



Center for Study of Public Choice

Annual Report 2019–2020

From the Director



Alex Tabarrok

As I write, COVID-19 has killed more than seven hundred thousand people in the world, including over 150 thousand Americans. The IMF estimates that in 2020-2021, the total economic loss will be over \$12 trillion. Not surprisingly, the crisis has also affected the Center for Study of Public Choice. Most notably, we reluctantly cancelled the annual Public Choice Outreach Conference, the first time the conference hasn't been held in decades. Center scholars, however, continued their work and in several cases swung into action on COVID. Tyler Cowen, for example, raised millions of dollars for COVID funding and delivered it to worthy projects before the NIH even completed one grant! See his [FastGrants](#) project. Other contributions are documented in the report.

As the crisis began to accelerate, I wrote a primer, [Grand Innovation Prizes to Address Pandemics](#), that advocated for prizes. The piece led to a meeting with U.S. policy makers, at which Michael Kremer and I spoke. Kremer had won the Nobel prize in 2019 in part for his work in creating an advance market commitment, a kind of prize, for a pneumococcus vaccine. The vaccine was produced, and the AMC likely saved over 700,000 lives.

After the meeting, we were asked to follow-up with a written proposal. Kremer then called on his contacts around the world to help. And that is how I found myself working with a team of all-star economists to design an incentive program for vaccines. A subset of us, Athey, Kremer, Snyder, and Tabarrok, quickly published an op-ed in the *New York Times*, [In the Race for a Coronavirus Vaccine, We Must Go Big. Really, Really Big](#). We also worked on creating an optimal portfolio of vaccines and an incentive plan with push and pull incentives to implement that portfolio. Finally, we worked on a way to incentivize countries to contribute to such an incentive plan. We started working with the World Bank, GAVI, CEPI, the IADB, and governments around the world to come up with a successful plan.

Indeed, everyone at the Center has been busy during these trying times. Overleaf, I put the Spotlight on Garrett Jones, and his excellent new book, *10% Less Democracy*.

Many more accomplishments from our faculty are detailed in the pages herein.

Alex Tabarrok

July 2020

Spotlight on Garrett Jones

Q: It's odd that when I mention the title of your book, *10% Percent Less Democracy*, to people I meet some of them are horrified. How could you be against democracy! Yet, when I ask the same people whether judges should be elected, they suddenly become very hesitant. So what is democracy?

A: The word “democracy” means many things to many people, but I use it the way the ancient Greeks did: citizen control of the government, with the most direct control possible. But essentially, nobody today wants 100% pure democracy: instead, we want a blend of democracy with oligarchy, which Aristotle called polity.

With modern technology, it'd be easier than ever to extend more democracy into every area of government—we could even be voting on interest rate changes! But we don't do that because almost nobody wants to live under pure democracy.



Garrett Jones

Q: And should judges be elected?

A: No. Evidence from around the world shows that countries with appointed judges have better economies—and many of the civil rights that we cherish were first pronounced by unelected judges. The independent judiciary—our euphemism for “handing permanent political power to the lawyers”—is both elitist and an excellent example of *10% Less Democracy*.

Q: If one takes, say, The Economist's Democracy Index and looks at the countries that are democracies, they, on the whole, look pretty good, richer, more tolerant, freer, and so forth. So democracies must be doing something right. What do democracies do right?

A: Nobel Laureate Amartya Sen—a friend of our late colleague James Buchanan—showed that there's never been a famine in a democracy. One thing that voters hate to see is their fellow citizens starving.

But Sen showed that almost all the benefit of democracy comes at moderate doses: all a nation needs to avoid famines are competitive elections and a free press. The rich democracies can embrace *10% Less Democracy* and still get all of the very real benefits of democracy. There's no need to risk a democratic overdose.

Q: You point out that there are some natural experiments in less democracy that we see operating in the political process every day—namely politicians vote differently as an election approaches. How so and what do we learn from this?

A: As an aide in the U.S. Senate long ago, I saw that Senators acted differently toward the end of their six-year term; when Senators are up for re-election, they're *less* likely to support free trade agreements and *more* likely to bring popular big spending projects back home. Senators think voters are focused on the short run—and if there's one thing that Senators are experts at, it's understanding the voters.

Spotlight on Garrett Jones

Q: So is two years too short for a representative's term? It certainly seems much shorter today when representatives can fly back and forth from their districts and are constantly in the news. Would four-year terms be better?

A: Definitely. Politicians do a better job when they have a little more distance from the voters. Personally, I'd support six-year terms for the House, just like in the Senate. It's now clear that short terms cause short-term thinking.

Q: Many people see Donald Trump as an example of democracy gone mad. On the other hand, in the recent COVID crisis the elites haven't done so great either. The CDC and the FDA in particular, are elite institutions that utterly failed in their primary, technocratic missions to protect the public. So what happened and what do we learn from elite failure?

A: The CDC and FDA depend *entirely* on the elected President and the elected Congress; and they're entirely *unlike* the Federal Reserve, one U.S. government agency that's obviously performed well in the crisis. To put experts in charge, those experts actually have to be, well, *in charge*, like at the Fed, whose leaders can't be fired by the President and which doesn't have to go to Congress for appropriations—since, after all, the Fed just prints whatever money it wants.

As your own research has shown, Alex, the FDA in particular, has been too cautious about approving new drugs. In large part that's because when it approves new drugs it's a case of "heads I tie, tails I lose." The FDA gets little credit from Congress for the good drugs it approves but its officials face career-destroying Congressional investigations any time an approved drug turns out to cause harm. But in this crisis, fast, bold action was and still is worth the moderate risk of bad outcomes. Just like a Senator up for re-election, the FDA is focused on the short run.

Q: What's your number one idea for reform?

A: I think that the Treasury Secretary should meet openly every six months with representatives of the U.S. government's biggest investors, the holders of U.S. Treasury bonds. If and when the U.S. government gets into a sovereign debt crisis, we'll need to listen to those investors anyway if we want to keep the money flowing—so we should just start listening to them now. This is a lesson I drew from my research into corporate finance: just as investors in a firm should have a formal voice in how the firm is run, investors in a country—the bondholders—should have a formal voice in how the government is run.

