

**PRIORAT WORKSHOP IN THEORETICAL POLITICAL SCIENCE**  
**Falset (Spain) - June 6-8, 2013**

**Lectures available at**

<http://www.youtube.com/playlist?list=PLP2feIH9JfzQcOg975FCcimQ8oR4Ylx5>

**Behavioral Spillovers, Learning, and Institutional Path Dependence**

***Jenna Bednar and Scott Page***

UNIVERSITY OF MICHIGAN

In this paper, we explore how learning combined with behavioral spillovers in initial strategy choices produces path-dependent behaviors, outcomes, and optimal institutional choices. We consider a population of individuals who play a sequence of games drawn from a family of games. When confronted with a new game, individuals' choices of initial strategies depend on strategies used in similar games. In the subsequent plays of the new game, individuals choose the strategy that performs best given the distribution of strategies. Within this framework, we show that outcomes in new games can be influenced by the sequence of previous games, i.e., the order in which games appear in the sequence influence equilibrium outcomes in later games. We further show that the sequencing matters for any set of games. We also derive conditions for there to exist a sequencing of games that produces the most efficient outcomes for each game. We conclude by showing how our analytic framework can provide insights into the theory of endogenous institutional change.

**Jenna Bednar**

Jenna Bednar is Associate Professor of Political Science at the University of Michigan. Previously she has held positions at the Center for Political Studies, Santa Fe Institute, Hoover Institution, University of Iowa and University of Southern California. She has received both an MA and a PhD in Political Science from Stanford University. She is member of editorial boards such as *American Journal of Political Science*, *The Journal of Federalism*, and *Journal of Theoretical Politics*. Her research is on the analysis of institutions, focusing on the theoretical underpinnings of the stability of federal states. She is also interested in constitutions: specifically, the potential that constitutional design has to affect the behavior of heterogeneous populations with decentralized governmental structures. Her research has been published in top journals such as *Political Analysis*, *Games and Economic Behavior*, and *Journal of Theoretical Politics*.

**Scott E. Page**

Scott E. Page is the Leonid Hurwicz Collegiate Professor of Complex Systems, Political Science, and Economics at the University of Michigan, where he also directs the Center for the Study of Complex Systems. Previously he has held positions at the California Institute of Technology and the Santa Fe Institute. He received an MA in Mathematics from the University of Wisconsin and both an MA and a PhD in Managerial Economics from Kellogg Graduate School of Management, Northwestern University. He has been a member of the editorial boards of *American Political Science Review*, *Journal of Public Economic Theory*, and *Advances in Complex Systems*. His research focuses on the myriad roles that diversity plays in complex systems. He has written three books: *The Difference*, which demonstrates the benefits and costs of diversity in social contexts, *Complex Adaptive Social Systems* (with John Miller), which provides an introduction to complexity theory, and, most recently, *Diversity and Complexity*, which explores the contributions of diversity within complex systems. He has also published papers in a variety of disciplines including economics, political science, computer science, management, physics, public health, geography, urban planning, engineering, and history.

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**The Transparency Curse: Private Information and Political Freedom**

**John B. Londregan**

PRINCETON UNIVERSITY

I offer a model of the sustainability of authoritarian rule in which the transparency of productive economic activity enables the ruler to distinguish productive economic activity from preparations for rebellion. The less transparent the productive technology, the greater the economic side effects of maintaining authoritarian rule, and the stronger the incentives to liberalize the regime. Using a cross section of countries, I provide evidence that, consistently with the theory, democratic government Granger-causes internet penetration.

**John B. Londregan**

John B. Londregan is Professor of Politics and International Affairs at Princeton University. Previously he has held faculty positions at the University of California, Los Angeles, and Carnegie Mellon University. He received his PhD from Princeton University. He offers editorial services for journals such as *American Economic Review*, *American Political Science Review*, *Cambridge University Press*, and *Economics and Politics*. He is a specialist in the development and application of statistical methods in political science. He has also done extensive analysis of Chilean legislative and electoral politics since the transition from the Pinochet dictatorship to democracy. Londregan is the author of *Legislative Institutions and Ideology in Chile*, as well as a contributor to numerous leading journals and edited volumes. In the year 2000, he received the Miller Prize for Best Paper in Political Analysis.

