Econ 220: Public Choice   **January 2022**
**Amherst College**

The state plays a large role in the economy, employing a substantial fraction of the labor force, producing and consuming a wide variety of goods and services, building infrastructure, taxing economic activity, enforcing contracts, redistributing wealth, regulating industries, and so on. Therefore, the allocation of society's resources - the subject matter of economics - depends crucially on how political decisions are made. This course is an introduction to rational-choice and game-theoretic analysis of collective decision-making in the public sphere: social dilemmas and the role of government; voting systems and democratic governance; legislative bargaining and policymaking; collective action and the role of interest groups; corruption; rent-seeking.

Instructor   Chris Kingston, cgkingston@amherst.edu

Prerequisite   Economics 111 or equivalent. If the course is overenrolled, priority will go to those who have previously taken *fewer* economics courses. If you are hoping to add the class, please request permission through acdata.

Readings   We won't be closely following a textbook. However, you should get a copy of *Analyzing Politics* (2nd edition) by Kenneth Shepsle, which covers some of the material we will be discussing. All other readings will be posted on Moodle.
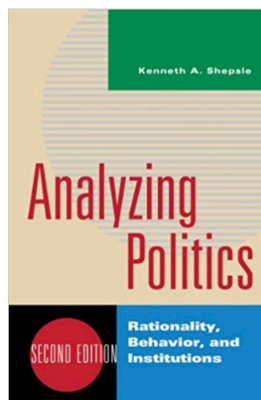
Course logistics

Each of the fifteen instructional days for this course will have a similar overall structure. Because of the compressed timeline, there is limited flexibility. You will need to commit to keep up with the material with a likely daily time commitment of 6-8 hours.

Morning: Lecture Videos. Each morning at 8am, a series of short pre-recorded video lectures will be made available on Moodle. You should watch these videos during the morning. One or two practice questions will be included in the videos so that you can check your understanding.

Afternoon: Small-group tutorials. Each day, I will meet with you (via Zoom) in groups, to review and discuss the lecture material for that day, and to answer any questions you may have about the lectures. In advance of these meetings, you should have watched the videos, be prepared to discuss the material, and have attempted the practice questions from that morning's videos. Most days I will also assign brief readings or videos on related topics for discussion, and in some cases I will ask you to post a response to an online Moodle forum before the tutorials (a draft of some of these materials is in the reading list below).

Evening: Homework. Each day will conclude with a homework assignment based on that day's work, due by 8am the following morning. I will have office hours each evening (via Zoom) from 7:30-9pm to answer questions about that day's homework. Homeworks will be graded and returned to you the following morning. The purpose of these homeworks is to help you learn the material, rather than to test your understanding. I encourage you to work together and discuss the homeworks; you can learn a lot this way. However, the work you ultimately hand in must be your own.

Exams

On Thursday 13 January, no new lecture material will be posted. During the morning, I will hold office hours, and in the afternoon from 3-4:20pm there will be a midterm exam (worth 20% of your overall grade). On Thursday 27 January (2-3:20pm), there will be a final exam (worth 20% of your grade).

Final Paper

As an additional final assignment, you will be asked to write a 3-page (excluding bibliography) paper on any aspect of the course material that you find interesting. This paper will be worth 20% of your final grade, and is due by 5pm on Jan 31.

Grading overview		
	20%	Tutorial & discussion participation
	20%	Homeworks
	20%	Midterm
	20%	Final exam
	20%	3-page paper.

Accessibility

I strive to make this course welcoming and accessible to all students, and I welcome feedback and suggestions about how I can most effectively achieve this goal. If you would like to discuss your learning needs with me, please schedule a meeting. If you have a documented disability that requires accommodations, you will need to register with Accessibility Services (accessibility@amherst.edu, 413-542-2337). If you require accommodations, please ensure that you inform me well in advance. If you need to miss an exam for medical reasons, you should provide the appropriate documentation to the Office of Student Affairs so that they can direct me to excuse you from the exam (in which case, your grade will be based on the rest of your work in the course).

Honor Code

I share your expectation that we will all, at all times, stringently abide by the College's Honor Code, Statement of Intellectual Responsibility, and other policies. You may discuss problem sets and other course work with other students – indeed, except during exams, you are *encouraged* to do so – but whatever written work you turn in must be completely your own (ie., explanations and arguments made in your own words, and math that you have worked through independently). Guidelines for academic papers can be found at

https://www.amherst.edu/offices/student-affairs/community-standards/intellectual-responsibility-and-plagiarism

Honor code violations will be dealt with harshly. In particular, Economics department policy specifies that any instance of academic dishonesty on an exam will result in an F for the course, in addition to any further sanctions imposed by the Office of Student Affairs.

Day	Topic	Discussion materials *(draft)*
Mon *3 Jan*	Preferences, incentives, & rational choice.	• Shepsle, ch. 1-3 • Bowles interview
Tues *4 Jan*	Efficiency, Social Welfare, & the role of government	• Evolution of Trust
Wed *5 Jan*	Social Dilemmas: Public Goods provision	• Lighthouses and Autopsies • Shepsle, ch. 8-10
Thurs *6 Jan*	Social Dilemmas: Common Pool Resources	• Amazon Deforestation • The Fish that made New England
Fri *7 Jan*	Repeated Games; community-based solutions to social dilemmas	• The Mystery of the Kibbutz • (podcast) (article)
Mon *10 Jan*	Introduction to Social choice theory: Preference aggregation.	• Shepsle, ch. 3-7 • Ranked-choice voting in MA
Tues *11 Jan*	Direct democracy: Strategic voting. Arrow's theorem	• Quadratic Voting • Radical Markets
Wed *12 Jan*	The Median Voter Theorem and applications.	• Piketty video; NYT article • Democracy & inequality

Midterm, Thursday 13 Jan

Day	Topic	Discussion materials *(draft)*
Fri *14 Jan*	Representative democracy. Direct & representative democracy in 2-D policy space; McKelvey's chaos theorem.	• Federalist 10 and the Chaos Theorem, Part I ; Part II • Moderate Middle a Myth?
Tues *18 Jan*	Anarchy; the role and nature of the state (Hobbes, Locke, Olson). Political agency problems: Voters and Politicians.	• How gangs keep inmates safe • An-arrgh-chy: interview; paper
Wed *19 Jan*	The paradox of voting; Repeated games; democracy as an equilibrium.	• Sortition TED talk; website • Minimum voting age: zero?
Thurs *20 Jan*	Collective action, Special interest groups and rent-seeking.	• Farm Subsidies / link / link / link / link
Fri *21 Jan*	Commitment problems. Legislative bargaining, agenda power, & logrolling.	• Ethnic War as a Commitment Problem
Mon *24 Jan*	Agency problems: Delegation, bureaucracy, corruption	• Bribery should be legal? (Basu) • No, says Dreze
Tues *25 Jan*	Gerrymandering Federalism	• America needs to break up its biggest states

Final Exam, Thursday 27 Jan