

## **ECON 410: Public Choice Economics**

George Mason University  
Thursdays: 7:20 pm – 10:00 pm  
Spring 2016, Enterprise 276

**Professor:** Miss Julia Norgaard

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**Office Hours:** Tuesdays and Thursdays 9:00 am – 11:00 am, Mason Hall First Floor (Economics Department) or by appointment

### **Course Description:**

This course provides an introduction and survey of Public Choice economics. This field is also known as rational choice theory, political economy, or the economics of politics. Public Choice applies the economic way of thinking to “non-market” decision making. This field applies the economic lens to decision making by individuals or groups of people who are not traditional buyers nor sellers in the context of traditional markets.

### **Required Course Texts:**

*The Myth of Democratic Failure: Why Political Institutions Are Efficient*

by: Donald Wittman

ISBN-13: 978-0226904238

ISBN-10: 0226904237

*The Myth of the Rational Voter: Why Democracies Choose Bad Policies*

by: Bryan Caplan

ISBN: 978-0-691-13873-2

### **Important Dates:**

First Day of Class: January 21

Midterm Exam: March 3

Spring Break: March 10

Debate: April 7

Last Day of Class: April 28

Final Exam: May 5 (7:30 pm – 10:15 pm)

### **Grading Distribution:**

Midterm Exam: 20% of total grade

Final Exam: 30% of total grade

Class Presentation: 5% of total grade

Quizzes: 15% of total grade

Short Papers: 15% of total grade

Debate: 15% of total grade

**Short Papers:**

Papers will be due at the beginning of class as a hard copy; no electronic copies will be accepted and no late papers will be accepted. However, there will be an extra credit assignment, assigned near the end of the semester, that can replace a missed short paper or low short paper grade. There are 5 assigned papers, the papers will be one page, either single or double-spaced. You are required to write a short summary and analytical piece for each paper. The paper will cover all of the readings for that week. The paper grading rubric can be found on blackboard, please make sure to read through the rubric when writing your paper to make sure you are including all the requirements.

**Quizzes:**

There will be five quizzes throughout the semester; they will cover what is in the readings and will be 10 points each. When studying for the quizzes, make sure you understand the main points of each reading and their contribution to the economic literature at large. The quizzes will be a variety of short answer, multiple choice and fill in the blank. There will be no make-up quizzes, however, I will drop your lowest quiz score. The quizzes will cover all of the readings for that week.

**Debate:**

We will be having a class-wide debate about 2 prominent views of public choice economics, Donald Wittman's view and Bryan Caplan's view (there will be 3 groups per side). On February 11<sup>th</sup> you will choose your groups, 6 groups of roughly 6 students each. Each group will be randomly assigned a position and will be expected to debate from that perspective. Groups will be expected to have met multiple times before the debate to prepare their group's position and arguing points. Students will be individually graded on their contribution to their group, the strength of their arguments, and the evidence they provide for their position. Bonus points will be given to the group that most strongly represents their position. Keep in mind logical fallacies when debating.

*Debate Groups:*

- Donald Wittman (3 groups)
- Bryan Caplan (3 groups)

Students need to attend the debate to get credit for debating.

**Class Presentations:**

Each student will sign up for a day when they will present an article which they analyze from a public choice lens. Students are required to choose a modern current event or political issue from a credible news source and present on its relevance from a public choice economic perspective. Students will be assessed on their ability to present the issue from an analytical economics lens. Each presentation will be 5 minutes, with 2 minutes for Q and A. The presentation grading rubric can be found on blackboard, please make sure to read through the rubric when preparing your presentation to make sure you are including all the requirements. Students are also required to print out their article and a brief 3 point summary of their main points, this is due before the student's presentations on the day of their presentation.

Grading criteria include:

- Dressing business casual
- Overall presentation (spoke clearly, faced the audience)
- Summarize the main points of the topic (article)
- Addressed a relevant economic development issue
- Analyzed the issue from an economic lens
- Applied the concepts that we have been learning in class to their issue

Example topics include:

- Obama's trade agreement with Asia
- Foreign aid
- "Exporting democracy"
- Carbon emission legislation (carbon tax)
- Inflation

### **Class Schedule and Readings:**

All readings should be done prior to specified date, students will be expected to have read the readings and be ready to discuss. (Ex: February 11<sup>th</sup> readings will be discussed on February 11<sup>th</sup>, therefore the reading must take place before that date). There will be focus questions posted on blackboard for each reading, keep these questions in mind in order to focus your critical reading.

