

Syllabus for Economics 445 –**Public Expenditures and Public Choice**
Binghamton University
Econ 445-01 95043 MWF SL302 8:30-9:30 AM
Econ 445-02 95044 MWF SL302 9:40-10:40 AM

Instructor: Professor Lockard

Office LT 903

Office Hours MW 2:00 – 3:00 PM (or by appointment. Let me know when you would like to meet with me, there is a good chance I might be around then anyway.)

Phone (office) (607) 777-7356

Economic Department FAX (607) 777-2681

email alockard@binghamton.edu

Prerequisites:

Grade of C or better in ECON 360; also grade of C or better in college level statistics (A-required from 2-year school).

Texts:

David D. Friedman, *Hidden Order: The Economics of Everyday Life*

Mancur Olson, *The Logic of Collective Action*

Additional readings will be posted in Blackboard.

Assigned readings must be read *prior to the class in which they are discussed*.

Course Objectives:

We will apply the tools of economic analysis to the public sector. That is, we will assume that citizens, politicians and bureaucrats are rational and self-interested, and explore the implications of those assumptions.

Attendance Policy:

Attendance is mandatory. There are no “excused absences.” Each student is given three personal days which they can use however they like. They may use them for weddings, funerals, athletic events, court appearances, illness or just to sleep in. After that, each additional absence will lower a student’s final grade by one point up to a maximum of 10 points. After that, there is no additional penalty for failure to attend. Coming late or leaving early is counted as ½ of an absence. Less than honest behavior regarding attendance counts as 13 absences.

Office hours:

Come and see me if there is anything that you still don’t understand after we discuss it in class, or if you get a lower grade on an assignment than you are comfortable with, or just to talk. I like it when students come in to see me. In the event of a low grade, I won’t change your grade if you come to see me, but I will tell you what you need to do to get a higher grade next time. Don’t worry if you can’t make it during my “official” office hours. It is easy for me to meet you pretty much any afternoon, if you let me know to expect you.

Grading:

1 page protocols	20%
Homework	20%
Midterm	20%
Final Exam	20%
Paper	15%
Paper deliverables	5%

Protocols:

Every time there is a reading assignment, you will be required to turn in a one page (double spaced with normal fonts and margins) discussion of the assigned readings for that class. The protocol includes a brief discussion of key points from the assigned readings. The point of the exercise is to insure that students read the assignments before the class in which they are discussed. Protocols are graded in a semi-probabilistic manner. If you don't turn one in, you get a 0. If you do turn it in, I will either read it or not. If I don't read it, it does not affect your grade. If I do read it, it does. Not getting read for one class increases your chance of getting read for the next class.

Homework:

The homework is more important in this course than the grading scheme suggests because all exam questions will be drawn from homework questions you have already done. There will be some math involved, but most assignments will be essay questions. Discussing the homework assignments with other students while you are working on them is encouraged. Copying another Student's work is forbidden, and each student is required to write a unique essay for all written assignments.

Writing – Gen Ed W:

This course will involve significantly more writing than a typical economics course. It fulfills a W Gen Ed requirement. Most homework assignments are written, rather than mathematical, although there will be some exceptions. There will also be frequent written protocols, and a term paper. Spelling, punctuation and grammar, will definitely affect your grade on written assignments.

Paper Deliverables:

In addition to the final version of your paper, various deliverables will be due throughout the semester. These provide ongoing feedback to you and insure you are on the right track.

Getting things in on time:

Assignments are due at the beginning of class on the date assigned. **Assignments submitted late will be penalized 10 points and hour.** This is true even if the assignment is late due to circumstances completely beyond your control, unless you have made prior arrangements with me. Faxing assignments in, emailing them if possible, having someone else hand them in, or sending them by overnight delivery are all acceptable.

Academic Honesty:

Representing someone else's work as your own is plagiarism and dishonest. The minimum consequence for representing someone else's work as your own is a zero on the assignment. The maximum penalty is expulsion from the university. Examples of plagiarism include cutting and pasting words (any) into a document without adding quotation marks and a citation, copying passages as short as a sentence fragment word for word without adding quotation marks and a citation. Copying other peoples' words, and changing a few words around is also plagiarism, as is paraphrasing other's works. No assignment is too small or insignificant so that plagiarizing it is permissible. In the context of this course, copying the keys points, word for word, from the readings for your protocol is plagiarism.

