

**PAI 897**  
**Fundamentals of Policy Analysis**  
**Fall 2023**

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**Office Hours:**  
Monday 10:00-11:30 AM  
Tuesday 10:00-noon  
or by appointment

**\*\*\*\*\* PLEASE NOTE THAT ALL PLANS FOR THE COURSE ARE TENTATIVE AND MAY  
CHANGE AS CONDITIONS WARRANT \*\*\*\*\***

**Course Description:** This course provides an introduction to the principles of policy analysis. Policy analysis considers both when public sector policy is needed and what principles should guide the formulation of policies in these situations. Policy analysis relies heavily on basic principles of microeconomics. As such, this course focuses on developing the fundamentals of microeconomic theory as they apply to policy analysis. Upon completion of the course, you will understand basic economic analysis of public policy and be able to apply the principles of economics to these policies. Students will learn to analyze various market scenarios to assess how goods and services will be allocated in each scenario, and students will be able to assess the efficiency and distributional impacts of government intervention in the market.

The course begins by introducing the basic model of market interaction – supply and demand curves in perfect competition. Most of the first half of the course will be spent developing the models of consumer and producer behavior underlying these curves. Then, we examine situations in which the perfectly competitive model breaks down, such as in the face of monopolies or pollution. We will be interested both in the effects brought on by such complications and possible remedies for them. Throughout the course, our focus will be on analyzing the effects of government intervention into the market, recognizing the multiple objectives commonly sought from public policies, and illustrating how the rational policy analysis model can be used to evaluate alternative policy instruments. The course concludes with an introduction to cost-benefit analysis.

As experienced public managers, it is unlikely that you will move into a policy analysis position. However, it is highly likely that you are or will be a consumer of what such analysts produce. Thus, a primary objective of this course is to make you a more informed consumer. The course should also help prepare you for certain other policy-oriented courses you may wish to include in your program of study.

This course does not focus on specific policy areas, except as examples. Instead, the course focuses on the tools of policy analysis that should help you in your particular area of interest, e.g., health policy, social policy, environmental policy, etc. This course also will not focus on the politics of the policy process. While we will place policy analysis within the context of a political process, this course is meant to complement a more detailed analysis of the politics of policy in other courses.

**Reading:** There is no required text for this course. The following textbook is optional:

Weimer, David L. and Aidan R. Vining (2017), *Policy Analysis*, Sixth edition, Pearson Education, Boston, MA

I have included optional readings from this text on the syllabus. These readings provide the theoretical background for policy intervention, often in greater detail than we will discuss in class. Earlier editions are acceptable, although the page numbers in the syllabus will not match exactly. As the reading for specific classes will often focus on one or two sections of a chapter, I have listed both the page numbers in the current edition and relevant chapter subheadings to assist those using earlier editions.

In addition to the text, a few supplementary readings will be used. These articles are mostly taken from sources such as *The New York Times* and *The Economist*. Their purpose is to illustrate how the principles we discuss in class apply in everyday situations. All of these articles are available electronically through the Syracuse University library. Links to the articles are available on the class web site. In addition, lecture notes for each class will be made available on-line.

Note that while the optional textbook assumes that the reader has taken a prior economics course, prior experience in economics is not a requirement for this course. The lectures will provide all the necessary economic tools to understand the material covered in the text. No additional economics text is required, as lecture notes for each class will be made available on-line. However, if you would like additional readings on the economics covered in class, I include information on several recommended texts below. Experience has shown that different texts are a better fit for different students, depending on their economics background coming into the course. You should be able to match the topics on the syllabus to the appropriate chapter in each of these texts, and am happy to discuss your choices with you.

Below is a description of optional textbooks that may be of interest to you. All are readily available on-line.

*Microeconomics for Public Decisions* by Anne C. Steinemann, William C. Apgar, and H. James Brown. Students with little economic experience may find this book a useful introduction to the topic. This book is aimed at a public administration audience. Hence, compared to the other texts listed here, it offers examples that are more relevant for this class. Also, unlike the other texts listed, it does include some discussion of cost-benefit analysis, which we will cover at the end of the course. However, the level of detail in the book is lower than what we will cover in class. Some of the more advanced material is only covered in appendices, and the book does not provide good examples of solved problems. It is expensive new, but reasonably priced used editions are available on-line.

