In this first research project, you are to choose a macroeconomic policy issue that you’re interested in and discuss the economic and social implications of the policy. In this, you will discuss how the particular policy is more or less economically efficient than no such policy or a policy that is different from the policy you are interested in. In a similar fashion, you will discuss how the policy is more or less equitable than alternative policies. An example would be to examine particular poverty policies. You could do the following:

1. Discuss how we as a country currently go about and have gone about trying to fight poverty.

2. Discuss the efficiency and the equity in these current policies relative to having no poverty policies. In these discussions of current policies, discuss the costs and benefits of the policies. Are there winners and losers in such a policy? Who are they? How do we pay for the program? What are the international implications of the policy in terms of trade issues for this country? In other words, does the current policy increase taxes and drive up the costs of production for U.S. companies or have the opposite effect? Can these costs be counteracted or not? Can monetary policy be used to affect these policies? How? What might be the consequences of such actions?

3. Discuss alternative policies, or what you believe to be the best policy, to the current policy and how these compare in equity and efficiency. What would critics of your policy, such as Keynes, Marx, or Friedman, say and why are they incorrect? What are the international implications for your policy choice? What tax implications are there for your choice? For example, by fighting poverty through greater levels of education, will taxes increase or decrease in both the short term and long term? Discuss how this may increase or decrease total economic efficiency.

Other policy areas include but are not limited to the following:

1. Immigration policy
2. Health care policy
3. Crime policy
4. Education policy
5. International trade policy
6. Tax policy
7. Unemployment programs such as government funded work policies
8. Welfare policy
9. Corporate or high income welfare
10. Social security
You may wish to touch upon many of the above issues in discussing any single issue. For example, in discussing poverty policy, you will necessarily discuss tax policy, government funded jobs programs, etc.

Requirements for the paper:

- Paper length: 10-12 pages for MSS students, and 15 to 17 pages for doctoral credit. Doctoral students should have an extensive literature review, with data sources cited, statistical techniques used, and outcomes for key variables.
- A title page, with the title of the paper and other key facts. This does not count as a page of your paper.
- A bibliography. This does not count as a page.
- Use at least 10 sources.

Quote from sources as little as possible but include ideas from outside sources. Cite sources when you use the ideas of other authors.

I would like each of you to meet with me by the sixth week of class (October 5th) to discuss your project.