Midterm and Final exams:

Exam questions will be selected from prior homework questions. Since you will have already received feedback on answers to these questions once before, grading on the exams will be more demanding than on the original homework assignments. Unless I explicitly warn you otherwise, the final exam will *not* be comprehensive. That is, the final will only address the material we have covered after the midterm.

Paper:

A 12-15 page term paper will be due at our final class session, Dec. 11. Your topic is to consider any function that you feel should be accomplished by the public sector, and discuss problems that will need to be overcome for government to perform that function efficiently. Your paper must incorporate all relevant concepts covered in the course. Note that unlike most term papers, this one must focus primarily on material covered in class, rather than independent research accomplished outside of the assigned readings. In addition to the paper itself, you will be graded on paper deliverables, which will be due as the course progresses.

Term Paper deliverables

Deliverable	Due	Comments
Title & explanatory paragraph	Sep 14	Your title tells what your paper is about in a clear and concise way. It is understood that your title may be revised as work on your paper progresses, but it is vital that you have a clear idea of your intent at the outset. Include a one paragraph explanation of what you have in mind.
References	Oct 5	A list of the source materials that you have identified, and will become familiar with in the preparation of your paper. You may continue to add sources as you make progress on your paper, but by this time you must have identified a sufficient number to write a solid paper. Unless you have cleared it with me first, no internet sources are permitted. Include your paper topic.
Abstract	Nov 2	A one paragraph synopsis of your paper. Conveys the key findings of your paper in a clear and concise way. It is understood that your abstract may be revised as work on your paper progresses, but, once again, it is vital that you have a clear idea of your intent at the

		outset. Examples of abstracts are available through <i>Econlit</i> . See also the sample paper in Blackboard.
Outline	Nov 13	A traditional outline with headings and subheadings, associated with informative sentence fragments. Lays out the organization of your paper in a coherent fashion, and lays out your findings and conclusions in a concise manner. Examples of good and bad outlines are posted in Blackboard. Include your paper topic.
Term Paper	Dec 11	The final product. This has your final title, abstract and references (no outline). A full credit paper contains no errors, conveys your thesis in a coherent and easily followed manner, and is interesting to read. It is submitted via <i>Turnitin</i> in Blackboard, so be sure it is your own work.

Final grades will be assigned as follows:

≥ 92.5	A
$\geq 90, < 92.5$	A-
$\geq 87.5, < 90$	B+
$\geq 82.5, < 87.5$	B
$\geq 80, < 82.5$	B-
$\geq 77.5, < 80$	C+
$\geq 72.5, < 77.5$	C
$\geq 70, < 72.5$	C-
$\geq 60, < 70$	D
< 60	F

Note that a grade of 92.499999 is an A-, not an A.

ECONOMICS DEPARTMENT POLICY REGARDING MAKE-UP FINAL EXAMS

ALL make-up final exams in Economics will be given **Friday, December 18 from 8:00 to 10:00 AM**. All officially scheduled final exams are linked from the [BU Brain](#) – check **NOW** for conflicts. If a conflict exists you may request a make-up exam from the instructor of **ANY** of the conflicting courses. If you choose to request a make-up exam for an economics course, a sign-up list to request the make-up exam will be available in class after the add/drop deadline – ask the instructor. Students **MUST** make their request for a make-up exam in economics **NO LATER THAN FRIDAY, October 9**.

It is **the student's responsibility** to learn from the instructor if the request has been approved. Only students who are approved may take a make-up final exam. Students who have not requested a make-up exam in an economics course by **October 9** will be required to resolve conflicting exams with the instructor in one of their other courses.

Make-up exams are approved **ONLY** for the following conditions:

- Conflicts with the **OFFICIAL** final exam schedule (e.g. exams at the same time or more than two exams within 24 hours).
- **DOCUMENTED** personal illness or family emergency.

