

BEST PRACTICES SYLLABUS

(in progress)

2017

ECONOMIC PROCESS SEMINAR

GENERAL THEMES AND CONCEPT LIST

Public Choice

- a. The cost of elections
- b. The logic of voters
- c. Collective decision theory
- d. Pressure groups
- e. Rent seeking
- f. Theory of regulation and capture
- g. The citizen as a tributary
- h. The individual and the institutional reform

Entrepreneurship

- i. Investment simulator
- j. Labor code
- k. Business Model Canvas

Environment

THEMES AND CONCEPT LIST BY DISCIPLINE

- l. Health sciences
(medicine, nutrition, dentistry and psychology)
- m. Architecture
- n. Political Studies and International Relations
- o. Law

DESCRIPTION

1. The cost of elections

- How are political or collective decisions made?
- What costs does a decision imply?

MAIN OBJECTIVE

Understanding the costs and consequences behind a political or collective decision.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- James Buchanan: Cost and Choice. Cap. 3. pp. 37 – 48

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

2. The logic of voters

- What is our role as voters?

MAIN OBJECTIVE

Analyze the cost incurred by individuals when they vote in the electoral system.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos

REFERENCES: READINGS AND LITERATURE

- Anthony Downs: An economic theory of democracy. Cap. 14 The Causes and effects of Rational Abstention. pp. 260 – 276
- Bryan Caplan: The Myth of the Rational Voter. Cap. 4 y 5

REFERENCES: AUDIOVISUAL RESOURCES

- Penn and Teller: Environmental Hysteria: Banning Water
<https://www.youtube.com/watch?v=yi3erdgVVTw>

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

3. Collective decision theory

- How do associations and organizations for civic purposes work?

MAIN OBJECTIVE

Understand the variables that affect a collective decision in the field of associations and organizations for civic purposes.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- Mancur Olson: The Logic of Collective Action. Cap. 1 A Theory of Groups and Organizations. pp. 5 – 52
- Randy Simmons: Beyond Politics. Cap. 3 Undemocratic Side of Democracy

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

4. Pressure groups

- How do interest and pressure groups behave?
- Why workers are hurt by “guarantees” at work?

MAIN OBJECTIVE

Understand the functioning of pressure groups in government to identify how they achieve their goals.

METHODOLOGY

- Master class
- Video

REFERENCES: READINGS AND LITERATURE

- Mancur Olson: The Logic of Collective Action. Cap. 1 A Theory of Groups and Organizations. pp. 5 – 52
- Case of Green Jobs Studio:
<https://grist.files.wordpress.com/2009/05/090327-employment-public-aid-renewable.pdf>
- Thomas Sowell: Applied Economics. Cap.2 Free and Unfree Labor. pp. 31 – 67
- James Buchanan and Gordon Tullock: The Calculus of Consent. Cap. 10 Simple Majority Voting 7

REFERENCES: AUDIOVISUAL RESOURCES

- The Rise and Decline of Nations
https://www.youtube.com/watch?v=ml_Z_oVYEkw

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

5. Rent seeking

- Does it have a social cost to use the power to access artificial rents?
- What happens when groups seek to live off the State?

MAIN OBJECTIVE

Identify the actions of the groups that seek protection and maintenance by the State.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- Gordon Tullock, Arthur Seldon and Gordon L. Brady: Government Failure, A primer in public choice. Cap. 4 The Cost of Rent-Seeking. pp. 43 – 51
- Arnold Harberger: Monopoly and Resource Allocation
- Anne Krueger: The Political Economy of the Rent-Seeking Society
- Gordon Tullock: Rent Seeking

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

6. Theory of regulation and capture

- What really happens when the government regulates the economic activity?
- How do they design the regulations?

