

Welcome to Public Choice

ECO1028 — Politics Without Romance

Beatriz Gietner

beatriz.gietner@dcu.ie

January 15, 2026

Before We Begin...

Let's get to know each other!

Go around the room:

- Your name
- Your programme (Politics/Law/Economics/Other)
- One political puzzle that interests you
- What you hope to learn from this module

(We'll take about 15–20 minutes for this)

About Me

Background:

- Applied microeconomist working on education, labour and econometrics
- **Not Irish!** (But living here now)
- This means: *You* know more about Irish politics than I do
- Therefore... you'll teach me about Ireland, I'll teach you the economic theory

Office Hours:

- **Fridays:** 11:30–12:30 via Zoom
 - <https://dcu-ie.zoom.us/j/86881081383?pwd=9Lz5U5qQL91CbS3nTCxgp15lewudVs.1>
 - Meeting ID: 868 8108 1383 — Passcode: 676403
- **Wednesdays:** 11:00–12:00 in person at Prof Robert's office (Q251)

Email: beatriz.gietner@dcu.ie (24–48 hour response time)

Lecture Outline

What is Public Choice?

A Brief History of Public Choice

Foundational Principles

Course Structure

Assessment

Expectations & Advice

Why Study Public Choice?

Next Steps

Irish Context Presentations: Guidance

What is Public Choice?

A Provocative Question

Why do governments fail?

A Provocative Question

Why do governments fail?

Economics 101 tells us markets can fail:

- Monopoly
- Externalities
- Public goods
- Information asymmetries

A Provocative Question

Why do governments fail?

Economics 101 tells us markets can fail:

- Monopoly
- Externalities
- Public goods
- Information asymmetries

But what about government failure?

Defining the Field

"Public choice is politics without romance... The wishful thinking it displaced presumes that participants in the political sphere aspire to promote the common good."

— James Buchanan (Nobel Laureate, 1986)

Defining the Field

"Public choice is politics without romance... The wishful thinking it displaced presumes that participants in the political sphere aspire to promote the common good."

— James Buchanan (Nobel Laureate, 1986)

- **The Core Insight:** we apply economic tools (rationality, incentives, constraints) to political behaviour
- Treat politicians, voters, and bureaucrats as *humans* responding to incentives, not saints
- If self-interest explains market behaviour, why not political behaviour?

The Paradigm Shift

Traditional View

- Government pursues “public interest”
- Politicians are benevolent social planners
- Government fixes market failures
- Focus on policy outcomes

The Paradigm Shift

Traditional View

- Government pursues “public interest”
- Politicians are benevolent social planners
- Government fixes market failures
- Focus on policy outcomes

Public Choice View

- Actors pursue private interests
- Politicians maximise votes/power
- Government has its own failures
- Focus on political *processes*

The Paradigm Shift

Traditional View

- Government pursues “public interest”
- Politicians are benevolent social planners
- Government fixes market failures
- Focus on policy outcomes

Public Choice View

- Actors pursue private interests
- Politicians maximise votes/power
- Government has its own failures
- Focus on political *processes*

Key insight: The same person who behaves selfishly in the market doesn't suddenly become altruistic in the voting booth.

An Example: Why Do We Have Tariffs?

Traditional explanation:

- Protect infant industries
- National security
- Economic development

An Example: Why Do We Have Tariffs?

Traditional explanation:

- Protect infant industries
- National security
- Economic development

Public Choice explanation:

- Concentrated benefits (protected industry) vs. dispersed costs (consumers)
- Protected industry lobbies intensely; consumers remain rationally ignorant
- Politicians respond to organised interests with votes and campaign contributions
- Result: inefficient policy persists

An Example: Why Do We Have Tariffs?

