

Public Choice EC 433/733
 Tuesday 5:30pm-8:10pm, Sawyer 041
Final Exam May 3rd 5:30pm-8:10pm

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 Office Hours: Tuesday and Thursday 2pm-3:30pm and by appointment

Public Choice is the economic analysis of politics. The subject matter is political science but the theoretical lens of economic analysis is used to examine the behavior of voters, politicians, bureaucrats, and interest groups under various institutional arrangements. This course is mostly organized around topics where economics has provided new theories of political behavior.

In addition to the theoretic focus the course will also trace the evolution of the American government from its founding on principles of individual liberty to its evolution into a modern democracy. Public choice theories will be used to understand this evolution. These readings are listed under “also” in each week’s assignment because they are not always narrowly on the theory topic of the week. They are in no way less important readings.

This course is a combined 700 and 400 level class. The term paper assignments and some exam questions will differ based on the level you enrolled at.

Grading:

Midterm:	25%
Final Exam:	35%
Research Paper & Presentation:	30%
Participation:	10%

Books:

Mancur Olson	<i>Power and Prosperity</i>
Bryan Caplan	<i>Myth of the Rational Voter</i>
W. Mitchell and R. Simmons	<i>Beyond Politics</i>
Randall Holcombe	<i>From Liberty to Democracy</i>

Course Outline

1. Intro and Welfare Economics and Idealized Politics

M&S Chapters 1 & 2

2. Voting: Incentives and Information

M&S pp. 39-58 and Chapter 4.

Also, Principles of American Founding and Consensus vs Democracy in 18th Century. Holcombe: Chapters 1, 2, 3.

3. Origins of the State

Olson, Mancur (2000) *Power and Prosperity*. Chapters 1, 2, 3.

Buchanan, James (1990) "The Domain of Constitutional Economics." *Constitutional Political Economy*. Vol. 1 pp. 1-18.

Rothbard, Murray (1973) "The State." From *For a New Liberty*. Handout.

Also, Constitutions as Constraints: Articles of Confederation and U.S. Constitution. Holcombe Chapter 4.

4. Rent Seeking and Interest Groups

M&S 6.

Olson 4 & 5.

Also, Growth of Parties and Interests. Holcombe Chapter 5.

5. Optimal Public Goods Provision and Information

M&S 5

Mises, Ludwig Von. (1920) "Economic Calculation in the Socialist Commonwealth."

Available at www.mises.org

Hayek, F.A. (1945) "The Use of Knowledge In Society" *American Economic Review*.

Also, Impact of the War Between the States. Holcombe Chapter 6.

6. Bureaucracy

M&S pp. 58-64.

Niskanen, William (1975) "Bureaucrats and Politicians." *Journal of Law and Economics*. Vol. 18. pp. 617-643.

Mises, Ludwig Von (1944) *Bureaucracy*. Chapters I, II, and III. Available online at: <http://mises.org/etexts/mises/bureaucracy.asp>

Also, Transition to Government Growth. Holcombe Chapter 7.

7. Midterm Exam

8. Democratic Efficiency

Wittman, Donald (1989) "Why Democracies Produce Efficient Results."

Journal of Political Economy 97 (6): 1395-1424.

Also, Populism and Progressivism. Holcombe Chapter 8.

9. Expressive Voting and the Theory of Rational Irrationality

Caplan, Intro and Chapters 1, 2, 4, and 5.

Also, Growth of Government in the 1920s. Holcombe Chapter 9.

10. The Political Economy of Voter Irrationality

Caplan, Chapters 6, 7, 8, Conclusion

Also, the New Deal and WWII. Holcombe Chapter 10.

11. The Dangers of Democracy

- Holcombe Chapters 11 and 12.

12. Research Paper Workshop

13. Non Democratic Governance

- Olson, Mancur (2000) *Power and Prosperity*. Chapters 6, 7 and 8.

Powell, Benjamin, and Edward Stringham (2008) "Public Choice and the Economic Analysis of Anarchy: A Survey." *Public Choice*. Forthcoming.

Powell, Benjamin, Ryan Ford and Alex Nowrasteh (2008) "Somalia After State Collapse: Chaos or Improvement." *Journal of Economic Behavior & Organization* 67.

14. Research Presentations

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