

University of Oregon
School of Planning, Public Policy and Management
PPPM 628: Public Sector Economics (CRN 15195)
Fall 2021

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Class times: Tuesday/Thursday 12-1:20
Class location: 107 Esslinger Hall (ESL)
Office Hours: Tuesday/Thursday 10-11:30
and by appointment

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 typically undertaken to improve economic efficiency (i.e. correct the failures of the private market) or to alter the distribution of economic well-being (i.e., 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 Masters of Public Administration curriculum and **serves as a prerequisite for Public Policy Analysis (PPPM 636, Winter 2020).**

Learning Objectives

- Understand basic microeconomic terms, theory and methods
- Distinguish between market and non-market activity/interventions
- Identify rationales and opportunities for public policy interventions
- Connect economic theory with common public policy interventions

Class Format and Participation

The format of this class will be a combination of lecture and discussion. Students will be expected to come to class having **completed** the assigned reading for each class session and be 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 analysis and empirical evidence rather than personal opinions.

Course Website

The course website is located on the University of Oregon's Canvas system:

<https://canvas.uoregon.edu/>. Your university email login and password will give you access to the Canvas system where the syllabus and other materials related to the class will be posted. Please check the course website frequently for updates and make sure the University registrar has your correct email address. The Canvas site is the primary means that the instructor will use to communicate with the class.

Required Reading

There are two required textbooks for this class. Both books are available at UO Duckstore (<http://www.uoduckstore.com/>) or from various online retailers:

- Krugman, Paul and Robin Wells, *Microeconomics*, 3rd Edition, Worth Publishers, New York, NY, 2012. **Be sure to get the 3rd edition of the Krugman and Wells textbook.** Search on-line for used copies using this ISBN: 978-1429283427.
- Gruber, Jonathan. *Public Finance and Public Policy*, 4th Edition, Worth Publishing, New York, NY, 2012. **Be sure to get the 4th edition of the Gruber textbook.** Search on-line for used copies using this ISBN: 978-1429278454.

Both required books will be used again for PPPM 636 Public Policy Analysis (Winter 2020).

Several additional readings will complement the main textbook readings (especially as a source of discussion). These will be provided in the Canvas page.

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.)
- An extra resource for visualizing econ graphs: <https://www.econgraphs.org/>

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

Math Review

It is expected that students are comfortable with high school level algebra. The following (optional) book might be helpful for students seeking 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 0-07-141083-X.

Students should review chapters 1, 2, 3, 7, 8, 9 and Appendix A.

Economics and Public Policy

Students are expected to become familiar with and stay current on public policy issues in the news, especially the economic analysis of public policy issues. The NY Times Upshot section (<https://www.nytimes.com/section/upshot>) is a good source of current material. The Freakonomics podcasts (<https://freakonomics.com/archive/>) are also a fun way to engage with economic concepts.

Assignments and Course Grades

The course grade will be based on the following components:

Reading quizzes	15%
Policy Memo (group project)	15%
Midterm Exam	30%
Final Exam	35%
Participation	5%

Calculation of Course Grades

Reading quizzes. There will be 7 reading quizzes scored on a percentage basis (0 to 100). The two lowest quiz scores will be dropped. The average of the remaining quiz scores will count toward the assigned percentage of the course grade.

Group Policy Presentations. The policy presentations will be a group assignment and will be graded on a 100 point scale and will count toward 15% of the course grade.

Exams. There will be a midterm and a final exam (closed-book).

Participation. Class participation is an important component of this class. You will be expected to attend class regularly, participate in class discussions and contribute to in-class problem-solving. The occasional absence is not a problem, but please don't make it a habit.

The letter grade for the course will be assigned on the basis of the weighted average of assignments and exams. Letter grades will be assigned 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

Exams

The Midterm Exam is scheduled for **Thursday, October 26 (Week 5)** during our regularly scheduled class session. The midterm exam and the final exam scores will be entered as raw scores in your grade (using the scoring system shown above). In other words, **you are being graded for your performance with respect to your ability to demonstrate that you are meeting course objectives**, not in relation to other students.

The Final Exam will be comprehensive and is scheduled for 8-10 AM on Thursday, December 10. The University of Oregon does not permit early final exams under any circumstances. The following text is from the University Registrar’s web site (<https://registrar.uoregon.edu/calendars/examinations>):

Early Examinations

Final examinations must be given during the scheduled final examination period. Faculty legislation prohibits the early administration of final examinations. Final examination week is considered to be a part of the regular term, and to end the term prior to its scheduled date reduces instructional days to which students are entitled.

