**A Model of Competing Narratives**

***Ran Spiegler***

***Joint with*** *Kfir Eliaz*

**Abstract:**

We formalize the argument that political disagreements can be traced to a "clash of narratives".

Drawing on the "Bayesian Networks" literature, we model a narrative as a causal model that maps actions into consequences, weaving a selection of other random variables into the story.

An equilibrium is defined as a probability distribution over narrative-policy pairs that maximize a representative agent's anticipatory utility - capturing the idea that public opinion favors hopeful narratives.

Our equilibrium analysis sheds light on the structure of prevailing narratives, the variables they involve, the policies they sustain and their contribution to political polarization.