

Constitutional Economics
Economics 828
Spring 2011
Rm. 318 Enterprise Hall
Monday 4:30-7:10pm

Peter J. Boettke
Office Hours: by appointment
Rm. 324 Enterprise Hall
703.993.1149 or pboettke@gmu.edu

Alexander Hamilton argued in *Federalist #1* that the American experiment would reveal “whether societies of men are really capable or not of establishing good government from reflection and choice, or whether they are forever destined to depend for their political constitutions on accident and force.” This class will explore Hamilton’s question and its implication for political economy. To provide a satisfactory answer, we will be forced to look at this question from a variety of perspectives that come to us from the disciplines of political philosophy, analytical economics, and historical interpretation. We will strive to learn from writings old and new that have been offered as contributions to tackling the question of how and with what means can men construct the “good society”.

Our primary method of learning will be reading and critical dialogue. In other words, if you are not committed to doing the reading and participating in the discussion, this is probably not the right class choice. I will be the discussion leader, but it will be my intent to intervene in a very limited capacity. Though, obviously, I will reserve the right to steer the conversation in more productive directions if I fear we are going astray. As we get used to this seminar style, I will be asking each of you to bring 3 questions, to be distributed to me and your classmates, each week. You will be judged on the questions you ask as well as the answers you can provide during the class discussion.

In short, I want you to take ownership over your learning in the field of constitutional political economy and public choice. Once you take ownership over your learning, I believe, you will want to contribute to the literature in constitutional political economy since the questions are of such a fundamental nature to our existence as human beings living in societies made up of other human beings that you simply cannot stop seeking satisfactory answers once you open your mind to this intellectual journey.

Our daily survival depends upon the cooperation of hundreds (perhaps thousands) of individuals who we will never know and who in most instances will never know each other. Adam Smith argued that: “In civilized society he stands at all times in need of the cooperation and assistance of great multitudes, while his whole life is scarce sufficient to gain the friendship of a few persons.” This cooperation in anonymity is at the core of our understanding of social order. As Ludwig von Mises put it “What alone enables mankind to advance and distinguishes man from the animals is social cooperation.” But our ability to realize the benefits of social cooperation under the division of labor is a function of the informal and formal rules of governance and their enforcement that are in place. Ultimately, answering these questions of governance and social cooperation will unlock the answers to the fundamental questions of the peaceful co-existence, generalized prosperity, and the progress of human civilization.

READINGS

- Albert Hirschman, *The Passions and the Interests*
- F.A. Hayek, *The Constitution of Liberty*
- John Rawls, *A Theory of Justice*
- Robert Nozick, *Anarchy, State and Utopia*
- James M. Buchanan, *The Logical Foundations of Constitutional Liberty* (vol. 1 of *Collected Works*)
- James M. Buchanan & Gordon Tullock, *The Calculus of Consent*
- James M. Buchanan, *The Limits of Liberty*
- Vincent Ostrom, *The Meaning of Democracy and the Vulnerabilities of Democracies*
- Dragos Aligica and Peter Boettke, *Challenging Institutional Analysis and Development: The Bloomington School*
- Daron Acemoglu and James Robinson, *Economic Origins of Dictatorship and Democracy*
- Roger Congleton, *Perfecting Parliament*
- Mark Pennington, *Robust Political Economy: Classical Liberalism and the Future of Public Policy*
- Edward Stringham (ed.), *Anarchy and the Law*

GRADING

In theory, the questions on the reading as well as your participation in discussion will count for 1/3 of your grade. A take-home final intended to prepare you for the field exam in Constitutional Economics will represent another 1/3. Finally, a research paper that is intended for publication will represent 1/3. Despite this equal weighting in theory, honesty demands that I reveal that in practice I will tend to weight the research paper more than the others so if you are going to make a trade-off in your efforts, do not trade-off the work effort on the research paper. My personal pecking order in grading will be the paper, contribution to discussion, final exam. It is my sincere belief, though, that if you focus on the readings and the discussion, you will write a much better research paper and you will also be able to write the final exam with ease. In short, I do not see the trade-off that many students will assume is evident after looking at the syllabus. Instead, I see complementarities in the scholarly quest to understand.

DATE	TOPIC	READINGS
January 24	The Taming of Man	Hirschman
January 31	A Framework for Liberty	Hayek
February 7	Philosophy and the Principles of Justice	Rawls
February 14	The Libertarian Response	Nozick
February 21	The Analytical Foundations of Modern Political Economy	Buchanan Vol. 1
February 28	The Logical Foundations of	Buchanan and Tullock

	Constitutional Democracy	
March 7	Constraining Leviathan	Buchanan <i>Limits</i>
March 14 (Spring Break)	CLASS DOES NOT MEET	
March 21	CLASS DOES NOT MEET	
March 28	CLASS DOES NOT MEET	
April 4	The Epistemic Turn in Public Choice	Ostrom Aligica and Boettke
April 11	CLASS DOES NOT MEET	
April 18	Modern Political Economics	Acemoglu and Robinson
April 25	Analytical History as Social Science	Congleton
May 2	The Future of Classical Liberalism	Pennington Stringham, ed.

May 2 -- Research paper are due.

May 11 -- Final exams are due.