Notice my choice of words: I think Treasury bondholders should have a voice, not a veto. Let's start off with nonbinding resolutions at bi-annual meetings with the Treasury Secretary and work up from there. That's one kind of reform I'd like to see. The U.S. probably won't do this any time soon, but some wiser nation—perhaps Singapore—likely will.

With the in-person conference cancelled due to covid-19, Center staff created a dynamic website in order to facilitate a Virtual Outreach throughout Spring 2020. Lisa Hill-Corley reached out to past speakers for some of the Outreach Conference's popular presentations and Kashiff Thompson collected and updated the posts—curating an on-line experience that included classic works from Dr. James Buchanan and Dr. Gordon Tullock, all the way to brand new material submitted by Dr. Robin Hanson in 2020. The Center would like to thank these professors for allowing us to include the following works on the site:

Dr. Donald Boudreaux: *Intro to Public Choice.*

Dr. Bryan Caplan: *Open Borders: The Science and Ethics of Immigration* and *The Myth of the Rational Voter: Why Democracies Choose Bad Policies.*

Dr. Robin Hanson: *Futarchy, Prediction Markets And The Challenge Of Disruptive Technology*, and "Who Vouches for You? A Radical Crime Law Proposal."

Dr. Tyler Cowen's discussion of his book: *Big Business, A Love Letter to an Anti-American Hero.*

Dr. Alex Tabarrok's 2016 Adam Smith Week guest lecture: *What's Democracy Good For? Voting Paradoxes & the Theory of Democracy.*

The Center for Study of Public Choice Seminar Series

Fall
2019

Date	Name	Affiliation	Presentation
9/11	Andrew Chen	Federal Reserve Board	Do t-stat Hurdles Need to be Raised? Identification of Publication Bias in the Cross-Section of Stock Returns
9/18	Lant Pritchett	Harvard University	Randomizing Development: Method or Madness?
9/25	Kyle Harper	University of Oklahoma	Malaria and Marriage: Recovering the History of Infectious Disease
10/2	Gary Lee	Bowling Green State University	The Limits of Marriage: Why We Can't Solve All Our Problems By Getting Everyone Married
10/9	Richard Lowery	University of Texas at Austin	Collusion in Brokered Markets
10/16	Graeme Robertson	University of North Carolina at Chapel Hill	Do Reforms Reduce Corruption Perceptions? Evidence from Police Reform in Ukraine
10/23	John Hatfield	University of Texas at Austin	Housing Values and Jurisdictional Fragmentation
10/30	John Marsh	Pennsylvania State University	What You Want to Hear: Hope in the Great Depression
11/6	Carlos Carvalho	University of Texas at Austin	A national experiment reveals where a growth mindset improves achievement and Bayesian regression tree models for causal inference: Regularization, confounding, and heterogeneous effects
11/13	Dan Moller	University of Maryland	Moral Remainders and Redistribution
11/20	Maxim Massenkoff	University of California at Berkeley	Family Formation and Crime
12/4	Anke Becker	Harvard University	On the Economic Origins of Restrictions on Women's Sexuality

2019–2020 Center for Study of Public Choice Doctorates



Anthony Good

Anthony Good defended the dissertation, “Three Essays on Non-Market Valuation: Valuing the Billy Frank Jr. Nisqually National Wildlife Refuge.” Dr. Alex Tabarrok chaired the committee.



Emily W. Hamilton

Emily Washington Hamilton defended the dissertation, “Three Essays on Land Use Regulations and Urban Outcomes.” Dr. Alex Tabarrok chaired the committee.



Joshua Ingber

Joshua Ingber defended the dissertation, “Three Essays on Inflationary Monetary Policy and Political Economy.” Dr. Donald Boudreaux chaired the committee.



Franz Loyola

Franz Loyola defended the dissertation, “Essays on the Economic History of the Philippines: From Unintended Benefits to the Spanish Empire to the Political Economy of Rice Policy.” Dr. John Nye chaired the committee.



Adam Michel

Adam Michel defended the dissertation, “Three Essays on Tax Efficiencies, Political Incentives, and Deadweight Loss.” Dr. Thomas Stratmann chaired the committee.



Mary C. Peate

Mary Clare Peate defended the dissertation, “Questions in Public Administration.” Dr. Garrett Jones chaired the committee.



Patricia Saenz

Patricia Saenz defended the dissertation, “Three Essays on Labor Economics: Women and Immigrants in the Labor Market.” Dr. Bryan Caplan chaired the committee.

Justin Briggs defended the dissertation, “Three Essays in Empirical Economics: Data-intensive Methods Applied to Media Economics and Executive Compensation.” Dr. Alex Tabarrok chaired the committee.

Cheryl Litman defended the dissertation, “The Effects of Information Transparency in Nonprofit Settings.” Dr. Thomas Stratmann chaired the committee.

Paul F. Sander defended the dissertation, “A Critical Examination of the Normative Perspectives Implicit in the Work of the Founding Fathers of the Law and Economics Movement.” Dr. Donald Boudreaux chaired the committee.



Nathanael Snow

Nathanael Snow defended the dissertation, “How to Talk: Richard Whately, The Constitutional Conversation, Informal Social Groups, and Reform.” Dr. David Levy chaired the committee.

Gregory Golino defended the dissertation, “Three Essays on Anglo-American Labor Reform.” Dr. Noel Johnson chaired the committee.

Justin Moore defended the dissertation, “Three Essays on the Impact of Prolonged Warfare in Twentieth-Century France.” Dr. Noel Johnson chaired the committee.

The Center in the Media: A Selection

Garett Jones

Want braver politicians? Hold fewer elections

February 20, 2020 – *The Hill*

“In my new book, *‘10% Less Democracy: Why You Should Trust Elites a Little More and the Masses a Little Less,’* I take the lessons I learned long ago as a Senate staffer and combine them with the best in data-driven social science to make the case that politicians behave worse than usual when elections draw near.”

Tim Groseclose

Interview on *Left Turn: How Liberal Media Bias Distorts the American Mind*

June 22, 2020 – *Life, Liberty & Levin*

“I ask the thought experiment: suppose you read the content from journalists and you asked yourself the question what if, instead of knowing this was a news story and instead you thought this was a speech by a politician, what would you guess is the ideology of that would be politician?”

