

University of Oregon
Department of Planning, Public Policy and Management
PPPM 628: Public Sector Economics
4 credit hours (CRN 11729) -- Fall 2022

Instructor: Laura Leete
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Class times: Tues/Thurs 10-11:20 a.m.
Class location: 202 Cascade Hall

Office Hours:

- Office Hours are drop in (no appointment needed) on Zoom on **Wednesdays, 3-5 p.m.** (<https://uoregon.zoom.us/j/8912981257>).
- When you enter Zoom you will enter the Waiting Room and office hours are first come/first serve.
- If you can't make office hours you can make an appointment to meet me at another time via <https://lauraleete.youcanbook.me/> and choose a time that works for you. When the meeting time arrives, you can access the same Zoom link above.
- If I don't have an appointment time that works for you, contact me and we'll find a time that works.
- If you email me with a question, I will try to respond within 48-hours. I typically provide feedback on assignments within one week.

Due to Covid-19, certain course / classroom policies may need to be enacted (e.g. mask-wearing protocols) depending on university policy. See the first module listed in canvas for any updated Covid-19 policies.

Introduction to this Course

This course is an introduction to basic economic concepts and theory, and how these apply to analysis of the public sector. Government involvement is a common element in the economies of most countries including the United States. We consume a wide array of goods and services provided by the government sector. Examples include sidewalks, streets, public transit, education, police and fire protection, national defense and the administration of a legal system. In addition, the government sector regulates much of the activity in the private sector. These public policies are undertaken to improve economic efficiency (i.e. correct the failures of the private market) or to alter the distribution of economic well-being (improve equity). The goal of this course is to use economic tools to understand how the public sector interacts with the private economy to improve economic efficiency.

This course is a core course in the Master of Public Administration curriculum and **serves as a prerequisite for Public Policy Analysis (PPPM 636, Winter 2023) and the MPA 48-Hour Policy Analysis Project (PPPM 637, Fall 2023).**

Class Format and Participation

This class will combine lecture, discussion and in-class problem solving. Students will be expected to come to class having completed the assigned reading for each class session and fully prepared to ask questions, discuss, and learn from one another. While almost everyone has their own personal views and opinions regarding public policy issues, this course is about the application of economic analysis and the interpretation of empirical evidence as it relates to public policy. Thus, our classroom discussions will be focused on these things.

Required Reading

There are two required textbooks for this class. **Please note that you will likely continue to use both books in Winter 2023 in PPPM 636 (Public Policy Analysis), so you should plan on hanging on to them.** You will also want to have them for reference during the 48-Hour Project (PPPM 637) in Fall 2023.

You will use the Krugman/Wells more heavily this term and the Gruber book more next term.

- Krugman, Paul and Robin Wells, *Microeconomics*, 5th Edition, Worth Publishers, New York, NY, 2017. ISBN-13: 978-1319098780.
- Gruber, Jonathan. *Public Finance and Public Policy*, 5th Edition, Worth Publishing, New York, NY, 2015. ISBN-13: 978-1464143335.

In addition to the required texts, there is a study guide available for purchase (highly recommended, but not required) that accompanies the Krugman/Wells textbook. Students often ask for sources of more practice problems in this class and these are provided in this study guide:

- Kelly, Elizabeth Sawyer. Study Guide ('for use with Krugman/Wells-Microeconomics 3rd Edition'), Worth Publishers, 3rd Revised edition, 2012. ISBN: 978-1464104237. (Note this book is sometimes listed online with Krugman as the author.)

Additional items may be added to the required reading. These will be available on the course Canvas site.

Math Review

It is expected that you are comfortable with high school level algebra. The following (optional) book might be helpful if you need a review of those skills:

- *Schaum's Outline of Elementary Algebra* (3rd Edition) (Paperback) by Barnett Rich (Author), Philip Schmidt (Author). Schaum's Outline Series, McGraw-Hill, New York, ISBN 978-0071611633.

Economics and Public Policy

I encourage students to think about applying the economics you learn to current public policy issues. There is a lot of interesting analysis along these lines out there. One good source is the Upshot section of the New York Times (<https://www.nytimes.com/section/upshot>). There are also many flavors of economics blogs. You can find one or more that suit you on these lists: <https://inomics.com/advice/the-top-economics-blogs-50151> or <https://www.intelligenteconomist.com/economics-blogs/> .