Traditional explanation:

- Protect infant industries
- National security
- Economic development

Public Choice explanation:

- Concentrated benefits (protected industry) vs. dispersed costs (consumers)
- Protected industry lobbies intensely; consumers remain rationally ignorant
- Politicians respond to organised interests with votes and campaign contributions
- Result: inefficient policy persists

Takeaway: Public Choice shifts the question from *what should be done?* to *what incentives drive the actors?*

A Brief History of Public Choice

The Origins: 1940s–1960s

The Founders:

- **(Philosophical precursor) Knut Wicksell (1896):** unanimity and “just taxation” as inspiration for constitutional political economy
- **(Precursor) Duncan Black (1948):** “On the Rationale of Group Decision-making” – median voter theorem
- **Kenneth Arrow (1951):** Impossibility theorem – no perfect voting system (Nobel 1972)
- **Anthony Downs (1957):** *An Economic Theory of Democracy* – rational voter model
- **Mancur Olson (1965):** *The Logic of Collective Action* – free-rider problem

The breakthrough: Applying economic reasoning to political behaviour

Before this, political science and economics were separate worlds.

The Golden Age: 1960s–1980s

Virginia School (Buchanan & Tullock):

- *The Calculus of Consent* (1962) – constitutional political economy
- Buchanan wins Nobel Prize (1986)
- Focus: How should political institutions be designed?
- More normative, constitutional emphasis

Other key contributions:

- **Gordon Tullock (1967):** Rent-seeking theory
- **William Niskanen (1971):** Budget-maximising bureaucrat
- **George Stigler (1971):** Theory of regulation and capture

The main insight: Government agents respond to incentives just like market actors.

Modern Developments: 1990s–Present

Three major trends:

1. Empirical Revolution

- Testing theories with real data (elections, policy outcomes)
- Natural experiments and quasi-experimental methods
- Example: Do political business cycles actually exist?

2. Behavioural Public Choice

- Incorporating insights from psychology
- Bounded rationality, cognitive biases
- Example: Nudges and choice architecture (Thaler & Sunstein)

3. Institutions & Development (Modern Political Economy)

- Why are some countries rich and others poor?
- Role of political institutions in economic development
- Example: Acemoglu & Robinson's work on extractive vs. inclusive institutions

Key Debates in Public Choice

1. Market failure vs. government failure

- Traditional economics: Government fixes market failures
- Public Choice: But government has its own failures
- Which is worse? Context-dependent

2. Positive vs. normative analysis

- Positive: How do political systems actually work?
- Normative: How should they work? Constitutional design
- Both matter

3. Rational choice vs. behavioural approaches

- Are people rational optimisers or boundedly rational satisficers?
- When do biases matter for political outcomes?
- Ongoing debate – we'll explore both sides

Public Choice Today

Where is the field now?

- Major journals: *Public Choice*, *Journal of Public Economics*, political science journals
- Interdisciplinary: Economics, political science, law, sociology
- Policy relevant: Institutional design, constitutional reform, development policy

Current hot topics:

- Populism and polarisation
- Social media and political behaviour
- Climate change and collective action
- Democratic backsliding
- Corruption and governance in developing countries

The toolkit is more relevant than ever.

Foundational Principles

The Three Pillars of Public Choice

1. Methodological Individualism

- Only individuals choose and act
- “The State,” “The Party,” “The People” are collections of individuals
- We analyse individual decision-makers rather than abstract entities

The Three Pillars of Public Choice

1. Methodological Individualism

- Only individuals choose and act
- “The State,” “The Party,” “The People” are collections of individuals
- We analyse individual decision-makers rather than abstract entities

2. Rational Choice

- People maximise their own utility subject to constraints
- True in markets *and* in politics
- Doesn't mean people are selfish... they are just consistent

The Three Pillars of Public Choice

1. Methodological Individualism

- Only individuals choose and act
- “The State,” “The Party,” “The People” are collections of individuals
- We analyse individual decision-makers rather than abstract entities

2. Rational Choice

- People maximise their own utility subject to constraints
- True in markets *and* in politics
- Doesn't mean people are selfish... they are just consistent

3. Politics as Exchange

- Markets exchange goods and services
- Politics exchanges votes, taxes, and policies
- Both are mechanisms for coordination under scarcity

But Wait... Are People Really Rational?

Common objections:

- “People vote against their own interests!”
- “People are emotional and biased!”
- “Politicians care about legacy, not just winning!”

