

COURSE OUTLINE

Rockefeller Center
Public Policy 40: Economics of Public Policymaking
Summer 2019

Professor Charlie Wheelan
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Office hours: Wednesdays 10:00 a.m.-12:00 p.m. or by appointment

OBJECTIVES

The course will use the basic tools of economics to analyze current public policy issues in the United States. Given the time constraints of the course, we will focus on the most significant issues facing the country. 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 currently being debated or implemented.

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.**

CANVAS

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

READING

The required texts must be ordered online. They are also on reserve at Baker. All other readings will be posted on the Canvas site. You are responsible for doing all readings before the class for which they are assigned. **Please note that for copyright reasons, you will only be able to access readings posted on Canvas from a computer recognized as part of the Dartmouth community.**

COMPUTERS

Please do not use computers or other electronic devices in class. In years past, the distraction has outweighed the benefits of electronic note-taking. If you feel this creates undue hardship, please see me and we can work out a solution. (Evidence now suggests taking handwritten notes leads to better long-term retention.)

Required Texts:

Wheelan, Charles. *Introduction to Public Policy*. W.W. Norton & Company.

Bittle and Johnson. *Where Does the Money Go? Your Guided Tour to the Federal Budget Crisis*, Harper Paperbacks.

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.
- Group 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 (7/30): The exam will cover topics and readings through Week 6 of the class.
- Policy Memo (due 8/6): You will be asked to propose a policy change to be implemented at the state, local, or federal level. Your proposal must require some kind of institutional change, which typically means approval by some government body (e.g. a state legislature, a federal agency, Congress, etc.). The policy memo must identify a social challenge, propose a policy change (or package of changes) to ameliorate that social challenge, and defend your plan using tools from the course. **This memo may be rewritten; the final grade will be an average of the first and second drafts.**
- Final Exam (8/26): The final exam will primarily cover topics from the second half of the course.

GRADING

The grade for the seminar is made up of the following: quizzes (15%); group presentation (10%); midterm (25%); policy paper (25%); non-cumulative final exam (25%). **If you choose to rewrite the policy project, your grade will be an average of the first and second drafts.**

SCHEDULE

WEEK 1

Thursday, June 20th

10:10 a.m. – 12:00 p.m.

NO CLASS

WEEK 2

Tuesday, June 25th

10:10 a.m. – 12:00 p.m.

INTRODUCTION

Reading:

Marc Ambinder. "Beating Obesity," *The Atlantic*, May 2010.

James Surowiecki. "Downsizing Supersize," *The New Yorker*, August 13-20, 2012.

Greg Ip. "Capitalists Worry About Capitalism's Future," *Wall Street Journal*, April 25, 2019.

"The Great Jobs Boom," *The Economist*, May 25, 2019.

Thomas Fuller. "Life on the Dirtiest Block in San Francisco," *New York Times*, October 8, 2018.

Wednesday, June 26th

3:30 p.m. – 4:20 p.m.

Reading:

Wheelan. *Introduction to Public Policy*, Chapters 1-2.

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.

Thursday, June 27th

10:10 a.m. – 12:00 p.m.

UNDERSTANDING BEHAVIOR; MARKETS AND GOVERNMENT

Reading:

Introduction to Public Policy, Chapters 3, 4, 7, 8.

“The Debt to Pleasure,” *The Economist*, April 27, 2013.

Philip Cook. “A Free Lunch,” *Journal of Drug Policy Analysis*, vol. 1, no. 1, 2008

“Northern Lights.” Special Report: The Nordic Countries, *The Economist*, February 2, 2013.

Jo Craven McGinty. “How Antivaccine Views Hurt Herd Immunity,” *Wall Street Journal*, February 7-8, 2015.

“The Next Capitalist Revolution,” *The Economist*, November 17, 2018.

WEEK 3

Tuesday, July 2nd

WELFARE ECONOMICS AND THE POLICY PROCESS

Reading:

Wheelan. *Introduction to Public Policy*, Chapter 5 and 6.

