

Syllabus with Readings

Lecture 1 & 2: Introduction to Social Choice Theory

*Moulin, Herve J., 2003, *Fair Division and Collective Welfare*, The MIT Press: Cambridge: MA. Chapter 1 (pp 1-9) and 2. We will not be covering Example 2.6, Section 2.3, Example 28 and Example 2.9.

*Sen, Amartya K., 2002, "The Possibility of Social Choice" Ch. 2 in Sen, A. K. *Rationality and freedom*, Cambridge, Mass., Belknap Press.

*Arrow, K.J., AK Sen & K Suzumura, 2002, *Handbook of social choice and welfare*, Amsterdam Boston, Elsevier. Chapter 1.

*Friedman, D., 2008, *Morals and Markets: An Evolutionary Account of the Modern World* 1st ed., Palgrave Macmillan. Chapter 1.

Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 21A-C and E

Gaertner, W., 2006, *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapters 2.

Gibbard, Allan F., 1973, "Manipulation of Voting Schemes: A General Result" *Econometrica* Vol. 41, No. 4 July, pp. 587-601.

Konow, James, 2003, "Which Is the Fairest One of All?: A Positive Analysis of Justice Theories," *Journal of Economic Literature*, vol. 41, no. 4 (December), pp. 1186-1237.

Shepsle, K. A. and M. S. Bonchek, 1997, *Analyzing politics: rationality, behavior, and institutions*, New York, W.W. Norton. Chapters 1 – 3.

Lecture 3 Cardinal Welfarism

*Moulin, Herve J., 2003, *Fair Division and Collective Welfare*, The MIT Press: Cambridge: MA. Chapter 3.

*Binmore, K., 2009, Interpersonal Comparison of utility, in H. Kincaid & D. Ross, eds. *The Oxford Handbook of Philosophy of Economics*, Oxford University Press US.

Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 22 C – E

Binmore, K., 1994, *Game Theory and the Social Contract: Playing Fair*, Vol. 1, MIT Press. Chapters 1 & 4.

Gaertner, W., 2006, *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapters 7 & 8.

Jehle, G. A. and P. J. Reny, 1998, *Advanced Microeconomics Theory*, Addison-Wesley Ch. 8.

Mueller, Dennis, C., 2003, *Public Choice III*, Cambridge University Press. Chapter 23.

Sen, A. K. 1970, *Collective Choice and Social Welfare*, Chs. 6 - 9 (including starred chapters)

Lecture 4: Voting and Social choice

*Moulin, Herve J., 2003, *Fair Division and Collective Welfare*, The MIT Press: Cambridge: MA. Chapter 4.

*Mueller, Dennis, C., 2003, *Public Choice III*, Cambridge University Press. Chapter 4, 5, 6.

Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 21A-D.

Caplin, A. and B. Nalebuff, 1988, "On 64% Majority Rule" *Econometrica*, 56(4), 787-814.

Gaertner, W., 2006, *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapter 3.

May, Kenneth O., 1952, "A Set of Independent Necessary and Sufficient Conditions for Simple Majority Decision" *Econometrica* Vol. 20, No. 4 October, 680-684

Sen, A. K., 1970, *Collective Choice and Social Welfare*, Ch.10

Shepsle, K. A. and M. S. Bonchek, 1997, *Analyzing politics: rationality, behavior, and institutions*, New York, W.W. Norton. Chs. 5 – 7.

Lecture 5: Arrow Impossibility Theorem

*Moulin, Herve J., 2003, *Fair Division and Collective Welfare*, The MIT Press: Cambridge: MA. Chapter 4 Section 4.6.

*Hansen, P., 2002, "Another Graphical Proof of Arrows Impossibility Theorem", *Journal of Economic Education* 33(2).

Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 21A-D.

Arrow, K. J., 1951, *Social choice and individual values*, New York London, Wiley Chapman & Hall. Chapters 1 – 3.

Bone, J., 2003, "Simple Arrow-Type propositions in the Edgeworth domain" *Social Choice and Welfare* 20: 41-48.

Elster, J., A. Hylland, et al., 1986, *Foundations of social choice theory*, Cambridge: New York, Cambridge University Press.

Gaertner, W., 2006, *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapters 2.

Gibbard, Allan F., 1974, "A Pareto Consistent Libertarian Claim" *Journal of Economic Theory* Vol. 7, No. 4 April, 388-410

Jehle, G. A. and P. J. Reny (1998). *Advanced Microeconomic Theory*, Addison-Wesley Ch. 8.

Mueller, Dennis, C., 2003, *Public Choice III*, Cambridge University Press. Chapter 24.