Date	Topic	Reading assignment
Aug 31	Introduction	
Sep 2	Stossel I	
Sep 4	Stossel II	
Sep 7	No Class	
Sep 9	Why Government? N	<i>Welfare Economics, The Declaration of Independence, Universal Declaration of Human Rights</i>
Sep 11 ¹	Why Government? N	<i>Add deadline Ayn Rand, Man's Rights & The Nature of Government. Some Party Platforms</i>
Sep 14	Why Government? P Paper Title due	Hobbes, Leviathan Ch 13 & 17, Buchanan – <i>Before Public Choice</i>
Sep 16	Why Government? P	Olson - <i>Dictatorship, Democracy, and Development.</i>
Sep 18	Private Markets I	Johnson Ch 2
Sep 21	Private Markets II	Johnson Ch 3
Sep 23	Private Markets III	Friedman Ch 15
Sep 25	Political Market I	Johnson Ch 4
Sep 28	No Class	
Sep 30	The Tragedy of The Commons	
Oct 2	Political Market II	Rosen, <i>Unanimity rules</i> , Tideman & Tullock, <i>A New and Superior Process for making Social Choices</i>
Oct 5	Market Failure Paper Refs due	Friedman – Ch 18 Coase – <i>The Lighthouse in Economics.</i>
Oct 7	Political Failure I	Wen - <i>Communal Dining and the Chinese Famine of 1958-1961</i>
Oct 9	Political Failure II	DeSoto – <i>The Mystery of Missing Information</i>
Oct 12	Voting I	Johnson 5
Oct 14	Voting II	Johnson 6 Lopez, <i>Handout on Voting</i>
Oct 16	Voting III	Tullock, <i>On Voting.</i> <i>Lockard on Arrow</i> Riker, <i>The Flying Club</i>
Oct 19	Voting IV	Buchanan & Tullock, <i>Calculus of Consent</i> , Ch 10 & 11
Oct 21	Collective Action I	Olson, <i>The Logic of Collective Action I</i> pp. 1-22, 33-65
Oct 23	Collective Action II	Olson, <i>The Logic of Collective Action II</i> pp. 125-167
Oct 26	Midterm	
Oct 28	Bureaucracy I	Johnson, <i>Public Choice</i> , Ch 10. Niskanen, <i>The Bureaucrat's Maximand</i>
Oct 30 ²	Bureaucracy II	Tullock, <i>The Politics of Bureaucracy</i> , Ch 2, 6, 8, 10
Nov 2	Bureaucracy III Abstract due	Parkinson, <i>Parkinson's Law</i> Tullock, <i>The Politics of Bureaucracy</i> , Ch 13, 25.

¹ Add Drop deadline

² Course Withdrawal deadline

Nov 4	Rent-seeking I	Friedman, p. 236. Buchanan, <i>Rent-seeking and Profit-seeking</i> . Lockard, <i>Rent-seeking</i>
Nov 6	Rent-seeking II	Tullock, <i>Transitional Gains Trap</i> . Tobacco Buy-out
Nov 9	Rent-seeking III	Hazlitt, <i>Economics in One Lesson</i> , Ch 1, 2, 4, 11, 14.
Nov 11	Taxation I	Friedman Ch 7 & 17 Baker, <i>American Way of Tax</i>
Nov 13	Taxation II Outline due	Gwartney & Long, <i>Is the Flat Tax a Radical Idea?</i> Garrison, <i>The Flat Tax Desimplified</i> .
Nov 16	Taxation III	Olson, <i>Theory of Soviet Type Autocracies</i>
Nov 18	Taxation IV	George, <i>Poverty and Progress</i>
Nov 20	Regulation I	Stigler, <i>The Citizen and the State</i> , Ch 3
Nov 23	Regulation II	Stigler, <i>The Citizen and the State</i> , Ch 8
Nov 25	Budget Deficits I	Rosen, <i>The Burden of Debt</i> O'Driscoll, <i>The Ricardo Non-Equivalence Theorem</i>
Nov 27	No Class	
Nov 30	Budget Deficits II	Shughart, <i>Budget Deficits</i> Rahn, <i>The Deficit Bugaboo</i>
Dec 2	Income Inequality I	Crook, <i>The Height of Inequality</i> Tullock, <i>A Note on Redistribution</i>
Dec 4	Income Inequality II	Hayek, <i>The Constitution of Liberty</i> Olasky, <i>The Tragedy of American Compassion</i>
Dec 7	Cost-Benefit Analysis	Rosen, <i>Cost-Benefit Analysis</i> Landsburg, <i>Choosing Sides in the Drug War</i> <i>Spam Queen</i>
Dec 9	Valuing Life	Friedman, <i>As much as your life is worth</i> Viscusi, <i>The Value of Life in Legal Contexts</i>
Dec 11	Review – Papers due	