Peter T. Leeson

Pirates

October 31, 2019 – *Pirates (Season 2, Episode 6), Netflix original series, Explained.*

Tyler Cowen

Mark Zuckerberg Interviews Patrick Collison and Tyler Cowen on the Nature and Causes of Progress

November 27, 2019 – *Conversations with Tyler*



“One view of mine is that not enough philanthropy is long-term oriented. In this regard, I’ve been influenced by your Chan Zuckerberg Initiative. And also, in philanthropy, there are too many choke points that can say no, so foundations become their own bureaucracies. They become very risk-averse.”

Bryan Caplan

Does COVID-19 Make Immigration Restrictions Necessary? A Soho Forum Debate

May 8, 2020 – *Reason*

The Center for Immigration Studies' Mark Krikorian vs. George Mason University economist Bryan Caplan.

Bryan Caplan

Is the idea of open borders comical? Books that are Changing America: Bryan Caplan illustrates his views on a controversial subject.

November 22, 2019 – *The Hill*

“My dream, of course, is to transform public opinion ... to make people completely rethink the way that they see immigration.”

The Center in the Media: A Selection

Alex Tabarrok

[Vaccine research and production w/Alex Tabarrok](#)

May 18, 2020 – *The Chip Franklin Show*



“[[I]f you want to reopen the economy – and many of us do – then masks are a way to do that, and they’re a way to protect your fellow human beings. So I don’t see them as reflecting cowardice, I see masks as reflecting strength and a willingness to do what it takes to beat the enemy; and the enemy here is the virus.”

Alex Tabarrok (with Susan Athey, Nobel Laureate Michael Kremer and Chris Snyder)

[In the Race for a Coronavirus Vaccine, We Must Go Big. Really, Really Big.](#)

The New York Times, May 4, 2020.

“Now is the time to go on the offensive. The United States has tremendous strengths: We are the world’s most innovative economy and we have powerful resources in our government, business and civil sectors. An advance market commitment to support vaccine development is a critical component of a timely plan to defeat the virus, reopen the economy and return to normal life stronger and more resilient.”

Alex Tabarrok

[Why Human Challenge Trials Will Be Necessary to Get a Coronavirus Vaccine.](#)

The National Interest, May 10, 2020.

“The virtue of a challenge trial is that the results would be available very quickly, within a few weeks, and using only a small population...By advancing a vaccine by many months, a challenge trial could save many thousands of lives and spare the world the huge economic costs of the lockdowns and social distancing that we will be using to combat the virus.”

Alex Tabarrok

[Spend Billions More on Vaccines and Testing.](#)

Los Angeles Times, May 31, 2020.

“If an invader rained missiles down on cities across the United States killing thousands of people, we would fight back. Yet despite spending trillions on unemployment insurance and relief to deal with the economic consequences of COVID-19, we have spent comparatively little fighting the virus directly.”

Alex Tabarrok (with Puja Ahluwalia Ohlhaber)

[We Could Stop the Pandemic by July 4 If the Government Took These Steps.](#)

Washington Post, May 15, 2020.

“The only way to restore the economy is to earn the confidence of both vulnerable industries and vulnerable people through testing, contact tracing and isolation. There is already a bipartisan plan to achieve this; we helped write it.”



Don Boudreaux

Dr. Donald Boudreaux is writing a book on James Buchanan (to be called), *The Essential James Buchanan*. It will eventually be published by the Fraser Institute in Vancouver, B.C. His main work – in addition to teaching and much public speaking – is a [weekly column](#) that he writes for the American Institute for Economic Research, as well as a reasonably popular economics blog ([Café Hayek](#)).

Dr. Bourdeaux did have one academic article published: “[Today’s Relevance of Adam Smith’s *Wealth of Nations*](#).” It appears in *The Independent Review*, Vol. 24, Spring 2020, pages 487-497. In the past 12 months he had op-eds published in the [Washington Post](#), [National Review](#), [Dallas Morning News](#), [Wall Street Journal](#), and [City Journal](#).



Bryan Caplan

Dr. Bryan Caplan had an extremely successful year despite the world’s troubles. *Open Borders: The Science and Ethics of Immigration*, his new work on the social science and philosophy of immigration, made the *New York Times* Bestseller List when it released in October 2019. The book received rave reviews from *The Economist* and *The New Yorker*, as well as many eminent economists, including John Cochrane and Jason Furman. Even *Foreign Policy* invited him to elaborate on his main arguments. *Open Borders* spent months on Amazon’s list of top immigration books – and made *Intelligence Squared’s* list of “20 Books to Raise Your IQ This Summer.”

Dr. Caplan spent most of September-February promoting this new book, doing scores of interviews with traditional and online media. Simultaneously, he continued work on his next book project, entitled *Poverty: Who to Blame*. *Poverty* will combine economic philosophy with economics, sociology, psychology, social work, history, and anthropology to answer some timeless questions, including: “Why does poverty persist?”, “Who is morally responsible for poverty’s continued existence?”, and “What, if anything, can be done about it?”

The book begins by reviving and defending the classic distinction between the “deserving” and “undeserving” poor. Then it will apply the distinction to the real world, focusing on bad economic policy in the Third World, immigration restrictions (and housing regulation) in the First World, and irresponsible personal behavior around the world. Dr. Caplan concluded his broad reading phase about six months ago, and has been writing ever since. Thanks to his Spring sabbatical, he’s been able to finish the Introduction and Chapter 1 despite the ravages of COVID-19.

Dr. Caplan has also begun writing a second non-fiction graphic novel on housing regulation, tentatively titled, *Build, Baby, Build: The Science and Ethics of Housing*. This book will introduce readers to the last two decades worth of research on the immense economic damage of zoning and land-use policies. As he’ll explain, these policies do not merely greatly inflate the cost-of-living in America’s most desirable locations; they also sharply reduce workforce productivity by discouraging migration to high-productivity regions of the country. His hope is that a graphic format will “make seen the unseen” – to help readers appreciate the massive economic benefits of housing deregulation. He’s now finished the first chapter and is shopping around for an illustrator to bring the project to life.

