The purpose of the paper is to develop some original research using the tools and concepts developed in class. Your paper should apply *the tools and concepts to a public policy issue in or reform that you find of interest.*

Style counts--in so far as good reasoning is best revealed by clear well-organized prose. A bit of policy and institutional research will be required for essentially every paper. The richer and more profession is the application of the tools and concepts, the higher the grade will be. (Remember that an analysis and/or model does not have to be complicated to be sophisticated.)

All papers should be typed *one and a half* spaced (at least 12 pt fonts and 1 inch margins) and be twelve to sixteen pages in length, as necessary. Complete references should appear in a bibliography at the end of the paper (including websites and direct references to the class notes) and do not count in the page count. The papers should be **sent** as pdf or doc files to my email address, congleto@gmu.edu. The papers are due on September 30.

Here are some ideas for papers. You may write on others as well but be sure to "clear" other paper topics with me before starting the paper

Possible paper topics include:

1. The majority of rational choice theorists personally prefer majority rule institutions over dictatorship. There are two possible public choice explanations for this. First, democracies may adopt systematically better policies than dictatorships. Second, the may avoid policy mistakes, or reach political decisions at a lower cost than dictatorship. Is there and "instrumental" case for democracy?

    i.   Are there institution features of democracy that tend to improve public policy decisions.
    ii. Are there any institutional features of democracy which make rent seeking less of a problem for democracies than for alternative forms of government? Explain.

2. Analyze the effects of voter ignorance on public policy and with respect to an special interest group's ability to affect public policy outcomes.

    i.   Under what circumstances would economizing on information systematically affect public policy development?
    ii. If voter ignorance enhances the power of interest groups, does it also place constraints on that power?

3. Special interest groups have essentially two methods by which they can affect electoral outcomes. They can vote as a block or they can provide economic resources for the candidate of their choice. Single issue voting appears to violate the usual assumptions that economists make about tastes.

    i.   Develop a model of single issue voting that is consistent with the conventional economic model of individual behavior.
    ii. How do "voting clubs" affect candidate incentives to take various positions during an election?

4. A government bureaucracy always has some autonomy to allocate its resources as it sees fit. Partly this reflects monitoring costs and partly it reflects the delegation of authority to experts. Analyze the cost and benefits of bureaucratic discretion.

    i.   How much authority should be delegated to bureaucracy?
    ii. Is government bureaucracy just a special case of the so-called agency problem or is government bureaucracy different from private bureaucracy?

5. Analyze some policy issue where interest groups appear to have played an extensive role in developing government policy. Suppose that special interest groups completely dominate political outcomes as is assumed by, for example, Becker's (1983) paper on interest groups.

    i.   Determine whether the outcome necessarily Pareto efficient, even with in a Becker type of framework.
    ii. Are there institutional steps that can be taken to make rent-seeking activities more efficient?
    iii. Analyze the effects that institutions can have on the costs and/or effectiveness of special interest group activities.

6. Casual observation suggests that highway expenditures in most developed countries have declined relative to highway demand over the last twenty years. Highway congestion in most metropolitan areas is systematically worse than it even ten or fifteen years ago.

    i. Construct a model that explains this.

    ii. Have roads gotten more expensive, or has the balance of power among relevant interest groups changed during this time?

7. Support for higher education has fallen in recent years in most states based on such measures as real per student expenditures and/or percentage of education costs borne by state tax payers.

    i. Construct a public choice model (electoral, special interest, or combined) that explains this trend.

    ii. If time permits, assemble the data necessary to test your model using cross sectional or time series data.

    iii. (A good deal of data is now available on websites.)

8. Environmental regulations have increased substantially in the past twenty years. The arguments used are nearly always "public interest" arguments, yet environmental policies clearly have distributional consequences.

    i. Analyze incentives for voters and interest groups to advance environmental aims.

    ii. Is there evidence that suggests public interest motivations are more important than private interest in explaining the formation and success of environmental interest groups?

9. Is there a median voter model explanation of trade barriers of any sort? Try to construct a model of tariffs from the median voter's point of view.

    i. Explain why "she" might prefer a tariff to, say a broad based tax on all commodities.

    ii. (Hint: your model will need at least three goods, a domestically produced commodity, an imported commodity, and a government service financed by tax revenues.)

10. Develop a voting-based explanation or a collection of explanations for government growth in general or in the level of a particular program or tax (say Medicare, Social Security, Defense, Public Parks, etc.).

    i. How much of government growth seems to be demand driven, in the sense that voters, especially the median voter, simply wants a larger government. How much seems to be interest group oriented?

    ii. Given your analysis, discuss ways that a bias toward growth (if any exists) can be reduced.

11. Take some particular public good or free rider problem and analyze differences and similarities in the likely method(s) that alternative forms of government (parliaments, presidential, and/or authoritarian) would use to "solve" public goods problems.

    i. Does your analysis suggest that constitutions matter?

    ii. Contrast politically feasible or likely solutions to public goods problems in the institutional settings of interest with economically efficient solutions.

12. Analyze the logic and effects of rational ignorance and fiscal illusion.

    i. To what extent might politicians attempt to use rational ignorance to promote their own interest?

    ii. Is there any limit on the extent to which voter ignorance can be exploited.

    iii. Discuss policies that might reduce fiscal illusion.

13. Develop an electoral rationale for the optimal level of fiscal decentralization, that is to say division of responsibilities among local, national and confederal governments.

    i. Given this, consider whether the EU is over or under centralized.

    ii. Are there political problems that prevent us from reaching the ideal? How so?

14. Ranking alternative policies requires a consistent normative theory if one is to develop theories of good governance.

    i. Compare and contrast three "macro" normative theories that can be used to rank alternative states of the world.

    ii. Are any of these theories more widely applicable than the others? Are any more closely related to existing legal theories?

    iii. Did any of there theories play a role in the actual development of public policy? How so?

15. Choice any other public policy topic for which there is a role for voting models. (However, you should clear any alternative topic with me first, before preceding too far.)