*Microeconomics for Public Managers* by Barry P. Keating and Maryann O. Keating. Like the above text, this book is aimed at a public sector audience. It offers even less detail than the Steinemann *et al.* text, and thus only serves as an introduction to what we'll cover in class. However, it is available in paperback at very reasonable prices.

*Microeconomics* by Jeffrey M. Perloff. This text is now in its seventh edition, but older versions are readily available on-line and are sufficient. This book is aimed at undergraduates taking intermediate microeconomics. There are many other similar texts available that would also be suitable. While the level of material is similar to what we cover in class, it does assume the reader has taken an introductory economics course. Thus, when I've used this book in the past, students

without a previous economics class did not find the text helpful. The biggest strength of this book is its examples of solved problems. Many of these are similar to examples we will cover in class. Students with prior economics experience may find this book useful.

*Principles of Microeconomics* by N. Gregory Mankiw. This is an example of a useful principles of economics textbook. Like the texts for public managers, this text does not go as far as we will in class solving problems. Moreover, its examples are more general, since it is aimed at a wider audience. However, the graphical examples are more detailed and more useful than the public sector textbooks, so a text such as this may be useful to those who have no previous economics experience. If ordering an introductory textbook, note that many authors have both larger texts (e.g. Mankiw's *Principles of Economics*) that include both microeconomics and macroeconomics and smaller texts that focus on just macro or micro. You will only need a text that focuses on micro. Be sure that the text includes coverage of consumer theory with indifference curves. Not all introductory texts include this topic.

*Principles of Microeconomics* by Libby Rittenberg and Timothy Tregarthen. This book is similar to other introductory economics textbooks. Because it is available electronically, it is available for a lower price than the other textbooks – as low as \$34.95 for an on-line only version. The text is available online at [https://catalog.flatworldknowledge.com/catalog/editions/rittenmicro\\_3-0-principles-of-microeconomics-3-0](https://catalog.flatworldknowledge.com/catalog/editions/rittenmicro_3-0-principles-of-microeconomics-3-0). Note that this company also has an intermediate microeconomics textbook (*Introduction to Economic Analysis* by R. Preston McAfee, Tracy R. Lewis). However, you will not want to use this text, as it is more advanced and uses calculus throughout the text.

**Prerequisites:** The course is designed for students with little or no background in economics. The only mathematics used are graphs and algebra. If you are unfamiliar with this material and/or would like a refresher, below are some mathematics resources that may be of use:

<http://www.intmath.com/Basic-algebra/Basic-algebra-intro.php>  
<http://www.sosmath.com/algebra/algebra.html>  
[http://www.wtamu.edu/academic/anns/mps/math/mathlab/beg\\_algebra/](http://www.wtamu.edu/academic/anns/mps/math/mathlab/beg_algebra/)

**Home page:** A home page for this course will be available at:

<https://dcpopp.expressions.syr.edu/pai897/>

You can also connect to the home page through my personal home page, which can be found at:

<https://dcpopp.expressions.syr.edu/>

The web site includes information about the class, links to articles on the reading list, and useful economics links. In addition, during the semester, problem sets and solutions will be posted. Finally, I will post lecture notes with the main points of each lecture before class.

**E-mail discussion group:** I have set up an e-mail discussion group for the class. All students are required to subscribe to the mailing list, and to check e-mail regularly. Information on how to subscribe is included below. You may use this list for any class related activities, such as asking questions, continuing discussions from class, and instigating new discussions. In particular, I hope that it will be useful to you as you work on homework assignments. I will use the list to post practice problems, keep you informed about assignments, answer questions, and instigate discussion. When messages are sent to the list, all students subscribed to the list will get the message.

I have already subscribed students who pre-registered for the course. If you have not yet been subscribed, please send an e-mail to [listserv@listserv.syr.edu](mailto:listserv@listserv.syr.edu) with the following message:

SUB PAI897 Jan Smith

Note that this is all that need be in the body of the message, and that it must be typed in exactly as written, except, of course, that you should replace your name for Jan Smith. When you sign up, you will receive a message with detailed instructions for participating in the mailing list. ***This message will ask that you reply, so as to confirm that you intended to join the list. It is important that you remember to reply, or else you will not be added to the list!***

Also, be sure to type "SUB PAI897" **not** "SUB PAI 897" (that is, do not include a space between PAI and 897).

