

Why Some Groups Work and Others Don't

NETHERLANDS NETWORK OF ECONOMICS (NAKE) WORKSHOP

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Professor Susanne Lohmann
Department of Political Science
University of California, Los Angeles
lohmann@ucla.edu

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Course description. Collective action and institutions are the two central topics of political science. Human beings, by coordinating their efforts or by cooperating with each other, can achieve better payoffs than they can if they act as isolated individuals or exploit each other. The interaction of human beings is often structured by political institutions—majority rule, committees, federalism, bureaucracy, and the like. How can human beings, by subjecting themselves to political institutions, shape collective action to achieve better outcomes?

The workings of governance structures are especially hard to understand in decentralized systems with distributed information and dispersed decision-making powers. Such systems are notoriously prone to factionalism, ideology, and morale problems.

This course encourages students to develop game-theoretic and agent-based models that will help them understand how collective action works, and when and why it fails; how collective action is structured by political institutions; and how the human failure to comprehend complex decentralized systems raises special problems for moral leadership and institutional design.

StarLogo. I will be covering some principles of agent-based modeling using StarLogo, a programmable modeling environment for exploring the workings of decentralized systems such as bird flocks, traffic jams, ant colonies, market economies, and collective action. If you want to learn more about StarLogo, or if you want to download a free version, you can go to the official StarLogo web-site: <http://lcs.www.media.mit.edu/groups/el/Projects/starlogo/>. The textbook to explore is Vanessa Colella, Eric Klopfer, and Mitchel Resnick, Adventures in Modeling: Exploring Complex Dynamic System with StarLogo, New York: Teachers College Press, 2001. The book to read is Steven Johnson, Emergence: The Connected Lives of Ants, Brains, Cities, and Software, New York: Scribner, 2001.

Schedule of five classes. Readings marked *** will be discussed in class. All else is recommended background reading. Articles marked *** are collected in a course reader. Book marked *** are on reserve at the library.

COORDINATION / LEADERSHIP

- John B. Van Huyck, Raymond C. Battalio, and Richard O. Beil, "Strategic Uncertainty, Equilibrium Selection, and Coordination Failure in Average Opinion Games," Quarterly Journal of Economics 106, 1991: 885-911.
- ***John B. Van Huyck, Raymond C. Battalio, and Richard O. Beil, "Tacit Coordination Games, Strategic Uncertainty, and Coordination Failure," American Economic Review 80, 1990: 234-249.
- ***Jasmina Arifovic, "Genetic Drift in Tacit Coordination Games." Working Paper. California Institute of Technology and Simon Fraser University, 2000.
- ***Roberto Weber, Yuval Rottenstreich, Colin Camerer, and Marc Knez, "The Illusion of Leadership," California Institute of Technology Social Science Working Paper 992, 1996.
- Russell, Cooper, Douglas V. DeJong, Robert Forsythe, and Thomas W. Ross, "Alternative Institutions for Resolving Coordination Problems: Experimental Evidence on Forward Induction and Preplay Communication," In Problems of Coordination in Economic Activity, ed. James W. Friedman. Boston: Kluwer Academic Publishers, 1994.
- ***Michael S.Y. Chwe, "Culture, Circles, and Commercials: Publicity, Common Knowledge, and Social Coordination," Rationality and Society 10, 1998: 47-75.
- Michael S.Y. Chwe, Rational Ritual: Culture, Coordination, and Common Knowledge, Princeton: Princeton University Press, 2001.

PRISONER'S DILEMMA / PUBLIC GOODS / INSTITUTIONS

- ***John M. Darley and Bibb Latané, "Bystander Intervention in Emergencies: Diffusion of Responsibility," Journal of Personality and Social Psychology 8, 1968: 377-383.
- John Ledyard, "Public Goods: A Survey of Experimental Research," in Handbook of Experimental Economics, eds. John H. Kagel and Alvin E. Roth, Princeton: Princeton University Press, 1995, Chapter 2.
- ***Jonathan Bendor and Dilip Mookherjee, "Institutional Structure and the Logic of Ongoing Collective Action," American Political Science Review 81, 1991: 129-154.
- ***Paul Milgrom, Douglass C. North, and Barry R. Weingast, "The Role of Institutions in the Revival of Trade: The Medieval Law Merchant, Private Judges, and the Champagne Fairs," Economics and Politics 1, 1990: 1-23.
- ***Susanne Lohmann, "Linkage Politics." Journal of Conflict Resolution 41, 1997: 38-67.
- ***Elinor Ostrom, Governing the Commons: The Evolution of Institutions for Collective Action. New York: Cambridge University Press, 1990.

