The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Regina and the University of Saskatchewan, is an interdisciplinary centre for public policy research, teaching, outreach and training.

JSGS 805 – ECONOMICS FOR PUBLIC POLICY ANALYSIS

<table>
<thead>
<tr>
<th>UNIVERSITY OF SASKATCHEWAN CAMPUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INSTRUCTOR:</strong></td>
</tr>
<tr>
<td><strong>PHONE:</strong></td>
</tr>
<tr>
<td><strong>E-MAIL:</strong></td>
</tr>
<tr>
<td><strong>OFFICE HOURS:</strong></td>
</tr>
<tr>
<td><strong>OFFICE LOCATION:</strong></td>
</tr>
<tr>
<td><strong>TERM:</strong></td>
</tr>
<tr>
<td><strong>ROOM:</strong></td>
</tr>
<tr>
<td><strong>DATE AND TIME:</strong></td>
</tr>
</tbody>
</table>

CALENDAR DESCRIPTION

This course develops concepts in microeconomics (and to a limited extent, macroeconomics) that are instrumental in understanding and conducting public policy analysis. It is intended for students who have had limited prior exposure to economics. Though it is not a formal pre-requisite for JSGS 802, the latter assumes the student has successfully completed JSGS 805.

COURSE CONTENT AND APPROACH

The purpose of this course is to provide an economic framework for the analysis of public policy. The course uses microeconomic concepts to examine when and how the government should intervene in the economy and the consequences of that intervention. More limited macroeconomic concepts are presented. The course pays particular attention to how people and firms behave and how they are likely to respond to policy interventions. The course also develops the key concepts associated with cost-benefit analysis and shows how these concepts are used in the analysis of public policy.

REQUIRED READINGS

Textbook:

SUPPLEMENTARY READINGS

Murray Fulton. 2010. Class Notes. Electronic version on PAWS.
OR any standard Introductory Economics textbook.
The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Regina and the University of Saskatchewan, is an interdisciplinary centre for public policy research, teaching, outreach and training.

COURSE OUTLINE AND ASSIGNMENTS

1. Introduction – Policy as intervention (Sept. 19)
   Readings:  Weimer and Vining, Ch. 1-3
   Krugman ch. Introduction and ch. 1, 13

2. Behavioural relationships – The Basis of a Market Economy
   Supply and demand, economic fundamentals; elasticity (Sept. 26)
   Readings: Krugman, ch. 3, 5; Appendix to Ch 2 (essential for graphs)
   Fulton, M. class notes
   Underpinnings of D&S; Welfare Measures, consumer and producer surplus (Oct. 3)
   Readings:  Weimer and Vining, ch. 4
   Krugman, chs. 6, 7-11.

3. Bases for government intervention in a market economy
   Public Goods, Externalities and Natural Monopoly (Oct. 10)
   Readings:  Weimer and Vining, Ch. 5
   Krugman, ch. 19, 20

   Asymmetric Information, Limited Competition, Distributional Goals (Oct. 17)
   Readings:  Weimer and Vining, chs. 5-7
   Krugman, chs. 14, 21

   Macroeconomic performance, Labour markets, Regional distribution (Oct. 24)
   Readings: Krugman, ch. 2, 12

4. Forms of Government Intervention
   Taxes and Subsidies (Oct. 31)
   Readings:  Krugman, ch. 4
   Weimer and Vining, ch. 10
Service Provision, Regulation and Standards (Nov. 14)
Weimer and Vining, ch. 10, 17

   *Government Provision of Services* – Agricultural R&D


5. Government Failures—Capture and Pork-barreling (Nov. 21)
   Readings: Weimer and Vining, chs. 8, 13

6. Benefit-Cost analysis (Nov. 28 and Dec 5)
   > Net Present Value—discounting and real values
   > Opportunity Cost
   > Valuation of without market prices
   > Internal rate of return
   > Misuses of multipliers
   > Uncertainty
   Readings: Weimer and Vining , ch. 16
The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Regina and the University of Saskatchewan, is an interdisciplinary centre for public policy research, teaching, outreach and training.