***A couple of technical notes: E-mails sent to the list are sent to EVERYONE who subscribes to the list. If you want to send a personal e-mail to a specific class member (or to me), use their e-mail address, not the list's address. The list is a good place to ask questions about class materials, because everyone can see the answer. It is not the way to let me know that you are going to miss class on Wednesday. For that you should send an e-mail to me personally. Also, I am considered the owner of this list. If you experience any problems, please e-mail me directly. My e-mail address is [dcpopp@maxwell.syr.edu](mailto:dcpopp@maxwell.syr.edu).***

**Grading:** Your grade in this course will be based on problem sets (10%), completion of two policy memos (30%), two in-class quizzes (30%), and a final exam (30%).

Both in-class quizzes will be held on the dates listed in the syllabus. The location and time of the final exam will be announced at a later date. All quizzes and exams will be closed book exams – no notes or books may be used during the quizzes and exams. Calculators are permitted and suggested. If you must miss one of the quizzes or final exam due to illness, family emergency, or religious holiday, a makeup exam may be arranged, provided that appropriate documentation of the emergency can be provided. ***Except in the case of illness or unexpected family emergency, arrangements for the makeup exam must be made before the originally scheduled exam date.***

**Policy Memos:** Each policy memorandum is based on one of the two case studies, for which the due dates are included on the course outline. I will hand out each case assignment approximately one week before the date listed on the syllabus. The two cases provide students with practical applications of the tools taught in this course to real policy issues, as well as practice at written communication skills. For each, students will write a brief policy memo summarizing their analysis and recommendations. They are graded on effectiveness, including both writing and analysis. All students are expected to prepare for each case and to participate in case discussions. During case discussions (as during all class discussions), students are expected to treat all their classmates with respect.

Memos are due at the end of class the day they are listed on the syllabus. This will allow you to refer to your memo during the discussion. However, *the memos must be typed, and changes made to the memo during class will be ignored*. Late memos will not be accepted, as it would be unfair to other students to hand in a memo after the case has been discussed in class.

**Problem Sets:** Problem sets will be distributed on-line following the schedule below. Each will be distributed on a Wednesday. Solutions will be posted the following Wednesday. You will not need to hand in the problem set for grading. Rather, you will be asked to review the solutions and evaluate your own problem set, using a link to an on-line survey that will be available in Blackboard. *This self-evaluation will be due by 4 PM on the Friday after solutions are posted.*

Problem sets are intended to be learning experiences for you. You are encouraged to consult other students, myself, and the tutor for help with the problem sets, with two caveats. First, you should make an effort to write up your own answers, and each student must submit their own self-evaluation for each problem set. Second, attempt the problems yourself before consulting others. This is for your own benefit, since you won't be able to consult others during quizzes and exams!

### Course Schedule

A tentative schedule for all class assignments appears below. Please note this is subject to change.

#### \*\*\*\*\* REVISED SCHEDULE \*\*\*\*\*

| Assignment     | Hand out                | Due Date                     |
|----------------|-------------------------|------------------------------|
| Problem Set #1 | Wednesday, September 13 | Wednesday, September 20      |
| Problem Set #2 | Wednesday, September 20 | Wednesday, September 27      |
| Case #1        | Wednesday, September 27 | Wednesday, October 4         |
| Problem Set #3 | Wednesday, October 4    | Wednesday, October 11        |
| Quiz #1        |                         | Wednesday, October 18        |
| Problem Set #4 | Wednesday, October 18   | Wednesday, October 25        |
| Problem Set #5 | Wednesday, October 25   | Wednesday, November 1        |
| Case #2        | Wednesday, November 1   | Wednesday, November 8        |
| Quiz #2        |                         | Wednesday, November 15       |
| Problem Set #6 | Wednesday, November 29  | Wednesday, December 6        |
| Problem Set #7 | Wednesday, December 6   | Monday, December 11          |
| Final Exam     |                         | TBA during final exam period |

**Religious holidays:** SU's religious observances policy, found at <http://hendricks.syr.edu/spiritual-life/observances.html>, recognizes the diversity of faiths represented among the campus community and protects the rights of students, faculty, and staff to observe religious holy days according to their tradition. Under the policy, students are provided an opportunity to make up any examination, study, or work requirements that may be missed due to a religious observance provided they notify their instructors before the end of the second week of classes. For fall and spring semesters, an online notification process is available through MySlice/Student Services/Enrollment/My Religious Observances from the first day of class until the end of the second week of class.

