

**ECON 3330 – Public Choice**  
**Fall 2018**  
**Syllabus**

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Office Hours: Monday 9:00am – 12:00pm, or by appointment.

**Course Description:** James Buchanan defines Public Choice as “the economics of politics.” In this class, we’ll use economic analysis to study the behavior of political actors (suppliers and demanders in political markets)

**Text and Supporting Materials:**

1. *Public Choice III*, by Dennis Mueller.
2. *The Myth of the Rational Voter*, by Bryan Caplan.
3. Several readings available through collab ([collab.virginia.edu](http://collab.virginia.edu)).

These are secondary to the material presented in the lectures.

**Grades:** Based on the following:

Writing Assignments	20%	
Midterm Exam (Monday, October 22, during class)	30%	
Final Exam (Saturday, December 15, 2:00pm)		50%

*You must be present for both exams.*

Your grade is solely determined by your output: no portion is determined by class attendance, participation or other input measures.

Come to class on time, don’t eat, and don’t use any electronic devices (including laptops). Late arrival, eating and texting impose negative externalities on the rest of us.

**Honor:** I assume you are truthful and do not cheat on exams or plagiarize on writing assignments. In the unlikely event that you observe cheating, I assume you will contact an Honor Advisor.

## **ECON 3330**

### **Course Outline and Readings**

#### **Fall 2018**

##### I. Course Methodology and Rationale for Government

**Buchanan and Tullock**, *The Calculus of Consent*, Chapters 1-3

**Friedman**, "The Role of Government in a Free Society"

**Mueller**, 2.1; 3.1-3.3

**Gruber**, *Public Finance and Public Policy*, Chapters 5, 7

**Coase**, "The Problem of Social Cost"

**Buchanan**, "An Economic Theory of Clubs"

**Tiebout**, "A Pure Theory of Local Expenditures"

##### II. Voting

###### A. Vote Motive and Rational Ignorance

**Johnson**, "Voting, Rational Abstention, and Rational Ignorance"

**Mueller**, 14.1.1 – 14.1.4, 14.3

###### B. Simple Majority and Median Voter Theorem

**Mueller**, 5.1, 5.2, 5.4, 5.9, 5.12.1

**Mueller**, 11.1

**Downs**, "The Statics and Dynamics of Party Ideologies," Chapter 8 in *An Economic Theory of Democracy*

\***Hotelling**, "Stability in Competition"

###### C. Optimal majority and unanimity

**Buchanan and Tullock**, "A Generalized Economic Theory of Constitutions," Chapter 6 in *The Calculus*

\***Mueller**, 4.1, 4.3, 4.4

###### D. Alternatives to the Simple Majority Rule

**Mueller**, 7.1, 7.2, 7.4

##### III. Group Demands and Behavior

###### A. Rent-Seeking

**Tullock**, "The Welfare Costs of Tariffs, Monopolies, and Theft"

**Mueller**, 15.1 (no subsections), 15.4

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\*Recommended but not required.

## B. Theory of Regulation

**Stigler**, "A Theory of Economic Regulation"

**Peltzman**, "Toward a more general theory of economic regulation"

## C. Pressure Groups

**Mueller**, 20.1

**Olson**, *The Logic of Collective Action*, Chapters 1 and 6

**Becker**, "Public Policies, Pressure Groups, and Dead Weight Costs"

## IV. Behavior of Elected Representatives

### A. Capture and Ideology

**Kalt and Zupan**, "Capture and Ideology in the Economic Theory of Politics"

### B. The Committee System

**Weingast and Marshall**, *The Industrial Organization of Congress*

## V. Bureaucracy

**Mueller**, 16.1, 16.2

**Weingast and Moran**, "Bureaucratic Discretion or Congressional Control?"

\***Niskanen**, "Bureaucrats and Politicians"

## VI. Misc. Topics

### A. The Myth of the Rational Voter

**Caplan**, *The Myth of the Rational Voter*, Chapters 1-3, 5

### B. TBA