

PBPL 40: ECONOMICS OF PUBLIC POLICYMAKING
Nelson A. Rockefeller Center for Public Policy and the Social Sciences
DARTMOUTH COLLEGE
Summer 2007

Professor Charlie Wheelan
O) 773-702-0673 H)773-529-6097

E-mail: cwheelan@dartmouth.edu

Office hours: Wednesdays 2:00-4:00 p.m. or by appointment

Class Meetings 2A: Tuesday and
Thursday, 2:00-3:50pm

OBJECTIVES

The course will use the basic tools of economics to analyze the most significant current public policy issues in the United States. Given the time constraints of the course, we will focus on the issues that are likely to be highlighted in the 2008 presidential election. The goal is to understand both the substance and politics of each issue. We will examine the effects of recent policy changes and analyze the likely effects of prospective reforms, particularly those that are likely to be embraced during the presidential campaign.

In general, the Tuesday class will provide background on the policy issue at hand. The Thursday class will consist of student presentations and discussion. Given the broad scope of the course, students should expect a heavy reading load.

BLACKBOARD

There is a Blackboard site for the course where announcements, readings, grades and other material related to the course will be posted.

READING

You will be responsible for doing all readings before the class for which they are assigned.

Required Texts:

Wheelan, Charles. *Naked Economics*. (W.W. Norton & Company, 2002), 260pp.

Heckman, James J, Krueger, Alan B., and Friedman, Benjamin M., eds., *Inequality in America: What Role for Human Capital Policies?* (MIT Press, 2005), 384pp.

Aaron, Henry J., Lindsay, James M., and Nivola, Pietro S., eds., *Agenda for the Nation*. (Brookings Institution Press, 2003), 574 pp.

Lang, Kevin. *Poverty and Discrimination*. (Princeton University Press, 2007), 408pp.

Irwin, Douglas. *Free Trade Under Fire*. 2nd edition. (Princeton University Press, 2005), 304 pp.

The Economist, October 9, 2004: A Special Briefing on the 2004 U.S. Election.

All other assigned readings are posted on the Blackboard site.

ASSIGNMENTS

- Quizzes: There will be regular quizzes on the assigned readings. The quizzes may or may not be announced in advance. The quizzes will be drawn from the reading but will also ask you to analyze policy questions based on material covered in the course to date.
- Presentation: Each student will participate in one group presentation. The purpose of the presentation is to brief the rest of the class on a specific policy change related to the week's topic (e.g., 1996 Welfare Reform).
- Midterm Exam: The one hour exam will cover topics and readings through Week 5 of the class.
- Take Home Final Exam: The exam will be distributed on the last day of class.
- Policy Project: You will be asked to critique a policy proposal offered by one of the current presidential candidates from either political party. Based on publicly available information (e.g. the candidate's website), you will describe the policy problem being addressed and provide an assessment of the plan's strengths and weaknesses.

GRADING

The grade for the seminar is made up of the following: quizzes (20%); presentation (20%); midterm (20%); take home final (20%); policy project (20%).

SCHEDULE

WEEK 1

Thursday, June 21st

2:00 p.m. –3:50 p.m.

OVERVIEW OF THE COURSE

WEEK 2

Tuesday, June 26th

2:00 p.m. – 3:50 p.m.

KEY ECONOMIC CONCEPTS

Naked Economics, Chapters 1-4.

Economist Briefing on the 2004 Election

Agenda for the Nation, Prologue and Chapter 1.

Thursday, June 28th

2:00 p.m. – 3:50 p.m.

Mancur Olson, Jr. “Distinguished Lecture on Economics in Government: Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor,” *Journal of Economic Perspectives*, vol. 10, no. 2 (Spring 1996).

“Arab Development: Self-Doomed to Failure,” *The Economist*, July 6, 2002.

WEEK 3

Tuesday, July 3rd

2:00 p.m. – 3:50 p.m.

PRODUCTIVITY, HUMAN CAPITAL, AND EDUCATION

Naked Economics, Chapter 6.

Black and Sokoloff. “Long-Term Trends in Schooling: The Rise and Decline (?) of Public Education in the United States,” *Handbook of the Economics of Education*.

Hanushek. “School Resources,” *Handbook of the Economics of Education*.

Krueger and Heckman. *Inequality in America*, Chapters 1 and 2.

Thursday, July 5th

2:00 p.m. – 3:50 p.m.

James Heckman. “Catch ‘em Young,” *Wall Street Journal*, January 10, 2006.

Wheelan. “Democrats on the Wrong Side of School Choice,” *New York Times*, May 25, 1999.

Student Presentation: The Leave No Child Behind Act

WEEK 4

Tuesday, July 10th

2:00 p.m. – 3:50 p.m.

POVERTY AND SOCIAL WELFARE POLICY

Lang, Chapters 1-7, 9.

Agenda for the Nation, Chapter 3.

“From Welfare to Workfare; Helping the Poor,” *The Economist*, July 29, 2006.

Kaufman, Leslie. “Are Those Leaving Welfare Better Off Now? Yes and No.” *New York Times*, October 20, 2003.

Haskins, Ronald, Testimony before the Senate Finance Committee, February 20, 2003.

Thursday, July 12th

2:00 p.m. – 3:50 p.m.

