

PSC 408: POSITIVE POLITICAL THEORY

SPRING 2019
MW 10:00-11:30am
HARKNESS 112

Prof. Tasos Kalandrakis
Office: Harkness 109C
Email: kalandrakis@rochester.edu
Office hours: T 1:00-2:30pm

This course is part of a rigorous introduction to the main concepts and results in positive political theory. It is the second half of a two course sequence consisting of PSC 407 and PSC 408. The sequence concentrates on the theoretical models used in contemporary political science, and provides the mathematical background necessary to fully understand them. The year-long sequence of PSC 407 and PSC 408 is designed to be both a rigorous foundation for students planning on taking further courses in the positive political theory field and a self-contained overview of the field for students who do not intend to do additional coursework in the field.

The bulk of this course will focus on the basics of game theory, which analyzes individual behavior in strategic situations. It will also cover the mathematical tools required to express the theory. Examples and applications will be drawn from several different areas in political science, including the American Congress, voting, international relations, political economy, and law. Naturally, PSC 407 is the prerequisite for this course. Students should have a good working knowledge of the mathematical topics covered there.

Course Work & Exams: Problem sets will be assigned roughly every other week. An in-class midterm exam is scheduled for Wednesday, February 21, and it will cover the optimization portion of the course. The final exam is scheduled for Tuesday, May 8, at 12:30pm.

Course Readings: In addition to the two textbooks that were used in PSC 407:

- Simon and Blume, *Mathematics for Economists*, and

- Ordeshook, Game Theory and Political Theory.

the books by

- Osborne, An Introduction to Game Theory, and
- Gibbons, Game Theory for Applied Economists,

will serve as a reference for the non-cooperative game theory component of the class. Additional readings will be distributed during the semester.

Evaluation: Your final grade is based on class participation (10%), assignments (20%), midterm (25%), and final exam (45%).

Academic honesty: General University policies and guidelines regarding academic honesty apply with the following added clarification. With regard to assignments, you are expected and even encouraged to discuss and jointly work on assignment problems, *yet* you are individually responsible and must prepare and write up submitted answers on your own.

Schedule: Below is the list of topics and the scheduled readings for the course. Naturally, this schedule may change as the semester unfolds.

TOPIC 0 OVERVIEW AND LOGISTICS OF THE COURSE

TOPIC 1 CONSTRAINED OPTIMIZATION

Lagrange's method, first and second order necessary conditions, sufficient conditions, comparative statics, Pareto optimality.

- Simon and Blume, chs. 17-19, 21.5.

TOPIC 2 STRATEGIC FORM GAMES

Weak and strong dominance, IEDS, pure strategy Nash equilibrium, mixed strategies, zero-sum games, continuous strategy spaces.

- Osborne, chs. 2-4,
- Ordeshook, sec. 3.5, 3.6, 3.8, 4.1-4.3.

- Gibbons, ch. 1.

TOPIC 3 ELECTORAL COMPETITION

Convergence, Candidate Motivations and Uncertainty.

- Osborne, chs. 3.4.
- Ordeshook, ch. 4.

TOPIC 4 COLLECTIVE ACTION

Collective action, Public Goods, Participation.

- Osborne, chs. 4.8,
- Ordeshook, ch. 5.

TOPIC 5 EXTENSIVE FORM GAMES

Strategies in the extensive form, information sets, backward induction, subgame perfection, credible threats.

- Osborne, chs. 5-7.
- Ordeshook, secs. 3.1-3.3, 3.7, 3.9, 6.4.
- Gibbons, ch. 2.

TOPIC 6 VOTING AND BINARY AGENDAS

Sophisticated voting, Agenda Setting and Agenda Manipulation, Vote Buying.

- Osborne, secs. 6.1,6.3, 7.4.
- Ordeshook, secs. 6.1-6.4.

TOPIC 7 BARGAINING

Sequential bargaining.

- Osborne, chs. 16.

TOPIC 8 REPEATED GAMES

Folk Theorems.

- Osborne, chs. 14-15.
- Gibbons, ch. 2.

TOPIC 9 STATIC GAMES OF INCOMPLETE INFORMATION

Bayesian games and Bayesian Nash equilibrium. Collective action revisited.

- Osborne, ch. 9.
- Gibbons, ch. 3.

TOPIC 10 DYNAMIC GAMES OF INCOMPLETE INFORMATION

Perfect Bayesian Nash equilibrium. Screening and Signaling.

- Osborne, ch. 10.
- Gibbons, ch. 4.