Economics 4999-805
Economics in Action: Current International Political Economy Issues

Tuesday-Thursday 2:00-3:15
Fall 1991
Econ Room 5

Professor Kaempfer
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Economics in Action (Econ 4999) is a specially designed course in economics issues that satisfies a critical thinking requirement for graduation from the College of Arts and Sciences. The University catalog states that critical thinking courses will require you "to practice sustained critical thinking and to demonstrate such thinking in both written and oral form."

While Economics in Action is designed primarily for senior economics majors who have completed almost all of their departmental requirements, it is not limited to majors. However, I recommend that for this section students be seniors who have completed several economics courses including, but not limited to Econ 2010, Econ 2020 and Econ 3403 or both Econ 4413 and Econ 4423. In other words, both principles and international economics (trade and finance) are required. In addition intermediate microeconomics is strongly recommended.

The primary focus for this course will be international political economy or international public choice. Public choice is a relatively new branch of economic analysis in which public (i.e. governmental) action is analyzed from the perspective of individual optimizing behavior. Public choice analysis posits that governmental decision makers, be they legislators or regulators, make decisions which maximize their own self interest like staying in office.

Books:
Public Choice, and Introduction to the New Political Economy, David B. Johnson, Bristlecone Books

International Political Economy, Bruno S. Frey, Basil Blackwell, 1984

The course will be organized in three parts. In the first part of the semester we will learn about public choice analysis using David Johnson's book. Before each class, specific reading assignments will be announced that will allow us to focus our discussion on elements of public choice theory in the next session. The second portion of the course will examine applications of public choice analysis to the specific international issues that Bruno Frey discusses in his book. In the final section we will have a similar type of format, but revolving about issues that you will decide upon.
Assignments:

All of the readings from the two textbooks must be completed before the class for which they are assigned.

A final paper is required and will be due by the end of classes. This paper is to be original work, of course, and will be the basis of a class presentation that you will lead toward the end of the semester. I will also require that a paper topic proposal, outline and preliminary drafts be handed in at certain times.

A few short papers will be required in addition to your term paper. For instance at some point in our discussion of public choice analysis I will ask you to write an essay on the topic, "What Determines a Politician’s Vote?" I will also pass out some background information in the form of pamphlets from the Government Accounting Office on various international policy issues for you to evaluate as possible paper topics.

Class participation is mandatory. As noted above, critical thinking courses require you to demonstrate sustained critical thinking in oral discussion. Economics in Action is designed as a small class in order to facilitate your direct involvement in the class. However, for your participation to be effective, I must make attendance required.

Evaluation:

Your final grade will be based you the grade you earn on your term paper project, grades on shorter papers and an evaluation of class participation. The term paper project will form approximately 60% of your grade with shorter papers about 15% and participation 25%. Critical thinking courses are not particularly "low grade" courses (like intermediate micro or micro, for instance), but if you are not making adequate progress in the course, I might suggest that you take an incomplete and repeat the course in the next semester. In the same fashion, late papers are not acceptable, and will cause me to give you an incomplete grade and ask you to retake the course.