MAIN OBJECTIVE

Analyze the economic consequences of the regulation of certain economic activities, studying phenomena such as the capture of the regulator and the inefficiency of the regulations.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos

REFERENCES: READINGS AND LITERATURE

- George Stigler: The theory of regulation
- Thomas Sowell: Applied Economics. Cap. 1 Politics versus Economics pp. 1 – 29

REFERENCES: AUDIOVISUAL RESOURCES

- Theory of capture, case of the Monetary Board
<https://newmedia.ufm.edu/video/teoria-de-la-captura-el-caso-de-la-junta-monetaria/>
- Economic Freedom and Quality of Life
<https://www.youtube.com/watch?v=dH5VDZY2H28>
- Government intervention and *free riders*
https://www.youtube.com/watch?v=EX_aC_KxYLs

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

7. The citizen as a tributary

- What is our tributary role?
- Who influences in tax policies?
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MAIN OBJECTIVE

Understand the role of a citizen by evaluating how their actions and decisions affect the tax system.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos

REFERENCES: READINGS AND LITERATURE

- Joseph Schumpeter: The crisis of the tax state

REFERENCES: AUDIOVISUAL RESOURCES

- Lecture about public finances in the light of Public Choice by Randall Holcombe
<https://newmedia.ufm.edu/video/las-finanzas-publicas-a-la-luz-del-analisis-de-las-decisiones-publicas/>

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

8. The individual and the institutional reform

- How is an institutional reform produced and how can civil society take the initiative?

MAIN OBJECTIVE

Identify the power that a citizen has to change the system within a society.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- Wayne Leighton and Ed Lopez: Madmen, intellectuals and academic scribblers. pp. 1 – 48

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

9. Investment simulator

Summary

It is a simulation of a stock market where you can invest resources in shares of companies that are in the New York Stock Exchange of the United States.

MAIN OBJECTIVE

Familiarize the student of the stock market through simulations in the platform of Stock Market.

METHODOLOGY

- Market Watch platform <https://www.marketwatch.com/vse/spec012017>

REFERENCES: READINGS AND LITERATURE

- Peter Boettke: The Elgar Companion to Austrian Economics. Cap. 34 Financial Economis, Mark Skousen. pp. 231 - 243

EVALUATION METHOD

- Deliverables of the weekly investments
- Presentation of investments

10. Labor code

Summary

Know the economic effects of worker regulation in the country.

MAIN OBJECTIVE

Understand that the labor code impoverishes the worker, instead of helping him.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- Thomas Sowell: Applied Economics. Cap. 2 Free and Unfree Labor. pp. 31 - 67

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

11. Business Model Canvas

Summary

It is a model to determine how the business can generate profits by defining its entire value chain. It analyzes the product or service which the business provides until the costs it incurs to take it to the customer.

MAIN OBJECTIVE

Develop a business model related to the area of study.

METHODOLOGY

- Business Model Canvas example

EVALUATION METHOD

- Presentation of the business model

12. Environment

Summary

Explain the role of the environment in the life of human beings.

MAIN OBJECTIVE

Understand market-based solutions to environmental issues.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- Gene Callahan: Economics for Real People. Cap. 15 One Man Gathers what Another Man Spills. pp. 243 - 252

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

13. Health sciences

(medicine, nutrition, dentistry and psychology)

- Is health a political issue?
- Is health a right?
- What is the role of property rights in the health market?
- What to do in the face of the failure of the traditional model in medical practice?
- Why is the centralized public health inefficient?
- How does the labor market work for Health services?
- How does the medical insurance market work?
- Creation of an efficient medical insurance
- The perspective of the patient: Who is responsible? How is affected? Who is the one paying? What rights does the patient has?
- Who authorizes? Who supervises? Who watches over quality control?

MAIN OBJECTIVE

Identify the relationship of different topics in the area of health sciences with the theory of economics.