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**Collective Responses to Rogue States**

***Catherine Hafer***

NEW YORK UNIVERSITY

We analyze a game of brinkmanship between a rogue state and states that receive negative externalities from its actions. The rogue state's utility is increasing in the action that negatively affects other states, but is decreasing in fallout from that action due to economic complementarities or other states' explicit, possibly military, responses. States choose whether to join a regime of sanctions against the rogue state. The rogue state observes the coalition that assembles against it and chooses how much to back down. While participation in the sanctions carries observable cost, the negative externality a state suffers from the rogue state's action is private information. In equilibrium, participating in the sanctioning coalition increases the extent to which the rogue state backs down. However, on average, the countries that choose not to join the sanctioning coalition are made worse off by the coalition's opposition to the rogue state, even though those countries are not paying the cost of participating. Further, even among the countries that do participate in the coalition, there are those that would have been better off if it were not possible to sanction the rogue state. In short, sanctions shift the rogue state's beliefs about the size of the externalities suffered by other states, leading to different interpretations of observationally equivalent outcomes.

**Catherine Hafer**

Catherine I. Hafer is Associate Professor of Politics at New York University. Previously she was on the faculty of Ohio State University. She received both her MA and PhD in Political Science from the University of Rochester. Her primary fields are political economy, applied game theory, and American politics. Her research focuses on the properties of incentives created by diverse social, legal, and political institutions and on the emergence and maintenance of such institutions in dynamic economic and political environments. Her recent work has focused on the emergence of property rights, authority, and the rule of law in weakly institutionalized settings, incentives for lobbying and campaign contributions, and determinants of informative argumentation in settings with diverse institutions of voting and debate. Her work has appeared in a number of leading political science and economics journals, including *American Political Science Review*, *Review of Economic Studies*, *Journal of Politics*, and *Quarterly Journal of Political Science*.

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**When Does Approval Voting Make the “Right Choices”?**

**Steven J. Brams**

NEW YORK UNIVERSITY

We assume that a voter’s approval of a proposal depends on (i) the *proposal’s probability* of being right (or good or just) and (ii) the *voter’s probability* of making a correct judgment about its rightness (or wrongness). The state of a proposal (right or wrong), and the correctness of a voter’s judgment about it, are assumed, initially, to be independent. If the *average probability* that voters are correct in their judgments is greater than 1/2, then the proposal with the greatest probability of being right will, in expectation, receive the greatest number of approval votes. This result also holds when voters’ probabilities of being correct are state dependent but not proposal dependent; when they are functionally related in a certain way; or when voters follow a leader with an above-average probability of correctly judging proposals. Sometimes, however, voters will more frequently select the right proposal by *not* following a leader and, instead, making their own independent judgments (as assumed by the Condorcet jury theorem). Applications of these results to different kinds of voting situations are discussed.

**Steven J. Brams**

Steven J. Brams is Professor of Politics at New York University. He has held positions at diverse universities and centers including Syracuse University, the Institute for Defense Analyses, and the National Institutes of Health. He is a former president of the Peace Science Society (1990-91) and of the Public Choice Society (2004-2006). He is a fellow of the American Association for the Advancement of Science (1986) and was a visiting scholar at the Russell Sage Foundation (1998-99). He received his PhD in Political Science from Northwestern University. S. J. Brams has applied game theory and social-choice theory to voting and elections, bargaining and fairness, international relations, and the Bible and theology. He is the author, co-author, or co-editor of 17 books and about 250 articles. His recent books include *Theory of Moves* (1994) and, co-authored with Alan D. Taylor, *Fair Division: From Cake-Cutting to Dispute Resolution* (1996) and *The Win-Win Solution: Guaranteeing Fair Shares to Everybody* (1999). His newest book, *Mathematics and Democracy: Designing Better Voting and Fair-Division Procedures*, appeared in 2008.

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**Moral Hazard with Sequential Policy Making**

***Dimitri Landa***

NEW YORK UNIVERSITY

We develop a moral hazard model of sequential policy making. Consistent with empirical observations, equilibrium behavior by the agent overemphasizes the late stages of the policy-making process. The reason is that the principal faces a kind of political time inconsistency problem because of the temptation to revise her retention rule in the middle of the policy-making process. If the principal knows the production technology for policy outcomes, then she can solve this time inconsistency problem (and the distortions it induces) by committing to task-specific budget caps. However, if the principal is uncertain about the production technology, such task-specific budget caps introduce ex post inefficiency. If the uncertainty is large enough, the principal may prefer an institutional environment where agent actions are non-transparent and the budget is fungible. Such an environment allows the principal to exploit the agent's expertise about the production technology, but at the cost of weaker overall incentives. Hence, the model highlights a novel mechanism for why transparency may not always be optimal in political environments.

**Dimitri Landa**

Dimitri Landa is Associate Professor of Politics at New York University. He received his BA in Economics at California State University and PhD in Political Science at the University of Minnesota. His primary fields are political economy, political theory, and American politics. One of his recent research projects deals with the determinants of accountability in diverse principal-agent environments in politics, including the effects of transparency and clarity of responsibility in political decision making, and the optimality of distinct agent oversight regimes. Another major project has examined participants' incentives to engage in informative argumentation in diverse voting and deliberative institutional settings. Other projects concern properties of decision making in collegial courts, and the complexities of counterfactual inference in medical research. His work has appeared in a number of leading political science journals, including *American Political Science Review*, *American Journal of Political Science*, *Quarterly Journal of Political Science*, and *Journal of Politics*.

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**Mandatory Versus Discretionary Spending: The Status Quo Effect**

**T. Renee Bowen**

STANFORD GRADUATE SCHOOL OF BUSINESS

Do mandatory spending programs such as Social Security and Medicare improve efficiency? To address this question, we analyze a model with two parties allocating a fixed budget to a public good and private transfers each period over an infinite horizon. We compare two institutions: one in which the public good spending is discretionary and the other in which it is mandatory. We model mandatory spending as an endogenous status quo, since it is enacted by law and remains in effect until changed. Mandatory programs always result in higher public good spending. Over-provision of the public good can arise as a transient state when parties are highly polarized, but in steady states, the level of public good spending is either below or equal to the efficient level, and is always closer to the efficient level than when public good spending is discretionary. The party that places a higher value on the public good benefits from mandatory programs; more surprisingly, the party that places a lower value on the public good also benefits from mandatory programs, provided that parties are patient, persistence of power is low, and polarization is low. Under these conditions, mandatory programs ex ante Pareto dominate discretionary programs.

**T. Renee Bowen**

T. Renee Bowen is an assistant professor of Economics at the Stanford Graduate School of Business where she teaches "The International Economy: Policies and Theory". She received her MA and her PhD in Economics from Georgetown University and her BSc in Civil Engineering from the Massachusetts Institute of Technology (MIT). She has been a consultant at the World Bank working on international trade policy for Sub-Saharan Africa, and was an Investment Banking Analyst at J.P. Morgan Securities working with emerging markets. Her current research examines characteristics of dynamic political institutions that yield compromise. Her research has been published in diverse journals including *Quarterly Journal of Economics*, and *Games and Economic Behavior*.

