SOCIAL STUDIES 2: POLITICS

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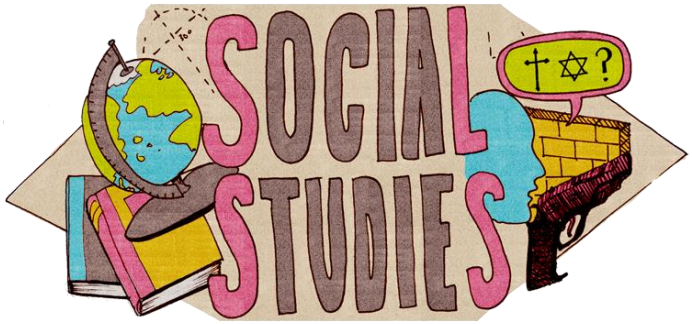


BUDAPEST METROPOLITAN UNIVERSITY

Budapest, 2019

An Introductory Course to Politics:
A Rational Choice Perspective

About the Course

- **Main Goals:**

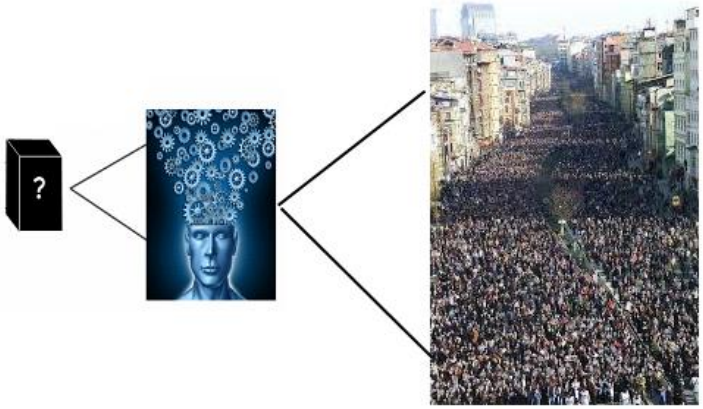
1. **The understanding of human actions in community**

How to generally characterise a bunch of people acting together?

- ✓ What are the conditions under which cooperation among individuals for the common interest of a community can emerge and hold up?

INDIVUDAL ACTIONS → COLLECTIVE ACTION

2. **Fundamentals of Political Science**



One important task in politics is **to provide public goods** and to create the environment under which **efficient leadership** can satisfy the public good.

INSTITUTIONAL SETTINGS

POLITICAL ACTIONS

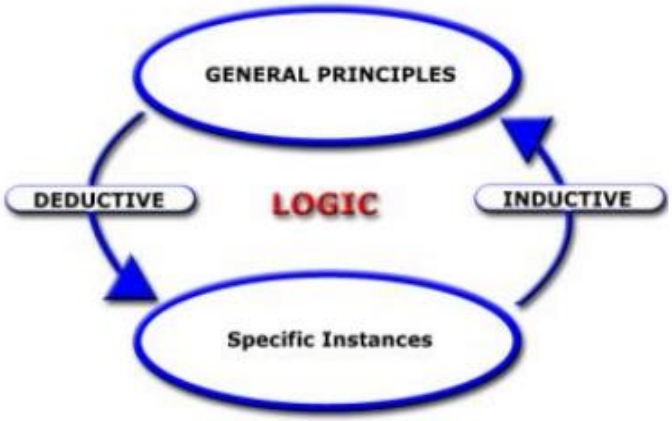
The Logic of Social Studies

Deduction:

1. All living things will eventually die. **(General statement – first premise)**
2. This animal is a living thing. **(Instances – second premise)**
3. Therefore, this animal will eventually die **(Conclusion)**

Induction:

1. All the giraffes that I have seen have very long necks. **(Instances - Repeated observations)**
2. Therefore I conclude that all giraffes have long necks. **(Conclusion)**

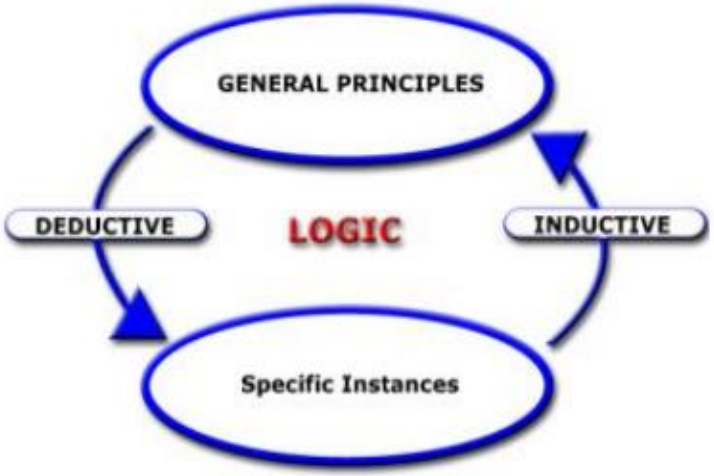


The Logic of Social Studies

Deduction:

Theory → Hypothesis → Observation

Confirmation



Induction:

Observation → Patterns (Sample) → Hypothesis

Tentative Theory based on
empirical-quantative or empirical-qualitative method

- **Empirical-Quantitative Method**
  - ✓ The size of the sample is large.
  - ✓ Its results can be expressed in numbers
  - ✓ Two main forms: - To make surveys;
    - To study recorded statistical data (e.g. GDP, salary, population, etc.);

- **Empirical-Qualitative Method**
  - ✓ The size of the sample is small.
  - ✓ The findings are paradigmatic studies rather than numerical data.
  - ✓ Two main forms: - To make case studies, - To make interviews.

Illustrative examples (#1): The division of Labour

- Imagine Robinson and Friday doing two of vital importance actions: they are either building a shack or fishing and cooking. Suppose Robinson is better than Friday in both works. Is Robinson worth cooperating with Friday?

	Robinson	Friday
Shack	20 hours	45 hours
Fishing&Cooking	10 hours	15 hours
Total working hours in a year	2000 hours	3600 hours

Their performance if they work separately:

Robinson { Building in 1000 h: 50 shacks; Fishing & cooking in 1000 h: 100 dishes

Friday { Building in 1800 h: 40 shacks; Fishing & cooking in 1800 h: 120 dishes

Their performance together

Robinson is building in 2000h: 100 shacks

Friday is fishing & cooking in 3600 h: 240 dishes

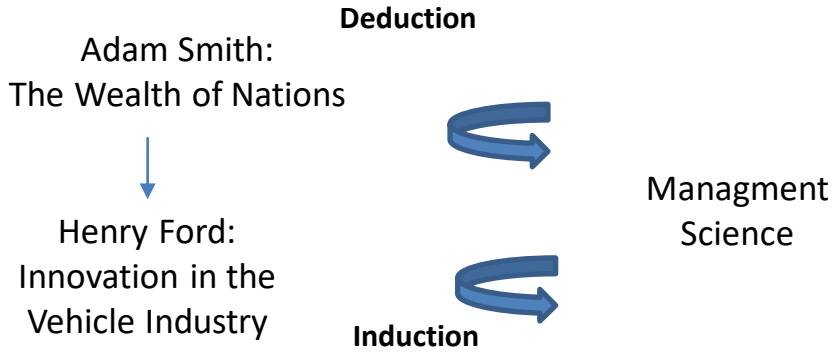
Illustrative examples (#1): The division of Labour

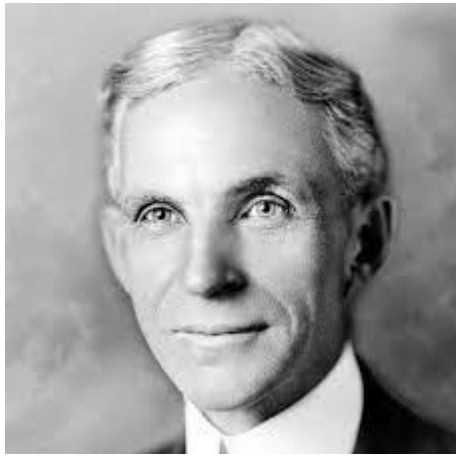
- **Henry Ford and the T model:**

Theory into Practice:

The division of labour → Assembly Lines

- ✓ **The point of Assembly Lines:** production process is breakdown into steps that are completed in a pre-defined sequence.
- ✓ Mass production & management Science





Illustrative examples (#2): The Theory of Free-riding

- **The theory of free-riding:** Fare-dodging
  - ✓ **C**ooperation: To buy the ticket
  - ✓ **D**efection: To be a free-rider
  - ✓ Individual interest (D) ←→ Common interest (C)
  - ✓ For a long-run, individual interest is the same as common interest.

Preference Profile: DC CC DD CD

Individual intetest: DD

Social Interest: DD → CC

❑ **Empirical Study (Interview, Focus group):**

- How are you satisfied with the public transportation?
- What/How should be it improved?
  - ✓ Price, headway/crowdedness, clear vehicles, etc.

Illustrative examples (#3): The Clash of Social Levels

- **Edward Snowden's Case:**

✓ Individual interest ←→ Common interest

↑ ↑

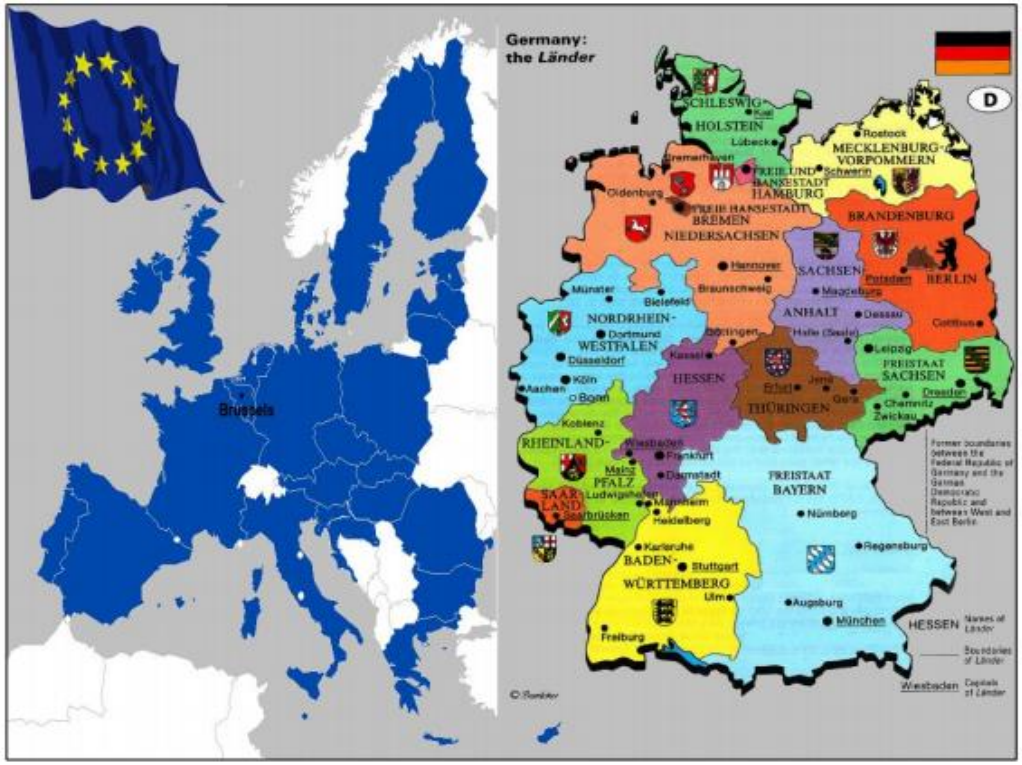
his moral conviction national security

- **Multi-level politics/governance** emerges when several tiers of government share the task of regulating modern society

✓ Complex clash of interests:

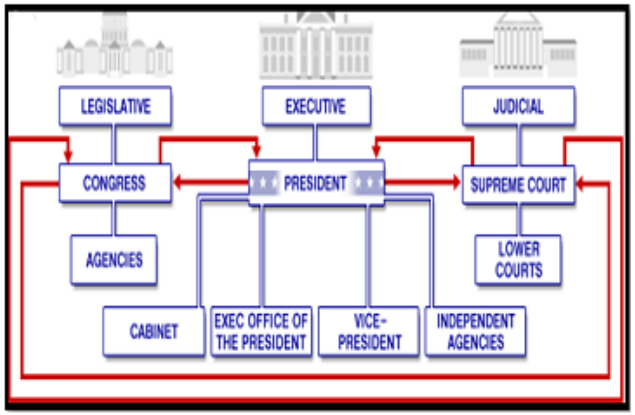
Augsburg ↔ Munich ←→ Berlin

Brussels



I. Research Traditions in Socials

- **Research Strategies (Traditions) in Socials:**
  - Any question concerning the subject of Socials is from three directions:
    - ✓ Micro-level: Rational Choice approach
    - ✓ Macro-level: Structural (Holistic) approach
    - ✓ Mezo-level: Constructive (Cultural) approach



STRUCTURE

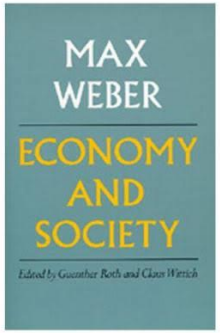
CULTURE

RATIONALITY

Rational Choice

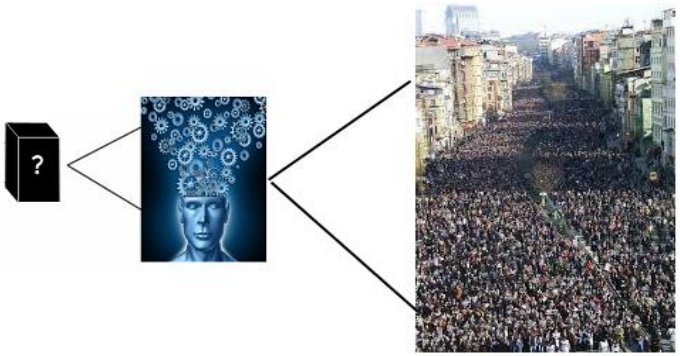
- **The Background:**

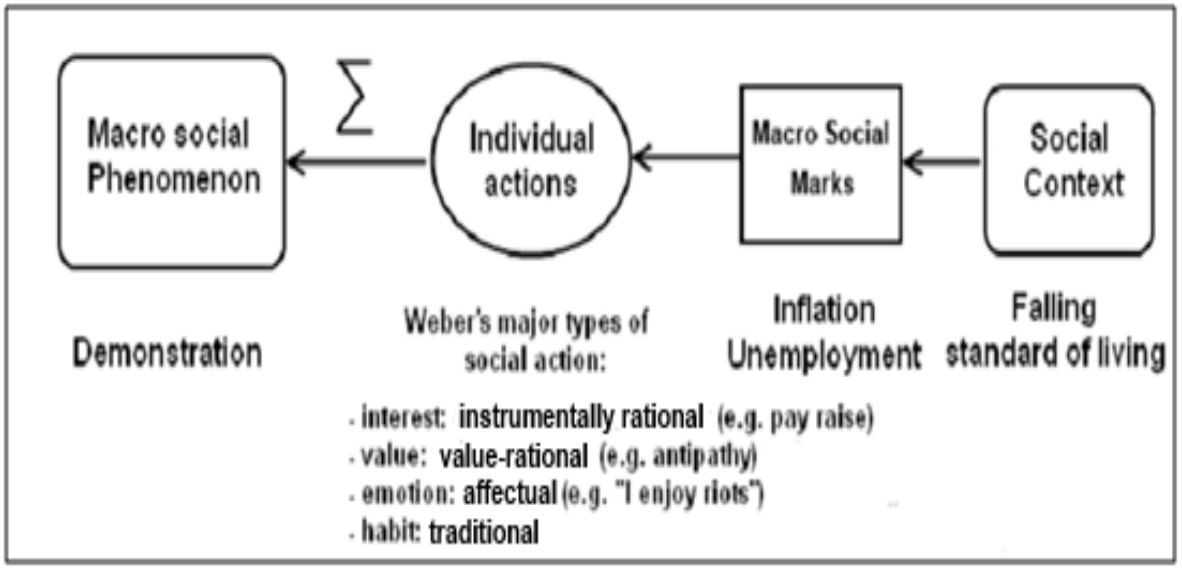
Weberian Tradition #1 – Contingent actions (e.g. incidents): any social phenomenon is conceived as a cumulative effect of individual actions with different personal motivations.

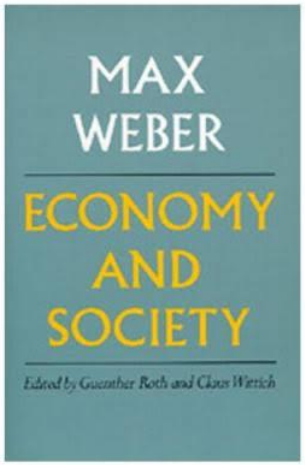


Weberian Tradition #2 – Regular (or repeated) actions: To conceive regular actions, we should explore and interpret 1) the individual behaviours that is ”adequate with respect to sense”; and 2) social mechanisms by which social actions are realised in social practice.

Instrumental Rationality: Case Study #1





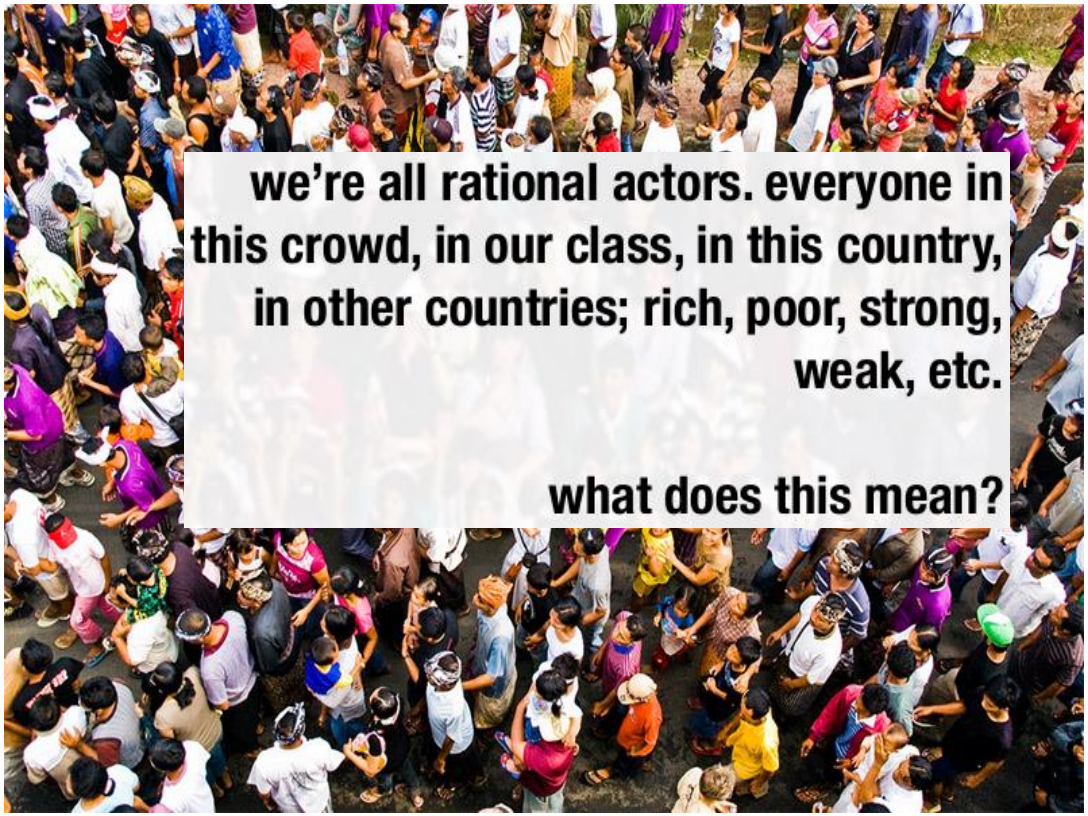


"We shall speak of 'action' insofar as the acting individual attaches a subjective meaning to his behaviour [...] Action is 'social' insofar as its subjective meaning takes account of the behaviour of others and is thereby oriented in its course."

