

Public Choice

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Office Hours: Tuesday-Thursday 3:00 - 4:30 pm and by appointment

Text:: Mueller, D. C. (2002) *Public Choice III*. New York Cambridge University Press.

TENTATIVE COURSE OUTLINE

<u>Date/Readings</u>	<u>Topic</u>	<u>Readings</u>
8/30-9/8	I. Introduction: Rational Choice and Collective Action: Positive and Normative Theories of the State Rationality defined. The benefits of collective action, imply that collective choice is necessary. Pure public goods and the emergence of the state: as a productive club, or as stationary bandits. Positive and Normative Defined. Relationships between persons and states: conflict in Hobbesian anarchy as "Competitive Waste."	M: 1,2
9/13-9/15	II. Introduction to Collective Choice: Voting Models Voting rules: minority, majority, and super majority rule. The median voter outcomes in one and two dimensional issue spaces. Pareto Inefficiency of some majoritarian equilibria.	M: 3,4
9/20-22	III Applications of the Median Voter Model Majority rule and the collective provision of public services. Simultaneousness of tax and output decisions, Regulation, Redistribution, Social Security.	M: 5.3, 6
9/27- 10/4	IV. Democratic dilemmas: Problems with Majority Rule The Paradox of Voting, Rational Ignorance, Majority Rule Intransitivity (Arrow's Impossibility Theorem, Coalitional Instability and Interest Groups), Electoral capture, expressive voting.	M: 5
10/6	IV. Stochastic Voting Models: How rational are voters? Candidate induced uncertainty, voting as a lottery, Mixed and Pure Strategies in Voting,	M: 12
10/11-18	V. Voting and Institutions Institution induced equilibria, Agenda Control, Veto Power, Alternative Choice Mechanisms, Constraining the dimensions of collective choice: generality rules and rights.	M: 5.13

10/20 *Review for Midterm*

10/25 **MID TERM EXAM**

10/27 *Midterms returned (with a bit of luck)*

11/1 VII. Agency Problems: Bureaucracy as a Special Interest Group M:16
Niskanen: the Budget Maximizing Bureau, Committee Oversight, Agenda Control

11/3-8 VIII. Economic and Ideological Special Interests and Rent-Seeking Losses M 20
Coalition Formation, Free Riding, and Political Pressure Rents from Government
Regulation, Rent Seeking Expenditures Rent-Seeking Waste

11/10 XI. The Combined Model: Special Interest Groups and Electoral Politics M: 20
Campaign Contributions and Candidate Positions: How manipulable is the
electorate?

11/15-17 IX. Applications and Evidence of Interest Group Politics Rent Seeking M: 19
Tax Preferences, Trade Protection, Labor Law, Regulation, International Trade

11/22 XII. Constitutional Design: (More) Efficient Institutions for Collective Choice M:25
Inducing productive competition and constraining unproductive conflict

11/29 *Review for Final*

12/1 **FINAL EXAM (in class)**

12/6 *Finals returned*

12/8 XIII. Overview of Course / Paper Workshop

12/15 **Final Research Paper Due (5-8 pages)**

Evaluated Coursework and Grades :

1	5-8 page paper	30%
2	Exams	70%
	class participation bonus	0 - 4%

Grading policy: A>88, B>77, C>66, D>55