But Wait... Are People Really Rational?

Common objections:

- “People vote against their own interests!”
- “People are emotional and biased!”
- “Politicians care about legacy, not just winning!”

Our approach:

- We'll start with the rational choice model (Weeks 2–6, 8)
- Then we'll challenge it with behavioural economics (Week 9)
- We start with rational choice **because** it is a clear benchmark
- Once we understand its predictions, we can see where and why reality diverges

But Wait... Are People Really Rational?

Common objections:

- “People vote against their own interests!”
- “People are emotional and biased!”
- “Politicians care about legacy, not just winning!”

Our approach:

- We'll start with the rational choice model (Weeks 2–6, 8)
- Then we'll challenge it with behavioural economics (Week 9)
- We start with rational choice **because** it is a clear benchmark
- Once we understand its predictions, we can see where and why reality diverges

As Milton Friedman argued: “the only relevant test of the validity of a hypothesis is comparison of its predictions with experience” (1953). Do rational choice models predict behaviour? We'll see.

Course Structure

Our Journey: 12 Weeks

Weeks 1–10: Theory + Irish Applications

- Each week: New public choice topic
- Student groups present Irish context (Weeks 3–6, 8–10)
- Week 7 = Reading Week (no class)

Weeks 11–12: Your presentations (Project 1)

Our Journey: 12 Weeks

Weeks 1–10: Theory + Irish Applications

- Each week: New public choice topic
- Student groups present Irish context (Weeks 3–6, 8–10)
- Week 7 = Reading Week (no class)

Weeks 11–12: Your presentations (Project 1)

The Flow:

1. Demand side: How do voters behave?
2. Supply side: How do politicians and bureaucrats respond?
3. Interest groups: Who gets policy and why?
4. Structures: How do institutions shape outcomes?
5. Challenges: Is our theory right?
6. Synthesis: What determines good governance across different regimes?

Week-by-Week Schedule (1/2)

Week	Topic (t)	Irish Context Week $t - 1$)	Presentation (applies
1	Introduction	—	
2	Paradox of Voting	—	
3	Median Voter Theorem	Voting behaviour (turnout, participation, abstention)	
4	Political Competition and Macroeconomic Performance	Party positioning; PR-STV; policy convergence	
5	Bureaucracy	Political budget cycles; opportunistic spending; pre-election budgets	
6	Federalism & Decentralisation	HSE; civil service; agency problems; centralisation	

Week-by-Week Schedule (2/2)

Week	Topic (t)	Irish Context Week $t - 1$)	Presentation (applies
7	READING WEEK	No class — prepare Project 1 presentations	
8	Interest Groups, Rent-Seeking & Lobbying	Local government finance; centralisation vs local autonomy; accountability	
9	Behavioural Economics	Lobbying (IFA); professional associations; planning; regulatory capture	
10	Institutions, Development & Political Regimes	Nudges; voter heuristics; misinformation	
11–12	Project 1 Presentations + Discussion	—	

Weekly Readings (1/3)

Week	Reading
Week 1	Recommended: William F. Shughart II (2018) – Public Choice Theory <i>Optional:</i> Buchanan (2003) – Politics Without Romance
Week 2	Recommended: Feddersen (2004) – Paradox of Not Voting <i>Optional:</i> Blais (2006) – What Affects Voter Turnout?
Week 3	Recommended: Holcombe (1989) – The Median Voter Model in Public Choice Theory <i>Optional:</i> Lee et al. (2004) – Do Voters Affect or Elect Policies?

