The primary goal of this course is to provide first-year PhD students with an introduction to the core topics of public policy as a discipline.

Assignments and grades

Grades will be based in equal measure on class participation, weekly written assignments, a term paper, and a final exam.

1. Class participation begins with regular attendance, both for this class and also of the research workshop. Students will be expected to come to class prepared to discuss the readings.
2. Weekly written assignments will be designed to complement the class discussions.
3. A 15-20 page term paper.
4. Final exam.

Readings

The following books are available for purchase from Amazon and other booksellers:

Robert Axelrod, *The Evolution of Cooperation*
Russell Hardin, *Collective Action*
R. Duncan Luce and Howard Raiffa, *Games and Decisions*
Elinor Ostrom, *Governing the Commons*
Howard Raiffa, *The Art and Science of Negotiation*
Thomas Schelling, *Micromotives and Macrobehavior*
Thomas Schelling, *The Strategy of Conflict*
Brian Skyrms, *The Stag Hunt and the Evolution of Social Structure*
Edith Stokey and Richard Zeckhauser, *A Primer for Policy Analysis*

Other readings are available on Blackboard under Course Documents

Term Paper

The terms paper should be 15-20 pages in length that investigates a policy issue of interest to you, analyzing the nature of the problem in terms of the theoretical ideas of the course. What explains why there is a problem? What failures of market and collective action are (plausibly) causal? What is the evidence for this hypothesis? What additional evidence might one seek to test it?

Schedule of Classes, Readings, and Assignments


Readings:
Dan Hausman. “Why look under the hood?”

9/1 Market Potential & Market Failures I: Externalities. (Pfaff)
Readings:
Schelling, Micromotives and Macrobehavior, Chapter 1
Stokey and Zeckhauser Chapter 14
J. Gruber, 2005. Public Finance and Public Policy. Chapters 5 & 6 on externalities
R.H. Coase Notes on the problem of social cost.

9/8 Market Failure II: Property Rights & The Coase Theorem (Pfaff (& Wiener?))
Readings:
EPA, Acid Rain Program, 2005 Progress Report, 2006
Weiner, Designing Global Climate Regulation, 2002
Easterbrook, Al Gore's Outsourcing Solution, 2007
Weiner, Think Globally, Act Globally 2007

9/15 Market Failure III: Public Goods & The Commons (Pfaff)
Readings:
Garrett Hardin. “The Tragedy of the Commons.”
Carol Rose. “The Comedy of the Commons.”
Ostrom, Governing the Commons, chapters 1 and 2
Russell Hardin, Collective Action, chapter 7

9/22 Market Failure IV: Asymmetrically Incomplete Information (Pfaff)
Readings:

9/29  Collective Action I: The Nature of the Problem and an Introduction to Game Theory (Mayer)

Readings:

R. Duncan Luce and Howard Raiffa, *Games and Decisions*, pp. 1-11, 56-73, 88-113
Thomas Schelling, “What is Game Theory?” in *Choice and Consequence*

10/6  Collective Action II: Intro to Game Theory Continued (Mayer)

Readings:


10/13  FALL BREAK

10/20  Collective Action III: Basics of Negotiation Analysis (Mayer)

Readings:

Luce and Raiffa, *Games and Decisions*, pp. 114-154
Howard Raiffa, *The Art and Science of Negotiation*, pp. 11-65, 131-165

10/27  Collective Action IV: Multi-Party and Multi-level Negotiations (Mayer)

Readings:

Raiffa, pp. 251-287

11/3  Collective Action V: Dynamic interactions (Tipping points, contagion, critical mass) (Pfaff (& Ananat?))

Readings:
Schelling, *Micromotives and Macrobahavior*, Chapters 4, 5, and 6
Elizabeth Ananat, *Railroads and Segregation*
Others TBA

11/10  Cognitive, Behavioral and Cultural Critiques of Rational Choice  (Mayer and Pfaff)

Readings:


11/14  DRAFT PAPERS DUE

11/17  Governance I: The Purpose of Government (Mayer)

Readings:

Others TBA

Paper presentations I

11/24  Governance II: Non-governmental Institutions (Mayer and Pfaff)

CSR and its potential.
Skyrms, *The Stag Hunt and the Evolution of Social Structure*, pp. 45-123

Paper presentations II

THANKSGIVING BREAK

Final Papers Due
Final Exam