USP 615: Economics of Policy Analysis

Course Overview:
The purpose of this course is to expose doctoral students with an interest in policy analysis to microeconomic theory and applications that informs policy development and evaluation. The course will cover general theory and applications, as well as specific econometric-based empirical policy evaluation techniques. While prior training in economics is not presumed, the course is designed to allow students with a variety of exposure to economic theory to engage in its policy applications. The course is taught as a combined lecture/seminar format. General theory and applications will be presented and then seminar format discussion will follow focusing on the application of topics to students’ areas of policy interest. While the overarching purpose of the course is broad exposure to the economics of policy analysis, a secondary and equally important goal is to provide students with concepts and techniques that they can apply in their own research areas.

Evaluation:
Students will be evaluated on their ability to articulate and apply microeconomic applications to their area(s) of policy interest. Readings and participation are critical elements for a successful class experience. Students are expected to identify questions or research examples for each class topic to use as the basis of discussion. Questions or readings should be e-mailed to the professor by the end of the day prior to the class to which they apply. Two papers are required for the course that identify microeconomic principles applied to an area of policy interest, review pertinent economic and evaluative literature, and propose a general evaluation plan to evaluate the outcomes of the policy element. Notes on the specific content of the papers are included below. Final grades will be determined based on the following three areas and their relative weighting:

| Class participation/citizenship | 20% |
| Paper (2) | 80% |
Required Texts (**Available in PSU Bookstore):


Reading and Assignments:

***Syllabus and any additional readings can be found at http://web.pdx.edu/~nwallace/EPA

January 12 – Introduction to the Economics of Policy Analysis

Freidman Chapter 1

January 19 – Intro to Supply and Demand, Equity and Efficiency

Freidman Chapters 2&3


January 26 – Basic Demand and Consumer Choice Modeling

Freidman Chapters 4&5


Wallace NT 2012 “Impact of School Competitive Food Policy on School Food Related Finances” Draft report to Upstream Public Health
February 2 – Additional Demand and Consumer Choice Issues

Freidman Chapters 6-8


February 9 – Production and Supply Decisions

Freidman Chapters 9-11

February 16 – Public Policy and Competitive Markets

Freidman Chapters 12-14

February 23 – Market Failure, Public Goods and Externalities

***First Paper Due***

Freidman Chapters 15-17

March 1 – Institutional Choice and Control

Freidman Chapters 18-20

March 8 – Incentives, Information and Self-Interest

Levitt & Dubner Freakonomics Chapters 1-3

March 15 – Some Economics of Crime and Parenting

Levitt & Dubner Freakonomics Chapters 4-6

March 22 -- ***No class but final (2\textsuperscript{nd}) paper due***

Notes on Class Papers:

You are expected to write to concise, well researched and well conceived of approximately 15 pages (double spaced, excluding references). Each paper should identify an economic issue within that an area of policy interest that you have and explain its importance (~5 pages), review existing economic and empirical literature supporting or applying this idea (~5 pages), and proposes a specific policy application and a general design for how to evaluate its impact (~5 pages).