

POLITICAL ECONOMY

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Course Material Developed by Department of Economics,
Faculty of Social Sciences, Eötvös Loránd University Budapest (ELTE)

Department of Economics, Eötvös Loránd University Budapest

Institute of Economics, Hungarian Academy of Sciences

Balassi Kiadó, Budapest



Authors: Judit Kálmán, Balázs Váradi

Supervised by Balázs Váradi

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The paradox of voting

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, Moysen, 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