THE ECONOMICS OF VOTING—OR NOT VOTING

For centuries, philosophers, mathematicians, political scientists and, more recently, economists have thought about various aspects of citizens' participation in elections, including voter apathy, mandatory voting, and the ethics of voting. Even Thomas ... Edison gets an inclusion for his first patented invention—an automatic vote counter; but it didn't sell, so he moved on to the light bulb, phonograph, and alkaline battery. And, of course, Chicago also merits a nod for our special contribution—vote fraud.

Given recent elections in France, Egypt, Mexico, China and, next month, the United States, 2012 is an appropriate juncture to revisit some of this history. In 2008, candidates for the congressional and presidential races, political parties, and interest groups poured more than $5 billion into campaigns. We will certainly eclipse that record in 2012.

That's All Well In Theory, But . . .

Eighteenth century French political theorist Marquis de Condorcet asserted (in what has become known as the Condorcet Paradox) that when there are more than two options, or more than two candidates, the order in which they are voted on can matter and thus majority rule may fail to produce the best societal outcome. Economist and Nobel laureate Kenneth Arrow (*Social Choice and Individual Values*, 1951) demonstrated that there is no perfect voting system that satisfies all desirable criteria. Hence: Arrow's Impossibility Theorem. The October 2, 2009, Copenhagen vote to award the 2016 Olympic Games, and Chicago's ignominious first-ballot drubbing, is a textbook example.

The Median Voter Theorem states that in a two-party—or two-candidate—election, both parties (or people) will shift their position(s) toward the median vote. Thus minority views will not attract much attention because it doesn't pay to cater to them. And if all candidates start sounding alike, that's intentional.

Voter Turnout

In *An Economic Theory of Democracy* (1957), scholar Anthony Downs reasoned that because a single vote has virtually no chance of influencing any outcome, and because it costs something—time, effort—to vote, a rational individual would not vote. Economist Mancur Olson, in *The Logic of Collective Action* (1965), posited that voting is a public good, so by not voting you are free-riding off those who do. A corollary: small, well-organized special-interest groups do vote and thus have disproportionate influence.

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That said, some people vote. Turnout appears to be a function of age, education, income, marital status, employment status, perceived differences between the candidates, and the value placed on civic duty, including being seen at the polls by others in the community (perhaps one reason why vote-by-mail initiatives, which presumably lower costs to virtually zero, may actually result in lower participation).

Voter turnout in the U.S. is decidedly lower than in European nations and in Singapore or Australia where voting is compulsory and eligible non-voters face fines. Moving from a Tuesday to weekend balloting, and keeping polls open longer hours, would increase participation here, but would also shift some balance of power between our political parties. The political and legal back-and-forth skirmishes with regard to requiring a photo ID to vote entails much of the same game-theoretic posturing.

Jason Brennan offers compelling intellectual arguments for not wanting to hike voter turnout in *The Ethics of Voting* (2011). Political humorist P.J. O'Rourke provides a more entertaining rationale in *Don't Vote: It just Encourages the Bastards* (2010).

Just Win, Baby

More than 2000 years ago, when Rome's greatest orator Marcus Cicero decided to run for the highest office in the Republic—Consul—his brother Quintus wrote campaign advice in a letter to Marcus. Based on the topics treated and the strategic wisdom conveyed, one would think the book had been written in the 21st Century by Karl Rove or David Axelrod. For anyone who loves politicians – or hates them – this short, delightful volume (*How To Win An Election, 2012*) contains timeless tips.

Two contemporary complements:

(1) The Iowa Electronic Market(http://tippie.uiowa.edu/iem index.cfm), operated by the College of Business at Iowa, provides a way to vote with your wallet in real-money futures markets. Regardless of whether you want Obama or Romney to win, you can get rich (or become poor) buying and selling candidate contracts in this prediction market, which has tended to outperform public-opinion polls.

(2) Yale economist Ray Fair goes beyond polling data to model voting behavior in presidential elections as a function of the economy's growth rate, inflation, whether an incumbent is running for re-election, and how long the incumbent's party has been in power. ❑