



[Democracy, Public Choice, and Economic Analysis of Law]

Ano Académico 2021/2022
[1] Semestre [9 hours]

[André Azevedo Alves]
[3] ECTS

Overview and intended learning outcomes of the course

This course aims at providing a synthetic but rigorous introduction to the main concepts of two interdisciplinary approaches that have been assuming a growing relevance in the analysis of governance themes: *public choice theory* and *law & economics*. For that purpose, the language used will be adapted to students with different academic backgrounds and will gather concepts from political science, economics and law in order to foster a multidisciplinary and integrated perspective on governance issues and on the operation of democratic regimes in a global setting.

I) Origins of public choice theory

II) **Key concepts in public choice** (social interdependence costs; government failure; voter's rational ignorance; specificities of collective action; value and limits of theories of bureaucratic agency and behaviour; theory of clubs; interest groups in democracy; log-rolling; rent-seeking)

III) **Key concepts in law & economics** (property rights; eminent domain; regulation and protection of contracts; economic analysis of crime; competition law and monopolies; constitutional political economy)

IV) Applications to public policy and governance issues

Teaching methodologies and assessment

Classes will be structured around the key concepts and readings and student participation in their discussion is expected. Students are expected to attend the whole 9 hours of classes, to actively participate in class discussions and to be familiar with the main readings. They will also be expected to prepare and make a short in class presentation and to answer a final exam. This presentation, along with overall class participation, will account for 30% of the grade. The remaining 70% will be determined through an individual exam covering the whole of the course.

Bibliography

- Alves, André Azevedo and John Meadowcroft, "Hayek's Slippery Slope, the Stability of the Mixed Economy and the Dynamics of Rent-Seeking" *Political Studies*, 62 (4), 2014, 843-861.
- Besley, Timothy, *Principled Agents? The Political Economy of Good Government*, Oxford University Press, 2006.
- Brennan, Geoffrey and James M. Buchanan, *The Reason of Rules: Constitutional Political Economy*, Liberty Fund, 2000 [1985].
- Buchanan, James M. and Gordon Tullock, *The Calculus of Consent: Logical Foundations of Constitutional Democracy*, Liberty Fund, 1999 [1962].
- Caplan, Bryan, *The Myth of the Rational Voter: Why Democracies Choose Bad Policies*, Princeton University Press, 2007.
- Downs, Anthony, *An Economic Theory of Democracy*, Harper and Row, 1957.
- Dunleavy, Patrick, *Bureaucracy, Democracy and Public Choice*, Harvester Wheatsheaf, 1991.
- Olson, Mancur, *The Logic of Collective Action: Public Goods and the Theory of Groups*, Harvard University Press, 1965.
- Mueller, Dennis, *Public Choice III*, Cambridge University Press, 2003.
- Niskanen, William, *Bureaucracy and Public Economics*, Edward Elgar Publishing, 1996.
- Veljanovski, Cento, *Economic Principles of Law*, Cambridge University Press, 2007.



For students with a preference for readings in Portuguese, the following are recommended:

Alves, André Azevedo e Moreira, José Manuel, *O que é a Escolha Pública. Para uma análise económica da política*. Principia, 2004.

Moreira, José Manuel e Alves, André Azevedo, *Gestão Pública e Teoria das Burocracias: entre a visão clássica da Administração Pública e o novo paradigma da Governação Pública*, INA, 2010.

Rodrigues, Vasco, *Análise Económica do Direito: Uma Introdução*. Almedina, 2007.