Weekly Readings (2/3)

Week	Reading
Week 4	<p>Recommended: Shi & Svensson (2006) – Political Budget Cycles</p> <p>Recommended: Alesina & Summers (1993) – Central Bank Independence</p> <p><i>Optional:</i> Schuknecht (2000) – Fiscal Policy Cycles</p>
Week 5	<p>Recommended: Wyckoff (1990) – The Simple Analytics of Slack-Maximising Bureaucracy</p> <p><i>Optional:</i> Dunleavy (1985) – Bureaucrats and State Growth</p>
Week 6	<p>Recommended: Oates (1999) – An Essay on Fiscal Federalism</p> <p><i>Optional:</i> Tiebout (1956) – A Pure Theory of Local Expenditures</p>

Weekly Readings (3/3)

Week	Reading
Week 7	READING WEEK — No assigned readings
Week 8	Recommended: Olson (1965) – <i>The Logic of Collective Action</i> , Chapter 1 <i>Optional:</i> Tullock (1967) – The Welfare Costs of Tariffs <i>Optional:</i> Stigler (1971) – The Theory of Economic Regulation
Week 9	Recommended: Thaler & Sunstein (2003) – Libertarian Paternalism <i>Optional:</i> DellaVigna (2009) – Psychology and Economics
Week 10	Recommended: Acemoglu et al. (2005) – Institutions and Growth Recommended: Rodrik et al. (2004) – Institutions Rule <i>Optional (self-study):</i> Mueller Chapter 18 – Dictatorship & Revolution <i>Optional (self-study):</i> Gandhi & Przeworski (2006) – History of Dictators

Phase 1: The Demand Side (Voters)

Week 2: The Paradox of Voting

- Why vote if your vote doesn't matter? ($P \cdot B - C$)
- Rational, expressive, and ethical voter models
- Evidence from turnout studies

Week 3: The Median Voter Theorem

- Single-peaked preferences and policy convergence
- Why parties look similar
- When does the theorem break down?

Key question: If democracy responds to voter preferences, why do voters participate and what do they want?

Phase 2: The Supply Side (Politicians & Bureaucrats)

Week 4: Political Competition and Macroeconomic Performance

- Do politicians manipulate the economy for votes?
- Political business cycles, opportunistic vs. partisan politics
- Time inconsistency and inflation bias
- Central bank independence as institutional solution
- Evidence from elections worldwide

Week 5: Bureaucracy

- Budget-maximising bureaucrats (Niskanen)
- Information asymmetries and agency problems
- Public vs. private provision of services

Key question: How do politicians and bureaucrats respond to voter demands?

Phase 3: Interest Groups & Structures

Week 6: Federalism & Decentralization

- Vertical structure of government
- Tiebout competition and “voting with your feet”
- Intergovernmental grants and the flypaper effect

Week 8: Interest Groups, Rent-Seeking & Lobbying

- Olson: why small groups organise and large groups free-ride
- Tullock: welfare losses from competing for transfers
- Stigler: regulation as capture (who benefits from regulation?)
- Concentrated benefits vs. dispersed costs

Key question: Who shapes policy when political influence is unevenly organised?

Phase 4: Critique & Synthesis

Week 9: Behavioural Economics

- Biases, heuristics, bounded rationality
- Nudges and choice architecture
- When do behavioural frictions change political outcomes?

Week 10: Institutions, Development & Political Regimes

- What makes some countries rich and others poor?
- Rule of law, property rights, political stability
- The long-run effects of institutions and path dependence
- How do institutions differ in democracies vs. autocracies?
- *Self-study materials on dictatorship & revolution available on Loop*

Key question: Which institutions sustain growth and accountability over time, and across different political regimes?

Assessment

Grading Breakdown

Assessment	Weight
Project 1: Paper Critique & Presentation	45%
Project 2: Grading LLM	30%
Irish Context Presentation (groups)	25%

Philosophy: Three substantial assessments that reward genuine learning and application.

No traditional exam — forget memorisation, this is about understanding and applying theory.

Key Deadlines: Mark Your Calendars

Assignment	Deadline
Group Formation (Irish Context)	End of Week 2 (Friday, 23 Jan 2026)
Project 1: Paper Declaration	End of Week 4 (Friday, 6 Feb 2026)
Project 1: Written Submission	End of Week 6 (Friday, 20 Feb 2026)
Week 7: READING WEEK	23–27 Feb 2026 — No class
Project 2: Topics Assigned	Start of Week 8 (Monday, 2 Mar 2026)
Project 2: Submission	End of Week 12 (Friday, 3 Apr 2026)
Irish Context Presentations	48 hours before your assigned week

Note: Use reading week to prepare your Project 1 presentation.