"A motive is a complex of subjective meaning which seems to the actor himself or to the observer an adequate ground for the conduct in question. The interpretation of a coherent course of conduct is "adequate with respect to sense" (*Sinnadäquanz*) to the extent that the relationship between its composite parts is confirmed by us as a typical context of sense (*Sinnzusammenhang*) according to cross sectional usages of thought and feeling."

Rational Choice

- **The Main Idea:**



✓ To say that we are all rational actors is to say that we don't act in a random, unpredictable, or self-destructive manner;

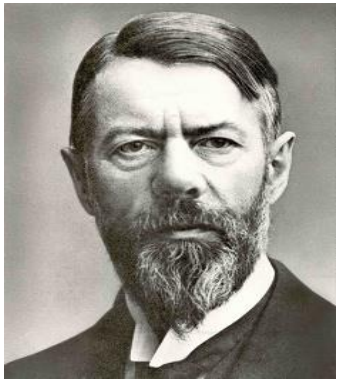
✓Instead, our decisions and actions are guided by a goal or a purpose ultimately meant to make us better off.

✓ Briefly: to **act rationally** means to choose better alternatives over worse ones.

Rational Choice

- **Presumptions:**

1. Rational choice begins with the assumption that self-interest is the basis for most of what we do.
   - ✓ "Rationality" is essentially defined in terms of self-interest;
   - ✓ Self-interest in rational choice theory is premised on the belief that we all have specific, "reasonable" goals.
   - ✓ As individuals, we behave in a way that best enables us to achieve those goals



Max Weber

"Sociology is a science which attempts the interpretive understanding of social action in order thereby to arrive at a ***causal explanation of its course and effects.****"*

Max Weber

Instrumental Rationality: Case Study #2

A generic can of beer (”Garage Project”): all beer is beer, but not all beers are the same. Right?

”Instrumentalization of actions”: self-interest is a generic concept. And it is as the same as a generic can of beer.

- ✓That is to say, all behaviour is self-interested, but not all self-interested behaviour (among individual actors) is the same.
- ✓ Specific self-interests can and usually are quite distinct, and these distinctions are often very important.
- ✓ **Examples:**

The interest of a **politician** is to win or **hold on to political office**.

A **business person** wants to stay in business and **maximize profit**

A **student** wants **good grades** (though not always)

Rational Choice

- **Presumptions:**

2. Another key concept in Rational Choice is **strategic interaction**.
   - ✓ Strategic interaction emphasizes that many decisions are complicated by the existence of other actors.
   - ✓ The scale illustrates the "weighing of costs and benefits";
   - ✓ Poker represents the dynamics of strategic interaction.

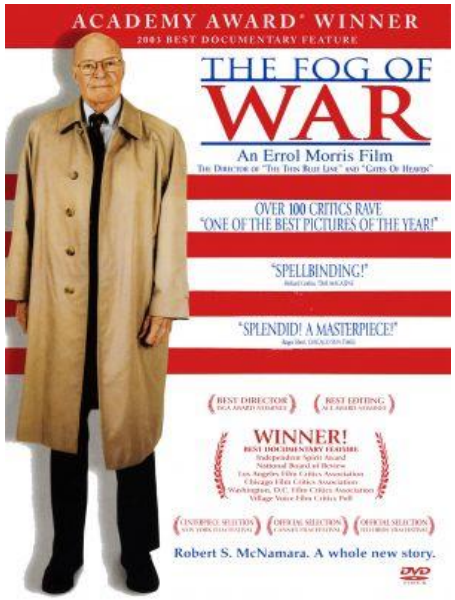
Hollywood Movie:
The Beautiful Mind.
The Bar Scene.

3. The hypothesis of **Methodological Individualism**:
   - ✓ The study always begins with individual actions.
   - ✓ All social phenomena are traced back to rational individual actions.

Rational Choice

- **Constraints:**

1. Rational actors do not and often cannot know the consequences of their decisions. Why?
   - ✓ Simply because there are a lot of "unknowns" in the world.
   - ✓ **Uncertainty** means that actors will sometimes make "bad decisions"; yet, this does not mean that rational choice is wrong.
   - ✓ Indeed, less than optimal decisions are part-and-parcel of the rational choice framework.



2. Consider this statement: "We can't do anything we want". Why not?
   - ✓ There are **institutional and economic coercive conditions**.

Rational Choice Theory as Research Program

The Tradition and the point of Rational Choice Theory

The study always begin with individual actions. We have two types of collective actions to consider:

Weberian Tradition #1 – Contingent actions (e.g. incidents): any social phenomenon is conceived as a cumulative effect of individual actions with different personal motives.

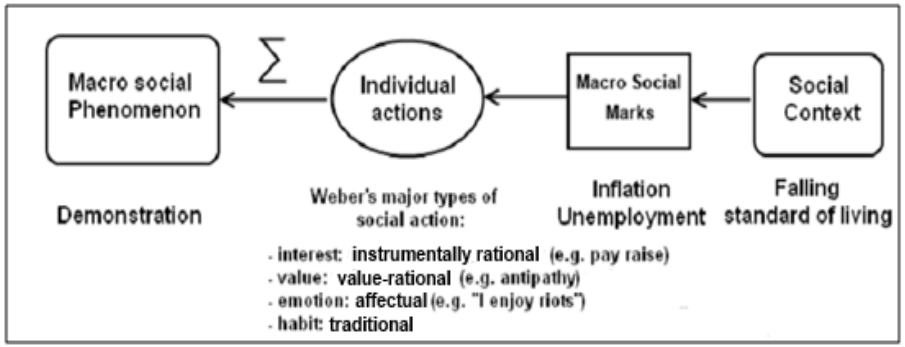
Weberian Tradition #2 – Regular (or repeated) actions: To conceive regular actions, we should explore and interpret 1) the individual behaviours that is "adequate with respect to sense"; and 2) social mechanisms by which social actions are realised in social practice.

Rationality:

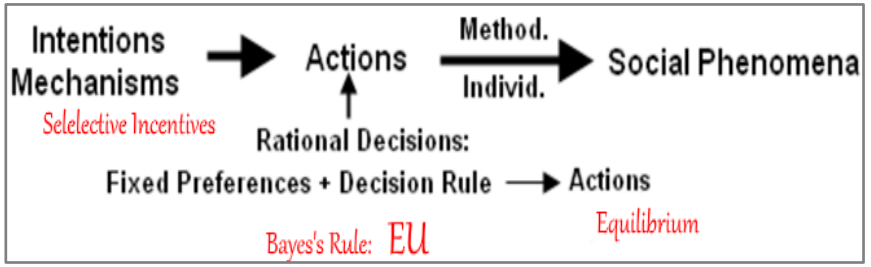
- Human behaviour is not random;
- Human actions usually do not happen unpredictable, or self-destructive manner;

→ We can make the "instrumentalization of actions"
→ Actions are embedded in strategic interactions
→ Rationality is always bounded
→ Individual rationality can be extended to collective rationality.

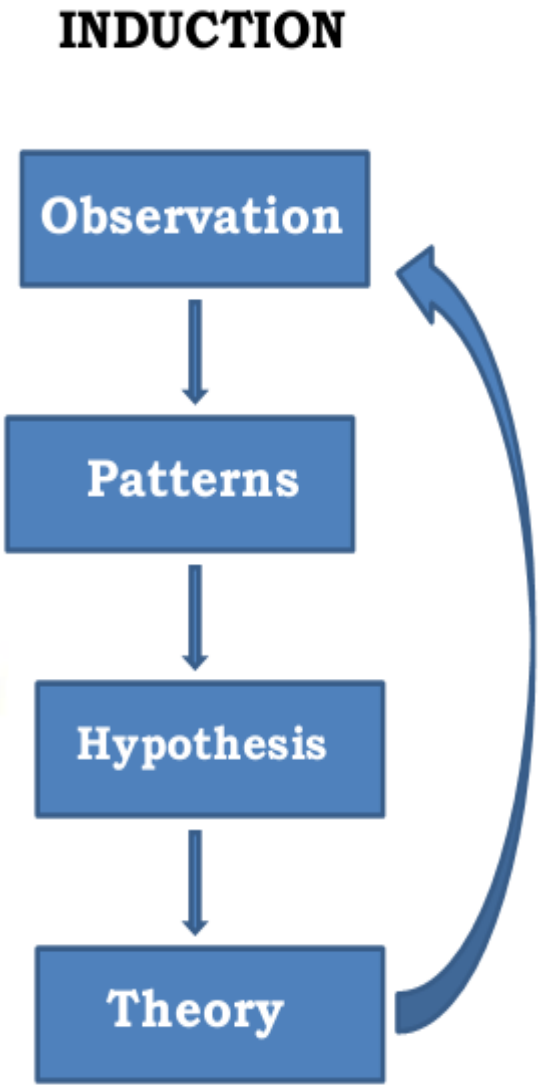
Weberian Tradition #1



Weberian Tradition #2



Case Study #1: The Black Swan



We can't generalize only upon the instances of our earlier experience!

"Hindsight is always 20/20"

Black Swan is a highly improbable event with three principal characteristics:

1. it is unpredictable;
2. it carries a massive impact;
3. and, after the fact, we concoct an explanation that makes the event appear less random, and more predictable, than it was.

Examples: The astonishing success of Google or Facebook was a black swan; so was 9/11.

Case Study #2: The Butterfly Effect

- **The Butterfly Effect:** Big movements of change have often started with tiny events or personal decisions that ended up affecting the history of our world. They can spread out
  - **in Domino Effect:** A chain reaction that is the cumulative effect produced when one event sets off a chain of similar events. Sometimes this is just a simple process of **Causation** what connects one event or process with another process or state;
  - **in Mechanisms:** The effects of tiny effects are not direct, they spread out in complex strings of transmissions.

- **Example: Arab Spring**
  1. Mohamed Bouazizi, who set himself on fire to protest against an unjust government;
  2. His action ultimately set off revolutionary movements in the whole part of the Arab World.

- **Example: Global warming effects**

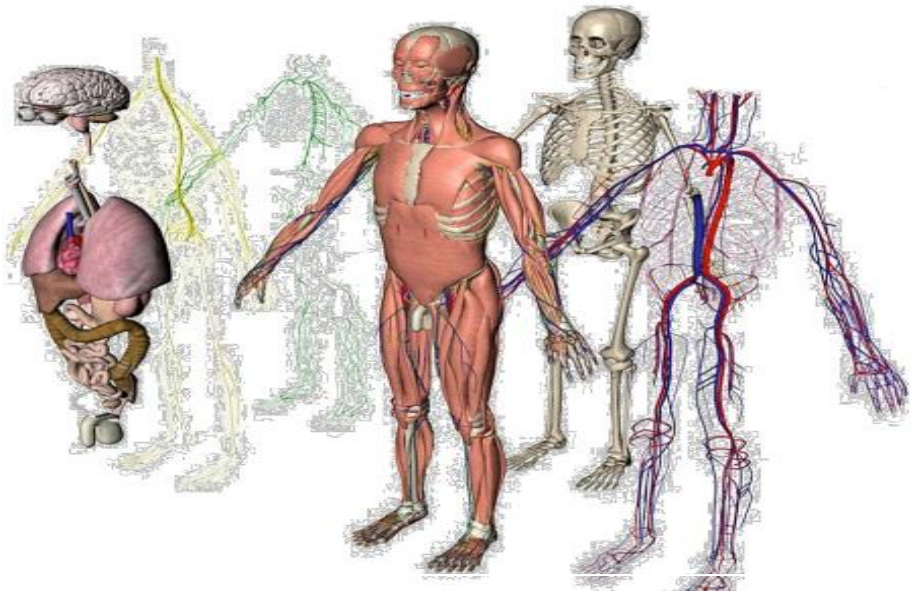
Case Study #3: The Unk-Unk Problems

- The *unk-unk* (unknown-unknown) *problems* are originally from engineers majoring in space researches, who label all the phenomena in a process in this way, which cannot be grasped or predicted. The famous Prussian military theoretician, Clausewitz, emphasised in his writing in 1832 that there is no such a human activity in which we shouldn't face uncertainties and risk, and so a military strategy never could be the subject of choice rested upon pure military considerations. In fact, this is generally true for the process of any decision-making, and the term "*unk-unk problems*" often appears in strategic planning and in project management.
- The then United States Secretary of Defense, Donald Rumsfeld, at a news briefing on February 12, 2002 spoke about the lack of evidence linking the government of Iraq with the supply of weapons of mass destruction to terrorist groups.
- Later, after he had repeated his statement on the NATO summit in June of 2002, and it had been added on to the list of casus belli against Baghdad, the US president got warranty from the Congress to mount an offensive against Iraq in October of 2002.

"Reports that say that something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say, we know there are some things we do not know. But there are also unknown unknowns – the ones we don't know we don't know. And if one looks throughout the history, it is the latter category that tend to be the difficult ones."

Structural Approaches

- **The Main Idea:**



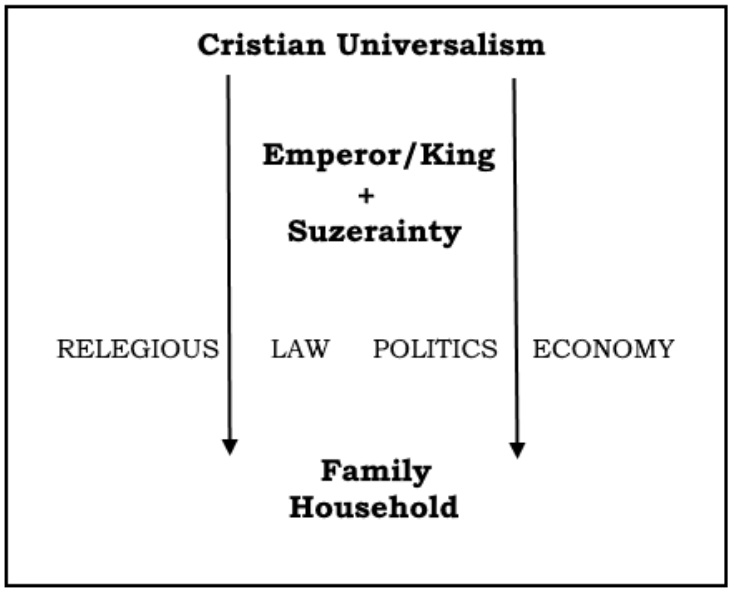
1. Icon: Human body and its functional working.
2. We can only understand and explain the ”parts” of the system by reference to their fit within the whole.
3. Every part is interrelated, i.e., changes in one part affect other parts in both subtle and profound ways.
4. Holistic: the whole is said to be greater than the sum of its parts.

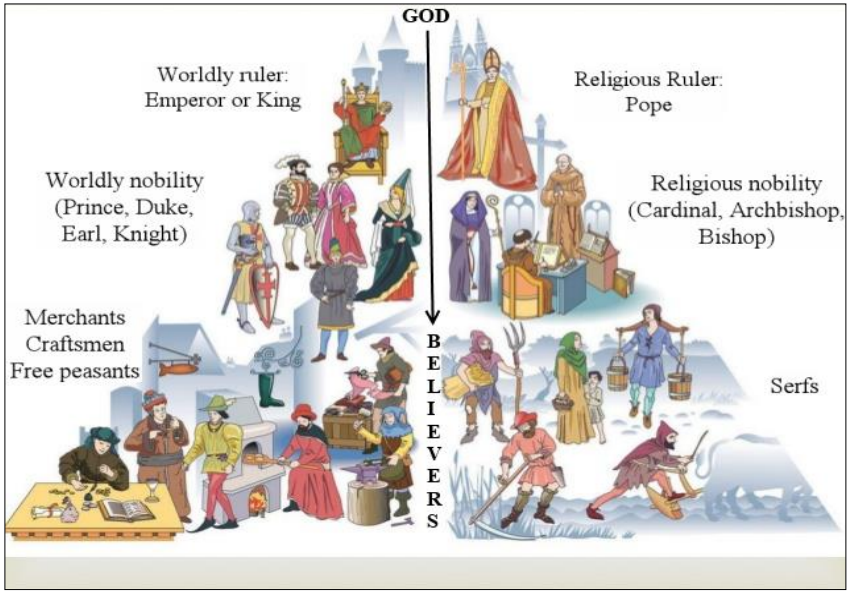
- **The key points of structural approaches:**
  - ✓ Structures are enduring, but not permanent
  - ✓ Structures contain a specific logic and dynamic
    - **Functional explanations** account for institutionalized aspects of the social system
  - ✓ Structures create particular relationships (e.g. 1) The balance of powers in IP: Dominant country-subordinate country; 2) The division of power/checks and balances; 3) Social arrangement: the settlements of the people in society)

Structural Approach: Case Study

- **Feudal Social System:**

  - ✓ Society is divided into distinct but related part;
  - ✓ Each part had a pre-determined function or role meant to keep the system intact and operating smoothly: once created, the system became highly resistant to change.
  - ✓ The Integration of Social Interactions:



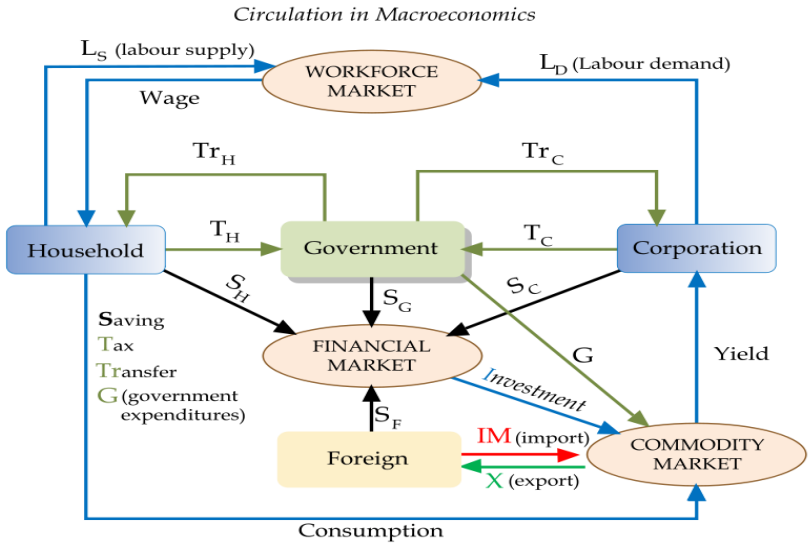


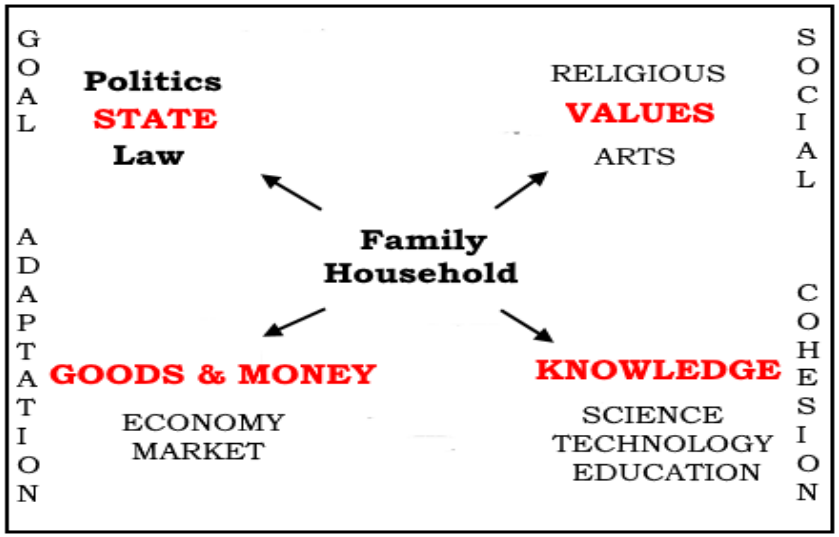
Christian Universalism: the view that all human beings will ultimately be "saved" and restored to a right relationship with God.

