

ADVANCED GAME THEORY

POL 8160
Spring 2014
F 3:35-5.20
Office: Social Sciences 1380
Office Hours: W. 3.30-5.30

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Course Description

This course is intended to serve two purposes: (1) It will introduce graduate students to a variety of canonical game theoretic models from the fields of political economy, legislative politics, special interest politics, electoral politics, and international relations. (2) It will introduce students to the practice of incorporating game theoretic analysis in their own research. These goals are complementary, since the models we will study are often used as building blocks for subsequent theoretical work. Additionally, examining existing applications reveals more clearly how modeling is used in an applied setting – rather than solving a textbook example. Students will be asked to develop their own models over the course of the term, with the aim of producing a final paper that may serve as the basis for longer term research projects.

Assignments

- **Problem Sets:** Brief problem sets will be assigned – approximately one per week. These will be designed to employ applications or extensions of the models covered in class.
- **Final Paper:** Students will be required to complete a final paper for the class. The paper may be on any substantive area. However, it should either (1) incorporate a formal model (ideally using some of the canonical insights covered in class) or (2) advance a research design to test one of the models covered in class. This paper is intended as a jumping-off point for further research – I will be flexible in accomodating variations that further students' research goals.
- **Presentation:** Each student must select one model/reading to present to the class. The presentation should walk the class through the technical aspects of the model – including important underlying assumptions and derivations. (Note, it would be a good idea to present on a model relevant to your intended final paper subject.)

Grading

- **Final Paper:** 50%
- **Problem Sets:** 35%
- **Presentation:** 10%
- **Participation:** 5%

Texts:

- Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013

Readings:

January 24th: Introduction and Review

Readings:

- Daniel Diermeier and Keith Krehbiel. Institutionalism as a methodology. *Journal of Theoretical Politics*, 15(2):123–144, 2003

January 31st: Political Competition Under Complete Information

Readings:

- Chapter 4 in David Austen-Smith and Jeffrey S. Banks. *Positive Political Theory I: Collective Preference*. University of Michigan Press, 2000
- Chapter 1 in Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013

February 7th: Redistribution and Revolution

Readings:

- Chapter 6 in Torsten Persson and Guido Tabellini. *Political Economics: Explaining Economic Policy*. MIT Press, 2000
- Torben Iversen and David Soskice. An asset theory of social policy preferences. *The American Political Science Review*, 95(4):875–893, December 2001
- Daron Acemoglu and James A. Robinson. Why did the west extend the franchise? democracy, inequality, and growth in historical perspective. *The Quarterly Journal of Economics*, 115(4):1167–1199, November 2000

Empirical Applications (Recommended):

- Adam Przeworski. Conquered or granted? a history of suffrage extensions. *British Journal of Political Science*, 39(2):291–321, April 2009
- John R. Freeman and Dennis P. Quinn. The economic origins of democracy reconsidered. *American Political Science Review*, 106(1):58–80, February 2012
- Ben Ansell and David Samuels. Inequality and democratization: A contractarian approach. *Comparative Political Studies*, 43(12):1543–1574, December 2010

February 14th: Probabilistic Voting

Readings:

- Chapter 2 in Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013
- Anivash Dixit and John Londregan. The determinants of success of special interests in redistributive politics. *The Journal of Politics*, 58.4:1132–1155, November 1996
- Alessandro Lizzeri and Nicola Persico. Why did the elites extend the suffrage? democracy and the scope of government, with and application to Britain's "age of reform". *The Quarterly Journal of Economics*, pages 707–764, May 2004

Empirical Applications (Recommended):

- Susan C. Stokes. Perverse accountability: A formal model of machine politics with evidence from Argentina. *American Political Science Review*, 99(3):315–325, August 2005

February 21st: Political Agency

Readings:

- James D. Fearon. *Democracy, Accountability, and Representation*, chapter Electoral Accountability and the Control of Politicians: Selecting Good Types versus Sanctioning Poor Performance, pages 55–97. Cambridge University Press, 1999
- 3.1-3.3 in Timothy Besley. *Principled Agents? The Political Economy of Good Government*. Oxford University Press, 2006

Empirical Applications (Recommended):

- Part II in Raymond M. Duch and Randolph T. Stevenson. *The Economic Vote: How Political and Economic Institutions Condition Election Results*. Cambridge University Press, 2008

February 28th: Selectorate Models

Readings:

- Chapter 3 (particularly the appendix thereof) in Bruce Bueno de Mesquita, Alastair Smith, Randolph M. Siverson, and James D. Morrow. *The Logic of Political Survival*. The MIT Press, Cambridge, MA, 2003
- Timothy Besley and Masayuki Kudamatsu. Making autocracy work. May 2007

Empirical Applications (Recommended):

- Bruce Bueno de Mesquita, James D. Morrow, Randolph M. Siverson, and Alastair Smith. Testing novel implications from the selectorate theory of war. *World Politics*, 56:363–388, April 2004

March 7th: Informational Lobbying

Readings:

- Chapters 4-6 in Gene M. Grossman and Elhanan Helpman. *Special Interest Politics*. The MIT Press, 2001

