

ECON 309: Economic Problems and Public Policies

Spring 2023

Fridays: 9:00 am – 11:30 am

Professor:

Dr. Anne Rathbone Bradley

George and Sally Mayer Fellow for Economic Education and Academic Director, The Fund for American Studies

Professor of Economics, the Institute of World Politics

Email: arathbon@gmu.edu

Office Hours: Meetings are to be scheduled by appointment or over Zoom.

COURSE OVERVIEW AND OBJECTIVES:

This course aims to help you think like an economist when discussing public policy issues. One cannot possibly understand what the “right” or “best” policy is without the analytical framework embodied in the economic way of thinking. It does this by applying fundamental economic principles to a variety of contemporary public policy issues in an intuitive way. Economics is a way of analyzing all forms of human decision-making—from profit-seeking to charity.

This deliberately provocative class encourages you to challenge many “conventional wisdoms.” Its approach will teach you to detect and correct fallacious economic reasoning and expose common economic myths. By the end of the semester, your capacity to observe your surroundings through the lens of economic will improve. As a result, so will your appreciation for how the world works and its complexity.

Upon completion of this course, you will be able to:

1. Articulate the principles of the economic way of thinking.
2. Apply this way of thinking to a variety of public policy issues.
3. Understand human behavior through the lens of economics.
4. Detect and correct fallacious economic reasoning and expose common economic myths.
5. Apply the economic way of thinking to public policy issues both verbally and in writing.

REQUIRED MATERIALS:

Kearney, Melissa S. *The Two-Parent Privilege: How the decline in marriage has increased inequality and lowered social mobility, and what we can do about it*. Swift Press, 2023.

Coyne, Christopher J. *In search of monsters to destroy: The folly of American Empire and the paths to peace*. Independent Institute, 2022.

Bradley, Anne R., Christopher J. Coyne, and Abigail R. Hall. *The Political Economy of Terrorism, Counterterrorism, and the War on Terror*. Cambridge University Press, 2023.

Bauer, Péter Tamás. *From subsistence to exchange and other essays*. Princeton University Press, 2004.

COURSE STRUCTURE & GRADING:

Courses will be a mix of lecture and open discussion. Students are responsible for taking notes. I do not make my lecture notes available. If a student misses a class, it is their responsibility to obtain the lecture notes from a classmate. You are expected to arrive on time and to be engaged in the discussion. We will have some guest lectures and any content they discuss will be covered in examinations.

Your final grade is based on Online Reflective Essays (15%), Op-Ed assignment (15%), a midterm exam (30%), and a final exam (40%) which is cumulative. No additional credit is available.

Reflective Essays (15%): Each week we will engage in asynchronous work which may include listening to a podcast, watching a documentary, or additional readings. You are responsible for submitting an online journal every week in which you engage thoughtfully with that content. Your grade is based on the quality of your submissions each week.

Op-Ed (15%): You will write an op-ed on a timely and relevant matter of public policy. You will be required to use the economic way of thinking to adjudicate the issue and make an argument about the viability of the policy, or lack thereof.

Midterm exam (30%): The midterm exam will be administered in class on July 2, 2021. The exam will include *all* material covered up until that point in time.

Final exam (40%): The final exam will be administered at the last class meeting. The University sets this exam date and time and is non-negotiable. The final exam is comprehensive and will include *all* material covered throughout the semester.

SPECIAL ACCOMMODATIONS:

If you require any special accommodations, please see me immediately following the first class so we can work together to ensure that you have what you need to succeed in this course. You must submit your accommodations through the Registrar for them to be accepted. **If you have not done so, we cannot honor them.**

POLICY REGARDING AUDIO/VIDEO RECORDING & PICTURES:

For the privacy and comfort of your fellow students, audio, and video recordings, as well as photography, is strictly prohibited during class.

ACADEMIC INTEGRITY:

It is expected that students adhere to the George Mason University Honor Code as it relates to integrity regarding coursework and grades. The Honor Code reads as follows: “To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the University Community have set forth this: Student members of the George Mason University community pledge not to cheat, plagiarize, steal and/or lie in matters related to academic work.” More information about the Honor Code, including definitions of cheating, lying, and plagiarism, can be found at the Office of Academic Integrity website at <https://oai.gmu.edu>

Cheating will not be tolerated and can result in a failing grade, class dismissal, and university expulsion. If we suspect you of cheating, we will seek the appropriate punishment under George Mason University guidelines. **Using AI to generate your work including reflective essays and op-eds is a violation of the GMU honor code and will result in a zero for the project.** Please review the [George Mason University Honor System and Code](#). [No smart watches, fit bits, phones, laptops, tablets or any other electronic devices are permitted during exams. You are permitted to bring a pencil/pen and an exam sheet will be provided. All backpacks are to be stored against the wall. If we think that you are cheating from another student’s exam your exam will be pulled and you will be asked to leave and you will not be allowed to complete that exam.](#)

Readings and Class Lecture Schedule

Please be sure to read all materials before class every week. You are required to read all assigned articles/books before the class date in which we will discuss them.

