UN3902: Economics of Public Policy Seminar

Instructor:

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Office: 1112 IAB

Office Hours: Tuesdays 5–5.30 PM & Thursdays 1:15–2 PM

Meeting Times:

Tuesdays 2:10–4pm, Location: 1102 IAB

Course Objectives:

This course has two objectives:

1. To develop students' skills in research and writing. Specifically, participants will work on:

   (a) Formulating a research question;

   (b) Placing their research question in the context of the existing literature and/or the relevant policy area;

   (c) Using economic and econometric tools to provide answers to their research question;

   (d) Writing up their research in a clear and concise manner.

2. To provide an introduction to the key issues in the economics of public policy. In Public Economics we study the role of the government in the economy. Broadly, we want to know the answers to four core questions:

   (a) When should the government intervene in the economy?

   (b) How should the government intervene in the economy?

   (c) What are the effects of government intervention in the economy?

   (d) Why do governments choose to intervene in the way that they do?

   We will explore these questions through the lens of a number of key policy areas, including taxation, redistribution and social insurance, and the provision of public goods and services.

Prerequisites:

The prerequisites are UN3211, UN3213, and UN3412, all with grades of B+ or higher.

Class Materials:

PDFs of all materials (lecture slides, problem sets, solutions, etc.) will be made available on the course's Courseworks page. I will also send weekly emails with announcements. In addition, the source code for the syllabus and lecture slides will be made available on GitHub at https://github.com/michaelcbest/un3902-economics-of-public-policy-seminar. If you find typos or have questions/comments on the materials, please open an issue on GitHub or email me.

In-class Activities:

Our meetings will be a combination of lecture and discussion. During the lecture portion, I will use slides and I will write notes on the board. I will post the slides in advance of the lecture. Note that the slides alone do not summarize the lecture. Attendance is required, as is arriving prepared to discuss the assigned readings or the problem sets that are due.

Text and Readings:

We will read selected chapters from *Public Finance and Public Policy* by Jonathan Gruber (7th edition, 2022, although earlier editions are fine). This book is available for purchase online and in bookstores. It is also available as an e-book through Columbia University Libraries. In addition, some weeks we will cover academic papers that I will post on courseworks.

Grading:

- Class participation/attendance [10%]
- Problem sets [20%]
- Midterm exam [30%]
- Research proposal/paper [40%]

Academic Integrity:

You are expected to adhere to Columbia University's Academic Integrity Policy, which can be found at https://www.college.columbia.edu/academics/academicintegrity. The exam will be closed book. You are not allowed to communicate with others during the exam, nor consult with any books, notes or devices. Students suspected of academic dishonesty will be reported to the University's Center for Student Success and Intervention.

This does not mean that you cannot discuss the course material with your classmates. In fact, I encourage you to do so. However, all work that you submit must be your own. This also does not mean that you cannot use generative AI tools to help you in your work. In fact, I encourage you to do so, particularly for writing code when working with data. However, you remain solely responsible for the work that you submit and so if I ask you questions about your work, you must be able to answer them. This means checking all generative AI outputs carefully to make sure you understand them and that they are correct.

If you have any questions about what constitutes academic dishonesty, please ask me.

Accommodations for Students with Disabilities:

If you are a student with a disability and have a DS-certified 'Accommodation Letter' please have the disability office inform me of the accommodations you have agreed with them by email. If you believe that you might have a disability that requires accommodation, you should contact Disability Services at disability@columbia.edu.

Course Outline:

(subject to revision depending partially on enrollment size)

Week 1 – January 20: Introduction
- Course overview
- What is public economics?
- Readings:

    - Gruber (2022), Chapter 1

Week 2 – January 27: Empirical Tools in Public Economics
- Introduction to empirical methods
- Readings:

    - Gruber (2022), Chapter 3
    - Angrist and Pischke, 2009, *Mostly Harmless Econometrics: An Empiricist's Companion*, Chapter 1
    - Angrist and Pischke (2009), Chapter 2
    - John Cochrane, 2005, Writing Tips for Ph.D Students, especially section 2 on writing.

