

PSCI 282/482: Making Public Policy

Fall 2024
TR 9:40am-10:55am
Harkness Hall 112

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Office Hours: M 3:30pm-4:30pm

What should governments do? What can governments do? What do policymakers want to do? This course examines these questions from the perspective of modern political economy. The perspective is twofold: it comprises both a set of tools (mathematical modeling and rigorous empirical analysis) and a fundamental premise that public policy is the outcome of rational, strategic choices by self-interested policymakers who face institutional constraints that shape their incentives and limit their scope of action. The course begins by discussing normative considerations about what might constitute "good" public policy. It then explores areas where public policy has the potential to improve social welfare in a modern economy. Finally, it analyzes how the political process influences policymakers' actual choices. Special attention is given to key differences between developed and developing countries.

Number of Credit Hours: This course follows the College credit hour policy for four-credit courses. The course meets twice weekly for 3 academic hours per week, and it also includes independent out-of-class assignments for an average of 1 academic hour per week.

Prerequisites: Students are expected to have taken PSCI 107 or a similar introductory course on formal models of decision-making.

Grading: Evaluation is based on weekly problem sets (30%), reflections on current policy debates (25%), and three in-class exams (15% each). The lowest problem set and reflection scores will be dropped when calculating the final course grade to allow for illness or other unforeseen events. Late assignments will be penalized 10/100 points for each day they are late. Assignments more than 7 days late will not be accepted.

Collaboration Policy: While collaboration on problem sets is encouraged,

Text: Bueno de Mesquita, Ethan (2016), *Political Economy for Public Policy*, Princeton University Press. In addition, lecture notes will be uploaded to Blackboard.

Course Schedule:

Part 1: Analytical Foundations

August 27: Introduction

August 29, Sept. 3: Utility, Strategic-Form Games, and Nash Equilibrium (Appendix A)

September 5: No Class

September 10,12: Extensive-Form Games (Appendix B)

Part 2: Normative Considerations

September 17: Normative Frameworks (Chapter 1)

September 19: No Class

September 24: Collective Goals (Chapter 2)

September 26: Pareto Concepts (Chapter 3)

October 3: First Exam

Part 3: Opportunities for Good Public Policy

October 1,8: Externalities (Chapter 4)

October 10,15: No Class

October 17,22: Coordination Problems (Chapter 5)

October 24,29: Commitment Problems (Chapter 6)

November 5: Second Exam

Part 4: Political Constraints on Good Governance

October 31, Nov. 7: Strategic Adjustment (Chapter 7)

November 12,14: Dynamic Inconsistency (Chapter 8)

November 19,21: The Need for Information (Chapter 9)

November 28, Dec. 3: No Class

November 26: Influence over Elected Officials (Chapter 10)

December 5: Institutions, Incentives, and Power (Chapter 11)

December 10: Third Exam