Project 1: Paper Critique (45%)

The Task:

- Find an interesting Public Choice paper published in 2024/2025 or “forthcoming”
- Write a critical review (50% of Project 1 = 22.5% of final grade)
- Present to class in Weeks 11–12 (50% of Project 1 = 22.5% of final grade)

The Irish Connection:

- Your review must include: “How would this apply (or not apply) to Irish politics?” Tip: use your politics/law expertise

Key Dates:

- Declare paper choice: **End of Week 4 (Friday, 6 Feb 2026)** (email me)
- Submit review: **End of Week 6 (Friday, 20 Feb 2026)** (via Loop)
- Present: Weeks 11–12 (7 minutes + questions)

Project 1: What I'm Looking For

Your critique should address:

1. What is the research question?
2. What is the main argument/finding?
3. What is the methodology? (Theoretical model? Empirical analysis?)
4. **Critical evaluation:** What are the strengths and weaknesses?
 - Is the theory convincing?
 - Is the evidence robust?
 - What are the limitations?
5. **The “So what?”:** Why does this matter? What should we study next?
6. **Irish application:** Would this work in Ireland? Why or why not?

Length: 2000–2500 words (strict limit). Quality over quantity.

Project 1: Presentation Rubric

Your presentation is worth 50% of Project 1 (= 22.5% of final grade)

Grading criteria:

- **Content clarity (20%)**: Can you explain the paper's argument clearly?
- **Critical analysis (25%)**: Do you demonstrate genuine understanding of strengths/weaknesses?
- **Irish application (20%)**: Is your Irish connection thoughtful and specific?
- **Delivery (15%)**: Clear speaking, good pacing, effective use of slides?
- **Q&A responses (20%)**: Can you answer questions about the paper and your analysis?

Remember: 7 minutes + questions. Rehearse. Both understanding and communication count.

Project 1: Finding Papers

Where to look:

- *Public Choice* (the journal)
- *Journal of Public Economics*
- *American Political Science Review*
- *American Economic Review*
- *Quarterly Journal of Economics*
- Working papers: NBER, CEPR, IZA

Topics that count as “Public Choice”:

- Voting behaviour, electoral systems, political competition
- Bureaucracy, government spending, taxation
- Interest groups, lobbying, corruption
- Institutions and development
- Anything applying economic methods to political questions

First come, first served on paper selection.

Project 2: Grading LLM (30%)

Part 1: Craft Your Question (40% of Project 2)

- I'll randomly assign you a topic from the module ([email Week 8: Monday, 2 March 2026](#))
- Write a question for an LLM (e.g., ChatGPT, Claude, Gemini)
- Write a 500-word motivation explaining:
 - Why this question is important
 - How it relates to class material (be specific)
 - What gap it fills in our knowledge
 - Why the answer would be useful for policy or economics

Part 2: Grade the LLM's Output (60% of Project 2)

- Generate the essay using your question
- Assess: accuracy, relevance, referencing, depth of argument
- Identify Irish context errors
- Provide detailed written feedback explaining your grade

Submission: End of Week 12 (Friday, 3 April 2026) via Loop

Project 2: Why Are We Doing This?

The Reality:

- LLMs such as GPT, Claude, Gemini, LLaMA, Mistral, Qwen, and DeepSeek are somewhat good at writing essays
- You'll encounter AI in your careers
- Learning to *evaluate* AI output is a "crucial" (haha) skill

What you'll (hopefully) learn:

- How to ask good questions (harder than it sounds)
- What makes an argument strong vs. weak
- How to identify errors, omissions, and shallow reasoning
- What standards academic work should meet
- Critical thinking about sources and evidence

The Irish twist:

- You must identify where the LLM gets Irish context wrong
- Example: Does it understand PR-STV? Coalition formation? Irish institutions?

Project 2: What Makes a Good Question?