Publications

- *Open Borders: The Science and Ethics of Immigration*. 2019. NY: First Second.
- “Open Borders Are a Trillion-Dollar Idea.” November 1, 2019. *Foreign Policy*.



Tyler Cowen

Tyler Cowen. This year I finished a new book manuscript on the economics of talent, co-authored with venture capitalist Daniel Gross. We now have a book contract with St. Martins and are working on moving toward publication.

Alex Tabarrok and I finished work on the fifth edition of our *Modern Principles: Microeconomics*, and also *Macroeconomics*, with Worth Macmillan. This text is not just a rehash of the other books on the market, but rather it attempts a comprehensive statement of micro and macroeconomics from a “GMU point of view.”

I have continued as the regular main economics columnist at *Bloomberg Opinion*, where I publish a column twice a week. For a full listing and reproduction of these, see https://www.bloomberg.com/view/contributors/AS6n2t3d_iA/tyler-cowen.

Other

I continued the *Conversations with Tyler* series, with a new podcast coming out every two weeks. Some of the recent guests have been Mark Zuckerberg, Patrick Collison, Samantha Power, Kwame Anthony Appiah, Abhijit Banerjee, Esther Duflo, Melissa Dell, Nathan Nunn, Paul Romer, Glen Weyl, Philip Tetlock, Ross Douhat, Ezra Klein, Reid Hoffman, Daron Acemoglu, John McWhorter, and Nicholas Bloom; all well-known researchers and public figures. This year, the series also promoted our own Garrett Jones. The series has received coverage in virtually every major media outlet and has received several million hits online, with a rapidly growing trajectory of interest.

I have continued my directorship at Mercatus, and this year our regular budget now exceeds \$30 million. We support numerous faculty in economics, and over 60 graduate students, making us the largest supporter of graduate students at GMU. Our various academic outreach programs bring GMU economists and economics to several hundred graduate students each year.

I also created a new program called Fast Grants at the Mercatus Center to support biomedical research directed at fighting Covid-19. The purpose of the program is to show that rigorous, refereed grant decisions can be made in a matter of days when the institutional will is there to do so. We have so far made over 130 major grants and raised over \$40 million for this endeavor; further details can be found on the website <https://fastgrants.org/>.

Blogging

I have continued the daily blogging of economic and other ideas for www.marginalrevolution.com, which is generally considered the leading economics blog. Our readership remains robust.

I have also used **MR** to promote the research being done at GMU by many other faculty members and graduate students, including Daniel Klein, Mark Koyama, Noel Johnson, David Levy, Bryan Caplan, and others. It has become perhaps the world’s biggest “window” onto our world.

On-line education

This year saw the continuation of MRUniversity.com, a site for the online teaching of economics, in conjunction with Alex Tabarrok. We now have a dozen or so classes up and running, including Development Economics, The Eurozone, Economics of the Media, The Economy of Mexico, International Economics, and International Finance, among others.

We now have a complete and finished Principles of Microeconomics class up and running, and now Principles of Macro is finished, too. We have over 100,000 YouTube subscribers and last year 6 million unique views.

One notable new class is an econometrics class, taught by Joshua Angrist, and also a new “Women in Economics” sequence, both have been very popular to date.



Tim Groseclose

Tim Groseclose

During the 2019-20 academic year, Dr. Tim Groseclose completed three working papers, which he is trying to publish at academic journals. One paper is a game-theoretic model of the bargaining process between the President and Senate over cabinet and judicial appointments. Another extends Ronald Coase's work on durable-goods monopolies. Specifically, it examines the extent to which the monopolist, despite his wishes, must "compete against himself." A third examines the extent to which people discount biased information, e.g., from a news outlet with an ideological agenda. His work was featured in several media outlets, including interviews on Ben Shapiro's radio show and Mark Levin's *Fox News* show. After the Levin interview, Dr. Groseclose's book, *Left Turn*, was briefly ranked number one on Amazon's top-selling-books list.

Media Mentions and Appearances

6/21. Interview by Mark Levin on *Fox News' Life, Liberty, and Levin*.

<https://video.foxnews.com/v/6166222907001#sp=show-clips>

Also: <https://www.foxnews.com/person/l/mark-levin>

Also: <https://www.foxnews.com/transcript/professor-john-ellis-discusses-how-american-universities-became-one-party-campuses-professor-tim-groseclose-discusses-media-bias>

The book was ranked number one on Amazon, according to this source:

https://twitter.com/top10books_us/status/1275226188261269506

5/22/20. Selwyn Duke. *New American*. "Cuomo Brothers Joke, But Media Malpractice and Andrew's Nursing Home Kills are no Laughing Matter." <https://www.thenewamerican.com/usnews/politics/item/35789-cuomo-bros-joke-but-media-malpractice-and-andrew-s-nursing-home-kills-are-no-laughing-matter>

4/29/20. Leo Thuman. *Campus Reform*. "Journalism Profs to Network Execs: 'Don't Air Trump Press Conference, filter His Lies.'" <https://www.campusreform.org/?ID=14797>

2/7/20. Interview on The Ben Shapiro Show.

1/23/20. *Spectator USA*. Daryl Austin. "A Hostile Media Helps Donald Trump." <https://spectator.us/hostile-media-helps-donald-trump/>

1/23/20. *New American*. Selwyn Duke. "State AGs in Letter to Senate: Kill Impeachment Before it Kills the Republic." <https://www.thenewamerican.com/usnews/politics/item/34710-state-ags-in-letter-to-senate-kill-impeachment-before-it-kills-the-republic>

11/10/19. *Stock Daily Dish*. "A Wrap-Up of Prepper Potties," <https://stockdailydish.com/a-wrap-up-of-prepper-potties/>

10/30/19. *The American Thinker*. John Dale Dunn, "National Association of Scholars Opposes Preferences and Quotas." https://www.americanthinker.com/blog/2019/10/national_association_of_scholars_opposes_preferences_and_quotas.html

9/21/19. Interview for the Podcast series of Webster University Vienna. <https://anchor.fm/ralph-schoellhammer/episodes/The-Global-Wire-Conversation---Media-Bias-and-its-consequences-with-Timothy-Groseclose-e5fmmn>

