

Analytical Politics I: Strategic and Theoretical Foundations

Fall 2022

Course Description This course has four objectives, three substantive and one methodological. The three major substantive themes of the course are (i) the normative foundations of policy making, (ii) how strategic interactions give rise to social dilemmas that create room for public policy to improve social welfare, and (iii) how technological, political, and institutional factors constrain policymakers and sometimes prevent good policies from being enacted.

Methodologically, the course introduces basic game theory. Game theory is the mathematical tool used to study situations of strategic interdependence, which is most of life. As such, it is a critical for understanding the substantive issues discussed above. In addition, understanding basic game theory is a valuable skill in its own right for policy professionals. It helps us predict and understand how people and organizations will behave in response to changes in the policy environment.

Participating in Class There are several components to participating in class.

- **Reading** There are assigned readings for every week which you are expected to complete before class.
- **Questions** The course will have a Piazza site, accessed through Canvas. If you have questions or thoughts based on the readings, please post them on Piazza for discussion by instructors, TAs, and classmates.
- **Attending Class** We meet together twice a week. There is an expectation that students in this course will be actively engaged in class.

Course Requirements The course has three requirements: participation, problem sets, and two exams.

- **Problem Sets** There will be five problem sets during the quarter. A few guidelines for the problem sets:
 - **Problem sets must be turned in via the Gradescope link on Canvas by 5 PM (Central) on the day they are due.**
 - We strongly encourage you to work in a problem set group. If you work in a group, you may turn in a single problem set for the whole group. **Groups that turn in a joint problem set can be no larger than four people. If you turn in an individual problem set, it may not be identical to another student's problem set.**

- For the sake of your heroic TAs, who check huge numbers of problem sets at a time, please write your answers to problems in a linear, concise, and readable form. This will often mean you have to rewrite your answer after solving it. Doing so is an act of kindness.
- No late assignments will be accepted.
- **Exams** There will be two in-class exams, a midterm and a comprehensive final. TA sessions the week prior to exam will be review sessions. We will make at least one sample exam available a week prior to the exams.

Course Materials The required textbook for the course is

Ethan Bueno de Mesquita. *Political Economy for Public Policy*. Princeton University Press.

Electronic copies are available from the University of Chicago library.

Any readings not from this book will be available on Canvas.

Grades & Grading Grading will be based on the course requirements as follows: final exam (40%), midterm exam (30%), problem sets (30%).

We will make every effort to return assignments and exams within a week.

If you believe that your grade on an assignment or exam question is incorrect or unfair, please submit your concerns in writing to the head TA *within a week of the assignment or exam being returned*. Fully summarize what you believe the problems are and why. The head TA and the TA responsible for the relevant question will respond in writing. If you still have concerns, you may submit them in writing to the professor, who will issue a final grade.

Core courses at the Harris School are graded on a rough curve. The basic target distribution is: A [$\frac{1}{8}$], A- [$\frac{1}{4}$], B+ [$\frac{1}{4}$], B [$\frac{1}{4}$], B- or lower [$\frac{1}{8}$].

Academic Integrity The Harris School has a formal policy on academic integrity that you are expected to adhere to. Examples of academic dishonesty include (but are not limited to) turning in someone else's work as your own, copying solutions to past years' problem sets, and receiving any unapproved assistance on exams. Academic dishonesty will not be tolerated in this course. All cases of cheating will be referred to the Dean of Students office, which may impose penalties per the Harris School Disciplinary Procedures. If you have any questions regarding what would or would not be considered academic dishonesty in this course, please do not hesitate to ask.

Course Schedule

Normative Frameworks

Week 1, Meeting 1 – Introduction to class and Ideal Theory 1

Read: PEPP Preface, Introduction, Introduction to Part I

New Normative Theory Chapter on Canvas, Introduction–Section 1.2 (including 1.2)

Week 1, Meeting 2 – Ideal Theory 2

Read: New Normative Theory Chapter on Canvas, the rest of Section 1

Week 2, Meeting 1 – Governing under Constraints 1

Read: New Normative Theory Chapter on Canvas, Section 2–4.2

Week 2, Meeting 2 – Governing under Constraints 2

Read: New Normative Theory Chapter on Canvas, Section 4.3–Conclusion

James Sallee. 2020. “Pigou Create Losers: On the Implausibility of Achieving Pareto Improvements from Corrective Taxation.”

PROBLEM SET 1 DISTRIBUTED

Week 3, Meeting 1 – Normative Frameworks Wrap Up

Game Theory and Social Dilemmas

Week 3, Meeting 2 – Game Theory 1: Nash Equilibrium

Read: PEPP, Appendix A

PROBLEM SET 1 DUE

Week 4, Meeting 1 – Finish Game Theory 1, Begin Externalities

Read: PEPP, Introduction to Part II and Chapter 4.1–4.3

PROBLEM SET 2 DISTRIBUTED

Week 4, Meeting 2 – Externalities

Read: PEPP, 4.4–4.5

Week 5, Meeting 1 – Coordination Traps

Read: PEPP, Chapter 5

Eduardo Bonilla-Silva. 2015. “The Structure of Racism in Color-Blind, ‘Post-Racial’ America.” *American Behavioral Scientist* 59(11):1358–1376.

Listen: *Nice White Parents Episode 1: The Book of Statutes*. Podcast from the New York Times.

PROBLEM SET 2 DUE

Week 5, Meeting 2 – **Midterm Exam**

Week 6, Meeting 1 – Game Theory 2: Subgame Perfection

Read: PEPP, Appendix B.1–B.4

Week 6, Meeting 2 – Commitment Problems

Read: PEPP, Chapter 6

PROBLEM SET 3 DISTRIBUTED

Week 7, Meeting 1 – Wrapping Up Social Dilemmas and Repeated Games 1

Read: PEPP, Chapter 4.6.3

Elinor Ostrom, *Governing the Commons*, Chapter 1

Week 7, Meeting 2 – Repeated Games 2: Self Governance

Read: Elinor Ostrom, Governing the Commons, Chapter 1

PROBLEM SET 3 DUE

PROBLEM SET 4 DISTRIBUTED

Governance Dilemmas

Week 8, Meeting 1 – Need for Information

Read: PEPP, Introduction to Part III and Chapter 9 Introduction, 9.1–9.2

Week 8, Meeting 2 – Influence in Democratic Politics

PEPP, Chapter 10 Introduction, 10.1–10.2

Listen: The Ezra Klein Show: How Blue Cities Became So Outrageously Unaffordable

PROBLEM SET 4 DUE

PROBLEM SET 5 DISTRIBUTED

Week 9, Meeting 1 – Political Institutions and Incentives

Read: PEPP, Chapter 11.1–11.2

Week 9, Meeting 2 – Policy and Politics: The Case of Foreign Aid

Read: PEPP, Chapter 11.3–11.4

George Ayittey. 1999. *Africa in Chaos*, Chapter 8. Palgrave Macmillan.

Nancy Qian. 2015. “Making Progress on Foreign Aid.” *Annual Review of Economics* 7: 277–308.

PROBLEM SET 5 DUE

Final exam will be administered during specified finals week time period