Course Website and Class Communication

The course website is located on the University of Oregon's Canvas system: <https://canvas.uoregon.edu/>. Your UO email login and password will give you access to the system. Except for the readings in the required textbooks, all class materials will be posted here. Please check the course website frequently for updates.

Announcements and email on the Canvas site, along with your UO email address, will be the primary means that I will use to communicate with you. Check and adjust your Canvas settings under Account > Notifications.

Accessibility

The University of Oregon is working to create inclusive learning environments. **Please notify me if there are aspects of the instruction or design of this course that result in disability-related barriers to your participation.** You are also encouraged to contact the Accessible Education Center at 541-346-1155 or uoaec@uoregon.edu.

Course Workload

A general rule of thumb for the expected workload for a graduate level class is approximately 3-4 hours per week per credit hour. Thus, a 4-credit course will require approximately 12-16 hours of effort per week. Our class meets for 3 hours each week, so students should expect to spend an additional 9 to 13 hours per week studying for this course.

Course Grades

The course grade will be based on the following components:

Reading quizzes (best 6 out of 7)	24%
Two Midterm Exams (@25% each)	50%
Final Exam	26%

Exam Scoring. The midterm and final exam scores will be standardized so the class mean is 80 and the standard deviation is 12. The calculation of standardized exam scores from raw scores is a four-step procedure:

- First, calculate the deviation from the class mean by subtracting class mean from each individual "raw" score.
- Second, divide the result by the standard deviation of all individual raw scores in the class.

- Next, multiply the result by 12.
- Finally, add 80 to obtain the standardized exam score.

The letter grade for the course will be assigned on the basis of the weighted average of the quiz scores, the standardized exam scores, and the policy memo score as follows:

≥ 94%	A
≥ 90% and < 94%	A-
≥ 85% and < 90%	B+
≥ 80% and < 85%	B
≥ 75% and < 80%	B-
≥ 70% and < 75%	C+
≥ 65% and < 70%	C
≥ 50% and < 65%	C-
≥ 40% and < 50%	D
< 40%	F

Note that to graduate, you are required to maintain a 3.0 grade point average in the MPA core classes and in your overall graduate work. However, a grade of ‘C-’ or better will allow you to pass this class. A lower grade in one core class can be balanced off in your average by an ‘A’ in another core class.

Incomplete Policy

Students are expected to turn in all materials at the designated time. In accordance with university regulations, a grade of ‘Incomplete’ will only be given when “the quality of work is satisfactory, but a minor yet essential requirement of the course has not been completed for reasons acceptable to the instructor.” My interpretation of “minor” is less than or equal to 30%.

Assignments

Quizzes. Students will complete a short multiple-choice quiz (typically 10-20 questions) on the assigned readings during most weeks, for a total of 8 quizzes.

- The first quiz (Quiz 0) is a ‘practice quiz’ and will not count toward your grade.
- Your best 6 scores from Quizzes 1 through 7 will count toward your final grade; each included quiz score will count for 4 percent, for a total of 24 percent of your final grade.
- These quizzes are posted on Canvas and must be completed by 11:59 p.m. on the due day specified (usually a Friday). Correct answers will typically be available by 1 p.m. the following day.
- **Quizzes are untimed and ‘open-book’ and ‘open-note’.** But you are expected to do your own work and to answer quiz questions on your own. See the policy below on academic honesty.

- You may save and come back to work on an quiz as many times as you want before the deadline, but once you have submitted the quiz, the submission is final.
- Note: if you have a technical problem that causes you to lose your work on a quiz or to submit it by accident, let me know and I can reset it for you so that you can start over.

Exams. The Midterm Exams will be held online during the time of the regularly scheduled class session. The Final Exam **will be comprehensive** and will be held online during the regularly scheduled Final Exam time.

- The University of Oregon does not permit early final exams under any circumstances. (<https://registrar.uoregon.edu/calendars/examinations>)
- All exams will be open book and open note and open 'Canvas', but 'closed Internet'. During the exams you may consult your materials for this class but not the greater Internet.
- Students who miss an exam will receive a grade of zero for that exam unless there is a legitimate reason for missing the exam (e.g. serious illness or family emergency). This must be arranged prior to the scheduled exam time. **Students must take the final exam to receive a passing grade in the course.**

Practice Problems. A number of practice 'problem sets' have been posted on Canvas, along with written answers. It is recommended that students complete these over the term as a study tool. However, problem sets will not be collected or graded.

