

THE ECONOMICS OF SOCIAL ISSUES - ECN231

Aims

The objective of this course is to introduce students to the use of economic concepts to analyse and understand social issues.

Teaching Arrangement

There will be one two-hour lecture per week. There is one class per week (beginning from the second week of the term). Your class time will be announced on the second year notice board. Attendance at lectures and classes is compulsory. The purpose of the lectures is to present and review the key material. At the classes you will review the exercises that will be distributed at each lecture, discuss concepts and ask questions. My office is in the Economics Department (E301) and my office hour will be on Thursdays 2-3pm.

Webpage

Lectures slides, problem sets and links to readings will be available online on Webct.

General Reading

There is no one book that will cover all the topics for this course. I will give you references to the relevant material to read for each lecture and classes and to revise for the exam.

Outline and Reading List

Only required readings are listed on this outline. Course lecture notes as well as additional readings will be on the course webpage.

Lecture 1 – Introduction

- Economic Imperialism
- The Economic “toolbox”
- The economic method applied “outside” the field of economics
- Course Outline

Core reading: E. Lazear, “Economic Imperialism”, Stanford University, 1999.

Part A: Smoking

Lecture 2 - The Economics of Smoking

- Why is smoking a problem?
- Why should governments intervene?
- The economic analysis of smoking

Core reading: Chaloupka, Frank J. and Warner, Kenneth E. “The Economics of Smoking”, Handbook of Health Economics, J Newhouse and A Cuyler editors, 2000.

Lecture 3 – Policy responses

- Taxation
- Smoking bans
- Advertising
- Information
- Youth access

Core reading: Chaloupka, Frank J. and Warner, Kenneth E. “The Economics of Smoking”, Handbook of Health Economics, J Newhouse and A Cuyler editors, 2000.

Lecture 4 – Topics in Smoking

- smoking intensity
- passive smoking

Core reading: Adda and Cornaglia, “Prices, Cigarette Consumption and Smoking Intensity”, American Economic Review, Vol. 96, No. 4, September 2006, 1013-1028.

Adda and Cornaglia, “The Effect of Taxes and Bans on Passive Smoking”, IZA DP 2191, 2006

Part B: Crime

Lecture 5 - The Economics of Crime

- The economic impact of crime
- Economic models of crime

Core reading: R. Freeman, “The Economics of Crime,” Chapter 52 of The Handbook of Labor Economics, Volume 3.

Lecture 6 - The Economics of Crime

- Economic models of crime
- Allocating Criminal Justice Resources

Core reading: R. Freeman, “The Economics of Crime,” Chapter 52 of The Handbook of Labor Economics, Volume 3.

Lecture 7 – Topics in Crime

- Two papers

Part C: The Economics of Happiness

Lecture 8 – Measuring Happiness

- Why is happiness an “economic problem”?
- Measuring happiness
- Habituation, rivalry and reference groups

Core reading: Part 1 of Richard Layard, “Happiness: Lessons from a New Science”, Penguin 2006

Lecture 9 – Implications of Happiness Research

- public policy implications
- can economic and social variables can affect happiness?

Core reading: Part 2 of Richard Layard, “Happiness: Lessons from a New Science”, Penguin 2006

Lecture 10 – Topics in Happiness

- two papers

Lecture 11 – Conclusion

- Economics and Science
- Neuroeconomics
- Genetic Economics
- Course overview