Suzerainty: a relationship in which one region or polity controls the foreign policy and relations of a tributary state

Structural Approach: Case Study (cont.)

- **"Modern" Social System (with Capitalism):**
  - ✓ "Secularized state"
  - ✓ Individuality & Social mobility
  - ✓ Rational attitude and efficiency
  - ✓ Capitalism is the key and most powerful structure of the contemporary period: it shapes almost every aspect of our lives and even shapes our very consciousness.





- ➢ The increasing complexity of social interactions
  - ✓ Rationalisation
  - ✓ Differentiation
- ➢ The autonomy of the different social realms

Structural Approach: Case Study (cont.)

- **Feudal Social System:**
  - Superstitious attitude,
  - Lack of Individuality,
  - *"Self-impose immaturity [...] the inability to use one's understanding without guidance from another."* (Immanuel Kant)

Monty Python and the Holy Grail (1975)

- **Capitalist System:** "Marketisation" of Society
  - *Oppressive Inequalities:* when money determines the access to the essentials of "good life" such as decent healthcare, best education, political voice and influence in social life, etc.
  - *When market and trade extend beyond material domain, they change the character of the goods and the meaning of social practice* → that may undermine values and attitudes that are the basis for the cohesion of society.

Constructive Approaches: The need

- **Richard Feynman:**
  - It is hard to make up a very crazy idea – witches, for instance. "How could people believe in witches in the medieval ages?" And you turn around and you say: "What witches do we believe in now?"
    - ✓ **All the people are doing the same ritual** – some kinds of ceremonies such as brushing one's teeth – **for no good reason?**
    - ✓ Take the world from another point of view. And think about it from a new point of view.

Richard Feynman: Take the world from another point of view (1973)

- **Brene Brown:**
  - The lot of "small" uncertainties in social life makes us vulnerable, and we want to numb it. The means of this seem to imply some social practices:
    - ✓ **Different forms of compensation** → Addictions;
    - ✓ **"We make the uncertain certain"** (in religious, in politics, in media, in social relations):
      → "I am/we are right, you are wrong, shut up",
      → The lack of discourse and conversation.
    - ✓ **Blame** → A way to discharge pain and discomfort.
  - The bright side of vulnerability: "I am Enough"
    - ✓ "Vulnerability is the core of shame and fear, but it is also the birthplace of joy, happiness, creativity, belonging and love."

Brene Brown: The Power of Vulnerability (2013)

Constructive Approaches

- **The Main Idea:**

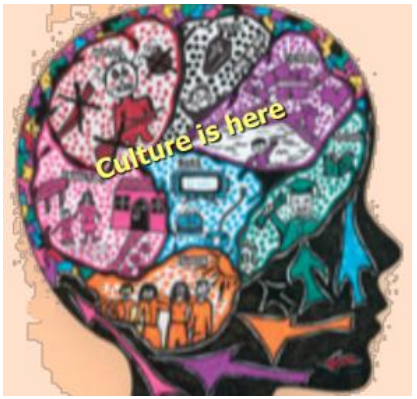
*"Sociology is a science which **attempts the interpretive understanding** of **social action** in order thereby to arrive at a causal explanation of its course and effects."*

Max Weber

- ✓ Most constructivists refer back to the work of Max Weber, who set out the task of sociologists to understand the **subjective motives** and **world views of actors**, which are important factors **having an impact on our social world.**
- ✓ However, **in a much less automatic and determining way than objective explanations** based on clear causal relationships between readily observable phenomena. (A reflection on Weber's original stance)
- ✓ Constructivists emphasise **the role of norms in people's behaviour**.
- ✓ Constructivists are interested in **the role of informal institutions.**
  - Formal institutions are based on written or explicitly acknowledged principles, rules and norms.
  - Informal institutions are merely stable patterns of practice.

Constructive Approaches

- **The key points of constructive approaches:**
  1. **Cultural patterns and norms as "constructors":**
     - ✓ Culture is a shared, learned and symbolic system of values, beliefs, ideas and attitudes that shapes and influences our perceptions and behaviour.
     - ✓ Culture is subjective: culture is what we think it is (or want it to be) → culture can be manipulated, redefined or re-shaped;
     - ✓ Culture is intersubjective: it is shared among members of a community, tribe, society, nation, etc.



shared by members of a society; no culture of one

culture is symbolic as opposed to tangible

culture is intersubjective: it exists inside or collective heads

learned: culture is not transmitted genetically, but must be actively passed down

mutually constructed: culture is not created through a one-way process, but is a product of social interaction

internalized: culture is habitual, taken for granted, perceived as natural

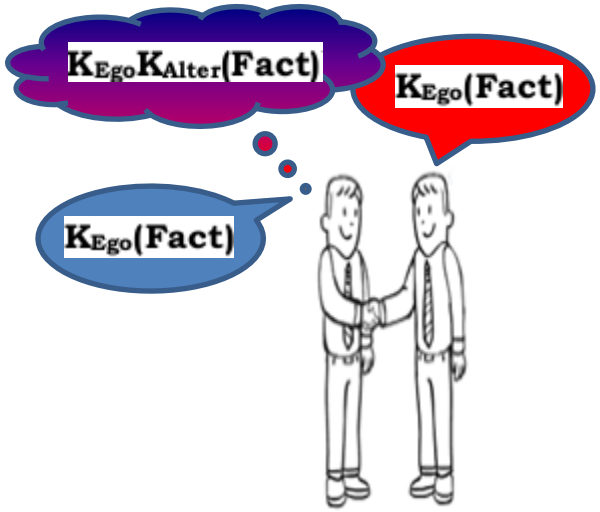
Collective Representation of Society

Émile Durkheim: De La Division Du Travail Social, 1893
(The Division of Labour in Society)

There is a collection of feeling and beliefs in the common members of society, which consitutes a common, specific system of which has an own life. This is a collective mind.

The presumption of collective mind is that there must be a mutual part of secondary mind. Something about which everybody knows the others know. The absence of this community, "the mind of ours" cannot be evolved.

- **Primary, secondary mind, and common knowledge:**
  - ✓ **Primary:** what I thinks/know about fact: $K_{Ego}(Fact)$
  - ✓ **Secondary:** what I thinks/know about what the other(s) knows/thinks about fact: $K_{Ego}K_{Alter}(Fact)$
  - ✓ **Common knowledge**: Primary mind plus secondary mind plus third mind, and so forth. ← **MODERN INTERPRETATION**



- **Alternative Conceptions:** Collective representation of society is
  - ↦ as a Collective Mind (Émile Durkheim);
  - ↦ in the third world of knowledge (Karl Popper);
  - ↦ working by cultural replicators called memes (Richard Dawkins);
  - ↦ as a result of deliberation (Jürgen Habermas);
  - ↦ in institutions (David Bloor and S. Barry Barnes).

Constructive Approaches

- **The key points of constructive approaches:**

2. Culture as power:

- ✓ The ideas, beliefs, values and identities of culture have power at both individual and collective levels.
- ✓ **Example #1:** Mohamed Bouazizi, who set himself on fire to protest against an unjust government; his action ultimately led to the collapse of 23-year long dictatorial rule in Tunisia.
- ✓ **Example #2:** The ideas of freedom and liberty have played a central role in American culture: they have inspired and moved Americans for centuries, and ever since.

Patrick Henry's famous words, "Give me liberty, or give me death" made in 1775.

Constructive Approaches

- **The key points of constructive approaches:**

3. Theories of Middle Range:

Robert K. Merton

✓Don't create grand theoretical schemes. We should be more specific to be able to test directly by empirical research;

✓yet sufficiently general to cover a range of different phenomena.

- **The constructive (cultural) approach: some caveats**

✓The impact of culture may vary depending on a particular set of political, social and economic circumstances;

- Culture never "acts alone".

✓"Culture" as an independent variable is not easy to use;

- Cultural agents can be both causes and effects.

✓The subjective nature of culture means that it is tentative (it can and does change);

- it is also subject to various, even contradictory interpretations (it is not "monolithic").

II. Collective Actions

Private vs. Public Goods

- **Private goods:**
  - ✓ Goods that can be used in separate units → **divisible goods**
  - ✓ Individuals can have access to private goods by bargaining with other people
  - ✓ Example: food, clothing, houses, cars, etc.

- **Public goods:**
  - ✓ Goods that are **inclusive**, i.e., jointly consumed.
  - ✓ Public goods are collectively desirable, and are **jointly supplied** to their potential users.
  - ✓ **Must share in potential utilities and damages**.
  - ✓ Example: sea, roads, protection and security, etc.

The Individual Logic

- **Trouble:**
  - Individuals interested in using public goods may not have incentives to contribute to their provision because they can expect not to be excluded from access.
  - Who will bear the costs of provision?
- **Mancur Olson: The Logic of Collective Actions (1965)**

Mancur Olson

The individual logic of deciding whether to participate can be represented by this collective action function:

$$EU = u*p - c$$

where
- EU is the expected utility (reward for an individual for participating in collective action);
- u is the benefit (utility) from accessing the public good;
- p: the probability of the effectiveness of individual action if the individual is ready to participate;
- c: the cost of participation.

Remark: For private goods we can use the same function subject to $p=1$, since for private goods the individual action ("paying the price") always makes a difference to obtain the good.

The Paradox of Collective Actions

- **The Failure of collective actions:**
  - **Free Rider:** Someone who is able to use the public goods without contributing to their provision.
  - If the majority of a community opt for being free rider, they will abstain from participation, and thus collective action will end with no success.
  - This conclusion is true even if the individual longs for the successful result of the collective action.
  - **Example #1:** The dilemma of striker.

To join or to remain at home?

  - **Example #2:** The dilemma of rational voter:

Let u = 3000€ be my expected annual benefit if the candidate I prefer will be the winner in a voting.

My benefit would be less than the cost of voting. Why, then, would I go for voting?

The likelihood that my vote will determine the result if the number of voters is

N=1, then p=1, thus EU = 3000€.

N=5, then p=1/N=0.2, and thus EU=600€.

N=1000, then p=0.001, and thus EU=3€.

The Spontaneous ways out of the paradox

- **When the paradox of collective actions does not occur:**

1. If the provision of public goods gives considerably more benefits to one or more members of the community than the total cost of their supply: **u >> c** for them.
   - ✓ In this case that member(s) will be willing to cover the incurring costs.

2. The influence of the number of the community:
   - ✓ In latent, large communities a single person's contribution to the collective action does not influence on the success of the action.
   - ✓ In contrast to small groups where each actor knows the significance of his contribution.

➢ **Conclusion:**
- ✓ Smaller groups may exploit the larger one.
- ✓ Smaller communities can be more effective than larger ones.

3. **Warning!**
   - ✓ The paradox of collective actions occurs only if there no exist (informal) ties among the actors.
   - ✓ The network of ties may significantly affect the motives of the members in a community.

Case study: The Size of Communities (#1)

- **What is the effective size of communities?**
  - Group's (or community's) level of organization and effectiveness in promoting its interests will largely depend on the size of the group. But, be careful, it's a puzzling question.

1. **Small is more effective than big:**
   - ✓ In collective action function, ***EU = u*p – c***,
     p captures the individual subjective estimation if he is worthy of being undertaken to the contribution of the provision of public good.

   - ✓ Generally speaking, *p* is an inverse function of the size (*S*) of the group: *p = 1/S.* → A single individual tends to be less influential in large groups.
     - If *S* is large, *p* will be small, and so will be the product *u*p* in the function.

   - ✓ Conclusion:

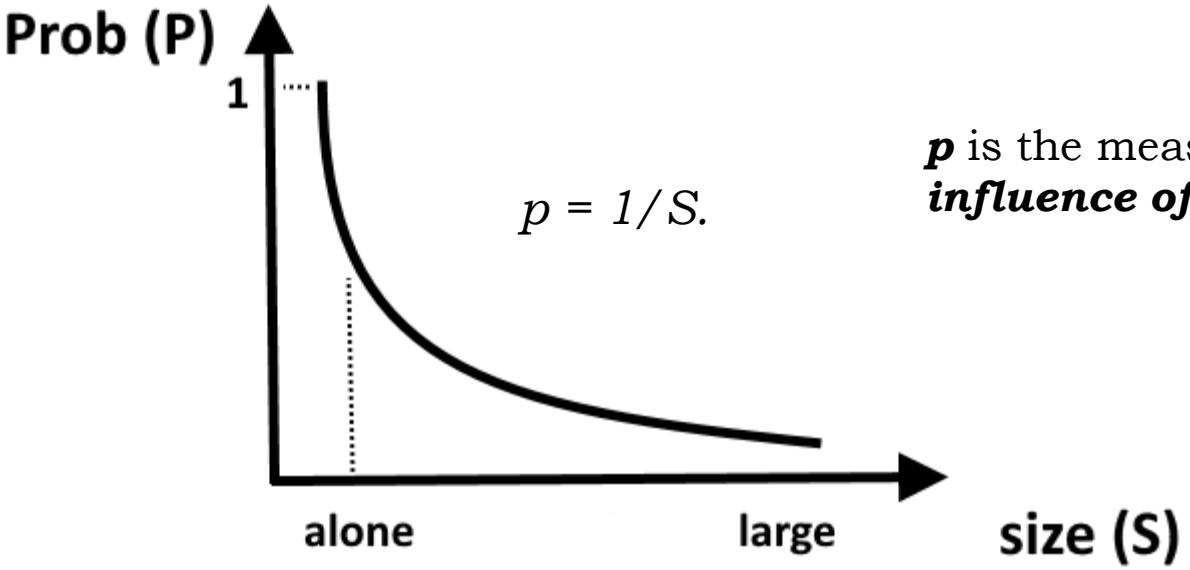
"The incentive for group action diminishes as group size increases, so that large group are less able to act in their common interest than small ones."

Mancur Olson

Case study: The Size of Communities (#1)

If *S* is large, *p* will be small,

and so will be the product *u*p* in the function, ***EU = u*p – c.***



p = 1/S.

p is the measurement of ***the influence of individual action***

Case study: The Size of Communities (#2)

- **What is the effective size of communities?**
  - Why is it worth being small?

    Smaller groups exploit the larger one.

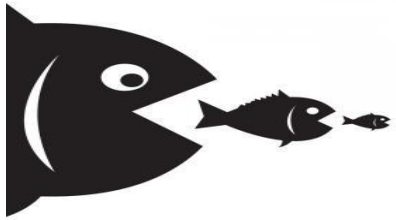
    - The capture of the government by pressure groups
      - ✓ They may seek public subsidies, protective tariffs, etc.
    - In IP: Small states obtain benefits from large areas of free trade and from international security alliances
      - ✓ Their contribution to the provision of universal or large-scale public goods less than proportionally to their relative share.

  - Pipe down! We also have other experiences in life:

    2. **"Big fish eat small fish"**:

    "Master, I marvel how the fishes live in the sea.
    Why, as men do a-land: the great ones eat up the little ones."
    William Shakespeare: Pericles

    - Suppose there is a successful new startup. Big companies start to eye the smaller ones. Finally they acquire the small startup even though the startup wants to be independent. It couldn't keep its independence due to its limited financial resources.



The Different Types of Public Goods

- **Here we have another phenomenon that is worthy of attention**
  - The expected contributions by individuals to the provision of public goods partly depend on the characteristics of the different types of goods:

1. Pure Public Goods:

- ✓ Those public goods that can be used by one person without modifying anyone else's satisfaction or utility.
- ✓ **Examples:** Air, cable services, scientific discoveries, etc.

2. Network Goods:

- ✓ Those public goods that give higher potential benefits to each user the higher the number of users.
- ✓ **Examples:** Insurances, currencies, internet (WWW).

3. Rival Public Goods:

- ✓ For this type of public goods, one additional person's use of the good can diminish the utility of other people using the good.
- ✓ **Examples:** Roads, beach, natural resources, etc.

Selective Incentives

- **The Idea:**

1. One mechanism to make people contribute to the public goods may be the conditional supply of private goods to the participants in collective action.
   - ✓ This can create selective incentives for individuals to cooperate.
   - ✓ They are ”selective” because they are individually and not jointly supplied.

2. Selective incentives can be: 1) moral or material; 2) positive or negative.
   - ✓ **Example:**
     - Material, positive selective incentives: gifts, perks for members such as insurance, clubhouses, and discounts in shops, hotel or car rental.
     - Negative ones can consist of fees, fines, or taxes.
     - Moral incentives: prestige, awards, access to social netwoks.

- **Definition:**

Selective incentives are private goods provided conditionally to the participants in collective action.

On Mechanisms from a more general view

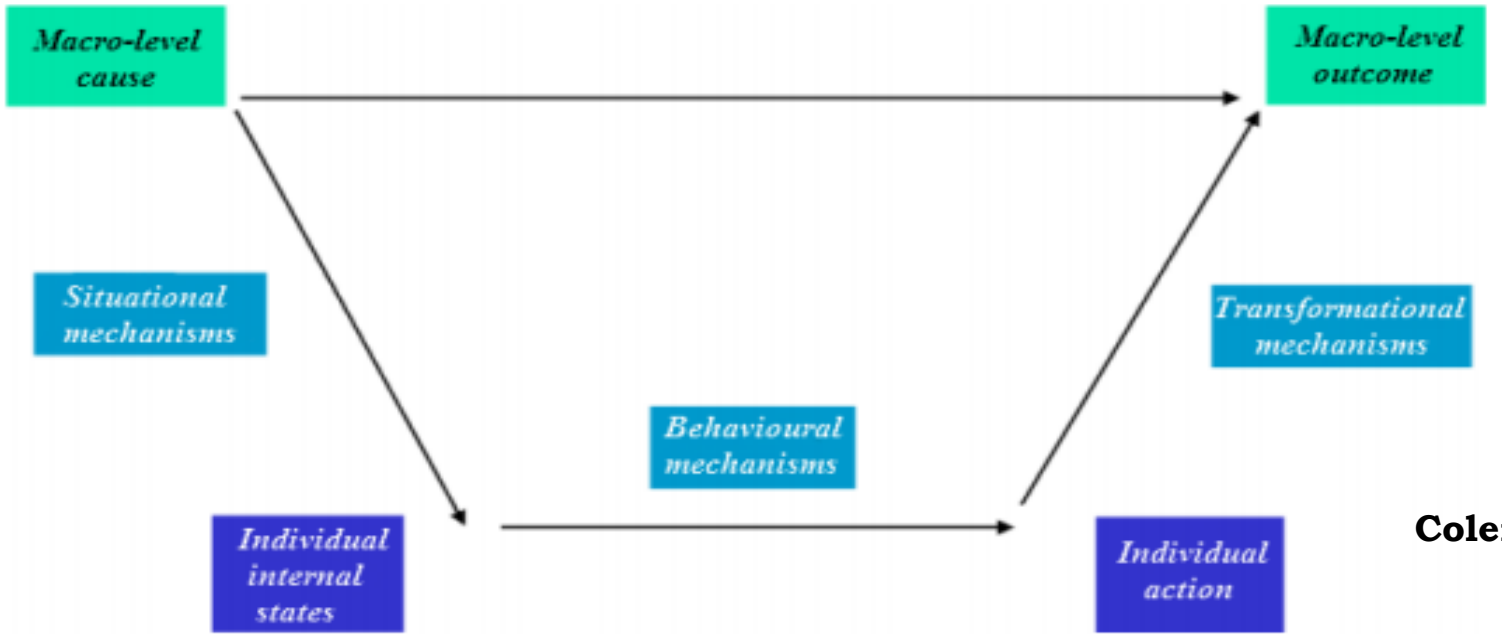
Types of mechanisms (Coleman) :

- *Situational Mechanism* explains how macro-level phenomena affects individual who gets into a situation.
- *Behavioural Mechanism* explains how individual internal states affect individual behaviour, or in other words, how people act given their motives and situations.
- *Transformational Mechanism* explains how individual's mind and beliefs induce some actions, which produce macro-level phenomena (e.g. morbidity or mortality rate). $\mapsto$ Aggregation, Strategic interaction (Game Theory)

1. The scope of mechanisms is not universal like that of laws.

2. Micro-level processes are certain, but their effects at macro-level are probabilistic.

3. There are law-governed causal patterns at micro-level and plausible effects at macro-level



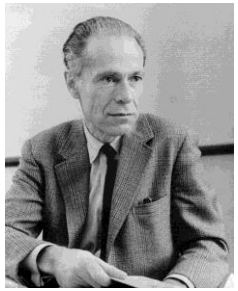
Coleman's Bark

Voice and Exit

- **The Idea:**

1. The choice to participate in collective action also depend on the alternatives available.
   - ✓ If an individual is interested in a public good, but the costs of joining the group or a network is too high, he may choose to seek an alternative provider or move to an alternative setting in which the public good is already provided.

