

Public Economics Final

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ECON 410 – Spring 2018

Choose two questions from section 1 and two questions from section 2 (4 in total) to answer. Questions draw from course lectures, discussions, and readings since February 15. Your answers, given the time and resources at your disposal, should be complete yet concise (e.g. 2-3 well-reasoned paragraphs).

You will be graded both on your use of reasoning and economic analysis, and ability when relevant to accurately describe the arguments in the readings. Where asked for your opinion, you will not be graded on your conclusion, only your reasoning. You must be able to talk with some familiarity about arguments put forth in our readings, when relevant (informally, as in “According to Weingast...”). You do not need formal citations, but it should be clear when you are referencing the readings vs. your own thinking.

Each question is worth 25 points. This assignment is due to me by **email by 8:00 PM on Friday May 4.**

1 Conceptual Questions (Choose two)

1. Why can democracies tend to produce “bad” or inefficient public policies? Explain at least three different theories and give examples.
2. Is an autocrat all-powerful? If not, who and what does an autocrat’s power depend upon and how does this constrain his/her activities? Be specific.
3. Explain how belief in superstition can, under the right institutions, accurately determine a person’s innocence or guilt, as in the trial by ordeal.
4. It is an extremely common argument that in order to fix the flaws in public policy or our politics, we just need to “elect the right people.” Use what you have learned in this class to critique this argument.

2 Opinion Questions (Choose two)

5. What are the pros and cons of classifying internet service providers as Title II common carriers? Should we? Think economically and be specific.
6. Give an argument for how blockchain technology (*NOT bitcoin or cryptocurrencies!*) might fundamentally disrupt the nature of economic transactions and the role of government. Do you think it plausible?

7. Explain the (i) benefits, (ii) costs, and (iii) politics of replacing all existing federal welfare programs with a Basic Income Guarantee (of however many dollars/year). Do you find the arguments convincing?
8. Are our democratic politics in the United States broken because we do not have enough “corruption?” Summarize the argument that politics needs to be more transactional, as made by Jonathan Rauch. Do you agree or disagree?
9. According to Albert Hirschman, is it better to have a monopolist with “slack” (e.g. laziness or incompetence) where all citizens are “locked-in” with no alternatives, or a slacking monopolist where consumers have alternatives? Explain. Do you agree or disagree?