- Problem set 1 assigned

Week 3 – February 3: Externalities and Public Goods I
- Externalities and public policy
- Readings:

    - Gruber (2022), Chapter 5
    - Gruber (2022), Chapter 6
    - Cody Cook, Aboudy Kreidieh, Shoshana Vasserman, Hunt Allcott, Neha Arora, Freek van Sambeek, Andrew Tomkins & Eray Turkel, *The Short-Run Effects of Congestion Pricing in New York City* NBER Working Paper #33584, 2025.

- Data resources:

    - https://www.congestion-pricing-tracker.com/ Congestion Pricing Tracker.
    - https://www1.nyc.gov/site/tlc/about/tlc-trip-record-data.page NYC Taxi and Limousine Commission Trip Record Data.
    - https://c2smart.engineering.nyu.edu/manhattan-congestion-tracker/ Manhattan Congestion Tracker.
    - https://data.cityofnewyork.us/Transportation/Automated-Traffic-Volume-Counts/7ym2-wayt/about_data NYC Automated Traffic Volume Counts.

Week 4 – February 10: Externalities and Public Goods II

- Public goods provision and fiscal federalism.
- Readings:

    – Gruber (2022), Chapter 7
    – Gruber (2022), Chapter 10

- Data resources:

    – https://state-local-finance-data.taxpolicycenter.org/pages.cfm Urban Institute State and Local Finance Data.
    – https://www.osc.ny.gov/local-government/data New York State Local Government Data.

- Problem set 1 due
- Problem set 2 assigned

Week 5 – February 17: Social Insurance and Redistribution I

- Social insurance and redistribution: health
- Readings:

    – Gruber (2022), Chapter 15
    – Gruber (2022), Chapter 16

Week 6 – February 24: Social Insurance and Redistribution II

- Social insurance and redistribution: income/wealth inequality and equality of opportunity
- Readings:

    – Gruber (2022), Chapter 17
    – Thomas Blanchet, Emmanuel Saez and Gabriel Zucman (2022), Real-time Inequality. NBER Working Paper # 30229
    – Raj Chetty, John N. Friedman, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter (forthcoming), The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility, American Economic Review

- Data resources:

    – https://realtimeinequality.org/ Real-Time Inequality.
    – https://www.opportunityatlas.org/ The Opportunity Atlas.

- Problem set 2 due
- Problem set 3 assigned

Week 7 – March 3: Taxation I

- Taxation: theory and practice
- Readings:

    – Gruber (2022), Chapter 18
    – Gruber (2022), Chapter 19
    – Gruber (2022), Chapter 20

- Data resources:

    – https://www.irs.gov/statistics/ IRS Statistics of Income.

Week 8 – March 10: Midterm Exam

- Problem set 3 due

Week 9 – March 24: Taxation II

- Taxation: tax evasion and taxation in low- and middle-income countries
- Readings:

    – EU Tax Observatory (2023) Global Tax Evasion Report 2024, executive summary.
    – Pierre Bachas, Anders Jensen, and Lucie Gadenne (2024), Tax Equity in Low- and Middle-Income Countries, Journal of Economic Perspectives, 38 (1), 55–80.

- Data resources:

    – https://www.ictd.ac/dataset/ International Centre for Tax and Development Data.
    – https://atlas-offshore-world.org/ Atlas of the Offshore World.

Week 10 – March 31: Student Preliminary Presentations and Discussants I

- Students will present their research proposal ideas.
- Each student will be assigned a discussant who will provide feedback on the presentation and the written proposal/paper.

Week 11 – April 7: Student Preliminary Presentations and Discussants II

- Students will present their research proposal ideas.
- Each student will be assigned a discussant who will provide feedback on the presentation and the written proposal/paper.

Week 12 – April 14: Student Preliminary Presentations and Discussants III

- Students will present their research proposal ideas.
- Each student will be assigned a discussant who will provide feedback on the presentation and the written proposal/paper.

Week 13 – April 21: Student Final Presentations I

Week 14 – April 28: Student Final Presentations II