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**The Power of the Purse and the Budgetary Reversion**

**Gary W. Cox**

STANFORD UNIVERSITY

In this paper, I document a dramatic increase, between 1875 and 2005, in the number and proportion of the world's constitutions that mandate executive-favoring budgetary reversions. After defining such reversions and showing they can eviscerate the legislature's power of the purse as traditionally defined, I show they have correlates that Montesquieu and other advocates of the power of the purse might have expected. In particular, governments operating under such reversions are more prone to violent leadership transitions, even controlling for whether they hold democratic elections. Finally, I demonstrate that one's picture of the progress of democracy over the last century and a half is much different, when one considers not just the executive's vertical accountability (to the electorate) but also his/her horizontal accountability (to the legislature). Huntington's (1991) well-known waves of electoral democracy have been partly countervailed by waves of fiscal autocracy.

**Gary W. Cox**

Gary W. Cox is the William Bennett Munro Professor of Political Science at Stanford. Previously, he held positions at the University of California, San Diego, and the University of Texas at Austin. He received his PhD in Social Sciences from California Institute of Technology in 1982. He is a member of the editorial boards of the *American Journal of Political Science*, *Electoral Studies*, and *British Journal of Political Science* among others. His research interest include the comparative study of legislative and electoral politics, formal theories of politics, nineteenth-century American and British political history, and American politics. In addition to numerous articles in the areas of legislative and electoral politics, Cox is author of *The Efficient Secret* (winner of the 1983 Samuel H. Beer dissertation prize and the 2003 George H. Hallett Award), co-author of *Legislative Leviathan* (winner of the 1993 Richard F. Fenno Prize), author of *Making Votes Count* (winner of the 1998 Woodrow Wilson Foundation Award, the 1998 Luebbert Prize and the 2007 George H. Hallett Award); and co-author of *Setting the Agenda* (winner of the 2006 Leon D. Epstein Book Award). A former Guggenheim fellow, Cox was elected to the American Academy of Arts and Sciences in 1996 and the National Academy of Sciences in 2005.

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**The Political Economy of the Regulation and Self-Regulation of a Complex Industry**

***Nolan McCarty***

PRINCETON UNIVERSITY

I develop a model of policy making in complex policy domains where bureaucrats find it very difficult to establish autonomous sources of information and expertise. Regulators are highly dependent on the regulated industry for both policy relevant information and expertise. Such complex policy environments create trade-offs between expertise and autonomy. In the model, a legislative principal decides whether to delegate power to an agency to regulate the activities of a firm. The policy domain is complex in that knowledge of the implications of different policy choices is embedded in the firm. Unless the agency commits significant resources to building its own expertise, it can learn about the policy environment only through monitoring the firm's efforts at self-regulation. Such learning is imperfect, and the information obtained from monitoring declines in the complexity of the policy environment. The main result is that as policy becomes more complex, regulatory outcomes are increasingly biased towards those preferred by the firm. Moreover, when the agency has preferences that diverge from the firm, the firm invests less in its own self-regulatory efforts for fear that its policy investments will be expropriated.

**Nolan McCarty**

Nolan McCarty is the Susan Dod Brown Professor of Politics and Public Affairs and Chair of the Department of Politics at Princeton University. Previously he has held positions at different universities and research centers such as the National Bureau of Economic Research, the Center for Advanced Study in the Behavioral Sciences, Columbia University, Stanford University, and the University of Southern California. He received both his MA and PhD in Political Economy from Carnegie Mellon University. In 2010, he was elected a fellow of the American Academy of Arts and Sciences. He is founder and editor-in-chief of the *Quarterly Journal of Political Science*. He is a member of the editorial board of the *American Journal of Political Science* and *Legislative Studies Quarterly*. His research interests include US politics, democratic political institutions, and political game theory. He is the co-author of two books: *Political Game Theory* (2006, with Adam Meirowitz) and *Polarized America: The Dance of Ideology and Unequal Riches* (2006, with Keith Poole and Howard Rosenthal). His research has been published in diverse journals, including *American Journal of Political Science*, *Journal of Politics*, *American Political Science Review*, *American Journal of Political Science*, and the *Journal of Law*. He blogs about American politics at <http://www.nolanmccarty.com>.



