

## Public Choice, ECO 3532, Fall 2017

Professor: Michelle A. Phillips

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Office: Matherly Hall 334

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Lecture: Mondays and Wednesdays 9:35-11:30am at Matherly Hall 114

Office Hours: My office hours are Monday, Tuesday, Wednesday and Thursday from 9-9:30am and Monday and Wednesday from 1:40-2:40pm in Matherly 334.

### *Recommended Text and Readings*

We will not be using a textbook. Reading material will be available on Canvas and/or distributed in class.

### *Grading*

Your grade will be determined by your performance on the following:

Graded Event	Weight
“Group article” paper and presentation	15%
Participation	10%
Exam 1	25%
Exam 2	25%
Exam 3	25%

The following scale will be used to determine your final grade:

*A 93 and above*

*A- 90 to 92.99*

*B+ 87.5 to 89.99*

*B 84 to 87.49*

*B- 80 to 83.99*

*C+ 77.5 to 79.99*

*C 72.5 to 77.49*

*C- 70 to 72.49*

*D 65 to 69.99*

*E 0 to 64.99*

### *Exams*

The Exams will rely on a variety of question formats and be closed book/closed note. The exams are not cumulative. However, some information in this course is foundational and overlap between the first and second sections of the course is unavoidable. NON-PROGRAMMABLE calculators are allowed. The use of cell phones, PDAs or any other programmable device during any graded event is not allowed and violating this policy may result in failing that graded event and/or the class. Please note that make-ups are not guaranteed and will only be given for verifiable reasons (medical emergencies, academic conflicts, and religious observance). For make-ups that are for academic, university sanctioned sport activities, or religious observance, you need to talk to me at least two weeks in advance, since the dates for these should be known ahead of time. Please refer to the “schedule” section for dates.

### *Participation*

Although attendance is not strictly required, your course grade is based on participation in the classroom. I will send emails with information on what articles you should read before each class session. I expect you to come to class ready to discuss the readings mentioned in the emails.

### *Group Project:*

Students will form groups of at most 4. Each group will select a reading from the approved list on Canvas, and using original creative thought, discuss a related idea. This can consist of either a criticism, extension, test proposal, or a combination thereof. Each group will both write a paper and have a presentation of their project. The paper must be 6-12 double-spaced pages, providing a thorough summary of the article so a nonreader will understand the relevant points, concentrating on what will be relevant for your original contribution, and then your original contribution. The focus will of course be on your

contribution. The presentations should consist of the same sections as the paper. You should be ready to present during all presentation dates. As an incentive to reward team members whose contributions had a significant impact on their teams, a team evaluation “peer review” sheet must be completed by all team members. In this sheet you will evaluate both yourself and your team members, this is also part of your grade.

#### *Office Hours*

This is a great time to ask the questions you were unable or too uncomfortable to ask in class. If the office hours listed above are not convenient due to class or work conflicts, I will work with you to find a better solution. The easiest way to schedule office hours by appointment is to email me. **Extra office hours will take place before each exam.**

#### *Contacting Me*

The best way to contact me is via e-mail. If you haven’t received a response within 72 hours, please assume I didn’t receive your email and re-send it. I try to answer emails as soon as I can, but you should allow at least 1 business day.

#### *Course Website*

We will be using Canvas. The address is: <http://elearning.ufl.edu/>. You log-in using your Gatorlink ID and password and the course should automatically appear as one of your e-learning options. If it does not, check to make sure you are properly registered for the course. If that is not the issue, contact the UF Computing Helpdesk at: <http://helpdesk.ufl.edu/>. Do not contact me about access issues. I cannot help you and the help you do need will only be delayed if you do. Most course materials and grades will be posted here.

#### *Academic Honesty*

You are expected to abide by the University’s rules for academic honesty. These are available for your review at <http://www.dso.ufl.edu/sccr>. Cheating, plagiarism and any other action that violates these rules will be prosecuted to the fullest extent. It should be noted that creating an excuse to take a make-up exam that cannot be verified constitutes cheating under the University guidelines.

