Political Science 670
Behavioral Economics for Political Science
Fall Semester, 2011

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August 30, 2011

Purpose

The purpose of this course is to provide Political Scientists (or other interested parties) a broad background in the basic theories, frameworks, techniques and controversies in the new and exciting field of behavioral economics, including experimental and neuro-economics. Behavioral economics, a fusion of economics and psychology, is inherently interdisciplinary, and an approach which emphasizes political decision making renders it even more so. Therefore, readings will reflect this interdisciplinary aspect, and will be drawn from economics, psychology, cognitive science, sociology, biology and, of course, political science. In the course we will first examine how behavioral economics has thus far been integrated into political science research, and we will then move on to the various conceptions of bounded rationality and the debates among their proponents. We will then cover the foundations of models which serve as alternatives to the purely self-interested and
cognitively unlimited caricature of homo-economicus, including evolutionary psychology, sociobiology, non-equilibrium stability concepts, assumptions about common knowledge; and learning and adaptation. Because the theory of behavioral economics has been built up through a mix of inductive and deductive approaches, we will then turn to methodological and measurement issues, which are of central concern. With an eye towards the analysis of political phenomena, we will examine several applications grouped by method rather than by substance.

Requirements

There are no exams or problem sets. The course grade will be based on a mixture of requirements laid out below:

1. **Leading Course Discussion, 10%** Each student will be required to lead the course discussion during one meeting of the course. The students are strongly encouraged to distribute a hand-out of 1 to 2 pages that will facilitate and structure the discussion. Meeting with me before hand to discuss the discussion is encouraged.

2. **Response Papers, 30%** Each student will be required to write two 4-5 page papers responding to the week’s readings as a coherent whole, by synthesizing, criticizing and analyzing in detail each of the readings. The week that a student leads the discussion cannot also be a week the same student writes a response paper.

3. **Research Proposal and Presentation, 50%** After consulting with me, each student will identify a research question which builds on the themes we have learned in the course, and develop a research design which includes a theoretical model, a proposed test of the model, and a data collection strategy. The final design should be a 10-15 page research proposal. All students will present their projects in class toward the end of the semester.

4. **Peer Review of Research Proposal, 10%** Each student will be assigned to give an “anonymous” peer review of a classmate’s research proposal.
Course Outline

Week 1, August 29
Introduction and Overview of Course

Week 2, September 6
Behavioral Economics, Bounded Rationality & Political Science


Week 3, September 13
Behavioral Economics and Bounded Rationality: theories and frameworks


**Week 4, September 20**

**Foundations: Evolutionary Psychology, Sociobiology & Dynamic Stability**


• Leda Cosmides and John Tooby. Evolutionary psychology: a primer, 1997


Week 5, September 27
Foundations: Equilibrium and Stability Concepts

- I. Gilboa, L. Samuelson, and D. Schmeidler. Dynamics of inductive inference in a unified framework

Week 6, October 4 [re-schedule]
Foundations: Learning and Adaptation

- H.P. Young. *Strategic learning and its limits*. Oxford University Press, USA, 2004

Week 7, October 11 [re-schedule]
Social Preferences


**Week 8, October 18**

**Consistency and Intertemporal Choice**


**Week 9, October 25**

**Cognitive Limitations**


**Week 10, November 1**

**Neuroeconomics**


Week 11, November 8
Experimental Economics: Theory and Practice

- J.P. Henrich. *Foundations of human sociality: Economic experiments and ethnographic evidence from fifteen small-scale societies*. Oxford University Press, USA, 2004
- Christopher T. Dawes, Peter John Loewen, and James Fowler. Social preferences and political participation. *Journal of Politics*, Forthcoming

Week 12, November 15
Agent-Based Modeling


Odds & Ends

Week 13, November 29
Models & Observational Data


• N.A. Collins. A unified model of spatial voting. 2010

• M. Regenwetter. *Behavioral social choice: probabilistic models, statistical inference, and applications*. Cambridge Univ Pr, 2006

Week 14, December 6
Behavioral Law & Economics


• C. Jolls. Behavioral law and economics. 2007
References


