

## **ECON 309: Economic Problems and Public Policy**

**Sections: DL1**

**Spring 2021**

**Location:** Online (asynchronous)

**Prerequisites:** ECON 100 or 103 and 104 or permission of instructor.

**Credits:** 3

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*“There is only one difference between a bad economist and a good one: the bad economist confines himself to the visible effect; the good economist takes into account both the effect that can be seen and those effects that must be foreseen.” – Frederic Bastiat*

**Office Hours:** I will make myself available every Thursday from 5:00pm – 6:00pm for an open forum for anyone to ask questions about the material. If you would like to meet outside of these hours, please email me to schedule an appointment.

### **COURSE DESCRIPTION**

The economic way of thinking is the “golden key” to unlock the mysteries of the world. Especially in turbulent times such as these, having a keen understanding of economics is a valuable asset to have. The purpose of this course is to apply the economic way of thinking to public policy issues. By the end of this course you should be familiar with:

- The economic way of thinking
- Market process theory and public choice theory
- Applying these theoretical concepts to common public policy issues

This course will not offer suggestions on “policy prescriptions” but rather will teach you to use the economic way of thinking to frame common public policy issues. Questions like: Why is the rent too darn high? Why are there shortages during a time of crisis? Does foreign trade reduce domestic jobs? How is it that poor villages in developing countries, some of which have no running water or electricity, are able to educate themselves when the public school system abandons them? Answers to these questions, and more, will be addressed in this course.

### **COURSE STRUCTURE**

The first half of this course will be dedicated to teaching the basic economic theories needed to assess common public policy issues. The second half of the course will apply these theories to real world issues using the economic way of thinking.

Each week, I will post a series of lectures covering the topics listed below. You will also be assigned readings from either the books assigned, articles on the web, or YouTube videos. This class is fully asynchronous, so you may watch these lectures and do the readings on your own time. However, it is important to keep up with the weekly lectures and assignments so you do not fall behind. Since we are not meeting regularly, we will have student-led discussions on the Discussion Board on Blackboard each week to discuss readings and lectures.

## **REQUIRED TEXTS**

Most of the assigned reading will be provided digitally but there are two books required for this course:

- [\*Advanced Introduction to Public Choice\*](#) (AIPC) by Randall Holcombe ISBN: 978-1785362064
- [\*The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor\*](#) (TOE) by William Easterly ISBN: 978-0465089734

## **GRADING**

Weekly Discussion Participation (on Blackboard) – 15%

4 Quizzes – 20%

Policy Paper Reaction – 20%

Final Paper – 45%

## **WEEKLY DISCUSSIONS**

Since our class is not meeting in person, we will be using Blackboard to facilitate classroom discussion. Starting Week 2, each student will be required to post at least 2-3 comments to the Discussion Board on Blackboard each week.

Additionally, you will each be required to post a discussion question for one week out of the semester. Depending on how many students sign up for this class, we will have between 3-5 students each week act as discussion leaders and post questions based on that week's topic. I will post a sign-up sheet on Blackboard and you will be required to sign up for one week during the semester to post your discussion questions.

**Please be respectful when engaging your fellow students on the discussion board. Disrespectful or offensive comments of any kind will not be tolerated.**

More instructions will follow.

## **QUIZZES**

You will be assigned 4 quizzes throughout the semester. These will be 5 questions each and will be based on the readings and lectures. Each quiz is worth 5% of your grade (20% total). You will have 20 minutes to finish each quiz. The due dates of each quiz are listed below in the course

outline. Each quiz will be posted on Monday of that week and the deadline to finish is Sunday by 11:59PM.

Here is what will be included in each quiz:

Quiz 1: Weeks 1-3

Quiz 2: Weeks 4-7

Quiz 3: Weeks 8-10

Quiz 4: Weeks 11-13

**Make-up quizzes are only offered to those with valid reasons for absences. Any unexcused late submissions will not be accepted.**

### **POLICY PAPER REACTION**

You will be assigned a short policy paper halfway through the semester. You will find an article published in either a newspaper (NYTimes, Washington Post, Wall Street Journal, The Economist, etc.), think tank policy paper (Mercatus Center, Cato Institute, Brookings Institution, etc.), or academic publication (American Economic Review, Public Choice, Review of Austrian Economics, etc.) and write a short reaction (no more than 500 words) using the economic tools we've learned so far. This will be **due March 21 by 11:59PM**.

More instructions will follow.

### **FINAL PAPER**

For the final paper, you will pick a policy issue (either a policy issue we have discussed in class or an issue we have not) and evaluate common solutions to the problem through the lens of the economic way of thinking. Maximum of 2,000 words. This will be **due May 2 by 11:59PM**.