#### *Students with Special Needs*

If you are a student with special needs and you require additional resources to participate in this course, please contact me immediately. The Dean of Students makes special accommodations for students as needed. After approval by the Dean of Students, the appropriate paperwork will be forwarded to me and accommodations can be made.

Date	Event
M Aug 21	Lecture
W Aug 23	Lecture
M Aug 28	Lecture
W Aug 30	Lecture
M Sept 4	<b>Labor Day Holiday</b>
W Sept 6	<b>Submit paper topic and group members, Lecture</b>
M Sept 11	Lecture
W Sept 13	Lecture
M Sept 18	<b>Exam 1</b>
W Sept 20	Lecture

M Sept 25	Lecture
W Sept 27	Lecture
M Oct 2	<b>Group paper due</b> , Lecture
W Oct 4	Lecture
M Oct 9	Lecture
W Oct 11	<b>Group presentations day 1</b> , Lecture
M Oct 16	Lecture
W Oct 18	<b>Group presentations day 2</b> , Lecture
M Oct 23	Lecture
W Oct 25	<b>Exam 2</b> , Lecture
M Oct 30	<b>Group presentations day 3</b> , Lecture
W Nov 1	Lecture
M Nov 6	<b>Group presentations day 4</b> , Lecture
W Nov 8	Lecture
M Nov 13	<b>Group presentations day 5</b> , Lecture
W Nov 15	Lecture
M Nov 20	<b>Group presentations day 6</b> , Lecture
W Nov 22	<b>Thanksgiving Holiday</b>
M Nov 27	Lecture
W Nov 29	Lecture
M Dec 4	<b>Make Up Exam</b> (for people with documentation who missed Exam 1, Exam 2 or Exam 3).
W Dec 6	<b>Exam 3</b>
W Dec 13	3-5pm. Optional Cumulative Final Exam.

### *SCHEDULE*

#### **Public Choice Topic List (with Reading Material)**

\*\* denotes book excerpts. \*\*\* denotes journal articles. Note: See Canvas for more information.

#### **Ia) Overview of Statistics:**

\*\* Roger Blair and Lawrence Kenny, *Microeconomics with Business Applications*, John Wiley & Sons. [see also Fisher (Aug. 31, pp. 89-92)]

#### **Ia) Voter's Preferred Level of Government Services:**

\*\* Joseph Stiglitz, *Economics of the Public Sector*, WW Norton 1986, pp. 126-131

#### **Ia) Median Voter Model and Income & Substitution Effects (Theory & Evidence)**

\*\* Stiglitz, pp. 131-34

\*\* Harvey Rosen, *Public Finance*, 2002, pp. 117-120 (3rd article).

\*\* Ronald Fisher, *State and Local Public Finance*, 2007, Thomson South-Western pp. 82-98.

#### **Ia) Shifting Median Voters:**

\*\*\* Thomas Husted and Lawrence Kenny, "The Effect of the Expansion of the Voting Franchise on the Size of Government," *Journal of Political Economy*, February 1997, pp. 54-82. (focus on pp. 59-70, 77)

### **IIa) Explaining Government Growth**

\*\* Harvey Rosen, *Public Finance*, 2002, pp.126-129.

### **IIa) Allocation of Spending across jurisdictions**

#### **IIb) Divergent Platform model**

\*\* Bernard Grofman and Thomas Brunell. Explaining the Ideological Differences between the Two U.S. Senators Elected from the Same State: an Institutional Effects Model. In P. Galderisi Ed. *Congressional Primaries in the Politics of Representation*. New York: Roman & Littlefield, 2001, pp. 132-142.

\*\* Francis & Kenny, Chapter 6 "Upward Mobility and Position Shifting," pp. 97-117.

#### **IIc) Party Dynamics**

\*\* Anthony Downs, *An Economic Theory of Democracy*, Harper & Row: 1957, pp. 114-131. (Skip material on parliamentary systems)

#### **II d) Multiple Issues and Logrolling (see next page)**

\*\* Harvey Rosen, *Public Finance*, 2002, pp. 113-115 (3rd article).

