

FALL 2008
MW 9:10-10:25
ROOM 503 HAMILTON

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POLITICAL SCIENCE G4210
RESEARCH TOPICS IN GAME THEORY

Course Description:

Political Science W4210 is a continuation of W4209 with the objective of preparing the student to use formal models in research in political economics and positive political theory. The course has both a substantive and a methodological focus. The substantive focus is on collective action and political institutions including legislatures, elections, bureaucracies, war and peace, and various themes coming from comparative politics. The methodological focus is on information and dynamics, including applications of repeated games, games of incomplete information, sequential bargaining models, rational expectations equilibria, and principal-agent models. The pedagogical objective is to deepen the understanding of political institutions by considering their characteristics as endogenously determined by the strategies of interested actors.

There is, finally, a reasonable textbook for this type of course, by McCarty and Meirowitz, which will be our main text. Laffont and Martimort's *Theory of Incentives* and Bolton and Dewatripont's *Contract Theory* both present good overviews of the principal-agent material we'll be covering later in the semester. We will supplement these texts with seminal papers in a variety of areas of formal theory, which will be posted on the course web page.

A note on the other, optional books. *Interest Groups and Trade Policy* is a collection of Grossman and Helpman's work using sophisticated multiple-principal models. *Positive Political Theory II* is essential to have on your bookshelf, no matter what area you're interested in. And Persson and Tabellini's *Political Economics* presents up-to-date coverage of macroeconomic political economy models.

The prerequisite for this course is W4209, its equivalent, or permission of the instructor (that's me). The course requirements include a number of problem sets and a final exam. Those students wishing to include a formal model in their dissertation may write a final paper on their chosen topic, in consultation with the instructor (again, me). The final exam/paper will count for 30 percent of the course grade, the problem sets 60 percent, and class participation 10 percent.

The TA for the course is John Kastellec (jpk2004@columbia.edu). He will announce his office hours once they have been set up.

Schedule

Week 1: Introduction and Review

I. Bargaining and Repeat Play

Week 2: M&M Chapter 9

Soskice, David, Robert Bates and David Epstein. "Ambition and Constraint: The Stabilizing Role of Institutions." *Journal of Law, Economics, and Organization* 8 (1992): 547-560.

Weeks 3-4: M&M Chapter 10

Fearon, James. 1994. "Domestic Political Audiences and the Escalation of International Disputes," *American Political Science Review* 88: 577-592.

II. Costly Signaling

Week 5: M&M Chapter 8, B&D Chapter 3

Weeks 6-7: Nalebuff, Barry, "Rational Deterrence in an Imperfect World," *World Politics*, Vol. 43, No. 3. (Apr., 1991), pp. 313-335.

Epstein, David and Peter Zemsky, "Money Talks: Deterring Quality Challengers in Congressional Elections," *American Political Science Review* 89 (June 1995): 295-308.

Snyder, James M., Jr., and Michael M. Ting. 2002. "An Informational Rationale for Political Parties." *American Journal of Political Science* 46(1): 90-110.

III. Costless Signaling

Week 8: Gilligan, Thomas and Keith Krehbiel, "Collective Decision-Making and Standing Committees: An Informational Rationale for Restrictive Amendment Procedures," *Journal of Law, Economics, and Organization*, 3 (1987), 287-335.

IV. Principal-Agent Models and Delegation

Weeks 9-10: M&M Chapter 11, B&D Chapter 4, L&M Chapters 3-4

Weeks 11-12: Ferejohn, John, "Incumbent Performance in Office," *Public Choice* 1-26, 1986

Persson, Torsten, Gerard Roland and Guido Tabellini, "Separation of Powers and Political Accountability," *Quarterly Journal of Economics* 112 (4), 1163-1202, 1997.

November 20: Epstein, David and Sharyn O'Halloran. 1994. "Administrative Procedures, Information, and Agency Discretion: Slack vs. Flexibility." *American Journal of Political Science* **38**: 697-722.

November 27: Huber, John and Nolan McCarty. 2004. "Bureaucratic Capacity, Delegation, and Political Reform." *American Political Science Review* 98(3):481-94.

V. Interest Groups

Week 13: B&D Chapter 7, L&M Chapter 5

Week 14: Groseclose, T. and Snyder, J. "Buying Supermajorities," *American Political Science Review*, 90 (June 1996): 303-315.

Dixit, A. and Londregan, J. "Redistributive Politics and Economic Efficiency," *American Political Science Review*, (December 1995), 856-866.