LECTURE SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept 19</td>
<td>Introduction: Policy as Intervention</td>
</tr>
<tr>
<td>Sept 26</td>
<td>The Market Economy Fundamentals</td>
</tr>
<tr>
<td>Oct 3</td>
<td>Underpinnings of Demand and Supply, Welfare Measures</td>
</tr>
<tr>
<td>Oct 10</td>
<td>Govt. Intervention: Public Goods, Externalities and Natural Monopoly</td>
</tr>
<tr>
<td>Oct 17</td>
<td>Govt. Intervention: Asymmetric Information, Limited Competition, Distributional Goals</td>
</tr>
<tr>
<td>Oct 24</td>
<td>Govt. Intervention: Macroeconomic performance, Labour markets, Regional distribution</td>
</tr>
<tr>
<td>Oct 31</td>
<td>Forms of Intervention: Taxes and Subsidies</td>
</tr>
<tr>
<td>Nov 7</td>
<td>Mid-term test</td>
</tr>
<tr>
<td>Nov 14</td>
<td>Forms of Intervention: Service Provision, Regulation and Standards</td>
</tr>
<tr>
<td>Nov 21</td>
<td>Government Failures</td>
</tr>
<tr>
<td>Nov 28</td>
<td>Cost-Benefit</td>
</tr>
<tr>
<td>Dec 5</td>
<td>Cost-Benefit</td>
</tr>
</tbody>
</table>

IMPORTANT DATES

Problem Sets:  
Mid-Term Test: Wed. Nov. 7, 2012  

EVALUATION

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Problem Sets</td>
<td>20%</td>
</tr>
<tr>
<td>Mid Term Test</td>
<td>20%</td>
</tr>
<tr>
<td>Major Assignment</td>
<td>20%</td>
</tr>
<tr>
<td>Final Exam</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
</tr>
</tbody>
</table>

LATE ASSIGNMENTS

Assignments must be submitted by the due date. Exceptions can only be made when there are documented medical reasons or extraordinary circumstances.

ATTENDANCE AND PARTICIPATION

You are expected to attend every lecture and participate actively by paying attention, asking/answering relevant questions, and sharing your comments, observations, and thoughts on relevant topics. If you are unable to attend a lecture due to documented medical reasons or extraordinary emergencies, please advise the instructor beforehand.
The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Regina and the University of Saskatchewan, is an interdisciplinary centre for public policy research, teaching, outreach and training.

GRADE DESCRIPTORS

85+ excellent
A superior performance with consistent strong evidence of:
- a comprehensive, incisive grasp of the subject matter;
- an ability to make insightful critical evaluation of the material given;
- an exceptional capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently; and
- an excellent ability to apply theories to real-world problems and intersect with related disciplines.

80-85 very good
An excellent performance with strong evidence of:
- a comprehensive grasp of the subject matter;
- an ability to make sound critical evaluation of the material given;
- a very good capacity for original, creative and/or logical thinking;
- an excellent ability to organize, to analyze, to synthesize, to integrate ideas, and to express thoughts fluently; and
- a strong ability to apply theories to real-world problems and intersect with related disciplines.

75-80 good
A good performance with evidence of:
- a substantial knowledge of the subject matter;
- a good understanding of the relevant issues and a good familiarity with the relevant literature and techniques;
- some capacity for original, creative and/or logical thinking;
- a good ability to organize, to analyze, and to examine the subject material in a critical and constructive manner; and
- some ability to apply theories to real-world problems and intersect with related disciplines.

70-75 satisfactory
A generally satisfactory and intellectually adequate performance with evidence of:
- an acceptable basic grasp of the subject material;
- a fair understanding of the relevant issues;
- a general familiarity with the relevant literature and techniques;
- an ability to develop solutions to moderately difficult problems related to the subject material; and
- a moderate ability to examine the material in a critical and analytical manner.
The Johnson-Shoyama Graduate School of Public Policy, with campuses at the University of Regina and the University of Saskatchewan, is an interdisciplinary centre for public policy research, teaching, outreach and training.

STUDENTS WITH SPECIAL NEEDS

U OF S: Students in this course who, because of a disability, may have a need for accommodations are encouraged to discuss this need with the instructor and to contact Disability Services for Students (DSS) at 966-7273.

ACADEMIC INTEGRITY AND CONDUCT

U OF S: Understanding and following the principles of academic integrity and conduct as laid out in the University of Saskatchewan’s Guidelines for Academic Conduct is vital to your success in graduate school (available at http://www.usask.ca/university_secretary/council/reports_forms/reports/guide_conduct.php). Ensuring that your work is your own and reflects both your own ideas and those of others incorporated in your work is important: ensuring that you acknowledge the ideas, words, and phrases of others that you use is a vital part of the scholarly endeavour. If you have any questions at all about academic integrity in general or about specific issues, contact any faculty member and we can discuss your questions.