

The Value of Information in Committees and Elections

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Five Classes 04.04.; 11.04.; 02.05.; 09.05.; 16.05.

Class Structure and Requirements The course consists of an initial lecture phase (2 weeks) in which I present the core papers (marked by *) and give a preview into current research, followed by student presentations. Participants are going to

1. present one paper in class,
2. write a referee report *OR* a research proposal (both 1-2 pages).

Course Objective We will investigate the role of private information in a voting environment. Our emphasis is on information acquisition by voters, and information disclosure by the political parties or media outlets. Our topics are:

1. *The value of private information:* in a single-agent decision problem, we will investigate different concept of informativeness, e.g. Blackwell's sufficiency, accuracy / effectiveness (Lehmann, Persico), Shannon entropy in rational inattention.
2. *Models of (strategic/ pivotal/ ethical) voting:* Condorcet jury theorem; information aggregation in large elections; ethical voting and the paradox of voting.
3. *Information acquisition:* if voters have to pay for their private information, how does this impact the acquired information and the outcome of an election?
4. *Deliberation and information sharing:* do voters want to share their private information? If they do, does it matter?
5. *Information disclosure:* manipulation by politicians or the media. What is the scope for manipulation or influence of an electorate?

Literature

1. The value of private information

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*Blackwell, D. (1953): "Equivalent Comparisons of Experiments," *The Annals of Mathematical Statistics*, 24, 265-272.

*Lehmann, E.L. (1988): Comparing Location Experiments, *The Annals of Statistics*, 16, 521-533.

*Persico, N. (2000): Information Acquisition in Auctions, *Econometrica*, 68, 135-148.

2. Models of voting

*Austen-Smith, D. and Banks, J. (1996). Information aggregation, rationality, and the Condorcet jury theorem. *American Political Science Review*, 90, 34-45.

*Feddersen, T. and Pesendorfer, W. (1998). Convicting the innocent: The inferiority of unanimous jury verdicts under strategic voting. *American Political Science Review*, 92, 23-35.

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3. Information acquisition

Gerardi, D., & Leeat, Y. (2008). Information acquisition in committees. *Games and Economic Behavior*, 62, 436-459.

Gershkov, A. and Szentes, B. (2009): Optimal voting schemes with costly information acquisition. *Journal of Economic Theory*, 144, 36-68.

Martinelli, C. (2006). Would rational voters acquire costly information?. *Journal of Economic Theory*, 129(1), 225-251.

Matejka, F. and Tabellini, G. (2018): Electoral Competition with Rationally Inattentive Voters. Working Paper.

Mukhopadhyaya, K. (2003). Jury size and the free rider problem. *Journal of Law, Economics, and Organization*, 19(1), 24-44.

Persico, N. (2004). Committee design with endogenous information. *The Review of Economic Studies*, 71(1), 165-191.

4. Deliberation

Chan, J., Lizzeri, A., Suen, W. & Yariv, L. (2018). Deliberating Collective Decisions. *Review of Economic Studies*, 85, 929-963.

Coughlan, P. (2000). In defense of unanimous jury verdicts: Mistrials, communication, and strategic voting. *American Political Science Review*, 94(2), pp.375-393.

Gerardi, D. and Yariv, L., 2007. Deliberative voting. *Journal of Economic Theory*, 134(1), pp.317-338.

5. Information disclosure and persuasion

Alonso, R. and Câmara, O., (2016): Persuading voters. *American Economic Review*, 106, pp.3590-3605.

Chan, J., Gupta, S., Li, F. and Wang, Y. (2019): Pivotal persuasion. *Journal of Economic Theory*, 180, pp.178-202.

Lauermann, S., & Ekmekci, M. (2018). Manipulated electorates and information aggregation. Forthcoming in *Review of Economic Studies*.

Perego, J. & Yuksel, S. (2018). Media competition and social disagreement. Working Paper.