STATES AND MARKETS

Who Picks Up the Tab?

If a deal is bad,
can you just walk away?

Yoav Duman



OPENING VOTE

Who pays for the lights?

KEEP Adds 3 more points to your pair.

FUND Each FUND vote gives every pair 1 point.

One secret vote per pair.





CASE SHEET FRONT

Your first call

Take one role each.
You can speak, point, or write.

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1 Try the move and mark what you did.

2 Circle your first vote.

3 Make the prediction on your sheet.

Wait for the signal to turn the sheet over.

CASE SHEET BACK

What actually happened?

Turn the sheet over. Switch who reads and who writes.

What does the number count?
Compared with whom or when?

Try the move again with the change on your sheet.



STAY WITH YOUR PARTNER

Your final vote

Mark one vote with your partner.

Who has to do what?

Who might still lose out?

If divided, mark your choices
and write SPLIT.



MEET THE OTHER PAIRS WITH YOUR CASE

Your case hearing

Count votes for 1, 2, 3 and SPLIT.

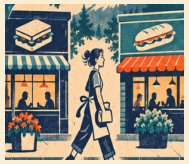


PAIR 1	**The finding**	What did the study find?
PAIR 2	**The change**	Who could do something different?
PAIR 3	**The cost**	Who might still pay or lose out?

25 seconds per pair. Read or hand in your line.

Five case reports

In two other cases, note what changed and for whom.

	**A**	**Ticket**	When was the full price visible?
	**B**	**First job**	Who could offer a better job?
	**C**	**Grocery bag**	What changed when bags cost money?
	**D**	**Walk home**	Who could use the light?
	**E**	**First apartment**	Who could stay?

MARKET FAILURE

Why markets can fall short



The problem	One response from the cases
Imperfect information Buyers see the full cost too late.	Show the whole ticket price.
Employer market power Employers block a second offer.	End the rule that blocks hiring.
Negative externality A free bag leaves a cleanup cost.	Charge for disposable bags.
Public good Many use it, even without paying.	Pool money for a shared light.

DISTRIBUTIONAL TRADEOFF

Who gains from a rule?

San Francisco’s rent limits

People already renting

About 20% more likely to stay

at the same address in 2000–04.

Owners under the new rule

About 15% less rental housing

from affected owners over time.

Who might have fewer options?



INDIVIDUAL EXIT TICKET

One room left near campus

A rental app shows all required fees before you apply. There's still only one room near campus.

What did seeing the full price fix? What problem is still there?

Use a case from today to explain.

