

**Part 1: Short Answer Questions:** To answer these questions you must identify (i.e., define) the listed concept and give its significance *to this course* (the same or similar concepts are used in other branches of political science and economics, so it is important to not the last clause). Fully correct answers do only this (Do not try to prove or derive anything or discuss the concept in detail). The answers to these questions can be given in four sentences or less. You will lose points for writing material unrelated to the answer so *think before writing*. **Credit: Answer 4 (four) of the following for 10 points each** (40 total points).

1. *Gibbard-Satterthwaite Theorem*: There is no resolute social choice rule, satisfying the domain constraint, which is strategy-proof and satisfies both the non-dictatorship and Pareto conditions. Essentially asserts that all social choice rules can be manipulated if they are to satisfy a small number of reasonable conditions. Like Arrow's theorem, calls into question simple interpretations of outcomes from social choice situations.

2. *Heresthetic*: William Riker coined this term to refer to strategic behavior over the structure of political contestation. For example, we have seen that the agenda-setter is often able to induce her preferred outcomes. Alternatively, we have seen, following Schattschneider's discussion of the dynamics of party systems, that the introduction of a new issue may mobilize previously unmobilized citizens/voters and/or restructure existing citizen/voters in such a way that the successful heresthetician gains.

3. *Sophisticated voting*: Takes the form of voting against one's true preferences at one point in the legislative process in order to achieve an outcome which you value more highly than that which would result if you, and everyone else, voted sincerely. A form of manipulation. If rational citizens engage, at least sometimes, in sophisticated voting, the interpretation of electoral outcomes in terms of social preference is called into question.

4. *Paradox of Voting*: Under the assumption that agents are rational, many scholars have found the act of voting paradoxical. The logic is straightforward: if the costs of voting are even fairly small; and given that the likelihood of affecting the outcome of the election is infinitesimal; it is not rational to vote. In Shepsle and Bonchek, as in the literature more generally, this is an opening wedge for the introduction of normed behavior.

5. *Responsive Pluralist Democracy*: A theory of democratic politics in which: 1) individuals join all groups that represent their interests (and participate at a level reflecting the intensity of their interest); 2) group lobbying effort reflects the aggregate level and direction of interest of membership; and 3) politicians condition their voting behavior on the information contained in the sum of group political efforts. The claim is that, because information about magnitude, as well as direction, of preference is conveyed by lobbying, it leads to appropriate political decisions. In addition, relative to corporatism, it is responsive to changes in social preferences via the creation of new groups. Criticized by both critical pluralists and choice theorists like Olson.

6. *Privileged Group*: A group such that each of its members, or at least some one of them, has an

incentive to see that the collective good is provided, even if s/he must bear the full burden of providing it privately. In such a group there is a presumption that the good will be provided, and that it may be provided without any group activity whatsoever. Helps explain patterns of bias in group formation and activity that underlies Olson's critique of earlier pluralist theories (both responsive and critical). That is, if effective groups are privileged, and politicians condition their behavior on level of effective political effort, political outcomes will be biased.

7. *Maternalist Welfare State*: A welfare state premised on social provision to (non-working) mothers and children, rather than to working people. The early welfare state developed by the progressives was primarily a maternalist welfare state, rather than a welfare state on the European model. Noble argues that the early adoption of a maternalist welfare state created interests and institutions that made it harder to adopt a European-style welfare state based on provision to workers broadly speaking.

8. *Competitive Federalism*: Subnational political units compete with one another for business (i.e. jobs, tax base, etc.). With considerable economic decision-making, especially with respect to welfare policy, concentrated at the state level, business can threaten to move between states relatively easily. This can lead to a "race to the bottom". Such pressure is not available in systems with decision-making power concentrated at the national level.

## **Essay Questions on Back**

**Part II: Essays:** Your answer must be logical, complete and grammatical (i.e., you must write in complete, well-constructed sentences and paragraphs). Think before writing. **Do two (2) for a total of 60 points.**

1. Organized economic interests play an essential role in the determination of policy in any society. Furthermore, relative degrees and effectiveness of organization vary across interests within countries and within interests across countries.

a. Noble, like Schattschneider, takes it for granted that business groups are in some sense relatively more influential in U.S. politics than other economic groups (e.g. consumers or labor). What is the basis for Noble's argument? [15 points]

The fundamental foundation for Noble's argument is that business has structural power in any capitalist system. That is, as a provider of jobs, economic dynamism, etc., even though capitalists/managers may be few in number, they will have better access to government than their numbers might suggest. In addition, by virtue of their greater geographic mobility, business is more able to exploit competitive federalist politics than either labor or community groups. In each of the periods Noble considers, reformers are driven to take business interests directly into account when they formulate their policies and their legislative strategies, virtually independently of any explicit lobbying activity by those interests. Noble is not particularly drawn to Olson-type collective action logic.

b. Traditional pluralist analyses and Mancur Olson's critique treat groups as the essential basis of politics. Describe the fundamental difference between these two approaches. In what way does Olson's analysis provide an alternative account of the relative influence of different economic groups to that provided in part (a). [15 points]

Traditional pluralist theory assumes that there is an identity between group membership and interest. In addition, there is a presumption that there is some tendency for interests to get politically organized. Olson criticizes both of these presumptions from a choice-theoretic foundation. Specifically, he argues that the pursuit of political goals is a collective good, and thus plagued by free-riding. As a result, groups get organized either because they offer inducements essentially unrelated to their political agenda (e.g. cheap insurance, magazines, etc.) or because some small number of agents benefit sufficiently that they provide the benefit themselves. The first is Olson's by-product theory, the second his theory of privileged groups.