### **Week 1: Introduction, What is Public Choice?**

**January 21:**

- No readings

### **Week 2: The Median Voter Model**

**January 28**

- *Quiz 1*
- Sign up for class presentation dates
- Green, Donald, and Ann Gerken. 1989. "Self-Interest and Public Opinion Toward Smoking Restrictions and Cigarette Taxes." *Public Opinion Quarterly* 53, pp.1-16. <http://poq.oxfordjournals.org/content/53/1/1.short>

### **Week 3: The "Miracle of Aggregation" and Rational Ignorance**

**February 4:**

- *Short Paper #1 Due*
- Dixit, A., and B. Nalebuff. 1991. The strategy of voting. In *Thinking Strategically*, 259-85. NY: W.W. Norton & Co.
- Andrew Gelman et al. 2007. "Rich State, Poor State, Red State, Blue State: What's the Matter with Connecticut?" *Quarterly Journal of Political Science* 2, pp.345-67.

### **Week 4: Voter Motivation**

**February 11:**

- **Choose debate groups (in class)**

- Steven Levitt. 1996. "How Do Senators Vote? Disentangling the Role of Voter Preferences, Party Affiliation, and Senator Ideology." *American Economic Review* 86, pp.425-41.
- Gerber et al, "Personality Traits and the Dimensions of Political Ideology" - [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1412863](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1412863)
- Alford et al. 2005. "Are Political Orientations Genetically Transmitted?" *American Political Science Review* 99, pp.153-167. (optional)

### **Week 5: Rent Seeking and Special Interests**

#### **February 18:**

- *Quiz 2*
- **Student Survey (in class)**
- Peltzman, S. 1989. The economic theory of regulation after a decade of deregulation. In *Brookings Papers On Economic Activity: Microeconomics*, ed. M. N. Bailey and C. Winston, 1-41. Wash., D.C.: Brookings Institution.

### **Week 6: The Myth of Democratic Failure Part 1**

#### **February 25:**

- *Short Paper #2 Due*
- **Specify group topics (in class)**
- Wittman, Chapters 1-3

### **Week 7: Midterm**

#### **March 3:**

- Midterm Exam

### **Week 8: Spring Break**

**SPRING BREAK: NO CLASS**

### **Week 9: The Myth of Democratic Failure Part 2**

#### **March 17:**

- *Quiz 3*
- Wittman, Chapters 6-8

### **Week 10: Decisiveness and Expressive Voting**

#### **March 24:**

- *Short Paper #3 Due*
- Caplan, Chapters 1-3

### **Week 11: Systematic Bias and the Miracle of Aggregation**

#### **March 31:**

- *Quiz 4*
- Caplan, Chapters 4-6

### **Week 12: Market Failure and Democratic Failure**

#### **April 7:**

- *Short Paper #4 Due*
- Wittman, Chapters 13-14

**Week 13: Debate**

**April 14:**

- No readings

**Week 14: Dictatorship and Competition and Collusion in Politics**

**April 21:**

- *Quiz 5*
- Martin McGuire and Mancur Olson. 1996. "The Economics of Autocracy and Majority Rule." *Journal of Economic Literature* 34: 72-96.
- Bryan Caplan, "'Mises' Democracy-Dictatorship Equivalence Theorem." 2008. *Review of Austrian Economics* 21(1), pp.45-59.

**Week 15: Constitutions and Anarchy**

**April 28: (Last day of Class)**

- *Short Paper #5 Due*
- Caplan, Chapter 8 and Conclusion
- Tyler Cowen. 1992. "Law as a Public Good." *Economics and Philosophy* 8, pp.249-267.

**Finals Week:**

**December 16: Final Exam (2 hours)**

**Course Policies:**

**George Mason University Honor System and Code:**

George Mason University's Honor Code requires all community members to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. Honor Code violations will be reported to the Honor Committee. Plagiarism is not accepted (statements from Macon web site).

<http://mason.gmu.edu/montecin/plagiarism/htm#plagiarism>

The use of electronic devices is prohibited during an exam or a quiz; failure to comply with this will result in your failure of the assignment and potentially the failure of the class. Make sure to familiarize yourself with the GMU Honor Code, which is stated in the George Mason University Undergraduate Catalog

**GRADING SCALE**

Your grade will be curved at the end of the semester when all grades have been tabulated, this curve can only help you because I do not abide by any distribution quotas.

A+ 98+ | A 93-97 | A- 90-92 | B+ 88-89 | B 83-87 | B- 80-82 | C+ 78-79 | C 73-77 | C- 70-72 | D+ 68-69 | D 60-67 | F 0-59

**Class Registration:**

Students must verify their summer class schedule and make sure they are officially registered for this class through Patriot Web. Students can exercise a selective withdrawal, see schedule of classes for selective withdrawal procedures.

- Last Day to Add/Drop (No tuition penalty): January 26, 2016
- Last Day to Drop (33% tuition penalty): February 2, 2016
- Last Day to Drop (67% tuition penalty): February 19, 2016

**Accommodations for students with disabilities:**

Please contact myself the Office of Disability Resources at 703-993-2474 prior to the first exam. All accommodations are to be arranged ahead of time through the Office of Disability Resources. The professor does not have the power to provide accommodations to the students on their own.