

Public Choice

Political Science 475
University of Washington
Winter 2018

Prof. Anthony Gill

Office Hours

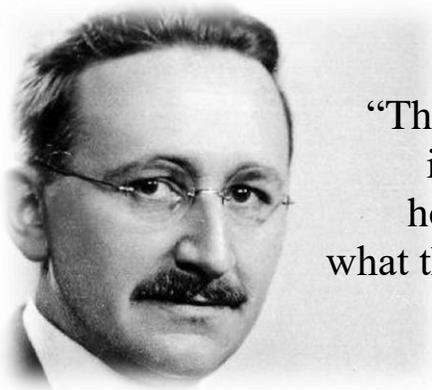
Mon & Wed 12:30 pm – 1:20 pm¹ in the By George Cafeteria

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“It takes varied reiteration
to force alien concepts
upon reluctant minds.”

~ James M. Buchanan



“The curious task of economics
is to demonstrate to men
how little they know about
what they imagine they can design.”

~ F.A. Hayek

¹ Prof. Gill will have some important concerns from January 15 to mid-late February that may necessitate changes in the time of office hours. Please check your UW NetID email frequently (at least daily) for updates.

Statement of Purpose

Public choice is a sub-discipline of economics and political science that attempts to explain the public policy process via economic models. It has also been described as the application of economic theory to non-market situations.² The field can be traced back to the middle portion of the 20th century with scholars such as Anthony Downs, James Buchanan, Kenneth Arrow, and Gordon Tullock making seminal contributions to, and defining, this field of study. These and other scholars have had a broad impact on the study of economics and politics, with several Nobel Prizes going to people working in the public choice arena (e.g., Buchanan, Arrow, and Tullock). One of the main contributions of public choice theory has been to point out that politicians, contrary to being servants who make policy based upon the “common good” (much like Plato’s philosopher kings), are motivated by self-interest as much as individuals within the private sector. Objectives such as maximizing power or securing re-election tend to predominate in the public sector, whereas profit-seeking (in a financial sense) tends to motivate those within the private sector. However, these goals often blur between our private and public sector actors, and both attempt to use one another to further their own ends. Interest group politics, the manipulation of voting rules, and rent-seeking behavior arise as common topics of study within this field. Nonetheless, scholars within the public choice school still study the fundamental questions of social science and political economy: What explains human action? How are resources allocated in society?

Over the past six decades, the study of public choice has been increasingly formalized (i.e., mathematized) and has focused on various voting procedures and the influence of interest groups within society. This course could adopt that approach and we could spend several weeks simply examining spatial models of voting or proving Arrow’s theorem. However, as I will teach it, POL S 475 will take a less mathematical and more philosophical approach, and dip into some of the classical economic works of the past two centuries demonstrating that the concerns of public choice scholars are fairly timeless. The course will examine the foundational issue of how resources are allocated in society and contrast two varying perspectives on this question – market-based versus central planning solutions. The course will emphasize the efficiency of markets relative to the limitations of governmental regulation. Whereas much of contemporary politics and economics starts with the presumption that markets “fail” and then seek regulatory solutions, I will take the opposite tack to emphasize the inability of central planners (governments) to allocate social resources efficiently. Put differently, we will examine markets in light of “government failure.” Some students might raise concern that “the other side” (i.e., market failure) of the equation is not presented with equal weight. However, given that the vast majority of collegiate political science and economic classes assume “market failure” as a starting point (either explicitly or implicitly), this class represents “the other side.”

This class was prompted a few years back by my desire to re-visit (or read for the first time) some books and articles that have been sitting on my desk. It is as much of an intellectual adventure for me as it is for you. Despite being in academia for an extended period of time now, I am still amazed at how much more I learn and understand about political economy every year. Indeed, even having taught my introduction to political economy for roughly 22 years now, there are always

² I have a problem with this definition given that it assumes that markets only deal with the types of goods and services that are produced in the private sector. However, a broader (and more fundamental) understanding of economics reveals that markets (exchange opportunities) are rather ubiquitous. Given my specialty in the economics of religion, this is not a surprising claim coming from me.

new things that I learn each year that changes the way I understand the world. It would be wise for you to keep lesson in mind as you move throughout your lives.

