

POLS 8000:
Political Strategy: An Introduction to Rational Choice Theory

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Course Purpose and Design: Strategic choice is an important element to most political decisions, indicating why rational choice methods are commonly employed throughout the social sciences. In short, a formal understanding of strategic choice is fundamental to politics and to political science. This course is designed to introduce students to the basics of rational choice theory. The course begins with formal analyses of individual and collective choice, which are fundamental features of collective decisionmaking and democratic governance.

This course will introduce you to some of the modern tools and techniques common in rational choice analyses. The formal analysis inherent to rational choice methods is deductively structured and logically based. Some of the mathematical models will be advanced. You may find that you understand some material in greater depth than other material. Hold fast to what you understand, and build from there.

The course has three goals. Our first goal is to learn about theories of individual and collective choice within a game theoretic framework. Such knowledge will make you a better consumer of rational choice research. Our second goal is to understand the application of such theories to various aspects of politics. Rational choice arguments are central to issues ranging from candidate strategy to the design of legislative systems. Our third goal is to develop our own applications of the tools and techniques discussed. Your papers should communicate your mastery of the appropriate material and concepts. The careful application of formal work will be a prominent concern throughout the course.

Grading: Grades will be based on 3 homework assignments, class participation (including 1-2 in class presentations), and a research paper. One homework assignment will be an analytical essay, addressing 3-4 papers. A second homework will require you to create an annotated bibliography with 6-12 entries. Each entry should relate to a research topic of particular interest to you. The final homework is tbd. In addition to your presentations, your participation will be evaluated based on your thoughtful and prepared participation during seminars. Our obligations are to read the assigned readings carefully, to prepare discussion questions, and to think critically about how the various works fit together. Every class will proceed differently, so be flexible and always be prepared. Late in the semester students may present preliminary work related to their papers. Given the size of this class, we are in a position to finetune our attention on those topics of special interest to us. We are also in a position to work collaboratively on projects.

Reading Material: Shepsle's *Analyzing Politics*, Dixit, Skeath, and Reiley's *Games of Strategy*, Morrow's *Game Theory for Political Science*, Stewart's *Analyzing Congress*, McCarty and Meirowitz's *Political Game Theory* are recommended. If you were to buy just a couple of books, you are probably best off with Shepsle's and Dixit et al's. If you already have some training in formal theory or game theory, consider buying McCarty and Meirowitz. Keep in mind, Shepsle is entry level—but very comprehensive. McCarty and Meirowitz is the most rigorous of the books on this list. If you are interested in Congress, Stewart's work is an obvious choice. Morrow and

Dixit et al. are straightforward game theory texts that are less advanced than McCarty and Meirowitz.

The appendices in Morrow and McCarty and Meirowitz have very good math refreshers. Simon and Blume's *Mathematics for Economists*, Wainwright and Chiang's *Fundamental Methods of Mathematical Economics*, and Moore and Segal's *A Mathematics Course for Political and Social Research* are reasonable references for those wanting more mathematics training.

Some of my favorite classic books in this area include Aldrich's *Why Parties*, Bates' *Markets and States in Tropical Africa*, Downs' *Inside Bureaucracy*, Downs' *An Economic Theory of Democracy*, Krehbiel's *Pivotal Politics*, Miller's *Managerial Dilemmas*, Olson's *Logic of Collective Action*, Popkin's *The Rational Peasant*, Riker's *Theory of Political Coalitions*, Riker's *Liberalism Against Populism*, and Schelling's *Micromotives and Macrobehaviors*. You should read or at least browse a couple of these during the course and read a few before you take comps.

* **Most importantly**, reading assignments may be varied to accommodate the research interests of students. Therefore, the following readings are a guide—we might add or delete material.

Typically, for each section of the syllabus, we will read selections. *

PART I. CONSIDERING POLITICAL SCIENCE (Weeks 1-2)

Ainsworth. 2020. "Rational Choice Theory in Political Decision Making." *Oxford Research Encyclopedia of Politics*.
<https://oxfordre.com/politics/view/10.1093/acrefore/9780190228637.001.0001/acrefore-9780190228637-e-1019?print=pdf>

Riker, William H. 1957. "Events and Situations." *The Journal of Philosophy* 54:57-70.

