

# Public Choice

ECON 410 – Spring 2013

Instructor: Edward Austin Middleton  
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## Course Meeting Times

Tuesday/Thursday Innovation Hall 204, 10:30 – 11:45 am

## Office Hours:

[XXX], and by appointment.

## Course Description

The course provides a survey of *public choice*, a field in economics which applies rational choice theory – the economic way of thinking – to decision making by persons who are neither traditional buyers nor sellers in contexts that aren't traditional markets. One such context, politics, will be the focus of much of the class.

## Prerequisites

ECON 103 (Principles of Microeconomics) or equivalent

## Texts

Most of the class material consists of the lectures and papers which are available online. The following books are required and available at the GMU bookstore:

Bryan Caplan, *The Myth of the Rational Voter*  
Gordon Tullock, *The Social Dilemma*

The following books are available online:

Robert Cooter, *The Strategic Constitution*,  
<http://www.law.berkeley.edu/faculty/cooterr/PDFpapers/stratcon.PDF>  
David Friedman, *The Machinery of Freedom*  
[http://davidfriedman.com/The\\_Machinery\\_of\\_Freedom\\_.pdf](http://davidfriedman.com/The_Machinery_of_Freedom_.pdf)

## Grading

The weights for determining the final grade are as follows:

15% Quizzes  
25% Part 1 Midterm  
25% Part 2 Midterm  
35% Final

There will be 12 quizzes over the course of the semester. They will cover the reading for that day and are closed book, closed note. I will drop the lowest two quiz grades.

There will be two midterms and a final exam. Each midterm will cover only material in that part of the course. The final will be cumulative, though weighted more towards the

material in the final part. The midterms and final are open book, open notes, but you may *not* use any device with networking capability (such as laptops, tablets, or cell phones).

This class is primarily lecture format, but I encourage students to ask questions about the lectures and readings. There is no formal grade for participation, but if you are one of the students who (in my judgment) contributes most to class discussion, your grade will be improved by one step (e.g. from a B- to a B).

## (Tentative) Schedule

Please come prepared to discuss the readings listed for each class date below:

-- Part 1 --

January

22: Introduction, Course Overview, “What is Public Choice?”

### *Median Voter Theorem*

24: Cooter, pp. 42-62, 73-82

29: James Madison, Federalist No. 10. Wikipedia article.

### *Rational Ignorance and Rent Seeking*

31: Buchanan and Tullock, *The Calculus of Consent*, Ch. 4

Tullock, “The Welfare Costs of Tariffs, Monopolies, and Theft.”

February

5: Somin, “When Ignorance Isn’t Bliss”

### *Efficiency and Bargaining*

7: Coase, “The Problem of Social Cost”

12: Cooter, pp. 66-71

Acemoglu, “Why Not a Political Coase Theorem” Sections 1 and 6.

14: Part 1 Midterm

-- Part 2 --

### *Public Opinion and Voter Motivation*

19: Caplan, “Mises, Bastiat, Public Opinion, and Public Choice”

### *Expressive Voting and Rational Irrationality*

21: Caplan, CH 1, 2

26: Caplan, CH 3

28: Caplan, CH 4, 5

March

5: Caplan, CH 6, 7

### *Political Competition, Autocracy, Revolution*

- 7: Cooter, pp. 167-171, 197-218
- 12-14: Spring Break. Make good choices.
- 19: Tullock, pp 33-106
- 21:
- 26: Tullock, pp 186-224

*Common Law and Judicial Decision Making*

- 28: “Common Law” Wikipedia article
- Priest, “The Common Law Process and the Selection of Efficient Rules”

April

- 2: Leeson, “Ordeals!”
- 4: Part 2 Midterm

-- Part 3 --

*Religion*

- 9: Iannaccone, “Introduction to the Economics of Religion”
- 11: Leeson, “Animal Trials”

*Crime*

- 16: Friedman, “Crime” in the Concise Encyclopedia of Economics
- Friedman, “Rational Criminals and Profit-Maximizing Police”
- Friedman, “Why Not Hang Them All? The Virtues of Inefficient Punishment”

*Anarchy*

- 18: Friedman, pp 58-85
- 23: Caplan, “Anarchist Theory FAQ”

*Agency*

- 25: Smith, *Theory of Moral Sentiments*, Part 1, Section 1; Part 2, Section 2
- 30: Adair, “Fame and the Founding Fathers”

May

- 2: Review Session
- 14: Final Exam. 10:30 am – 1:15 pm