

**Department of Economics**

**Master of Arts in Economics /  
European Master in Public Economics and Public Finance**

**Public Choice**

**Prof. Dr. Bruno Jeitziner**

Fall Semester 2010

Wednesday, 3.15-6pm; Room PER 21 C130

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**Course description**

This course provides an outline of the public choice approach and a discussion of key insights with respect to political decision making in a representative democracy:

- Voter behavior, interest group behavior, party politics, legislative behavior, behavior of the executive branch, bureaucratic behavior
- Effects on the economy (e.g. political business cycles, size of government, macroeconomic performance).

The focus is on positive theory and empirical evidence.

**Required textbook**

Dennis C. Mueller, Public Choice III, Cambridge University Press, 3<sup>rd</sup> edition, 2003 (parts III, IV, VI).

**Examination**

The written examination lasts one hour. There will be short questions and an essay. Questions and essay may include applications of insights to actual problems.

## Course outline

Dates	Chapters	Topics
22.09.10		Introduction and overview <ul style="list-style-type: none"> <li>• Course outline</li> <li>• Public-choice perspective; Public-choice schools</li> </ul>
29.09.10	11	Two-party competition <ul style="list-style-type: none"> <li>• Median voter result, relevance and criticism</li> </ul>
06.10.10	13	Multiparty systems <ul style="list-style-type: none"> <li>• Characteristics of multiparty systems</li> </ul>
13.10.10	14	The paradox of voting <ul style="list-style-type: none"> <li>• Voter behavior: Why do rational, self-interested voters (not) vote?</li> </ul>
20.10.10	15	Rent Seeking <ul style="list-style-type: none"> <li>• Politics as redistribution: theory of rent seeking; economic theory of regulation (Stigler-Peltzman)</li> </ul>
27.10.10	16	Bureaucracy <ul style="list-style-type: none"> <li>• “Traditional” theory of bureaucracy: discretionary behavior of rational, self-interested bureaucrats</li> </ul>
03.11.10	17	Legislatures and bureaucracies <ul style="list-style-type: none"> <li>• “New” theory of bureaucracy: legislative control of bureaucracies (including role of executive branch and judiciary)</li> </ul>
10.11.10	19	Political competition and macroeconomic performance <ul style="list-style-type: none"> <li>• Does the state of the economy affect how voters vote? Do politicians try to manipulate the macroeconomic environment? Theories of political business cycles</li> </ul>
17.11.10	20	Interest groups, campaign contributions, and lobbying <ul style="list-style-type: none"> <li>• Role of interest groups in the political process</li> </ul>
24.11.10	21	The size of government <ul style="list-style-type: none"> <li>• Explanations for the size and growth of government (government as dependent variable)</li> </ul>
01.12.10	22	Government size and economic performance <ul style="list-style-type: none"> <li>• Effects of government policies on economic activity (government as explanatory variable)</li> </ul>
15.12.10	28, 29	What have we learned? Has public choice contributed anything to the study of politics?
22.12.10	*	Internet and democracy <ul style="list-style-type: none"> <li>• E-democracy beyond e-voting; smartvote</li> </ul>

\* Jan Fivaz and Bruno Jeitziner, “E-Democracy Beyond E-Voting”, in Paul Cunningham and Miriam Cunningham (eds.), Innovation and the Knowledge Economy. Conference proceedings for eChallenges e-2005, Ljubljana, Slovenia, 19 - 21 October 2005. Bruno Jeitziner „Wahlen im Internetzeitalter“, in Christoph A. Schaltegger und Stefan C. Schaltegger (Hrsg.), Perspektiven der Wirtschaftspolitik. Zürich 2004, 47-64.