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**Dynamic Coalitions**

**David P. Baron**

STANFORD GRADUATE SCHOOL OF BUSINESS

We present a theory of dynamic coalitions for a legislative bargaining game in which policies can be changed in each period, but continue in effect in the absence of new legislation. We characterize a class of Markov perfect equilibria with dynamic coalitions, which are decisive sets of legislators whose members strictly prefer preserving the coalition to having it dissolve with a new coalition formation opportunity resulting. The equilibria can support minimal winning and surplus dynamic coalitions as well as positive allocations to non-coalition members, and universal coalitions can be supported. Policies supported can be efficient or inefficient, and vested interests can support equilibrium policies that no legislator would propose if forming a coalition. If uncertainty is associated with the implementation of a policy, there is a continuum of policies supported by coalition equilibria. These coalition equilibria have the same allocation in every period when the coalition persists, but with positive probability the coalition dissolves due to the uncertainty. Coalition equilibria also exist in which members tolerate a degree of implementation uncertainty resulting in coalition allocations that can change from one period to the next. The predictions of the theory are compared to experiment results.

**David P. Baron**

David Baron is the David S. and Ann M. Barlow Professor of Political Economy and Strategy (Emeritus) in the Stanford Graduate School of Business, and Professor of Economics and Professor of Political Science (by courtesy) in the Stanford School of Humanities and Sciences.

He began his academic career at Northwestern University, where he taught for thirteen years in the Kellogg Graduate School of Management. He joined the Graduate School of Business of Stanford University in 1981. He has also been a visiting professor at the Université d'Aix-en-Provence in France, the Katholieke Universiteit Leuven in Belgium, and Harvard University. He received a BS from the University of Michigan, an MBA from Harvard University, and a Doctorate in Business Administration from Indiana University. In 2005, he was awarded an honorary doctorate degree by the Katholieke Universiteit Leuven in Belgium.

Professor Baron has taught in the MBA, PhD, and Executive Education programs, receiving the MBA teaching award at Kellogg and the PhD teaching award at Stanford. He has been an innovator in the field of business and its social, political, and legal environment, and is the author of the leading textbook in the field. In 2007, he received a lifetime achievement award from the Aspen Institute. His research has been supported by the National Science Foundation, Bureau of Health Services Research, Alfred P. Sloan Foundation, and the Citicorp Behavioral Sciences Research Council. He is a fellow of the Econometric Society and has served on the board of editors of the *American Economic Review*, the *Quarterly Journal of Economics*, the *Journal of Economics and Management Strategy*, *Business and Politics*, and *Decision Sciences*.

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**The Basic Arithmetic of Legislative Decisions**

**Michael Laver**

NEW YORK UNIVERSITY

Despite the huge number of possible seat distributions following a general election in a multi-party parliamentary democracy, there are far fewer *classes* of seat distribution sharing important strategic features. We define an exclusive and exhaustive partition of the universe of theoretically-possible  $n$ -party systems into five basic classes, the understanding of which facilitates more fruitful modeling of legislative politics, including government formation. A common class of legislative party system has a *strongly-dominant* party in the privileged position of being able to play off the other parties against each other. Another is a *top-three* party system in which the three largest parties are perfect substitutes for each other in the set of winning coalitions, but no other party is ever pivotal. Having defined a partition of legislative party systems and elaborated logical implications of this partition, we classify a large set of postwar European legislatures. We show empirically that many of these are close to critical boundary conditions, so that stochastic processes involved in any legislative election could easily flip the resulting legislature from one type to another. This is of more than hypothetical interest, since we also show that important political outcomes differ systematically between the classes of party system—outcomes that include the duration of government formation negotiations, the type of coalition cabinet that forms, and the stability of the resulting government.