METHODOLOGY

- Discussion and review of relevant points in assigned readings

REFERENCES: READINGS AND LITERATURE

- John C. Goodman: Priceless. Cap. 3 Why people disagree about health policy
- John C. Goodman: Priceless. Cap. 6 Why is there a problem with quality?
- John C. Goodman: Priceless. Cap. 7 Why is there a problem with access care?
- Clayton M. Christensen: The Innovator's Prescription. Cap. 8 The Future of the Pharmaceutical Industry. pp. 261 - 310
- Clayton M. Christensen: The Innovator's Prescription. Cap. 9 Future Directions for Medical Devices and Diagnostic Equipment. pp. 311 – 336
- Clayton M. Christensen: The Innovator's Prescription. Cap. 1 The Role of Disruptive Technology and Business Model Innovation in Making Products and Services Affordable and Accessible. pp. 1 – 36
- Daily article What's Really Wrong with the Healthcare Industry <https://mises.org/library/whats-really-wrong-healthcare-industry>
- Clayton M. Christensen: The Innovator's Prescription. Cap. 4 Disrupting the Business Model of the Physician's Practice. pp. 111 – 148
- Clayton M. Christensen: The Innovator's Prescription. Cap. 7 Disrupting the Reimbursement System. pp. 221 – 220
- Michael F. Cannon: Cuentas médicas personales: Una alternativa al seguro de salud oblitagorio

<https://www.elcato.org/cuentas-medicas-personales-una-alternativa-al-seguro-de-salud-obligatorio>

- John C. Goodman: Priceless. Cap. 11 Designing ideal health insurance
- John C. Goodman: Priceless. Cap. 9 Empowering patients
- John C. Goodman: Priceless. Cap. 12 Solving the problem of patient safety

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

14. Architecture

THEMES

- Order, plan and management
- Private property
- City and public goods
- Externalities of the city

MAIN OBJECTIVE

Identify the relationship of different topics in the area of architecture with the theory of economics.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos

REFERENCES: READINGS AND LITERATURE

- Stephen Davies: The Voluntary City. Cap. 2 Laissez-Faire Urban Planning
- Stephen Davies: The Voluntary City. Cap. 5 Entrepreneurial City Planning
- Stephen Davies: The Voluntary City. Cap. 13 Privatizing the Neighborhoods, A proposal to Replace Zoning with Private Collective Property Rights to Existing Neighborhoods
- Stephen Davies: The Voluntary City. Cap. 4 The Voluntary Provision of Public Goods
- Alberto Benegas Lynch: Bienes públicos, externalidades y free riders: el argumento reconsiderado
- Gene Callahan: What is an Externality?

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

15. Political Studies and International Relations

THEMES

- Macroeconomics based on the capital structure
- Monetary politics
- Exchange policy
- Fiscal policy
- Role of government
- Institutions
- Democracy
- Role of culture
- Secession and autonomies: Nation state
- International aid
- Economic integration strategy

MAIN OBJECTIVE

Identify the relationship of different topics in the area of political studies and international relations with the theory of economics.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos

REFERENCES: READINGS AND LITERATURE

- Roger Garrison: Time and Money: The Macroeconomic Structure of Capital Structure
- Lawrence White: Competitive Money, Inside and Out
<http://www.cato.org/pubs/journal/cj3n1/cj3n1-16.pdf>
- Jeffrey Herbener: Leave Money Production to the Market, Mises Daily
<http://mises.org/daily/6044/Leave-Money-Production-to-the-Market>
- Peter Kenen: Fixed versus Floating Exchange Rates
<http://www.cato.org/pubs/journal/cj20n1/cj20n1-13.pdf>
- James Gwartney, Randall Holcombe and Robert Lawson: The Scope of Government and The Wealth of Nations. pp. 163 - 190
<http://www.cato.org/pubs/journal/cj18n2/cj18n2-1.pdf>