Jon Gertner. “The Rise and Fall of the G.D.P.,” *New York Times Magazine*, May 10, 2010.

Lucinda Shen. “Americans May Be Rich, But They’re Not Happy,” *Fortune*, March 20, 2017.

Elizabeth Kolbert. “Feeling Low: The Psychology of Inequality,” *New Yorker*, January 15, 2018.

Wednesday, July 3rd

3:30 p.m. – 4:20 p.m.

POLICY DESIGN AND PROGRAM EVALUATION

Reading:

Wheelan. *Introduction to Public Policy*, Chapters 14 and 15.

Wheelan. *Naked Statistics*, Chapter 13.

David Leonhardt. “A Simple Way to Send Poor Kids to Top Colleges,” *New York Times*, March 31, 2013.

Richard Thaler. “Shifting Our Saving Into Automatic,” *New York Times*, April 7, 2013.

“Poor Behavior,” *The Economist*, December 6, 2014.

Jason Zweig. “The Anti-Poverty Experiment,” *Wall Street Journal*, June 6-7, 2015.

WEEK 4

Tuesday, July 9th

10:10 a.m. – 12:00 p.m.

PRODUCTIVITY, HUMAN CAPITAL, AND EDUCATION

Reading:

Lawrence Aber, et al. “Opportunity, Responsibility, and Security: A Consensus Plan for Reducing Poverty and Restoring the American Dream,” AEI/Brookings Working Group on Poverty and Opportunity, 2015.

N. Gregory Mankiw. “Defending the One Percent,” *Journal of Economic Perspectives*, vol. 27, no. 3, Summer 2013.

“A Hereditary Meritocracy,” *The Economist*, January 24, 2015.

David Rohde, Kristina Cooke, and Himanshu Ojha. “The Decline of the ‘Great Equalizer’,” *The Atlantic*, December 19, 2012.

“Trade in the Balance,” *The Economist*, February 6, 2016.

Sheelah Kolhatkar. “Welcoming Our New Robot Overlords,” *New Yorker*, October 23, 2017.

Rakesh Kochhar and Richard Fry. “5 Takeaways About the American Middle Class,” Pew Research Center, December 10, 2015.

David Leonhardt. “In Climbing Income Ladder, Location Matters,” *New York Times*, July 22, 2013.

“In the Lurch: Left Behind Places,” *The Economist*, October 21, 2017.

“The Tech Factor,” *The Economist*, March 16, 2019.

“If Wages Are to Rise, Workers Need More Bargaining Power,” *The Economist*, May 31, 2018.

Glenn Thrush. “\$1.7 Billion Federal Job Training Program Is ‘Failing the Students’,” *New York Times*, August 2018.

Thursday, July 11th

10:10 a.m. – 12:00 p.m.

INCOME INEQUALITY AND EDUCATION: WHAT TO DO?

Reading:

“Back to School,” *This American Life*, September 14, 2012.

Amanda Ripley. “What the U.S. Can Learn from Other Nations’ Schools,” *New York Times*, December 8, 2016.

David Leonhardt. “Schools That Work,” *New York Times*, November 6, 2016.

David Leonhardt. “The Case for \$320,000 Kindergarten Teachers,” *New York Times*, July 27, 2010.

Gordon, Kane, and Staiger. “Identifying Effective Teachers Using Performance on the Job,” *The Hamilton Project*, Discussion Paper 2006-01, April 2006.

“Teaching the Teachers,” *The Economist*, June 11, 2016.

Kevin Carey. “Dismal Voucher Results Surprise Researchers as DeVos Era Begins,” *New York Times*, February 23, 2017.

“Charter School Performance in New York City,” *Stanford University Center for Research on Education Outcomes (CREDO)*, 2017.

Charles Murray. “A Guaranteed Income . . .,” *Wall Street Journal*, June 3, 2016.

“Trends With Benefits,” *This American Life*, March 22, 2013.