Catlin, George E. G. 1927. "The Delimitation and Mensurability of Political Phenomena." *American Political Science Review* 21:255-269.

Laver, *Invitation to Politics*, ch 1-2

Mershon and Shvetsova. 2019. *Formal Modeling in Social Science*. Chapters 1-2.

Further reading

Merriam, Charles E. 1921. "The Present State of the Study of Politics." *American Political Science Review* 15:173-185.

PART II. BUILDING BLOCKS AND PRELIMINARY RESULTS (Weeks 1-2)

PREFERENCES AND UTILITY THEORY: A FOUNDATION FOR INDIVIDUAL POLITICAL CHOICE

CANONICAL MODELS AND OVERVIEWS

Shepsle, chapters 1 and 2.

Morrow, 1-2; McC&M, 2-3; Stewart, 1.

Mershon and Shvetsova. 2019. *Formal Modeling in Social Science*. Chapter 3.

Applications and Implications

- Lacy. 2001. "Nonseparable Preferences in Survey Responses." *AJPS* 45:239-258.
- Groseclose. 2001. "A Model of Candidate Location When One Candidate has a Valence Advantage." *AJPS*. *

NON-CANONICAL MODELS

- Rabin. 1998. "Psychology and Economics." *Journal of Economic Literature* 36:11-46.
- Druckman. 2001. "Using Credible Advice to Overcome Framing Effects." *Journal of Law, Economics, and Organization* 17:62-82.
- Kahneman, Daniel and Amos Tversky. 1982. "The Psychology of Preferences." *Scientific American*: 160 -170. SKIM

Applications and Implications

- Hansen, John Mark. 1985. "The Political Economy of Group Membership." *APSR*.

GROUP CHOICE: AGGREGATING INDIVIDUALS' CHOICES (Week 3)

ARROW

- Shepsle, chapters 3 and 4.
- McC&M, 4; DS&R, 16.
- Blau. 1972. "A Direct Proof of Arrow's Theorem." *Econometrica* 40:61 -67. *

Applications, Implications, and Extensions

- Gibbard. 1973. "Manipulation of Voting Schemes." *Econometrica* 41:587-601. *
- Penn, Patty, Gailmard. 2011. "Manipulation and Single-Peakedness." *AJPS*. *
- Penn. 2009. "From Many, One." *JTP* 21(3).
- Penn. 2008. "Citizenship versus Ethnicity: The Role of Institutions in Shaping Identity Choice." *JOP* 70(4).
- Jeong, Miller, Schofield, and Sened. 2011. "Cracks in the Opposition: Immigration as a Wedge Issue..." *AJPS* 55:511-525.
- Jeong, Miller, and Sened. 2009. "Closing the Deal: Negotiating Civil Rights Legislation." *APSR*:103:588-606.
- Miller, Nicholas. 1983. Pluralism and Social Choice. *American Political Science Review* 77:734-747.
- Riker. *Liberalism against Populism*, esp ch 9. FOR REFERENCE
- Dahl. *Preface to Democratic Theory*. FOR REFERENCE
- Schattschneider. *Semisovereign People*. FOR REFERENCE

LIBERALISM

- Sen. 1970. "The Impossibility of a Paretian Liberal." *Journal of Political Economy* 78:152-7.

ELECTIONS, MAJORITY RULE, and ALTERNATIVE SYSTEMS

There are literally hundreds of works in these areas. The following is a smattering.

- Shepsle, chapter 5.
- Morrow, 5; Stewart, 1-2.

- Herzberg. 1992. "An Analytic Choice Approach to Concurrent Majorities: The Relevance of John C. Calhoun's Theory for Institutional Design."

Journal of Politics 54:54-81.

