

DISCUSSION: “ON THE RHETORICAL STRATEGIES OF LEADERS”

by Torun Dewan and David Myatt

Jan Eeckhout
UPF Barcelona

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GAMES WITH COORDINATION EXTERNALITIES

BEAUTY CONTESTS IN POLITICAL ECONOMY

- Standard Beauty Contest model; Now: followers observe leader; leader ability: judgement + clarity
- Result: followers do not internalize benefits
- Examples: military tactics of freedom fighters, revelation of a fundamental truth of religious members,... but use “a political party as a vehicle for exploring our ideas”
- Characterize leader's equilibrium actions: length of speech, clarity

COMMENTING ON THE RESULTS

- Conversational writing style (political science literature).
Helpful: systematic description of environment: players, actions, payoffs, institutions (extensive form), information.
- Lemma 1 is true by assumption
- There are various normative of statements: “insufficient” weight is put, “too little” attention is paid, “relative to an efficient benchmark”, Proposition 2: The *most efficient* strategy?
→ Need to solve planner’s problem, compare to equilibrium

COMMENTING ON THE RESULTS

- Assumptions: quadratic preferences + normal signals \Rightarrow linear BR \Rightarrow unique equilibrium
- Focus on symmetric BNE, and single out the class of linear strategies: Proposition 1: "*A symmetric equilibrium in linear strategies is unique.*"
- Proposition 3 is an immediate consequence of preferences of leaders and followers.
- Interesting conceptually: strategic choice of clarity signals
- Here: comparative statics exercise; equilibrium?
- Idea is also in cheap talk games: sender has no incentive to reveal exactly her signal (upper bound on # equivalence classes, because preferences are not perfectly aligned)

SOME SUGGESTIONS:

- 1 Solve planner's problem to make sense of nor. statement
- 2 Improve Welfare? Design Optimal Political Institution?
Use Vickrey-Clark-Groves Mechanisms. Feasible: small number of players; no voting. This would be the ideal application for institutional design.
- 3 What is the micro-foundation for other-dependent preferences? Can borrow some from literature on global games, higher order beliefs. But the setting is distinct here
- 4 Try focus on a contribution rather than descriptive modeling