9/3/19. The Capital Research Group produced a video that summarizes my book on media bias, *Left Turn*. The video is entitled “Media Bias is Real and It’s Changing the World.”
<https://www.youtube.com/watch?v=rajvJmzcrKE>

8/7/19. Capital Research Center. Dominic Scavuzzo. “Understand Media Bias with Facts.”
<https://capitalresearch.org/article/understand-media-bias-with-facts/>



Ron Heiner

Professor Heiner continues writing a book about players who cooperate contingently in one-shot Prisoners’ Dilemmas, depending on signals detected while communicating with their partners. His analysis generalizes signal detection theory from behavioral psychology, by allowing simultaneously shifting signal distributions, caused by contingent cooperators detecting signals more or less cautiously (which affects their probability of cooperating with other players). His analysis shows how the probability of cooperating depends on the four prisoners’ dilemma payoffs: the “temptation payoff” (T) when one player defects on another player’s cooperation, the “cooperation payoff” (R) when both players cooperate, the “penalty payoff” (P) when both players defect, and the “sucker’s payoff” (S) when one player’s cooperation is defected on by another player.

Professor Heiner’s analysis implies stable Nash equilibria always exist that enable contingent cooperators to grow within the whole population against always defecting players. Testable predictions can then be derived: – about when contingent players will cooperate more or less frequently under alternative signal detection conditions (over the full range from perfect to random detection) – and for alternative payoff conditions, where the cooperation payoff difference (R - P) increases or decreases relative to the greed and fear payoff differences (T - R) and (P - S). By comparison, standard game theory can only predict zero probability of cooperation in one-shot prisoners’ dilemmas, regardless of any potential signal detection or payoff conditions – so long as the payoff ranking (T > R > P > S) is preserved.

Professor Heiner has also written the following journal articles: 1. “Robust Contingent Cooperation in Pure One-Shot PD’s.”

Under another revision for Nature. Below is the opening paragraph.

Signal detection theory is used to derive new results about stability and dynamics toward cooperation. I here show that contingent cooperators will evolve from any initial population through any payoff monotonic process (including replicator and logistic population dynamics). These properties are robust to signaling and communication costs between players, including mimicry and low-quality signals weakly correlated with a player’s behavior. Signaling is also shown to have the same causal basis as that used in the natural sciences to forecast future events. The limiting case of pure chance detection is also considered; showing that even here, contingent cooperators can have a competitive advantage. These results hold for pure one-shot prisoners’ dilemmas: meaning no repeated interactions and no information about past behavior is involved, all communication arises only from signals detected after two strangers meet for the first time; and no subjective preferences for fairness or reciprocity affect the raw evolutionary dynamics. I also describe testable predictions about the contingent cooperators’ frequency of cooperation.

3. “Expected Utility & Subjective Probability Axioms For N-Player Causal Games”

Revised for the *Journal of Game Theory*. This paper generalizes earlier expected utility axioms by Savage and Fishburn – allowing past events to causally influence a decision maker’s preferences and beliefs.

4. “Extending Game Trees to Causal Networks”

Now being revised for the *Journal of Economic Theory*. This paper uses graph theory mathematics to extend game tree diagrams to a more general form, called a causal network. Causal networks allow new predictions for rational behavior in a variety of cooperation versus conflict situations, including one-shot prisoners’ dilemmas.



Noel Johnson

Dr. Noel Johnson was a visiting fellow at the Sorbonne (PSE) in Paris for several weeks in Fall 2019. He spent his time there working on new research on “Markets & Minorities: Jewish Persecution and Market Access, 1100-1850” (with Hillel Rapoport). In Paris, Dr. Johnson also presented material from his recent book (with Mark Koyama) *Persecution and Toleration: The Long Road to Religious Freedom* to the Law and Economics (CRED) group at Paris 2. He also delivered a keynote on the material in the book at the Conference on Understanding State Capacity in Manchester, UK. In December, his paper on “Negative Shocks and Mass Persecutions: Evidence from the Black Death” (with Remi Jedwab and Mark Koyama) appeared in the *Journal of Economic Growth*. In the Fall Dr. Johnson also traveled to Bocconi University in Milan to present his work on “The Long-Run Effects of Land

Redistribution: Evidence from the French Revolution” (with Raphael Franck and Theresa Finley). Dr. Johnson also published an op-ed in *Newsweek* in Fall 2019 on what historical witch trials can teach us about rule of law (or its absence) today.

In early Spring Dr. Johnson traveled to Tulane University to deliver a talk on his research on “Pandemics, Places, and Populations: Evidence from the Black Death” (with Remi Jedwab and Mark Koyama). He also went to Auburn to present his research on “Markets & Minorities: Jewish Persecution and Market Access, 1100-1850.” Then Covid-19 hit, which was a bit of a challenge given that he was teaching two classes at the time and has two young children who lost their childcare and a spouse who also had to continue her work. Nonetheless, along with his supportive coauthors, during this time Dr. Johnson wrote a survey paper on “Medieval Cities Through the Lens of Urban Economic Theories” (with Remi Jedwab and Mark Koyama), which will be published in *Regional Science and Urban Economics*. He also wrote a short piece for *Voxeu* on his work (with Remi Jedwab and Mark Koyama) on the Black Death and Jewish Persecution. Finally, along with Remi Jedwab and Mark Koyama, Dr. Johnson has dedicated much of his time recently to putting together a symposium in the *Journal of Economic Literature* on “Pandemics and Economic History.” His specific contribution is to write a survey paper on what the fourteenth-century Black Death can teach us about pandemics today.



Garrett Jones

Garrett Jones

This year Dr. Garrett Jones published his second book with Stanford University Press, *10% Less Democracy: Why You Should Trust Elites a Little More and the Masses a Little Less*. A work that blends public choice theories with the many empirical tests of these theories; *10%* was the subject of the lead book review in *The Economist's* February 15 issue. *The Economist* noted that "Mr. Jones musters plenty of convincing evidence that fewer elections and more distance between voters and decisions make for better governance."

10% Less Democracy sparked discussion around the world, with a mix of mentions and interviews in publications including *Financial Times*, *Frankfurter Allgemeine*

Zeitung, Denmark's *Weekendavisen* and *Politiken*, Quebec's *L'Actualite*, and many others. Baijayant Panda, National Vice President of India's BJP, the world's largest political party, noted in an interview that he was reading *10% Less Democracy* during the coronavirus lockdown. Dr. Jones was also part of a lively debate about *10%* on BBC Two's *Politics Live*.