In this class, quizzes and exams will be rescheduled as soon as possible after the scheduled date. If you will miss a class when a policy memo is due, you must hand in the policy memo before class. Since we discuss the memos in class, no late memos will be accepted.

**Academic Honesty:** Syracuse University's [Academic Integrity Policy](#) reflects the high value that we, as a university community, place on honesty in academic work. The policy holds students accountable for the integrity of all work they submit and for upholding course-specific, as well as university-wide, academic integrity expectations. The policy governs citation and use of sources, the integrity of work submitted in exams and assignments, and truthfulness in all academic matters, including course attendance and participation. The policy also prohibits students from: 1) submitting the same work in more than one class without receiving advance written authorization from both instructors and, 2) using websites that charge fees or require uploading of course materials to obtain exam solutions or assignments completed by others and presenting the work as their own. Under the policy, instructors who seek to penalize a student for a suspected violation must first report the violation to the Center for Learning and Student Success (CLASS). Students may not drop or withdraw from courses in which they face a suspected violation. Instructors must wait to assign a final course grade until a suspected violation is reviewed and upheld or overturned. Upholding Academic Integrity includes abiding by instructors' individual course expectations, which may include the protection of their intellectual property. Students should not upload, distribute, or otherwise share instructors' course materials without permission. Students found in violation of the policy are subject to grade sanctions determined by the course instructor and non-grade sanctions determined by the School or College where the course is offered, as outlined in the Violation and Sanction Classification Rubric. Students are required to read an online summary of the University's academic integrity expectations and provide an electronic signature agreeing to abide by them twice a year during pre-term check-in on MySlice.

The Violation and Sanction Classification Rubric establishes recommended guidelines for the determination of grade penalties by faculty and instructors, while also giving them discretion to select the grade penalty they believe most suitable, including course failure, regardless of violation level. Any established violation in this course may result in course failure regardless of violation level.

Of particular importance for this class, while you are free to work together on memos, each student must write up and hand in their own memo. Collaborative writing is not allowed. Original class materials (handouts, assignments, tests, etc.) and recordings of class sessions are the intellectual property of the course instructor. It is important that everyone feel free to participate in class and not worry about recordings being distributed further. Thus, while you may download these materials for your use in this class, you may not provide these materials to other parties (e.g., web sites, social media, other students) without permission. Doing so is a violation of intellectual property law and of the student code of conduct. Using artificial intelligence to complete assignments is prohibited.

**Important Resources:** Mental health and overall well-being are significant predictors of academic success. As such it is essential that during your college experience you develop the skills and resources effectively to navigate stress, anxiety, depression, and other mental health concerns. Please familiarize yourself with the range of resources the Barnes Center provides (<https://ese.syr.edu/bewell/>) and seek out support for mental health concerns as needed. Counseling services are available 24/7, 365 days, at 315-443-8000, and I encourage you to explore the resources available through the Wellness Leadership Institute, <https://ese.syr.edu/bewell/wellness-leadership-institute/>.

Syracuse University values diversity and inclusion; we are committed to a climate of mutual respect and full participation. There may be aspects of the instruction or design of this course that result in barriers to your inclusion and full participation in this course. I invite any student to contact me to discuss strategies and/or accommodations (academic adjustments) that may be essential to your success and to collaborate with the Center for Disability Resources (CDR) in this process.

If you would like to discuss disability-accommodations or register with CDR, please visit [Center for Disability Resources](#). Please call (315) 443-4498 or email [disabilityresources@syr.edu](mailto:disabilityresources@syr.edu) for more detailed information.

The CDR is responsible for coordinating disability-related academic accommodations and will work with the student to develop an access plan. Since academic accommodations may require early planning and generally are not provided retroactively, please contact CDR as soon as possible to begin this process.

