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A Collection of Abstracts:

PAPER: The Effects of Secrecy in Strategic Voting Mechanics.

ABSTRACT: We study coalitionally stable voting behavior in generalized voting mechanisms. In our context, a voting mechanism consists not only of choice sets and an outcome mapping, but also of secrecy partitions, which identify the subset of observable actions. We analyze how the level of secrecy of a voting mechanism affects the aggregation of preferences in equilibrium. We do so for both private and correlated value voting games. Reversals of super-majorities are possible consequences of even limited reductions in secrecy, if agents are allowed to write self-enforceable contracts on the observable actions. The equilibrium selection problem is addressed for games in our class and a coalitional solution concept is adopted throughout most of the analysis. The equilibrium concept used here identifies endogenously the same set of equilibria found through the Nash equilibrium concept in a reduced form game, where exogenously defined factions play as sole agents. Two applications of our theory developed in the paper, with testable implications, are: voting in plebiscites and voting in shareholder assemblies.

PAPER: The Dynamic Effect of Public Expenditure on Tax Evasion

ABSTRACT: The aim of this paper is the discussion of optimal fiscal policy with less than fully enforceable taxation. We present a model in which government activity is justified by the presence of public goods in production. We argue that whenever insurance against income fluctuations is available to risk averse agents, the first best allocation can be attained, even in an economy with tax evasion. Whenever insurance is not available, we suggest a fiscal policy that minimizes the welfare loss associated with evasion. In our framework, tax evasion may lead to development traps in countries with limited capital accumulation, whenever the borrowing capabilities of the country are constrained. Several taxation enforcement mechanisms are presented, some of which display a dynamic effect of public good expenditure on evasion.

PAPER: Sequential Equilibria in Infinite Games.

ABSTRACT: The aim of the paper is the definition of sequential equilibrium in games with infinite information states. A non-standard analysis approach is suggested as the one that can be applied to the broadest class of games. Three infinite extensive form games with incomplete information are first introduced and then solved for all the pure strategy equilibria. After discussing these exemplary cases, we suggest a new definition of sequential equilibrium, and of the related concepts of belief, consistency, and sequential rationality. In this context, the expansion of an infinite game is formally defined, and a tentative existence theorem is presented, together with a brief outline of its proof.