

# CREST - GENES

## Cours doctoraux 2020 – 2021

### Topics in Behavioral Political Economy

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<b>SCHEDULE</b>	Thursday	27th February 2020 05 th March 2020 12 th March 2020	De 14ho à 16h00	Salle 2002
	Monday	02th March 2020 09th March 2020 16 th March 2020	De 14ho à 16h00	Salle 2002

#### Abstract

This course will focus on integrating recent strands of behavioral economics into models of political economy. The area is sufficiently new that there is not even agreement about what it includes. We will look at both the basis for behavioral approaches and at specific questions and topics, using theoretical models and results from laboratory experiments. The course will look at some or all of the following subjects, focusing on voter and politician behavior: general modeling of non-selfish preferences; bounded rationality; cognitive biases and context effects; overconfidence; aspiration-based adaptive rules; political participation and voter turnout; polarization; and experimental evidence.

**READINGS:** We may add (or subtract) from this list.

#### 1. Overview and Basic Issues

Wilson, R. (2010) "The Contribution of Behavioral Economics to Political Science," *Annual Review of Political Science* 14, 201-223.

Bendor, J., D. Diermeier, D. Siegel & M. Ting (2011), *A Behavioral Theory of Elections*, Princeton: Princeton University Press. (BDST), chapter 1. [BDST]

Schnellenbach, J. and C. Schubert (2015), "Behavioral Political Economy: A Survey," *European Journal of Political Economy* 40, 395–417.

#### 2. Other Regarding Behavior

- Fehr, E. and K. Schmidt (2005), "The Economics of Fairness, Reciprocity and Altruism - Experimental Evidence and New Theories," in *Handbook on the Economics of Giving, Reciprocity and Altruism*.
- Rabin, M. (1993), "Incorporating Fairness into Game Theory and Economics," *American Economic Review* 83, 1281-1302.
- Falk, A. and U. Fischbacher. (2006), "A Theory of Reciprocity," *Games and Economic Behavior* 54 (2), 293-315.
- Malmendier, U., V. te Velde, and R. Weber (2014), "Rethinking Reciprocity," *Annual Review of Economics* 6, 849-74.
- van der Welde, J. et al. (2014), "Resisting Moral Wiggle Room: How Robust Is Reciprocal Behavior?," *American Economic Journal: Microeconomics* 6(3), 256-264.
- Benabou, R. and J. Tirole. 2006. "Incentives and Prosocial Behavior," *American Economic Review* 96 (5), 1652-78.

### 3. Aspirations

- Cherepanov, V., T. Feddersen and A. Sandroni (2013), "Revealed Preferences and Aspirations in Warm Glow Theory," *Economic Theory* 54(3), 501-535.
- Saito, K. (2015), "Impure Altruism and Impure Selfishness," *Journal of Economic Theory* 158(A), 336-70. BDST, ch. 2.

### 4. Voter Turnout

- Levine, D. and T. Palfrey. (2007), "The Paradox of Voter Participation? A Laboratory Study," *American Political Science Review* 101 (1): 143-158.
- Feddersen, T., Sandroni, A (2006), "A Theory of Participation in Elections," *American Economic Review* 96, 1271-92.
- Levine, D. and A. Mattozzi (2017), "Voter Turnout with Peer Punishment", working paper. BDST, ch. 4.
- Ali, S. N. and C. Lin (2013), "Why People Vote: Ethical Motives and Social Incentives," *American Economic Journal: Microeconomics* 5(2), 73-98.
- Krupnikov, Y. (2011), "When Does Negativity Demobilize? Tracing the Conditional Effect of Negative Campaigning on Voter Turnout," *American Journal of Political Science* 55(4), 797-813.
- Goeree, J. and C. Holt (2005), "An Explanation of Anomalous Behavior in Models of Political Participation," *American Political Science Review*, 99(2), 201-213.

### 5. Beliefs and Polarization

#### a. Prospect Theory – Loss Aversion and Status Quo Bias

- Mercer, J. (2005), "Prospect Theory and Political Science," *Annual Review of Political Science* 8, 1-21.
- Quattrone, G. and A. Tversky (1998), "Contrasting Rational and Psychological Analyses of Political Choice," *American Political Science Review* 82(3), 719-736.
- Chong, D., and J. Druckman (2007), "Framing Theory," *Annual Review of Political Science* 10, 103-126.

