

Economics 232
Public Economics: Redistribution and Social Insurance

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Objective: The objective of this course is to provide an understanding of the role of government intervention in the economy in two broad areas of expenditure from both a theoretical and an empirical perspective. The emphasis will be on learning techniques that can be applied to produce original research and to critically analyze existing research in the field.

Class Meetings: Lectures will meet Fridays at 2:00-4:50pm in ECON 300.

Office Hours: Office hours are by appointment in ECON 306.

Requirements: There are four sets of requirements for this course:

1. Readings: The required readings are primarily journal articles and these will be made available to you on the class web page:
<http://econweb.ucsd.edu/~j1clemens/personalTeaching/Econ232Syllabus.html>

Mandatory readings are marked with a **. The reading list may undergo some revisions over the course of the quarter.

2. Paper presentations: Over the course of the quarter, each of you will present three assigned papers during our regular class periods. The papers will be primarily empirical. The goals are for you to: i) place the issue addressed in the paper within the context of the course themes; ii) explain the empirical strategy used in the paper; and iii) provide a brief critique of the paper. The presentations are worth 20% of your grade.
3. Problem sets: There will be 2 problem sets worth 20% of your grade (each counts 10%). Feel free to work together on the problem sets. Each person must turn in his/her own copy and write the names of collaborators at the top of the assignment.
4. Final exam: There will be a final cumulative exam administered during final exam week that is worth 60% of your grade.

Seminars: I encourage you to attend the applied microeconomics seminar (which meets on Mondays from 2:00 to 3:30 in Econ 300). Attending seminars is among the best ways to facilitate the transition from coursework to research.

Broad Course Outline

I. Redistribution

- A. Justification for government involvement
- B. Poverty and inequality: measurement and U.S. trends
- C. Transfer programs in the U.S.
- D. Program design
- E. Program evaluation methods
- F. Evidence on the impact of transfer programs

II. Social Insurance

- A. Justification for government involvement
- B. Financing social insurance
- C. Unemployment Insurance: optimal program design and empirical evidence
- D. Social Security and Disability: institutions and empirical evidence
- E. Health Insurance: the demand and supply sides of optimal design