

**Economics 852  
Public Choice I, Fall 2021  
Mondays, 1630-1910  
Buchanan Hall D180**

**Professor Richard E. Wagner  
Office Hours: Monday afternoons  
Also by appointment on Zoom  
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### **Procedural Matters**

This course is an advanced graduate-level exploration into what is variously described as “public choice” or “political economy.” At this advanced level, your knowledge of economic theory should be sufficiently strong to enable you to understand the relevant scholarly literature; therefore, this course will use existing literature only as background for the primary purpose of this course, which is to pursue possible new lines of inquiry. This course will be more focused on possible lines of future inquiry than on works from the past. While it is important to become familiar with the work we have inherited, it is the ideas yet to be articulated that will be the focal point of the course. My primary objective in teaching this course is to help you cultivate the talents and capacities that can help catapult you into whatever scholarly prominence you aspire to attain.

We will meet 14 Mondays starting on 23 August and ending on 29 November. Please note that we will not meet on Monday 7 September and that our meeting scheduled for 11 October will be shifted to the 12<sup>th</sup> to accommodate the Columbus Day holiday. While I am available for face-to-face meetings on Monday afternoons, we can also meet on Zoom by appointment.

The class sessions will proceed in a parry-and-punch fashion, to invoke a martial arts’ image. Proceeding in this fashion is, I believe, a particularly apt method for exploring the logic undergirding my effort to rethink public choice. A useful piece of vocabulary is to distinguish between stipulation and emergence. With stipulation, the theorist assumes to know the relevant variables that generate a systemic equilibrium. With emergence, the relevant knowledge is distributed among the members of the relevant group and takes shape only as choices are made. Theories based on systemic equilibrium presume the existence of simple social systems (sufficiently simple that everything of relevance can be apprehended by the theorist). Theories based on emergent phenomena presume social systems to be sufficiently complex that they cannot be apprehended in sufficient detail to allow a theorist to recreate the system about which we are theorizing.

### **Covid Possibilities: Working with Unknowns**

Two or three months ago, GMU announced the 2021-22 academic year would be conducted in person, thereby returning to the mode of operation in play until March 2019 when GMU shifted to all-virtual instruction. Accompanying that shift in mode of operation was imposition of a requirement that everyone associated with GMU submit

their proofs of Covid vaccinations. Just last week, President Washington announced that masks must be worn indoors all the same.

This is how the land around here lays as classes are about to resume. It is doubtful if anyone can truly claim to know how the land will look in December when the semester ends, let alone in January when the spring semester starts. One relevant unknown with respect to this class is how I and my teaching will respond to the requirement of teaching with masks on. Wearing masks restricts air flow somewhat. Plus, I am asthmatic and so have problems with air flow anyway. On top of that, I am going through cardiac rehab from open-heart surgery in early summer and am working to return to some semblance of normal. Putting these matters together suggests that the teaching of this class might proceed more effectively on Zoom than in person. I will need some experience with this new regime before I can make that determination.

### **Course Texts**

The GMU bookstore has been asked to supply two texts, one primary and one secondary. The primary text is Randall Holcombe, *Advanced Introduction to Public Choice*. Its 14 chapters provide advanced-level introductions to numerous topics found in the contemporary literature on public choice. The bookstore has also been asked to order my *Politics as a Peculiar Business*. This book is not a text but is my effort to set forth a different orientation toward much of the material of public choice, and in so doing looks forward to the substance of this course.

Edward Elgar is publishing a series of books under the generic title “Rethinking Economics,” and asked me to write a small book under the title *Rethinking Public Choice*. During this semester I will develop this book and will send you draft chapters as the semester progresses. These chapters will provide the basis for your work this semester, as I will explain below.

For a book to carry the title “Rethinking X” there must be some vision of “Standard or Ordinary X” that provides the central point of orientation for the Rethinking. The book by Holcombe provides the standard orientation. Holcombe’s book is an excellent place to go to obtain a succinct exposition of standard public choice theory.

### **Your Work this Semester**

For all but the opening and closing class sessions, half of you each week will have short writing assignments where you will submit a short “thought” essay of around 700 words. In these, you will sketch some line of thought you think amplifies some topic discussed in Monday’s class. These essays will be due by 0500 on the Thursday following the Monday class. This will allow you 58 hours of elapsed time to prepare your essays and will allow me to devote Thursdays from the time I arise to reading your essays. You might find it useful to think of these assignments as my inviting you to submit an abstract of a paper you are interested in presenting at a professional meeting.