In addition, Dr. Jones also published his first philosophy paper, coauthored with Jonathan Anomaly of the University of Pennsylvania.

Publications:

Anomaly, Jonathan, & Jones, Garrett. (2020). "Cognitive Enhancement and Network Effects: How Individual Prosperity Depends on Group Traits." *Philosophia*, 1-16.

Jones, Garrett. *10% Less Democracy: Why You Should Trust Elites a Little More and the Masses a Little Less*. (2020). Stanford University Press.



Mark Koyama

Mark Koyama

2019-2020 was an unusual academic year for obvious reasons. In Fall 2019 I taught three classes: two sections of Econ 365: Topics in European Economic History; and one section of Econ 103: Microeconomics. I spent the first part of Spring 2020 visiting the Political Science Department at the University of Rochester, where I presented my paper (joint with Desiree Desierto) "The Political Economy of Status Competition: Sumptuary Laws in Preindustrial Europe." The second part of the Spring semester was, however, spent in lockdown due to Covid-19. The Public Choice Seminar had to be canceled. Numerous summer plans were also canceled, including a keynote address in Belgrade and several conferences in Europe. I am, however, giving a zoom seminar to the Quantitative History Group at The University

of Hong Kong.

I am writing a new book entitled *How the World Got Rich* with Jared Rubin. We have a contract with Polity Press. I also have a new working paper (with Jesus Fernandez-Villverde, Tuan-Hwee Sng, and Lin Youhong) entitled "The Fractured Land Hypothesis." Several other new papers are in progress.

Finally, I edited a special issue on Institutions, Culture, and Religion in Economic History for the *Journal of Economic Behavior and Organization*. I received more than 50 submissions and have already begun accepting articles. I also joined the editorial board of the *Journal of Religion, Economics, and Management* and continued my service on the editorial boards of *ASREC* and the *Journal of Economic History*.

List of Publications

1. A Review Essay of Escape From Rome, *The Journal of Economic Literature*, Forthcoming.
2. "Medieval Cities Through the Lens of Urban Economic Theory," with Remi Jedwab and Noel D. Johnson, *Regional Science and Urban Economics*, Forthcoming.
3. A Review Essay on the European Guilds, *Review of Austrian Economics*, March 2020, Vol.33, pp.277–287
4. "Negative Shocks and Mass Killings: Evidence from the Black Death," with Remi Jedwab, and Noel D. Johnson. *Journal of Economic Growth*, vol. 24 (4), December 2019, pp. 345-395.

Book Reviews

5. A Review of Peer Vries's Averting a Great Divergence: State and Economy in Japan, 1868-1937, *EH.Net*, May 2020.
6. A Review of Nicholas Crafts's Forging Ahead, Falling Behind and Fighting Back: British Economic Growth, *Economic History Review*. 72 (2), 2019.



Peter T. Leeson

Peter T. Leeson

Peter T. Leeson is the Duncan Black Professor of Economics and Law and North American Editor of *Public Choice*.

Dr. Leeson's work studies the economics of non-market decision making. In 2019, he published a book with David Friedman and David Skarbek, *Legal Systems Very Different from Ours*, and several journal articles, including "Logic is a Harsh Mistress: Welfare Economics for Economists" in the *Journal of Institutional Economics* and "Do We Need Behavioral Economics to Explain Law?" in the *European Journal of Law and Economics*. Also in 2019, Leeson appeared on the Netflix series *Explained*.

To find his work or press coverage, visit Leeson's personal website: www.PeterLeeson.com.



David Levy

David Levy

In spite of everything, this was a productive year. The documentary history of the early Virginia School that I did with Sandra Peart – *Towards an Economics of Natural Equals* – came out just in time to avoid the shutdown. Two conference panels on the book had to be cancelled, but it was good to get it out. We also published an article, "Mock Trial of Economist" put on by William Beveridge at the London School of Economics in the early 1930s. A mock trial of economists for creating "mental fog" seems entirely silly until one discovers that the hidden frame is the Soviet purge trials of the 1930s and that the cure for mental fog would later be called brainwashing. This article was pure archival work and it suggests that William Beveridge was doing things at LSE that did not please him to reveal. It also suggests why the Beveridge Commission to review the BBC monopoly paid so much attention

to its suppression to unfavored viewpoints. Ronald Coase's involvement with the Beveridge Commission is something we document in *Natural Equals*.

Peart and I were asked, on very short notice, to be on a panel at the Allied Social Sciences meetings this coming January on racism and economics. We've been working on this for two decades so it would be a good occasion to pull things together and offer an overview. It would also be a good time to document how the commissioned history of the economics profession did not mention eugenics.

Levy (cont.)

Book published

Towards an Economics of Natural Equals: A Documentary History of the Early Virginia School. Cambridge.

Article published

“William Beveridge’s Mock Trial of Economists” with Sandra Peart. *Review of Austrian Economics*, 2020.

Book review published

Nancy MacLean, *Democracy in Chains*, *Journal of the History of Economic Thought*, December 2019.

Chapter in books published

“George Stigler as a Reader of Adam Smith” with Sandra Peart. *The Elusive George Stigler*. Edited by Craig Freeman. Palgrave Macmillan.

Presentations

“The Production of Capitalism by Means of Capitalism: Recovering the Princeton Panel” with Sandra Peart. GMU Austrian Economics Seminar 2019.

“Persuasion Endogenizes Preferences in Adam Smith’s Work” with Sandra Peart. History of Economics Society/Allied Social Sciences Association, San Diego.

“Avoid Investigator Bias: How to Make Economic Expertise Replicable,” *Fixing Science*, Oakland.

Conference Presentations Cancelled by the Vistus

“Persuasion Endogenizes Preferences in Adam Smith’s Work” with Sandra Peart. Adam Smith Society, Tokyo.
Panels on *Natural Equals* at the Public Society Choice, Long Beach and at APEE, Las Vegas.

Conference Presentation Planned

“Economics and Racism: The Long View” History of Economics Society/Allied Social Science Societies, Chicago January 2021.