Business interests are easier to organize—all firms within an industry have in common is their common membership in the industry (there are no cross-cutting loyalties); they are often small in numbers; and it is relatively easy to identify the magnitude of gain for a given firm from a given political goal. Thus, on collective action grounds, business groups are likely to be easier to organize than community, labor, or consumer groups. In addition, in highly concentrated industries the largest firms may find it in their interest to pay most of the costs of pursuing a beneficial agenda themselves. This will virtually never be the case for labor or consumers.

2. Voting rules and franchise restriction play an important role in Noble's analysis of the historical development of the US welfare state.

a. According to Noble, the timing and nature of franchise (i.e. voting) rights has strongly affected the evolution of the U.S. welfare state. Specifically, from the late-19<sup>th</sup> century until quite recently, the *de jure* granting of universal (male) franchise and the continuing *de facto* restriction on black franchise both affected this evolution. Explain this claim. In particular explain the mechanisms through which these have affected the development of the welfare state and the direction of the effects. (15 points)

In countries where strong, centralized states developed early and resisted calls for political democracy, the newly mobilized classes were led to take ideologically extreme positions in the competition for political access. Defenders of the *ancien regime* were forced to defend the system. As a result, political opponents tended to engage in a more ideologically coherent, programmatic competition that helped reformers expand public provision in the 20<sup>th</sup> century. In the U.S., in contrast, where the grant of franchise rights preceded the development of a strong state, and occurred without the development of class-based political organization, politics developed differently: newly formed, mass-based parties competed for voters with patronage rather than organize the electorate into hostile ideological camps. Middle class opposition to patronage, a key issue for the progressives, in the absence of strong, class-based organization, led to the weaker maternalist welfare state and, more generally to continuing weakness in the social forces demanding welfare states on the European model. At the same time, continuing attempts to deny franchise rights (as part of a political program of denying a wide range of rights) to black citizens, divided the Democrat party and weakened its ability to function as a progressive force on welfare state issues. Noble documents the way that Southern politics made reform more difficult in each of the three reform periods.

b. Schattschneider, in *The Semisovereign People*, was concerned with widespread non-voting, where Shepsle and Bonchek find widespread voting perplexing. What assumptions underlie each of these positions? How does the fact that voting is positively correlated with income and education affect your evaluation of these two positions. (15 points)

Schattschneider takes voting as, in some sense, natural. Thus, non-voting is taken to reflect some form of pathology. The fact that there is a pattern to non-voting associated with income, education, and general engagement with the system, suggests to Schattschneider that this is a social pathology. By contrast, Shepsle and Bonchek, from their individualist/rational choice perspective find the act of voting to be paradoxical. That is, they consider the decision to vote from a simple cost-benefit perspective and find that, without introducing some kind of consumption benefit from voting (possibly based on normed behavior), the act of voting cannot be taken to be rational. One could argue, from the rationalist perspective, as enhanced by normative commitment, that relatively poor/relatively uneducated people have, on average, a lower level of commitment to the political system. This is a way of getting to Schattschneider's conclusion (i.e. that there is a social pathology) from a choice theoretic starting point.

3. The first two periods of reform activity considered by Noble are associated with electoral realignments discussed by Schattschneider.

a. Describe these realignments and the role played by these realignments in “opening windows” for reform? [15 points]

The progressive reforms occur in the context of the System of '96. Schattschneider argues that this system was based on non-competitive politics in both north and south. In the north, the emergence of an urban middle class with little patience for the corruption associated with the pension system and a concern for the effects of industrialism on the least protected members of society (i.e. women and children) promoted a maternalist welfare state. However, this system was not developed in the south, because of fears that it would undermine the race-based economic system in place there. The New Deal Reforms occur in the context of the New Deal realignment. The same crisis that brought the System of '96 to an end also generated increased demand for a variety of forms of public provision. Previous partisan attachments were shattered by the Great Depression, creating an opening for far-reaching policy response. That is, not only did the general presence of crisis lend itself to large policy reform, but the breakdown of Republican political hegemony created an opportunity for Roosevelt to construct a new type of political coalition.

b. According to Noble, the backlash against the welfare state also seems to have been associated with a realignment. Describe this realignment and the role of the welfare state in triggering this realignment. [15 points]

By the mid- to late-1970s, the new deal party system had apparently collapsed. On the one hand, the solid south had finally become more competitive; while, on the other, white middle class support for Democratic programmes had begun to dissolve in the face of continuing racial tension (including a widespread perception that “entitlement programs” were overwhelmingly targeted on the black community), higher taxes, and high inflation. The main implication of these changes is that, loosely speaking, the median voter had shifted to the right. This created an environment in which Conservative reformers could change the welfare system to make it smaller and more market conforming than the New Deal welfare system.

#### Exam Statistics

	Short	Essay 1	Essay 2	Essay 3	<b>Total</b>	% Max
Mean	30	17	12	19	<b>64</b>	71
Std.Dev	7	4	8	7	<b>15</b>	17
Maximum	40	25	23	30	<b>90</b>	100
Minimum	11	10	0	0	<b>11</b>	12
Median	29	17	15	20	<b>67</b>	74