

MICROECONOMIC PUBLIC POLICY ISSUES
(or, if we're so smart, why is no one listening to us?)

This is a seminar on the economic analysis of current public policy issues. I have assigned reading on four topics and you each will have the opportunity to prepare, present and revise papers on a micro public policy topic of your choice. The course is divided into two parts.

After four introductory sessions (Aug. 28 - Sept. 6), during which time you will pick a paper topic, we will then spend 2 days on each of four topics I have chosen (Sept. 11 - Oct. 16). These readings will be available on the course Canvas site and many have direct links to the article. We will have our only exam on the material in topics I - IV on Thursday, Oct. 25.

Also during the first half of the course, you will write the first draft (usually 10-15 pages) of a paper on a microeconomic policy topic of your choice. The draft is due on Tuesday Oct. 23. We will then run the second half of the course for the annual economic conference. We will all read each classmate's first draft. Each student will serve as the primary discussant for one classmate's draft (to be assigned) and prepare a detailed critique (1.5 pages) for that author (with a copy for me), due on Tuesday Oct. 30. All other students will write and hand in their (usually less detailed) comments for the two authors on each presentation day, with copies for each of the day's authors and for me.

During each presentation session (starting Tuesday Oct. 30), two students will present their papers (10 minutes maximum), their discussants will present their comments, constructive critiques and helpful suggestions (5 minutes maximum), and the class and I, having read the 2 papers, will do the same (20 minutes). With these inputs and my detailed comments on your first draft, you will have an opportunity to revise and rewrite your paper, and hand in a final draft (3 copies, please, 2 for me and 1 for your discussant) on Tuesday Oct. 29 or Tuesday Dec. 11, depending on the date of your class.

COURSE COMPONENTS

1. Assigned readings below, available via web links and on Canvas.
2. Preparation and presentation of a paper on a public policy topic of your choice.
3. At least one (and preferably more than one) meeting with your Writing Fellow (see below).
4. Written comments on and class presentation, as official discussant, on one classmate's paper.
5. Written comments and class participation on all other classmates' papers.
6. Attendance and active participation in class.
7. Exam on Thursday Oct. 25.

BOSTON COLLEGE

DEPARTMENT OF ECONOMICS

8 27 18

ECON 301

TH 9:00

GRADING POLICY:

The approximate weights on your final grade are:

(15%) Class participation and your discussant's comments

(35%) Exam

SYLLABUS

INTRODUCTION (August 28 – September 6)

Overview of the course (August 28)

Review of Microeconomic Theory and Econometrics (August 30 – September 6)

1. Richard Tresch, "The Fundamental Theorems of Welfare Economics,"
Chapter 3 in *Public Sector Economics*. New York: Palgrave MacMillan, 2008:
(PDF on Canvas)
2. David Sjoquist, Larry Schroder and Paula Stephen, "Interpreting Linear Regression Analysis:
A Heuristic Approach," General Learning Press, 1974: 1-17 (PDF on Canvas)

or skim the introductory chapters on simple and multiple regression
in any introductory statistics or econometrics text.

3.

ASSIGNED TOPICS (9/11 - 10/16)

I. Common Property Resources, with emphasis on fish and water (September 11, 13)

1. SKIM these sad tales, from land, air and sea! Why did/does this happen?

U.S. Fish and Wildlife Service, "The Time Line of the American Bison"

<https://www.fws.gov/bisonrange/timeline.htm> *How were 30 to 60 million bison reduced to 325!*

And, as part of your continuing education, what's the difference between a buffalo and a bison?

"Give me a home where the buffalo roam" NO, there aren't any here!!

<http://www.livescience.com/32115-bison-vs-buffalo-whats-the->

II. Cash vs. In-kind Benefits (September 18, 20)

Which should society prefer in helping those in need: cash or in-kind benefits? Why?

1. Harvey Rosen and Ted Gayer, “Expenditure Incidence” in *Public Finance*, New York: McGraw Hill, 9th edition, 2010: pp. 268-

III. The Minimum Wage and the Earned Income Tax Credit (September 25, 27)

What are the goals of the minimum wage?

How large are the dis-employment effects of the minimum wage and on whom do they fall?

Is the minimum wage an effective anti-poverty tool? Is the EITC more effective?

For a neat graphic on the minimum wage by state, see: <http://www.epi.org/minimum-wage-tracker>

IV. Human Spare Parts (October 11, 16)

PAPER TOPIC

Your paper topic is up to you, although I may discourage some topics, such as topics we are studying above. It should address a specific *microeconomic* policy issue and include a summary of the controversy, its importance, as well as the economic and other arguments that have been presented on both (or more!) sides of the issue. In this paper, you should present, analyze and critique these arguments, explain why these researchers differ in their conclusions and conclude with your opinions and recommendations.