Professional Practice

This course is a core course in the MPA professional degree program. As such, students are expected to behave in a professional manner at all times and to treat each other and the instructor with the professional courtesy and respect expected in a workplace. Similarly, all communications relating to this course and all work turned in for this course should reflect professional standards with attention to presentation, formatting, spelling and so on.

Expect and Respect Diversity

All classes at the University of Oregon welcome and respect diverse experiences, perspectives, and approaches. What is not welcome are behaviors or contributions that undermine, demean, or marginalize others based on race, ethnicity, gender, sex, age, sexual orientation, religion, ability, or socioeconomic status. We will value differences and communicate disagreements with respect. Respect the privacy of your classmates and what they share in class. Understand that we may disagree and that exposure to other people's opinions is part of the learning experience.

Academic Misconduct

The University Student Conduct Code (available at <https://conduct.uoregon.edu>) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way of example, students should not give or

receive (or attempt to give or receive) unauthorized help on assignments or examinations without express permission from the instructor. All work (including exams and quizzes) submitted should reflect the efforts of the submitting student alone. Copying content from other students (past or present) and submitting it as your own work is grounds for failing the class. I will report any instance of misconduct to the Office of Student Conduct and Community Standards. The penalty for academic misconduct can range from 0 points on an assignment or quiz to an 'F' in the class, depending on the severity of the offense.

Plagiarism

Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas) and use only the sources and resources authorized by the instructor. If there is any question about whether an act constitutes academic misconduct, it is the students' obligation to clarify the question with the instructor before committing or attempting to commit the act. Additional information about a common form of academic misconduct, plagiarism, is available at: <https://researchguides.uoregon.edu/citing-plagiarism>

Week	Date	Topics	Readings		Quizzes	
			Krugman & Wells	Gruber	Number and Due Date	Coverage
1	Sept 27	Course Overview, Basic Concepts	Intro, Ch. 1 & 2 (incl. Appendix)	Chapter 1		
	Sept 29	Intro to Demand.	Chapter 3 (Demand)		Practice Quiz Quiz 0 (Fri, Sept 30)	KW: 1, 2
2	Oct 4	Intro to Supply, Market Eq	Chapter 3 (Supply to end)			
	Oct 6	Consumer and Producer Surplus	Chapter 4		Quiz 1 (Fri, Oct 7))	KW: 3, 4
3	Oct 11	Price Ceilings and Floors, Elasticities	Chapters 5, 6			
	Oct 13	Consumer Theory	Chapter 9		Quiz 2 (Fri, Oct 14)	KW: 5, 6
4	Oct 18	Consumer Theory (cont'd)	Chapter 10	Chapter 2	Quiz 3 (Wed, Oct 19)	KW: 9, 10
	Oct 20	Midterm Exam #1				
5	Oct 25	Producer Theory: Production, Cost and Supply	Chapter 11			
	Oct 27	Competitive Market Equilibrium	Chapter 12		Quiz 4 (Fri, Oct 28)	KW: 11, 12

Week	Date	Topics	Readings		Quizzes	
			Krugman & Wells	Gruber	Number and Due Date	Coverage
6	Nov 1	Monopoly	Chapter 13			
	Nov 3	Oligopoly and Monopolistic Competition	Chapter 14, 15		Quiz 5 (Fri, Nov 4)	KW: 13, 14, 15
7	Nov 8	Midterm Exam #2				
	Nov 10	Externalities	Chapter 16			
8	Nov 15	Advanced Externalities		Chapter 5, 6		
	Nov 17	Public Goods	Chapter 17	Chapter 7	Quiz 6 (Fri, Nov 18)	KW: 16, 17
9	Nov 22	Imperfect Information	Chapter 20			
	Nov 24	No Class – Thanksgiving Holiday				
10	Nov 29	Information (cont'd) – Social Insurance		Chapter 12		
	Dec 1	Catch-Up and Review			Quiz 7 (Fri, Dec 2)	KW: 20
11	Thurs, Dec 8	**Final Exam** 8 – 10 a.m.				