

Public Economics Syllabus

Harris School of Public Policy
University of Chicago
PPHA 32220

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Information about this course

Background and Goals

Public Economics is the study of the role that the government plays in the economy, including both the theoretical rationale for government intervention, and the efficiency and equity consequences of its actions. In this course, we will study four broad themes related to the role of the government: (1) public goods and externalities, including education, infrastructure and the environment, (2) redistribution and social insurance, including health insurance, social security, and cash transfer programs, (3) taxation, and (4) policies to promote economic growth. For each thematic area, we will study the economic theory, and read and evaluate the empirical evidence regarding the impacts of government intervention. As part of this course, we will consider government programs in policies in both higher- and lower-income countries.

The core goal for the class is for you to be able to analyze economic policy through a “public economics” lens. That is, for any policy, we want to be able to critically analyze what the economic rationale is for government action, what incentive effects governments need to be mindful of, and how a policymaker might assess whether or not a program is “working.”

Prerequisites

There are no formal prerequisites for this course. I will assume however that you have some baseline familiarity with microeconomics. This will manifest itself in two ways. First, when describing the theory behind certain public economics concepts, I will be describing things with the assumption that you are familiar with economic terms and ideas (e.g., labor supply, indifference curves). Second, many of the readings we will discuss in class rely on “impact evaluation”-style methods of accumulating evidence (e.g., randomized controlled trials, difference-in-difference estimates). In all cases, I will provide at least a basic background of the tools used, but students will benefit from having an existing familiarity with these concepts.

Note that you will NOT be required to work with numerical examples and/or coding in any quizzes or assignments.

How this class will “work”

Meeting times and locations: Tuesdays and Thursdays, 2:00pm-3:20pm

Classroom location: TBD

Teaching tools:

- I will be using **Canvas** to upload course material (e.g., readings, assignments), and send out announcements.
- Assignments will be submitted via **Gradescope**.
- You can ask questions about readings or assignments via the **Ed** board, which you can submit either anonymously (to your fellow students) or with your name. I try to be diligent about reviewing and responding to comments, and my TA will be too.

Use of Class Time: Class time will consist of the following basic components:

- Core Content: Majority of Class
 - Lectures: I will review economic theory and evidence of relevant topics
 - Discussion: when we get into more applied topics and/or review of evidence, we will also engage in class and small group discussion
- Evaluative content:
 - At the beginning of six classes (listed below), we will have short, 10-15 minute quizzes, reviewing concepts and evidence from class and readings
 - Presentations: twice during the quarter, you will give a short, 5-10 minute presentation on a policy topic (detailed below, exact length determined by class size)

Attendance: 10% of your grade will be made up of attendance and participation in the course. This will be based on a combination of (a) physically attending, and (b) actively participating in class (and/or on the Ed board), and asking and answering questions.

Student assignments

There are five components that will make up your grade in the course: Policy briefs, Presentations, Reading Summaries, In-Class Quizzes, and Attendance/Participation

I. Policy Briefs (25% each → 50% total)

Of our four themes (1. externalities and public goods, 2. taxation, 3. social insurance and redistribution, and 4. growth-based policies), you will be required to pick two themes to write a policy brief about. For each, you will pick an actual public policy of interest to you (this could be something you read an academic paper about, saw discussed in the NYTimes, were personally affected by, or learned about in any other way!). Policies from any country and under any government jurisdiction (e.g., city, state, national) are welcome.

You will then write a 3-5 page brief about this policy. I will give fuller details at the start of class, but this brief should include some of:

- a) The economic rationale for why the government should be providing this program, rather than via the private sector
- b) Any incentive effects the government needs to be mindful of in its design, if relevant
- c) Who are the likely winners and losers from this policy
- d) What the empirical evidence says about whether a program of this sort is effective at achieving its aims (including what the quality of evidence is, and how applicable you think it is to the context)
- e) If your review of the economic theory or evidence suggests there are clear improvements to make to the policy

II. Presentations (15% total)

For one of the two topics you choose to write a policy brief on, you will give a 5-10 minute presentation about what you have learned (I will determine the exact length on the basis of class size), and answer a few questions from me and/or your classmates.

III. Class Reading Assessments (10% total)

Each week, I will give you one journal, news or policy article I want you to read (with the exception of the first week). I then want you to write (a) up to one half page summarizing the article (e.g., the arguments made, the evidence presented, etc), and (b) up to one half page critically evaluating the article. This could be “I think the article does a clear job of providing evidence for X margin, because...” or “I was unpersuaded by the argument for Y, because...”

This will be graded on a (zero vs) check vs plus basis. That is, the TA or I will take a quick look at what you’ve written, if you’ve made a sincere, detailed effort to do both, you will get a plus, if you’ve only addressed the topic in a cursory way, will get a check, and if you haven’t done it, will get a zero.

My goal here is primarily not to be evaluative—it is just to provide a commitment device to ensure you have read and thought about some material before coming to class. I will keep the grade of 6 of your highest 8 assignments (so if e.g., you are sick or busy with midterms, you can always skip a week or two).

Reading summaries will be due by 6am on each Thursday (i.e., the day of class). (My 6am time here is my way of enforcing “before you go to bed on Wednesday night,” whenever that might be!).

IV. Quizzes (15%)

On six of the class Tuesdays (weeks 2, 3, 4, 5, 6, 7, and 8) we will have short, 10-15 minute in-class quizzes. I anticipate some multiple choice, some short answer. I will provide example

questions prior to the first quiz). Quizzes will be based on a combination of recent lecture material, and readings.

I will keep the grade of your four highest-scoring quizzes. If you are sick or otherwise unable to attend, you have the option of not taking the quiz (and having it be one that is dropped), or taking a make-up quiz during my TA's office hours (or exceptionally) another time. If you are ill and/or unable to attend, and wish to make up a quiz, you must email me before the end of that days class.