2. According to Albert O. Hirschman (1970), there are two options as rival actions on the side of individual:

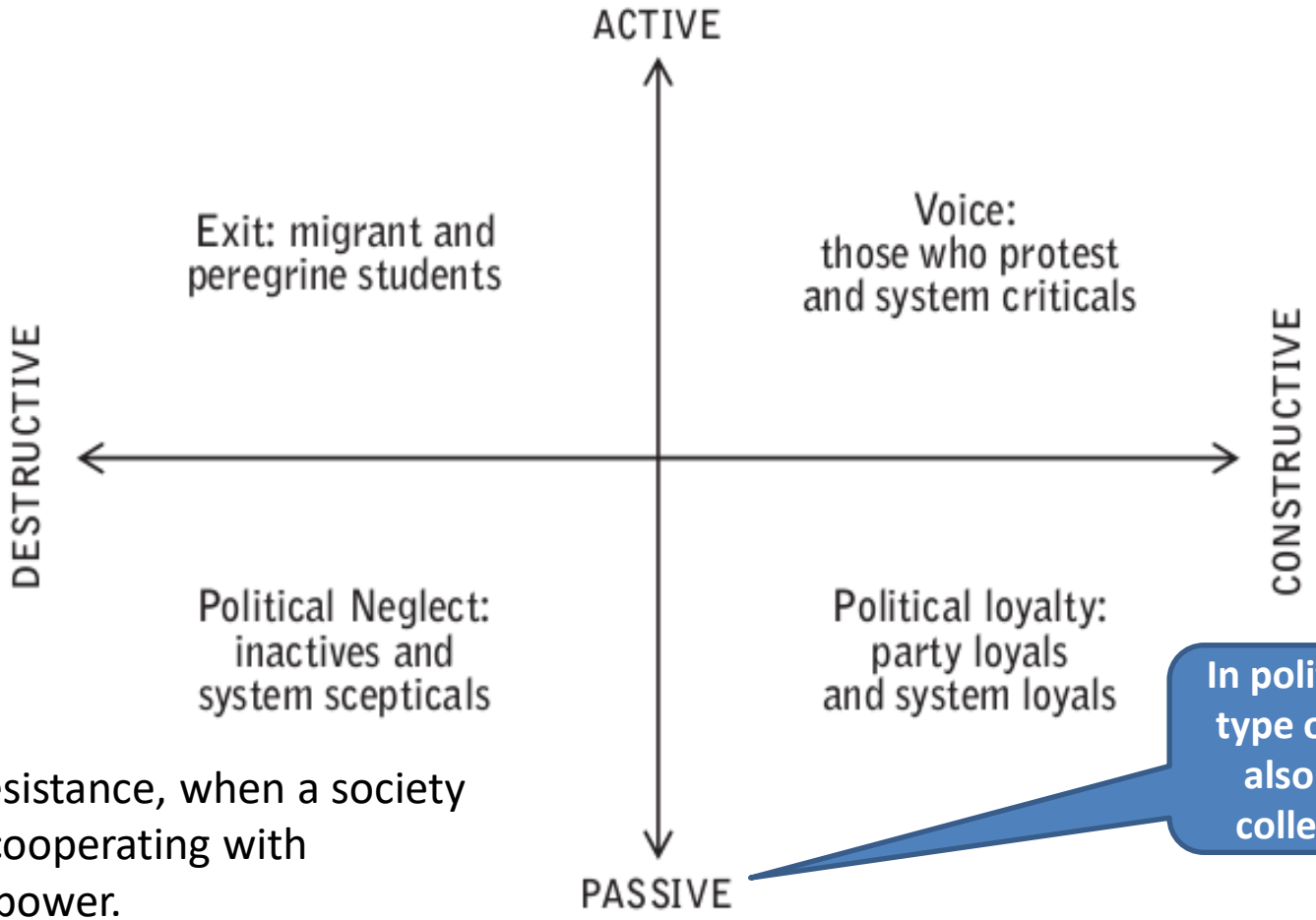


Albert O. Hirschman

- **Voice** is a part of the correctional mechanism, when members of a community express their dissatisfaction to the leaders or higher authority, or in the event of a general protest.

- **Exit:** a move to an alternative provider of public goods, whether this implies leaving to join a different group, voting for another party, moving or emigrating (also called ”voting with one’s feet).

Case Study: Focus on Voice and Exit



Passive resistance, when a society gives up cooperating with reigning power.

In politics, a certain type of passivity is also the part of collective action

Rusbult and co-authors expanded model (1982)

III. Cooperation and Conflict

Theory of Actions and Game Theory (#1)

- **Game Theory**
  - is a mathematical theory that studies decisions in *situations where one's decision depends on expectations as to what others will do.*
  - is a systematic study of strategic interaction. In a situation like that, each actor must decide whether to cooperate or to defect (to compete).

"In many-player situations it arises that all the player's lot depends on the actions of their partners", and in these cases the question is "how they have to play to get the best result they can [...] hardly can imagine a situation in ordinary life where this problem is not relevant."

John von Neumann

- **Classifications of interactions in Game Theory:**
  - The sitch of collective actions has specific structural-logical framework, and we can characterise it by Game Theory. We have some metaphors:
    - ✓ Zero-sum games in which gains for some participants imply losses for others. Metaphor: Matching Pennies.
    - ✓ Non-zero-sum games: positive-sum (win-win) or negative-sum (lose-lose) situations. Metaphor: Prisoner's dilemma.
    - ✓ Coordination game which implies easy cooperation among people. Methaphor: Invisable Hand Game.

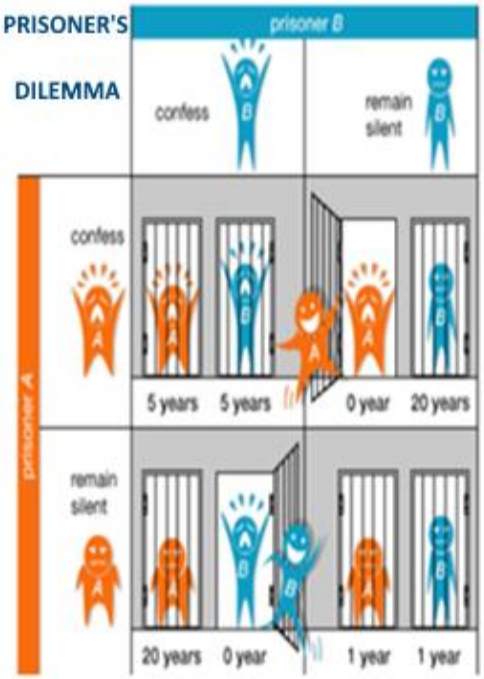
Theory of Actions and Game Theory (#2)

Player A \ Player B	h	t
H	1, -1	-1, 1
T	-1, 1	1, -1

Each of two players puts down a coin on tht table without letting the other player to see it.

Player A is the winner if the coins match, i.e.,both coins show heads (Hh) or both show tails (Tt).

Player B is the winner if the coins do not match (Ht or Th).



COMPANION	ME	
CONFESS	CONFESS	-5
	DENY	-20
DENY	CONFESS	0
	DENY	-1

PREFERENCE: DC CC DD CD

PAYOFF: 0 -1 -5 -20

EQUILIBRIUM

Invisable Hand Game:

	D	C
D	-5, -5	0, -20
C	-20, 0	-1,- 1

DC CC DD CD

	D	C
D	-5, -5	-20, 0
C	0, -20	1, 1

CD CC DD DC

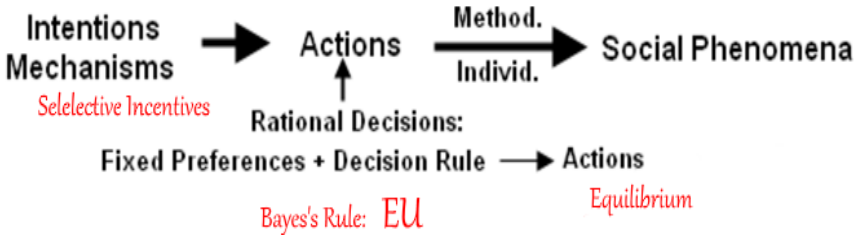
Adam Smith's story

Two prisoners are suspected of taking part in a serious crime and shut up in separate jails. The punishment depends on whether or not they confess. If both confess, they will be sentenced to five years. If neither confesses, both will get a sentence to one year on account of a lesser guilt. If one confesses and the other does not, the former will be free, while the other will receive a severe sentence of twenty years. What should they do?

Theory of Actions and Game Theory (#3)

↦ **In Game Theory the task is to find the equilibrium of the game**

- *The equilibrium* of the game is what the player has to follow if he does not want to come off badly.
- *The definition of equilibrium* depends on domination. In the prisoner's dilemma the dominant strategy is to confess (D). This is the optimal choice for both players independently of the other player's reply.



- **What is symmetric 2x2 dilemmas?**

  The situation and the positions of the players are the same but they arrive at different circumstances by choosing their strategies.

Some models of conflits

Prisoner's dilemma: DC CC DD CD

Game of Chicken: DC CC CD DD

Deadlock: DC DD CC CD

Security dilemma: CC DC DD CD
(or Stag Hunt)

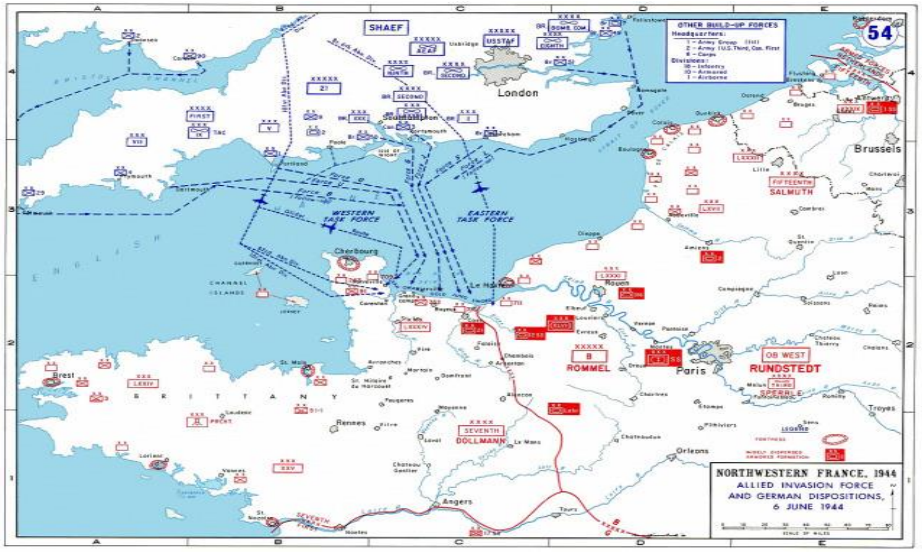
- In an asymmetric dilemma the players are in the same situation but their position are different.

Case Study #1: The D-Day

- **Strategies:**

  The Allies can invade either Calais or Normandy.

  Germans can choose between concentrating their forces at Calais or at Normandy.



- **Payoff matrix:**

		Allies	
		Calais	Normandy
Germans	Calais	(1; -1)	(-1;1)
	Normandy	(-1;1)	(1;-1)

- **Assessment:**

  ✓ This is a zero-sum game, the logic of the game is similar to the Matching Pennies game. And so is its payoff matrix.

Illustrative examples (#2)

- **Fare-dodging:**
  - ✓ **C**ooperation: To buy the ticket
  - ✓ **D**efection: To be a free-rider
  - ✓ Individual interest (D) ←→ Common interest (C)
  - ✓ For a long-run, individual interest is the same as common interest.

Fair Passengers

Preference Profile: **DC** **CC** **DD** **CD**

2 **1** **-1** **-2**

Exploited passenger(s)

Fare dodger

Corruptness & CRACK

Social Interest: **DD → CC**

Case Study #2: The Dilemma of Striker

- **Strategies:**

  Defection (D): ”If the strike will be successful I will get the higher salary without being among the strikers. I would rather stay at home.”

  Cooperation: ”I simply can’t let my colleagues down.”

To join or to remain at home?

My own ”egoist” position: to play strategy D but to expect others to play C.

Preference Profile: **DC** **CC** **DD** **CD**
2 **1** **-1** **-2**

However, if the majority of the potential strikers opt for abstaining from the strike (practically it means DD), it will end with no success.

Why me?

- **Payoff matrix:**

	D	C
D	**-1, -1**	2, -2
C	-2, 2	1, 1

- **Assessment:**

  ✓ The dilemma of striker is a Prisoner’s Dilemma: If each actor has incentives not to cooperate (because you fear or you are lazy), the strike will be insufficient, and thus you and your colleagues are worse off than if all cooperated.

Case Study #3: The Game of Chicken

***Game of Chicken – Exploiter*: if row player defects, he remunerates himself, but punishes the other. Their preferences are DC CC CD DD**

	C	D
C	**1, 1**	-1, 2
D	2, -1	-2, -2

D: Remain in the game
C: To swerve off the road

The basic idea of the story goes back to a James Dean's cult classic movie „Rebel Without a Cause", and the name of the game is from Bertrand Russell. Two guys compete with each other: they drive their stolen cars to a precipice in a narrow path. The one who swerves off the road is the chicken, and the other going straight on is the winner. What should they do?

Preference Profiles in an **Invisible Hand Game** is

CD CC DD DC

This is an instance of coordination games

(All the symmetric 2x2 games that are not coordination-like, i.e. they are real conflicts, are marked by a red dot.)

Preference Profiles in a **Prisoner's Dilemma** is

DC CC DD CD

Preference Profiles in a **Chicken Dilemma** is

DC CC CD DD

Case Study #3: The Game of Chicken (con.)

CUBAN MISSLE CRISIS, 1962

Strategies:

USA: - Cooperative: a naval blockade to avoid the Soviet arms transport, which is followed by a strict action to persuade the Soviet Union to remove the missile basis;
- Defecting: air attack against the Cuban basis, and then may as well be an invasion of the island;

Soviet Union: - Cooperative: to remove the missile basis and stop to the arms transport under certain conditions (the US does not attack Cuba and to moderate her naval policy in Turkey);
- Defecting: to leave the missiles in Cuba.

Outcomes from the US point of view:

DC and CC: These are the two outcomes in which the Kennedy`s expert team was thinking. CC is the natural outcome, and the fear of nuclear catastrophe (DD) makes the Soviets yield.
CD: This means the unacceptable outcome for the US to agree to building up the missile basis in Cuba.
DD: The risk of nuclear war if the Soviet reply is D to the US behaviour tending to D .

Munich Syndrome

USA: DC(2) > CC (1) > CD (-1) > DD (-2)

Nuclear Doom

The US behave in this situation as an Exploiter: she does not make concessions, will defend "the door of America", and to avoid nuclear conflict the Soviet Union is obliged to compromise.
So the US gives her advantage and harms the Soviets by threatening with her own D strategy (CC → DC) .

Soviet Union

USA	C	D
C	1, 1	-1, 2
D	2, -1	-2, -2

US as exploiter:

CC (US: 1, Soviet: 1) → DC (US: 2, Soviet: -1)

Multi-Player 2x2 Dilemmas

- **Multi-player dilemmas** can be considered as n-person dilemmas where a representative player as EGO, who is in the same shoes than the other (n–1) players, plays the game against all the others identified as ALTER (from the term "*alter ego*").

Alters

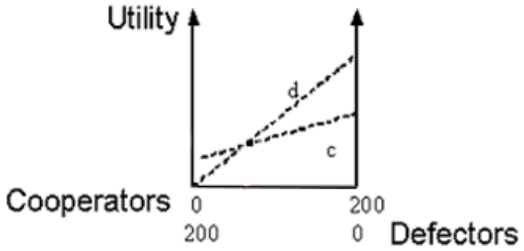
Ego	C	D
C	CC	CD
D	DC	DD

- **Schelling Diagram** is a tool for displaying the expected utility of both the cooperative (c-line) and noncooperative (d-line) players.

- **In a multi-player Prisoner's dilemma** noncooperation is always individual better, in terms of selfish benefits, which is shown in the Schelling Diagram by that the d-line is consistently above the c-line:

There is no intersection point → There is no possible trade-off between Defection and Cooperation → No "optimal" spontaneous resolution to the dilemma → Intervention is needed.

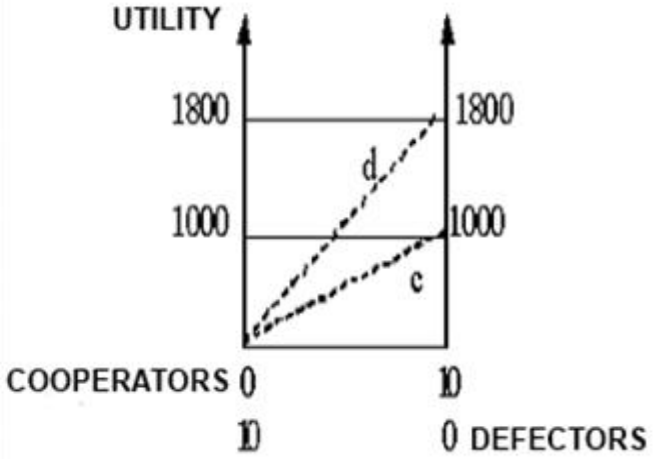
- **In a multi-player Chicken game** there may exist such a trade-off, which is shown in the Schelling Diagram by the intersection point of d-line and c-line.



Case Study #4: The Tradegy of the Commons

Imagine a rural pasture on which 10 farmers graze one cow each by the habits of the village. For the sake of simplicity, suppose each cow weighing 1000 pounds, so the total weight of theirs is 10000 pounds. Once upon a time one of the farmers (the "defector") in order to get twice more profit, breaks the habits by sending one more cow to the pasture. From this time on, there are 11 cows on the pasture, and since each has a bit of less grass to eat, they are able to put on weight up to 900 pounds. However, the defector whose has two cows on the pasture is a better position than the others who cooperate: he has two cows weighing 900 instead of one weighing 1000 pounds. Each farmer who is willing to cooperate has a loss of 100 pounds, and the village as a whole loses 100 pounds, too, because the total weight of the 11 cows weighing 900 pounds is 9900 pounds instead of the original 10000 pounds. This is not a big problem otherwise, but what happens if more and more farmers think that they want more profit and also send another cow each to the pasture.

