



6th ETH Workshop on Democracy

12 - 13 June 2023

Leonhardstrasse 21, 8092 Zürich, LEE E 101

A word from the organizing committee

We are thrilled to host this workshop, organized by the Chair of Macroeconomics: Innovation and Policy in collaboration with the Centre for Economic Policy Research (CEPR). Our primary goal is to provide a platform for the presentation of leading theoretical approaches to modeling politics, cutting-edge analyses of political economy problems, and the exploration of new forms of democracy.

We extend a warm welcome to all participants and express our gratitude for your valuable contributions to this workshop. We are excited to have you here, and we look forward to an inspiring exchange of ideas and knowledge!

Addresses and Directions

Conference Venue

LEE E 101, Leonhardstrasse 21, 8092 Zürich

Hotels

Hotel Scheuble, Mühlegasse 17, 8001 Zürich

Hotel Plattenhof, Plattenstrasse 26, 8032 Zürich

Restaurants

Restaurant Rubina, Universitätstrasse 56, 8006 Zürich (Monday)

Restaurant Drei Stuben, Beckenhofstrasse 5, 8006 Zürich (Tuesday)

The conference venue is ETH Zürich, LEE E 101, where the closest tram stop is *Haldenegg*. From Zürich HB, the venue can be reached by tram 6 (direction *Zoo*) or tram 10 (direction *Flughafen*). From Zürich Airport, the venue can be reached by tram 10 (direction *Bahnhofplatz/HB*).

The official stays for the workshop are Hotel Scheuble and Hotel Plattenhof. Both hotels are 10 minutes walk to/from the conference venue. The closest tram stop to Hotel Scheuble is *Central* (trams 6/10). The closest stops to Hotel Plattenhof are *ETH/Universitätsspital* by tram 10 and *Platte* by tram 6.

Program

Day 1 - Monday, 12 June 2023

Time	Agenda
09:00	Meet in the Lobby – Hotel Scheuble and Hotel Plattenhof
09:15 – 09:45	Registration and Coffee/Tea/Pastries
09:45 – 10:00	Welcome by Hans Gersbach (ETH Zürich and CEPR)
10:00 – 11:15	<i>Voter Information and Distributive Politics</i> Benjamin Blumenthal (ETH Zürich) <i>Combining Diversity and Excellence in Multiwinner Elections</i> Mostapha Diss (University of Franche-Comté) Discussant: Zeinab Aboutalebi (European University Institute)
11:15 – 11:45	Morning Break
11:45 – 12:30	<i>Pack-Crack-Pack: Gerrymandering with Differential Turnout</i> Laurent Bouton (Georgetown University and CEPR) Discussant: Huihui Ding (University of Paris 1 Panthéon-Sorbonne)
12:30 – 14:00	Lunch
14:00 – 15:30	<i>Drain the Swamp: A Theory of Anti-Elite Populism</i> Gabriele Gratton (University of New South Wales) Discussant: Oriol Tejada (Universitat de Barcelona) <i>Political Correctness and Elite Prestige</i> Esther Hauk (IAE-CSIC and Barcelona School of Economics) Discussant: Olga Chiappinelli (Universitat de Barcelona)
15:30 – 16:00	Afternoon Break
16:00 – 17:30	<i>Informal Elections with Dispersed Information: Protests, Petitions, and Nonbinding Voting</i> Stephan Lauermann (University of Bonn and CEPR) Discussant: Clement Minaudier (City, University of London) <i>Counterintuitive Comparative Statics in Legislative Bargaining</i> Maria Montero (University of Nottingham) Discussant: Parth Parihar (European University Institute)
17:30 – 18:30	Free
18:30 – 22:00	Apéro and Dinner at Restaurant Rubina

