Economics of Non-Market Decision Making

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Thursday; 4:30-7:10; Mason Hall, Mises Seminar Room

1 Overview

This course explores the economics of non-market decision making. It considers the application of rational choice theory to decision making by a variety of persons who are neither traditional buyers nor sellers, in a variety of contexts that are not traditional markets. Gordon Tullock was a pioneer of this field and founded a journal devoted to its study: Papers on Non-Market Decision Making. The field and its journal were later renamed. Today both are called Public Choice.

The contemporary field of public choice focuses heavily on the economics of one non-market in particular: the realm of political decision making in contemporary developed democracies. This course has one section that includes some papers that consider “politics” in this vein, but only one. Politics is a tremendously important non-market, but it is not always the most important one or the most interesting.

A conventional course in public choice will give you ample opportunity to explore in depth the economics of politics in the sense described above. If that is what you are looking for, please take such a course, not this one. Our program offers several.

It is my opinion that, over the decades, the field of public choice has become too focused on “politics” in the sense described above. I want to redirect attention to the field of public choice in the older, broader sense. The “economics of non-market decision making” captures and conveys this approach nicely. That is why this course bears this title instead of “public choice,” though an equally appropriate title would be “economic imperialism”—using rational choice theory to understand all manner of human behavior.

My purpose is to introduce you to some work on the economics of non-market decision making and to encourage you to develop your own work in this area. This is not a survey course.
It does not aim to, and will not, introduce you to a broad swath of “the classics.” It will introduce you to a handful of papers on a variety of themes in the economics of non-market decision making that reflect my personal taste. Some classics are included, but many of the papers are very recent, many are mine, and several may be unpublished.

2 Grading

Below is a list of course readings divided into themes. All readings are mandatory. You can find them online or in the library.

Your final grade is based on participation in course conversations and quizzes, as described below. There are no make-ups, and no additional credit is available.

Participation in course conversations: You will be assigned the duty of leading class conversation on the readings for at least one week. All other weeks you will have the duty of participating actively in class conversation. Together your participation in these activities constitutes 50 percent of your final grade in this course.

Quizzes: Each week you will be quizzed about the assigned readings. Each quiz is weighted equally. Collectively the quizzes constitute 50 percent of your final grade.

3 Readings

3.1 Religion


### 3.2 Law


### 3.3 Anarchy


3.4 Judicial Decision Making


3.5 War


3.6 Alternative Institutions of Property Protection and Conflict Resolution


3.7 Family


3.8 Crime, Punishment, and Criminal Organization


3.9 Politics


### 3.10 Autocrats, Revolution, and Repression