For example, do the opponents disagree over *philosophical theories* (e.g., what is the appropriate role of government?), over *facts* (e.g., what are the impacts of these policies? who is affected, and how?), over *predictions* (e.g., what would happen if we do X?) or

JEP

SOME POSSIBLE TOPICS that I have accumulated over many years.

But no need to be constrained by these.

Find something that fascinates you!

Gas Prices and Motor Vehicle Fatalities (JPAM, Summer 04)

Public Policies Related to Drunk Driving (JLS 1/84, 1/86; R 3/87; 87/2; JLE 4/88;
JHPPL Winter 88, Winter 89; JPAM, Winter 01, Spring 03, Winter 06, Winter 08)

Seatbelt Use and Traffic Fatalities (PS 5/91; JPAM, Summer 06)

Automobile Safety Regulation (JPAM Fall 89 (book review); AER 84;
YJR Fall 85, Spring 86, Spring 87; R 9/86; RLE 83; PS 91)

Highway Speed Limit and Auto Safety (JPAM Winter 88; CEP, 10/91)

Motorcycle Helmet Regulation (JPAM Winter 84 (fn. 34); PS 10/86)

Bicycle Helmet

The Economics of Tobacco and Tobacco Control (National Cancer Institute)

Cigarette Regulation (JPAM, Fall 04; R Winter 06, Spring 07)

Cigarette Advertising (JHPPL Fall 86)

Impact of Smoking Bans on Hospitalization and Mortality (JPAM Winter '10)

Government Regulation and Teenage Smoking (JLE 12/81)

Drunk Driving after the Passage of Smoking Bans in Bars (JPE June 2008)

Smoking Bans (Regulation, Winter 06-07, AEJEP Aug 11)

Taxes and Youth Smoking (JPE Feb 02)

The Effects of Bans and Taxes on Secondary Smoke (AEJAE Jan 10)

Who Owns the Seas? (R 9/81; 11/81; JCS Spring 83; LCP Spring 83; PSR 11/86; Book: *Law of the Sea: U.S. Policy Dilemma*)

The Davis Bacon Act (JLE 10/83)

Bankruptcy (JLE 10/84, 4/86; LCP Spring 87; R Winter 05, Fall 06)

Allocation of Broadcast Frequencies (JLE 4/90; R 1/88; RLE 86; CBO; book by Lawrence Gasman; R, Fall 05, Summer 06, Winter 06 (book review))

Endangered Species Act (R Winter 92, Winter 07-08)

Taxicabs, Uber and Lyft (R 83; RLE 86; JLEO 87; JTEP 87; Sutirtha Bagchi, *A Tale of Two Cities: An Examination of Medallion Prices in New York and Chicago*, forthcoming in RIO

Marketable Pollution Rights (YJR Winter 89, Fall 86; JLE 4/88; JEP Spring 89; R Winter 04, Fall 07)

The Value of Human Life (JPAM Spring '88, Winter 89; R Winter 04)

Illegal Drug Regulation (JPAM Fall 90 (book review); PI Summer '88 & Fall 90; JPHP Winter 89; JDI Fall 90; R Winter 06)

Patents and Intellectual Property (JEP Winter 91)

Affirmative Action (JHR 84; ReStat 84; JEP Winter 89, Fall 90 and lots more)

The Economics of Lotteries (JEP Fall 90)

Regulation of Asbestos (PSR Fall 90)

Recycling (PI Fall 91; JPAM Fall 06)

Medical Malpractice (JHPPL Winter 89 & Fall '91; R Spring 05, Fall 05, Winter 06, Summer 07, JEL Spring

School Vouchers (JEL June 17)

Charter Schools and the Achievement Gap (Princeton - Brookings, The Future of Children)

Pre-K Education and Educational Achievement (Princeton - Brookings, The Future of Children)

Vouchers and Public School Choice (PI Spring 91; JPAM Summer 98, Spring 02,
Spring 01 & Fall 04 (book reviews); Spring 05, Summer 07, Winter 07)

Competitive Effects of Means-Tested School Vouchers (AEJAE, Jan 14)

Summer Jobs and A

The Economics of Dowries (JEP Fall '07)

Global Warming and Climate Change (R Winter 06, JEP Spring 09 and lots more)

Web Gambling (R Winter 06)

Market-based Policies re Greenhouse Gases (JEP Spring 09)

Tax Treatment of Charitable Giving: <https://www.cbo.gov/publication/42730>

The Market for Charitable Giving (JEP Spring 11)

The Impact of Access to Groundwater on Rural Poverty and Conflict (AEJAE July 14)

Clunkers or Junkers: Adverse Selection in a Vehicle Retirement Program (AEJEP Nov. 12;
JEP Winter 14 –

Should the private sector manage our national parks?
<http://www.georgewright.org/322fretwell.pdf>

Right to Work Laws (