**Michael Laver**

Michael Laver is Dean for the Social Sciences and Professor of Politics at New York University. Previously he has held different positions at different universities such as Trinity College, Dublin, the University of Liverpool and Queen's University, Belfast. He received his MA in Political Behavior from the University of Essex and his PhD in Political Theory and Institutions from the University of Liverpool. His main research interests are in the theory and practice of party competition, especially the agent based modeling of these, and in methods for estimating policy positions of politicians and political parties using expert surveys, as well as expert, machine and crowd-coded text analysis. He was co-editor of the *European Journal of Political Research* and is author, co-author or editor of 18 books and over 140 academic articles on various aspects of political science. Among his books are: *Multiparty Government*; *Representative Government in Modern Europe*; *Policy and Party Competition*; *Making and Breaking Governments*; *Party Policy in Modern Democracies*; and *Party Competition: an Agent-Based Model*. He has been elected to both the Royal Irish Academy and the American Academy of Arts and Sciences.

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**Ideology, Nationalism, and Identity in Basque Regional Elections**

***Stephen Ansolabehere***

HARVARD UNIVERSITY

Parliamentary elections to the Basque Autonomous Community have a stable multiparty system that regularly produces long-lived minority and coalition governments. More amazing still, this stable party system arises in the context of a complex social and political setting in which the society cleaves along at least two lines—ideology and nationalism—and in which people have strong identities tied to the Basque language and culture. This paper analyzes voting behavior in parliamentary elections in the region to understand how ideology, nationalism, and identity sustain this party system. We extend the conventional spatial voting model to incorporate identity issues. Our empirical analysis shows that ideology, nationalism (or regional autonomy) and identity strongly predict vote choice, and, surprisingly, that ideology is much more salient in vote choice than nationalism. Interestingly, the analysis suggests that identity politics both polarizes voting and sustains a stable multi-party system.

**Stephen Ansolabehere**

Stephen Ansolabehere is Professor of Government at Harvard University. Previously he was Elting R. Morison Professor of Political Science at the Massachusetts Institute of Technology (MIT). He received a BA in Political Science and a BS in Economics from the University of Minnesota in 1984, and his PhD in Political Science from Harvard University. He is a member of the board of the American National Election Studies, and sits on the editorial boards of the *American Journal of Political Science*, *Legislative Studies*, *Public Opinion Quarterly*, *Election Law Journal*, *Harvard International Journal of Press/Politics*, and *Business and Politics*. In 2000, he was founding co-director of the Caltech-MIT Voting Technology Project. In 2007, he was elected a member of the American Academy of Arts and Sciences. His research focuses on elections, democracy, and the mass media. His current research projects include campaign finance, congressional elections, and party politics. He is co-author (with Shanto Iyengar) of *The Media Game* (1993) and of *Going Negative: How Political Advertising Alienates and Polarizes the American Electorate* (1996). His articles have appeared in *American Political Science Review*, *the British Journal of Politics*, *the Journal of Politics*, and *Legislative Studies Quarterly*.

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**Preferences for Regional Redistribution and Centralization:  
The Role of Information and Survey Evidence**

***Laia Balcells***

DUKE UNIVERSITY

What explains individual support for redistribution among regions within a country? What accounts for individual support for secession? To what extent are such preferences driven by economic interests, information, political ideology, or nationalism? Recent advances in the literature on fiscal federalism have lent less attention to such individual preferences. Building on extant models, we hypothesize that such preferences are affected by individual-level information about the relative wealth of a citizen's region, and that changes in information about such levels should affect preferences. We test this hypothesis with an experiment embedded in a nationally representative survey in Spain, where we randomly inform some citizens of the true relative income of their region. We find that citizens are not necessarily well informed about their own region's relative wealth, and that learning about one's region's relative position affects preferences for regional distribution consistent with some models of regional redistribution preferences. The effect of this information is akin to changes in relative regional wealth; this effect is moderated by political ideology and priming of *out-group* regions. The findings have implications for debates in comparative politics about the applicability of economic models to explaining support for regional arrangements; the role of second-dimensional *identity* politics in such institutions; and the conditional impact of citizen information on preferences for redistribution.