With respect to the readings, you will invariably feel that we are pounding the same topics over and over again, but with different authors weighing in. That is by design. First, **repetition is beneficial to learning**, especially when there are subtle shades on that repetition. Consider the quote from James Buchanan on the first page of this syllabus. Russell Wilson probably throws a football hundreds of times during each practice, but each time it is done with a different stance of set of conditions. So too is it with your readings. Second, you will likely notice something different with each reading even if they are addressing the same topic over and over. You might be solidifying a fuzzy concept, or discovering something completely new. There is no possible way that anyone in this class can master the course material intuitively in a ten-week period, thus don't think that if you read a "theme" once that you know it completely. Finally, all of the authors in this class are in a conversation with one another that builds over time. (The exception is Locke since he died first and before all the other authors were born.) See if you can catch the **conversational undertow across scholars**. Each scholar adds something a little different to the conversation or clarifies it in a new way for a different era. You should consider yourself part of this conversation with something to add.

The seminar nature of this course is designed for **open conversation**. This means that you must get involved in dialogue not only with the professor, but with other students. The success of the seminar will be determined by how much students react to one another rather than always using the professor as an interlocutor. Note that you will need to take risks when it comes to discussion. Do not be afraid of saying something foolish in class. We learn by making mistakes and having to rethink things we said. The class should also be a "wonderful" experience, not in the typical meaning of that word, but rather that you should be "filled with wonder" with all aspects of social life throughout this class. I like to emphasize the "wonder of the mundane," as our everyday behavior often tells us a great deal about the (supposedly) more important matters in life.

Course Requirements

Grades are based upon several semi-weekly writing assignments, in-class participation, and a final take-home essay. Contrary to other courses that tend to evaluate you on "getting the correct output," I will be evaluating you on how much you are engaging the material and developing a sense of wonder. This obviously promotes a much more subjective method of grading, so worry less about "getting the right answer" and worry more about "getting to the right answer." (Yes, there is a subtle, but important difference in language there.) The course also requires a significant amount of dense reading. Deadlines for all work are strict. ***Late assignments will not be accepted without prior approval of the professor except under conditions of extreme hardship.*** ("Extreme hardship" constitutes events outside of one's control; this does *not* include sleeping late, forgetting to come to class, being incarcerated, etc. Determining what cases qualify as "extreme hardship" will be left to the discretion of the professor and require proof on the part of the student.) If you anticipate a scheduling conflict, you must see me at least one week prior to the assigned due date to make alternative arrangements. The professor reserves the right to determine whether an alternative deadline will be scheduled.

Incomplete grades may only be awarded if you are doing satisfactory work up until the last two weeks of the quarter. Undergraduate students must not register for courses in which they have received an Incomplete, since a grade earned in a repeat course will not be recorded as an

incomplete conversion grade. To obtain credit for the course, an undergraduate student must convert an Incomplete into a passing grade no later than the last day of the next quarter. An Incomplete not made up by the end of the next quarter (summer excluded) will be converted to the grade of 0.0 by the Registrar unless the instructor has indicated, when assigning the Incomplete grade, that a grade other than 0.0 should be recorded if the incomplete work is not completed. The original incomplete grade is not removed from the transcript.

You are expected to keep up with the weekly reading assignments and should be prepared to discuss them in section. Class/section attendance is significant portion of your grade.

Final grades will be determined accordingly (please note due dates):

		<i>Date</i>
Course discussion (show up to class)	40%	Ongoing.
Short-essay assignments	30%	Ongoing.
Final Essay	30%	Due Monday, March 12 by 12 noon.

Course Discussion: We will run this course via the Liberty Fund seminar discussion style. This means that students will be more responsible for guiding discussion than the professor (moderator). Once the professor sets up the theme for the week and a few guiding questions, students will be responsible for taking the conversation in the best direction they fit. One finger up indicates that you want to make an extended point on the readings/discussions. A “tweet” with your fingers indicates that you want to make a short (less than 100 words) in response to one of the lines of questioning. The professor reserves the right to redirect the line of discussion should it appear off track.

All students should aim to say at least one thing during discussion during each class period. Also, be careful that you are not the person who monopolizes the conversation. Knowing when not to talk is as important as knowing when to talk.

Quality is as equally important as quantity. If conversation stalls, I will be “cold calling” on students to answer various questions and respond to other students. This can be a bit stressful, but it will put you on your toes and also prepare you well for your professional career. I expect students to have done the reading and ask informed questions and engage in challenging debate. Unlike my large lecture classes, this course will not have the traditional “online discussion forum” used by Prof. Gill.

