THE HELLER SCHOOL FOR SOCIAL POLICY AND
MANAGEMENT BRANDEIS UNIVERSITY

HS372B. ECONOMIC THEORY AND SOCIAL POLICY
Fall 2019

Professor Christine Bishop  
Meeting Time: Tuesdays 9:00-11:50

Office:  Schneider 214  
Room G-2

Phone:  ext. 6-3942  
E-mail: bishop@brandeis.edu

Office hours:  Thursday 2:00-3:30 and (preferred) by appointment
Contact:  Ms. Debbie DeWolfe 6-3123 ddewolfe@brandeis.edu

Case Discussions:  Professor Darren Zinner  dzinner@brandeis.edu

We look forward to meeting each of you to learn more about your interests.

Teaching Assistant:  TBN

TA Session:  TBD: It is important that we find a time when most students can attend. Homework will be collected and discussed in the TA session.

The Heller Pledge frames interaction among all members of our community, and is included in this Syllabus. ➔ I respectfully request that if I say or do anything in class that seems to go against the spirit of the Pledge that you have the courtesy to let me know.

If you are a student with a documented disability on record at Brandeis University and wish to have a reasonable accommodation made for you in this class, please see me immediately.

Course Description and Objectives:  This course introduces concepts of microeconomic analysis that can be applied in the analysis of social policies. As a discipline, economics provides a framework for modeling choices by market actors. We assume each actor is trying to do the best they can with the situation each has – formally, each is optimizing personal objectives subject to constraints. In theory, when these choices are made in markets, they combine to determine prices and quantities for private-market goods and services, leading to efficient production and distribution. We will consider economics in the context of our society, where well-functioning markets and efficiency should not be an end in themselves, but a mechanism to get goods and services produced and distributed to the people who need and want them, furthering individual and collective wellbeing.

By the end of this course, you will be able to use basic economic models for consumer demand, producer decisions, market equilibrium, workers’ choices about labor force participation and job choice, and demand and supply of collective goods. Importantly, you will understand the underlying assumptions of these models and be able to assess and critique analysis based in economics that suggests unjust allocations and disparities. Over your Heller career and beyond, you can use these basic concepts of demand, supply, and markets to analyze demand and supply for health services, housing, food, child care, education and other goods and services that are relevant for social policy, with special attention to decisions about work, insurance and risk, saving and human capital that can build assets and support family wellbeing. You will be better able to think through incentives and regulatory constraints that can make policy work better for more people in our market economy.
Elements of the Course:

- Lecture and discussion each week will develop the basic concepts and theory for the week and then briefly introduce the material for the next week, to help you focus your reading.
- A short segment at the beginning of each class will be devoted to current economic events, to introduce macroeconomics.
- Cases, led by Professor Darren Zinner, will allow you to demonstrate application of the concepts in real-world examples.
- In five class sessions, the last 50 minutes of class will be devoted to a student group’s presentation on a policy topic.
- Problem sets will be discussed in the TA session.
- Two exams, a midterm and a final, will allow you to show what you have learned.

Overview of Course Requirements: Courses at Brandeis are expected to average approximately three hours of out-of-class work for each hour of class time. The following activities are required for the course, with weights for final grade in parentheses. More details about each assignment appear on separate pages.