Symposium on *Natural Equals* Planned

Research in the History of Economics and Methodology.

Chapters in book promised

“George Stigler” with Sandra Peart in *Chicago Economics*, edited by Robert Cord, Palgrave.

“Anti-democratic right” with Sandra Peart in *Routledge Companion to Libertarianism*, edited by Matt Zwolinski, Routledge.



Cesar Martinelli

Cesar A. Martinelli

Dr. Martinelli continued his research on electoral accountability in political economy and on market experiments. He gave online seminars at Caltech (economic theory), ETH-Zurich (political economy), and the Latin American Studies Association. Before COVID, Dr. Martinelli gave in person seminars at Penn State (economic theory), the PPE workshop at Mason, and Peru's Central Bank. As public engagement, he spoke on the political economy of corruption at the conference Peru: A Market Economy for Everyone (IPAE, Paracas), organized by the business community in Peru at a session in which the president of the country gave concluding remarks. The conference was covered by national TV.

Dr. Martinelli had two Ph.D. students under his direction who have scheduled their Ph.D. dissertation defense for July 2020. Both students have been successful in the job market: Weiwei Zheng got a tenure track job as assistant professor at Hunan University in China, and Arthur Dolgoplov got a postdoc fellowship at the European University Institute in Florence.

Publication:

- Collective Experimentation: A Laboratory Study, with Mikhail Freer and Siyu Wang, *Journal of Economic Behavior & Organization*, vol. 175 (2020), 365–379.
- Electoral Accountability and Responsive Democracy, with John Duggan, *Economic Journal*, vol. 130 (2020), 675–715.
- Ignorance and Bias in Collective Decisions, with Alexander Elbittar, Andrei Gomberg, and Thomas R. Palfrey, *Journal of Economic Behavior & Organization*, vol. 174 (2020), 332–359.
- The Economic Legacy of General Velasco: Long-Term Consequences of Interventionism, with Marco Vega, *Economía*, vol. 42 (2019) 102–133.



Natalya Naumenko

Natalya Naumenko joined the Center as an assistant professor of economics at George Mason University. Her research interests include economic history, political economy, and applied microeconomics, with a regional focus on Russia and the former Soviet Union. Dr. Naumenko received a Ph.D. in economics in 2018 from Northwestern University and spent a year as a postdoc at the Political Theory Project at Brown University. Currently, Dr. Naumenko has two working papers entitled, “The Political Economy of Famine: the Ukrainian Famine of 1933” (revise and resubmit at the *Journal of Economic History*), and “Demographic Consequences of the 1933 Soviet Famine.”



Robin Hanson

Robin Hanson This year Robin Hanson published in *Foundations of Physics* on incentives for computing now versus much later in the long-term future of the universe. He also published in *Economics Letters* on empirical trends in automation over the last twenty years, finding no change in which job features predict automation, and no relation between changes in automation and changes in pay or employment. Professor Hanson began a new book on the great unrealized potential of paying for results, in medicine, law, forecasting, and much more.



Jonathan Schulz

Jonathan Schulz

Jonathan Schulz's first-authored article "The Church, Intensive Kinship, and Global Psychological Variation" was published in *Science*. This research received widespread international media attention including the *Washington Post*, *New York Times*, *Newsweek*, *Telegraph*, *Economist*, *Cosmos*, *National Post*, *Scientific American*, *Science Magazine*, *Inverse*, *National Public Radio*, *United Press International*, as well as in French (*Le Devoir*), German (*ORF*, *Frankfurter Allgemeine*), and Spanish (*La Vanguardia*) language media outlets among many others.

Dr. Schulz continues to study the role of kin networks on economic and social outcomes. Currently, he is investigating how historical kin networks impacted innovation and the diffusion of technology within the U.S. In March 2020, Dr. Schulz co-organized an interdisciplinary workshop on kin networks and social/economic behavior. Scholars of anthropology, biology, and economics attended, including leading researchers such as James Robinson and Peter Richerdson. His further work investigates cross-societal variation in cooperation and moral challenges that arise due to the rapid development of artificial intelligence. His 2018 co-authored paper "The Moral Machine Experiment" continues to attract attention in the media and the scientific community. In Fall 2019, Dr. Schulz and colleagues published a reply in *Nature*, which allowed them to expand on their previous findings.

Dr. Schulz was invited to speak at the Society for Personality and Social Psychology's (SPSP) pre-conference, "Advances in Cultural Psychology," on his work detailing cross-cultural variation in cooperation. He also presented at the economic history seminar at Stanford, the SPSP meeting, and the Cultural Economics and Finance Conference (virtually). Several other seminar and workshop invitations (Amsterdam, Leuven, Utrecht, and London) were cancelled due to the COVID-19.



Thomas Stratmann

Thomas Stratmann

During last year, Dr. Thomas Stratmann published papers in the *Journal of Legal Studies*, the *Journal of Economic Behavior and Organization*, and the *Supreme Court Economic Review*.

Dr. Stratmann is also continuing his work on laboratory experimental public choice. Here, he developed a theory of strategic voting when a committee member faces a tradeoff in whether to vote truthfully or not. Dr. Stratmann then tests this theory in the laboratory. Further, he is studying the effect of hierarchies on voting decisions.

Dr. Stratmann pursues an active research agenda in the area of law and economics. Here, he studies why homicide rates in the U.S. have fallen dramatically since about 1990. His explanation focusses on technological innovations, improvements in emergency services response times, as well as the increased use of mobile phones since the 1990s. Such innovations helped to prevent homicides, largely by turning a homicide victim into a victim of aggravated assault.

Cites:

Stratmann, Thomas. (2019). "Testing for the Effect of Campaign Expenditure Limits." *Supreme Court Economic Review*.

Kling, Dan and Thomas Stratmann. (2019). Repeated Treatment in a GOTV Field Experiment: Distinguishing between Intensive and Extensive Margin Effects. *Journal of Economic Behavior and Organization*.

Stratmann (cont.)

Makowsky, Michael D., Thomas Stratmann, and Alex Tabarrok. (2019). "To Serve and Collect: The Fiscal and Racial Determinants of Law Enforcement." *Journal of Legal Studies*.

