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### Jindal School of Banking & Finance

cordially invites you to a

## Public Lecture

on

# Fluctuating Fortunes and Persistent Policies: A Dynamic Theory of Political Failure

by



## Parikshit Ghosh

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Parikshit Ghosh is Associate Professor at the Delhi School of Economics. He received his Ph.D. in economics from Boston University, and has taught at Texas A&M University, University of British Columbia and the Indian Statistical Institute. Ghosh's research focuses on game theory and information economics. He has written about contemporary policy issues in various Indian newspapers, including Hindustan Times, Economic Times and Anandabazar Patrika.

### Abstract

This paper offers a new framework for understanding political failure in democracies. Infinitely lived voters choose between two policies every period via majority rule. Voters' payoffs are subject to idiosyncratic and transient stochastic shocks but there is no aggregate uncertainty. In Markov perfect equilibria, there may be stochastic delays in the adoption of policies that are better for a majority of voters in the long run. There is also policy persistence -- a policy is more likely to be chosen when it is the status quo. Reduced economic mobility generates political pressure against redistribution and holding elections less frequently may increase welfare. We discuss several applications, including social security, universal health care, unemployment assistance and technological change.

15 April 2019 | Time: 3:00 pm – 5:00 pm

Venue: Classroom 31, T3 Ground Floor, O.P. Jindal Global University (JGU)  
Sonipat- Narela Road, Sonipat (Haryana)

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