**Laia Balcells**

Laia Balcells is Assistant Professor of Political Science at Duke University. Previously she has held different positions at the Institute for Economic Analysis (CSIC) and Pompeu Fabra University. She received her MA and an MPhil in Political Science from Yale University, her MA in Political Science from the Center for Advanced Study in the Social Sciences (Juan March Institute, Madrid), and her PhD in Political Science from Yale University. Her research explores the determinants of civil wars and political violence, warfare dynamics during conflict, nationalism, and redistribution and conflict. She has recently published in *American Political Science Review*, *Comparative Political Studies*, *Journal of Conflict Resolution*, *International Studies Quarterly*, *Politics & Society*, and *Business and Politics*. She was the 2010 recipient of the APSA Luebbert Prize for Best Article in Comparative Politics, and received a Guggenheim Foundation research grant for her work on civil wars.

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**Uncontested Primaries**

***Benoit Crutzen***

ERASMUS SCHOOL OF ECONOMICS, ERASMUS UNIVERSITY ROTTERDAM

In the U.S., an important characteristic of direct primaries, the compulsory competitive intraparty candidate selection procedure parties have to use to select their candidates, is that such primaries are often uncontested when the incumbent is running for re-selection. We develop a simple model of primaries to analyze the conditions under which this uncontested primary scenario may arise. In the model, voters do not observe the competence of candidates but only whether the primary was contested or not. Challengers wishing to run against the incumbent must decide to do so before observing their own competence. We then show that challengers will decide not to run when the incumbent's competence is above a cutoff level. Thus, our theory suggests that primaries may be uncontested when the incumbent is of sufficiently high competence. In turn, this implies that voters should be more willing to vote for an incumbent who was uncontested in their primary than for any other candidate coming out of a contested primary. We find that this prediction is also confirmed in the data on primary and election results for the lower house of the U.S. Congress for the years 1960-2008.

**Benoit Crutzen**

Benoit S. Y. Crutzen is an assistant professor in the Erasmus School of Economics at Erasmus University Rotterdam. He received his MPhil in Economics from Oxford University and his PhD in Economics and Statistics from the Free University of Brussels. His research interests include political economy, organizational economics, and labor economics. His research has been published in top journals including *The Journal of Economic Theory*, *Annales d'Economie et de Statistique*, and *The Journal of Law, Economics, and Organization*.

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**A Theory of Protest Voting**

**David P. Myatt**

LONDON BUSINESS SCHOOL

I study a model of protest voting: the supporters of a candidate for office seek to restrict her power or to send her a message by casting protest votes against her; however, if the protest is too large then she loses to a disliked opponent. I find that protest votes are strategic substitutes, and that protest voting reacts negatively to voters' expectations about the true enthusiasm for the protest. An increase in the candidate's popularity (and so a reduction in the desire for a successful protest relative to the wish to see her elected) is offset by increased protest voting. If the candidate infers her true popularity from the protest vote and responds endogenously, then a rise in her popularity can increase protest voting by enough to harm her performance at the ballot box.

**David P. Myatt**

David P. Myatt is Professor of Economics at the London Business School. Previously he was a fellow of Nuffield College at the University of Oxford. He received his PhD from the University of Oxford and Nuffield College. He is on the editorial board of *Quarterly Journal of Political Science* and former editor of *The Economic Journal*. He is a research fellow of the CEPR and consultant to various organizations, especially concerning bidding strategies in spectrum auctions. His research interests in economics include game theory, macroeconomic coordination, and theoretical industrial organization; and in political science they include voting, leadership and executive performance. He has published papers in leading international journals of economics and political science such as *Review of Economics Studies*, *American Political Science Review*, and *American Economic Review*.