Reny Philip J. (2000): "Arrow's Theorem and the Gibbard-Satterthwaite Theorem: A Unified Approach" *Economics Letters*, 99-105.

Sen, A. K., 1970, *Collective Choice and Social Welfare*, Chs. 1 – 4.

Sen, A. K., 1976, "Liberty, Unanimity and Rights" *Economica* Vol. 43, No. 171 August, 217-245

Sen, A. K., 1970, "The Impossibility of a Paretian Liberal" *Journal of Political Economy* Vol. 78, No.1.

Lecture 6: Competitive Markets: Partial Equilibrium

*Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 10.

*Miller N.H. *Notes on microeconomic theory* (can be downloaded from author's website:

<https://business.illinois.edu/nmiller/notes.html>)

Just, R., Hueth, D. & Schmitz, A., 2005, *The welfare economics of public policy: a practical approach to project and policy evaluation*, Edward Elgar Publishing. Chs 1-3.

Lecture 7 & 8: Externality and Public Goods

*Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 11.

*Miller N.H. *Notes on microeconomic theory* (can be downloaded from author's website:

<https://business.illinois.edu/nmiller/notes.html>)

*Coase, Ronald, 1960, "The Problem of Social Cost." *Journal of Law and Economics* 3, no. 1, pp. 1-44.

Kolstad, C., 2010, *Environmental economics* (2 ed.). Oxford University Press, USA. Chs 5-7.

Farrell, Joseph, 1987, "Information and the Coase Theorem." *Journal of Economic Perspectives* 1, no. 2, pp. 113-129.

Weitzman, Martin, 1974, "Free Access vs. Private Ownership as Alternative Systems for Managing Common Property." *Journal of Economic Theory* 8, no. 2, pp. 225-234.

———. "Prices vs. Quantities." *Review of Economic Studies* 41, no. 4, 477-492.

Lecture 9&10: Adverse selection and moral hazard

*Laffont J.-J. & D. Martimort, *The theory of incentives: the principal-agent model*, 2002, Princeton, N.J.: Princeton University Press. Chs.

*F.A. Cowell, *Microeconomics: Principles and Analysis*, 2005 Oxford, Ch. 11.

Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Chs. 13&14.

Akerlof, G.A., 1970, The market for "lemons": Quality uncertainty and the market mechanism, *The quarterly journal of economics*, pp. 488-500.

Baron, D.P. & Myerson, R.B., 1982, Regulating a monopolist with unknown costs, *Econometrica: Journal of the Econometric Society*, pp. 911-30.

Grossman, S.J. & Hart, O.D., 1983, An analysis of the principal-agent problem, *Econometrica: Journal of the Econometric Society*, pp. 7-45.

Hölmstrom, B., 1979, Moral hazard and observability, *The Bell journal of economics*, pp. 74-91.

Maskin, E. & Riley, J., 1984, Monopoly with incomplete information, *The RAND Journal of Economics*, 15(2), pp. 171-96.

Lectures 11&12: Mechanism design

- *Feldman A.M. & R. Serrano 2006, *Welfare economics and social choice theory*, Springer.
- Mas-Colell, Whinston and Green, 1996, *Microeconomic Theory*, Oxford University Press, Ch. 23.
- Clarke, E.H., 1971, Multipart pricing of public goods, *Public choice*, 11(1), pp. 17-33.
- Dasgupta, P., Hammond, P. & Maskin, E., 1979, The implementation of social choice rules: Some general results on incentive compatibility, *The Review of Economic Studies*, pp. 185-216.
- Gibbard, A., 1973, Manipulation of voting schemes: a general result, *Econometrica: journal of the Econometric Society*, pp. 587-601.
- Green, J. & Laffont, J.-J., 1977, Characterization of satisfactory mechanisms for the revelation of preferences for public goods, *Econometrica: Journal of the Econometric Society*, pp. 427-38.
- Groves, T., 1973, Incentives in teams, *Econometrica: Journal of the Econometric Society*, pp. 617-31.
- Jackson, M.O., 2001, A crash course in implementation theory, *Soc Choice Welfare Social Choice and Welfare*, 18(4), pp. 655-708.
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- Reny, P.J., 2001, Arrow' s theorem and the Gibbard-Satterthwaite theorem: a unified approach, *Economics Letters*, 70(1), pp. 99-105.
- Satterthwaite, M.A., 1975, Strategy-proofness and Arrow's conditions: Existence and correspondence theorems for voting procedures and social welfare functions, *Journal of economic theory*, 10(2), pp. 187-217.
- Vickrey, W., 1961, Counterspeculation, auctions, and competitive sealed tenders, *The Journal of finance*, 16(1), pp. 8-37.