

**PA 541: Political Economy and Public Administration**

Fall 2004, Wednesday, 5:30 PM – 8:10 PM

Professor: Byron E. Price

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Office Hours: 4:00- 5:15 p.m. Wednesday

Or by appointment.

**Required readings from the following sources:**

R. Heilbroner and L. Thurow, *Economics Explained*, New York: Touchtone.

M. Sahlins, *Stone Age Economics*, New York: Aldine De Gruyter. **(On reserve)**.  
Selected readings.

M. Friedman, *Capitalism and Freedom*, Chicago: University of Chicago Press.  
**(On reserve)**. Selected readings.

L. Salamon, *America's Nonprofit Sector: A Primer*, New York: Foundation  
Center.

**Recommended Readings**

James Caporaso and David Levine, *Theories of Political Economy*, New York:  
Cambridge University Press.

V. Ostrom, *The Intellectual Crisis in American Public Administration*,  
Tuscaloosa: University of Alabama Press, 1989. **(On reserve)**. Selected readings.

S. Weidenborner and D. Caruso, *Writing Research Papers: A Guide to the  
Process*, New York: St. Martin Press.

A. Portes, M. Castells & L. Benton, (1989). *The Informal Economy: Studies in  
Advanced and Less Developed Countries*, Baltimore: John Hopkins University Press.

Lindblom, C. (1977). *Politics and Markets: The World's Political-Economic  
Systems*. New York, NY: Basic Books.

Doens, A. (1957). *An Economic Theory of Democracy*. New York, NY: Harper  
& Row.

## Course Overview

The purpose of this course is to provide students with a basic understanding of how public and private governance structures and institutional processes influence and constrain policy choices and administrative decisions. We will engage in a critical examination of the relationship between public and private sectors and how economic theories and analysis can enhance our understanding of government and public administration. In doing so we will examine the consequences of various institutional arrangements for substantive policy choices and management decisions in government. Students are also expected to read the newspapers and follow stories in the media. There will be regular discussions about the condition of the economy. By the end of the semester you are expected to:

- (1) Be able to analyze articles and papers written from an economic perspective.
- (2) Assess the influence of values on economic ideas and public policy.
- (3) Identify key concepts and critically assess U.S. economic policy.
- (4) Be able to assess the impact of monetary and fiscal policy on decision making.

## **Grading Criteria**

Midterm Exam	30%
Class Participation	20%
Student Presentations	25%
Final Exam	25%

## Course Outline

<b>September 8</b>	<i>Introduction and Class Overview</i>
<b>September 15</b>	<i>Pre-Market Societies and Change</i> Readings: Sahlins, Stone Age Economics, Chapter 1 Laws, Markets, and Waste. Internet article. <a href="http://www.policynetwork.net/jm/law_markets_waste_morris.pdf">http://www.policynetwork.net/jm/law_markets_waste_morris.pdf</a> Taylor, Material Life, Markets and Capitalism. Internet article. <a href="http://distance-ed.bcc.ctc.edu/econ100/ksttext/systems/economicssystem.htm">http://distance-ed.bcc.ctc.edu/econ100/ksttext/systems/economicssystem.htm</a> Capitalism, the Free Market, and the Duties of Property and Contract. <a href="http://www.friesian.com/capit-1.htm">http://www.friesian.com/capit-1.htm</a>
<b>September 22</b>	<i>Early Economic Thinkers</i> Readings: Heilbroner and Thurow, Chapters 1-4
<b>September 29</b>	<i>Savings, Investment and Consumption</i> Readings: Heilbroner and Thurow, Chapters 5-9

- October 6**                    *Money, Inflation and Productivity*  
Readings:      Heilbroner and Thurow, Chapters 10-13
- October 13**                *Microeconomics and Markets*  
Readings:      Heilbroner and Thurow, Chapters 14-17
- October 20**                **In-class Midterm Exam**
- October 27**                *Microeconomics and Human Behavior*  
Readings:      Friedman, Chapters 1, 2, 6, 7, & 12
- November 3**                *Political Economy and Public Administration (On Reserve)*  
Readings:      Ostrom, selected readings
- November 10**              *The Third Sector: the Non-Profit Sector*  
Readings: Salamon, Chapters 1-6
- November 17**              *The Third Sector: the Non-Profit Sector*  
Readings: Salamon, Chapters 7-12
- November 24**              **Thanksgiving Holiday**
- December 1**                *International Context & Public Choice*  
Readings:      Heilbroner and Thurow, Chapters 18-19  
**Public Choice Theory, Internet Articles.**  
<http://www.magnolia.net/~leonf/sd/pub-choice.html>  
  
<http://www.econlib.org/library/Enc/PublicChoiceTheory.html>
- December 8**                *Rent Seeking, and the Tragedy of the Commons*  
Readings:      **Rent Seeking, Internet Articles.**  
  
<http://rdc1.net/forthcoming/Rent&Inst.pdf>  
  
<http://www.friesian.com/rent.htm>  
  
**Tragedy of the Commons, Internet Article.**  
<http://dieoff.com/page95.htm>
- December 15**              **In-class Final Exam**