## Course Outline

### I. Introduction: Microeconomics and the Policy Analysis Process

August 28 – Introduction

- Reading:* Weimer & Vining, chapters 2 & 15 (optional)  
 Irwin, Neil, “How Much is a C.E.O. Worth? America’s Confused Approach to Pay,” *The New York Times*, August 6, 2015, B5.  
 Kolata, Gina, “Tiny Heart Devices Reduce Death Rate, But Cost is Concern,” *The New York Times*, March 20, 2002, A1, A26.

### II. How Markets Work: Supply and Demand

August 30 & September 6 – Supply and Demand

- Reading:* Brooks, David, “Do Markets Work in Health Care?” *The New York Times*, January 13, 2017, A27.  
 Frakt, Austin, “Health Price Transparency Is Failing to Rein In Costs,” *The New York Times*, December 20, 2016, A3.  
 Mashal, Mjuib, Najim Rahim and Fahim Abel, “Afgan Farmers Clamor for Aid. Their Request: Gorge on Watermelons.” *The New York Times*, June 21, 2019, A4.  
 Porter, Eduardo, “Rationing Health Care More Fairly,” *The New York Times*, August 22, 2012, B1, B2.  
 “Never a bargain,” *The Economist*, June 29, 2019, 23.  
 “Palm roiled,” *The Economist*, May 7, 2022, 57.

September 4 – NO CLASS, LABOR DAY

September 11, 13, 18 & 20 – Applications of Supply and Demand

- Reading:* Weimer & Vining, chapter 4. p. 59-65 (through discussion of Figure 4-3); p. 70-73 (Producer Surplus: Measurement with Supply Schedules & Social Surplus) (all optional)  
 Badger, Emily and Eve Washington, “Across U.S., It’s Getting Harder to Find a Home,” *The New York Times*, July 14, 2022, A1.  
 Irwin, Neil, “Markets Adapt to Snarled Supply Chains,” *The New York Times*, July 6, 2021, B2.  
 Mariani, John, “Gas tax cap comes off, but so what?” *Syracuse Post-Standard*, June 8, 2008, B1, B3.  
 “Build, baby, build,” *The Economist*, August 11, 2018, 21-22.  
 “Credit where taxes are due,” *The Economist*, July 4, 2015, 64.  
 “Destination unknown,” *The Economist*, July 25, 2015, 61.  
 “Field work,” *The Economist*, April 13, 2013, 43-44.  
 “In a fix,” *The Economist*, January 11, 2020, 58-59.  
 “Levying the land,” *The Economist*, June 29, 2013, 69.  
 “Too damned high,” *The Economist*, August 27, 2022, 20.  
 “When the inc runs” *The Economist*, May 15, 2021, 67.



### III. Consumer Theory – Preferences and Budgets

September 25 – Consumer Behavior: An Introduction to the Concept of Utility

*Reading:* Frank, Robert H., “Economic Scene: Of Hockey Players and Housing Prices,” *The New York Times*, October 27, 2005, C2.

“Economic focus: Stomach staples,” *The Economist*, March 26, 2011.

September 27 – Consumer Behavior: Maximizing Utility

*Reading:* Weimer & Vining, Chapter 10, p. 221-229 (Supply Side Subsidies & Demand Side Subsidies) (optional)

“BOGOF bobbies,” *The Economist*, December 17, 2016, 50.

“Money where your mouth is,” *The Economist*, November 10, 2012, 41-42.

“Feeding expectations,” *The Economist*, February 22, 2014, 63.

October 2 – Applications of Consumer Theory

*Reading:* Weimer & Vining, Chapter 4, p. 65-67 (discussing Figure 4.4) (optional)

“Fat is a fiscal-policy issue,” *The Economist*, October 7, 2017, 71.

“Poor behaviour,” *The Economist*, December 6, 2014, 88.

“Reasonable doubt,” *The Economist*, October 14, 2017, 68.

Brooks, David “The Nudge Debate,” *The New York Times*, August 9, 2013, A17.

Jack, Kelsey, “Do Monthly Bills Undermine the Impact of Carbon Pricing?” Our 2 Cents Blog, July 10, 2019,

<http://emlab.msi.ucsb.edu/news/blog/do-monthly-bills-undermine-impact-carbon-pricing>.