- Frederic Sautet: The Role of Institutions in Entrepreneurship: Implications for Development Policy
<http://www.oecd.org/dataoecd/52/24/37791298.pdf>
- Frank Shostak: JP Morgan Chase and Central Banking, Mises Daily
<http://mises.org/daily/6056/JPMorgan-Chase-and-Central-Banking>
- Daniel Mitchell: The Impact of Government Spending on Economic Growth
<http://www.heritage.org/research/reports/2005/03/the-impact-of-government-spending-on-economic-growth>
- Peter Boettke and Peter Leeson: Hayek, Arrow and the Problems of Democratic Decision-Making, Global Prosperity initiative. Working paper 9, Mercatus Center, George Mason University
http://mercatus.org/sites/default/files/publication/Hayek,_Arrow,_and_the_Problems_of_Democratic_Decision-Making_-_Working_Paper.pdf
- Svetozar Pejovich: Understanding the Transaction Costs The Voluntary City. Cap. 2 Laissez-Faire Urban Planning
[http://mercatus.org/sites/default/files/publication/Fred_Witthans_on_Svetozar_\(Steve\)_Pejovichs_Understanding_the_Transaction_Costs_of_Transistion_-_Its_the_Culture_Stupid.pdf](http://mercatus.org/sites/default/files/publication/Fred_Witthans_on_Svetozar_(Steve)_Pejovichs_Understanding_the_Transaction_Costs_of_Transistion_-_Its_the_Culture_Stupid.pdf)
- Anthony De Jasay: Is National Rational? The Independent Review
http://www.independent.org/pdf/tir/tir_03_1_jasay.pdf
- Hans-Hermann Hoppe: National and Secession
http://www.hanshoppe.com/wp-content/uploads/publications/nationalism_chronicles.pdf
- Ludwig Von Mises: Liberalismo. Cap.3 El derecho de autodeterminación
- Ludwig Von Mises: Gobierno Omnipotente. Cap.4 Estatismo y Nacionalismo
- William Easterly: Economic Freedom of the World: 2006 Annual Report. Cap. 2 Freedom versus Collectivism in Foreign Aid
<http://www.freetheworld.com/2006/EFW2006complete.pdf>
- Peter Bauer: From Subsistence to Exchange and other essays. Cap. 5 y 6. Princeton University Press
<http://press.princeton.edu/chapters/s6828.pdf>
- Ana Isabel Eiras: The Democratic Benefits of a Free Trade Agreement with Central America
http://www.unc.edu/depts/diplomat/item/2005/0406/eira/eiras_cafta.html
- Denise H. Froning: Los Beneficios del Libre Comercio: Guía para los Hacedores de Políticas Públicas
<http://www.heritage.org/research/reports/2000/10/los-beneficios-del-libre-comercio>

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept

16. Law

THEMES

- The evolutionary spontaneous orders
- The evolution of cooperation
- The evolutionary origin of social institutions
- Law vs. Legislation
- Actual currents regarding the Evolutionary character of the Law
- Legal systems and efficiency
- Externalities and public goods
- Externalities and private transactions
- Externalities, property rights and efficient contracts
- Importance of the relationship between law, economics and politics
- Contractarian Constitutionalism
- Logrolling model
- Costs of social interdependence
- 4 interdependent constitutional variables
- Government intervention, social cost, externalities and free riders
- Capture theory
- Economic regulation vs. Competition

MAIN OBJECTIVE

Identify the relationship of different topics in the area of law with the theory of economics.

METHODOLOGY

- Discussion and review of relevant points in assigned readings
- Videos
- Cases
- Experiment: “El dilema del prisionero retirado”

REFERENCES: READINGS AND LITERATURE

- Matt Ridley: The Evolution of Cooperation. Cap, 1, 2 y 3
- Friedrich Von Hayek: El origen evolutivo de las instituciones sociales. Cap. 4, 5, y 6
- Matt Ridley: Genes, Technology and the Evolution of Culture
- Rebecca Saxe: How we read each other's minds
- William Mitchell and Randy Simmons: Beyond Politics. Cap. 3 Undemocratic Side of Democracy
- James Buchanan and Gordon Tullock: The Calculus of Consent. Cap. 10
- James Buchanan and Gordon Tullock: The Calculus of Consent. Cap. 6
- James Buchanan and Gordon Tullock: The Calculus of Consent. Cap. 15
- Alejandro Baldizón: Democracia Disfuncional

- Gordon Tullock: Rent Seeking
- George Stigler: The Theory of Economic Regulation

EVALUATION METHOD

- In-class participation
- Written evaluation of the concept