Your question should:

- Build on class material: “In class we discussed X and Y, but not how Z affects...”
- Fill a knowledge gap: “The theory predicts A, but what about B in the Irish context?”
- Have practical relevance: “Understanding this would help policymakers/economists because...”
- Be specific rather than generic

Project 2: What Makes a Good Question?

Bad examples:

- “Explain the median voter theorem” (too basic, just asks for definition)
- “What is rent-seeking?” (no connection to class discussion)

Good examples:

- “How does Ireland’s PR-STV system affect the median voter theorem’s predictions about policy convergence?”
- “What role does rent-seeking by professional associations play in Irish healthcare waiting lists?”

Irish Context Presentations (25%)

The Format:

- Work in **pairs or trios**
- Present for 20 minutes at start of class (Weeks 3–6, 8–10)
- Apply *last week's* theory to Irish politics

Your presentation should:

1. Briefly recap the theory (5 min)
2. Present specific Irish examples/evidence (10 min)
3. Pose 2–3 discussion questions for the class (5 min)

Submission requirements:

- Slides + 1-page summary due 48 hours before your presentation
- Submit via Loop assignment dropbox
- All group members must be present and contribute

Irish Context Presentations: Why Groups?

You teach me, I teach you:

- You know Irish politics/law better than I do
- I know the economic theory
- Together, we build understanding

Working in groups:

- Makes it less scary
- Allows division of labour
- Builds accountability
- Reflects real-world collaboration
- Trios can cover more ground with deeper analysis

What I'm looking for:

- Accurate understanding of the theory
- Specific, concrete Irish examples (not vague generalities)
- Critical thinking: Does the theory fit? Where does it break down?
- Thoughtful discussion questions

Irish Context Presentations: Grading Rubric

Irish Context presentation = 25% of final grade

Criterion	Weight	What I'm Looking For
Understanding of Theory	20%	Accurate recap of last week's theory; clear explanation
Irish Examples	30%	Specific examples with evidence; not vague generalities
Critical Analysis	25%	Does theory fit Irish reality? Where does it work/break?
Discussion Questions	15%	Thoughtful questions that engage the class
Presentation Quality	10%	Clear delivery, good slides, time management, equal contribution

Academic Integrity: Let's Be Clear

On AI and LLMs:

- You may use LLMs to *understand* concepts and brainstorm
- You may NOT submit AI-generated text as your own work
- All written work must be in your own words
- Project 2 is literally about evaluating AI — I'll know if you used it improperly

On collaboration:

- Irish Context Presentations: Collaboration is required (you're in groups)
- Projects 1 & 2: Individual work only
- Discussing ideas is fine; copying text is not

Expectations & Advice

What I Expect From You

- **Attend class:** We only meet 2 hours/week. Miss at your peril.
- **Do the readings:** They'll help you understand the theory and prepare for assessments.
- **Engage actively:** Ask questions, challenge ideas, bring examples.
- **Meet deadlines:** Late submissions have penalties.
- **Be professional:** Presentations are important. Rehearse. Show up prepared.
- **Teach me about Ireland:** I'm relying on your expertise.

Office hours: Please use them, especially before your presentations.

What You Can Expect From Me

- **Clear explanations:** I'll break down complex theory step-by-step.
- **Real-world applications:** Theory without examples is useless.
- **Timely feedback:** I'll grade fairly and return work promptly.
- **Accessibility:** Email me, attend office hours, I'm here to help.
- **Respect for your knowledge:** You bring politics/law expertise I don't have.
- **High standards:** I'll push you because this material is important.

My goal: You leave this course able to analyse political events like an economist.

How to Succeed in This Course

1. **Don't fall behind:** Each week builds on the previous. Catch up immediately if you miss class.
2. **Think like an economist:** Ask "What are the incentives?" for every political phenomenon.
3. **Connect theory to reality:** Read the news with Public Choice glasses on.
4. **Start projects early:** Don't wait until the deadline.
5. **Use your interdisciplinary background:** Economics + politics + law = powerful combination.
6. **Embrace debate:** Public Choice is controversial. Challenge ideas (respectfully).

This is not a memorisation course. Understanding > recitation.