More instructions will follow.

### **COURSE OUTLINE**

I reserve the right to change the outline below if any unforeseen circumstances arise. Links to articles are hyperlinked when available.

**Note:** The readings and/or videos listed for each week are ***required***. Since this class will not meet in person regularly, it is up to you to ensure you are staying on top of your reading assignments. Each week will vary in the amount of required reading so please ensure you allocate appropriate time to finish each assignment.

### **Key:**

AIPC = *Advanced Introduction to Public Choice* by Randall Holcombe

TOE = *The Tyranny of Experts* by William Easterly

Date	Topic(s)	Readings/Videos
Week 1: January 25	<ul style="list-style-type: none"> <li>• Course Introduction</li> <li>• Syllabus</li> <li>• Economic Way of Thinking</li> </ul>	<p>“<a href="#">I, Pencil</a>” (video)</p> <p>“<a href="#">The Seen and the Unseen</a>” by Frederic Bastiat (only the Introduction and <i>The Broken Window</i>)</p>
Week 2: February 1	<p>Economic Way of Thinking (continued)</p> <ul style="list-style-type: none"> <li>• Opportunity Cost</li> <li>• Comparative Advantage</li> <li>• Gains from Trade</li> </ul>	<p>“<a href="#">An Inquiry Into the Nature and Causes of the Wealth of Nations</a>” by Adam Smith (read Book I Chapters 1-3)</p>
Week 3: February 8	<p>Market Failure Theory</p> <ul style="list-style-type: none"> <li>• Public Goods</li> <li>• Positive/Negative Externalities</li> <li>• Asymmetric Information</li> </ul> <p><b>QUIZ 1 DUE SUNDAY FEBRUARY 14 BY 11:59PM</b></p>	<p>“<a href="#">Public Goods</a>” by Tyler Cowen</p> <p>“<a href="#">Externalities</a>” by Bryan Caplan</p>
Week 4: February 15	<p>Intro to Public Choice Theory</p> <ul style="list-style-type: none"> <li>• “Politics Without Romance”</li> </ul>	<p>“<a href="#">An Introduction to Public Choice Theory</a>” – Don Boudreaux (video)</p> <p>AIPC – Chapter I (p. 3-10)</p> <p>AIPC – Chapters 8 &amp; 9, (p. 73 – 93)</p>
Week 5: February 22	<p>Public Choice Theory II</p> <ul style="list-style-type: none"> <li>• Voter Participation</li> <li>• Electoral Institutions</li> </ul>	<p>AIPC – Chapters 2 – 6 (p. 13 – 59)</p>
Week 6: March 1	<p>Intro to Market Process Theory</p> <ul style="list-style-type: none"> <li>• Methodological Individualism</li> <li>• Knowledge Problem</li> <li>• Spontaneous Order</li> </ul>	<p>“Austrian School of Political Economy” <a href="#">Part I</a> and <a href="#">Part II</a> (videos)</p> <p>“<a href="#">The Use of Knowledge in Society</a>” by F.A. Hayek</p> <p>TOE – Chapter 2 (p. 17 – 42)</p>

<p>Week 7: March 8</p>	<p>The Economics of Regulation and Price Controls</p> <p><b>QUIZ 2 DUE SUNDAY MARCH 14 BY 11:59PM</b></p>	<p><a href="#">“Regulation: A Primer”</a> by Susan E. Dudley and Jerry Brito (Chapters 1-2; 6-7)</p> <p><a href="#">“Bootleggers and Baptists”</a> by Bruce Yandle</p> <p><a href="#">“Rent Control in Mumbai”</a> (video)</p>
<p>Week 8: March 15</p>	<p>Environmental Policy</p> <p><b>POLICY PAPER REACTION DUE SUNDAY MARCH 21 BY 11:59PM EST</b></p>	<p><a href="#">“Terry Anderson on the Environment and Property Rights”</a> EconTalk podcast episode</p> <p><a href="#">“Pollution Controls”</a> by Robert W. Crandall</p> <p><a href="#">“Reflections on the commons”</a> by Elinor Ostrom (p. 1 – 28)</p>
<p>Week 9: March 22</p>	<p>Occupational Licensing</p>	<p><a href="#">“Occupational Licensing”</a> <i>The Economist</i></p> <p><a href="#">“The State of Occupational Licensure in Illinois”</a> by Patrick A. McLaughlin, Matthew D. Mitchell, and Andrew M. Baxter</p>
<p>Week 10: March 29</p>	<p>Development Economics</p> <ul style="list-style-type: none"> <li>• Growth theory</li> <li>• Technocracy vs Rights-Based approaches</li> <li>• Institutions</li> </ul> <p><b>QUIZ 3 DUE SUNDAY APRIL 4 BY 11:59PM</b></p>	<p>TOE – (p. 123 – 153)</p> <p>TOE – (p. 199 – 213)</p>
<p>Week 11: April 5</p>	<p>Innovation/Tech Policy</p> <ul style="list-style-type: none"> <li>• Entrepreneurship</li> <li>• Permissionless Innovation vs the Precautionary Principle</li> </ul>	<p>TOE – Chapter 12 (p. 275 – 306)</p> <p><a href="#">“Permissionless Innovation”</a> by Adam Thierer – Preface &amp; Chapter 1 (p. 1 – 21)</p>

