

Public Choice

Instructor: Zachary Gochenour

ECON 410 - Summer 2014 (Session C)

Course Meeting Times

TR	Planetary Hall 127	7:00-9:40p	July 1 – August 5
S	Exploratory Hall L111	9:00-11:40a	

Office Hours:

By appointment. You can contact me at zgochen2@gmu.edu

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 306 (Intermediate Microeconomics) or equivalent

Texts

Most of the class material consists of the lectures and papers which are available online. The following books are required and available at the GMU bookstore:

- Bryan Caplan, *The Myth of the Rational Voter*
- Gordon Tullock, *The Social Dilemma*

The following books are available online:

- David Friedman, *The Machinery of Freedom*
http://davidfriedman.com/The_Machinery_of_Freedom_.pdf

Several readings will be assigned each week, links are provided on the syllabus.

Grading

The nature of the summer session is such that a typical week's worth of course material is covered each class period. Especially because of this compressed schedule, attendance is strongly recommended. Most classes will feature a short (5-minute) closed-note quiz on the assigned readings; I will drop your lowest quiz grade.

There are will be one mid-term and a final exam. The mid-term will cover the economics of politics: voting models, public opinion, rent-seeking. The final will be cumulative. Both the midterm and the final are open book, open notes, but you may *not* use any device with networking capability (such as laptops or tablets). The weights for determining the final grade are as follows:

- 20% Quizzes
- 30% Mid-term
- 50% Final (cumulative)

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 come prepared to discuss the readings listed below each class date below:

What is Public Choice? The Basics of Collective Action

Section 1: Economics of Politics

Median Voter Theorem

James Madison, Federalist No. 10.

http://en.wikipedia.org/wiki/Federalist_No._10

Machiavelli, *The Prince*, Preface and Chapters 15-19, 21-23

<http://www.constitution.org/mac/prince00.htm>

Riordan, *Plunkitt of Tammany Hall: A Series of Very Plain Talks on Very Practical Politics*, Preface and Chapters 1 and 2.

<http://www.gutenberg.org/dirs/etext01/plnth10.txt>

Rational Ignorance and Rent-Seeking

Buchanan and Tullock, *The Calculus of Consent*, Ch. 4 (Individual Rationality in Social Choice) <http://www.econlib.org/library/Buchanan/buchCv3c4.html>

Somin, "When Ignorance Isn't Bliss"

<http://www.cato.org/publications/policy-analysis/when-ignorance-isnt-bliss-how-political-ignorance-threatens-democracy>

Tullock, "The Welfare Costs of Tariffs, Monopolies, and Theft."

<http://cameroneconomics.com/tullock%201967.pdf>

Efficiency and Bargaining

Coase, "The Problem of Social Cost" <http://www.sfu.ca/~allen/CoaseJLE1960.pdf>

Acemoglu, "Why Not a Political Coase Theorem" Sections 1 and 6.

<http://economics.mit.edu/files/4461>

Public Opinion and Voter Motivation

Bryan Caplan, "Mises, Bastiat, Public Opinion, and Public Choice"

<http://www.gmu.edu/departments/economics/bcaplan/misbas.doc>

Caplan, *The Myth of the Rational Voter*, pp. 1-50

Expressive Voting and Rational Irrationality

Caplan, *The Myth of the Rational Voter*, pp. 51-162

Political Competition, Autocracy, and Revolution

Tullock, pp. 33-106, 186-224

MIDTERM

Section 2: Other Non-markets

Introduction to Other Non-Markets

Law and Economics

"Common Law" Wikipedia article http://en.wikipedia.org/wiki/Common_law

Priest, "The Common Law Process and the Selection of Efficient Rules"

<http://www.jstor.org/stable/724190>

Leeson, "Ordeals!" <http://www.peterleeson.com/Ordeals.pdf>

The Economics of Religion

Iannaccone, "Introduction to the Economics of Religion"
http://www.religionomics.com/archives/file_download/37/Iannaccone+-+Introduction+to+the+Economics+of+Religion.pdf

Leeson, "Animal Trials" http://www.peterleeson.com/Animal_Trials.pdf

The Economics of Crime and Punishment

Friedman, "Crime" in the Concise Encyclopedia of Economics
<http://www.econlib.org/library/Enc/Crime.html>

Friedman, "Rational Criminals and Profit-Maximizing Police"
http://www.daviddfriedman.com/Academic/Becker_Chapter/Becker_Chapter.html

Friedman, "Why Not Hang Them All? The Virtues of Inefficient Punishment"
<http://www.jstor.org/stable/2990753>

Anarchy

Friedman, pp.114-163, 201-218

Strigham and Hummel, "If a Pure Market Economy is So Good, Why Doesn't It Exist?"
<http://mercatus.org/publication/if-pure-market-economy-so-good-why-doesn-t-it-exist>

Caplan, "Anarchist Theory FAQ"
<http://econfaculty.gmu.edu/bcaplan/anarfaq.htm>

FINAL EXAM

Academic Integrity

George Mason University is an honor code institution, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Honor Code will be reported to the Honor Committee. See <http://www.gmu.edu/academics/catalog/9798/honorcod.html> or more detailed information.

Office of Disability Services

If you are a student with a disability and you need academic accommodations, please let me know and contact the Office of Disability Services (<http://ods.gmu.edu>) at 703-993-2474. All academic accommodations must be arranged through that office.

Enrollment

Students are responsible for verifying their enrollment in this class. Schedule adjustments should be made by the deadlines published in the Schedule of Classes. (Deadlines each semester are published in the Schedule of Classes available from the Registrar's Website registrar.gmu.edu.)

Last Day to Add/Last Day to Drop (No Tuition Liability): July 8

Last Day to Drop (50% Tuition Liability): July 16

July 20: 100% tuition liability begins

Elective Withdrawal Period: The elective withdrawal period applies to undergraduate degree-seeking students only. See the University catalog for details. After the last day to drop a class, withdrawing from this class requires the approval of the Dean and is only allowed for nonacademic reasons. Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.