

5. Check to see if the solution is really needed in light of existing federal and state law.
6. Remember that it is easier to tell people not to do something than to require affirmative action.
7. Consider the benefits of simplicity versus complexity in your solution.
8. Avoid micromanagement.
9. Check to see if the requirements of the law are realistic—can they be done? Check theory versus practice.
10. Check to see if the requirements must change rapidly as the world changes.
11. Consider unintended consequences.
12. Consider trade-offs.
13. Consider the benefits of doing nothing instead of putting in the bill.
14. Omit unnecessary words (make the target as small as possible for your enemies).
15. Consider the political constituency for the bill.
16. Remember Calvin Coolidge's statement that "sometimes people want things they ought not to want."
17. Locate the function in the right department or agency.

Policy decisions are no different from any other decision. There are trade-offs and unintended consequences. The question is, Do you want these set of problems or those set of problems? There is no such thing as a world with no problems. If you find yourself complaining about a given policy, ask yourself what alternative you would propose. But one thing we can do to improve policy is simple: stop abusing the word processor. In the days of the Founding Fathers, when they used feather-pen-and-ink and block printing, they would never have considered a one-thousand-page bill like Obamacare. Laziness increases efficiency.

I spoke to a CEO of a start-up biotech firm, and he said the same thing that the CEO of Dow Chemical said. They would prefer that any regulation coming down from the government would tell them what the goals were but leave the method to them. I told him that rules didn't necessarily work that way because we have a need to do enforcement. But it is not impossible to do what the CEO said some of the time. ~~For example, under the Affordable Care Act, an incentive for hospitals receiving federal reimbursements was created based on improvements in readmission rates, but they left the question of how to the hospitals. As another example, one bad thing about the Affordable Care Act or, more properly, the way they implemented it is that they put too much specificity into the requirements for the exchanges; and this increased the costs and complexities, particularly as it related to IT. The question then is really~~

calling on governments to perform three essential tasks: redistributing income to protect the poor and the unlucky; providing public goods such as infrastructure and scientific research; and stabilizing the macroeconomy. (*The Price of Civilization: Reexamining American Virtue and Prosperity* 2011, 29)

We should also consider the contrarian views of Nassim Nicholas Taleb:

So I disagree with the followers of Marx and those of Adam Smith; the reason free markets work is because they allow people to be lucky, thanks to aggressive trial and error, not by giving rewards or "incentives" for skill. The strategy is, then, to tinker as much as possible and try to collect as many Black Swan opportunities as you can. (*Black Swan* 2010, xxv)

I would like to suggest a few generalizations about economics for the reader:

1. Economics is not a science, and it can be too theoretical.
2. Economists who stick closer to the facts are better than those who are too theoretical.
3. The success of a particular economic policy depends on the context (the situation at hand).
4. Economic policy won't work unless people believe it will work and it affects their behavior.

5. Economics involves so many variables that policy can be hard to analyze.

6. Change is the constant, and what succeeded yesterday may not succeed tomorrow.

7. Economists usually make statements under the assumption "all other things being equal" and they never are.

8. Economics predictions about a specific policy can be wrong because our thinking can be too simplistic as compared to the reality of the world.

9. There are different kinds of capitalism. The sole proprietor world of Adam Smith is not the same as today's world of big corporations.

In addition, I want to show the reader the checklist for drafting legislation that I came up with in the wake of the Affordable Care Act and the Dodd-Frank Act, both of which are way too long and way too complicated to be practical. Law affects the economy, so economists should take an interest in how we make laws. Here is my legislative drafting checklist:

1. Define the problem to be solved.
2. Define the means to be used to solve the problem.
3. Check to see that each of the means solves the problem.
4. Check to see if the solution is total or partial.