You might think of this class in its entirety as setting each of you in a position similar to that in which the members of Lewis and Clark's Expedition must have found themselves when they set out from St. Louis in May 1804 to explore the Louisiana territory all the way to the Pacific Ocean. Lewis and Clark began their journey with only modest knowledge of what lay ahead of them, gained mostly from reports from French missionaries and explorers. They returned in September 1806 with reports of adventures they could not have imagined in any specific detail.

Similarly, I hope your adventure this semester will entail your articulating ideas you had never thought to articulate. Through your first-year courses, you have acquired reports about the territory of Economic Theory, including the territories occupied by public choice and political economy. Those reports, however, are incomplete, and in some instances might even be misleading. Your task in any case is to contribute to a deepening of that knowledge.

In none of your writing assignments will you find that I have some "perfect response" in mind that it is your job to discover. To the contrary, I am looking to be pleasantly surprised by reading responses where you point out potentially fruitful lines of inquiry. If this were a math class, I would not give you explicit problems to solve. Rather, I would ask you first to create a problem and then to solve it. My appraisal of your work would depend on two factors: (1) the quality of the creative imagination your problem projects and (2) and the logical quality of your answer.

Friedrich Hayek once claimed that progress in economic theory typically entailed the replacement of objective with subjective concepts and categories. I concur with Hayek's claim. Let me illustrate by giving a partial quote from a well-known public choice theorist:

This paper analyzes ... **intragovernmental bargains** ... where there are **democratic pressures** that **motivate or constrain** the **procedures and constraints** that the **legislature and bureaucracy** use for adopting fiscal policies. When **democratic impulses are strong** .... **Electoral pressures** and **stable procedures** ... generate a **complex political bargaining equilibrium** ....

The bolded words in this excerpt reflect the objectivist style of thought that presently dominates economics and public choice. All of the bolded concepts pertain to aggregate resultants of human action. To the contrary, a subjectivist mode of analysis would seek to *penetrate into* those concepts to discern the actions that are occurring to render sensible those objectivist formulations. The subjectivist theoretical mode explores the *generation or emergence* of those bolded relationships. For instance, standard public choice theory mostly treats voting as optimizing the preference satisfaction of a median voter. A subjectivist alternative would start with recognition that the act of voting stands at the end of some process of interaction that led to a vote, and with significant analytical work to be done in uncovering the operation of that process.

## My Appraisal of Your Work (Grading)

My evaluation of your six short essays will each count for 12 percent of your course grade. The final 28 percent will reflect my evaluation of your contributions to in-class discussions that emerge during the class discussions. There will be no final exam, nor will some summary-type paper be assigned. My deviation from past practices in this respect reflects my anticipation that the increased cost of coping with the Covid environment will absorb the energies that otherwise would have been devoted to these activities.

The future character of political economy and public choice will be forged through competition among theorists who inject their visions into the scholarly arena. I evaluate all of your written work on the basis of what I judge to be its potential for publication, recognizing that the work you submit this semester is nowhere near ready for submission, which means in turn that my judgements will unavoidably entail a good deal of speculation. Regardless of how close to completion a piece of work is, a grade of **A** signifies that I think what I have read points in a publishable direction if carried to what I judge to be its destination. A grade of **B** indicates that while you have convinced me that you show good understanding of your material, you have not shown me that you are headed in a publishable direction. A grade of **C** means that I detect some significant holes in your knowledge and understanding of your material. A grade of **F** is a “none of the above” judgment that I hope I don’t have to make. (Various pluses and minuses are also possible grades, and I think that by extrapolation you can attach reasonable meaning to those grades.)

My interest in the work we do this semester resides in helping you to acquire the habits and practices of success. I have no interest in failure. For this reason, I do not accept late work, nor do I give incomplete grades. Tardy work and incomplete grades are facets of a repertoire of failure which I will not countenance. If you are scheduled to give a paper at a conference but find you aren’t ready to do so, you won’t be given an incomplete and have the conference rescheduled. So, don’t ask for incompletes or submit late work.