

ECONOMICS 4330
Public Sector Economics
Fall 2018

- I. Instructor: Dr. Tim Roth
- Office Hours: TR 10:30AM – 11:30AM
MW 9:30AM – 10:30AM
- Telephone: 747-5245 (O)
833-1876 (H)
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II. Course Objective:

The objective of the course is to familiarize students with the economist's approach to government. The point of departure is the economist's outcomes based, procedurally-detached theory of the state, social welfare theory. While the theory is standardly employed in the analysis of "market failure", rights, and distributive justice, emphasis is placed on a critical appraisal of the theory, and of the public philosophy to which it is conjoined. The analysis informs a preliminary assessment of federal on-, off-, and off-off budget activity, and of the federal budget process. Attention then turns to Adam Smith's procedurally based, consequence-detached "science of the legislator", and its relationship both to the Founders' "auxiliary precautions"—notably federalism, and the separation of powers – and to Constitutional Political Economy [CPE], a procedurally based alternative to utilitarian social welfare theory. Animated by a prior ethical commitment to the moral equivalence of persons, CPE focuses evaluative attention on procedural justice; on institutions designed to maximize equal political participation and to minimize rent seeking and majoritarian cycling. The implications for the role and scope of federal activity are explored.

III. NO TEXTBOOK

IV. Instructional Method:

Primarily lecture. Student-professor colloquies are encouraged.

V. Course Content

Probable Date

Course Mechanics: Overview of the Course

August 27

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Models and Model Building	August 29
The Public Sector in the United States	September 5
The Economist's Theory of the State [SWT]	
The Theoretical Foundations	September 10
The Efficiency Frontier	September 12
The Social Welfare Function	September 17
TEST NUMBER ONE	September 19
Market Failure. The First Fundamental Welfare Theorem	September 24
Economic Efficiency and "Equity": The Second Fundamental Welfare Theorem	September 26
A Critical Assessment of the Theory	
SWT as a Hybrid Moral Theory	October 1
The Properties of Utility and Production Functions	October 3
The Ontological Existence of the Social Welfare Function	October 8
Public Goods and Externalities	October 10, 15
TEST NUMBER TWO	October 17

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On- and Off-Budget Federal Activity	October 22
Off-Off-Budget Federal Activity	October 22
Federal Tax Programs and Policy	October 24
The Federal Budget Process	October 29
Distributive Justice and Social and Economic Rights: The Link to the Economist's Utilitarian Theory of the State	October 31
The Implications for the Role and Scope of Federal Government Activity	November 5
TEST NUMBER THREE	November 7
COURSE DROP DEADLINE	November 12
Adam Smith's "Science of the Legislator"	November 14
Madison's "Auxiliary Precautions": Federalism and the Separation of Powers	November 19, 21
James Buchanan's Constitutional Political Economy: Procedural Justice and Rights as the Product of Self-Government	November 26
The Implications for the Federal Budget Process, and for the Role and Scope of Federal Government Activity	November 28 December 3
Last class (and last day for complete withdrawal from the university)	December 5
FINAL EXAMINATION	December 14 10:00AM – 12:45PM

VI. Course Grading:

There will be four essay examinations (including the Final Examination). Each examination will contemplate a maximum of 100 points, with each student required to answer two questions. While there will be no "curve", I shall, in determining the course grade, drop each student's lowest grade. Note: Students must sit for all four examinations.

VII. Attendance Policy:

While I do not require attendance, each examination will be based on class lectures. Attendance is, therefore, necessary.

VIII. UTEP Policy on Academic Integrity:

The University of Texas at El Paso prides itself on its standards of academic excellence. In all matters of intellectual pursuit, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of scholastic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards.

Any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the Handbook of Operating Procedures (HOP), and are available in the Office of the Dean of Students, and the homepage of the Dean of Students (DOS) at www.utep.edu. may result in sanctions ranging from disciplinary probation, to failing grade on the work in question, to a failing grade in the course, to suspension or dismissal, among others.

IX. Statement on Disability:

If you feel you may have a disability that requires accommodations, contact the Disabled Student Services Office at 747-5148, go to the Union Bldg., East, Room 106, or e-mail-dss@utep.edu.