Short-Essay Assignments: Students will be asked to write a short (~2-3 pp) essay every other week. These essays will be responses to topics in the reading or in class. They will be designed with the goal of having you develop ways to present topics to a general audience – clear, insightful, and respectful. We will divide the class into two groups so that this smoothes out my grading load. Students are allowed to trade “due dates” with one another, but the nature of the trade must be specified on the title page of the essay (i.e., with whom you traded and any other considerations).

Final Essay. If all goes well, I will have developed a set of insightful questions for a 5-6 page final essay (response paper). This essentially will be a ramped-up version of the homework assignments with a more overarching perspective emphasized.

Textbooks

The following required texts (in order of appearance) are on sale at the University Bookstore or online. Electronic books are perfectly acceptable, but they are much more difficult for authors to autograph and don't look as nearly as intimidating on your office bookshelves.



Hayek, F.A. 2011 [1960]. *The Constitution of Liberty*. Chicago: University of Chicago Press.

Smith, Adam. 1976 [1776]. *An Inquiry into the Nature and Causes of the Wealth of Nations*. Two Volumes. Indianapolis: Liberty Fund.

Basiat, Frederic. 2007 [1850]. *The Law*. Irvington-on-Hudson: Foundation for Economic Education. Numerous printings, but I will be using one from the Foundation for Economic Education (FEE).

Tullock, Gordon. 2002. *Government Failure: A Primer in Public Choice*. Washington, DC: CATO Institute. [The UW Bookstore says this book is out-of-print, but you can still find it on [Amazon.com](https://www.amazon.com) and directly from [CATO](https://www.cato.org).]

Buchanan, James M. 1975. *The Limits of Liberty: Between Anarchy and Leviathan*. Chicago: University of Chicago Press.

There will be additional articles assigned for reading in the course schedule below. These articles can be found online at the course website.

Class Rules



Due to unfortunate circumstances in the past, it is necessary for me to adopt a set of strict guidelines for classroom conduct. These rules are designed to facilitate a civil environment conducive to learning for all students.

- ◆ **Use only your UW NetID or the Canvas** website when contacting Prof. Gil electronically. Prof. Gill will NOT respond to queries from non-UW email addresses
- ◆ No food during the class period. Beverages are permitted.
- ◆ **Show up.** While faculty cannot grade on attendance, you are paying for an education here and you should seek to get as much value out of your tuition dollars as possible. Also, this is practice for your professional career. Would you routinely miss professional meetings and expect to do well in your company?
- ◆ Attend class **on time**. If you must leave early for an important reason, please do so in the least disruptive manner possible.
- ◆ Do not do other non-course related work during the class.
- ◆ **No laptops or e-tablets.** Let's make this a computer-free course. This is a "sit-around" conversation.
- ◆ No cell phone calls unless you are anticipating an emergency.
- ◆ Talking while others are speaking to the class is not permitted.
- ◆ **Audio or video recordings of this class are prohibited.**
- ◆ **Respect** the opinions, beliefs and comments of others in the class.
- ◆ Any grade appeal on an assignment or for the final grade should only be made on the substance of the course assignments; the need to qualify for a scholarship or continued enrollment at the University of Washington is not a sufficient reason to appeal a grade.

Failure to abide by these rules will result in penalties to be determined by the instructor.

APPEALS POLICY: If you wish to appeal a grade on an assignment, it must be done in writing and within one week of the assignment being handed back to the entire class. (This means you need to show up to class. If you miss the class in which the assignments are handed back, you will not be granted extra time to appeal.) An "appeals fee" of 5 percentage points (on a 100-point system), or a .5 on a 4.0 system, will be assessed for all appeals. If the appeal is credible and the student is remediated points, the "appeals fee" will be waived. The rationale of this policy is to disincentive frivolous appeals from students hoping to "get lucky" with a second or third read of the assignment. The professor reserves the right to lower the grade if the initial grade was considered too high. All appeals should be made on the content of the assignment and not based upon the students need to achieve a certain grade to retain a scholarship, enrollment, or graduation status.

If you would like to request academic accommodations due to a disability, please contact Disabled Student Services, 448 Schmitz, 543-8924 (V/TDD). If you have a letter from Disabled Student Services indicating you have a disability that requires academic accommodations, please present the letter to the professor so accommodations you might need for class can be discussed.

