

ECON 309 001: Economic Problems and Public Policies
Fall 2021, Horizon Hall 4010
Monday and Wednesday, 12:00 – 1:15 p.m.

Instructor: Zachary Kessler

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Office Hours: Fridays from 2:00 p.m. – 4:00 p.m. on Zoom or by Appointment

Course Description:

This class will be dedicated to the identification of issues in the modern economy and the construction of policies used to correct said problems. As such, the course is structured in three parts. Each of these subsections builds off the other to equip students with a more complete understanding of the possibilities and challenges facing those developing public policy. The first section of the class is dedicated to data analysis via empirical and econometric methods. Before constructing policy, one must locate a problem and understand what impact a policy will have. The second section acknowledges that even if an ideal policy can be identified, the political environment might prevent such a policy from becoming law. As such, the policy analyst must find ways to structure policies given these constraints. Finally, the course delves into matters related to the institutions of a society and their influence on policy and long-run social outcomes. Following the completion of this course, a student will have a holistic approach to analyze policies from a multitude of angles, offering them a unique perspective among analysts.

Required Texts:

Good Economics for Hard Times, Esther Duflo and Abhijit V. Banerjee

Advanced Introduction to Public Choice, Randall Holcombe

Governing the Commons: The Evolution of Institutions for Collective Action, Elinor Ostrom

Supplementary Texts: Not required but for those interested in more on empirical methods

Beginner Level: Mastering Metrics: The Path from Cause to Effect, Joshua D. Angrist and Jorn-Steffen Pischke

Advanced Level: Causal Inference: The Mixtape, Scott Cunningham, Available free at:
<https://mixtape.scunning.com>

If you need to review various economics content, please use the Core Economics textbook available here: <https://www.core-econ.org/the-economy/book/text/0-3-contents.html>

Grades:

Policy Analysis Projects 45%

Final Project 35%

Homework 10%

Discussion/Participation 10%

Policy Analysis Projects: During this class, there will be three analysis projects which fill the role of exams. I will provide you a particular economic problem. You will then be required to construct a policy proposal to resolve or address this issue given your knowledge of economic theory and empirical evidence. These assignments will coincide with the different parts of the class meaning the first assignment asks you to consider only the economics of the issue. The second adds on political considerations and the final incorporating institutional analysis. You have a great deal of free reign with these assignments. There is no “correct” policy, only different tradeoffs. However, whatever policy you construct must be justified on theoretical and empirical grounds. If you so choose, you may work in groups for these assignments. The policy world is often collaborative, and I seek to replicate this environment. Do note that projects worked on by multiple people will be held to a higher standard. After being assigned, students will have one week to complete the assignment, submitting a 6 page, double-spaced write-up detailing the policy constructed as well as the evidence in favor.

Final Project: You will choose an economic problem or issue of interest to you and construct a policy proposal. This issue is entirely up to you. It can be from any country and cover any topic so long as it is economic in nature. In this project, you will outline why this issue is important, what your proposed policy is, the impact of political and institutional constraints on this policy, and the evidence in favor of your proposal. You will submit a 10-14 page double spaced paper due during the final exam period. There will also be presentations of these projects during the final week of class.

Homework: At various points in the semester, I will assign a homework assignment which will ask for basic analyses of items discussed in class. These assignments are completion grades, meaning your only obligation is to submit them in Blackboard, and should be approached as practice for the policy analysis and final projects. I will provide feedback on these assignments to ensure you are properly applying and using the material in class.

Discussion and Participation: Policy is very often a matter of discussion and debate. Solutions arise from these conversations. In this class, we will be discussing important matters that greatly impact the lives of many people. Participating in these discussions will be important not only to your understanding and ability to apply the toolkit we develop in this course, but also to your success and grade.

Class Schedule:

August 23rd: Introduction and Economics Review

Good Economics for Hard Times, Chapter 1

August 30th: Identifying Economics Issues, The Role of Theory and Data
Good Economics for Hard Times, Chapters 2-4

September 6th: An Introduction to Econometrics and Data Analysis, No Class on Monday
Good Economics for Hard Times, Chapters 5-7

September 13th: Testing the Impact of Policies: Empirical Design and Methods
Good Economics for Hard Times, Chapters 8-9 and Conclusion

September 20th: Cost-Benefit Analysis for Policy
Policy Analysis 1 assigned

September 27th: An Introduction to Public Choice
Advanced Introduction to Public Choice, Chapters 1-2, 4-5
Policy Analysis 1 due

October 4th: Political Constraints on Policy Design
Advanced Introduction to Public Choice, 7-9

October 11th: Political Decision Making, No Class on Monday, Meeting on Tuesday
Advanced Introduction to Public Choice, 10-12
Policy Analysis 2 assigned

October 18th: The Role of Institutions in Policy
Governing the Commons, 1-2

October 25th: Institutional Design and Achieving Efficient Outcomes
Governing the Commons, 3-4

November 1st: General Frameworks for Institutional Analysis
Governing the Commons, 5-6
Policy Analysis 3 assigned

November 8th: Modern Approaches to Policy
Policy Analysis 3 due

November 15th: Modern Policy Issues

November 22nd: No class this week

November 29th: Presentations

Final Exam Period: December 13th, 10:30 am – 1:15 pm

Late Work Policy:

Late work will only be accepted in circumstances where a valid excuse is provided. The only items to which this applies are the policy analysis assignments. Homework must be submitted the following class period after assignment. No exceptions will be made.

Absence Policy:

At the start of the semester, you will be allocated three free absences. You may use them as you see fit. You will not need to notify me or provide any type of explanation for these three instances, and they will not negatively impact your grade. If you must miss class due to some unforeseen issue and your three instances have already been used, let me know of the problem that way your absence is excused.

GMU Honor Code:

Students are expected to follow GMU's Honor Code in every aspect of the course. No cheating or plagiarism will be tolerated for any assignments or tests. Any individual caught using such methods will be reported to the necessary parties and will immediately receive a zero for the item in question and be reported to the appropriate parties.

Statement on Accommodations:

Any student with a disability who desires academic accommodations, please let me know and reach out to GMU Disability services via email at ods@gmu.edu or on the phone, 703-993-2474. Any arrangements to be made will be done so through this office.

Statement on Inclusivity

This class will cultivate an inclusive environment supporting a broad variety of experiences and backgrounds. These differences are to be acknowledged, celebrated, and provide insight on any topics discussed.

Student Privacy

During the course of this class, no student's personal information will be disclosed to anyone. For more information on your rights to privacy in this class under FERPA, please visit this link: <https://registrar.gmu.edu/ferpa/>.

Other Student Resources

Keep Learning, Learning Services (learningservices.gmu.edu/keeplearning/)
University Libraries (library.gmu.edu)
Writing Center (writingcenter.gmu.edu)
Counseling and Psychological Services (caps.gmu.edu)