Day 2 - Tuesday, 13 June 2023

Time	Agenda
09:30 – 10:00	Coffee/Tea/Pastries
10:00 – 11:15	<p><i>Collective Action and Informational Freeriding</i> Fikri Pitsuwan (ETH Zürich)</p> <p><i>Exact Learning of Preference Structure: Single-peaked Preferences and Beyond</i> Edith Elkind (University of Oxford) Discussant: Kremena Valkanova (ETH Zürich)</p>
11:15 – 11:30	Morning Break
11:30 – 12:30	<p><i>An Economic Model of Deliberative Democracy</i> Tim Besley (London School of Economics and CEPR) Chair: Hans Gersbach (ETH Zürich and CEPR)</p>
12:30 – 14:00	Lunch
14:00 – 15:30	<p><i>Populism as Commitment: Theory and Evidence</i> Antonio Nicolò (University of Padua) Discussant: Tinghua Yu (Birkbeck, University of London)</p> <p><i>Polarized Extremes and The Confused Centre: Campaign Targeting of Voters with Correlation Neglect</i> Inés Moreno de Barreda (University of Oxford and CEPR) Discussant: Dilip Ravindran (Humboldt University of Berlin)</p>
15:30 – 16:00	Afternoon Break
16:00 – 17:30	<p><i>Organizational Capacity and Project Dynamics</i> Dana Foarta (Stanford Graduate School of Business and CEPR) Discussant: Benjamin Blumenthal (ETH Zürich)</p> <p><i>Career Incentives and Corruption: A Lab Experiment</i> César Martinelli (George Mason University) Discussant: Giovanna M. Invernizzi (Collegio Carlo Alberto)</p>
17:30 – 18:00	Free
18:00 – 19:00	City Walk – Meet in front of LEE Building
19:00 – 22:00	Dinner at Restaurant Drei Stuben

Abstracts

Day 1 - Monday, 12 June 2023

Voter Information and Distributive Politics | **Benjamin Blumenthal** (ETH Zürich)

I consider a series of models of political agency with moral hazard and adverse selection, in which politicians allocate resources to voters. Within these models combining electoral accountability and distributive politics, I ask: is more information good for voters? With homogeneously informed electorates, I first show how and when less information can benefit voters, through the interaction of both partial control and partial screening effects. Building on this mechanism, I subsequently consider heterogeneously informed electorates and ask: how can voters' welfare be affected by the informational advantage of a few voters? Is it better to be among the more informed few or the less informed many? I show that the ability of more informed voters to communicate with less informed voters and the nature of their informational advantage can play a significant role in affecting voters' welfare by influencing politicians' incentives to allocate resources to specific voters.

Combining Diversity and Excellence in Multiwinner Elections | **Mostapha Diss** (University of Franche-Comté), with Clinton Gubong Gassi and Issouf Moyouwou

We address the problem of electing a committee subject to diversity constraints. Given a set of candidates and a set of voters, such that each voter is represented by a linear order, the goal is to select a fixed-size subset of candidates by combining the excellence of candidates and a given form of diversity requirements. The grounding assumption in this paper is that the set of candidates is slotted into at least two groups according to a specific attribute such as gender, religion, ethnicity, or profession, and the diversity constraint takes the form of a vector of integers specifying the lowest number of candidates required from each group. In this paper, we define a class of voting rules suitable for electing a diverse committee in this framework. We show how this class of rules handles the issue of combining excellence and diversity and, further, we provide some axiomatic properties that highlight the behavior of these rules when we aim to select a diverse committee.

Pack-Crack-Pack: Gerrymandering with Differential Turnout | **Laurent Bouton** (Georgetown University and CEPR), with Garance Genicot, Micael Castanheira, and Allison Stashko

We study the manipulation of electoral maps by political parties, known as gerrymandering. At the core of our analysis is the recognition that districts must have the same population size but only voters matter for electoral incentives. We show that parties adopt different gerrymandering strategies depending on the turnout rates of their supporters relative to those of their opponents. The broad pattern is to pack-crack-pack along the turnout dimension. It entails packing both supporters with a low turnout rate and opponents with a high turnout rate in some districts, and mixing supporters and opponents of intermediate turnout rates in others. This framework allows us to derive a number of empirical implications about the link between partisan support, turnout rates, and electoral maps. Using a novel empirical strategy relying on the comparison of maps proposed by Democrats and Republicans during the 2020 redistricting cycle in the US, we find support for these predictions.