Course Plan, Reading, and Listening Assignments

As this is not a lecture-based course, students are required to come to class prepared to discuss the assigned readings. The readings are intended as a springboard for discussion. Often the readings will inspire debate on issues that are not directly found in the texts. Important themes and concepts found in the readings may not necessarily be covered in class. Nonetheless, students are responsible for the content of the weekly reading assignments. Questions pertaining to the readings always are welcome in class.

Note: Readings may be subject to change at the professor's discretion. Due notice will be given.

Please note that there are a few weeks where students are required to **listen to podcasts**. Required podcasts will be denoted by the logo to the left. These listening assignments are designed not only to provide you with interesting content, but also to allow you to hear how real scholars dialogue with one another and learn. The EconTalk series is exemplary in this respect; whereas most podcasts speak *at you*, EconTalk invites you to *listen in* on a give-and-take conversation. This is a subtle, but important difference. Optional podcasts are also recommended at points based upon some of Prof. Gill's favorite episodes that are relevant to the topics we are studying.



Week 1. Public Choice: A Philosophical Primer.

January 3

Readings (~35 pp):

- Bastiat, F. 2007 [1850]. *The Law*. Pp. 1-22 in FEE Version (up through "Influence of Socialist Writers" section; feel free to read the rest as it reads quickly).
- Locke, J. 2015. [1689] *Second Treatise of Government*. Chapters 2 (State of Nature) and 5 (Property). (Online).
- Gill, A. 2017. "Christian Democracy without Romance: The Perils of Religious Politics from a Public Choice Perspective." *Perspectives on Political Science* 46(1): 35-42. (optional)

Required Podcast: [Munger on Choosing in Groups](#).

(All podcasts will be available at EconTalk www.econtalk.org.)



Week 2. Markets as a Means of Choice.

January 8

Readings (~37 pp):

- Smith. *Wealth of Nations*. Book I (pp. 10-36).
- Hayek, F.A. 1945. "The Use of Knowledge in Society." *American Economic Review* 35 (4): 519-30. (Online) If you've already read it, read it again.

January 10

Readings (~56 pp):

- Hayek. *The Constitution of Liberty*. Chapter 3 and 5.
- Mueller, J. 2001. *Capitalism, Democracy, & Ralph's....* Chapter 2, pp. 21-44. (Online.)

Optional Podcast: [Boudreaux on Reading Hayek](#).

Week 3. Equality, Inequality, and the Socialist Calculation.

January 15

No class. Martin Luther King Jr. Day. But keep up with the reading.

Readings (~56 pp):

- Hayek, F.A. 1944. *Road to Serfdom*. Chpts. II-IV (pp. 24-55). (Online.)
- Bastiat, F. 2007 [1850]. *The Law*. Pp. 23-58 in FEE Version (from “Influence of Socialist Writers” to the end).

January 17

Readings (~28 pp):

- Hayek, *Constitution of Liberty*. Chpt 6 (pp. 148-65).
- Mueller, J. 2001. *Capitalism, Democracy, & Ralph's....* Chapter 2, pp. 45-56. (Online.)

Required Podcast: [Bruce Meyer on the Middle Class, Poverty, and Inequality](#).



Week 4. Labor, Wages, Profit, and Taxes ... Oh My!

January 22

Readings (~54 pp):

- Smith. *Wealth of Nations*. Book I, Chpts. VIII and X (pp. 82-104, 116-124 and 135-59).

Optional Podcast: [Mike Munger on Middlemen](#).

January 24

Readings (~34 pp):

- Hayek, *Constitution of Liberty*. Chpt 8 and 20 (pp. 184-98 and 430-50).

Optional Podcast: [Walter Williams on Life, Liberty, and Economics](#). (Williams is the most consistently entertaining and concise economist alive today, perhaps only rivaled by Munger.)



Week 5. Why We Need, and Don't Need, Government: The Case of Public Goods.

January 29

Readings (~45 pp):

- Smith. *Wealth of Nations*. Book V (pp. 814-16 read before next Smith readings below).
- Smith. *Wealth of Nations*. Book V (pp. 689-96, 708-17, 724-31).
- Coase, Ronald. 1974. "The Lighthouse in Economics." *Journal of Law and Economics* 17 (2): 357-76. (online) Tough read. Skim through the historical details. Read for the "big picture."