Stratmann, Thomas. (2019). "Campaign Finance." In: *The Oxford Handbook of Public Choice*, Volume 2, Chapter 21. Editors: Roger D. Congleton, Bernard N. Grofman, and Stefan Voigt. Publisher: Oxford University Press.



Alex Tabarrok

Alex Tabarrok

One of the most gratifying experiences this year was teaching a short class on public choice and empirical methods for the inaugural class of Indian School of Public Police. My trip to India was exciting and, in addition to teaching in Delhi, I lectured at Ramaiah University in Bangalore, India. The Center is working to further develop its connections with India and to establish formal ties with Ramaiah and George Mason University.

COVID disrupted everything, of course, but I threw myself into doing what I could to better the situation. Early in the crisis I was asked to talk to White House Staff and the CEA about prizes and, as discussed in my Message from the Director, that led to working with Michael Kremer and a team on incentive design for vaccines. I also published a number of papers and op-eds addressing the crisis.

Allen, Danielle, Alex Tabarrok, and et al. 2020a. "Roadmap to Pandemic Resilience."
<https://ethics.harvard.edu/Covid-Roadmap>.

Allen, Danielle, Alexander Tabarrok, and et al. 2020b. "Pandemic Resilience: Getting It Done."
<https://ethics.harvard.edu/pandemic-resilience-supplement>.

Athey, Susan, Michael Kremer, Christopher Snyder, and Alex Tabarrok. 2020. "In the Race for a Coronavirus Vaccine, We Must Go Big. Really, Really Big." *The New York Times*, May 4, 2020, sec. Opinion.

Tabarrok, Alex. 2020a. "A Pandemic Trust Fund." COVID Recovery Symposium. The Center for Growth and Opportunity.

———. 2020b. "Grand Innovation Prizes to Address Pandemics: A Primer." Mercatus Policy Brief: Special Edition.

———. 2020c. "Pandemic Policy in Developing Countries: Recommendations for India." Mercatus Policy Brief: Special Edition.

———. 2020d. "Why Human Challenge Trials Will Be Necessary to Get a Coronavirus Vaccine." *The National Interest*. The Center for the National Interest. May 10, 2020.

———. 2020e. "Spend Billions More on Vaccines and Testing." *Los Angeles Times*, May 31, 2020, sec. Opinion.

Tabarrok, Alex, and Puja Ahluwalia Ohlhaber. 2020. "We Could Stop the Pandemic by July 4 If the Government Took These Steps." *Washington Post*, May 15, 2020.

Focus on Faculty



Yong Yoon

Dr. Yong Yoon prepared paper “Artifactual Man, Narrative Man, and Pico-economics” for presentation at Public Choice Conference, March 2020. The conference was cancelled because of Covid19.

Dr. Yoon is working on a book project with Palgrave. The title is: *The Perils of Korea: Limits of Recklessness*. As the title suggests, he is working on the perils of ideological drift developing around the Korean peninsula, in the peninsula, and within South Korea. He tries to understand the issue from a public choice perspective and economic liberalism. Dr. Yoon has been publishing articles on related issues in Japan and Korea.

Book project:

The Perils of Korea: Limits of Recklessness.

Publications:

“It’s the Economy, stupid!” in *The Policy Study Forum* (in Japan), November 21, 2019.

“It’s the GSOMIA, stupid!” in *The Policy Study Forum* (in Japan), November 21, 2019.

“Impeachment and Atonement” in *Pennmike* (in Korean), January 10, 2020.

Center Staff



Lisa Hill-Corley

Lisa Hill-Corley supports the main resident faculty at Carow Hall with administrative, visitor and office manager tasks. She also manages the main budget and grants for Center, the Wednesday Seminar, and the Center-based grants that provide support to outstanding Public Choice scholars.

In the advent of Covid-19, Lisa transitioned to virtual support with the rest of the GMU faculty and staff. With the great support of the university, the work on the Center continued! In the summer of 2020 she helped coordinate the re-opening of Carow Hall.

She is grateful for the support of the faculty, Kashiff Thompson and Julie Roberts in these unusual times. Here’s to navigating the new normal in 2020 – 2021!



Kashiff A. Thompson

Kashiff A. Thompson assists with providing administrative support to resident Carow Hall faculty. Kashiff also serves as co-coordinator of the weekly Public Choice Seminar.

**The Public Choice Center
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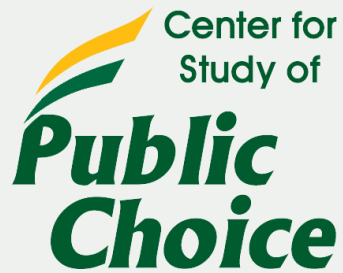
Lisa K. Oakley-Bogdewic

Sarah Scaife Foundation

The Patriot Lodge

***Thank you for your support
of the center!***

About the Center



The Center for Study of Public Choice is a unique research institution at George Mason University. It provides a single location where eminent scholars conduct innovative research, publish their findings and conclusions in a variety of print and electronic media, and teach the science of public choice. The Center builds on the groundbreaking economic and political science theories for which James Buchanan was awarded the Nobel Prize in economics. The Center draws both visiting and resident scholars and students from all over the world. Its faculty and researchers lecture and conduct seminars locally, across the United States, and abroad.

The Center serves as the institutional home for the Public Choice Research Program, which has developed and matured over the past half-century. Created in 1957 at the University of Virginia, the Center was initially called the Thomas Jefferson Center for Studies in Political Economy. In 1969, the Center was reconstituted at Virginia Tech under its present name. In 1983, the Center shifted its operations to George Mason University. The Center's alumni includes doctoral students from George Mason, Virginia Tech, and the University of Virginia. From its historical association with three of Virginia's major universities, the Center's academic footprint is often dubbed the "Virginia School of Political Economy."

Public Choice scholarship has profoundly influenced thinking in the scientific community and the formation of public attitudes. Economics traditionally focuses on the behavior of firms and consumers and how individuals interact in market settings. As a research program, public choice extends the tools of economics to analyze the behavior of voters, candidates, legislators, bureaucrats, judges, and expert economists themselves. Research by scholars at the Center also focuses on other non-market institutions such as religion, the family, clubs, and culture.

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<http://www2.gmu.edu/centers/publicchoice>