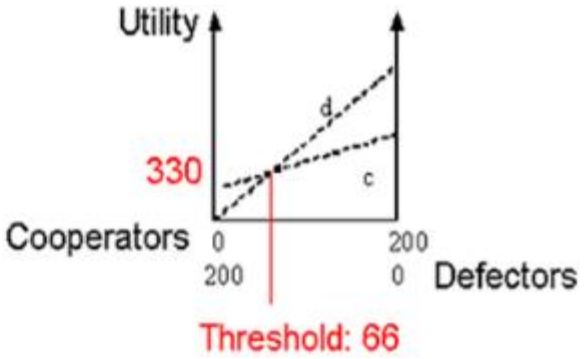
THE NUMBER OF COWS	THE GAIN OF COOPERATORS	THE GAIN OF DEFECTORS	THE TOTAL WEIGHT OF COWS	THE TOTAL LOSS OF WEIGHT
10	1000	0	10000	0
11	900	1800	9900	100
12	800	1600	9600	400
:	:	:	:	:
19	100	200	1900	8100
20	0	0	0	0



Case Study #5: The ”Ingenious” Taxi Driver

The case of ingenious taxi driver as a Game of Chicken:

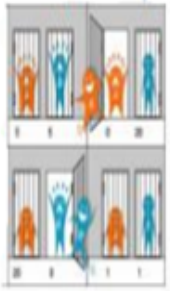
DC CC CD DD



- This case study is a many-player Game of Chicken situation. Imagine that you are in a metropolis and are about to get to the airport in peak time. You are sitting in a cab going in a major road where there is a traffic jam. The driver who knows well enough the roads of the metropolis, makes a detour and save up a lot of time, but the crux is that you need to return later in the busy major road. After some waiting and throng you are able to do it. Of course, several car drivers may do the same, and there are two strategies:
  - Defecting: to turn to the slip road that is also blocked, and back to the avenue will be very difficult because a lot of cars are not easily let in by the cars going along in the major road.
  - Cooperative: No other way, go along in the busy major road and look at your watch.

The Horizon of Time

Prisoner's Dilemma



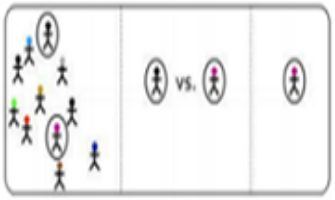
D

The Overvaluation of Cooperation

Reassessment

"Reciprocity" in IP

Axelrod's Tournament



TFT

Axelrod's tournament: Each strategy was paired with each other strategy for 200 iterations of a Prisoner's Dilemma game, and scored on the total points accumulated through the tournament.

Tit for tat is an English saying meaning "equivalent retaliation "

In Western culture a handshake when meeting someone is an example of initial cooperation

The Lesson of Axelrod's Tournament:

The winner was a very simple strategy submitted by Antol Rapaport called TFT that cooperates on the first move, and subsequently echoes (reciprocates) what the other player did on the previous move. The main properties of this evolutionary success are:

- Don't be yellow (envious, jealous)!
- Don't be the first to defect!
- Be foresightful and think of the next interaction!
- Be reciprocative! Welcome to nice gestures, gun for unfairness!

"If you scratch my back and I'll scratch yours"

The Horizon of Time (con.)

- **Finite and infinite horizon of time:**

  This experiment illustrates an important fact that there is a difference between the time horizons of games:

  ✓ It matters if a game
  - is repeated fixed number times (a **finite horizon of time**); or
  - it is repeated unspecified times (an **infinite horizon of time**).

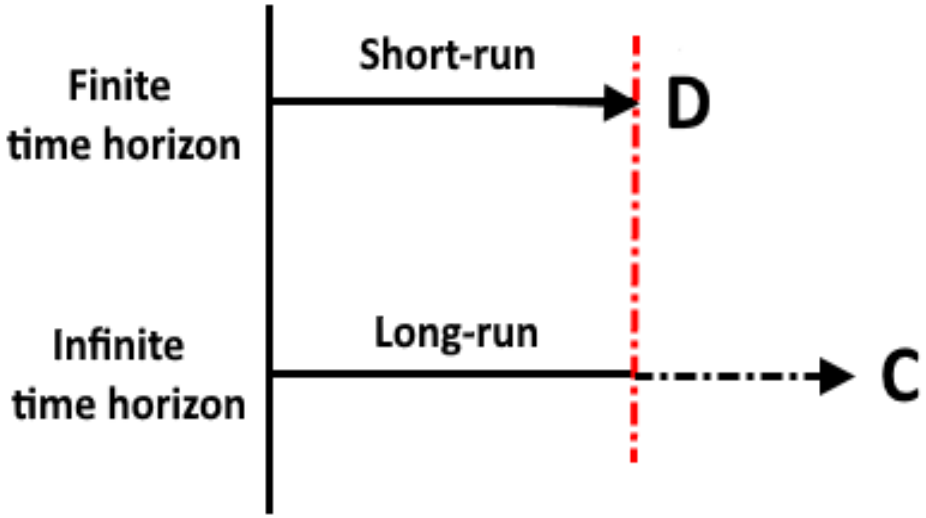
- **Equlibrium in games with finite and infinite horizon of time:**

Time Horizon of Games

Finite	Infinite (unspecified)
Original Equilibrium of the Game.	Overvaluation of Cooperation.
In PD: D	In PD: TFT

The Horizon of Time (con.)

- **Equlibrium in games with finite and infinite horizon of time:**

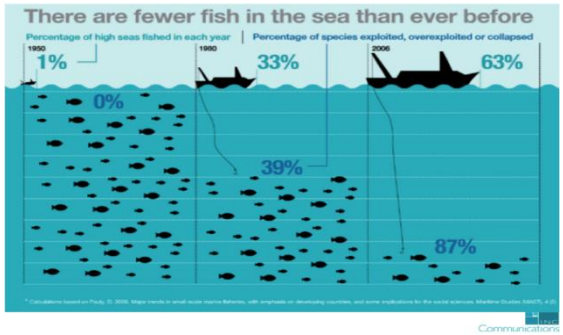


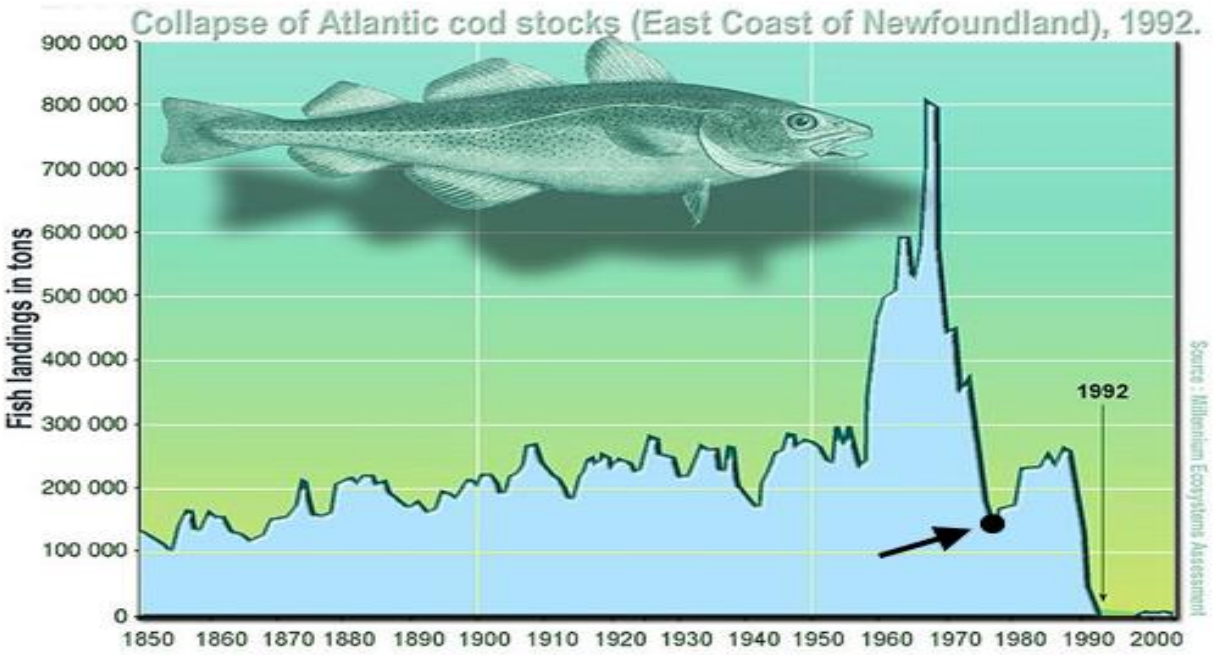
Case Study #6: Overfishing

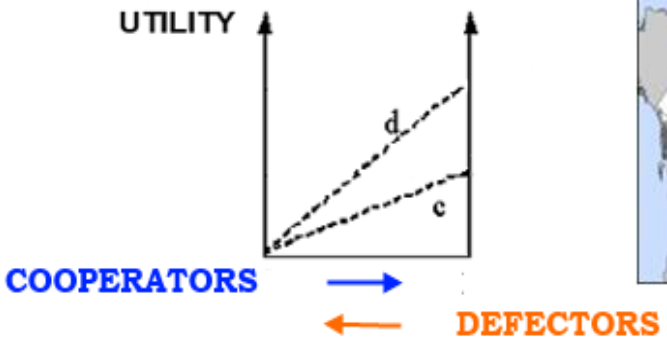
Tradegy of the Commons:

It is a prisoner dilemma with a finite horizon of time

- **Overfishing:** when so many fish are caught that the population can't produce fast enough to replace them.







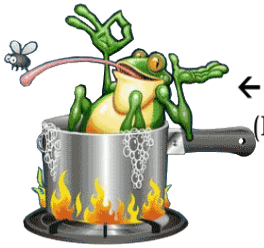
- From the 1960s, offshore bottom trawlers began exploiting the deeper part of the stock, leading to a strong decline in the underlying biomass.
- 1970s: First, Internationally agreed quotas, following the declaration by Canada of an Exclusive Fishing Zone in 1977
- Towards the collapse: National quota systems ultimately failed to arrest and reverse the decline

Case Study #7: Global Warming Effects

Tradegy of the Commons:

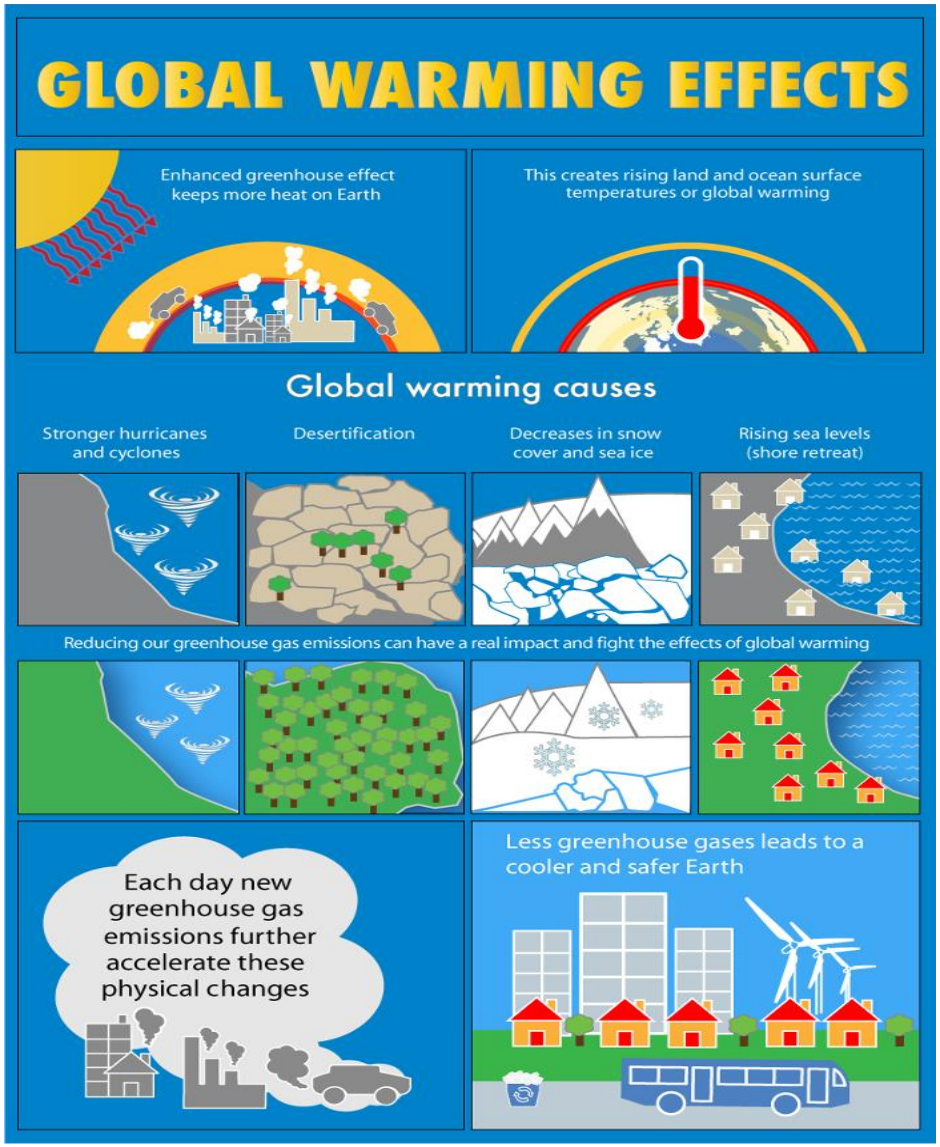
- **Individual Rationality:** Individual users acting independently according to their own self-interest over shared-resources system (e.g. soils, rivers, oceans, freshwater, fishstocks, etc.)
- **Common Rationality:** Set up coercive regulations that restrict over-exploitation of common resources.
- **The Boiled Frog Syndrome:**

Individual rationality →
(Finite Horizon of Time)



← Common Rationality
(Infinite Horizon of Time)

Anecdote: If a frog is placed in boiling water, it will jump out, but if it is placed in cold water that is slowly heated, it will not perceive the danger and will be cooked to death.



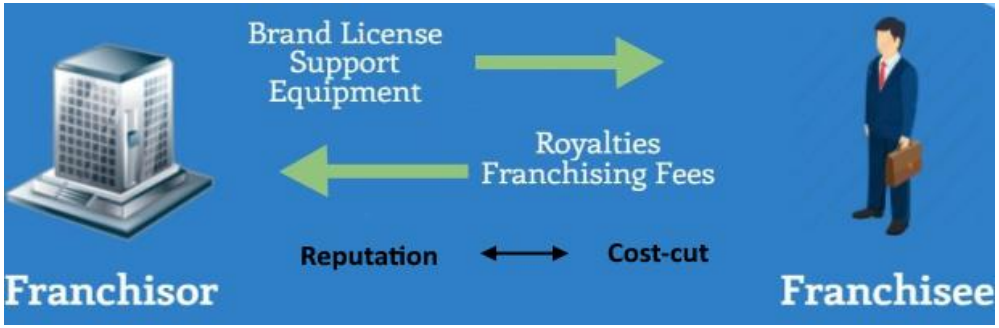
IV. Hierarchy in Socials

The Problem of Social Loafing

- **The Idea:**
  - Team shirking has been documented firstly by social psychologists in 1979.
  - When individuals think their own contribution to the group cannot be monitored immediately (e.g. cannot be measured exactly), team production tend to slacken.
    - ✓ **Experiment:** When confronted with a simple group of task like pulling a rope (tug-of-war), individual effort declines with the number of members in the group.
  - Social loafing is a real managerial trouble, because the output of collective actions will be worse.

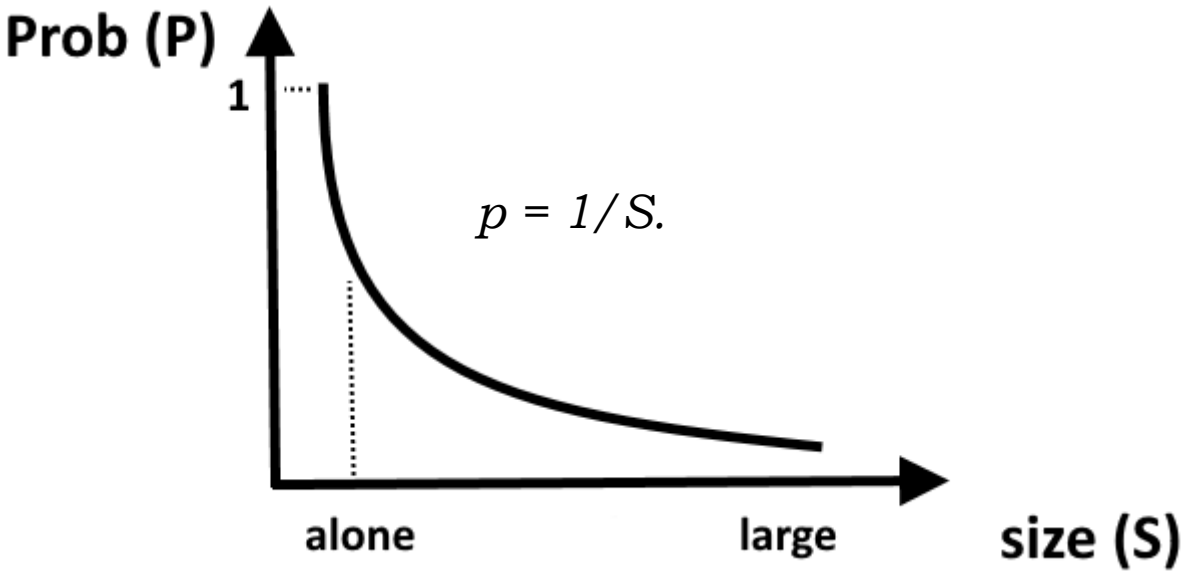
Tug-of-war

- **Example in Business:**
  - **Franchising:** it is a business model that involves licensing of trademarks and methods of doing business. Well-known brands used franchising to take their business global.



  - **Interest conflict**: Tend to cost-cut means a kind of "team shirking" that eventually will lead to the decay of reputation.

Case study: How to keep team motivated? (#2)



Slacking/Social Loafing:

S is getting larger, **p** will be small, and so ***EU = u*p – c.***

p is the measurement of ***the influence of individual action on the team output***

→

Individual effort declines with the number of members in the group.

The members shift the "costs" of duties to others.

Case Study: How to keep team motivated?

- **How to conduce team members to be more engaged?**

Strategic Effort

#1 Team Contract

1. Goals
2. Responsibilities
3. Norms

#4 Create A Line of Sight:

Being able to see a direct impact on the end goal

Operative Effort

#2 Short Frequent Meetings as opposed to long drawn out meetings

#3 Stand and Deliver

The Sources of Social Loafing

- **Information Asymmetry:**
  - In the story of Robinson and Friday the division of labour has resulted in the raising of efficiency.
  - What if Friday starts to slacken off?
    - ✓ He will be complaining that fish don't take the hook, and Robinson has no time to watch after him.
  - So, if Friday's complain is nothing else just cheap talk, his excuse is a case of social loafing rested on asymmetric information.
- **Externalities:**
  - However, if Friday tells the truth, it also could be the origin of social loafing because of losing his enthusiasm due to his "bad luck".
- **Monopoly Power:**
  - In division of labour the party who is specialised in one segment of workflow (*skill*) has the upper hand of the others.
    - ✓ E.g., if Robinson is freaked out, and tries to catch fish himself, it will take time for him to be good again.

Asymmetric information occurs when one party to an economic transaction possesses greater knowledge than the other party.

Externality is a positive or negative consequence of an economic activity experienced by unrelated third party.

Case Study: Asymmetric information

- **In Economics asymmetric information** ***occurs when one party to an economic transaction possesses greater knowledge than the other party.***

#1 *Moral Hazard*

The party with more information has an incentive to increase their exposure to risk because they do not bear the full costs of that risk.

