

CALIFORNIA INSTITUTE OF TECHNOLOGY

PS 123
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The Politics of Regulation

Each year federal regulatory agencies promulgate rules that are intended to influence the behavior of firms and consumers in the private economy. This course examines several major areas of regulation in light of the major theories that economists and political scientists have developed to explain variations in regulatory policy. These areas include the regulation of property, both real and intellectual, which dates back to the beginning of this country. We also focus on the regulation of railroads in the 19th Century, which marks the beginning of large scale economic regulation by the federal government, and health, safety, and environmental regulations, which were promulgated in the 20th Century.

This course can be taken for grades only. Because much of the material covered in lecture is not covered by the readings, regular attendance will be required to obtain a good grade. Your grade will be based upon a 20-25 page research paper which examines the regulation of a major product, e.g. tobacco or gasoline, a major sector of the economic, e.g., the airlines, or a general area of regulation, e.g., of air or water quality. There will be no final or midterm examination.

Required Reading

1. Readings available on the Moodle website and handouts
2. *Risks, Costs, and Lives Saved*, by Robert Hahn.
3. *Regulation through Litigation*, by W. Kip Viscusi.