

**Econ 309-601: Economic Problems and Public Policies**

**Summer 2020**

**Tuesday: 4:30 – 8:30pm & Friday: 9:00am – 12:00pm**

**Founders Hall**

**Dr. Christopher Coyne**

**Department of Economics, George Mason University**

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**Office Hours:** I will be available before and after each class to meet with students. Please contact me if you would like to make a specific appointment to meet.

**COURSE OBJECTIVES AND LEARNING OUTCOMES:**

The goal of this course is to help you think like an economist when discussing public policy issues. It does this by applying key economic principles to a variety of contemporary public policy issues in an intuitive way. Economics is not just about money, the stock market, or business. It is a way of analyzing *all forms* of human decision-making—from profit-seeking to charity.

This class is deliberately provocative and 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 economics will improve. As a result, so will your appreciation for how the world works.

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.

**READINGS:**

There are no required books for this course. All readings are available online and free of charge. A hyperlink is included in the title of each reading listed below.

**GRADING AND ASSIGNMENTS:**

Your final grade is based on two exams, one current event assignment, and attendance.

**Exams (70% total)**

There are two exams for this course. The midterm exam (30%) will include all of the material from the first meeting to the class before the exam. The final exam (40%) is cumulative. The exams will consist of multiple choice questions and short answer/essay questions. I will review

and discuss the specifics of the exams the first day of class and again before each exam. Please be sure that you are available on the scheduled dates.

**Op-ed assignment (15% total)**

As a final assignment, each student is responsible for writing an op-ed engaging a current policy problem. The topic is your choice. The purpose of this exercise is twofold: (1) to encourage you to follow current public policy issues and (2) to provide you the opportunity to apply the concepts discussed in the readings and class to current events. I will distribute an instruction sheet electronically with more specifics regarding content and formatting. I will review this the first day of class.

**Attendance (15% total)**

It is important that you commit to attending class. Class will be a combination of lecture and open discussion which will not necessarily parallel the required reading. Anything discussed in class is fair game for the exams, so coming to class is critical for doing well in this course.

I will take attendance either at the beginning or end of each class. You must be present when I take attendance to receive credit. There are no exceptions for arriving late (if attendance is taken at the beginning of class) or if you leave early (if attendance is taken at the end of class). Each student is allowed one absence during the course with no penalty. This will allow you to attend to any unforeseen consequences (work-related activities, delays in commute, sickness etc.). You do not need to contact me if you will miss class and no additional exceptions for absences will be made.

**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>

**SPECIAL NEEDS AND DISABILITY SERVICES:**

Students with disabilities who seek accommodations must be registered with the GMU’s Disability Services (see <http://ds.gmu.edu/>). If you require accommodations, please see me in person as soon as possible so that we can discuss the specifics.

## **TENTATIVE SCHEDULE:**

### **1. The Economic Approach, Part 1 (June 9)**

Roberts, Russell. "[The Concept of Opportunity Cost](#)"

Roberts, Russell. "[Incentives Matter](#)"

### **2. The Economic Approach, Part 2 (June 12)**

Henderson David. "[Demand](#)"

Roberts, Russell. "[A Marvel of Cooperation: How Order Emerges without a Conscious Planner](#)"

### **3. Property, Trade, Coordination, and Institutions (June 16)**

Alchian, Armen A. "[Property Rights](#)"

Hardin, Garrett. "[Tragedy of the Commons](#)"

### **4. The Market Process (June 19)**

Buchanan, James M. "[Order Defined in the Process of Its Emergence](#)"

Roberts, Russell. "[The Reality of Markets](#)"

### **5. The Economics of Politics, Part 1 (June 23)**

Roberts, Russell. "[Pigs Don't Fly: The Economic Way of Thinking About Politics](#)"

Shughart II, William F. "[Public Choice](#)"

Stroup, Richard. "[Political Behavior](#)"

### **6. The Economics of Politics, Part 2 (June 26)**

Henderson, David R. "[Rent Seeking](#)"

Norton, Rob. "[Unintended Consequences](#)"

### **7. Midterm Exam (June 30)**

### **8. July 3 – No class, GMU closed for summer recess**

**9. The Rule of Law, Regulation, and Development (July 7)**

Cochrane, John. 2015. "[The Rule of Law in the Regulatory State](#)"

**10. The Economics of Torture (July 10)**

Alfred McCoy. 2005. "[Cruel Science: CIA Torture and U.S. Foreign Policy](#)," *New England Journal of Public Policy* 19(2): 209-262.

**11. The Economics of Terrorism (July 14)**

Hughes, Sam. 2016 "[How to Fight Terrorism](#)"

Krugman, Paul. 2015. "[Fearing Fear Itself](#)"

Mueller, John. 2004. "[A False Sense of Insecurity](#)," *Regulation*, Fall, p. 42-46.

**12. Economic Nationalism (July 17)**

Bastiat, Frederic. "[A Petition](#)"

Bastiat, Frederic. "[The Negative Railroad](#)"

Roberts, Russell. "[Treasure Island: The Power of Trade, Pt. 1](#)"

Roberts, Russell. "[Treasure Island: The Power of Trade, Pt. 2](#)"

**13. Development & Foreign Intervention (July 21)**

Lawson, Robert A. "[Economic Freedom](#)"

Clemens, Michael. 2009. "[The Biggest Idea in Development that No One Really Tried](#)," The Annual Proceedings of the Wealth and Well-Being of Nations, II: 26-49.

Skarbek, David B. and Peter T. Leeson. 2009. "[What Can Aid Do?](#)" *Cato Journal* 29(3): 391-397.

**14. To be determined (July 24)**

**15. Final Exam (July 28)**