

Public Choice

Spring 2014

ECON 410-001
CRN: 11087

Instructor: Edward Austin Middleton
emiddlet@gmu.edu

Course Meeting Times

Tuesday/Thursday Robinson Hall B228, 10:30 – 11:45 am

Office Hours:

Enterprise Hall 338, Tuesday/Thursday 9:00 am–10:15 am, and by appointment.

Course Description

The course provides a survey of *Public Choice*, a field in economics which applies rational choice theory – the economic way of thinking – to decision making by persons who are neither traditional buyers nor sellers in contexts that aren't traditional markets. One such context, politics, will be the focus of much of the class.

Prerequisites

ECON 103 (Principles of Microeconomics) or equivalent.

Texts

Most of the class material consists of lectures and papers available on Blackboard.

<https://mymasonportal.gmu.edu/webapps/portal/frameset.jsp>

The following book is required and available at the GMU bookstore:

Gordon Tullock, [The Social Dilemma](#)

The following books are available online:

Robert Cooter, [The Strategic Constitution](#)

David Friedman, [The Machinery of Freedom](#)

James Buchanan, [The Calculus of Consent](#)

Jon Elster, [Ulysses Unbound](#)

Grading

The weights for determining the final grade are as follows:

5%	Problem Set
10%	Reading Responses
25%	Part 1 Midterm
25%	Part 2 Midterm
35%	Final

The Reading Response is a single paragraph assigned for each reading due at the beginning of class, to be written on your own. Identify the reading's thesis and present its supporting argument in distilled form. Do so in -5- sentences. In the event of multiple readings, focus on one. These will be graded on a -1 to 2 point scale. There are 25 assigned readings; you can earn 40 possible points towards this portion of your grade.

Submitted on time in class:	2
Submitted late in class or emailed:	1
Not turned in:	0
Incoherent:	-1

The problem set will be available on Blackboard and due on the day of the final.

There will be two midterms and a final exam. Each midterm will cover only material in that part of the course. The final will be cumulative, though weighted more towards the material in the final part. The midterms and final are open book, open notes, but you may *not* use any device with networking capability (such as laptops, tablets, or cell phones).

This class is primarily lecture format, but I encourage students to ask questions about the lectures and readings. There is no formal grade for participation, but if you are one of the students who (in my judgment) contributes most to class discussion, your grade will be improved by one step (e.g. from a B- to a B).

(Tentative) Schedule

Please **read and come prepared to discuss** the readings listed for each class date below:

-- Part 1 --

January

- 21: Burns *Address to a Haggis*
 “Haggis” Wikipedia article
 Introduction, Course Overview, “What is Public Choice?”
- 23: Black *The Theory of Elections in Single-Member Constituencies*
- 25: Burns Night. Enjoy Haggis. Slainte.
- 28: Madison *Federalist No. 10* & associated Wikipedia article
 Last Day to Add Classes
- 30: Nye
 Cooter *The Pigou Problem*
 The Strategic Constitution, pp. 66-72

February

- 4: Somin *When Ignorance isn't Bliss*
- 6: Sepply *Implications of Arrow's Impossibility Theorem for Voting Models*
 Extra Credit Part 1 Due
- 11: Coase *The Problem of Social Cost*
 Deadline to Drop with a 33% Tuition Penalty
- 13: Acemoglu *Why not a Political Coase Theorem?* Sections 1 and 6
- 18: Niskanen *The Peculiar Economics of Bureaucracy*

-- Part 2 --

- 20: Tullock *The Welfare Costs of Tariffs, Monopolies, and Theft*
 Final Deadline to Drop with a 67% Tuition Penalty
- 25: Buchanan
 Caplan The Calculus of Consent, Ch. 4
 Rational Irrationality and the Microfoundations of Political Failure
- 27: Cooter The Strategic Constitution, pp. 167-171, 197-218
 Extra Credit Part 2 Due

March

- 4: Part 1 Midterm Examination ???
- 6: Hirschman *Exit, Voice, and the State* ???

- 11 & 13: Spring Break. Make good choices.
- 17: Erin Go Bragh.
- 18: Tullock The Social Dilemma, p. 33-106
- 20: Tullock The Social Dilemma, p. 186-224
Extra Credit Part 3 Due
- 25: Friedman The Machinery of Freedom, p. 58-85
- 27: Priest *The Common Law Process and the Selection of Efficient Rules*
“Common Law” Wikipedia article

-- Part 3 --

April

- 1: Anderson *American Experiment in Anarcho-Capitalism*
- 3: Spooner *No Treason*, sections I - X
- 8: Second Midterm Examination
- 10: Elster Ulysses Unbound, pp. 96-114
Hume *Of the Independency of Parliament*
Tentative Guest Lecture
- 15: Iannaccone *Introduction to the Economics of Religion*
- 17: Rawls *Justice as Fairness*
- 22: Hayek *The Atavism of Social Justice*
Middleton *A Taxonomy of Justice*
Extra Credit Part 4 Due
- 24: Smith Theory of Moral Sentiments; Part 1, Section 1 & Part 2, Section 2
- 29: Adair *Fame and the Founding Fathers*

May

- 1: Semester Review
Extra Credit Part 5 Due
Boudreaux Argument Due
- 13: Final Examination 9:45 – 11:45 AM
Problem Set Due

Extra Credit

There are three opportunities for extra credit in this class.

1. Extra Credit will be awarded for a semester-long research project on non-market decision making in an assigned country and time period. For this assignment to be accepted at the end of the semester, the student must submit component parts of the final product on the assigned days during the semester.

The topic is simple: tell me a story of a non-market decision-making institution. Include what information you feel is relevant.

Due Dates:

February 6: Part 1

Provide a 1-page outline of the institution's setting, scope, scale and otherwise which you will use in your further research.

February 27: Part 2

5 pages of rough draft paying particular attention to the selection of representative agents.

March 20: Part 3

5 additional pages of rough draft paying particular attention to the decision-making process of those representative agents.

April 17: Part 4

15 pages of rough draft, including attention paid to the institution's feedback mechanisms. You must schedule a meeting with me to talk about your paper.

May 1: Part 5

15+ pages of final product !!!AND!!! a 2 page executive summary

If you submit each part by the deadline, I will read your executive summary, possibly your entire paper. The grade you earn for your paper will replace your lowest exam score. Yes, this does mean that missing an exam might not be catastrophic.

2. In 250 words, persuade Professor Boudreaux that he should cast a vote in the next election. Keep in mind he has very specific and well thought-out reasons for not voting; a well-written argument will know and address those reasons: research them. Submissions that meet my standards for composition will be presented to Professor Boudreaux; those that impress him will be awarded extra credit points to their final grade. This is due on the last day of class, May 1.
3. There will be one extra credit question on the final exam.