ELECTORAL COMPETITION WITH RATIONALLY INATTENTIVE VOTERS

Filip Matějka  
CERGE-EI

Guido Tabellini  
Department of Economics  
and IGIER Bocconi University

Abstract
This paper studies how voters’ selective ignorance interacts with policy design by political candidates. It shows that the selectivity empowers voters with extreme preferences and small groups, that divisive issues attract most attention and that public goods are underfunded. Finer granularity of information increases these inefficiencies. Rational inattention can also explain why competing opportunistic candidates do not always converge on the same policy issues. (JEL: H00, P16)

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E-mail: filip.matejka@cerge-ei.cz (Matějka); guido.tabellini@unibocconi.it (Tabellini)

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