Electoral Competition with Rationally Inattentive Voters

Filip Matějka† and Guido Tabellini‡

First version: October 2015

Abstract

This paper studies how voters optimally allocate costly attention in a model of probabilistic voting. The equilibrium solves a modified social planning problem that reflects voters’ choice of attention. Voters are more attentive when their stakes are higher, when their cost of information is lower and prior uncertainty is higher. We explore the implications of this in a variety of applications. In equilibrium, extremist voters are more influential and public goods are under-provided. The analysis also yields predictions about the equilibrium pattern of information, and about policy divergence by two opportunistic candidates. Endogenous attention can lead to multiple equilibria, explaining how poor voters in developing countries can be politically empowered by welfare programs.

Keywords: electoral competition, limited inattention.

JEL: D72, D83

†We are grateful for comments from Alessandro Lizzeri, Jakub Steiner, Jan Zápal, and participants at NYU BRIC, Barcelona GSE Summer Forum, and the CSEF-IGIER workshop.
‡CERGE-EI, a joint workplace of Charles University in Prague and the Economics Institute of the Czech Academy of Sciences, Politických vězňů 7, 111 21 Prague, Czech Republic; CEPR.
§Department of Economics and IGIER, Bocconi University; CEPR; CES-Ifo; CIFAR