SCHEDULED OUTLINE OF COURSE EVENTS

JANUARY 22 (MONDAY 3:30 pm) Week 1: Micro Foundations I

1. Roberts, Russell. [“The Concept of Opportunity Cost”](#)
2. Roberts, Russell. [“Incentives Matter”](#)
3. Read, Leonard: [I, Pencil](#)
4. Walter Williams: [The Value of Economics](#)
5. Roberts, Russell. [“The Reality of Markets”](#)
6. Henderson, David. [“Demand”](#)
7. Erhbar, Al. [“Supply”](#)

JANUARY 30 (TUESDAY) VICTIMS OF COMMUNISM MUSEUM TRIP

FEBRUARY 2: Micro Foundations II Order, Property, and Institutions

1. Roberts, Russell. "[A Marvel of Cooperation: How Order Emerges without a Conscious Planner](#)"
2. Roberts, Russell. "[Where Do Prices Come From?](#)"
3. Buchanan, James M. "[Order Defined in the Process of Its Emergence](#)"
4. [Economic Institutions](#)
5. Alchian, Armen A. "[Property Rights](#)"
6. Hardin, Garrett. "[Tragedy of the Commons](#)"
7. The Tragedy of the Commons <https://mru.org/courses/principles-economics-microeconomics/tragedy-of-the-commons-examples-economics>
8. Rosolino Candela and Ennio Piano, "The Rule of Law"
<https://www.mercatus.org/hayekprogram/research/book-chapters/rule-law>

****February 13**** Class at Institute of World Politics 6:00 PM

1. Bradley, Coyne and Hall "The Political Economy of Terrorism, Counterterrorism, and the War on Terror"
2. Hughes, Sam. "[How to Fight Terrorism](#)"
3. Krugman, Paul. "[Fearing Fear Itself](#)"
4. Mueller, John. "[A False Sense of Insecurity](#)"

February 16: Public Choice

1. Roberts, Russell. "[Pigs Don't Fly: The Economic Way of Thinking About Politics](#)"
2. Shugart II, William F. "[Public Choice](#)"
3. Stroup, Richard "[Political Behavior](#)"
4. "Public Goods and Asteroid Defense" <https://mru.org/courses/principles-economics-microeconomics/public-goods-example-asteroid-defense>
5. Henderson, David R. "[Rent Seeking](#)"
6. Norton, Rob. "[Unintended Consequences](#)"
7. Benjamin Powell: [Why Politicians Don't Cut Spending](#)
8. Cochrane, John. "[The Rule of Law in the Regulatory State](#)"

February 23: Productivity and Growth

1. Adam Smith, "[The Wealth of Nations](#)" 1.1 – 1.4
2. Lawson, Robert A. "[Economic Freedom](#)"
3. Peter Bauer "From Subsistence to Exchange" Chapter 1
4. Roberts, Russell. "[Treasure Island Part 1](#)"
5. Roberts, Russell. "[Treasure Island Part 2](#)"
6. Cox and Alm, "[Creative Destruction](#)"
7. Pritchett, Lant "[Immigration Before Automation](#)"

March 1: The Feasibility of Socialism

1. Hayek, F.A. Nobel Prize Lecture, "The Pretense of Knowledge"
<https://www.nobelprize.org/prizes/economic-sciences/1974/hayek/lecture/>
2. Heilbroner, Robert "Socialism" <https://www.econlib.org/library/Enc1/Socialism.html>
Boettke, Peter and Matthew D. Mitchell "[The Road to Socialism and Back: An Economic History of Poland](#)" Chapters 1-2

March 8 NO CLASS SPRING BREAK*

March 15: Immigration Policy

1. Cochrane, John: [Economic Growth and Changing the Policy Debate](#)
2. Deaton, Angus. [Health, Wealth and Poverty](#)
3. Nye, John. "[Economic Growth and True Inequality](#)"
4. Nye, John. "[Economic Growth Irreducible Inequality](#)"

March 22: MIDTERM

March 29: War and Nation Building—Guest Speaker Dr. Chris Coyne

1. Coyne, Chris "In Search of Monsters to Destroy" all chapters

April 5: Women, Welfare and Family Policy

1. Winship, Scott "[Bringing Home the Bacon: Have Trends in Men's Pay Weakened the Traditional Family?](#)"
2. Kearney, Melissa "The Two Parent Privilege" Chapters 1-5.
3. Goldin, Claudia "[The Quiet Revolution that Transformed Women's Employment, Education, and Family](#)"

April 12: Immigration—Guest Speaker, Alex Norwasteh

1. Norwasteh, Alex. "[The 14 Most Common Arguments Against Immigration and Why They are Wrong](#)"
2. Clemens, Michael. "[Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?](#)"
3. Clemens, Michael. 2009. "[The Biggest Idea in Economic Development that No One Really Tried.](#)"

April 19: Humanitarian Aid

1. Growth Miracles and Growth Disasters <https://mru.org/courses/principles-economics-macroeconomics/economic-growth-miracle-and-disaster>
2. Watch the documentary: "Poverty Inc" available on Amazon Prime
3. Skarbek, David B. and Peter T. Leeson. 2009. "[What Can Aid Do?](#)" Cato Journal 29(3): 391-397.
4. Bauer, Peter. "From Subsistence to Exchange" Chapter 5-6

April 22 Week 14: Economic Nationalism

1. Bastiat, Frederic. "[A Petition](#)"
2. Bastiat, Frederic. "[The Negative Railroad](#)"
3. Cass vs. Lincicome: Read <https://www.manhattan-institute.org/resolved-that-america-should-adopt-an-industrial-policy> and <https://www.cato.org/commentary/case-free-trade>
4. Boudreaux, Don. "[Free Trade and Globalization: More than just Stuff](#)"
5. Podcast: Michael Munger on Industrial Policy with Russ Roberts <https://www.econtalk.org/michael-munger-on-industrial-policy/>

TAKE HOME FINAL

1. Roberts, Russell. [“The Reality of Markets”](#)
2. Council on Foreign Relations [Venezuela: The Rise and Fall of a Petrostate](#)