“A Motivational Metaphor,” *The Economist*, October 13, 2018.

WEEK 5

Tuesday, July 16th

10:10 a.m. – 12:00 p.m.

FISCAL CHALLENGES

SPECIAL GUEST: FORMER NH SENATOR JUDD GREGG

Reading:

Bittle and Johnson. *Where Does the Money Go? Your Guided Tour to the Federal Budget Crisis*, Harper Paperbacks.

Jason Furman and Lawrence H. Summers. “Who’s Afraid of Budget Deficits? How Washington Should End Its Debt Obsession,” *Foreign Affairs*, March/April 2019.

“Consolidation Programme: Economists look afresh at the risks of public debt,” *The Economist*, May 18, 2019.

Thursday, July 18th

10:10 a.m. – 12:00 p.m.

FISCAL CHALLENGES CONTINUED

STUDENT PRESENTATIONS

No Child Left Behind

Race to the Top

New York City Value Added Indicators

WEEK 6

Tuesday, July 23rd

10:10 a.m. – 12:00 p.m.

HEALTH CARE

Reading:

Sabrina Tavernise. “For Americans Under 50, Stark Findings on Health,” *New York Times*, January 9, 2013.

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

David Goldhill. “What Washington Doesn’t Get about Health Care: Here’s How to Fix It,” *The Atlantic*, September 2009.

Atul Gawande. “The Cost Conundrum,” *The New Yorker*, June 1 2009.

David Leonhardt. “Making Health Care Better,” *New York Times Magazine*, November 3, 2009.

Shannon Brownlee and Jeanne Lenzer. “Do I Have Cancer?” *New York Times Magazine*, October 9, 2011.

Atul Gawande. “Overkill,” *The New Yorker*, May 11, 2015.

Wednesday, July 24th

3:30 p.m. – 4:30 p.m.

COST BENEFIT ANALYSIS

Reading:

Wheelan, Introduction to Public Policy, Chapter 12.

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- Jo Craven McGinty. "Why Government Puts a Dollar Value on Life," *Wall Street Journal*, March 26-27, 2016.
- Aaron E. Carroll and Austin Frakt. "The Best Health Care System in the World: Which One Would You Pick?" *New York Times*, September 18, 2017.
- "Valuing the Long-Beaked Echidna," *The Economist*, February 22, 2014.
- Cass R. Sunstein. "Regulatory Moneyball: What Washington Can Learn from Sports Geeks," *Foreign Affairs*, May/June 2013.
- Matt Ridley. "Smart Aid for the World's Poor," *Wall Street Journal*, July 26-27, 2014.

Thursday, July 25th

10:10 a.m. – 12:00 p.m.
HEALTH CARE CONTINUED

Reading:

- Amitabh Chandra, Anupam B. Jena, and Jonathan Skinner. "The Pragmatist's Guide to Comparative Effectiveness Research," *Journal of Economics Perspectives*, vol. 25, no. 2, Spring 2011.
- Richard Knox. "Why Are U.S. Health Costs the World's Highest? Study Affirms 'It's the Prices, Stupid'," *WBUR*, March 13, 2018.
- Elliott Fisher, Mark McClellan, and Stephen Shortell. "The Real Promise of 'Accountable Care'," *Wall Street Journal*, March 5, 2013.
- Ezekiel J. Emanuel. "Inside the Making of Obamacare," *Wall Street Journal*, March 7, 2014.
- "Shock Treatment," *The Economist*, March 7, 2015.
- Henry J. Aaron. "Want to Fix Obamacare? Here's How," *Brookings Institute Op-Ed*, March 30, 2017.
- Chana Joffe-Walt. "The Town Where Everyone Talks About Death," *Planet Money Podcast*, March 5, 2014.

