

**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 Tuesdays and Thursdays 8:00-9:20am in ECON 304.

Office Hours: Office hours are 10:00-11:00am on Mondays, or by appointment, in ECON 213.

Requirements: There are five 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://dss.ucsd.edu/~jbcullen/econ232/econ232.html>. Readings will be starred once they have been assigned.
2. Paper presentation: Each of you (in small groups) will present an assigned paper during one of the regular class periods. The papers will be empirical papers that use specific methodologies to attempt to identify causal relationships. 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 presentation is worth 10% of your grade.
3. Problem sets: There will be 2 problem sets worth 20% of your grade (each counts 10%). Feel free to cooperate 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. Referee report: I will assign a paper for you to referee. The referee report will be worth 10% of your grade. The report should be 2-3 single-spaced pages and should briefly summarize the paper and then provide a critical discussion.
5. 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.

## **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
- D. Unemployment insurance: evidence on worker behavior
- E. Unemployment insurance: employers
- F. Social Security and Medicare