Cases: Kitty Genovese The Bali Temple System

- ***New York Times, The Way She Died.
- A. M. Rosenthal, Thirty-Eight Witnesses: The Kitty Genovese Case, Berkeley: University of California Press, 1999.
- ***John Stephen Lansing, Priests and Programmers: Technologies of Power in the Engineered Landscape of Bali, Princeton: Princeton University Press, 1991. You can download the Bali simulation model at <http://www.ic.arizona.edu/~lansing/bali.html>.

DISTRIBUTED INFORMATION / POLITICAL MECHANISMS OF INFORMATION AGGREGATION

- ***F. A. Hayek, "The Use of Knowledge in Society," American Economic Review 35, 1945: 519-530.
- ***Susanne Lohmann, "A Signaling Model of Informative and Manipulative Political Action," American Political Science Review 87, 1993: 319-333.
- Susanne Lohmann, "Information Aggregation Through Costly Political Action," American Economic Review 84, 1994: 518-530.
- Timothy J. Feddersen and Wolfgang Pesendorfer, "The Swing Voter's Curse," American Economic Review 86, 1996: 408-425.
- ***Timothy J. Feddersen and Wolfgang Pesendorfer, "Convicting the Innocent: The Inferiority of Unanimous Jury Verdicts under Strategic Voting," American Political Science Review 92, 1998: 23-35.
- ***Cass R. Sunstein, "Deliberative Trouble? Why Groups Go to Extremes," Yale Law Journal 110, 2000): 71-119.
- ***Dan Simon, Lien B. Pham, Quang A. Le, and Keith J. Holyoak, "The Emergence of Coherence Over the Course of Decision Making," Journal of Experimental Psychology 27, 2001: 1250-.
- Midnight Special Law Collective, "Appendix H: Consensus Process," Handbook for Activists, Mimeograph, 2000.
- James Fishkin, The Voice of the People, New Haven: Yale University Press, 1995.
- James C. Scott, Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed. New Haven: Yale University Press, 1998.
- F.A. Hayek, The Fatal Conceit, Chicago: University of Chicago Press, 1988.
- John Seely Brown and Paul Duguid, The Social Life of Information, Cambridge: Harvard Business School Press, 2000.
- Hubert L. Dreyfus, On the Internet, London: Routledge, 2001.

HERDING / INFORMATION CASCADES / SOCIAL NORMING

- ***Thomas Schelling, Micromotives and Macrobehavior, New York: W.W. Norton, 1978, Chapter 7.
- Christopher Bliss and Barry Nalebuff, "Dragon-Slaying and Ballroom Dancing: The Private Supply of a Public Good," Journal of Public Economics 25, 1984: 1-12.
- ***Sushil Bikhchandani, David Hirshleifer, and Ivo Welch, "A Theory of Fads, Fashion, Custom, and Cultural Change as Informational Cascades," Journal of Political Economy 100, 1992: 992-1026.
- ***Susanne Lohmann, "Dynamics of Informational Cascades: The Monday Demonstrations in Leipzig, East Germany, 1989-1991," World Politics 47, 1994: 42-101.
- ***Susanne Lohmann, "I Know You Know He or She Knows We Know You Know They Know: Common Knowledge and the Unpredictability of Informational Cascades," in Political Complexity: Nonlinear Models of Politics, ed. Diana Richards, Ann Arbor: University of Michigan Press, 2000, pp.137-173.

- ***Susanne Lohmann, "Collective Action Cascades: An Informational Rationale for the Power in Numbers," Journal of Economics Surveys 14, 2000: 665-695.
- ***Floyd H. Allport, "The J-Curve Hypothesis of Conforming Behavior," Journal of Social Psychology 5, 1934, 141-183.

**Cases: Controlling Binge Drinking in American Colleges and Universities
 The Ruanda Genocide**

- ***M. Haines and S. F. Spears, "Changing the Perception of the Norm: A Strategy to Decrease Binge Drinking Among College Students," Journal of the American College Health 45, 1996: 134-140.
- ***Los Angeles Times, "Finding Good in 'Normal'; Students are getting a surprise lesson--binge drinking and other risky behaviors aren't popular. It's the new creed of 'social norms marketing.'" June 12, 2001, A1.
- ***The New York Times, "New Tactic on College Drinking: Play It Down." October 3, 2000, A1.
- ***Lexis-Nexis articles on the Ruanda genocide.