Drain the Swamp: A Theory of Anti-Elite Populism | **Gabriele Grattton** (University of New South Wales), with Barton E. Lee

We study a model of popular demand for anti-elite populist reforms that drain the swamp: replace experienced public servants with novices that will only acquire experience with time. Voters benefit from experienced public servants because they are more effective at delivering public goods and more competent at detecting emergency threats. However, public servants' policy preferences do not always align with those of voters. This tradeoff produces two key forces in our model: public servants' incompetence spurs disagreement between them and voters, and their effectiveness grants them more power to dictate policy. Both of these effects fuel mistrust between voters and public servants, sometimes inducing voters to drain the swamp in cycles of anti-elite populism. We study which factors can sustain a responsive democracy or induce a technocracy. When instead populism arises, we discuss which reforms may reduce the frequency of populist cycles, including recruiting of public servants and isolating them from politics. Our results support the view that a more inclusive and representative bureaucracy protects against anti-elite populism. We provide empirical evidence that lack of trust in public servants is a key force behind support for anti-elite populist parties and argue that our model helps explain the rise of anti-elite populism in large robust democracies.

Political Correctness and Elite Prestige | **Esther Hauk** (IAE-CSIC and Barcelona School of Economics), with Javier Ortega

Consider a society where the prestige of orthodox views is linked to the prestige of the elite. Heterodox individuals are less likely to express their views if other peers refrain from doing so and if the elite is prestigious. In turn, corruption by the elite is less easily detected if orthodox views dominate. We characterize equilibrium self-denial and corruption and show that an exogenous increase in the range of orthodox views may result in a decrease in the total number of individuals truthfully expressing their views. Some features of the model are shown to be compatible with U.S. data.

Informal Elections with Dispersed Information: Protests, Petitions, and Nonbinding Voting | **Stephan Lauermann** (University of Bonn and CEPR), with Mehmet Ekmekci

We study information transmission through informal elections. Our leading example is that of protests in which there may be positive costs or benefits of participation. The aggregate turnout provides information to a policy maker. However, the presence of activists adds noise to the turnout. The interplay between noise and participation costs leads to strategic substitution and complementarity effects in citizens' participation choices, and we characterize the implications for the informativeness of protests. In particular, we show that rather than being a friction, costs may facilitate information transmission by lending credibility to protest participation.

Counterintuitive Comparative Statics in Legislative Bargaining | **Maria Montero** (University of Nottingham)

This paper shows that a very weak monotonicity property may fail to hold in legislative bargaining. Under the leading (noncooperative) model of legislative bargaining due to Baron and Ferejohn (1989), an increase in a party's voting weight, holding everything else constant, may result in a reduction of the party's expected equilibrium payoff.

Day 2 - Tuesday, 13 June 2023

Collective Action and Informational Freeriding | **Fikri Pitsuwan** (ETH Zürich)

I study the relationship between information and equilibrium in a game of collective action. I show that the value of information is negative in the sense that more informed agents suffer from the burden of knowledge. Interestingly, even if information is private, the equilibrium level of collective action is as if all agents are as informed as the most informed agent.

Exact Learning of Preference Structure: Single-peaked Preferences and Beyond | **Edith Elkind** (University of Oxford), with Sonja Kraiczky

We consider the setting where the members of a society (voters) have preferences over candidates, and the candidates can be ordered on an axis so that the voters' preferences are single-peaked on this axis. We ask whether this axis can be identified by sampling the voters' preferences. For several natural distributions, we obtain tight bounds on the number of samples required and show that, surprisingly, the bounds are independent of the number of candidates. We extend our results to the case where voters' preferences are sampled from two different axes over the same candidate set (one of which may be known). We also consider two alternative models of learning: (1) sampling pairwise comparisons rather than entire votes, and (2) learning from equivalence queries.

