Course Description

In this course, we study the goals of public policy, how to achieve them, and how politics shape policy.

The first part of the course is concerned with how individuals in a given political community set collective goals, make collective decisions, and take collective action. First, we outline key aspects of the normative foundations of policy making, and we discuss different views of what should be the goals of public policy. Second, we present the central problems of collective decision making, and we discuss how a political community should decide on what goals to pursue. Third, we cover how collective action problems may prevent individuals in a community from achieving shared goals, and we discuss the appropriate interventions to mitigate these problems.

The second part of the course is concerned with the way political environments shape public policy. We consider how the structures of political regimes (i.e. institutions that determine how policy makers are selected), political processes (i.e. institutions that determine how policies are proposed and enacted), and political pressure groups (i.e. the organization of different societal groups with shared interests) influence public policy outcomes.

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.
Course Schedule

Part I: The Goals of Public Policy and How to Achieve Them

Collective Goals: What Should Be the Aim of Public Policy?

Week 1 – Introduction; Liberalism: Liberty as a Policy Goal; Welfarism: Wellbeing as a Policy Goal
Read: PEPP Preface, Introduction, Introduction to Part I
New Normative Theory Chapter on Canvas: Ch. 1 – 1.1, Ch. 1.2 and 4.3 – 4.3.2

Week 2 – Egalitarianism: Equality as a Policy Goal; Collective Goals Wrap up
Read: New Normative Theory Chapter on Canvas: Ch. 1.3
Additional readings:

Problem Set 1 Distributed

Collective Decisions: How Should We Decide which Goals to Pursue?

Week 3 – Collective Decisions; Game Theory 1: Nash Equilibrium
Read: PEPP, Chapter 2 + Appendix A

Problem Set 1 Due

Collective Action: How Do We Achieve the Shared Policy Goals?

Week 4 – Collective Action: Coordination Problems and Externalities Problems
Read: PEPP, Introduction to Part II and Chapter 4.1–4.4; Chapter 5

Problem Set 2 Distributed

Week 5 – Collective Action in Repeated Interactions; Application: Protests
Read: PEPP, Chapter 4.6.3
Elinor Ostrom, Governing the Commons, Chapter 1

Problem Set 2 Due

Week 6 – Midterm Exam (in class) + Game Theory 2: Subgame Perfection
Read: PEPP, Appendix B.1–B.4
Part II: How Politics Shape Policy

Week 7 – How Political Regimes Shape Policy: The Selectorate Model + Foreign Aid Application

Read: PEPP, Chapter 11.1–11.2


Week 8 – How Political Processes Shape Policy: Agenda Setting and Veto Players

Problem Set 3 Distributed

Week 9 – How the Organization of Political Pressure Groups Shape Policy: Concentrated and Diffuse Interests + Inflation Reduction Act Application

PEPP, Chapter Ch. 4.2.3

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

Problem Set 3 Due

Week 10 – Final exam on Thursday 6.00PM-8.50PM

Additional Course Information

Course Requirements The course has three requirements:

- **Participation** Students are expected to come to class prepared and participate in the discussions.

- **Problem Sets** There will be three 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 10 PM (Central) on the Friday of the week they are due.
  - All problem sets and exams are graded anonymously so please do not include any information that would reveal your identity.
  - 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 TA, who check huge numbers of problem sets at a time, please write your answers to problems in a linear, concise, and readable form. 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 during the final week.

Course Materials The required textbook for the course is

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 (25%), problem sets (25%), participation (10%).

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. Note that your grade on that question can go up or down depending on the TA’s findings. 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+ $[\frac{1}{3}]$, 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.

**Use of AI** We do not expect AI to be beneficial in this course. Nevertheless, any student using AI takes full responsibility for the accuracy of AI-generated content. Overreliance on AI content, without proper attribution, may lead to unintentional plagiarism, as LLM models have been accused of plagiarism. It may also limit the students’ accumulation of skills and understanding of the material.

**General Resources Available to Students** • Harris Academic Support Programs and Handbook • Student Wellness • University Learning Resources

**Harris School and University of Chicago Policies** • Harris School Policies • University General Policies • University Academic Policies • Policies on audio and video recordings and deletion

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