

POLITICAL ECONOMY





NEW

SZÉCHENYI PLAN

POLITICAL ECONOMY

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POLITICAL ECONOMY

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Week 8

The paradox of voting

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What do we assume about voters?

- Who do they vote for?
- But first: *why* do they vote at all?
- So far: HBD: assumption: everyone votes.
- Is this empirically the case?

No! Check out the statistics here:

http://en.wikipedia.org/wiki/Voter_turnout

So why does a *homo oeconomicus* vote?

Rational voter hypothesis

- Instrumental rationality: one candidate/party winning generates relative utility increase B .
- P is the probability of the voter's being decisive (others breaking even or his vote pivoting the vote to break-even).
- C is the cost of going to vote.

The rational voter will vote if:

$$PB - C > 0.$$

Rational voter hypothesis: the paradox

How big are those terms?

- P will depend on your model, but for country-sized N s, it will be infinitesimal.
- B would be not too big for most voters.
- C would be the reservation price of around an hour or so (would depend on distance, weather, etc.)

For the range of plausible values of P , B and C , $PB - C > 0$ will *never* be true.

What is the possible way out?

There are essentially three ways around the paradox:

1. redefine the rational voter's calculus so that the rational action is now to vote;
2. relax the rationality assumption;
3. relax the self-interest assumption.

A taste for voting

Add a new term, D , standing for, e.g. the pleasure of fulfilling one's civic duty, s.t.

$D > C$:

$$PB + D - C > 0.$$

What is the problem with this?

From a modelling point of view, this is very ugly.

Sidestepping the hard part of explaining a phenomenon with an auxiliary hypothesis is easy. Is this still an explanation?

Game theory

- Insight: if everyone came to the same conclusion, no-one would vote, but then P would be 1!
- So this is a strategic situation, a game.
- What is the solution?
- Unfortunately, if more than a handful people go to vote, this will not solve our real life problem.

Minimax regret

Ferejohn and Fiorina (1974)

- What if people do not maximize expected utility, but want to avoid the worst outcome?
- Than my abstaining causing the other guy to win would be a very bad outcome, worse than my wasting C.
- So I would go to vote.
- But this is a rather bizarre decision rule to live by.
- Under it, everyone should buy any insurance on sale...
- One undesired fringe candidate entering the race would make people vote, etc.

Empirical tests

How would you decide if minimax regret, or rational voting is true?

Under minimax regret, P should not affect turnout,

Under rational voting, it should.

Survey studies suggest that B , D and C matter, but so does P , too.

However, survey studies are suspect: many people lie about their voting behavior.

What effect would we expect education to have?

A table of the studies – surveys

Table 14.1. Summary of studies testing the Downsian model (with extensions) using survey data

Study	Sample and time period	P	B	D	C	E	Y
Riker and Ordeshook, 1968	4,294 questionnaires 1952, 1956, 1960 U.S. presidential elections	+	+	+			
Brody and Page, 1973	2,500 questionnaires 1968 presidential election		0			+	
Ashenfelter and Kelley, 1975	1,893 questionnaires 1960 + 1972 U.S. presidential elections	0	+	+	-	+	+
Silver, 1973	959 questionnaires 1960 U.S. presidential election	0	+?	+?	-	+	
Frohlich, Oppenheimer, Smith, and Young, 1978	1,067 questionnaires 1964 presidential election	+	+?	+?	-?		
Parry, Moyser, and Day, 1992	Nearly 1,600 questionnaires 1984 and 1985 U.K. national and local elections	+?	+?			-	0
Matsusaka and Palda, 1993	2,744 questionnaires 1979 and 1980 Canadian national elections	0				+	0
Knack, 1994	4,651 questionnaires 1984, 1986, 1988 U.S. national elections			+		+	+
Greene and Nikolaev, 1999	Nearly 21,000 questionnaires 1972–1993 U.S. elections	-				+	+
Thurner and Eymann, 2000	1,400 questionnaires 1990 German national election		+				
			(weak) ^a				

Notes: *P*, *B*, *D*, and *C* are proxies for the main components of the Downsian model, $R = PB + D - C$. *E* and *Y* stand for the education level and income of the voter.

“+” indicates a significant positive effect on the probability a survey respondent said that s/he voted, “-” a negative and significant coefficient, and a “0” an insignificant coefficient. Blank spaces imply that the variable was left out. A question mark implies uncertainty over whether the proxies used are related to the relevant variables.

^a Thurner and Eymann test whether perceived differences in party positions on key issues increased the likelihood of the respondent’s voting. For only one issue – immigration policy – was a significant effect found. I interpret this as weak support for the importance of *B*.

A table of the studies – actual turnout

- Check table 14.2 in Mueller!
- If P matters at all, it is a weak effect.
- C does matter: instruments: jury duty, weather

The expressive voter hypothesis

D is high, but not for civic reasons.

Voting is expression:

People vote like people cheer for somebody.

They enjoy it even more if P is small (?)

Sounds true, but we know that at least some voters do vote strategically (Cf. bimodal $P3/P2$ ratios, discussed earlier).

Beyond self-interest

Maybe people do not look at their own interests (egotropic voting), but at the public interest (ethical / sociotropic voting).

Or rather, at a mixture of the two.

But then what are the relative weights?

Empirical estimates vary.

This, all however, is more about who for, than about turnout.

Beyond self-interest

Equalizing taxes across Oregon districts:

Percentage of large gainers favoring
equalization 60.7

Percentage of small gainers favoring
equalization 52.9

Percentage of small losers favoring
equalization 46.1

Percentage of large losers favoring
equalization 32.7