March 14th: Common Agency Lobbying

Readings:

- Chapters 7-8 in Gene M. Grossman and Elhanan Helpman. *Special Interest Politics*. The MIT Press, 2001
- Chapter 3 in Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013

Empirical Applications (Recommended):

- Devashish Mitra, Dimitrios Thomakos, and Mehmet Ulubasoglu. 'protection for sale' in a developing country: Democracy vs. dictatorship. *Review of Economics and Statistics*, 84(3):497–508, August 2002
- James R. Hollyer. Conditionality, compliance and domestic interests: State capture and eu accession policy. *Review of International Organizations*, 5(4):387–431, 2010

March 28th: Legislative Bargaining

Readings:

- David P. Baron and John A. Ferejohn. Bargaining in legislatures. *The American Political Science Review*, 83(4):1181–1206, December 1989
- 6.1-6.3 in Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013

Empirical Applications (Recommended):

- Marco Battaglini, Salvatore Nunnari, and Thomas R. Palfrey. Political institutions and the dynamics of public investment. 2010
- Stephen Ansolabehere, James M. Snyder, Aaron B. Strauss, and Michael M. Ting. Voting weights and formateur advantages in the formation of coalition governments. *American Journal of Political Science*, 49(3):550–563, July 2005

April 4th: Delegation and Bureaucratic Politics

Readings:

- Jonathan Bendor and Adam Meirowitz. Spatial models of delegation. *The American Political Science Review*, 98(2):293–310, May 2004
- Chapter 5 in Scott Gehlbach. *Formal Models of Domestic Politics*. Cambridge University Press, 2013
- Philippe Aghion and Jean Tirole. Formal and real authority in organizations. *Journal of Political Economy*, 105(1):1–29, February 1997

Recommended Readings

- Jean-Jacques Laffont and Jean Tirole. The politics of government decision-making: A theory of regulatory capture. *The Quarterly Journal of Economics*, 106(4):1089–1127, November 1991

- Canice Prendergast. The limits of bureaucratic efficiency. *Journal of Political Economy*, 111(5):929–958, 2003

Empirical Applications (Recommended):

- John D. Huber, Charles R. Shipan, and Madelaine Pfahler. Legislatures and statutory control of the bureaucracy. *American Journal of Political Science*, 45(2):330–345, April 2001
- Christopher R. Berry and Jacob E. Gersen. Agency design and distributive politics

Get paper proposals to me on or before April 11.

April 11th: Domestic Conflict, Commitment Problems and Contest Success Functions

Readings:

- Robert Powell. War as a commitment problem. *International Organization*, 60(1):169–203, January 2006
- Joan Esteban and Debraj Ray. A model of ethnic conflict. *Journal of the European Economic Association*, 9(3):496–521, June 2011
- Joan Esteban, Massimo Morelli, and Dominic Rohner. Strategic mass killings. Institute for Empirical Research in Economics, University of Zurich, Working Paper Series, May 2010

April 18th: Collective Action and Global Games

Readings:

- Stephen Morris and Hyun Song Shin. Unique equilibrium in a model of self-fulfilling currency attacks. *American Economic Review*, 88(3):587–597, June 1998
- Stephen Morris and Hyun Song Shin. Social value of public information. *American Economic Review*, 92(5):1521–1534, December 2002
- James R. Hollyer, B. Peter Rosendorff, and James Raymond Vreeland. Transparency, protest and political (in)stability. May 2013 (Empirical sections recommended, but not required)

April 25th: Equilibrium Institutions

Readings:

- Adam Przeworski. Democracy as an equilibrium. *Public Choice*, 123:253–273, 2005
- Adam Przeworski, Gonzalo Rivero, and Tianyang Xi. Elections under the shadow of force. 2013
- James D. Fearon. Self-enforcing democracy. *Quarterly Journal of Economics*, 126(4):1661–1708, 2011
- Andrew T. Little, Joshua A. Tucker, and Tom LaGatta. Elections, protest and alternation of power. January 2013

Empirical Applications (Recommended):

- Susan Hyde and Nikolay Marinov. Information and self-enforcing democracy: The role of international election observers. *International Organization*, forthcoming
- Brett Allen Casper and Scott A. Tyson. Popular protest and elite coordination in a coup d'état. *Journal of Politics*, Forthcoming

May 2nd: Diffusion Processes

Readings:

- Craig Volden, Michael M. Ting, and Daniel P. Carpenter. A formal model of learning and policy diffusion. *American Political Science Review*, 102(3):319–332, August 2008
- Hugh Ward and Peter John. Competitive learning in yardstick competition: Testing models of policy diffusion with performance data. *Political Science Research and Methods*, 1(1):3–25, June 2013

May 9th: Economic Crises and Wars of Attrition

Readings:

- Alberto Alesina and Allan Drazen. Why are stabilizations delayed? *The American Economic Review*, 81(5):1170–1188, December 1991
- Chapter 13 in Allen Drazen. *Political Economy in Macroeconomics*. Princeton University Press, 2000