions, and Legislative Outcomes", *The American Political Science Review*, Vol. 82, No. 2. (Jun., 1988), pp. 405-422. (Download from Jstor)

Feddersen and Diermeier, "Cohesion in Legislatures and the Vote of Confidence procedure", Diermeier and T. Feddersen, *APSR*, 92 n.3:611-621.

Feddersen and Diermeier, "Bargaining, Veto Power, and legislative committees" *APSR* 1998.

### 1.1.3 Sequential vote Buying

Groseclose and Snyder, "[Buying Supermajorities](#)" *APSR*, June 1996, 90(2), 303-315. (Download from Jstor)

Banks (paper on Supermajorities, *APSR*)

Diermeier and Myerson, "The Internal Organization of Legislatures" *AER* 1999 December, 89(5), 1182-1196.

## **1.2 Lobbying**

### 1.3.1 Menu Auctions

Common Agency, B. Douglas Bernheim, Michael D. Whinston, *Econometrica*, Vol. 54, No. 4. (Jul., 1986), pp. 923-942.

Protection for Sale, Gene M. Grossman, Elhanan Helpman, *The American Economic Review*, Vol. 84, No. 4. (Sep., 1994), pp. 833-850.

*Special Interest Politics*, G. Grossman and E. Helpman- forthcoming MIT Press.

### 1.3.2 Debate and Cheap talk 1: general theory

Crawford and Sobel, "[Strategic Information Transmission](#)" *Econometrica* 1982, 52(6), 1431-1451. (Download from Jstor)

Information Transmission in Debate, David Austen-Smith *American Journal of Political Science*, Vol. 34, No. 1. (Feb., 1990), pp. 124-152.

Interested Experts and Policy Advice: Multiple Referrals Under Open Rule, David Austen-Smith, *Games and Economic Behaviour*, 199: 3-39

Battaglini M, "Multiple referrals and Multidimensional Cheap Talk", Forthcoming *Econometrica*.

Krishna and Morgan, "A Model of Expertise", 2001, *QJE*, n2: 747-775

Chapter 4 in *Special Interest Politics*.

### 1.3.2 Debate and Cheap Talk 1: debate, veto, and other applications

Morgan and Krishna, "Asymmetric Information and legislative rules" (Download from: <http://www.wws.princeton.edu/~rjmorgan/rules.pdf>)

Matthews S., "[Veto Threats: Rhetoric in a Bargaining Game](#)" *QJE* 1989, 104(2), 347-369. (Download from Jstor)

Gilligan and Krehbiel, "[Organization of Informative committees by a rational legislature](#)" *American Journal of Political Science* 1990, 34(2), 531-564. (Download from Jstor)

Gilligan and Krehbiel, "Collective Decision Making and Standing Committees: An informational Rationale for Restrictive Amendment Procedures," *Journal of Law, Economics, and Organization* 1987, 3(2), 145-193.

Counteractive Lobbying , David Austen-Smith, John R. Wright, *American Journal of Political Science*, Vol. 38, No. 1. (Feb., 1994), pp. 25-44.

## Section 2

### Voting

#### 2.1 Information Aggregation

Information Aggregation, Rationality, and the Condorcet Jury Theorem David Austen-Smith, Jeffrey S. Banks, *The American Political Science Review*, Vol. 90, No. 1. (Mar., 1996), pp. 34-45.

Feddersen and Pesendorfer, "[The Swing Voter's Curse](#)" *American Economic Review*, 1996, 86(3), 408-424. (Download from Jstor)

Feddersen and Pesendorfer, "Voting Behavior and Information Aggregation..." *Econometrica* 1997, 65, 1029-1058.

R. Myerson, "Population Uncertainty and Poisson Games", *International journal of Game Theory*, 1988, 27:375-392.

Myerson, "Large Poisson Games" (Download from: <http://www.kellogg.nwu.edu/research/math/papers/1189.PDF>)

R. Myerson, "Comparison of scoring rules in Poisson voting games," to appear in *Journal of Economic Theory* (2001).

## Section 3

### Electoral competition, redistributive politics, comparing electoral systems

Myerson, "[Incentives to cultivate favored minorities under alternative electoral systems](#)" *APSR* 1993, 87(4), 856-869. (Download from Jstor)

Myerson, B. R. (1993), "Effectiveness of Electoral Systems for Reducing Government Corruption" *Games and Economic Behavior*, 5, 118-132.

Myerson, B. R. (2000), "Comparison of Scoring Rules in Poisson Voting Games", Downloadable at <http://www.kellogg.northwestern.edu/faculty/myerson/research/1214.pdf>

Lizzeri, A., "Budget Deficits and Redistributive Politics" *Review of Economic Studies*, October 1999.

Lizzeri and Persico, "The Drawbacks of Electoral Competition," mimeo, 2000. (Download from: <http://www.princeton.edu/~lizzeri/elect.pdf>)

Lizzeri and Persico, "The Provision of Public Goods Under Alternative Electoral Incentives," *American Economic Review*, 2000. (Download from: <http://www.princeton.edu/~lizzeri/aertype7.pdf>)

Feddersen and Pesendorfer (1998), "Convicting the Innocent and Inferiority of Unanimous Jury Verdicts", *American Political Science Review*, March 1998.

Chapters 1,3 in *Special Interest Politics*