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.**

Reading Quizzes

During most weeks of the term, especially during the first half of the term, students will complete a multiple choice quiz on the assigned readings, for a total of 7 graded quizzes. During some weeks, two reading quizzes will be given. Each quiz will be scored on a percentage basis and your best 5 percentage scores will be counted towards your final course grade. These quizzes will be administered via Canvas and must be completed prior to the beginning of the class session of the assigned days.

A quiz will typically consist of 20-30 multiple choice questions drawn from the assigned reading. Reading Quizzes are expected to be taken ‘open book’, you may consult the course readings as you take the quiz. However, you are expected to do your own work on quizzes; **working with other students in answering the quiz questions will be considered academic misconduct.**

Policy Memo and Presentation

This assignment requires students to apply basic tools of economic analysis to a real world policy issue and students will work in small assigned groups (4-6 students). This assignment will include writing a brief economic analysis paper and making a class presentation on your analysis. **Class presentations will be on Tuesday of Week 10.** You will be expected to attend class that day. The final memo will be **due by 5 p.m. on Friday of Week 10.**

Participation

While this class is not structured as a discussion seminar, I expect participation, especially in discussions of non-textbook materials.

Practice Problem Sets

You have been provided with five practice problem sets that throughout the term, along with suggested “completion” dates. These problem sets offer OPTIONAL opportunities to practice the types of problems that may be included on the exams. Problem sets may (and probably should) be completed in coordination with other students – work together to learn the material! Answer keys will be provided, and you will be responsible for checking your own answers.

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.

Office Hours

Feel free to drop by during my office hours with questions. Office hours are on a *first come, first served* basis. I am also happy to make an appointment to meet you outside of my office hours.

Communicating

Messaging me via Canvas is the best way to reach me outside of class and office hours. You can also e-mail me (giordono@uoregon.edu) directly. While I’ve listed my office phone here, leaving messages there is **not** a reliable way to reach me. Please review the course syllabus, class slides, course reading materials and your own class notes before sending me an email with a question. Often the answer to your question can be found in existing course materials.

Academic Disruption

In the event of a campus emergency that disrupts academic activities, course requirements, deadlines, and grading percentages are subject to change. Information about changes in this course will be communicated as soon as possible by email, and on Canvas. If we are not able to meet face-to-face, students should immediately log onto Canvas and read any announcements

and/or access alternative assignments. Students are also expected to continue coursework as outlined in this syllabus or other instructions on Canvas.

In the event that the instructor of this course has to quarantine, this course may be taught online during that time. Disruptions due to student illness or other emergency will be handled on an individual basis.

Missed Class Policy

If you miss a class, please arrange to get class notes from a classmate. Skeleton PowerPoint slides will be posted on Canvas. You do not need to notify me if you need to miss class. However, if you expect a prolonged absence, please contact me so that we can make a plan for your continued success.

COVID Containment Plan for Classes

As the University of Oregon returns to in-person instruction, the key to keeping our community healthy and safe involves **prevention, containment, and support**. Here is information critical to how the UO is responding to COVID-19.

- **Prevention:** To prevent or reduce the spread of COVID-19 in classrooms and on campus, all students and employees:
 - Must to comply with [vaccination policy](#)
 - Must [wear face coverings](#) in all indoor spaces on UO campus
 - Complete weekly [testing](#) if not fully vaccinated or exempted
 - [Wash hands](#) frequently and practice social distancing when possible
 - Complete daily [self-checks](#)
 - Stay home/do not come to campus if feeling [symptomatic](#)
 - Complete the UO [COVID-19 case and contact reporting form](#) if you test positive or have been in close contact with a confirmed or presumptive case.
- **Containment:** If a student in class tests positive for COVID-19, all relevant classes will be notified via an email by the Corona Corps Care Team with instructions for students and staff based on their vaccination status. Specifically:
 - *Vaccinated/Asymptomatic students:* Quarantine not required, but daily self-monitoring before coming on campus advised; sign up for testing 3-5 days after notification through [MAP](#)
 - *Unvaccinated or partially vaccinated students:* 14-day quarantine advised – do not come to class – and sign up for testing 3-5 days after notification through [MAP](#), if asymptomatic, or through University Health Services (541-346-2770) or your primary care provider, if symptomatic.
 - *Symptomatic students:* stay home (do not come to class/campus), complete the online [case and contact form](#), and contact University Health Services (541-346-2770) or your primary care provide to arrange for immediate COVID-19 testing.
 - Students identified as close contacts of a positive case will be contacted by the Corona Corps Care Team (541-346-2292).
- **Support:** The following resources are available to you as a student.
 - [University Health Services](#) or call (541) 346-2770