- Groseclose. 2001. "A Model of Candidate Location When One Candidate has a Valence Advantage." *AJPS*. *
- Palfrey. 1984. "Spatial Equilibrium with Entry." *Review of Economic Studies*. *
- Calvert. 1985. "Robustness of Multidimensional Voting Models: Candidate Motivations, Uncertainty, and Convergence." *AJPS*. *

SOME REFERENCES FOR SPATIAL MODELS OF ELECTIONS

- Downs. *An Economic Theory of Democracy*. This is *the* classic!
- Hinich and Munger. 1997. *Analytical Politics*. Cambridge.
- Morton. 2006. *Analyzing Elections*. W.W. Norton.
- Enelow and Hinich. 1984. *The Spatial Theory of Voting*. Cambridge.

SOCIAL MECHANISMS AND INCENTIVE BASED BEHAVIORS

Books like Schelling's *Micromotives and Macrobehavior* and Hardin's *Collective Action* fit in nicely in this section. They are "easy reads" but they contain considerable depth. Rasmusen's *Games and Information* would also fit nicely here.

FADS and CONFORMITY

- Bikhchandani, Hirshleifer, and Welch. 1998. "Learning from the Behavior of Others: Conformity, Fads, and Informational Cascades." *Journal of Economic Perspectives* 12:151-70.
- Bikhchandani, Hirshleifer, and Welch. 1992. "A Theory of Fads, Fashion, Custom, and Cultural Change as Informational Cascades." *Journal of Political Economy* 100:992-1026.
- Schelling. *Micromotives and Macrobehavior*.

SELECTION ISSUES

- Akerlof. 1970. The Market for Lemons. *Quarterly Journal of Economics*. DS&R, 9.

SORTING ISSUES

- Akerlof. 1997. Social Distance and Social Decisions. *Econometrica* 65:1005-1027.
- Penn. 2009. "From Many, One." *JTP* 21(3).
- Penn. 2008. "Citizenship versus Ethnicity: The Role of Institutions in Shaping Identity Choice." *JOP* 70(4).
- Austen-Smith and Fryer. 2005. "An Economic Analysis of 'Acting White.'" *Quarterly Journal of Economics*.
- Igal Milchtaich and Eyal Winter. 2002. "Stability and Segregation in Group Formation," *Games and Economic Behavior* 38:318-46.

RENT SEEKING AND COMPENSATION MODELS

- McM, Ch. 11; DS&R, 17.
- Glazer. 2002. Allies as Rivals: Internal and External Rent Seeking. *J of Eco Behavior and Org.* 48:155-62.
- Nitzan. 1994. Modeling Rent Seeking Contests. *European J of Pol Eco* 10:41-60.
- Konrad. 2000. Sabotage in Rent Seeking Contests. *J of Law Eco and Org.* 16:155-65.
- Stein and Rapoport. 2004. Asymmetric Two-Stage Group Rent Seeking. *Public Choice* xx: 151-67.
- Lazear. 1989. Pay Equality and Industrial Politics. *Journal of Political Economy* 97:561-80.

PART III. EMERGENCE OF INSTITUTIONS

- Carrubba and Volden. 2000. "Coalitional Politics and Logrolling in Legislative Institutions." *AJPS* 44:255-271.
- Greif and Laitin. 2004. "A Theory of Endogenous Institutional Change." *APSR* 98:633.
- Pierson. 2000. Increasing Returns, Path Dependence, and the Study of Politics." *APSR* 94:251-267.
- Coase, Ronald H. 1960. "The Problem of Social Cost." *Journal of Law and Economics* 3:1-44.
- Gailmard. 2017. "Building a New Imperial State: The Strategic Foundations of Separation of Powers in America." *APSR*
- Ainsworth and Li. 2009. "Interests, Groups, and Information Aggregation," in *A Bridge too Far*.
- Alchian and Demsetz. 1972. "Production, Information Costs, and Economic Organization." *AER* 62:777.
- Acemoglu. 2003. "Why not a Political Coase Theorem?" *J of Comp Eco* 31:620-652.
- Acemoglu and Robinson. 2013. "Economics versus Politics: Pitfalls of Policy Advice." *J of Econ Perspectives* 27:173-192.
- Bednar and Page. 2018. "When Order Affects Performance: Culture, Behavioral Spillovers, and Institutional Path Dependence." *APSR* 112:82-98.
- Bohnet, Frey, Huck. 2001. "More Order with Less Law: On Contract Enforcement, Trust, and Crowding." *American Political Science Review* 95:131-144.
- Axelrod. 1981. "The Emergence of Cooperation among Egoists." *American Political Science Review* 75:306-318.
- Stone. 2011. *Controlling Institutions: IOs and the Global Economy*.
- Ainsworth. 1997. "Representation and Institutionalization." *Journal of Theoretical Politics* 9:147-65.
- Sened. 1997. *The Political Institution of Private Property*. NY: Cambridge University Press.
- Weingast. "The Political Foundations of Democracy and the Rule of Law." *APSR* 91:245-63.