Porter, Eduardo, “Nudges Aren’t Enough to Solve Society’s Problems,” *The New York Times*, February 25, 2016, B1 & B4.

Thaler, Richard H. 2018. “From Cashews to Nudges: The Evolution of Behavioral Economics,” *American Economic Review* 108(6): 1265-1287 (optional).

**WEDNESDAY, OCTOBER 4 – QUIZ # 1**

**IV. Producer Theory – Production, Costs, and the Derivation of the Supply Curve**

October 9 – NO CLASS, FALL BREAK

October 11 – Production

*Reading:* no assigned reading

October 16 – The Costs of Production

*Reading:* no assigned reading

October 18 – Case # 1, Rice Imports in Pacifica

October 23 & 25 – The Behavior of Firms Under Perfect Competition: Profit

Maximization and the Derivation of the Supply Curve

*Reading:* “Eroding exceptionalism,” *The Economist*, February 11, 2017, 51-52.

Hu, Winnie, “As Uber Ascends, Debt Demolishes Taxi Drivers,” *The New York Times*, September 11, 2017. A1.

Porter, Eduardo, “A Stock Windfall for Titans, A Debacle for Everyone Else,” *The New York Times*, February 14, 2018, B1, B4.

Porter, Eduardo, “Job Licenses in Spotlight as Uber Rises,” *The New York Times*, January 28, 2015, B1, B5.

Varian, Hal R., “Economic Scene: Why Old Media and Tom Cruise Should Worry About Cheaper Technology,” *The New York Times*, C3, October 19, 2006.

**V. Putting it All Together – Perfect Competition**

October 30 – Perfect Competition and Economic Welfare

*Reading:* Weimer & Vining, chapter 7 (optional)

Kenny, Charles, “Trickle Down Economics,” *Foreign Policy*, December 5, 2011.

Porter, Eduardo, “The Risks of Cheap Water,” *The New York Times*, October 15, 2014, B1, B6.

## VI. Market Failures and the Role of the Government

October 30 & November 1 – The Effects of Market Power: Monopolies

*Reading:* Weimer & Vining, Chapter 5, pp. 98-104 (Natural Monopoly) (also see pp. 68-70 in Chapter 4) (all optional)

Borenstein, Severin, “The Little Utility that Could,” *Energy Institute Blog*, November 8, 2021,

<https://energyathaas.wordpress.com/2021/11/08/the-little-utility-that-could/>.

Leonhardt, David, “Big Business is Overcharging You,” *The New York Times*, November 11, 2019, A23.

November 6 – The Role of Government

*Reading:* Weimer & Vining, Chapter 8 (required: available in Blackboard)  
Weimer & Vining, Chapter 10, pp. 205-211 (Freeing, Facilitating, and Simulating Markets); pp 244-251 (Supplying Goods through Nonmarket Mechanisms) (optional)

Borenstein, Severin, “Stabilizing Utilities in an Unstable Climate” *Energy Institute at Hass blog*, January 22, 2019,

<https://energyathaas.wordpress.com/2019/01/22/stabilizing-utilities-in-an-unstable-climate/>.

Rosenthal, Elisabeth, “Reinventing Post Offices in a Digital World,” *The New York Times*, October 31, 2012, A9.

Sorkin, Aaron Ross, “Price Gouging Can Aid Victims? Why Some Economists Say Yes,” *The New York Times*, September 12, 2017, B1, B6.

Wolfers, Justin, “Unusual Flavor of G.O.P. Primary Illustrates a Famous Paradox,” *The New York Times*, May 10, 2016, A3.

“Going postal,” *The Economist*, April 21, 2018, 59.

“One country, three systems,” *The Economist*, April 21, 2018, 38.

“Signal failure,” *The Economist*, April 11, 2020, 56-57.

“The unstuck middle,” *The Economist*, January 21, 2023, 19-20.

“The voice of public choice,” *The Economist*, January 19, 2013, 76.

“The worth of nations,” *The Economist*, May 5, 2018, 72.

November 8 – Case #2, Water Pricing

November 13 – Public Goods

*Reading:* Weimer & Vining, Chapter 5, pp. 74-93 (Public Goods) (optional)

“The price of jam,” *The Economist*, August 5, 2017, 45-46.

