

Voting → Median voter theorem
 - direct democracy → representative democracy
 - ballot initiatives
 ↳ sales tax ↑

Preference Intensity → vote trading
 → log rolling

<u>Voters</u>	X	Y
A	-2	-2
B	5	-2
C	-2	5
<u>Social</u>	1	1

If $W = U_A + U_B + U_C$
 X vs null X fail
 2 votes against
 Y vs null

voters	x	y	x + y	yield negative
A	-2	-2		social benefits
B	→ 3	-2	Ⓛ	vote trading
C	-2	→ 3	Ⓛ	inefficient
Social	-1	-1		

→ Legislation → amendments to a bill

strategic amend. → Killer amendment

1958 Hwy Bill Repub → fail

Rider - desegregated school states

Brown v. Board 1957

Representative Dem

too many issues → direct democracy
transaction costs

$$\rightarrow U^P = U^P(V)$$

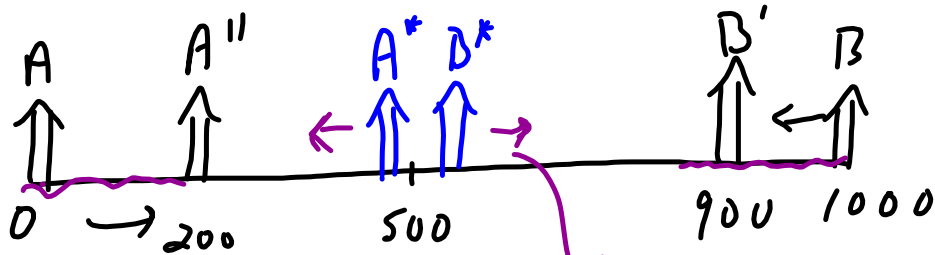
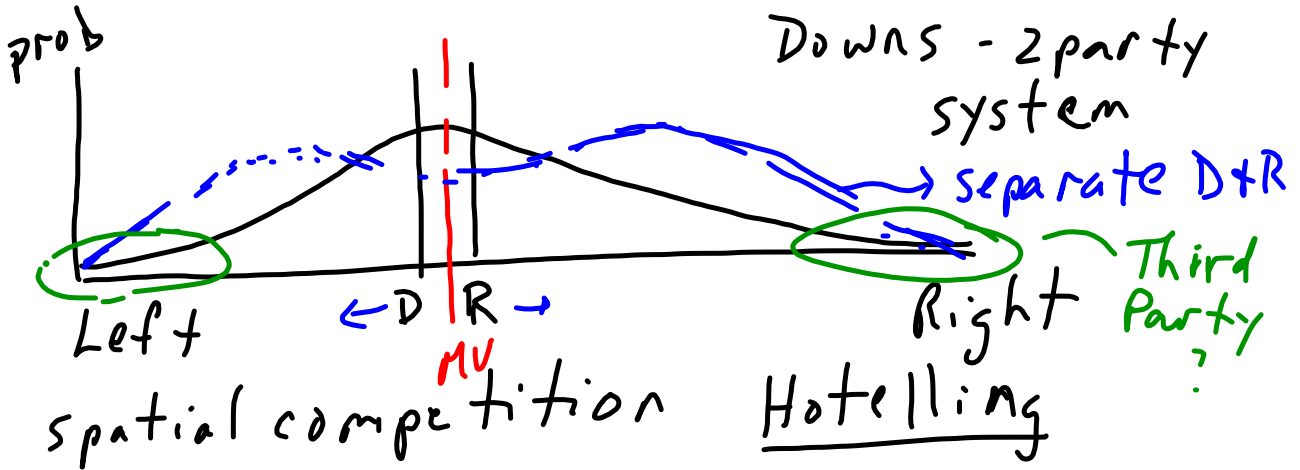
↳ votes

$$U^V = U^V(G - T) \quad \text{net value of govt programs minus taxes}$$

If $T \uparrow$ lose P votes

$G \uparrow$ gain P votes

· platform ideology - voters predict voting tendencies



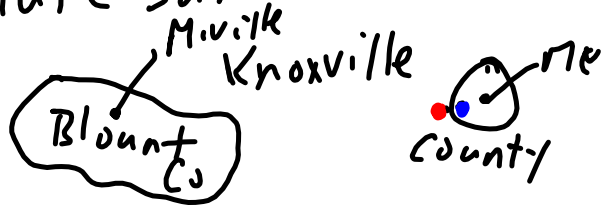
Beach 1000 people

A.E. Hirshman → Exit, Voice, Loyalty *

- private market
 - unhappy don't buy
 - seller responds
 - us trains
- when exit costly
- strength of attachment
- India.

Tiebout → local public services
 1956 → exit → choose location: mix of public services
 transaction cost low - job
 - commute same

voting with feet



Rep Dem → platforms
→ ideology - signal of position.
- transaction cost

chapter 6 skip Arrow's Impossibility
Theorem

Rent-seeking Fig 6.4
↳ waste → Lobbying