PART IV. CLEARLY STRUCTURED POLITICAL INSTITUTIONS

ORGANIZATIONS and BUREAUCRACIES

Shepsle, chapter 13.

- Moe. 1984. "The New Economics of Organization." *AJPS* 28:739 -777.
- Wiseman, Alan. "Delegation and Positive-Sum Bureaucracies." *Journal of Politics* 71: 998-1014.
- Engstrom and Kernell. 1999. "Serving Competing Principals." *Presidential Studies Quarterly*.
- Gibbons. 1998. "Incentives in Organizations." *Journal of Economic Perspectives* 12:115-32.
- Cheung. 1969. "Transaction Costs, Risk Aversion, and the Choice of Contractual Arrangements." *Journal of Law and Economics* 12:23-42.
- Umbeck. 1977. A Theory of Contract Choice and the California Gold Rush. *Journal of Law and Economics* 20:421-37.
- Hammond and Miller. 1985. "A Social Choice Perspective on Expertise and Authority in Bureaucracy." *American Journal of Political Science* 29:1-28.
- Patty and Penn. 2020. "Identity and Information in Organizations." *Journal of Political Institutions and Political Economy* 1:379-416.

FOR REFERENCE

Ronald Coase's work on social cost and property rights is highly recommended. The interested reader can follow-up with work by Alchian and Demsetz. Sened's *The Political Institution of Private Property* is also recommended.

LEGISLATURES AND STRATEGIC BEHAVIOR

There are literally hundreds of good articles in this area. Substitutions should be anticipated. Depending on student interest, we may add work by Gilligan and Krehbiel and Shepsle, Shepsle and Weingast, and Weingast and Marshal. We may also add gridlock work.

Shepsle, chapters 5, 6, 11, and 12.

Stewart, 1, 2, and 8; Morrow, 5; McM, Ch 7.

Riker. 1980. "Implications from the Disequilibrium of Majority Rule for the Study of Institutions." *APSR* 74:432-446.

Tsebelis. 1995. "Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism." *British Journal of Political Science* 25:289-325.

Fong and Krehbiel. 2018. "Limited Obstruction." *APSR* 112:1-14.

Monroe, Patty, and Penn. 2018. What is Pivotal Politics (and What Else Can It Be)?" *JOP* xx:xx-xx.

Gailmard and Hammond. 2011. Intercameral Bargaining and Intracameral Organization. *JOP* 73:535-546.

Gailmard and Patty. 2019. "Preventing Prevention." *AJPS* 63:342-52.

Proksch & Slapin. 2012. "Institutional Foundations of Legislative Speech." *American Journal of Political Science* 56:520-37.

Volden. 1998. "Sophisticated Voting in Supermajoritarian Settings." *JOP* 60:149-73.

Bianco. 1997. "Reliable Source or Usual Suspects?" *JOP* 59:913-24.

Groseclose. 1994. "Testing Committee Composition Hypotheses for the U.S. Congress." *Journal of Politics* 56:440 -458.

Ingberman and Villani. 1993. "An Institutional Theory of Divided Government and Party Polarization." *American Journal of Political Science* 37:429-471.

Penn. 2009. "A Model of Farsighted Voting." *AJPS*.

Ainsworth and Hall. N.d. "Strategic Incrementalism."

