University of Pennsylvania Department of Economics
Econ 32: Political Economy
Fall 2017

Lectures  Monday & Wednesday 10:30-11:50 (McNeil 395).

Instructor  Deniz Selman (denizs@econ.upenn.edu)
Office Hours: Tuesday 1:25-2:25 and by appointment (McNeil 560).

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, and policy divergence.

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. In order to discourage classroom distractions, the use of laptops and other electronic devices is not permitted during lectures. If you have a special condition which makes this a difficulty for you, please let me know.

Homework  There will be four homework assignments collected for grading during the semester. Homework assignments will be posted on Canvas one week before the due date and due at the beginning of lecture (no later than 10:35 am) either as a hard copy or as a pdf via email, on the following due dates: (1) Mon 25 September, (2) Mon 23 October, (3) Mon 20 November, (4) Wed 6 December.

Quizzes  There will be four in-class quizzes held on the following dates: (1) Wed 27 September, (2) Wed 25 October, (3) Wed 29 November, (4) Mon 11 December.

Exams  First Midterm Exam: Wednesday 4 October (in class, beginning at 10:35 am sharp).
Second Midterm Exam: Wednesday 8 November (in class, beginning at 10:35 am sharp).
Final Exam: Tuesday 19 December (9:00-11:00).

Grading  Homework Assignments (15%), Quizzes (15%), Two Midterm Exams (20% each), Final Exam (30%)
Course Outline
(tentative)

0) Some basic game theoretical tools…
   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