- Participation/ Preparation: Preparation and active participation is essential to engaging in this material and successfully completing the course. It is assumed that students will read assigned material beforehand and come to class ready to discuss and apply economics concepts (15%)
  - Thoughts and Questions (TQs): By Monday at 9 am each week you are expected to respond to the week’s Thoughts and Questions Google survey with reflections on the week’s readings. Your responses will not be graded, but active participation (TQs for at least 9 of the 13 sessions) is necessary to pass this course.
  - Class Participation: Attendance is required, most of all because we will miss your voice if you are not present. The material can be challenging, and I want to ensure that each student has the benefit of all the available learning tools, including lecture and class discussion as well as reading, problem sets and TA sessions. Do speak up to practice and question what you are learning, whether in class or in the Thoughts and Questions.
  - Cases. During a number of classes, Professor Darren Zinner will lead a discussion of a real-world case example involving the application of economic theory in policy debates. The goal of these sessions is for you to evaluate economic principles “in context,” but they will also allow students to practice carrying out some of the classic quantitative calculations of economics under supervision. The case study method requires participants to thoroughly prepare the case in advance using assigned materials and to actively participate in discussion of the case.
- Students will form groups to develop and lead a Policy Presentation with a team, including preparation of a topic brief/ discussion guide – see further explanation on accompanying document (15%).
• **Problem Sets.** New technical concepts will come up at nearly every session. In order for students to keep up and master the concepts, I will assign technical exercises most weeks during the semester. This will often involve graphs and pictures; it is fine to sketch these, there is usually no need for beauty and precision. Completed problem sets must be submitted to our TA, either on LATTE (scan your paper if necessary) or in hard copy. Answers will be posted on LATTE. You will receive full credit for every homework assignment that shows a good-faith effort to understand the material and is turned in on time (10%).

• There will be a take-home midterm exam designed to take about one hour to complete (25%) and a take-home final exam (35%) in the course exam period, each graded on a scale of 100 points.

**Course Reading is to be Read Prior to Class Each Week:**


Other background readings may be listed and available on LATTE to address particular topics. Most will be optional, to follow up if you are interested.

Case materials will be posted when you are expected to prepare for in-class case discussion. Policy topic briefs prepared by student groups for the student-led policy discussion topics, posted on LATTE, are also **required reading** for all students.

**Other resources will be listed with links on LATTE and identified as OPTIONAL**

- Khan Academy videos
- Core Team free interactive text: Sign up and log into this free resource at this link: http://www.core-econ.org/the-economy/index.html
- Supplementary materials on each policy discussion topic will also be available, selected by me or by the student presenters.
- Academic journal articles can give you a picture of how economists analyze problems, use data to test hypotheses, and draw inferences for policy. Skim these optional articles, which may go deep into mathematical theory or fancy econometrics, for background understanding of the problem addressed, approach, and conclusions.
- Locate and follow a source of current economic news. What's the current unemployment rate, growth rate, interest rate, and which directions are they heading? What do these macroeconomic indicators portend for the outcomes we care about, from poverty to state Medicaid spending to child wellbeing? Send me links and I will make your “finds” available to all on LATTE.

**Provisions for Feedback:** You will receive feedback on your DRAFT team policy discussion document. Incorrect answers on problem sets will be identified, and you are expected to work with the answer key and the TA to understand missteps. Exams will be graded and returned.
Academic Integrity:
Students may work together on problem sets (after they’ve given the problems a solid try on their own) but may not work together on the midterm or the final exams. It’s possible you might find answers to problem sets or exam questions similar to the ones I assign on the internet. Do not use them. Do your own work.

Academic integrity is central to the mission of educational excellence at Brandeis University. Each student is expected to turn in work completed independently, except when assignments specifically authorize collaborative effort. It is not acceptable to use the words or ideas of another person -- be it a world-class philosopher or your lab partner – without proper acknowledgement of that source. This means that you must use footnotes and quotation marks to indicate the sources of any phrases, sentences, paragraphs or ideas found in published volumes, on the internet, or created by another student. Violations of university policies on academic integrity, described in Section 3 of Rights and Responsibilities, may result in failure in the course or on the assignment, and could end in suspension from the University. If you are in doubt about the instructions for any assignment in this course, you must ask for clarification.

The Heller Pledge

I Pledge:

- To make Heller a safe and welcoming place for all people.
- To be aware of my own biases against people who are different from me, and to hold myself accountable for my actions and words, even if it is uncomfortable.
- To engage in respectful dialogue and language that is responsible and sensitive to the opinions of others and free of rancor and attack, in and outside the classroom.
- To intentionally and consistently act to address societal inequity and injustice in the broader community.
- Ultimately, I pledge to work for a world in which everyone is free to be who they are and can lead fulfilling lives, without having to overcome discrimination.