\*\* James Buchanan and Gordon Tullock, *The Calculus of Consent*, University of Michigan, 1962, pp. 132-40.

#### **II d) Logrolling**

\*\*\*Thomas Stratmann, "Logrolling in the U.S. Congress," *Economic Inquiry*, July 1995, pp. 441-56.

#### **IIe) Income Redistribution**

\*\*\* Husted & Kenny (focus on pp. 57-58, 70-77) "The Effect of the Expansion of the Voting Franchise on the Size of Government," *Journal of Political Economy*, February 1997, pp. 54-82. (same article as earlier, different pages to focus on).

\*\*\* John Filer and Lawrence Kenny, "Voter Reaction to City-County Consolidation Referenda," *Journal of Law and Economics*, April 1980, pp. 179-190.

#### **II f) Regional Coalitions**

\*\* Robert Crandall, "Air Pollution, Environmentalists, and the Coal Lobby," in *The Political Economy of Deregulation: Interest Groups and the Regulatory Process*, 1983, pp. 84-96.

\*\* Roger Blair and Lawrence Kenny, *Microeconomics for Managerial Decision Making*, 1982, 255-58.

\*\*\* James Kau and Paul Rubin, "Voting on Minimum Wages: a Time Series Analysis," *Journal of Political Economy*, April 1978, pp. 337-342.

#### **II g) Composition of Taxes**

\*\*\*Kenny and Winer. Tax Systems in the World: An empirical investigation into the importance of tax bases, collection costs, and political regime. *International Tax and Public Finance*, May 2006, pp. 181-215.

\*\*\*Riezman and Slemrod. Tariffs and Collection Costs. *Weltwirtschaftliches Archiv*. V. 123. 1987. Pp.545-549.

### **III) Bureaucracies**

\*\*Wagner. Incentive Systems and Public/Private cost differences. *Public Finance: Revenues and Expenditures in a Democratic Society*. 1983. P. 108-121

\*\*\* Weingast and Moran. Bureaucratic discretion or Congressional control? Regulatory policymaking by the FTC. 1983. *Journal of Political economy*, pp. 765-800.

\*\*Holcombe. Reversion threats against voters. *Public finance and the political process*. 1983. Pp. 49-65, 180-181.

### **IV) Special Interests**

\*\*Joe Stevens, *The Economics of Collective Choice*, Westview Press, 1993, pp. 214-23.

\*\*\*Kevin Grier, Michael Munger, and Brian Roberts, "The Industrial Organization of Political Participation," *Southern Economic Journal*, January 1991, pp. 727-738.

\*\*Arye Hillman, *The Political Economy of Protection*, Harwood Publishers 1989: Evidence, pp. 133-41.

\*\*\*Willem Thorbecke, "Explaining House Voting on the North American Free Trade Agreement," *Public Choice*, September 1997, pp. 231-242.

### **V) Voter turnout**

\*\*\*John Filer and Lawrence Kenny, "Voter Turnout and the Benefits of Voting," *Public Choice*, 35/5 (1980), pp. 575-585.

\*\*\*Russell Settle and Burton Abrams, "The Determinants of Voter Participation: a More General Model," *Public Choice*, Fall 1976, pp. 81-89.

### **VI) Social Choice**

\*\* Kolstad, Charles. *Environmental Economics. Social Choice: How much Environmental Protection?*

### **VII) Municipalities**

\*\*\*Edwin Mills and Bruce Hamilton, *Urban Economics*, Scott, Foresman 1989, pp. 310- 324.

\*\*\*Lawrence Kenny and Amy Schmidt, "The Decline in the Number of School Districts in the U.S.: 1950-1980," *Public Choice*, April 1994, pp. 1-18.

\*\*\* Amy Schmidt, "Private School Enrollment in Metropolitan Areas," *Public Finance Quarterly*, July 1992, pp. 298-320.