

**ECONOMICS 4221**  
**Political and Public Choice Economics**  
**Spring 2011**

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**Office Hours:** Tues. 10:50-12:15, 3:20-5; Thur. 10:50-12:15; Friday afternoons by appointment

**Course Overview:**

Political and public choice economics can be defined as the analysis of decision-making 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 individuals in 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 affect 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 from 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.](#)

**Text:**

Most of the readings for this class are from academic journals, but we will utilize *The Elgar Companion to Public Choice*, ed. William F. Shughart and Laura Razzolini. Cheltenham, UK: Edward Elgar, 2001.

**Prerequisites:**

Students must have completed ECON 2010, 2020, 3070 and 3818. I assume that you did not only take the class, but also that you understand and remember the content. It is also helpful to have some understanding of simple econometric analysis. The prerequisites must be strictly enforced.

**Grading:**

Class participation and attendance	18%
Article critique and presentation	12%
Semester project	20%
Exam 1	15%
Exam 2	15%
Final exam	20%

I adhere strictly to the University guidelines on Incompletes (“An IF is given only when students, *beyond their control*, have been unable to complete course requirements. A substantial amount of work must have been *satisfactorily completed* before approval for such a grade is completed.”). Bad grades, unsatisfactory performance, too many credit hours, work conflicts, etc. are not reasons for an incomplete.

### **Article Presentations and Critiques, and Class Participation\*:**

For most of the course, I will lecture and present papers, but in the last few weeks you will divide into small groups for the presentation of papers each class. By working in groups and by noticing the grading rules (which we will discuss on the first day of class) for the group presentations, 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. 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 (most days there will be a short quiz on the readings that will count toward your participation grade). Rude and counter-productive behavior such as texting and having your laptop open during class discussion will *severely* damage your participation grade.

### **Term Projects:**

Student will be required to work in small groups (or possibly individually) and choose a topic and examine it in a political economics or public choice setting. This leaves open a broad range of subject matter from which to choose, so you must submit a first-choice topic to me by the end of the fourth week (2/3) and you must have an approved topic by the end of the sixth week (2/17). Your paper must emphasize the political economy or public choice aspects of the situation you are analyzing, and should most importantly be an analytical (NOT narrative) study. No paper should be longer than 10 pages (double spaced). More details on the paper are posted on the course website. Feel free to meet with me on a regular basis to discuss your paper.

Plagiarism is an academic offense and any student caught cheating or plagiarizing will be sanctioned. If you are unsure or uncertain about what constitutes either cheating or plagiarism, please consult me or the University of Colorado Catalog. To insure a level playing field on this front, all papers will be submitted to turnitin.com.

### **Exams:**

There will be two exams and a cumulative final. Tests will consist of short-answer questions and some longer problems. The exams (other than the final) will not be cumulative, but the material does build on itself so it is important to understand all of the concepts as we go. **Exams will be given in class on the days listed. Do NOT miss an exam. There will be NO makeup exams, and NO EXAMS WILL BE DROPPED!!**

### **Exam Schedule:**

Exam I: Tuesday, February 15<sup>th</sup>

Exam II: Friday, April 14<sup>th</sup>

Final exam: Saturday, April 30<sup>th</sup> 4:30-7pm in our usual room.

If you have three or more final exams scheduled on the same day, you are entitled to arrange an alternative exam time for the **last** exam or exams scheduled on that day. To qualify for rescheduling final exam times, you must provide evidence that you have three or more exams on the same day, and arrangements must be made with your instructor no later than the end of the sixth week of the semester (Friday, February 18<sup>th</sup>, 2011).

### **Grading Scale:**

<u>Your score</u>	<u>Grade</u>
92% to 100%	A
90% to 91%	A-
88% to 89%	B+
82% to 87%	B
80% to 81%	B-
78% to 79%	C+
72% to 77%	C
70% to 71%	C-
68% to 69%	D+
62% to 67%	D
60% to 61%	D-
Below 59.5%	F

### **Additional Notes:**

#### *Honor Code*

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council ([honor@colorado.edu](mailto:honor@colorado.edu); 303-725-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Additional information on the Honor Code can be found at <http://www.colorado.edu/policies/honor.html> and at <http://www.colorado.edu/academics/honorcode>

#### *Disabilities*

If you qualify for accommodations because of a disability, please submit a letter to the instructor from Disability Services in a timely manner so that your needs may be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Willard 322, or <http://www.Colorado.EDU/disabilityservices>

#### *Religious holidays*

A comprehensive calendar of the religious holidays most commonly observed by CU-Boulder students can be found at <http://www.interfaithcalendar.org/> Review this list and the class syllabus.

After reviewing the syllabus, please see the instructor if you believe that you need an accommodation for religious reasons. The instructor should be notified within the first two weeks of classes. Campus policy regarding religious observances states that faculty must make *reasonable* accommodation for them and in so doing, be careful not to inhibit or penalize those students who are exercising their rights to religious observance. For more information see [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html)

#### *Code of Behavior*

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which students express opinions. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code)

#### *Policy on Sexual Harassment*

The University of Colorado Policy on Sexual Harassment applies to all students, staff and faculty. Sexual harassment is unwelcome sexual attention. It can involve intimidation, threats, coercion, or promises or create an environment that is hostile or offensive. Harassment may occur between members of the same or opposite gender and between any combination of members in the campus community: students, faculty, staff, and administrators. Harassment can occur anywhere on campus, including the classroom, the workplace, or a residence hall. Any student, staff or faculty member who believes s/he has been sexually harassed should contact the Office of Sexual Harassment (OSH) at 303-492-2127 or the Office of Judicial Affairs at 303-492-5550. Information about the OSH and the campus resources available to assist individuals who believe they have been sexually harassed can be obtained at: <http://www.colorado.edu/sexualharassment/>