UNIVERSITY NOTICES

You are expected to be honest in all of your academic work. Please consult Brandeis University Rights and Responsibilities for all policies and procedures related to academic integrity. Students may be required to submit work to TurnItIn.com software to verify originality. Allegations of alleged academic dishonesty will be forwarded to the Director of Academic Integrity. Sanctions for academic dishonesty can include failing grades and/or suspension from the university. Citation and research assistance can be found at LTS - Library guides.

Notice: If you have a documented disability on record at Brandeis University and require accommodations, please bring it to the instructor’s attention prior to the second meeting of the class. If you have any questions about this process, contact Ravi Lakshmikanthan, disabilities coordinator for The Heller School at x 62753, or at kanthan@brandeis.edu
<table>
<thead>
<tr>
<th>Tuesdays am 9:00 – 11:50</th>
<th>Subject</th>
<th>Economic Measures, Case, Student Presentation (SP)</th>
<th>Reading Assignment (Chapters refer to Goodwin et al. text)</th>
<th>Problem Set (Due before weekly TA session)</th>
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<tbody>
<tr>
<td>September 3</td>
<td>Introducing Economics: Microeconomics and Well-Being; Choice by economic actors; define: opportunity cost, efficiency/inefficiency, incremental/marginal analysis. There Is No Free Lunch</td>
<td>Warm-up Case: Demand Relationship</td>
<td>Chapters 0, 1 and 2</td>
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<td>September 10</td>
<td>Supply and Demand: D and S price and quantity equilibrate</td>
<td>GDP: Sources and Uses; Growth</td>
<td>Chapters 3; resource on GDP (TBD)</td>
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<td>September 17</td>
<td>Consumers Choose What to Buy to Optimize Wellbeing given Constrained Income: What’s behind the demand relationship?</td>
<td>Measuring Unemployment</td>
<td>Chapters 7 and 8 Bureau of Labor Statistics tables on unemployment</td>
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<td>September 24</td>
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<td>Case: Consumer Behavior</td>
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<td>October 8</td>
<td>Producers Choose how Much (and How) to Produce to Maximize Profit, given Prices of Inputs and Price Received for Output</td>
<td>Case: Producer Choices</td>
<td>Chapter 15, especially pp. 512-514; Chapter 9 pp. 284-286 ONLY (firm’s decision to buy labor hours, an input)</td>
<td>x</td>
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<td>October 15</td>
<td>No Class</td>
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<td>Midterm Exam Due</td>
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<td>October 22</td>
<td>Production Costs</td>
<td>SP: Social or health services: costs or input mix</td>
<td>Chapter 15</td>
<td>x</td>
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<td>October 29</td>
<td>Elasticity: Responsiveness of Quantity to Price Welfare Economics: Consumer and Producer Surplus</td>
<td>SP: Response of quantity demanded to price</td>
<td>Chapters 4 and 5</td>
<td>x</td>
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<td>November 5</td>
<td>Competitive Markets: The Impossible Dream</td>
<td>Case</td>
<td>Chapter 16</td>
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<td>Date</td>
<td>Topic</td>
<td>SP</td>
<td>Chapter</td>
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<td>November 12</td>
<td>Markets with Market Power (Monopoly, Monopolistic Competition &amp; Oligopoly)</td>
<td>SP: Markets and Competition</td>
<td>Chapter 17</td>
<td></td>
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<tr>
<td>November 19</td>
<td>Labor Market: Supply and Demand</td>
<td>SP: Labor Supply</td>
<td>Chapter 9</td>
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<td>November 26</td>
<td>Human Capital Investment: Economics of Education and On-the-Job Training</td>
<td>SP: Educational investment</td>
<td>Reading to be assigned</td>
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<td>December 3</td>
<td>Collective Goods</td>
<td>SP: Collective Goods</td>
<td>Chapter 13</td>
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<td>December 10</td>
<td>Economics of Inequality</td>
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<td>Chapter 10</td>
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*See handout on Student Presentation Assignment, also posted in LATTE, for instructions and topics for choice*