

## INTRODUCTION TO PUBLIC CHOICE

<b>Course code</b>	<i>POL149</i>
<b>Compulsory in the programmes</b>	<i>None</i>
<b>Level of studies</b>	<i>Undergraduate</i>
<b>Number of credits</b>	<i>6 ECTS (48 contact hours + 2 consultation hours, 110 individual work hours)</i>
<b>Course coordinator (title and name)</b>	<i>Benjamin Emmich.</i>
<b>Prerequisites</b>	<i>None</i>
<b>Language of instruction</b>	<i>English</i>

### THE AIM OF THE COURSE:

This course will introduce students to the Virginia School of Political Economy. Commonly called Public Choice as contrasted with the traditional study of private choice in economics, Virginia political economy focuses on analyzing government actions as rational choices by self-interested actors. After a brief introduction to rational choice and market failure, this course will study topics including government failure, modern voting models, bureaucracy, rent-seeking, and constitutional construction. All topics will be complimented with foundational readings from the political economy literature. A particular focus will be on analyzing modern policies through the toolkit provided by Public Choice.

### MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of ELO) <sup>1</sup>	Assessment methods	Teaching methods
CLO1. Students will understand Rational Choice Models and Behavioral Symmetry	ELO1.1.	Examinations, Discussion Participation.	Lectures, Discussions, Readings.
CLO2. Students will be able to identify and explain Market Failure and Government Failure	ELO1.2.	Examinations, Discussion Participation.	Lectures, Discussions, Readings.
CLO3. Students will be able to analyze government actors as rational decision makers.	ELO2.1.	Examinations, Discussion Participation.	Lectures, Discussions, Readings.
CLO4. Students will be able to compare and contrast modern voting models.	ELO1.1.	Examinations, Discussion Participation.	Lectures, Discussions, Readings.
CLO5. Students will be able to analyze modern governmental bureaucracies.	ELO1.2.	Examinations, Discussion Participation.	Lectures, Discussions, Readings.
CLO6. Students will be able to perform formal written analyses of governmental policies through the Public Choice framework.	ELO4.3	Final Paper	Individual Meetings.

<sup>1</sup> Degree level learning outcomes (ELOs) are available in the second table on the last page of this template.

## ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

## COURSE OUTLINE

Topic	In-class hours	Readings	Lecture
Introduction to the Instructor and Syllabus, Student Introductions and Icebreaker	2	Syllabus	Lecture 1
Rational Choice Models, Supply and Demand, Market Failure	4	NA	Lecture 1-2
Government Failure and Behavioral Symmetry	6	Holcombe Ch. 1	Lecture 2-3
Modern Voting Models: Political Preferences	4	Holcombe Ch. 2	Lecture 4
Modern Voting Models: Proportional vs. Plurality	4	Holcombe Ch. 3	Lecture 5
Modern Voting Models: Why do People Vote?	4	Holcombe Ch. 6	Lecture 6
Public Policy: Transaction Costs and Political Exchange	4.5	Holcombe Ch. 7	Lecture 7-8
Midterm Examination	1.5		Lecture 8
Public Policy: Rent Seeking and Regulatory Capture	4	Holcombe Ch. 8	Lecture 9
Public Policy: Bureaucracy	4	Holcombe Ch. 9, Niskanen (1968) <i>The Peculiar Economics of Bureaucracy</i>	Lecture 10
Public Policy: Political Entrepreneurship	4	Holcombe Ch. 11	Lecture 11
Constitutional Design	4	Holcombe Ch. 12	Lecture 12
<u>Final Examination</u>			TBD
	<b>Total: 48 hours</b>		
CONSULTATIONS	2		
FINAL EXAM	2		

## FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 20%</i>	
Discussion Participation	20%
<i>Individual Components 80%</i>	
Attendance	10%
Midterm	20%
Final	25%
Final Paper	25%
<b>Total:</b>	<b>100</b>

#### DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

*(Provide short descriptions and grading criteria of each assignment)*

Attendance: Attendance will be taken at the start of each lecture and will be 10% of the final grade. You are strongly encouraged to attend all lectures and discussions.

Discussion Participation: Discussions of the material with the instructor and your classmates will be vital to developing a rich understanding of Public Choice Theory. Active participation by asking questions, answering questions, and contributing thoughts and opinions will be work 20% of the final grade.

Midterm: A midterm examination will be 20% of the final grade and will be given on March 7<sup>th</sup> at class time. It will cover the material up to the prior lecture.

Final Examination: A final examination will be 25% of the final grade and will be given after the completion of all lectures at a date to be determined. It will cover all material in the course.

Final Paper: Each student must submit a final paper that will be due March 24<sup>th</sup>. The paper will be 25% of the final grade and must consist of a public choice analysis of a topic of your choice with instructor approval. Each student must meet with the instructor for at least one consultation to discuss prospective paper topics. Additional details will be provided in class.

#### RETAKE POLICY

In case of failing final evaluation, **retake** is possible, but topics will cover the material of the whole course and will comprise 45% of the final grade.

#### REQUIRED READINGS

*Advanced Introduction to Public Choice (2016)* by Randall Holcombe. This is a very short and sweet introduction that roughly follows the structure of the course and will help you be prepared for the lectures.

#### ADDITIONAL READINGS

Lots of additional readings will be posted on the eLearning page. While not required, some of these will hopefully be interesting to you. I'll mention what is relevant for the next lecture at the end of the previous one. Please feel free to ask questions about additional readings in class or in consultations.

#### General Advice



This course will cover lots of material in a very compressed timeline. It is extremely important that students attend every session if they desire to do well. I strongly recommend taking careful notes and agreeing with a classmate to share notes in the event of an unexpected absence from class. You are encouraged to actively participate in class by asking questions and contributing to the discussions. Consultations can be scheduled at more or less any time. I prefer to have consultations in person, but virtual consultations can be arranged if needed. You are strongly encouraged to attend consultations; students who do so usually perform better than those who do not.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programmes:*

*International Business and Communication,*

*Business Management and Marketing,*

*Finance,*

*Industrial Technology Management,*

*Entrepreneurship and Innovation*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

**Learning objectives for the Bachelor of Social Science**

*Programmes:*

*Economics and Data Analytics,*

*Economics and Politics*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper