SECTION A: T10-12

This course will cover a number of contemporary public policy issues. In particular, we will look at the economic forces underlying these issues and critically assess potential solutions.

GRADING

The mark for the second term will be comprised of the following:

- Term Test  20%
- Term Essay  15%
- Participation 15%

Total Second Term  50%

The participation mark will consist of three parts (weighted equally): one class presentation, a written assessment and general participation during class discussion.

Students are expected to write a fully-documented term paper on a topic related to the seminar themes. A one-page outline of the essay, including the title, main theme, sub-sections, and a bibliography of about four key references is due in class on Tuesday, February 9th.

These essays are due on March 16th. Essays should be about 2500 words in length (approximately 10 double-spaced pages). Details will be discussed in class.

The term test will take place during regular class hours in the final class of the semester (March 30).
OFFICE HOURS AND CONTACT INFORMATION

I will be available for office hours on Thursdays in GE40 from 12:00-2:00. You are also welcome to send me an e-mail (a.bird@utoronto.ca) to arrange a meeting at another time.

OUTLINE – SECOND TERM

Note: Key readings will be made available on Portal.

1. Introduction (January 5)
   Key economic ideas
   Why do we need government?
   Hidden effects of government policy

2. Environmental Economics/Climate Change (January 12, 19, 26)
   Overview and Potential Solutions
   Copenhagen Summit and Political Problems
   Innovative Policy Solutions
      REDD and Carbon Offsets
      Temperature-dependent tax

Readings:
Stern Report Executive Summary (Long)
Robert Mendelsohn critique of Stern Report
Steven Landsburg (Slate, October 22) *Save the Earth in Six Hard Questions.*
Greg Mankiw ‘*Smart Taxes: An Open Invitation to Join the Pigou Club’*
Package of Economist articles on Copenhagen summit
Ross McKitrick (June 12, 2007, National Post article)

3. Economic Inequality (February 2, 9)
   Why doesn’t everyone earn the same amount?
   Should government policy interfere with these outcomes?

Readings:
Anthony Atkinson article discussing this report
Gary Becker and Kevin Murphy ‘The Upside of Income Inequality’
William Bernstein podcast at econtalk.org

Term Essay Outline due (February 9)

Reading Week (February 15-19)
4. Redistribution and Taxation (February 23)
   How much do different governments redistribute?
   How do they do it?
   What are the costs and benefits of such policies?

Readings:
Steven Landsburg on progressive taxation in ‘Fair Play’

5. Healthcare (March 2, March 9)

Readings:

5. Institutions/Basic Roles for Government (March 16)

Readings:

**Term Essay due (March 16)**

6. Charter Cities (March 23)

Readings: Paul Romer at TEDGlobal (July 23, 2009)
   Video and Written Summary of Talk

**Term Test (March 30 in class)**