Recommended Resources

Textbook (optional but helpful):

- Mueller, D. (2003). *Public Choice III*. Cambridge University Press.

Accessible introductions:

- Buchanan, J. & Tullock, G. (1962). *The Calculus of Consent*.
- Tullock, G. (1967). “The Welfare Costs of Tariffs, Monopolies, and Theft.”
- Olson, M. (1965). *The Logic of Collective Action*.

For current applications:

- *Public Choice* journal
- VoxEU / VoxDev (short research summaries)
- NBER working papers

Why Study Public Choice?

Why Does This Matter?

A concrete promise: By the end of this course, you will have an economic theory for why housing policy is difficult to change, hospital waiting lists persist, and some taxes are politically untouchable.

For your careers:

- **Policy analysts:** Understand why policies fail (not just what policies should be)
- **Political advisors:** Predict how institutions shape behaviour
- **Lawyers:** Appreciate the economic logic behind legal rules
- **Business:** Navigate regulation and government interaction
- **Advocacy/NGOs:** Design effective campaigns and coalitions

For citizenship:

- Be a more informed voter
- Understand why government is hard (not just blame politicians)
- Recognise tradeoffs and unintended consequences

The Big Questions

By the end of this course, you should be able to answer:

1. Why do people vote (or not vote)?
2. Why do democracies sometimes produce inefficient outcomes?
3. Why do bureaucracies grow larger than optimal?
4. Why do small interest groups win over the majority?
5. Why do some countries become rich while others stay poor?
6. When does competition improve government, and when does it fail?
7. How should we design political institutions?

Bonus: You'll understand Irish politics much better.

A Warning & An Invitation

Warning:

- Public Choice can be cynical. “Politics without romance.”
- You might become disillusioned with democracy.
- But understanding problems is the first step to solving them.

A Warning & An Invitation

Warning:

- Public Choice can be cynical. “Politics without romance.”
- You might become disillusioned with democracy.
- But understanding problems is the first step to solving them.

Invitation:

- This material is *challenging* but rewarding.
- You’ll see the world differently after this course.
- Engage, debate, push back — that’s how we learn.

A Warning & An Invitation

Warning:

- Public Choice can be cynical. “Politics without romance.”
- You might become disillusioned with democracy.
- But understanding problems is the first step to solving them.

Invitation:

- This material is *challenging* but rewarding.
- You’ll see the world differently after this course.
- Engage, debate, push back — that’s how we learn.

Let's make this a great semester!

Next Steps

Before Next Week

Action items:

1. Check Loop + Github — all materials will be posted there and here
<https://github.com/BeaGietner/PublicChoice>
2. Read the syllabus carefully (especially assessment details)
3. **Form groups (pairs or trios) for Irish Context Presentations**
 - Email me your group names by **end of Week 2 (Friday, 23 January 2026)**
 - I'll assign you a week
4. Begin thinking about Project 1 paper selection
5. Read introductory material on Public Choice (posted on Loop)

Next week: The Paradox of Voting — Why do rational people vote?

Questions?

Open discussion time!

Ask me anything about:

- The course structure
- Assessments
- Public Choice in general
- My background / research
- Anything else

Final Thought

“The man of system... is apt to be very wise in his own conceit... he seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board.”

— Adam Smith, *The Theory of Moral Sentiments*

Final Thought

“The man of system... is apt to be very wise in his own conceit... he seems to imagine that he can arrange the different members of a great society with as much ease as the hand arranges the different pieces upon a chess-board.”

— Adam Smith, *The Theory of Moral Sentiments*

Public Choice reminds us:

The pieces on the chessboard have their own agendas.

Irish Context Presentations: Guidance

Week 3 Presentation

Applies Week 2: Paradox of Voting

Theme: Turnout, participation, abstention

Example prompts:

- Why is voter turnout in Irish general elections relatively high compared to many OECD countries? Does rational choice explain this, or do we need expressive/ethical voting models?
- Compare turnout in Irish referendums vs. general elections. What does Public Choice predict, and does the data fit?
- Does compulsory voting (hypothetical) make sense for Ireland given the paradox of voting?