#2 *Adverse Selection:*

One party has relevant information about the other party lacks. However, if this information is misleading, it often leads to making bad decisions, such as doing more business with less-profitable or riskier market.

Social Loafing as PD with Finite Time Horizon

- **Social Loafing as Prisoner's Dilemma**
  - Social loafing can be seen as a free-rider problem.
  - One classical solution to this challenge is by Thomas Hobbes.
  - Hierarchy + Supervisory Authority
    - ✓ Regulated, segmented course of actions organized in a hierarchy of competency can be controllable.

	D	C
D	-1, -1	2, -2
C	-2, 2	1, 1

DC CC **DD** CD

Normative Hobbes Theorem: Structure the law so as to minimize the harm caused by failures in private agreements.

- **Holmström Theorem:**
  - The outcome of team's common action depends on the interrelated individual efforts.
  - If we are uninformed about individual effort levels in a team production situation, there is no way for us to divide the revenues generated by the efforts of the members of the team in such a way as to motivate the appropriate levels of effort.
  - Tend to iron-handed control will lead to decreasing in efficiency: and beyond a certain extent, it is cheaper to tend to voluntary, long-run cooperation.

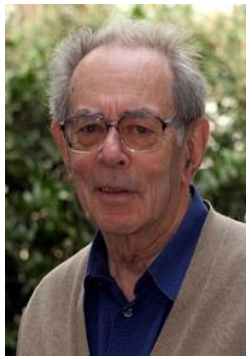
Bengt Holmström

Social Loafing as PD with Infinite Time Horizon

- **Axelrod's analysis**
  - The most important goal of management is "to lengthen the shade of the future."
    - To set goals/visions;
    - To use policies in which expectation of the success of common action is persuasive.

Robert Axelrod

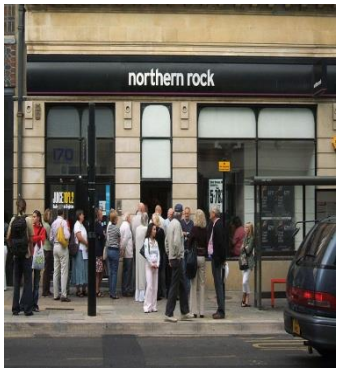
- **Soft Budget Constrain Syndrome (SBC Syndrome)**
  - **Concept:** The behaviour of some organization is affected by the expectation that it will be bailed out if it gets into serious financial trouble.
  - The origins of this expectation could be for several reasons, usually they are rested on moral or political considerations.
  - **Types of SBC Syndrome**: Soft subsidies; Soft taxation; Soft administrative prices.
  - **Crux**: The diminishing efforts of organization to adjust its costs to its revenues (SBC implies *economic slacken-off*). And this might have adverse consequences to the whole economy.



János Kornai

Case Study: SBC and its moral judgement

- **SBC often works as if ”smaller groups might exploit the larger one”**
  - The structure of SBC is always the same: there is a pair of actors, one is in permanent or temporary fiscal trouble with some amount of deficit, and the other one which is ready to bear the costs of deficit partly or completely.
    1. In several countries the agricultural sector or declining industry sectors or regions (”*brownfield belt*”) are state-aided.
    2. So is non-profit or state-run organisations such as hospitals, schools, or local governments.
    3. This kind of aid or bailout often works in fiscal sector (e.g. *Bank-run* – when a large number of people withdraw their money from a bank, because they believe the bank may cease to function in the near future).

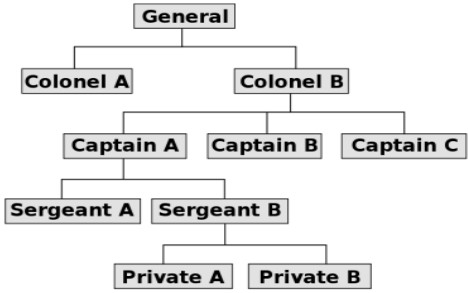


  - **Consequences:** Counter productivity and shortage, such as queuing, decaying services and supply.
  - **Challenge:** Fellow-citizens have different moral judgements about the phenomena of the same origin. WHY?

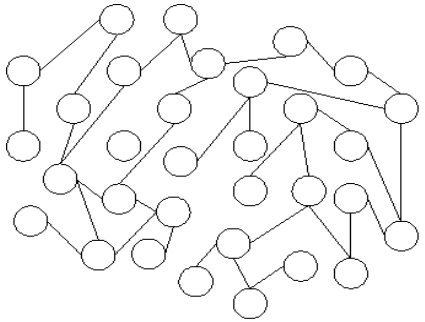
Hierarchy: Horizontal and Vertical

- **Different interpretations for the existence of Hierarchy**
  - **Social Loafing** is just one possible explanation for the existence of hierarchy. It gives a social explanation of how hierarchies are appearing in both horizontally and vertically.
  - **Network Theory:**
    - ✓ In Socials different networks are not evolving randomly, that is to say, any nodes might have equal access to get other nodes. Instead, social networks are increasing by preferential attachment: heavily linked nodes (”Hubs”) in the network tend to accumulate even more links.
    - ✓ In other words, local centres are appearing with their several satellites. These are horizontal hierarchies where nodes linked through a path by travelling in the hierarchy to find a common direct or indirect superior.

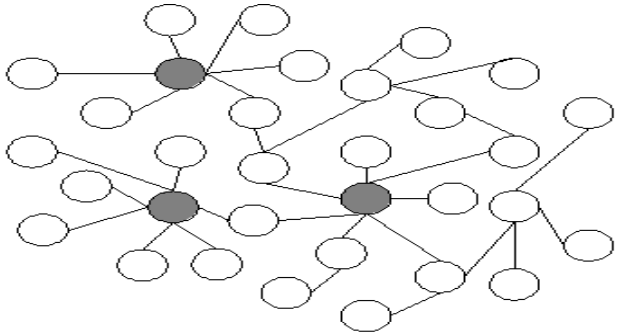
Vertical Hierarchy



Random Network



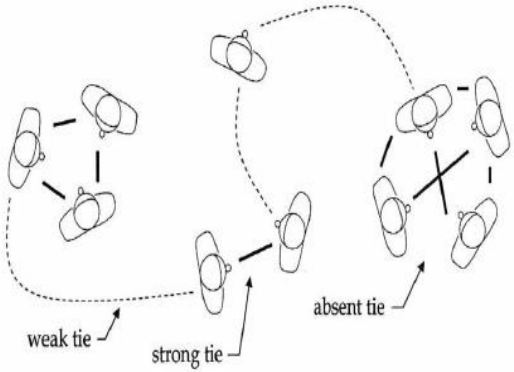
The Structure of Scale-Free Network



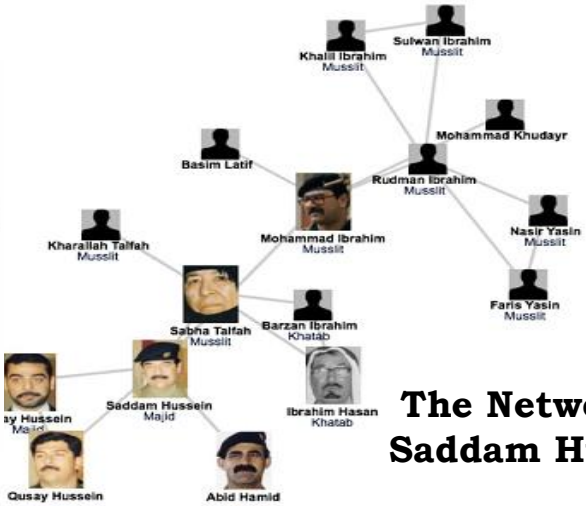
Transport Network as Scale-free Network

Supplementary: Network Science

Social Networks:

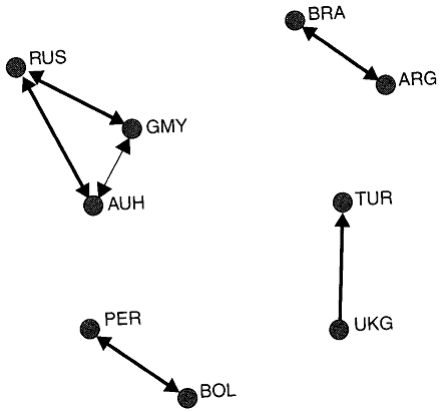


Mark Garnovetter's Sociological model



The Network of Saddam Hussein

Networks in IR:

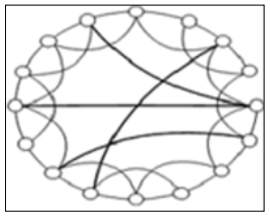


Alliance Network, 1878

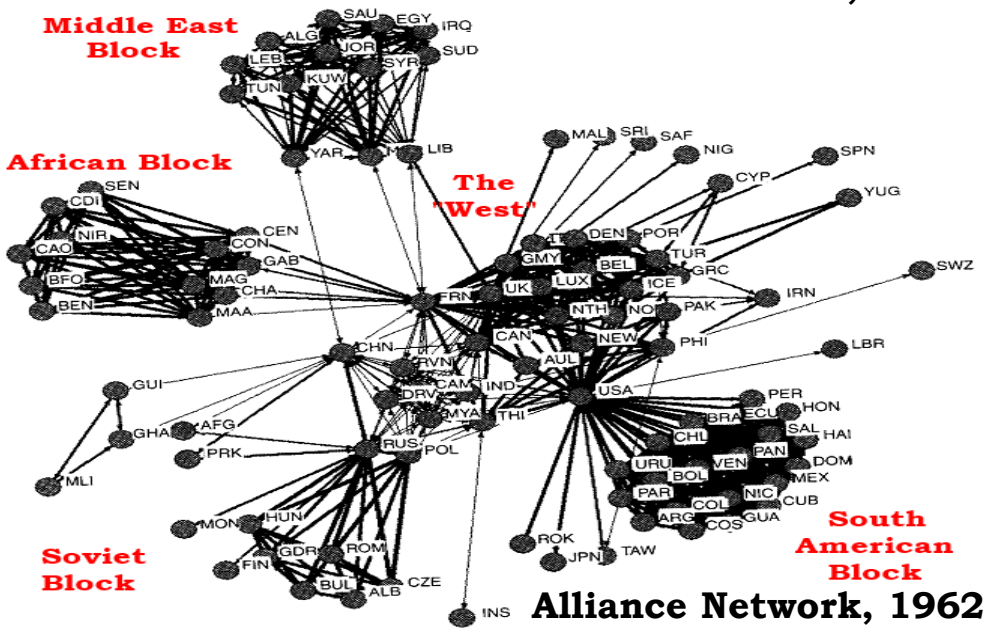
Small-World or

Watts–Strogatz model of networking:

- **High clustering in networks**
- **Short average path lengths**



AVG Lenght: 6



Alliance Network, 1962

Public Choice and Hierarchy

- **Scenario "To build a bridge"**
  - Suppose there is a debate in a community about where a bridge should be built over a river.
  - There are pros and cons, experts are asked to give professional opinions.
  - Final choice is needed.

- A List of experts and the basis of their professional opinion:

Lawyer	→	Legality
Aesthetician		Spectacle & The sense of taste
Economist		Thrift
Engineers		The best way of reliability of the bridge
Politicians		To be incumbent

- **Political decision as "final" public choice:**
  - ✓ One for All: it is for "common good"
  - ✓ All in One: it aggregates/reflects to all preferences
  - ✓ All in All: authoritative → **HIERARCHY**

Public choices imply the necessity of appearing vertical hierarchies.

A possible distribution of resources

Voting Failures

- **Condercet Paradox:**
  - ✓ This is the case when the alternatives knock out each other mutually.
  - ✓ In this case voting system does not work, the final political decision will obviously be authoritative.

Voter	First preference	Second preference	Third preference
Voter 1	A	B	C
Voter 2	B	C	A
Voter 3	C	A	B

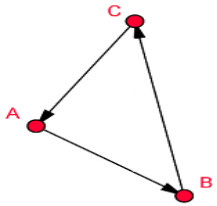
C(A,B) = {B}

C(B,C) = {C}

C(A,C) = {A}

There no exists a public choice:

C(A,B,C) = { }.



- **Ostrogorski Paradox:**
  - ✓ Voting systems are not ”neutral”, not ”impartial”

Constituencies	Issue 1	Issue 2	Issue 3	IP-support
1. (20%)	X	X	Y	X (20%)
2. (20%)	X	Y	X	X (20%)
3. (20%)	Y	X	X	X (20%)
4. (20%)	Y	Y	Y	Y (20%)
5. (20%)	Y	Y	Y	Y (20%)
PI-support	X(40%)Y(60%)	X(40%)Y(60%)	X(40%)Y(60%)	X(60%)Y(40%)

Generalization of this problem in Social Choice Theory:

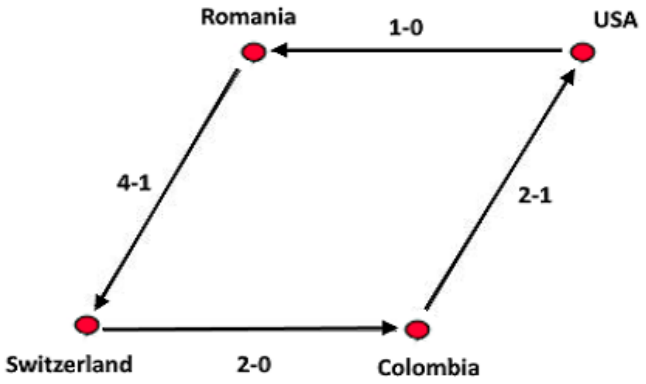
- ✓ Arrow’s theorem (1950)
- ✓ Gibbard-Sattherthwaite theorem (1975)

In fact, to designate public interest in the way of aggregating individual preferences is not evident at all.

Under PI, majority of voters are on the losing side in majority of issues:
- Con. #1 is on the losing side on issues {1, 2},
- Con. #2 on issues {1, 3}, and
- Con. #3 on the issues {2, 3}.

Case Study #1: Condercet Paradox in Practice

- **Head-to-Head Cycle (Condercet-like Paradox) in Sport**
  - ✓ **In Group A, 1994 FIFA World Cup:**



18 June 1994

United States	1–1	Switzerland
Colombia	1–3	Romania

22 June 1994

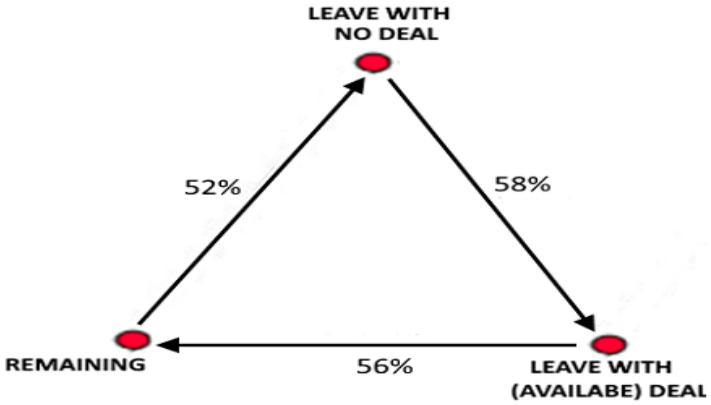
Romania	1–4	Switzerland
United States	2–1	Colombia

26 June 1994

Switzerland	0–2	Colombia
United States	0–1	Romania

Pos	Team	GD	Pts
1	Romania	0	6
2	Switzerland	+1	4
3	United States (H)	0	4
4	Colombia	-1	3

- **Condercet Paradox in Politics**
  - ✓ **BREXIT and the Condercet Paradox:**



”Thinking about your view of BREXIT, for each of the following please say if it would be your first, second or third preference:
1. Leave with no deal;
2. Remain in the EU, and forget the whole thing;
3. Approve the government’s (Theresa May’s cabinet’s) agreement with the EU.”

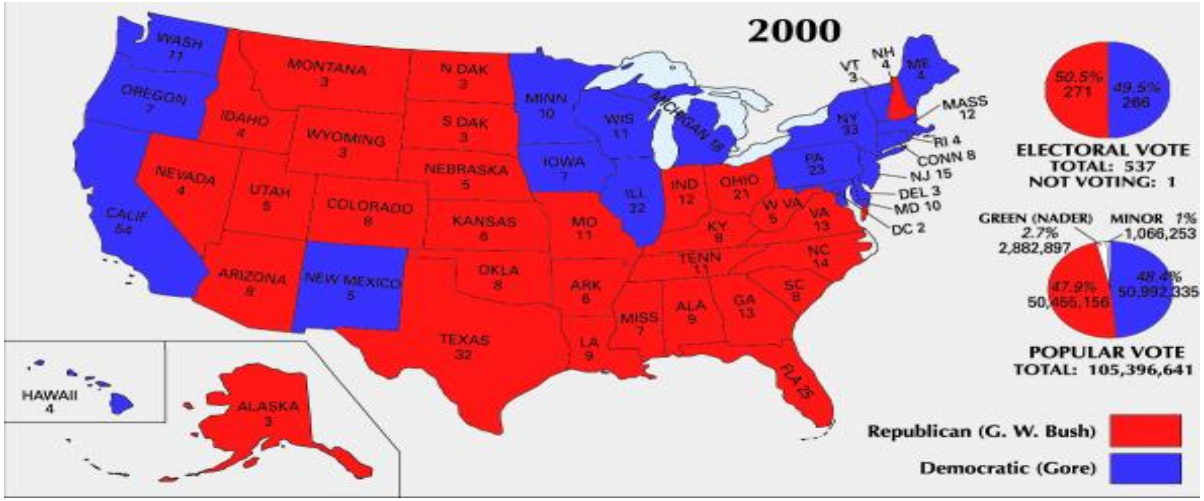
Source: DeltaPoll, Nov. 2018, Sample: 1,013 adults

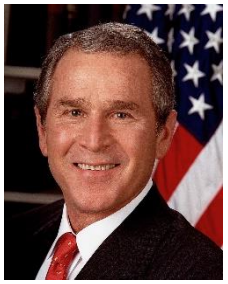
Case Study #2 : The U.S. Presidential Election of 2000

- **Voting Paradox:**
  - ✓ The U.S. presidential election of 2000, between George W. Bush (Rep.) and Al Gore (Dem.), was one of the closest in the history.
  - ✓ Though Gore came in second in the electoral vote, he received 537,179 more popular votes than Bush. Mathematically, state Florida's 25 electoral votes became the key to the election win for either candidate.

2000 Election	National vote	Electoral College	Florida vote
George W. Bush	50,455,156	271	2,912,790
Albert Gore	50,992,335	266	2,912,253
Ralph Nader	2,882,955	0	97,488

  - ✓ The situation is subject to Arrow's theorem: the winner may change because of the presence or absence of "irrelevant candidates". Ralph Nader had no chance whatever to be elected (he is "irrelevant" in this sense), but his candidacy for Florida's 26 electoral votes alone was enough to change the outcome of the election (supposing the vast majority of Nader's votes had gone to Gore).




George W. Bush


Al Gore

Lessons and Relevances (#1)

- **Social Choice Theory:**
  - In this theory scholars deal with social choice mechanisms under certain desirable expectations.
    - ✓ **Arrow's theorem:** If there are at least three or more alternatives, the winner of a voting mechanism acting on all the possible candidates may change just because of the presence or absence of "irrelevant alternative" (c.f. the case study of the U.S. Presidential Election of 2000).
  - Different forms of hierarchies as social choice mechanisms are the means of coordinating collective actions.
    - ✓ **All hierarchy**, and thus all social organizations, **are entities with a set of compromises.**
- **Market coordination → Hierarchical (Bureaucratic) coordination** means a change of institutions, which alters the behaviours of individuals. **Goals:**

1. To make a hierarchy of competence.
2. To make a set of incentives and sanctions, which persuade all the individuals in the hierarchy to act for achieving the objective of common policy.
3. The mission of management: cooperation, appropriate measure of risk-taking, and better outcome.

