

University of Pennsylvania Department of Economics
Econ 032: Political Economy
Fall 2016

- Lectures** Monday & Wednesday 3:30-5:00 (McNeil 286-7).
- Instructor** Deniz Selman (denizs@econ.upenn.edu)
Office Hours: Wednesday 2:30-3:30 and by appointment (McNeil 554).
- Description** This course examines the effects of strategic behavior on political outcomes and government policies. Topics and applications may include voting behavior, candidate competition, voting systems, social choice and welfare, policy divergence, redistributive policies and theories of political transitions.
- Prerequisites** Econ 1 and 2 (or Econ 10). Credit cannot be received for both Econ 32 and Econ 232.
- Readings** Mandatory readings will be assigned throughout the semester. They will include both academic papers and recent news articles which are relevant to the topics we will be discussing in lecture.
- Lectures** I will primarily teach by writing on the blackboard. Please make arrangements to borrow a friend's notes if you miss a lecture. *The use of laptops and other electronic devices is not permitted during lectures.*
- Homework** There will be four homework assignments collected for grading during the semester. Homework assignments will be posted on Canvas and due at the beginning of lecture (no later than 3:35 pm) on the day they are due (almost always on Wednesdays). *No late homework assignments will be accepted.* Your lowest homework grade will be dropped and the average of the others will constitute the homework portion of your grade.
- Quizzes** There will be four announced quizzes during the semester. Quizzes will be announced at least one week prior to the quiz date. There will be no quizzes on dates included in the university's list of religious holidays.
NO MAKE-UP QUIZZES: *You will receive a zero for any quiz that you miss for any reason.* To accommodate students who must miss a quiz, your lowest quiz grade will be dropped and the average of the other three quizzes will constitute the quiz portion of your grade.
- Exams** *First Midterm Exam: Wednesday 5 October (in class, beginning at 3:35 pm sharp).*
Second Midterm Exam: Wednesday 2 November (in class, beginning at 3:35 pm sharp).
Final Exam: Friday 16 December (3:00-5:00).
MAKE-UP POLICY FOR EXAMS: Only students who contact me *before* an exam *and* provide a written excuse will be eligible to take a make-up exam. Students who miss an exam and are not eligible to take a make-up exam will receive a grade of zero on that exam.
OTHER POLICIES & PROCEDURES: Apart from these stated specifics regarding quizzes and the make-up policy for exams, this course complies with all departmental policies as posted on the departmental website at: <http://economics.sas.upenn.edu/undergraduate-program/course-information/guidelines/policies>.
- Scheduling misc.** There will be *no lecture* on **Monday 7 November** and **Wednesday 23 November**.
- Grading** Homework Assignments (15%), Quizzes (15%), Midterm Exams (20% each), Final Exam (30%)

Course Outline 0) Some basic game theoretical tools...

(tentative)

Strategic Behavior
Nash Equilibrium

1) Voting Behavior: Downsian Model and Theories of Participation in Elections

Individual Rationality and the Pivotal Voter Model
Rule Utilitarianism and the Ethical Voter Model

2) Strategic Voting

Voting in Multicandidate Elections: Sincere vs. Strategic Voting
Voting with Incomplete Information: The Swing Voter's Curse
Herd Behavior and Information Cascades

Application: Voting in Sequential Elections such as the U.S. Presidential Primaries

3) Electoral Competition

Downsian Model
Median Voter Theorem
Condorcet Paradox
Theories of Policy Divergence

4) Electoral Rules

Systems of Voting
Social Choice and Social Welfare Theory: Gibbard-Satterthwaite Impossibility Theorem

5) Theories of Redistribution

6) Theories of Political Transitions