What you're testing: Rational ignorance, expressive voting, civic duty, institutional context.

Week 4 Presentation

Applies Week 3: Median Voter Theorem

Theme: Party positioning, PR-STV, convergence

Example prompts:

- Do Fianna Fáil, Fine Gael, and Labour converge toward the median Irish voter? On which policy dimensions do they diverge, and why?
- How does PR-STV change the predictions of the median voter theorem compared to two-party systems?
- Is Sinn Féin's rise consistent with median voter logic or a challenge to it?

What you're testing: Single-peaked preferences, multidimensionality, institutional constraints.

Week 5 Presentation

Applies Week 4: Political Competition and Macroeconomic Performance

Theme: Fiscal cycles, budgets, opportunism, central bank independence

Example prompts:

- Is there evidence of opportunistic fiscal policy in Irish budgets before elections?
- Do Irish governments manipulate taxation, spending, or public sector pay in election years?
- How does ECB membership constrain Irish fiscal policy? Is this constraint beneficial from a Public Choice perspective?
- Does Ireland's lack of monetary policy independence prevent political business cycles, or do they manifest in other ways?

What you're testing: Opportunistic vs. partisan models, timing of policy, voter myopia, institutional constraints on policy manipulation.

Week 6 Presentation

Applies Week 5: Bureaucracy

Theme: HSE, civil service, agency problems

Example prompts:

- Does the HSE behave like a budget-maximising bureaucrat? Use budget data and service outcomes to assess.
- Are Irish public sector agencies characterised by slack, overproduction, or inefficiency?
- How do information asymmetries between ministers and civil servants shape policy outcomes?

What you're testing: Niskanen model, principal–agent problems, information asymmetry.

Week 7: READING WEEK

No Class — No Irish Context Presentation

Use this week to:

- Prepare your Project 1 presentation slides
- Practice your 7-minute presentation
- Review your paper one more time
- Get feedback from peers or come to office hours

Week 8 Presentation

Applies Week 6: Federalism & Decentralisation

Theme: Centralisation, local government, intergovernmental finance

Example prompts:

- Is Ireland “too centralised”? What would Public Choice predict about efficiency and accountability under greater decentralisation?
- Do Irish local authorities have meaningful fiscal autonomy? What are the incentive effects?
- Does the Tiebout model make any sense in the Irish context? Why or why not?
- How do intergovernmental grants affect local government behaviour in Ireland?

What you're testing: Tiebout sorting, fiscal federalism, accountability, mobility, centralisation vs. local autonomy.

Week 9 Presentation

Applies Week 8: Interest Groups, Rent-Seeking & Lobbying

Theme: Lobbying, organised interests, concentrated benefits

Example prompts:

- Analyse the IFA (Irish Farmers' Association) through Olson's Logic of Collective Action. Why are they effective?
- Do professional associations (Law Society, medical bodies) engage in rent-seeking in Ireland? Where do you see it?
- How do planning regulations create opportunities for rent-seeking or regulatory capture?
- Why do consumers remain rationally ignorant about policies that cost them money?

What you're testing: Free-rider problem, concentrated vs. dispersed costs, capture, rent-seeking, collective action.

Week 10 Presentation

Applies Week 9: Behavioural Economics

Theme: Nudges, heuristics, misinformation

Example prompts:

- Evaluate an Irish behavioural intervention (e.g. tax compliance, health, energy). Does it work? Why?
- Do Irish voters exhibit framing effects or status quo bias in referendums? (Consider recent referendum campaigns.)
- How does misinformation affect political outcomes in Ireland? Is this predictable under behavioural models?
- What role do heuristics (mental shortcuts) play in Irish voting behaviour?

What you're testing: Bounded rationality, heuristics, behavioural biases in politics, nudges.

Weeks 11–12: Project 1 Presentations

These weeks are reserved for Project 1 presentations.

Format:

- 7 minutes presentation + questions
- Submit slides in advance (48 hours before your assigned week)
- Focus: research question, method, main finding, and your critique

Reminder: Your critique must include an Irish connection (does the argument travel to Ireland? why or why not?).