Lessons and Relevances (#2)

- **Why Hierarchy in Politics?**
  1. Each public good can be provided efficiently at a particular territorial scale.
  2. To make the ”final choice” in a world of incoherent ambitions, interests, values, and tastes.

- **Why Democracy and not Authocracy?**

”The peculiar character of the problem of a rational order is determined precisely by the fact that the knowledge of the circumstances of which we must make use never exists in concentrated or integrated form but solely as the dispersed bits of incomplete and frequently contradictory knowledge which all the separate individuals possess.”

Friedrich Hayek:
The Use of Knowledge in Society

- **Omnipotence without omniscience might be very dangerous.**
  - ✓ Majority may find a better solution with higher probability in distinct questions about what to do than individuals. [Condorcet’s Jury Theorem, 1785]
  - ✓ [Two] relatively independent heads are better than [two] relatively dependent heads in problem-solving. [Bendor’s Bureaucratic Competition Theory, 1985]

Time Horizon

→Smart leadership may be driven to use up the advantages due to either ”the wisdom of common knowledge” or ”the wisdom of independent experts”, or both.

- ✓ This works more often and much better in democracy than in autocracy.

Supplementary: Arguing for the wisdom of common knowledge

- **Condorcet's Jury Theorem:**

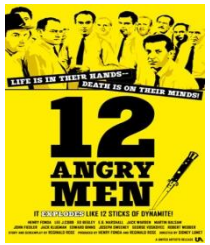
  - Given a group of voters (a "*jury*") independently choosing by majority vote between a correct outcome with probability ***p*** and an incorrect outcome with probability ***1–p***.

"Majority may find a better solution" ←

  - ✓ If each voter is more likely to vote correctly than incorrectly (***p*** > ½) adding more voters increases the probability that the majority chooses correctly.
  - ✓ However, if ***p*** < ½, so that each voter is less likely to vote correctly than incorrectly, adding more voters decreases the probability of a correct decision, and it is maximized for a jury of size one. →

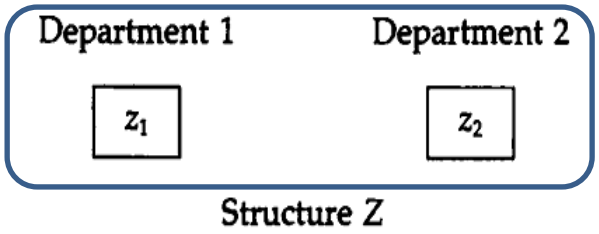
If the case is misperceived, the opinion of experts should be favoured to that of "common knowledge"

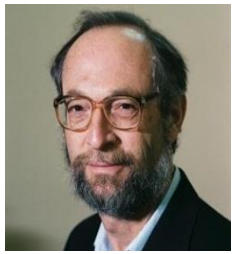
- **The "approval of majority vote"**
  - Majority vote is a good (but not perfect) way of **expressing respect for people** in the circumstances of politics;
  - Majority vote **maximizes** the number of people who exercise **self-determination.**
  - The result of majoritarian voting represents an "average" and thus **a compromise** among individual rankings. If a minority could prevail over the majority, they can behave as free-riders in order to insure a majority to their side of the case.
- **The real challenge:**
  - What if the majority has a misperception (e.g. prejudice) about the case? →
  - The concept of "right decision" in politics is generally rather problematic.



Supplementary: Arguing for the wisdom of independent experts

- **Bendor's Bureaucratic Competition Theory:**





Jonathan Bendor

From two general (and plausible) presumptions:

1. Each of the four teams has equal chance of finding a good solution: $p(y_1) = p(y_2) = p(z_1) = p(z_2)$.
2. To find at least one successful solution is greater for the interactive pair (in Structure ***Y***) than for the teams working separately (in Structure ***Z***): $p(y_2 | y_1) > p(z_2 | z_1)$.

Intuitively:
As effective cooperations are usually more effective within a department than between distinct departments, success is more likely to breed success intra-organizationally than inter-organizationally.

it can be proved

- **Bendor Theorems**:

1. The comparatively more independent structure, ***Z***, is more reliable and effective in finding a solution than Structure ***Y***: $p(Z) > p(Y)$.

   Corollary: [Two] relatively independent heads are better than [two] relatively dependent heads in problem-solving.

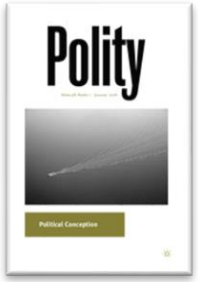
2. Under uncertainty the normal state of affairs, nonredundant bureaucracies are fragile systems, vulnerable to errors of judgement and execution.

"Two heads are better than one" vs. "Too many cooks spoil the broth"

V. Political Community

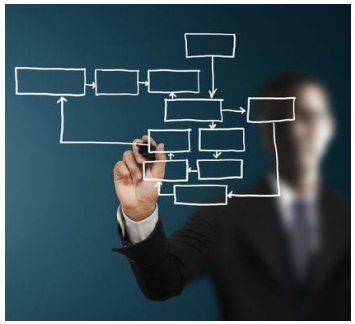
Understanding Polity

- **Polity:**
  - To simply say, polity is the organization of political communities, having a specific form of government.



- **Two stances to see polity as organization (Political Unit):**

1. Each public good can be provided efficiently at a particular territorial scale.
   - ✓ Certain public goods can be considered **global:** atmosphere, the seas and oceans, internet (WWW).
   - ✓ Others such as roads, management of water of a river basin, the administration of law and justice seem to require **mid-size** (continental or state) territorial ranges.
   - ✓ Finally, services such as garbage removal, public parks and libraries, museums, schools and hospitals can usually be well supplied at the **local** level.
2. The organization of political communities is about to make effective, enforceable collective choice.
   - ✓ It may also require multiple levels of government, indeed.



The Diverse Forms of Polical Unit

- **City (or Non-state political units):**
  - ***Small size*** in terms of territory and population;
  - ***High degrees of internal harmony***, as defined by the economic and ethnic characteristics of its members;
  - ***Simple and soft forms of government***, based upon the ease with which they form a social majority supporting collective, enforceable decisions.

  Examples:

  Classic: - The Poleis of Greece; - Italian city-states in the Renaissance;

  - Swiss Cantons.

  Modern: - Quebec in Canada; - Hong Kong in China

- **State:**
  - ***Large or medium size*** in terms of territory and population;
  - ***Fixed territories and formal borders***;
  - ***Sovereignty:*** The state has supreme authority over its territory and population;
  - ***Autonomy:*** The state has specific (and growing) aspects of autonomy (such as centralization, standardization, reserved functions) with exclusive jurisdiction within its territory.

The Diverse Forms of Polity

Aspects of Autonomy in the Western State		
Aspect	Definition	Examples
Centralization	The centralization of power over a specific territory	Law enforcement border control
Standardization	Greater uniformity within society	Common language, standard weights and measures, consistent time zones
Force	Strengthen monopoly of legitimate force	National police force
Mobilization	Increased capacity to extract resources from society	Taxation, conscription
Differentiation	State institutions and employees are increasingly distinct from society	The idea of public service
Functions	Growth in the state's tasks and it's intervention in society	War-making, welfare provision
Size	Expansion of state's budget and personnel	Growth of public sector.

- **Empire:**
  - ***Very large size*** in terms of territory and population;
  - ***Absence of fixed or permanent boundaries***: Empires tend to expand across the territory up to the point of conflict with other empires.
  - ***Territorial diversity***: A compound of diverse ethnic groups and territorial units. Empires may develop their own rules and be linked to the center by diverse institutions.
  - ***A set of multilevel, often overlapping jurisdictions:*** Within the empire the central government may rule indirectly through local governments.

Case Study #1: Before Westphalia

- **Ancient Empires: For most of history, the world has been organized under larger political units or empires**,
  - in which the ultimate power rested in the hands of the emperor or the imperial central power;
  - the relations between these political units did not adhere to the principle of sovereignty.
  - Examples include the Roman Empire, the African Kingdoms, the Arab empire, the Chinese dynasties, the Mayans, the Aztecs, and the Incas.

- **Medieval Period: "Dynastic Wars"**
  - ✓ **Feudal and local conflicts between rival groups of knights**;
  - ✓ **Sometimes between kings**: e.g. the Hundred Years War between England and France (1337–1453);
  - ✓ **Sometimes between the emperor and the pope**: e.g. between Holy Roman Emperor Henry IV and Pope Gregory VII (Walk to Canossa in 1077);
  - ✓ **Between religious civilizations**: e.g. the Christian Crusades against the Islamic world (1096–1291).

Case Study #2: Westphalian World Order

- **Feudal and local conflicts between rival groups of knights;**
- **Sometimes between kings : e.g. the Hundred Years War between England and France (1337–1453);**
- **Sometimes between the emperor and the pope: e.g. between Holy Roman Emperor Henry IV and Pope Gregory VII (Walk to Canossa in 1077);**
- **Between religious civilizations: e.g. the Christian Crusades against the Islamic world (1096–1291).**

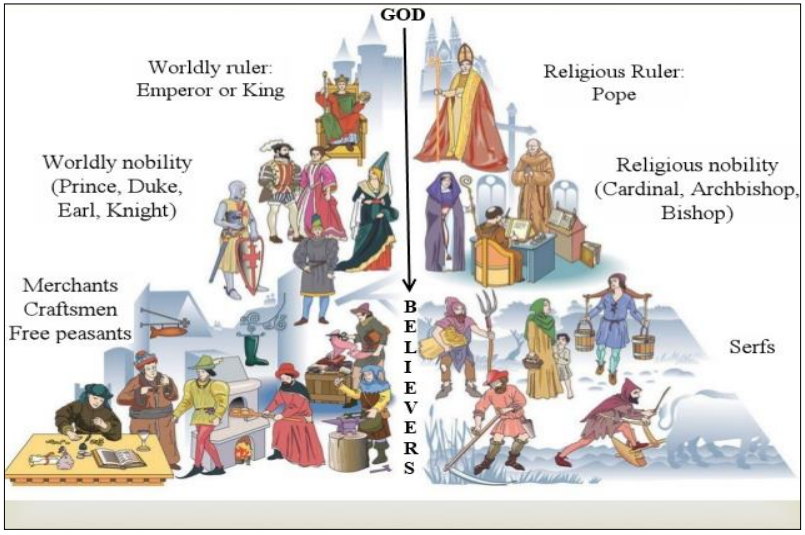
WESTPHALIAN WORLD ORDER

Independent State System:

1. **Sovereignty:** Not recognize a higher authority than one's own
2. **Territoriality:** Right to political authority over a well-defined area
3. **Autonomy:** No external actors enjoys authority in that area

✓ **Secularization of IR**

Dispersed authority with Dynastic & Religious Conflicts and War



Centralized authority with territorial (national) Wars

Case Study #3: Megacity Clusters

- **Parag Khanna, 2016: CONNECTOGRAPHY**

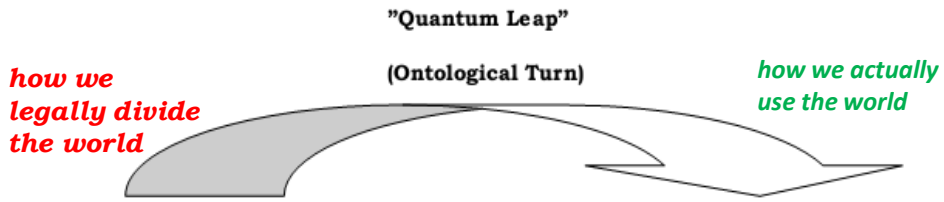
"We are moving into an era where megacities will matter more than states"

→ *Common challenges:* the consequences of urbanization such as pollution, inequalities, etc.

→ *Cities are learning from each other* by transferring technology, knowledge, and policies.

Connectography = Connectivity + Geography

- **The megatrend of the world ("Hyperglobalization")**



Political Geography

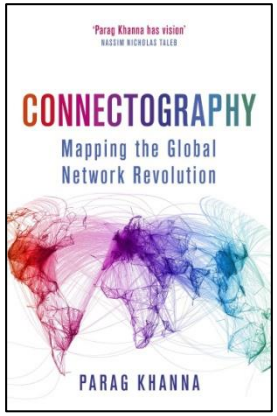
- Vertically integrated empires
- Horizontally independent nations

Functional Geography

- Global Network Civilization with megacities

➢ Megacity clusters want to be part of global value chains.
- ✓ They want to be part of this global division of labour.
- ✓ Megacity clusters belong as much to the global network civilization as to their home countries.

- **Examples:**
  - ✓ Silicon Valley begins north of San Francisco down to San Jose and across the bay to Oakland.
  - ✓ America's northeastern megalopolis begins in Boston through New York and Philadelphia to Washington.
  - ✓ Tokyo through Nagoya to Osaka contains more than 80 million people and most of Japan's economy.
  - ✓ In the middle of China, the Chongqing-Chengdu megacity cluster, whose geographic footprint is almost the same size as the country of Austria.

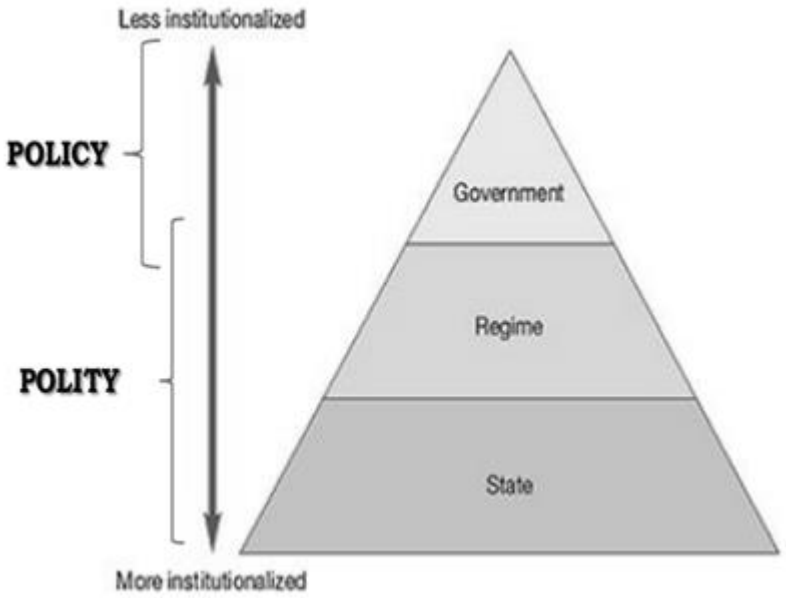


Multi-level Politics

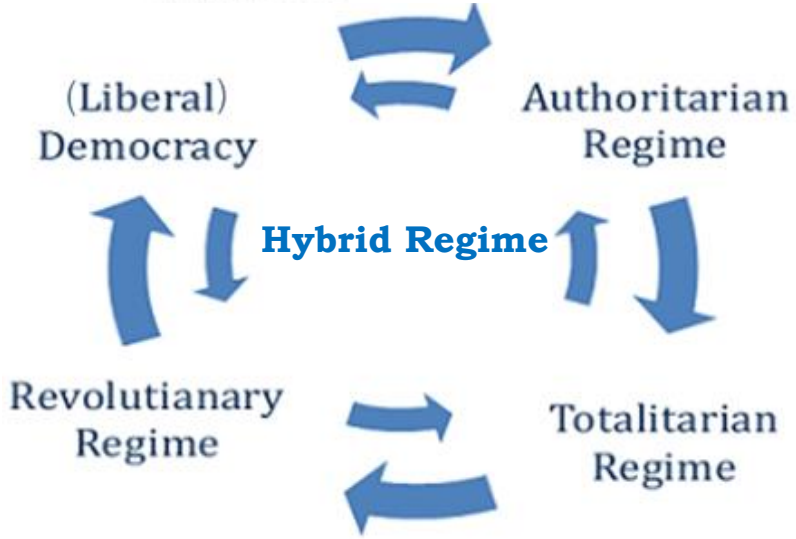
- **Multi-level Politics:**
  - ✓ Multi-level governance emerges when several tiers of government share the task of regulating modern society.

Australia	6 states, 2 territories
Austria	9 *Länder*
Belgium	3 regions
Canada	10 provinces, 2 territories
Germany	16 *Länder*
India	25 states, 7 union territories
Mexico	31 states, 1 federal district
South Africa	9 provinces
Switzerland	20 cantons, 6 half-cantons
USA	50 states, 1 federal district

Polity as specific form of government



STATE	REGIME
• **Sovereign:** A monopoly of power over a territory • **Institutionalized:** There is a system of institutions making and accomplishing public decisions. Typical Institutions: ✓ Government (Legislation and execution) ✓ Judicature ✓ Law enforcement and Defence ✓ The system of redistribution (taxation)	• The complex system of norms and regulations (often in constitutional form) ✓ determining the liberties and the relationships of citizens ✓ setting the ways of exercising power • It determines how to work institutions, but it can be transformed because of social pressure • It has two main forms in modern politics: democracy and autocracy



So far political science has identified three major waves of worldwide transitions to democracy and two periods of backsliding to authoritarianism.

Samuel Huntington's three waves of democratization

Wave	*Period*	*Examples*
First	1828–1926	Britain, France, USA
Second	1943–1962	India, Israel, Japan, West Germany
Third	1974–1991	Southern and Eastern Europe, Latin America, parts of Africa

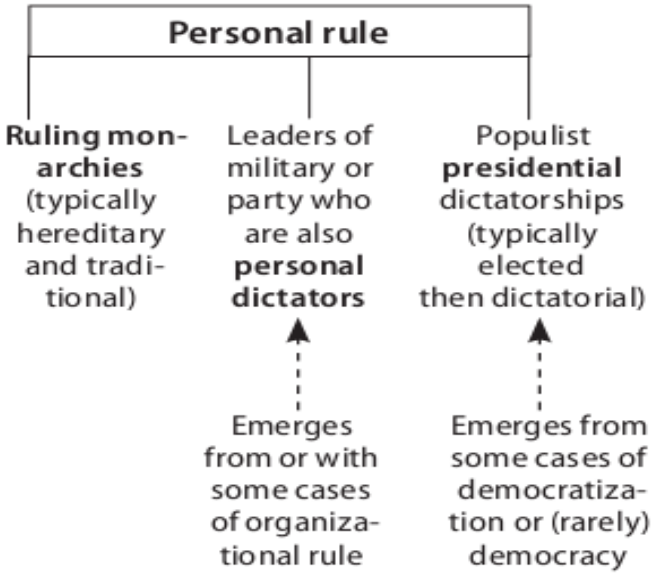
Democratic Political Regimes

Form	*Definition*
Direct democracy	The citizens themselves assemble to debate and decide on collective issues
Representative democracy	Citizens elect politicians to reach collective decisions on their behalf, with the governing parties held to account at the next election
Liberal democracy	The scope of democracy includes constitutional protection of individual rights, including freedom of assembly, property, religion and speech
New democracy	A democracy in which an authoritarian legacy continues to influence political action and debate. Democracy is not the only game in town
Semi-democracy	An illiberal democracy in which elected politicians do not respect individual rights, or in which elected governments form a façade behind which previous rulers continue to exercise effective power

- **Why representation?**
  - ➢ Self-government did not always lead to decisive and coherent policy because of
    - ✓ ill-informed citizens (asymmetric infos);
    - ✓ clash of interests embodied in very complex forms (voting failures);
    - ✓ the lack of possible political reconciliations and negotiations.
  - ➢ Except for cases of collective decision-making of the whole population (direct democracy) in democratic regimes today people nominally rule through their representatives.