Crombez, Groseclose, and Krehbiel. 2006. "Gatekeeping." *JOP* 68:322-334.

Woon. 2008. "Bill Sponsorship in Congress: The Moderating Effect of Agenda Positions on Legislative Proposals." *JOP* 70:201-16.

DELEGATION AND APPROPRIATIONS

Epstein and O'Halloran. 1996 "Divided Government and the Design of Administrative Procedures: A Formal Model and Empirical Test." *JOP* 58:373-397.

Lupia and McCubbins. 1994. "Who Controls? Information and the Structure of Legislative Decision Making." *LSQ* 19:361-384.

Lupia and McCubbins. 1994. "Learning from Oversight: Fire Alarms and Police Patrols Reconstructed." *Journal of Law, Economics, & Organization* 10:96-125.

Shepsle, Van Houweling, Abrams and Hanson. 2009. "The Senate Electoral Cycle and Bicameral Appropriations Politics. *AJPS*.

Kiewiet and McCubbins. 1985. "Appropriations Decisions as a Bilateral Bargaining Game between President and Congress." *Legislative Studies Quarterly* 10:181-201.

Kiewiet and McCubbins. 1988. "Presidential Influence on Congressional Appropriations Decisions." *American Journal of Political Science* 32:713-736.

Kiewiet and McCubbins. 1985. "Congressional Appropriations and the Electoral

Connection." *Journal of Politics* 47:59-82.
 Primo and Snyder. 2010. "Party Strength, the Personal Vote, and Government Spending." *American Journal of Political Science*.
 Weingast. 19xx. "Universalism in Congress." *AJPS*.

BARGAINING AND DEBATE MODELS

Morrow, 5; DS&R, 18; McM, Ch 10.
 Cameron, Lapinski, Riemann. 2000. "Testing Formal Theories of Political Rhetoric." *JOP* 62:187-205.
 Ingberman and Yao. 1991. "Presidential Commitment and the Veto." *AJPS*.
 Ingberman and Yao. 1991. "Circumventing Formal Structure through Commitment: Presidential Influence and Agenda Control." *Public Choice*.
 Denzau and Mackay. 1983. "Gatekeeping and Monopoly Power of Committees: An Analysis of Sincere and Sophisticated Behavior." *AJPS*.
 Groseclose and McCarty. 2001. "The Politics of Blame: Bargaining before an Audience." *AJPS* 45:100-19.
 Glazer and Rubinstein. 2001. Debates and Decisions: On a Rationale of Argumentation Rules. *Games and Eco Behavior* 36: 158-73.
 Austen-Smith, David. 1990. Information Transmission in Debate. *AJPS* 34:124 -152
 Ainsworth and Flathman. 1995. "Unanimous Consent Agreements as Leadership Tools." *Legislative Studies Quarterly* 20:177-195.

EXECUTIVES AND LEGISLATURES

Howell, William G. 2005. "Unilateral Powers: A Brief Overview." *Presidential Studies Quarterly* 35:417-39.
 Moe and Howell. 1999. "Unilateral Action and Presidential Power: A Theory." *Presidential Studies Quarterly* 29:850-73.
 Canes-Wrone, Herron, and Shotts. 2001. "Leadership and Pandering." *AJPS*.
 Reeves and Rogowski. 2018. "The Public Cost of Unilateral Action." *AJPS* 62:424-440.
 Conley. 2003. "George Bush and the 102nd Congress: The Impact of Public and "Private" Veto Threats on Policy Outcomes." *Presidential Studies Quarterly* 33:730-50.
 Kelley and Marshall. 2009. "Threats as Coordinated Strategies Assessing Presidential Power: Signing Statements and Veto." *American Politics Research* 37: 508-33.
 Moe and Howell. 1999. "The Presidential Power of Unilateral Action." *Journal of Law, Economics, and Organization* 51:132-79.

