

# PSCI 282/482: Making Public Policy

SPRING 2022  
MW 2:00pm–3:15pm  
Harkness Hall 329

Prof. Sergio Montero  
Office: Harkness 320  
Email: [smontero@rochester.edu](mailto:smontero@rochester.edu)  
Office Hours: W 1:00pm–2:00pm via Zoom

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, all assignments must be completed individually.

*Academic Honesty:* Please be familiar with the University’s policies on academic integrity and disciplinary action (<https://www.rochester.edu/college/honesty/>).

*Disability Resources:* The University respects and welcomes students of all backgrounds and abilities. If you encounter any barriers to full participation in this course, please contact the Office of Disability Resources (<https://www.rochester.edu/college/disability/>).

**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**

January 12: Introduction

January 17: No Class (Martin Luther King Jr. Day)

January 19,24: Utility, Strategic-Form Games, and Nash Equilibrium (Appendix A)

January 26,31: Extensive-Form Games (Appendix B)

#### **PART 2: NORMATIVE CONSIDERATIONS**

February 2: Normative Frameworks (Chapter 1)

February 7: Collective Goals (Chapter 2)

February 9: Pareto Concepts (Chapter 3)

February 14: First Exam

#### **PART 3: OPPORTUNITIES FOR GOOD PUBLIC POLICY**

February 16,21: Externalities (Chapter 4)

February 23,28: Coordination Problems (Chapter 5)

March 2,14: Commitment Problems (Chapter 6)

March 7,9: No Class (Spring Break)

March 16: Second Exam

#### **PART 4: POLITICAL CONSTRAINTS ON GOOD GOVERNANCE**

March 21,23: Strategic Adjustment (Chapter 7)

March 28,30: Dynamic Inconsistency (Chapter 8)

April 4,6: The Need for Information (Chapter 9)

April 11,13: Influence over Elected Officials (Chapter 10)

April 18,20: Institutions, Incentives, and Power (Chapter 11)

April 25: Policymaking in the Developing World

April 27: Third Exam