

# Government by Consensus: Voting Rules and Social Choice Economics 248A, St. Lawrence University, Fall 2010

## **Instructor:**

M. Garrett Roth

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Office Hours: MWF 9:40 – 10:40 A.M., Hepburn 204 or by appointment

\*\*I will be readily available Monday and Wednesday afternoons just after 1:00 PM but will not schedule a formal office hour during this time.\*\*

**Lecture Schedule:** MWF 10:50 – 11:50 PM, Hepburn Hall, Room 111

## **Required Texts:**

- 1) Buchanan and Tullock. The Calculus of Consent. University of Michigan Press. 1962. -- Available FREE online:  
<http://www.econlib.org/library/Buchanan/buchCv3Cover.html>
- 2) Saari, Donald. Decisions and Elections: Explaining the Unexpected. Cambridge University Press, 2001.

\*\*Additional brief readings will be made available via a course webpage.\*\*

## **Description:**

The purpose of this course is to provide an overview of collective decision-making through the lens of economics and political science. We begin with simple efficiency considerations in both exchange and production economies. Such raw efficiency concerns can be balanced with equity considerations via the use of social welfare functions. A multiplicity of criticisms regarding the social welfare approach necessitates the alternative, democratic method of voting and governments.

When considering the democratic process, we start with broad questions of the appropriate scope and methodology for public decision-making as addressed by Buchanan and Tullock in The Calculus of Consent. Their basic cost-benefit approach generates a framework by which to analyze questions of logrolling, coalition formation, and legislative make-up. As counterpoint to Buchanan and Tullock, we briefly discuss anarchist critiques of the Public Choice approach to government.

Shifting from broad constitutional questions to the specific rules governing elections, the course summarizes and attempts to resolve the fundamental paradox of social choice, Arrow's Impossibility Theorem, through the vehicle of democratic mechanisms. Concurrently, the material delineates and critiques major voting rules currently in existence. Time-permitting, we will move from the rule-based structures for public consensus to spatial voting models. Beginning with Downs, we will dissect the various sets of assumptions that generate meaningful theoretical results within the literature.

## **Components of Final Grade:**

Quizzes (2) – 15% each, tentatively scheduled for September 22<sup>nd</sup> and November 17<sup>th</sup>

Midterm Exam – 35%, tentatively scheduled for October 13<sup>th</sup>

Final Exam – 35%

Auxiliary Factors (as detailed below)

**\*\*Students who enrich the course by actively engaging in discussion will receive a slight boost in their final grade.\*\***

**\*\*I will frequently assign brief homework assignments, graded for completion rather than correctness, which are designed to keep students from falling behind in the course material and adequately prepared for upcoming quizzes and exams. Each student may miss two homework assignments with no penalty. Thereafter, .25 points will be deducted from the student's final grade for every two additional missed homeworks.\*\***

Exams will be composed of both computational, quantitative questions **and qualitative, interpretive questions.**

## **Major Course Topics:**

- 1) Efficiency in an Exchange Economy
- 2) Efficiency in a Production Economy
- 3) Equity Considerations via Social Welfare Functions
- 4) Critiques of the Social Welfare Approach
- 5) Buchanan and Tullock: Basic Assumptions and Framework
- 6) Buchanan and Tullock: Results and Applications
- 7) Anarchist Alternatives to Coercion
- 8) Saari's Treatment of Arrow's Impossibility Theorem
- 9) Resolving the Arrow Impossibility Theorem

## **Material to Be Covered if Time Permits:**

- 10) Spatial Voting Models: Downsian Assumptions and Result
- 11) Successors and Rivals to Downs: Wittman and Stokes

The University's policy on academic dishonesty can be found on page 60 of the student handbook: [http://www.stlawu.edu/studentlife/student\\_handbook\\_1011.pdf](http://www.stlawu.edu/studentlife/student_handbook_1011.pdf)