An Economic Model of Deliberative Democracy | **Tim Besley** (London School of Economics and CEPR)

This presentation will develop a canonical model of deliberative democracy. The approach focuses on how a deliberative policy process which creates a space for policy debate can increase compliance and reduce enforcement costs which can affect the set of policies that are feasible. The approach can be used to interrogate debates about the normative value increasing the role of deliberation in representative democracies.

Populism as Commitment: Theory and Evidence | **Antonio Nicolò** (University of Padua), with Luca Bellodi, Massimo Morelli, and Paolo Roberti

When voters' trust in politicians collapses, they demand policies that they can easily monitor. Disenchanted citizens therefore prefer committed delegates to unconstrained representatives (trustees). We show that if in a party primary a committed delegate prevails, then the committed delegate also chooses all the strategies typically associated with populism, namely anti-elite and pro-people rhetoric. We bring the predictions to the data in the context of the US congressional elections. We use multilevel regression and post-stratification to create district-level estimates of voters' distrust in federal government and we analyse the universe of tweets posted by approximately 1,500 congressional candidates between 2012 and 2020. We use natural language processing techniques to detect when a tweet contains a policy commitment or populist rhetoric. We find that voters' distrust is strongly associated with candidates' supply of commitments and populist rhetoric, especially when the candidates tweet about topics which enjoy a broad support among voters. We finally show that commitments and populist rhetoric are effective at mobilising distrustful voters, who are more likely to turn out to vote for the committed candidate.

Polarized Extremes and The Confused Centre: Campaign Targeting of Voters with Correlation Neglect | **Inés Moreno de Barreda** (University of Oxford and CEPR), with Gilat Levy and Ronny Razin

We model the effect of competing political campaigns on the opinion of voters who exhibit correlation neglect, i.e., fail to understand that different campaigns might be correlated. We show that political campaigners can manipulate voters' beliefs even when voters understand the informativeness of each campaign separately. The optimal coordination of campaigns involves negative correlation of good news and sometimes full positive correlation of bad news. We show that competition in targeted campaigns has the effect of changing the opinions of different groups in different ways; competition increases polarisation among extreme voters but at the same time increases the variance and the quality of moderates' voting decisions.