WEEK 7

Tuesday, July 30th

10:10 a.m. – 12:00 p.m.
MIDTERM EXAM

Thursday, August 1st

10:10 a.m. – 12:00 p.m.
NO CLASS

WEEK 8

Tuesday, August 6th

10:10 a.m. – 12:00 p.m.
ENERGY AND THE ENVIRONMENT

Reading:

- "A Special Report on the Carbon Economy," *The Economist*, December 5, 2009.
- Paul Krugman. "Green Economics: How We Can Afford to Tackle Climate Change," *New York Times Magazine*, April 11, 2010.
- David Leonhardt. "The Problem With Putting a Price on the End of the World," *New York Times Magazine*, April 9, 2019.

“Brave New Deal,” *The Economist*, February 9, 2019.
David Wessel. “Rethinking Energy Subsidies,” *Wall Street Journal*, March 28, 2013.
David Owen. “Green Manhattan,” *The New Yorker*, October 18, 2004.
Rob Walton and Fred Krupp. “Restoring Fisheries, Scoring a Net Gain,” *Wall Street Journal*, July 11, 2016.

➤ **POLICY MEMO DUE**

Thursday, August 8th

10:10 a.m. – 12:00 p.m.

ENERGY AND THE ENVIRONMENT CONTINUED

Reading:

Russell Gold. “The Smart Way to Do Fracking: Plug leaks, run more tests and build better wells,” *Wall Street Journal*, April 5-6, 2014.
Beth Gardiner. “We’re All Climate-Change Idiots,” *New York Times*, July 22, 2012.
David Leonhardt. “Amid the Ivy, a Battle About the Climate,” *New York Times*, February 21, 2007.
“Green Tape,” *The Economist*, January 3, 2015.

Student Presentations: The Paris Climate Agreement; Australia’s Carbon Tax

WEEK 9

Tuesday, August 13th

10:10 a.m. – 12:00 p.m.

TAX POLICY

Reading:

Joel Slemrod and Jon Bakija. *Taxing Ourselves*, The MIT Press, 4th Edition, Chaps. 1-2.
“Taxing the Poor to Pay the Poor,” *The Economist*, April 3, 2004.
Madrack, Jeff. “Alan Greenspan notwithstanding, a new book insists that social spending does not stunt growth,” *New York Times*, April 15, 2004.
Martin Feldstein. “The Tax Reform Evidence from 1986,” *Wall Street Journal*, October 24, 2011.
Neil Irwin. “Do Tax Cuts Really Spur Growth? It Depends on the Details,” *New York Times*, April 5, 2017.

Group Presentation: Tax Reform of 1986

Thursday, August 15th

10:10 a.m. – 12:00 p.m.

TAX REFORM

Reading:

Slemrod and Bakija. *Taxing Ourselves*, Chapters 8-9.
Eduardo Porter. “The Case for Raising Top Tax Rates,” *New York Times*, March 28, 2012.
Aparna Mathur, Sita Slavov, and Michael R. Strain. “Should the Top Marginal Income Tax Rate Be 73 Percent,” *Tax Notes*, November 19, 2012.

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Kenneth F. Sheve and Matthew Slaughter. "A New Deal for Globalization," *Foreign Affairs*, July/August 2007.

Dylan Matthews. "Brookings wants to revamp the federal budget. Here are its 11 best ideas," Washington Post, February 25, 2013.

Margot Sanger-Katz. "Yes, Soda Taxes Seem to Cut Soda Drinking," *New York Times*, October 13, 2015.

"Tax Hero," Planet Money Podcast, March 22, 2017.

WEEK 10

Tuesday, August 20th

10:10 a.m. – 12:00 p.m.

WRAP-UP AND STUDENT PRESENTATIONS

Reading:

"The No-Brainer Economic Platform," Planet Money Podcast, October 26, 2016.

PRESENTATIONS:

Portugal Drug Decriminalization

NYC Smoking Ban

Colorado and Washington Marijuana Legalization

1996 Welfare Reform

Wednesday, August 21st

- **5:00 P.M. POLICY MEMO REWRITE DUE (HARD COPY WITH ORIGINAL)**

FINAL EXAM: MONDAY, AUGUST 26, 11:30 A.M.