Optional Podcast: [Frank on Coase](#). (Note that there is a podcast with Ronald Coase directly, but it is largely incoherent given his advanced age. There is another Coase-oriented podcast with Don Boudreaux that is extremely good but mostly covers works by Coase we are not reading here.)

January 31

Readings (~59 pp):

- Smith. *Wealth of Nations*. Book V (pp. 758-65, 784-86, 788-96).
- Hayek. *Constitution of Liberty*. Chpts. 19 and 24 (pp. 405-29 and 498-516).



Week 6. Voting in Groups and Avoiding Costs.

February 5

Readings (~78 pp, but it reads quick):

- Mueller, J. 2001. *Capitalism, Democracy, & Ralph's....* Chapter 6, pp. 137-63. (Online.)
- Tullock. *Government Failure*. Chpts. 1-4 and 16 (pp. 3-52, 159-62).

February 7

Readings (~34 pp, plus 43 optional pages):

- Hayek, *The Constitution of Liberty*. Introduction and Chpt. 7 (pp. 166-83).
- Anderson, Terry L. 2004. "Donning Coase-Colored Glasses: A Property Rights View of Natural Resource Economics." *Australian Journal of Agricultural and Resource Economics* 48 (3): 445-62. (Online)
- Optional: Coase, Ronald. 1960. "The Problem of Social Cost." *Journal of Law and Economics* 3 (1): 1-44. (Online. Read up to page 19 if you can.)

Required Podcast: [Boudreaux on Public Choice](#).



Week 7. The Conundrum of the State, Part I.

February 12

Readings (~32 pp):

- Hayek. *The Constitution of Liberty*. Chpts. 9 and 10 (pp. 199-31).
- Optional: Skim Hayek. *The Constitution of Liberty*. Chp. 11.

Optional Podcast: [Boettke on Austrian Economics](#).

February 14

Readings (~36 pp):

- Buchanan. *Limits of Liberty*. Preface, Chpts 1-2 (pp. ix-34).



Week 8. The Conundrum of the State, Part II.

February 19

No class. President's Day.

Readings (~29 pp):

- Tullock. *Government Failure*. Chpts. 5-7 and 17 (pp. 53-82, 163-70).

February 21

Readings (~36 pp):

- Buchanan. *Limits of Liberty*. Chpts 3-4 (pp. 35-73).
- Tullock. *Government Failure*. Chpt. 9 (pp. 93-102).

Optional Podcast: [Boettke on Living Economics](#).

Week 9. The Paradox of Being Governed.

February 26

Readings (~48 pp):

- Buchanan. *Limits of Liberty*. Chpts. 5-6 and 9 (pp. 74-107, 147-65).
- Tullock. *Government Failure*. Chapter 11. (Actually written by Gordon Brady.)

February 28

Readings (~39 pp):

- Buchanan. *Limits of Liberty*. Chps. 7-8 (pp. 107-46).

Week 10. A Libertarian Conundrum: Can Leviathan Be Limited?

March 5

Readings (~55 pp):

- Hayek. *The Constitution of Liberty*. Chpt. 14 and 16 (pp. 308-28, 342-66).
- Tullock. *Government Failure*. Chapter 18 (pp. 171-76)

March 7

Readings (~40 pp):

- Gill, A. 2017. "The Libertarian Club Conundrum." (online)



An Important Note about Student Responsibility

You will learn many things in college, from anthropology to zoology and all things in between. However, the most important thing that any student should take away from college is the ability to set goals, develop the self-discipline to achieve them, and overcome obstacles along the way. College is an ideal environment to cultivate the fundamental skills that will be important to you in your future career, whether that be working for a law firm, being a manager in a large corporation, running your own small business, or working at a gas station. These fundamental skills include showing up on time, being able to learn from your mistakes, accepting corrective advice, and being able to overcome obstacles that temporarily divert you from your goals.

I often advise students to behave as if taking a course in political economy was their job. Would you expect to advance in your career, or earn a raise, if you consistently showed up late to meetings? Would you expect to gain favor with your employer if you blamed him or her for an error you made? How long would your employment last if you continually asked for special exemptions on exams and papers because you didn't get an early start on the assignment and you have other classes that have exams?