V. Attendance and Participation (10%)

Lastly, I will grade you on the basis of your attendance and participation in the class. This will be subjective, and graded by me. Here are examples in past years of teaching of student participation levels that I have given an "A," "B," and "F" to. (These are just examples of three different points in the distribution; many students are between these margins).

A: A student getting an "A" is almost always in attendance. (maybe they missed a class or two when they were sick, but were here most days). They were actively participating throughout the course, which might reflect that they either: (a) answered or asked questions nearly every class or every week, or rarely spoke up, but frequently asked questions on the Ed board and answered questions, which conveyed to me they were fully engaged in the class.

B: A student here might be engaged when they attend, but miss a lot of class (and not indicate that illness or some other issue was causing the spotty attendance). Or, they might regularly attend, but with some frequency, are actively distracted (e.g., frequently texting in class, or otherwise not engaged).

F: A student who showed up for the first three lectures, and then I never saw them again, except for quizzes (and at the completion of each quiz, they walked out of the classroom)

Readings and Textbook

Readings: I will post readings online (either the PDF file on Canvas, or a link to the file).

Textbook: There is no textbook for the class. A great reference for Public Economics is Public Finance and Public Policy, by Jonathan Gruber. You may find it useful if there are topics you would like to explore further (e.g., you want to learn more about disability insurance than what we cover), but I will not be directly following it.

Topics and Provisional Course Outline

Our class will adhere to the following basic outline of themes, and topics within each theme. Kindly note that the final list of topics is still being finalized (and will depend in part on how quickly we go through the class):

- Intro to Public Economics, and Discussion of Course Procedures
- Externalities and Public Goods

- Education
- Schools, local amenities, and valuing public goods
- Basic healthcare
- Infrastructure
- Environment and pollution
- Climate change
- Cost-Benefit Analysis
- Taxes
 - Theory of optimal taxation, and tax incidence
 - Taxation and labor supply
 - Collection and compliance with taxation
- Social insurance and Redistribution
 - Health Insurance
 - Social Security / Retirement Programs
 - Disability Insurance
 - Cash transfer programs
 - In-kind transfer programs
 - Workfare programs
- Growth-based policies
 - Industrial policy
 - Place-based policy
 - Active labor market policies

Grading policies and procedures

Late policy: I will mark down any assignments by 10 percentage points every day (e.g., if an assignment is due by 11:59pm on April 1, submitting any time on April 2 will lead to a 10pp reduction).

Regrade requests: Kindly request a regrade only if you think a mistake was made on a question or assignment. My TA will take a first look at the regrade; if you still think there was a mistake, I will re-evaluate the whole assignment (and potentially conclude that the initial grader was too harsh, but also potentially conclude they were too generous elsewhere).

Submission method: Assignments will be submitted via Gradescope.

Group Work: You are welcome to discuss your assignments with fellow students, but I would like you to submit your own work. The only exception is that if 2-3 of you would like to jointly work on a policy brief and (thus potentially the) presentation, you may petition to do so. The scope of the project will need to be correspondingly larger; my base assumption is that most of you will individually complete each assignment.

Instructor Office Hours

My office hours are [Time and Location to Come, provisionally assume Wednesday afternoon and Thursday after class].

If you have questions about the assignments or course content, it would be great for you to use the Ed board, so others can see my answers (if you are comfortable posting there). If you would like to contact me about something private, or about logistics (e.g., absences), you can contact me at barkern@uchicago.edu.

Teaching assistant

Teaching assistant: TBD. My TA will:

- A) Be available for office hours (Day and Time, TBD)
- B) Will help grade assignments
- C) Will help answer questions on the Ed Board.

AI Policy

I (and other UChicago professors) face a difficult challenge and trade-off when forming our AI policies. On the one hand, I recognize that large language models (LLMs) and other AIs are extremely powerful tools that are very useful assistants for lots of tasks. Students and workers can effectively harness these tools to improve productivity.

On the other hand, for those of you using AI, I want to be sure that you are using AI to enhance, rather than replace your understanding of core topics.

With this in mind, my policy is the following:

- For in-class quizzes, you are not allowed to use AI. Any students caught using AI will be given a zero, which will count as one of the “kept” quizzes (i.e., it cannot be dropped as a lowest score).
- For reading summaries and critical analysis, I strongly discourage the use of AI as a substitute for the reading or thinking. I want the critical analysis to be a critique of your own.
- For the policy briefs, I want a good, applicable final product that you understand well. I discourage AI as a substitute for reading, thinking, and drafting, but fully support it as a complement.
- For both the quizzes and the presentations, I will ask questions that measure your understanding of the topic at hand (e.g. quiz questions about the reading, presentation questions about what you’ve read). This will reflect an effort on my part to gauge whether you have actually read/learned what you’ve summarized.

Hallmark features of AI writing include:

- “Hallucinations,” where something is confidently asserted that is not true
- Wordy gibberish that sounds like it might be relevant, but doesn’t actually mean anything
- Long sections of text that are not responsive to the topic or question at hand
- AI instructions remaining in the text. E.g., “Sure, I’d be happy to help answer that,” or “You might want to also add examples specific to your class”)

If I (or my TA) deem that any writing has these hallmarks, in a way that meaningfully detracts from the quality of your writing, we will grade these especially harshly, regardless of whether it is unambiguously AI. (This will not constitute a form of academic dishonesty per my standards. Just an extremely ineffective final writing product!).

General Resources Available to Students

- [Harris Academic Support Programs and Handbook](#)
- [Student Wellness](#)
- [University Learning Resources](#)

Harris School and University of Chicago Policies

- [Harris School Policies](#)
- [University General Policies](#)
- [University Academic Policies](#)