Econ 450: Public Microeconomics, Fall ‘04

Course content: What should the government do and how should it do it? This course reviews the central principles of welfare economics (including externalities, public goods, and economic justice), benefit-cost analysis, and taxation and applies them to selected policy issues in the U.S., Hawaii, and Asia. Will the war on terrorism bankrupt the social security system? Will globalization wreck the environment and leave the poor and the aged behind? How can education policy and efficiency in government be improved in Hawaii? Does banning marijuana create more problems than it solves? Other public policy topics include environmental and resource management, the provision of health and other basic needs, transportation policy, budget deficits, corruption in government, and others as requested.


Requirements and tentative weights
Quizzes: 32%
Final: 30%
Project/paper: 24%
Homework and citizenship: 14%

Office: 514 Saunders, W 1:30-3:00 and by appt. (jimr@hawaii.edu)

LECTURE AND READING TOPICS
Microeconomic review
Welfare economics
Justice
Pollution solutions
Coase Theorem
Free riders and public goods
Lindahl solution
Political economy (logrolling, rent-seeking, and corruption)
Income distribution and poverty alleviation
Education policy and vouchers
Social security and medicare
Project evaluation (benefit/cost)
Principles of tax reform (excess burden and equity)
Income taxes
Corporate income and business taxes
Consumption taxes
Burden of the national debt
Drug wars, price ceilings, rapid transit, tax credits, water pricing, tariff “protection,” facilitating market development, environmental stewardship, and other policy applications of local, national, and international interest