

# Readings: Social Choice Theory, Externality and Public Goods

## 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 2.8 and Example 2.9.
- Sen, Amartya K.; "The Possibility of Social Choice" Ch. 2 in Sen, A. K. (2002). Rationality and freedom. Cambridge, Mass., Belknap Press.
- Friedman, D., 2008. *Morals and Markets: An Evolutionary Account of the Modern World* 1st ed., Palgrave Macmillan. Chapter 1.
- Gaertner, W., 2006. *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapters 2.
- Arrow, K. J., A. K. Sen, K. Suzumura. (2002). Handbook of social choice and welfare. Amsterdam ; Boston, Elsevier. Chapter 1.
- 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.
- Mas-Colell, Whinston and Green (1996) Microeconomic Theory Ch. 21A-C and E
- Shepsle, K. A. and M. S. Bonchek (1997). Analyzing politics : rationality, behavior, and institutions. New York, W.W. Norton. Chapters 1 - 3
- Gibbard, Allan F.; "Manipulation of Voting Schemes: A General Result"; *Econometrica*; Vol. 41, No. 4; July, 1973; 587-601;

## 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.
- Gaertner, W., 2006. *A Primer in Social Choice Theory*, Oxford University Press, USA. Chapters 7 & 8.
- Mueller, Dennis, C. (2003). *Public Choice III*, Cambridge University Press. Chapter 23.
- Binmore, K. (1994). *Game Theory and the Social Contract*:

- Playing Fair, Vol. 1, MIT Press. Chapters 1 & 4.
- Jehle, G. A. and P. J. Reny (1998). Advanced Microeconomics Theory, Addison-Wesley Ch. 8.
- Mas-Colell, Whinston and Green (1996) Microeconomic Theory Ch. 22 C – E
- 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.
- Gaertner, W., 2006. A Primer in Social Choice Theory, Oxford University Press, USA. Chapter 3.
- Caplin, A. and B. Nalebuff (1988): "On 64% Majority Rule" *Econometrica*, 56(4),787-814.
- May, Kenneth O.; "A Set of Independent Necessary and Sufficient Conditions for Simple Majority Decision"; *Econometrica*; Vol. 20, No. 4; October, 1952; 680-684;
- Mas-Colell, Whinston and Green (1996) Microeconomic Theory Ch. 21A-D.
- 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).
- Gaertner, W., 2006. A Primer in Social Choice Theory, Oxford University Press, USA. Chapters 2.
- Mueller, Dennis, C. (2003). Public Choice III, Cambridge University Press. Chapter 24.
- 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 [Cambridgeshire] ; New York, Cambridge University Press.

- Gibbard, Allan F.; "A Pareto Consistent Libertarian Claim"; *Journal of Economic Theory*; Vol. 7, No. 4; April, 1974; 388-410;
- Jehle, G. A. and P. J. Reny (1998). Advanced Microeconomic Theory, Addison-Wesley Ch. 8.
- Mas-Colell, Whinston and Green (1996) Microeconomic Theory Ch. 21A-D.
- Sen, A. K. (1970) Collective Choice and Social Welfare Chs. 1 – 4 (including starred chapters)
- Sen, Amartya K.; "The Impossibility of a Paretian Liberal"; *Journal of Political Economy*; Vol. 78, No. 1; January/February, 1970; 152-157;
- Sen, Amartya K.; "Liberty, Unanimity and Rights"; *Economica*; Vol. 43, No. 171; August, 1976; 217-245;
- Reny Philip J. (2000): "Arrow's Theorem and the Gibbard-Satterthwaite Theorem: A Unified Approach" *Economics Letters*, 99-105.

## A Broad Perspective of Social Choice and Democracy

Sen, Amartya K.; "Rationality and Social Choice" Ch. 8 in Sen, A. K. (2002). Rationality and freedom. Cambridge, Mass., Belknap Press.

Sen, Amartya K.; "Individual Preference as the Basis of Social Choice" Ch. 9 in Sen, A. K. (2002). Rationality and freedom. Cambridge, Mass., Belknap Press.

Hausman, D. M. and M. S. McPherson (1996). Economic analysis and moral philosophy. Cambridge [England] ; New York, NY, Cambridge University Press.

Przeworski, Adam (2003). Freedom to Choose and Democracy. *Economics and Philosophy* **19**: 265 – 279.

Bohman, James (1998). Survey Article: The Coming Age of Deliberative Democracy. *The Journal of Political Philosophy* **6**(4):400 – 425.

Zurn, Christopher F. (2002). Deliberative Democracy and Constitutional Review. *Law and Philosophy* **21**: 467-542.

Barry, Brian (1991). "Is Democracy Special?" in *Democracy and Power* Clarendon Press: Oxford.

## **History of Social Choice Theory**

Szpiro, George. Numbers Rule. Princeton, N.J.: Princeton University Press, 2010.

## **Lecture 6 & 7: Externality and Public Goods**

Mas-Colell, Whinston and Green (1996) Microeconomic Theory Ch. 11.

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