- **The defect of democracy:** There are some attributes that political scientists consider as the definitive features of (liberal) democracy which are of vital importance. A political regime lacking any of these pillars can be considered only partially democratic (the so-called ***Hybrid Regimes***).
- The four pillars are: 1) **Full Suffrage**: a universal right to vote; 2) **Full contestation**: free competition for state power, and political issues to be open to public debates; 3) **Civil liberties:** civil liberties guaranteed to every citizen; 4) **Effective power of the elected government:** the popularly and freely elected government can effectively control the policy-making.

Typology of Authoritarian Rules



Fascist: A regime based on an anti-liberal doctrine that glorifies the nation and advocates a warrior state, led by an all-powerful leader, to whom the masses show passionate commitment and submission.

Communist: Political system in which the communist party monopolizes power, leading to an all-encompassing bureaucratic state. In theory, the objective is to implement Marx's vision of a classless society.

Military: Government by the military, often ruling through a junta comprising the leader from each branch of the forces.

VI. Political Institutions

The Size of Political Units in Politics

- **The problem of the size of community in politics:**
  - **Small political units** may work better for several reasons:
    - ✓ In a small community, citizens have more opportunities to gain knowledge on public issues.
    - ✓ Owning to territorial proximity, they can deal more directly with issues and the monitoring of political leaders.
    - ✓ They have relatively harmonious interests and they are usually like-minded, which will induce consensus and shared criteria of choice.
    - ✓ Small political units are more likely to generate loyalty.

  - All in all: **Small political units may have advantages to reduce the negative agents of leadership (managerial) dilemmas**, such as social loafing and voting paradoxes. → The opportunity of a more qualified democracy in which everybody lives in harmony.
  - **Large political units**, however, may have
    - ✓ economic advantages: large states facilitate the development of ”domestic” trade among people and firms; they can reduce ”transaction costs”;
    - ✓ communication advantages.
  - **To sum up: Governing always has a territorial dimension.** Rulers need to extract resources from their territory while also retaining the willingness of the population to remain within the state’s orbit.

The Idea of Federalism

- **Question:** May we merge the advantages of small and large political units?
- **Federalism** is the principle of sharing sovereignty between central and state (or provincial) governments. Neither level can abolish the other.

  - **A federal constitution allocates specific functions to each tier.**

    - ✓ **The centre** takes charge of external relations – defense, foreign affairs and immigration – and some common domestic functions such as the currency.
    - ✓ The functions of **the states** are more variable but typically include education, law enforcement and local government.

  - **The relations between federal and state governments are the crux of federalism.**

    - ✓ **Dual federalism**, as originally envisaged in the USA, meant that national and state governments retained separate spheres of action. Each level independently performed the tasks allocated to it by the constitution.
    - ✓ **Cooperative federalism**, as practiced in Germany, is based on collaboration between levels. National and state governments are expected to act as partners in following the interests of the whole.

USA

GERMANY

The Idea of Unitary Government

- **Most states are unitary**, meaning that sovereignty lies exclusively with the central government.
  - Unlike federations, a **unitary framework** is not always a deliberate creation; rather, **such systems has been evolved historically in societies**.
  - **Unitary government is often decentralized in its operation**. In practice, many unitary states made attempts to push responsibility for more functions onto lower levels.
- We can distinguish three broad ways in which **states** can **disperse power from the centre**:

Method	*Definition*	*Example*
Deconcentration	Central government functions are executed by staff 'in the field'	Almost 90 per cent of US federal civilian employees work away from Washington, DC
Decentralization	Central government functions are executed by subnational authorities	Local governments administer national welfare programmes in Scandinavia
Devolution	Central government grants some decision-making autonomy to new lower levels	Regional governments in France, Italy and Spain

To Prevent the Abuse Of Power

- We can look at constitutions in two ways.
  1. **Constitutions set out the formal structure of the state**, specifying the powers and institutions of central government, and its balance with other levels.
  2. **Constitutions express the rights of citizens (Bill of Rights)** and in so doing create limits on duties for the government.

The standard format of constitutions

- A *preamble* seeks popular support for the document with a stirring declaration of principle and, sometimes, a statement of the goals of the state.
- An *organizational section* sets out the powers of the institutions of government.
- A *bill of rights* covers individual and perhaps group rights, including access to legal redress, and thereby sets limits on government.
- *Procedures for amendment* define the rules for revising the constitution.

Two Governing Principles:

1. ***Separation of Powers:*** Powers are divided among three branches of government:
   - Legislative Branch
   - Executive Branch
   - Judicial Branch
2. ***Checks and Balances:***
   - The powers given to the different branches of government are distributed and "balanced" so that no branch has so much power that it completely dominates the others.
   - Powers are checked because they are shared with the other groups.

Legislatures

- **Legislatures** are one of the most important institutions in the modern state. Legislatures are symbols of popular representation in politics.

  - **Definition:**

    Assembly as a legislative body

    Legislature: An organized political body having the authority to make laws for a political unit.

    Parliament: The supreme legislative body of usually major political unit that is a continuing institution comprising a series of individual assemblages.

    Congress: The supreme legislative body of a nation and especially of a federal republic.

  - **Main Functions of Legislatures**:

    - ✓ **Linkage and representation:** citizens' linkage to the government as a fundamental task of any legislature.
    - ✓ **Deliberation:** Debating matters of moment is the classic function of Legislatures.
      - **Talking assembly** such as the British House of Commons, where floor debate is the central activity;
      - **Working assembly** such as American Congress, where the core activity takes place in committee rooms. There, legislators shape bills, authorize expenditure and scrutinize the executive.
    - ✓ **Legislation:** Most bills come from the government but the legislature still approves them and may make amendments in committee.

Legislatures (Con.)

- **Main Functions of Legislatures**:
  - ✓ **Authorizing expenditure:** Parliament's role is normally reactive, approving or rejecting a budget prepared by the government.
  - ✓ **Making governments:** In most parliamentary systems, the government emerges from the assembly and must retain its confidence.
  - ✓ **Scrutiny:** Oversight of government activity and policy.
  - ✓ **Affect policy-making**: 1) Consultation (to present an opinion about a specific legislative proposal, general plan of action, or broad policy programme); 2) Delay and veto; 3) To amend and initiate proposals.

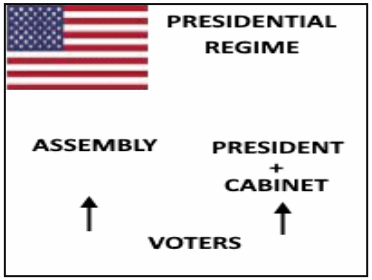
- **The Structure of Legislatures**:
  - ✓ **Two-chamber legislatures** are generally created to ensure adequate representation for different groups within the political system. The lower (and usually larger) chamber provides representation for the population as a whole, while the upper chamber represents specific socially or territorially different groups. These can be political subunits such as states (US), Länder (Germany), or cantons (Switzerland), or different groups of citizens such as aristocrats (UK), minorities, etc.
  - ✓ **Unicameral legislatures (Parliaments)** are more likely to be found in unitary political systems with comparatively homogeneous populations (such as Scandinavia).

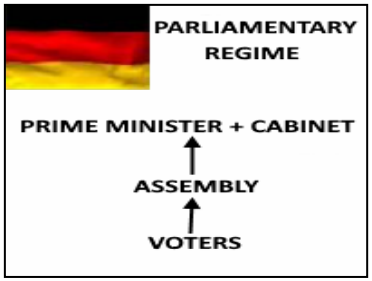
Governmental Systems in Democracy

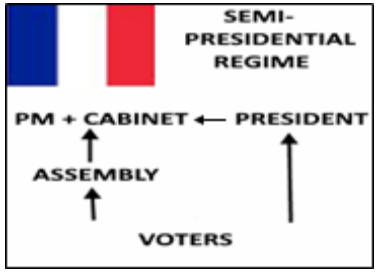
The Separation of Powers and Governmental Systems

- Scholars typically identify three ”versions” of the separation of powers between legislative and executive branches: parliamentarism, pure presidentialism, and semi-presidentialism.
- The distinctions across democratic regimes center around the process of selecting the Executive and Legislative branches, and the way in which the Executive and Legislature subsequently interact to make policy and to manage state affairs.

Presidentialism	Parliamentalism	Semi-Presidentialism
• **President:** head of state & head of government • **Separate origin:** ✓ Executive & Legislative branches are elected separately ✓ Both branches are elected for a fixed term ✓ Cabinet members do not sit in the legislative branch • **Separate survive:** Neither branch can remove the other except in extraordinary circumstances	• **Prime Minister:** head of government • **Monarch/President:** head of state • **Shared origin:** ✓ Only legislature is directly elected ✓ Terms are not fixed ✓ Both PM&Cabinet come from the legislature • **Shared survive:** Confidence relationship exists between executive & legislature	• **President:** head of state • **Shared origin:** ✓ President & Legislative are elected separately ✓ Both branches are elected for a fixed term ✓ Presidents appoints the cabinet including PM • The cabinet is politically accountable to the confidence of Legislative • President can dismiss the Executive and/or dissolve the Legislative
• Example: 	• Example: 	• Example: 







VII. Essential Electoral Politics

Political Parties and Cleavage Theory (#1)

◆ **Understanding Political Parties:** Political parties and multiparty systems are constituent elements of contemporary representative democracy.

✓ Political parties play an exclusive role as the intermediate structures between citizens and governmental institutions. Seymour Lipset and Stein Rokkan defined four basic cleavages for western civilization after the first Industrial Revolution (ca. 1760-1840). (Lipset-Rokkan: Party systems and voter alignments: cross-national perspectives, 1967)

Revolution	*Timing*	*Cleavage*	*Divisive issue(s)*	*Party families*	*Examples*
National	Early 19th century (restricted electorates)	Centre-periphery	Liberals and conservatives face resistance to state/administrative centralization and cultural standardization (language/religion).	Regionalists, ethnic parties, linguistic parties, minorities.	Scottish National Party, Bloc Quebequois, Partido Nacionalista Vasco.
		State- Church	Conflict between liberal and secularized state against clerical and aristocratic privilege, and over religious education, influence of church in politics, democratic institutions.	Conservative and religious parties (Catholic mainly), Christian democracy.	Austrian People's Party, Christian-Democratic Union, Swiss Catholic Party, Partido Popular.
Industrial	Late 19th century (suffrage extension)	Rural- urban	Conflict between industrial and agricultural sectors of the economy on trade policies: agrarian protectionism vs. industrial liberalism (free trade vs. tariffs).	Agrarian and peasant parties.	Finnish Centre Party, Australian Country Party, Polish Peasant People's Party.
		Workers–employers	Employers vs. the rising working class on job security, pensions, social protection, degree of state intervention in economy.	Workers' parties, socialists and social democrats, labour parties.	British Labour Party, Argentinean Socialist Party, Swedish Social Democratic Workers' Party, Spanish PSOE.

Lipset & Rokkan's cleavages and their partisan expression

Political Parties and Cleavage Theory (#2)

◆ **Understanding Political Parties:** Political parties and multiparty systems are constituent elements of contemporary representative democracy.

✓ Political parties play an exclusive role as the intermediate structures between citizens and governmental institutions. Seymour Lipset and Stein Rokkan defined four basic cleavages for western civilization after the first Industrial Revolution (ca. 1760-1840). (Lipset-Rokkan: Party systems and voter alignments: cross-national perspectives, 1967)

Revolution	*Timing*	*Cleavage*	*Divisive issue(s)*	*Party families*	*Examples*
International	Early 20th century (mass electorates)	Communists socialists	Division within the 'left' (workers' movement) over centrality of the Soviet Union Communist Party and its international leadership, and over reformism vs. revolution.	Communists	Partito Comunista Italiano, Izquierda Unida, Parti Communiste Francais, Japan's Communist Party.
Post-industrial	Late 20th century (demobilized electorates)	Materialist postmaterialist values	Generational cleavage over policy priorities: new values of civic rights, pacifism, feminism, environment.	Green and ecologist parties.	Die Grunen, Austrian Grunen/ Grune Alternative, Democrats '66, Women's Party.
		Open–closed societies	Globalization of the economy, opening up of labour markets, competition from cheap Asian labour, fiscal and monetary integration in Europe, and anti-Americanization of culture.	Protest parties, nationalist parties, extreme rightwing parties, neopopulist parties.	FPO, Front National, Danish Progress Party, Fifth Republic Movement (Hugo Chavez), Movement for Socialism (Evo Morales).

Lipset & Rokkan's cleavages and their partisan expression

Party Systems (#1)

- **What are party systems?**
  - Party systems are sets of parties that compete and cooperate with the aim of increasing their power in controlling government.
  - What determine interactions are
    (1) which parties exist,
    (2) how many parties compose a system and how large they are,
    (3) electoral systems,
    (4) the presence or absence of charismatic leader(s),
    (5) coalitions and government effectiveness,
    (+1) external factors (e.g. party sponsors).

Type of party system	*Features*	*Cases*
Single-party	One party only is legal. No alternation. Single-party government.	Communist Party in the Soviet Union, the NationalSocialist Party in Germany in the 1930s.
Hegemonic-party	One party with several satellite' parties. No alternation.	National Liberation Front in Algeria
Dominant-Party	One large party with more than absolute majority of votes and seats. No other party approaching 50%. No alternation. One-party government.	India until 1975, Japan between 1955 and 1993, Mexico until 2000, South Africa since 1994.

Party Systems (#2)

Type of party system	*Features*	*Cases*
Two-party	Two large parties sharing together around 80% of votes and seats. Balanced (35–45% each) with one of the two reaching 50% of seats. Alternation between parties. One-party government.	Austria, Britain, Costa Rica, Malta, New Zealand until 1998, Spain, South Africa until 1989, US.
Multiparty	Several or many parties, no one approaching 50% of votes and seats. Parties of different sizes. Parties run for elections individually and form coalitions after elections. Alternation through coalition changes. Coalition government.	Belgium, Canada, Colombia, Czech Republic, Denmark, Finland, Germany until 1989, Hungary, Italy before 1994, Netherlands, Poland, Russia, Switzerland, Turkey.
Bipolar	Two large coalitions composed of several parties sharing together around 80% of votes and seats. Coalitions are balanced (40–50% each). Coalitions are stable over time and run elections as electoral alliances. Alternation between coalitions. Coalition government.	France in the Fifth Republic, Germany since 1990, Italy since 1994, Portugal.

Types of Party System: Overview

- **The Classification of Party Systems:**

Author	Principal Criteria for classification	Principal types of party system identified
Duverger (1954)	Numbers of Parties	Two-party systems Multiparty systems
Dahl (1966)	Competitiveness of opposition	Strictly competitive Co-operative-competitive Coalescent-competitive Strictly coalescent
Blondel (1968)	Numbers of parties Relative size of parties	Two-party systems Two-and-a-half-party systems Multiparty systems with one dominant party Multiparty systems without dominant party
Rokkan (1968)	Numbers of parties Likelihood of single-party majorities Distribution of minority party strengths	The British-German "1 vs. 1+1" system The Scandinavian "1 vs. 3-4" system Even multiparty systems: "1 vs. 1 vs. 1+ 2-3"
Sartori (1976)	Numbers of Parties Ideological distance	Two-party systems Moderate pluralism Polarized pluralism Predominant-party systems

- **The two classifications that are viewed as the most significant:**

  ✓Maurice Duverger's two laws, and
  ✓Giovanni Sartori's typology.

Electoral Systems in Nutshell

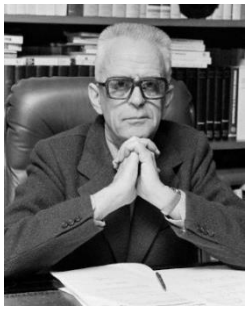
- **The Majority [Plurality] Electoral Systems:**
  - **The principle:** After votes have been cast, those candidates or parties with the most votes are declared the winners.
  - **Examples:**
    - ✓ **First-Past-The-Post (FPTP):** The candidate securing most votes (not necessarily a majority) is elected on the first and only ballot within each single-member district. This method is mainly found in the UK or in the US Electoral College System.
    - ✓ **The two-round majoritarian system** tries to avoid the disproportionality problem of FPTP by requiring the winning candidate to get an absolute majority of the votes (i.e. 50 per cent + 1) in the first round – or if not, a second run-off ballot is held between the two strongest candidates. This system is used in France Presidential Elections.
- **Proportional Representation (PR)** allocates seats according to certain formula that tries to ensure proportionality, or consciously reduce the disparity between a party's share of national vote and its share of the parliamentary seats.

  - ✓ If a major party wins 35% of the votes, it should win approximately 35% of the seats, and a minor party with 10% of the votes should also gain 10% of the legislative seats.

Against extreme fragmentation, **electoral threshold is applied:** A level of electoral support below which a party receives no seats, whatever its entitlement under other rules of the electoral system.

Types of Party System

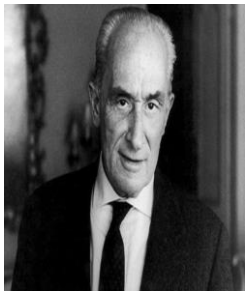
- **The Logic of the Numbers of Parties**
  - **Duverger's Law:**
    - ✓ **First Law:** The majority [plurality] single-ballot system tends to a two-party system.
    - ✓ **Second Law:** The second ballot [majority] system or pro-portional representation tend to multipartism.



Maurice Duverger

- **The Numbers of Parties + Ideological Distance**
  - **Sartori's Typology:** There are three major systematic patterns in party systems
    1. **Two-party mechanics:** Bipolar single-party alteration in government.
    2. **Moderate pluralism:** Bipolar shifts among coalition governments.
    3. **Polarized multipartism:** The system characterized by "multi-polar competition,"

       - unipolar center-located coalitions with peripheral turnover, and
       - antisystem parties (with a temptation to make a regime transition).



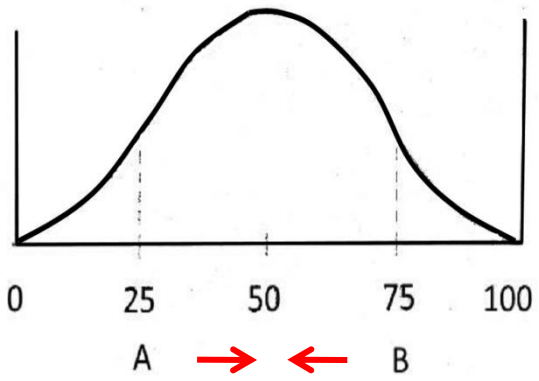
Giovanni Sartori

  - In this typology the decisive variable is systematic polarization, defined as the ideological distance between the most-distant relevant parties.

The Stability of Domestic Politics

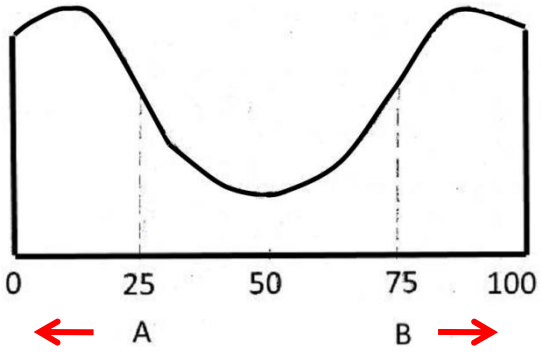
- **On Stabilty of Politics:**
  - There is an inverse correlation between party fragmentation and party polarization
    - ✓ Two-party systems can foster polarization;
    - ✓ Multiparty systems can favour consensus.

Stable



Central distribution of votes with centripetal competition

Instable



Polar distribution of votes with centrifugal competition

- However, party polarization also depends on the distribution of votes:
  - ✓ The characteristics of party competition is
    - *Centripetal* in case of central distribution of votes
    - *Centrifugal* in case of polar distribution of votes