COMMON KNOWLEDGE / IDEOLOGY / FACTIONALISM / POLITICAL AND MORAL
DISAGREEMENT / WE CAN'T AGREE TO DISAGREE *VERSUS* WHY WE CAN'T AGREE
AND CAN'T AGREE TO DISAGREE

- ***John Geanakoplos, "Common Knowledge," Journal of Economic Perspectives 6, 1992: 53-81.
- Dale Stahl and Paul Wilson, "On Players' Models of Other Players: Theory and Experimental Evidence," Games and Economic Behavior 10, 1995: 218-254.
- Michael S. Y. Chwe, Rational Ritual: Culture, Coordination, and Common Knowledge, Princeton: Princeton University Press, 2001.
- ***Teck-Hua Ho, Colin Camerer, and Keith Weigelt, "Iterated Dominance and Iterated Best Response in Experimental 'p-Beauty Contests'," American Economic Review 88, 1998: 947-970.
- James DeNardo, "Complexity, Formal Methods, and Ideology in International Studies," in New Thinking in International Relations Theory, eds. Michael W. Doyle and G. John Ikenberry, Boulder, Colorado: Westview Press, 1997.
- ***Christopher Hood, The Art of the State: Culture, Rhetoric, and Public Management, Oxford: Clarendon Press, 1998, chapter on cultural theory.
- Mark Turner, Cognitive Dimensions of Social Science, Oxford: Oxford University Press 2001.
- ***Thomas Piketty, "Social Mobility and Redistributive Politics," Quarterly Journal of Economics 110, 1995: 551-585.
- David Spector, "Rational Debate and One-Dimensional Conflict," Quarterly Journal of Economics 115, 2000: 181-.
- Amy Gutmann and Dennis Thompson, Democracy and Disagreement, Cambridge: Belknap Press of Harvard University Press, 1996.
- Philip E. Converse, "The Nature of Belief Systems in the Mass Publics," in Ideology and Discontent, ed. David Apter, London: Free Press of Glencoe, 1964.
- ***Keith Poole and Howard Rosenthal, "Patterns of Congressional Voting," American Journal of Political Science 35, 1991: 228-279.

***Cass R. Sunstein, "Deliberative Trouble? Why Groups Go to Extremes," Yale Law Journal 110, 2000): 71-119.

***Dan Simon, Lien B. Pham, Quang A. Le, and Keith J. Holyoak, "The Emergence of Coherence Over the Course of Decision Making," Journal of Experimental Psychology 27, 2001: 1250-PAGE NUMBER.

Andrew Abbott, Chaos of Disciplines, Chicago: University of Chicago Press, 2001.

Randall Collins, The Sociology of Philosophies: A Global Theory of Intellectual Change, Cambridge: The Belknap Press of Harvard University Press, 1998.

Cases: **Speluncean Explorers**
 Globalization
 State of the Environment
 Why the West Grew Rich

***Lon Fuller, "The Case of the Speluncean Explorers," Harvard Law Review 62: 616-645.

***The Economist, Globalization.

***Larry Summers' World Bank Memo.

***William Finnegan, "After Seattle," New Yorker, April 17, 2000,

David Henderson, "Anti-Liberalism 2000," Wincott Lecture <http://www.iea.org.uk>.

***Peter Singer, "Famine, Affluence, and Morality," Philosophy and Public Affairs 1, 1972: 229-243.

***Peter Singer, "The Singer Solution to World Poverty," New York Times Magazine, September 5, 1999.

***Bjorn Lomborg, The Skeptical Environmentalist: Measuring the Real State of the World, New York: Cambridge University Press, 2001.

***World Resource Institute, "Debunking Pseudo-Scholarship: Things a Journalist Should Know About The Skeptical Environmentalist," http://www.wri.org/wri/press/mk_lomborg.html.

***The Economist, "The Road to Riches," December 31, 1999, pp. 10-12.

***Gale Stokes, "Why the West?" Lingua Franca 11, 2001: 30-38.

David S. Landes, The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor, New York, Norton: 1998.

Andre Gunder Frank, ReOrient: Global Economy in the Asian Age, Berkeley: University of California Press, 1998.