PARTIES

Aldrich. *Why Parties*. selections
 Bawn. 1998. "Congressional Party Leadership." *LSQ*.
 Cox. 2001. "Agenda Setting in the US House: A majority Party Monopoly?" *LSQ* 26:185-210.
 Krehbiel. 1999. "Paradoxes of Parties in Congress." *LSQ*.
 Krehbiel. 1993. "Where's the Party?" *BJPS*.
 Krehbiel and Meirowitz. 2002. "Minority Rights and Majority Power." *LSQ* 27:191-218.

AGENDAS

Denzau, Riker, and Shepsle. "Powell Amendment" *APSR*.

- Wilkerson. 1990. "Reelection and Representation in Conflict: The Case of Agenda Manipulation." *Legislative Studies Quarterly* 15:263-282.
- Bianco, Spence, and Wilkerson. 1996. "The Electoral Connection in the Early Congress: The Case of the Compensation Act of 1816." *American Journal of Political Science* 40:145-171.
- Austen-Smith. 1992. "Explaining the Vote." *AJPS* 36:68.

RULES

- Riker. 1980. "Implications from the Disequilibrium of Majority Rule for the Study of Institutions." *APSR* 74:432-446.
- Cox. 2000. "On the Effects of Legislative Rules." *LSQ*.
- McKelvey and Ordeshook. 1984. "An Experimental Study of the Effects of Procedural Rules on Committee Behavior." *JOP*
- Shepsle and Weingast. 1984. "When Do Rules of Procedure Matter?" *JOP*.

COURTS AND JUDGES

- Shepsle, chapter 15.
- Bonneau, Hammond, Maltzman, and Wahlbeck. 2007. "Agenda Control, the Median Justice, and the Majority Opinion on the U.S. Supreme Court." *American Journal of Political Science*.
- Lax, Jeffrey R. and Charles M. Cameron. 2007. "Bargaining and Opinion Assignment on the US Supreme Court." *Journal of Law, Economics, and Organization* 23:276-302.
- Anderson and Tahk. 2007. "Institutions and \$Equilibria in the United States Supreme Court." *APSR* 101:811-825.
- Fox and Stephenson. 2011. "Judicial Review as a Response to Political Posturing." *APSR*.
- Clinton. 1994. "Game Theory, Legal History, and the Origins of Judicial Review." *American Journal of Political Science* 38:285-302.
- Segal. 1997. "Separation of Powers Games in the Positive Theory of Congress and Courts." *APSR* 91:28-44.
- Rogers. 2001. "Information and Judicial Review." *AJPS* 45:84-99.
- Knight and Epstein. 1996. "The Norm of Stare Decisis." *AJPS* 40:1018-35.
- Spiller and Gely. 1992. "Congressional Control or Judicial Independence." *RAND Journal of Economics* 23:463-92.

SIGNALING GAMES AND INTEREST GROUP ACTIVITY

One set of models of interest group activity is built on signaling games. Other models may be added as times allows and interest warrants.

- McM, 8, Morrow, 7, 8.
- Cho and Kreps. 1987. Signaling Games and Stable Equilibria. *Quarterly Journal of Economics* 102:179-221.
- Hall and Deardorff. "Lobbying as Legislative Subsidy." *American Political Science Review*.
- Austen-Smith and Banks. 2002. "Costly Signaling and Cheap Talk in Models of Political Influence." *European Journal of Political Economy* 640.
- Duffy and Feltovich. 2002. "Do Actions Speak Louder than Words? An Experimental Comparison of Observation and Cheap Talk." *Games and Econ Behavior* 39:1-

27.

Ainsworth. 1993. "Regulating Lobbyists and Interest Group Influence." *JOP* 55:41-56.

Ainsworth and Sened. 1993. "Interest Group Entrepreneurs: Entrepreneurs with Two Audiences." *AJPS* 37:834-866.

Gordon and Hafer. 2005. "Flexing Muscle: Corporate Political Expenditures as Signals to the Bureaucracy." *American Political Science Review* 99: 245 -261.

Gordon and Hafer. 2007. "Corporate Influence and the Regulatory Mandate." *JOP*.

FOR REFERENCE

Kollman's *Outside Lobbying*. Grossman and Helpman's *Special Interest Politics*.