Ben Bernanke. “The Level and Distribution of Economic Well-Being,” Remarks before the Omaha Chamber of Commerce,” February 6, 2007.

Orlando Patterson. “A Poverty of the Mind,” *New York Times*, March 26, 2006.

Erik Eckholm. “Plight Deepens for Black Men, Studies Warn,” *New York Times*, March 20, 2006.

Student Presentation: Welfare Reform Act of 1996

WEEK 5

Tuesday, July 17th

2:00 p.m. – 3:50 p.m.

ENERGY AND THE ENVIRONMENT

Cropper, Maureen L. and Wallace E. Oates. “Environmental Economics: A Survey,” *Journal of Economic Literature* (June 1992).

Agenda for the Nation, Chapter 8.

Thursday, July 19th

2:00 p.m. – 3:50 p.m.

David Leonhardt. “A Battle Over the Costs of Global Warming,” *New York Times*, February 21, 2007.

Stern Review on the Economics of Climate Change, HM Treasury, United Kingdom, February 12, 2007.

Richard Nordhaus. “The *Stern Review* on the Economics of Climate Change,” November 17, 2006.

Student Presentation: The Kyoto Protocol

WEEK 6

Tuesday, July 24th

2:00 p.m. – 3:50 p.m.

TAXES AND THE BUDGET

Agenda for the Nation, Chapter 2.

Madrick, Jeff. “Alan Greenspan notwithstanding, a new book insists that social spending does not stunt growth,” *New York Times*, April 15, 2004.

Alan Cowell. “An Economy With Safety Features, Sort of Like a Volvo,” *New York Times*, May 10, 2006.

Hubbard, R. Glenn. “Bigger Pie, Bigger Pieces,” *The Wall Street Journal*, February 12, 2003.

“The Top 1% Pay 35%,” *Wall Street Journal*, December 20, 2006.

Thursday, July 26th

2:00 p.m. – 3:50 p.m.

Ohanian, Raffo, and Rogerson. “Long Term Changes in Labor Supply and Taxes: Evidence from the OECD Countries, 1956-2004,” Federal Reserve Bank of Kansas City Research Working Paper, December 2006.

Alesina, Glaeser, and Sacerdote. “Work and Leisure in the U.S. and Europe: Why So Different?” Harvard Institute of Economic Research Discussion Paper, April 2005.

Student Presentation: The Bush tax cuts

GUEST: BRUCE SACERDOTE

WEEK 7

Tuesday, June 31st

2:00 p.m. – 3:50 p.m.

TRADE AND GLOBALIZATION

Naked Economics, Chapter 11.

Free Trade Under Fire, Introduction and Chapters 1-4.

Jeff Madrick. “As job exports rise, some economists rethink the mathematics of free trade,” *New York Times*, March 18, 2004.

Thursday, August 2nd

2:00 p.m. – 3:50 p.m.

Edmund L. Andrews. “Why Wage Insurance Is Dividing Democrats,” *New York Times*, March 18, 2007.

Student Presentation: The WTO and the Doha Round

WEEK 8

Tuesday, August 7th

2:00 p.m. – 3:50 p.m.

HEALTH CARE

Agenda for the Nation, Chapter 5.

Skinner, Jonathan, Douglas Staiger, and Elliott Fisher, “Is Technological Change in Medicine Always Worth It?” *Medical Technology*, February 7, 2006.

Kolata, Gina, “Newest Treatments Create a Quandary on Medicare Costs,” *New York Times*, August 17, 2003.

Elena Cherney. “Universal Care Has a Big Price: Patients Wait,” *Wall Street Journal*, November 12, 2003.

Naked Economics, Chapter 5.

Thursday, August 9th

2:00 p.m. – 3:50 p.m.

Paul Krugman. “Our Sick Society,” *New York Times*, May 5, 2006.

Roger Lowenstein. “The Quality Cure,” *New York Times Sunday Magazine*, March 13, 2005.

Student Presentation: Clinton’s Failed Health Care Reform

WEEK 9

Tuesday, August 14th

2:00 p.m. – 3:50 p.m.

SOCIAL SECURITY AND MEDICARE

“A Fiscal Wake-Up Call,” The Concord Coalition, Undated.

Ben Bernanke. “Long-Term Fiscal Challenges Facing the United States,” Testimony before the Committee on the Budget, U.S. Senate, January 18, 2007.

Lowenstein, Roger. “A Question of Numbers,” *New York Times Sunday Magazine*, January 16, 2005.

Thursday, August 16th

2:00 p.m. – 3:50 p.m.

Jackie Calmes. “Lost Appeal: How a Victorious Bush Fumbled Plan to Revamp Social Security,” *Wall Street Journal*, October 20, 2005.

Student Presentation: Private Accounts? Proposals for Social Security Reform

WEEK 10

Tuesday, August 21st

2:00 p.m. – 3:50 p.m.

IMMIGRATION

Immigration and America’s Future, Report of the Independent Task Force on Immigration and America’s Future, September 2006.

Agenda for the Nation, Chapter 7.

Adam Nagourney. “For G.O.P., First Stop on ’08 Trail Is Hotbed of Immigration Politics,” *New York Times*, March 20, 2007.

Take home final exam distributed.