- [University Counseling Center](#) or call (541) 346-3277 or (541) 346-3227 (after hrs.)
- [MAP Covid-19 Testing](#)
- [Corona Corps](#) or call (541) 346-2292
- [Academic Advising](#) or call (541) 346-3211
- [Dean of Students](#) or call (541)-346-3216
- **Good Classroom Citizenship**
 - Wear your mask and make sure it fits you well
 - Stay home if you're sick
 - Get to know your neighbors in class, and let them know if you test positive
 - Get tested regularly
 - Watch for signs and symptoms with the daily symptom self-check
 - Wash your hands frequently or use hand sanitizer
 - Complete the UO COVID-19 [case and contact reporting form](#) if you test positive or are a close contact of someone who tests positive.

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%.

Accessibility

Students who have a documented accessibility/disability issue and anticipate needing accommodations in this course should make arrangements to see the instructor as soon as possible. They should also request that their Access Advisor or the Accessible Education Center verify their request.

Academic Misconduct

You are expected at all times to do your own work. Copying content from other students (past or present) and submitting it as your own work is grounds for failing the class. 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. 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. Group assignments are exempt from this policy.

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>

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.

Week	Date	Reading Quiz	Quiz Coverage	Topics	Readings		
					Krugman & Wells (KW)	Gruber (G)	Other (provided in Canvas)
1	Sep 28			Course Overview and Introduction. Basic Economic Concepts. Introduction to Demand.	Intro, Chapter 1, 2 (inc. appendix), Chapter 3 (pp. 65-75)	Chapter 1	
	Sep 30	PRACTICE Quiz Week 1	KW: 1-2	Intro to Demand			
	Sep 30		KW: 1-2	Introduction to Supply	Chapters 3		Hirschman and Berman (2014)
2	Oct 5	Quiz Week 2a	KW: 3-4	Consumer and Producer Surplus	Chapter 4		
	Oct 7	Quiz Week 2b	KW: 5-6	Price Ceilings and Floors, Elasticity	Chapters 5, 6		Coy (2021)
3	Oct 12	Quiz Week 3	KW: 9-10	Consumer Theory	Chapters 9, 10		
	Oct 14			Consumer Theory (cont'd)			Varian (2016)
4	Oct 19	PS 1	KW: 1-6, 9	Problem Set 1 Suggested Completion (OPTIONAL)			
	Oct 19	Quiz Week 4	KW: 11-12	Production, Costs and Supply Curves	Chapter 11		
	Oct 21			Production, Costs and Supply Curves (cont'd)			Lang and Kahn-Lang Spitzer (2020)

5	Oct 26			Competitive Market Equilibrium	Chapter 12		
	Oct 26	PS 2	KW: 10-12	Problem Set 2 Suggested Completion (OPTIONAL)			
	Oct 28			**Midterm Exam**			
6	Nov 2		KW: 13-15	Monopoly	Chapter 13		
	Nov 4			Discussion and In-class Groupwork Meetings			
7	Nov 9	Quiz Week 7a	KW: 13-15	Oligopoly and Monopolistic Competition	Chapters 14, 15		The Economist (2021)
	Nov 9	PS 3	KW: 13-15	Problem Set 3 Suggested Completion (OPTIONAL)			
	Nov 11	Quiz Week 7b	KW: 16 G: 5, 6	Externalities	Chapter 16	Chapters 5, 6	
8	Nov 16			Externalities (cont'd)			Hardin (1968) Ostrom (2010)
	Nov 16	PS 4	KW: 16 G: 5, 6	Problem Set 4 Suggested Completion (OPTIONAL)			
	Nov 18	Quiz Week 8	KW: 19 (including Appendix) G: 2	Factor Markets and the Distribution of Income	Chapter 19 (including Appendix)		
9	Nov 23			Economic Analysis of Transfer Programs		Chapter 2	Mankiw (2013)
	Nov 23	PS 5	KW: 19 G: 2	Problem Set 5 Suggested Completion (OPTIONAL)			

	Nov 25			No Class – Thanksgiving Holiday			
10	Nov 30			** Group Paper Due ** ** Group Presentations**			
	Dec 2			Catch Up and Review for Final Exam			Stone (Intro, Chapter 1, Conclusion)
11				**Final Exam** 8 – 10 a.m. Thursday, December 9			