Week 12: April 12	<p>Education Policy</p> <ul style="list-style-type: none"> <li>• Human capital</li> <li>• Signaling</li> <li>• International Education policy</li> </ul>	<p><a href="#">“Bryan Caplan on College, Signaling and Human Capital”</a> EconTalk podcast episode</p> <p><a href="#">“Private Schools in the Poorest Countries”</a> by James Tooley</p>
Week 13: April 19	<p>International Trade</p> <p><b>QUIZ 4 DUE SUNDAY APRIL 25 BY 11:59PM</b></p>	<p><a href="#">“Don Boudreaux on Globalization and Trade Deficits”</a> EconTalk podcast episode</p>
Week 14: April 26	<p>Economics of Disasters</p>	<p><a href="#">“Learning from Katrina”</a> Peter Boettke (video)</p> <p><a href="#">“Walmart, Katrina, and Disaster Response”</a> Steven Horwitz (video)</p> <p><a href="#">“Disaster Recovery and the Political Economy of Everyday Life”</a> by Peter Boettke</p> <p><a href="#">“Coming Back from COVID-19: Lessons in Entrepreneurship from Disaster Recovery Research”</a> by Stefanie Haeffele, Anne Hobson, and Virgil Henry Storr</p>
Week 15:	<p><b>FINAL PAPER DUE SUNDAY MAY 2 BY 11:59PM EST</b></p>	

**GRADING SCALE**

A+	97-100	B+	87-89	C+	77-79	D	60-69
A	93-96	B	83-86	C	73-76	F	<60
A-	90-92	B-	80-82	C-	70-72		

(Grades will be rounded to the nearest whole number. For example, an 89.5 will be rounded to a 90).

## **TECHNOLOGY**

Due to the asynchronous nature of this course, please ensure you have all video streaming software downloaded ahead of time in order to watch lecture videos posted to Blackboard. I will post most materials to Blackboard and all discussions will take place on the Discussion Board on Blackboard, so please ensure you check Blackboard on a regular basis. Please be sure to follow [the core rules of "Netiquette"](#) when posting discussion questions/answers on the Discussion Board.

## **SPECIAL ACCOMODATIONS**

If you have a documented learning disability or other condition that may affect academic performance you should: 1) make sure this documentation is on file with Disability Services (SUB I, Rm. 4205; 993-2474; <http://ds.gmu.edu>) to determine the accommodations you need; and 2) talk with me to discuss your accommodation needs. Please email me immediately following the first class so that we can work together to make sure that you have what you need to succeed in this course. Visit <http://ds.gmu.edu/> for more information on resources available to students at GMU.

## **ACADEMIC DISHONESTY**

Cheating will not be tolerated and can result in a failing grade, dismissal from class, and expulsion from the university. If I suspect you of cheating, I will seek the appropriate punishment under George Mason University guidelines. Please review the George Mason University Honor System and Code. Please visit <http://oai.gmu.edu/> to familiarize yourself with the full terms of the GMU Honor Code.

## **NOTICE OF MANDATORY REPORTING OF SEXUAL ASSAULT, VIOLENCE, AND STALKING**

I must report all disclosures of sexual assault, interpersonal violence, and stalking to Mason's Title IX Coordinator per University Policy 1412. You may seek assistance from Mason's Title IX Coordinator, Jennifer Hammat, by calling 703-993-8730 or email [cde@gmu.edu](mailto:cde@gmu.edu). If you wish to speak with someone confidentially, please contact one of Mason's confidential resources, such as Student Support and Advocacy Center (SSAC) at 703-993-3686 or Counseling and Psychology Services (CAPS) at 703-993-2380. The 24-hour Sexual and Intimate Partner Violence Crisis Line for Mason is 703-380-1434.

## **PRIVACY**

Student privacy is governed by the Family Educational Rights and Privacy Act (FERPA) and is an essential aspect of any course. Students must use their MasonLive email account to receive important University information, including communications related to this class. I will not respond to messages sent from or send messages to a non-Mason email address.