

ECONOMICS 4221  
Political and Public Choice Economics  
Spring 2014

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Office Hours: Tues. 10:50-12:15, 3:20-5:05; Thurs 10:50-12:15; Fridays by appointment

#### Course Overview

Political and public choice economics can be defined as the analysis of decisionmaking in non-traditional market settings, specifically political market settings, using economic models. Essentially, the individual utility-maximizing agent that acts in economic markets also acts in the political arena. Therefore, any policy outcomes are the product of interactions among individual political markets. In this framework, it is apparent that governmental decisions are the result of rational optimizing behavior, even if they do not lead to policies that maximize national welfare. The public choice field can be roughly divided into two subfields, institutional political economy and social choice theory. The former takes a look at the role of institutions in government outcomes from a positive (in the economic sense) point of view. The latter examines how different voting procedures create incentives and thus results in a normative (welfare-oriented) sense.

This is an upper-level undergraduate course that demands a lot of work (reading and writing), but that work should result in a good understanding of the topic and fulfillment of learning. The issues we discuss are complex but they do lend themselves extremely well to critical thinking and rational inquiry, which are the guiding principles of this course. Our goal is to become and remain informed about the issues related to political and public choice economics and, even more importantly, acquire the ability to think about complex issues in a logical objective manner. Thinking critically is what permits us to differentiate between the illogical and the sensible, between the misleading use of statistics and anecdotal evidence and the reasonable presentation of information.

[A more detailed outline of covered material is posted separately.](#)

#### Policy on Cheating:

If you are found to have violated the honor code (see below), by both myself and the honor code council, you will automatically fail the course!

#### Text:

All of the readings for this class are from academic journals.

#### Prerequisites

Students must have completed ECON 201, 202, 3070 and 3818. I assume that you did not only take the class, but also that you understand and remember the concepts. It is also helpful to have some understanding of simple econometric analysis. The prerequisites must be strictly enforced.

Class Format:

This class will be slightly different from many of your usual classes. ~~Some~~ for our class format

Assessment systems:

1. Cumulative Exams: shown to improve learning more than virtually every other technique. As noted above, exams are a part of the learning process, not just a part of assessment. We will go over every exam (except, unfortunately, the final) in class. It is important to review and relearn the material as we build upon that information. This increases long-term learning. There will be five exams and a cumulative final. All exams are cumulative, and the material does build on itself so it is important to understand all of the concepts as we go.
2. Article Presentation: to give incentives for giving high quality presentations and informing the class, these will be graded according to the rubric given below.
3. Quizzes on Article Readings to motivate actually reading the articles. Since this is an upper level course involving much discussion, your quiz grade can be improved by your efforts to add to that discussion. This is <sup>3</sup>E H K F U D. If you put in the effort, you will do well. If you prefer a class where you can just get the notes a lot of classes and take some tests then another course would be more appropriate.
4. Presentation of group problems: your grade will depend on your being present to help your group. ~~everyday~~ we do in-class problems, and on ~~randomly~~ draw a person from your group demonstrating the problem effectively. Some people are very averse to speaking in front of a large class and/or to relying on others for a part of their grade. Therefore, using these problems as a part of your grade is optional.

More Information on Assessment:

Exams: There will be three (cumulative) exams and a cumulative final. Tests will consist of short answer questions and some longer problems. These will be given in class on the days listed. If you miss an exam with a valid excuse (e.g. a ~~red~~ from your doctor or Wardenburg), then the weight of your final will be increased. Undocumented illnesses do not count as valid excuses (as long as this is not in conflict with a University policy). Note that the exam dates below are not tentative ± exams will be given in class on the days listed. **NO EXAMS WILL BE DROPPED!!**

Exam Schedule:

Exam I: Thursday, February 13<sup>th</sup>

Exam II: Tuesday, March 18

## Article Presentations

For much of the course I will lecture and present papers, but on some days you will divide into small groups for the presentation papers in class. By working in groups you may gain extra insight into the theory of collective action and how well-made constitutional rules (or in this case, course rules) can increase social welfare. One of the goals of the class is for you to be able to read and understand academic journal articles in this field. Fortunately, the fields of public choice and political economy presentations is to make one article of your choosing very understandable to the class. The class will have read the article (there will be a short quiz on the readings that will count toward your grade) so it is your job to make the paper even more clear, and to motivate a successful discussion about the article. I will already have presented many articles to the class and you should try to follow my lead in terms of how to present. You should try and answer questions the author would. It is not your job to critique the article—all of the articles have already been critiqued by PhD referees before they can be published. However, if you find follow-up articles that critique the paper it is fine and even encouraged to cite those articles. The groups presenting a paper will have studied them in great detail, but I expect the rest of the class to have read all of the papers and be ready to discuss them.





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