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**Group Rewards and Voting in a Poisson Voting Game**

***Alastair Smith***

NEW YORK UNIVERSITY

Using a Poisson games framework of Myerson (1998, 2000), we model elections in which parties offer contingent prizes to those identifiable groups of voters that offer the highest level of political support. Equilibrium behavior is driven by voters competing to win preferential treatment for their group rather than by policy concerns. In the spirit of Duverger's Law, we show that two prize-seeking groups actively support each party in each prize competition, with not more than four groups in two-party contests and with politicians having incentives to proliferate the number of competitions and groups within an electoral setting. The results address variance in turnout in elections, political rewards, the persistence of dominant parties and the dynamics of group identity.

**Alastair Smith**

Alastair Smith is Professor of Politics at New York University. Previously he has held positions at Yale University and Washington University in St. Louis. He has a BA from Oxford University and a PhD from the University of Rochester. He is the author of *Election Timing* (2004) and has co-authored *The Dictator's Handbook* (2012), *Pushing the Prince* (2008) and *The Logic of Political Survival* (2003). He has published papers in leading journals in political science, including *Political Analysis*, *Journal of Conflict Resolution*, *British Journal of Political Science*, *American Journal of Political Science*, and *American Political Science Review*.

**PRIORAT WORKSHOP IN THEORETICAL POLITICAL SCIENCE  
Falset (Spain) - June 6-8, 2013**

**Lectures available at**

<http://www.youtube.com/playlist?list=PLP2felHI9JfzQcOg975FCcimQ8oR4Ylx5>

**The Demand for Bad Policy When Voters Underappreciate Equilibrium Effects**

***Pedro Dal Bó***

BROWN UNIVERSITY

We study whether people fail to choose efficient policies (or institutions) and the reasons why such failure may arise. More precisely, we experimentally show that a large proportion of people vote against policies that would help them overcome social dilemmas. In addition, we show that this is linked to subjects failing to fully anticipate the equilibrium effects of policies. By eliciting subjects' beliefs about how others will behave under different policies, we show that inaccurate expectations of the equilibrium behavior of others affect voting. In addition, relying on a structural approach, we find a significant share of subjects who do not anticipate how their own behavior will change with policy. This combined failure to anticipate the equilibrium consequences of policy drives a full majority, on average, to support bad policies, placing an important hurdle in the way of groups' ability to resolve social dilemmas through democratic means.

**Pedro Dal Bó**

Pedro Dal Bó is Associate Professor of Economics at Brown University. In the past, he has held positions at NBER and California Social Science Experimental Laboratory. He received his MA in Economics from Instituto Torcuato Di Tella and the University of California, Los Angeles, and his PhD from the University of California, Los Angeles. He works in the areas of game theory, experimental economics, and political economy. Recent work has examined the relationship between violence, corruption, and the quality of politicians; the effect of economic shocks and policies on social conflict; the determinants of cooperation in repeated games; and the effect of democracy and moral suasion on pro-social behavior. His research has been published in top journals such as *American Economic Review*, *American Political Science Review*, and *Economic Theory*.



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**Confidence and Overconfidence in Political Economy**

***Pietro Ortoleva***

CALIFORNIA INSTITUTE OF TECHNOLOGY (CALTECH)

This paper studies the role of overconfidence in political behavior. We posit a simple model of overconfidence in beliefs. The model predicts that overconfidence leads to ideological extremeness, increased voter turnout, and increased strength of partisan identification. Moreover, the model makes many nuanced predictions about the patterns of ideology in society, and over a person's lifetime. These predictions are tested, using novel survey data that allows for the measurement of overconfidence, and are found to be statistically and substantively important.

**Pietro Ortoleva**

Pietro Ortoleva is Associate Professor of Economics at the California Institute of Technology. He received his PhD in Economics from New York University. His research interests include decision theory, behavioral economics, experimental economics, political economy, and game theory. His research has been published in top journals including *Journal of Economic Theory*, *American Economic Review*, and *Econometrica*.