#### b. Rational Polarization

- Gerber, A. and D. Green (1999), "Misperceptions About Perceptual Bias," *Annual Review of Political Science* 2, 189-210.

- Dixit, A. and J. Weibull (2007), "Political Polarization," *Proceedings of the National Academy of Sciences* 104(18), 7351-7356.
- Baliga, S., E. Hanany, and P. Klibanoff (2013), "Polarization and Ambiguity," *American Economic Review* 103(7), 3071–3083.
- Andreoni, J., and T. Mylovanov. 2012, "Diverging Opinions." *American Economic Journal: Microeconomics* 4(1), 209–32.
- Benabou, R. (2008), "Ideology," *Journal of the European Economic Association* 6(2/3), 321-352.
- c. *Confirmation Bias, Correlation Neglect, and Overconfidence*
- Rabin, M., and J. Schrag (1999), "First Impressions Matter: A Model of Confirmatory Bias," *Quarterly Journal of Economics* 114 (1), 37–82.
- Lockwood, B. (2017), "Confirmation Bias and Electoral Accountability," *Quarterly Journal of Political Science*, 11(4), 471-501.
- Levy, G. and R. Razin (2015), "Does Polarization of Opinions Lead to Polarization of Platforms? The Case of Correlation Neglect," *Quarterly Journal of Political Science* 10(3), 321-355.
- Ortoleva, P. and E. Snowberg (2015), "Overconfidence in Political Behavior," *American Economic Review* 105(7), 504-35.

## 6. Voter Choice

- Lodge, M., K. M. McGraw, and P. Stroh (1989), "An Impression-Driven Model of Candidate Evaluation," *American Political Science Review*, 83(2), 399–419.
- Druckman, J. N. (2004) "Political Preference Formation: Competition, Deliberation, and the (Ir)Relevance of Framing Effects," *American Political Science Review* 98 (4), 671-686.
- Glaeser, E. and G. Ponzetto (2017), "Fundamental Errors in the Voting Booth," NBER Working Paper 23683.
- Callander, S. and C. Wilson (2008), "Context-dependent Voting and Political Ambiguity," *Journal of Public Economics* 92, 565–581.
- BDST, chapter 5.

## 7. Politician Reactions

- BDST, chapter 3.
- Tomz, M. and P. Van Houweling. (2008), "Candidate Positioning and Voter Choice," *American Political Science Review* 102 (3), 303-318.
- Matějka, F. and G. Tabellini (2017), "Electoral Competition with Rationally Inattentive Voters," working paper.
- Diermeier, D. and C. Li (2017), "Electoral Control with Behavioral Voters," *The Journal of Politics* 79(3), 890-902.
- Drazen, A. and E. Yucel, (2018) "Candidate Dislikability and Policy Extremism," working paper.

## 8. Behavioral Politicians

- Marcus G. (2000), "Emotions in Politics," *Annual Review of Political Science* 3, 221-250.
- Drazen, A. and E. Ozbay (2018), "'Does 'Being Chosen to Lead' Induce Non-Selfish Behavior? Experimental Evidence on Reciprocity," *Journal of Public Economics*, forthcoming.

- Corazzini, L., S. Kube, M. A. Maréchal, and A. Nicolò (2014), "Elections and Deceptions: An Experimental Study on the Behavioral Effects of Democracy," *American Journal of Political Science*, 58(3), 579–592.
- Dalmia, P., A. Drazen, and E. Ozbay (2019), "Reciprocity and Reelection: Theory and Evidence," working paper.
- Vis, B. and K. Van Kersbergen (2007), "Why and How do Political Actors Pursue Risky Reforms?," *Journal of Theoretical Politics*, 19(2), 153-172.
- Van Winden, F. (2015), "Political Economy with Affect: On the Role of Emotions and Relationships in Political Economics," *European Journal of Political Economy* 40, 298–311.