

## Chesapeake Project

### ECON401: Current Issues in American Economic Policy

Erin Moody

ECON401 is an upper-level course open only to economics majors. In this course, we cover 10-15 current policy issues in the United States. In Spring 2016, one of those topics will be sustainability. Over the course of 3-4 class periods, we will discuss current policies, the success or failure of current and past policies, potential future policies, problems with implementation, and how to measure the impact of a policy. Our focus will primarily be on policies designed to combat climate change, especially small-scale choices that occur at the individual level. We will also examine water quality in the Chesapeake Bay.

To begin each topic, I always have students lead a discussion of what they perceive the major issues to be. This allows me to assess their understanding before I begin my teaching. I suspect that the topic of sustainability will elicit a great deal of discussion regarding potential policies. Following this discussion, I will use an in-class activity. Students will be asked to write down their answer to the following question,

“What activities or decisions in your own life would you like to do or make, and why are you currently not doing these activities or making these choices?”

The answers do not need to be related to sustainability. I want to use this as a springboard to talking about time inconsistency. Time inconsistency arises when a decision maker prefers one action in advance, but when the time to implement the action arrives, the decision maker prefers a different action.

Following a discussion of time inconsistency, I will pose further questions:

- How are climate change policies hindered by time inconsistency?
- What types of individual-level behavior is hindered by time inconsistency?
- How can we overcome time inconsistency? Does the government need to intervene or can we incentivize individuals to take appropriate actions?

After spending time on these broad questions, we will focus on local issues in Maryland. What is the impact of poor water quality in the Chesapeake? What policies exist to alter water quality? What are some potential solutions to the problem?

Following our treatment of the topic in-class, students will have a written assignment where they will need to summarize the main issues discussed in class and present any policy solutions that they recommend. If students are particularly interested in the topic, they can also write a literature review as one of their major assignments. For the literature review, students focus on one particular issue of a broader topic (for example, a student might focus specifically on the impact of water quality in the Chesapeake) and review the existing economics literature.