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Advanced Public Choice

## Advanced Public Choice Syllabus

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### Course Focus:

This is a research-oriented course in public choice, also known as political economy, economics of politics, and rational choice theory. The goal is to take students up to the research frontier, with a focus on what I think of as “cutting edge” topics: empirical public opinion research, ideology, Wittman's critique of the political failure literature, expressive voting, voter irrationality, behavioral political economy, dictatorship, constitutions, and anarchy.

### Prerequisites:

The course assumes familiarity with basic calculus and econometrics, as well as the fundamentals of public choice, including the logic of collective action, the Median Voter Model, rational ignorance, and comparative institutions analysis.

### Texts:

Most of the course material will consist in detailed notes. There are three required texts:

Gordon Tullock, *The Social Dilemma*

Donald Wittman, *The Myth of Democratic Failure*

Bryan Caplan, *The Myth of the Rational Voter*

Hard-to-get-online readings are marked with a \*, and will be handed out in class.

All other readings should be accessible with a GMU email address from scholar.google.com, or remotely from library.gmu.edu's e-Journals link.

### Tentative Schedule:

My proposed schedule for the semester follows. If it proves too ambitious, I will try to *simply say less about each topic* rather than cut the topics for the final weeks.

## **Lecture 1: Voter Motivation: Selfish, Group, and Sociotropic Voting**

- Is the median voter model correct?
- The self-interested voter hypothesis (SIVH)
- The Meltzer-Richards model
- Empirical evidence on the SIVH
- Sociotropic voting
- Group-interested voting
- Gelman on income and voting
- The SIVH versus the logic of collective action

### Readings:

Meltzer, Allan, and Scott Richard. 1981. "A Rational Theory of the Size of Government." *Journal of Political Economy* 89, pp.914-27.

Peltzman, Sam. 1985. "An Economic Interpretation of the History of Congressional Voting in the Twentieth Century." *American Economic Review* 75, pp.656-75.

\* David Sears and Carolyn Funk, "Self-Interest in Americans' Political Opinions"

## **Lecture 2: Voter Motivation, II: Ideological and Other Voting**

- The dimensionality of U.S. political opinion
- Ideological voting
- Education, ideology, income, and opinion
- Case study: the determinants of party identification
- Case study: the determinants of economic beliefs
- Religion
- Personality
- Genes
- How well does policy match voter preferences?

### Readings:

Gerber et al, "Personality Traits and the Dimensions of Political Ideology" - [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1412863](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1412863)

Alford et al. 2005. "Are Political Orientations Genetically Transmitted?" *American Political Science Review* 99, pp.153-167.

Larry Bartels, "The Opinion-Policy Disconnect."

<http://web.mit.edu/polisci/research/apss/opinion-policy%20disconnect.pdf>

### **Lecture 3: Wittman and Democratic Failure**

- Critiques of the economic approach
- Wittman's challenge to orthodox public choice
- "Extreme voter stupidity"
- "Serious lack of competition"
- "Excessively high transactions costs"
- The effect of asymmetric political information
- Wittman's sampler: Responses to diverse political failures
- Validity versus soundness

#### Readings:

Wittman, chapters 1-4, 6-8, 11-14

### **Lecture 4: Expressive Voting**

- The instrumental voting assumption
- Instrumental versus expressive value
- Decisiveness revisited
- Decisiveness and the relative prices of instrumental and expressive voting
- Expressive voting as political pollution
- Inefficient unanimity
- Application: Environmentalism
- Answering Wittman, I

#### Readings:

Brennan and Lomasky, chapters 1-3, 5-7

### **Lecture 5: Ignorance, Irrationality, and Aggregation: Theory and Evidence**

- Return to the "miracle of aggregation"
- Ignorance, irrationality, and systematic error
- Rational ignorance versus rational irrationality
- Systematically biased beliefs about economics
- Group differences in economic beliefs
- Systematically biased beliefs about other subjects?
- The Enlightened Preference Approach

#### Readings:

Caplan, preface and chapters 1-5

Gaetano Mosca, *The Ruling Class*, chapter 7.

<https://archive.org/details/rulingclass031748mbp>

## **Lecture 6: Behavioral Political Economy**

- Irrationality in the median voter model
- Application: Protectionism
- The efficiency of political irrationality
- The interaction of voter motivation and cognition
- Supply side of politics
- Irrationality and slack
- Answering Wittman, II
- Availability cascades
- The idea trap
- Government growth and crisis

### Readings:

Caplan, chapters 6-7

Gary Lucas and Slavisa Tasic. 2015. "Behavioral Public Choice and the Law." *West Virginia Law Review* 118.

<http://scholarship.law.tamu.edu/cgi/viewcontent.cgi?article=1720&context=facscholar>

## **Lecture 7: Dictatorship**

- The stationary bandit model
- Constrained dictatorship
- The paradox of revolution
- The sociopathic bandit model?
- Totalitarianism and economic calculation
- Democratic transitions

### Readings:

Tullock, pp.33-106, 186-224

## **Lecture 8: Constitutions and Anarchy**

- The comparative institutions approach revisited
- Alternatives to dictatorship and democracy
- Are constitutional politics different?
- Constitutional reform and endogenous institutions
- Futarchy
- Economic arguments for government
- The paradox of public good provision

- Are the functions of the night watchman state really public goods?
- Dispute resolution as a private good
- Rule formation as a private good
- Enforcement as a private good
- Moderate versus radical privatization
- Main objections to radical privatization
- Cowen, anarchism, and collusion
- National defense
- The transition problem

Readings:

Wittman, chapter 10

Caplan, chapter 8 and conclusion

Robin Hanson. 2013. "Shall We Vote on Values, But Bet on Beliefs?" *Journal of Political Philosophy* 21: 151-173.

Murray Rothbard, *For a New Liberty*, pp.219-246. <http://mises.org/rothbard/foranewlb.pdf>

Tyler Cowen. 1992. "Law as a Public Good." *Economics and Philosophy* 8, pp.249-267.

Bryan Caplan and Edward Stringham. 2003. "Networks, Law, and the Paradox of Cooperation." *Review of Austrian Economics* 16(4), pp.309-26.