Hu, Winnie, “Is Your E-ZPass the key to Congestion Pricing in Manhattan?” *The New York Times*, March 22, 2018, A18.

Nixon, Ron, “Agreement on Interstate Repair Needs, but Not on How to Pay for Them,” *The New York Times*, April 4, 2014, A13.

**WEDNESDAY, NOVEMBER 15 – QUIZ #2**

## November 27 – Externalities

*Reading:* Weimer & Vining, Chapter 5, pp. 93-98 (Externalities); Chapter 10, pp. 211-221 (Facilitating Markets through Supply-Side Taxes); pp. 229-231 (Demand-Side Taxes) (all optional)

Wald, Matthew L., "Fossil Fuels' Hidden Cost Is in Billions, Study Says," *The New York Times*, October 20, 2009, A16.

"The taxes of sin," *The Economist*, July 28, 2018, 44-45.

"The lives of others," *The Economist*, August 19, 2017, 58-59.

## November 29 – Other Market Failures

*Reading:* Weimer & Vining, Chapter 5, pp. 104-112 (Information Asymmetry); Chapter 6, pp. 119-124 (The Problem of Uncertainty); Chapter 10, pp. 251-257 (Providing Insurance and Cushions) (all optional)

Davis, Lucas, "Nuclear Moral Hazard" Energy Institute at Hass blog, June 24, 2019, <https://energyathaas.wordpress.com/2019/06/24/nuclear-moral-hazard/>.

"The gene is out of the bottle," *The Economist*, August 5, 2017, 58.

"Graduate stock," *The Economist*, August 22, 2015, 62.

"Rainy-day funds needed," *The Economist*, April 22, 2023, 77.

"Re-redistribute," *The Economist*, July 22, 2017, 20.

"Secrets and agents," *The Economist*, July 23, 2016, 55-56.

"Under water", *The Economist*, September 9, 2017, 69.

**VII. Cost-Benefit Analysis**

## December 4 – Cost-Benefit Analysis

*Reading:* Weimer & Vining, Chapter 17, pp. 398-420 (stopping before discounting benefits and costs – note chapter # is different in older texts – chapter title is "Cost-Benefit Analysis: Assessing Efficiency") (optinal)

Dudley, Susan *et al.* (2017), "Consumer's Guide to Regulatory Impact Analysis: Ten Tips for Being an Informed Policymaker," *Journal of Benefit-Cost Analysis*, 1-18.

Vining, Aidan R. and Weimer, David L., "The Application of Cost-Benefit Analysis to Social Policy," *La Follette Policy Report*, 19(2), Spring 2010, pp. 1-4.

Frakt, Austin, "Fighting Over Chores? Spend Money, Save the Marriage," *The New York Times: The Upshot Blog*, April 2, 2018, <https://www.nytimes.com/2018/04/02/upshot/fighting-over-chores-spend-some-money-save-the-marriage.html>.

Pear, Robert, "New Laws Now Evaluated by Job Creation," *The New York Times*, January 3, 2012, A16.

Wald, Matthew L., "Energy Dept. Said to Err on Coal Project," *The New York Times*, March 11, 2009.

"Lives v livelihoods," *The Economist*, July 3, 2021, 67-69.

## December 6 – Cost-Benefit Analysis (continued)

*Reading:* Weimer & Vining, Chapter 17, pp. 420-434 (beginning with discounting benefits and costs – note chapter # is different in older texts) (optional)

Prest, Brian, "Discounting 101" Resources for the Future, January 6, 2020, <https://www.rff.org/publications/explainers/discounting-101/>.

December 11 – Discussion and Final Thoughts

*Reading:* “For goodness’ sake,” *The Economist*, March 20, 2021, 70

“Room with a view,” *The Economist*, January 12, 2013, 66.

“Get off my cloud,” *The Economist*, January 14, 2017, 69.

“Which market model is best,” *The Economist*, September 12, 2020, 65.

Carroll, Aaron E., “Forbidden Topic in Health Policy Debate: Cost Effectiveness,” *The New York Times: The Upshot Blog*, December 16, 2014, <http://www.nytimes.com/2014/12/16/upshot/forbidden-topic-in-health-policy-debate-cost-effectiveness.html>.

**FINAL EXAM: Date and time to be announced**