Given that personal responsibility and self-discipline are critical skills that need to be developed, I am going to challenge the students in this course to do the following:

- **Show up** for all lectures and discussion sections on time.
- **Plan ahead** for exams and assignments. Start studying earlier than the night before for an exam. Have your homework assignments printed out the night before they are due, not the morning of, and remember to turn them in on time.
- A **midterm and final exam** is not just a snapshot of what you happen to know on a specific date. Rather, it is an indication of how well you have been organizing your thoughts over time. As such, I frequently tell students that the exams begin not on the date and time listed in the syllabus, but they **really start on the first day of class**.
- **Participate** in section discussion and the online forum in a respectful manner and one that engages the material meaningfully. Be prepared when people debate your assertions.
- **Do NOT schedule early winter/spring break** airline reservations and expect the professor to give you a personalized exam so that you don't have to pay a rebooking fee. (This course is about trade-offs and you will need to weigh whether missing the final exam is less important than getting an extra few days of beach time. It may be for some people, and that is fine.)
- **Do NOT consistently miss lecture/section**, fail to turn in assignments, and then expect that the professor will give you a "passing" grade because you need to graduate and/or it affects your financial aid status.
- **Do NOT expect private tutoring sessions**. I teach a large number of students, as well as having other professional duties. As such, I do not have the time to review an entire lecture or three weeks of lectures during office hours. Office hours are to be used for directed, clarifying questions or specific comments.
- **Do NOT ask for the professor's lecture notes or PowerPoint slides**. I won't give those out and they are not posted online. Period. Don't ask for them. Seriously.
- **I do NOT offer "extra credit"** to students who miss homework assignments or do poorly on exams. It is important to master the "regular credit" before asking for anything "extra." Do not ask for extra credit.

- **It is unwise to opt out of the course email list.** This is a major means of communication between the professor and students. *It is wise* to do a regular check of your university email account in the evening in the event of any announcements (e.g., class cancellations because of snow). The professor will try to post important notices no later than 9:30 pm.
- **If a problem arises** – and there are always surprises and emergencies in life – bring it to the attention of your teaching assistant and/or professor early in the process. Also, try to suggest a couple possible solutions to any problems that you might see arising. (Hint: A person who brings problems to an employer’s attention is typical employee; a person who identifies a problem and offers several solutions is a valuable employee.)
- **Communicate effectively** with your teaching assistants and professor. Proper grammar and spelling are always appreciated, as are informative “subject lines” in email communication. (True story: A student became upset with me for not being responsive after emailing me a problem with the subject line “hey.”)
- **Use only your assigned UW email account.** I often get student emails from odd private domains (e.g., “fairietales.com”) and will usually consider those to be spam messages.
- **Use common sense** in all other areas of this class to cover anything that might have been missed on this list. Always ask yourself, “If I did this on the job, how would it affect my career?”
- **Playing computer games, texting, or surfing the Internet is distracting to those around you.** Don’t do it. Students often claim they are concerned about various negative externalities in society (e.g., air pollution), but often neglect to understand how their own personal actions affect those around them. Quiet attentiveness to lectures, when you are not asking questions or offering comments, will be considered the default option. If you must play video games during the regularly scheduled class period, do so elsewhere (recognizing that this means missing class).
- **Do NOT monopolize the professor’s time.** Your learning is important, but this is true for all other students in the class. Individuals who feel it necessary to ask questions every five minutes during lecture will be asked to cease and desist. I have had students who insisted class be taught a different way and in one that they designed themselves. While such creativity is admirable, there are students who enrolled in this class for the content and material designed by the current professor. Respect their choices.

The above advice may sound patronizing to some students who are well-prepared for class. However, you should know that a significant portion of students in a large lecture class will not have even looked at the syllabus by the third or fourth week of the term and then expect me to give them a special dispensation for their inaction. Managing these issues takes time and affects my ability to prepare for class, work with other students who are keeping up with assignments, or affects my other professional duties. In other words, an individual student can impose a negative externality on other students via their actions. Each of the pointers on student responsibility listed above derives from some previous student behavior over the past two decades, often involving multiple students at different times. I put in a great deal of effort into this course, more than I am required to. I do this because I have a passion for the class and education. However, students looking for a quick grade or who seek to manipulate the rules to avoid doing the requisite coursework diminish that passion.

With sincere concern for your academic and professional future,

Prof. Gill

