Economics of Non-Market Decision Making

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Tuesday, 4:30-7:10, Enterprise Hall 318

1 Overview

This course explores the economics of non-market decision making. It considers the application of rational choice theory to decision making by a variety of persons who are neither traditional buyers nor sellers in a variety of contexts that are not traditional markets. Gordon Tullock was a pioneer of this field and founded a journal devoted to its study: Papers on Non-Market Decision Making. The field and its journal were later renamed. Today both are called Public Choice.

The contemporary field of public choice focuses heavily on the economics of one non-market in particular: the realm of political decision making in contemporary, developed democracies. This course has one section that includes some papers that consider “politics” in this vein, but only one. Politics is a tremendously important non-market. But it is not always the most important non-market, nor is it always the most interesting one.

A conventional course in public choice will give you ample opportunity to explore in depth the economics of politics in the sense described above. If that is what you are looking for, please take such a course, not this one. Our program offers several.

It is my opinion that, over the decades, the field of public choice has become too focused on “politics” in the sense described above. I want to redirect attention to the field of public choice in the older, broader sense. The “economics of non-market decision making” captures and conveys this approach nicely. That is why this course bears this title instead of “public choice,” though an equally appropriate title would be “economic imperialism”—using rational choice theory to understand all manner of human behavior.

My purpose is to introduce you to some work on the economics of non-market decision making and to encourage you to develop your own work in this area. This is not a survey course.
It does not aim to, and will not, introduce you to a broad swath of “the classics.” It will introduce you to a handful of papers on a variety of themes in the economics of non-market decision making that reflect my personal taste. Some classics are included. But many of the papers are very recent, many are mine, and several are unpublished.

2  Grading

Below is a list of course readings divided into themes. All readings are mandatory. You can find them online or in the library.

Your final grade is based on participation in course conversations and papers, as described below. There are no make-ups, I do not accept late work, and no additional credit is available.

Participation in course conversations: Each week a student [or students] will be assigned the duty of leading class conversation on the readings for that week. All other weeks you will have the duty of participating actively in class conversation. Together your participation in these activities constitutes 50 percent of your final grade in this course.

Papers: Each week [except for today] you will turn in a short [1-2 page] paper that addresses the theme for the week’s assigned readings. That paper will consist of your original thinking on some subject connected to the theme. Consider these papers glorified abstracts. You should develop some new idea connected to the relevant theme and sketch your argument and how you would evidence that argument. The goal is for you to develop ideas for papers you might pursue that are suitable for publication in academic journals. Together your scores on your papers constitute 50 percent of your final grade in this course [each paper is weighted equally].

3  Readings

3.1  Religion


3.2 Law


3.3 Anarchy


Becker, Gary S., and George J. Stigler. 1974. “Law Enforcement, Malfeasance, and


### 3.4 Judicial Decision Making


### 3.5 War


3.6 Alternative Institutions of Property Protection and Conflict Resolution


3.7 Family


3.8 Crime, Punishment, and Criminal Organization


3.9 Politics


3.10 Autocrats, Revolution, and Repression