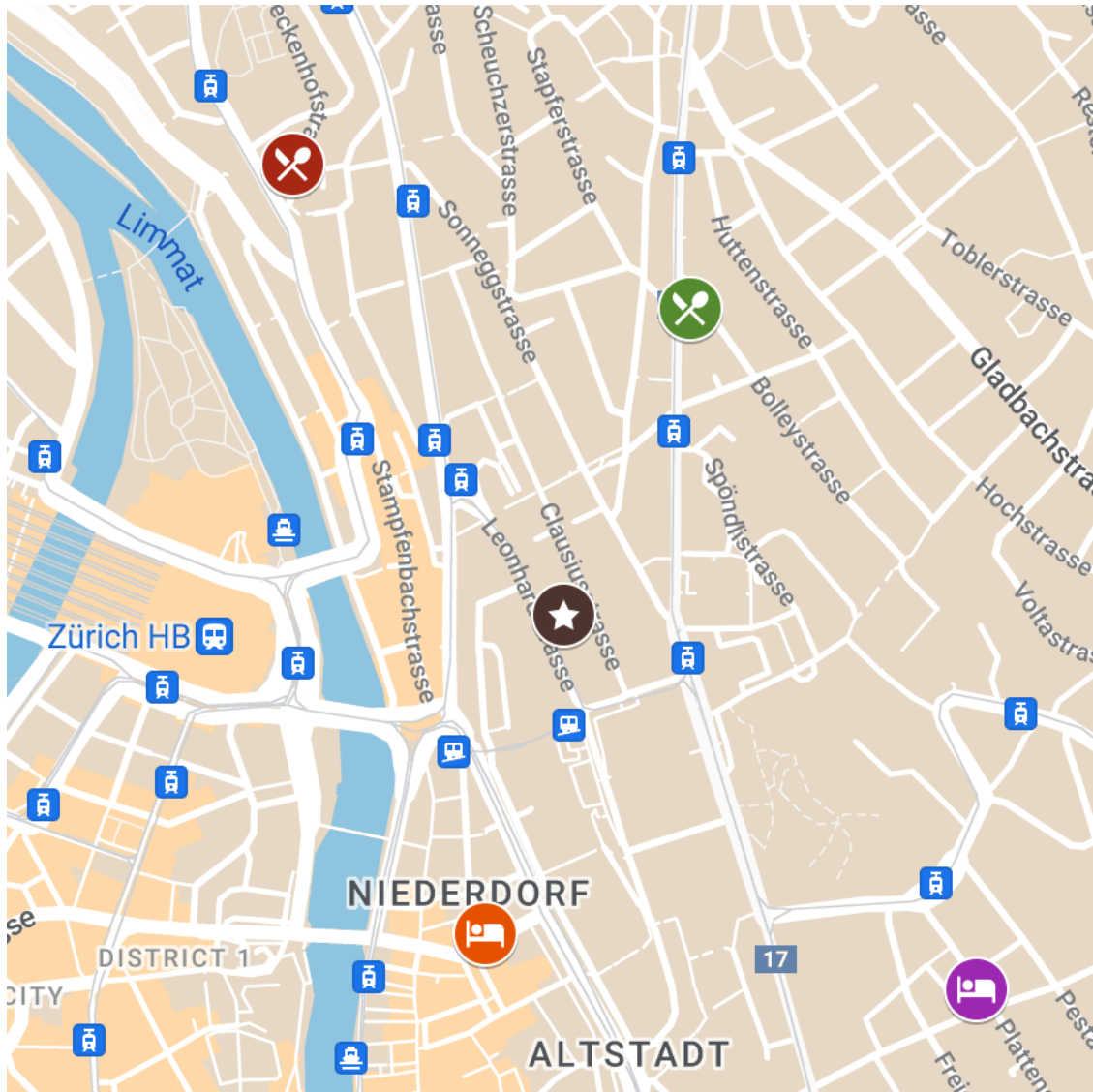
Organizational Capacity and Project Dynamics | **Dana Foarta** (Stanford Graduate School of Business and CEPR), with Michael M. Ting

This paper provides a dynamic theory of the effects of organizational capacity on public policy. Consistent with prevailing accounts, a bureaucratic organization with higher capacity, i.e., a better ability to get things done, is more likely to deliver projects in a timely, predictable, or efficient fashion. However, capacity also interacts with political institutions to produce far-reaching implications for the size and distribution of public projects. Capacity-induced delays and institutional porousness can allow future political opponents to revise projects in their favor. In response, politicians design projects to avoid revisions, for example by equalizing distributive benefits, or by overscaling projects. We show that higher organizational capacity can increase project size, inequalities in the distribution of project benefits, and delays. The range of capacity levels that produce low social benefits increases with the extent of institutional constraints. This suggests that political systems with high capacity and high institutional constraints are especially vulnerable to inefficient projects.

Career Incentives and Corruption: A Lab Experiment | **César Martinelli** (George Mason University), with Naila C. Sebastián Esandi

We propose a model of political career incentives and corruption, and take it to the lab. As predicted by the model, moral incentives and the desire for reelection interact to refrain politicians from taking bribes in the early stage of their careers. Treatments with weaker reelection incentives do worse in terms of inducing good initial behavior of politicians, but may do better in terms of inducing good behavior at a later stage. The probability of voters' mistakes and, possibly, the distribution of moral motivations seem to vary with the treatment, with strategic behavior being apparently more common in environments with perfect information about politicians' actions.

Locations



Conference Venue

- ★ LEE E 101, Leonhardstrasse 21, 8092 Zürich

Hotels

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Organizers



Hans Gersbach
ETH Zürich and CEPR



César Martinelli
George Mason University



Barton Lee
ETH Zürich



Oriol Tejada
Universitat de Barcelona



Fikri Pitsuwan
ETH Zürich



Kremena Valkanova
ETH Zürich

Contact

Kremena Valkanova, kvalkanova@ethz.ch, +41 78 951 92 58

Fikri Pitsuwan, fpitsuwan@ethz.ch, +41 76 531 65 17

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