RPAD 703 PRINCIPLES IN PUBLIC ECONOMICS:
COURSE SYLLABUS FOR SPRING 2018

Class Time: Monday 5:45-9:25 PM  Instructor: Lucy Sorensen
Classroom: Husted Hall 008  Email: lsorensen@albany.edu
Lab Time: Wednesday 10:25-11:50 AM  TA: Andre Kiesel
Lab Classroom: Husted Hall 012  TA Email: akiesel@albany.edu

Updated January 31, 2018. Please check Blackboard for updates throughout the semester.

1. Course Description

Summary. Economists assert enormous influence within the policy world. An economics professor serves as chair of the Federal Reserve Board. An economics professor is the senior economic policy adviser to the President. Economics professors make up the Council of Economic Advisers. Economists have maneuvered themselves into the center of the policy making process, and they aren’t going away anytime soon.

As such, nobody with a PhD in public administration and policy can afford to be totally ignorant of economics. Even if you hate economists (which would not be altogether irrational), you will still have economists dogging your steps throughout your career, asking questions at seminars, refereeing your journal articles, writing articles you need to read for your research, and generally making nuisances of ourselves.\footnote{Introductory remarks thanks to the original economist-slash-nuisance-maker-in-residence, Prof. Weinberg} The goal of RPAD 703 is to equip you with the tools to understand the public sector through an economist lens, and to integrate economic reasoning and approaches into your own research.

Learning Objectives. By the end of the course students should be able to:

1. Apply key models from microeconomic theory to public administration and policy questions; and
2. Confidently read, critique, and synthesize research papers from the fields of public and applied microeconomics.

Relation to RPAD 503. You may refer to the MPA course syllabus throughout the semester as a secondary guide. Be aware, however, that there exist some differences in assigned projects and course expectations. Notably, 703 students are responsible for the following 503 requirements:

- Full class attendance, participation, and collaboration with MPA students;
- All of the weekly readings;
- All individual and team problem sets;
- Midterm and final exams; and
- Individual and team memos

PhD students will still fill out the notecard reading quizzes in class and are encouraged to participate in Blackboard forums to the extent that they are useful and interesting to you. These will not be formal components of your grade, however. Finally, 703 students have additional requirements to those of the MPA students enrolled in RPAD 503:

- Lab section attendance and participation;
- Supplemental readings (usually one academic paper each week);
- Regularly leading paper discussions (during the lab section); and
• A final conceptual paper using economic models to generate hypotheses and predictions for a public administration or policy question of interest to you (<12 pages).

Readings. This semester we have switched to using primarily open educational resources in an effort to save students money that would otherwise be spent on a costly textbook. All readings will be either from one of these two online texts or from academic journal articles and case studies that have been posted to Blackboard. The third book listed below is an economics novel (?) which you should acquire in hard copy to be read for the final class of the semester.

(2) [CI] Principles of Microeconomics, by Douglas Curtis and Ian Irvine, Lyryx Learning Inc.

In addition to the readings listed in the syllabus, we will also read closely one to two economics research articles weekly for discussion in the PhD Lab section. For any given topic the student leaders for that week will choose a paper or papers from a potential reading list provided to them, and all 703 students will be responsible for reading their chosen paper(s). This reading list will be handed out in the first class and updated throughout the semester as necessary.

2. Course Policies

Attendance and Participation. Students should make every effort to attend every class. Because this course only meets once per week (and because of the small class size), missing a single class could have significant consequences on student learning. It is the responsibility of the student to plan with the instructor ahead of time for any necessary absence and to coordinate with classmates to catch up on course material and assignments. As in the real world, students will benefit from regularly asking questions, engaging in friendly class debate, coming to class prepared, and contributing equally to group assignments and projects. Preparing for the lab section by reading carefully the chosen economics paper and actively leading or participating in discussions is a graded component of the course.

Office Hours. Office hour appointments will be available on Tuesday and Wednesday afternoons from 3:30 to 6:00 PM. Please use the following link to set up a meeting: https://lucysorensen.youcanbook.me/ This automatically adds an appointment to my calendar. If you cannot find a time on the booking website that works for you, please email me to find an alternative time to meet. Taking advantage of one-on-one or group meetings with the instructor throughout the semester is a valuable way to stay on top of material. Students should arrange to meet with me at least once during the semester to exchange ideas and receive feedback regarding their conceptual papers. A clever student may choose to meet both before writing the paper proposal, and then also after receiving feedback from the proposal.

Plagiarism and Citations. Please familiarize yourself with the information at http://library.albany.edu/usered/plagiarism/index.html Plagiarism is a major offense and can receive severe punishments, from automatically failing the course to being expelled from the program. If in doubt about acceptable use of sources, please ask.

Correct citations are one of the most important elements in avoiding plagiarism. When you use a source in a memo, make sure to both include in-text citations and create a bibliography using either the APA formatting style or Chicago Author-Date formatting style.

Accommodations. Reasonable accommodations will be provided for students with documented physical, sensory, systemic, cognitive, learning and psychiatric disabilities. If you believe you have a disability requiring accommodation in this class, please notify the Disability Resource Center (Business Administration 120; 518-442-5490; http://www.albany.edu/disability/current.shtml). That office will provide the course instructor with verification of your disability, and will recommend appropriate
accommodations. If you wish to discuss academic accommodations for this course, please inform the instructor as soon as possible.

3. Grading

Grade Components. Your grade will comprise of a weighted average of all assignment, paper, participation, and exam grades, with the breakdown specified in the table below. This grade breakdown differs from the MPA students; elements in common with 503 students comprise 70% of your grade; unique elements of 703 comprise 30% of your grade. Midterm and final exam raw scores will all be adjusted upwards if necessary such that the median class score lies in the B+ range. Students’ lowest single problem set grade will be dropped if all five are turned in.

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<tr>
<th>Component</th>
<th>Details</th>
<th>Percent of Grade</th>
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<tr>
<td>Grade components in common with 503</td>
<td></td>
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<tr>
<td>Problem Sets</td>
<td>(4 assignments at 5% each)</td>
<td>20</td>
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<tr>
<td>Memos</td>
<td>(2 assignments at 5% each)</td>
<td>10</td>
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<tr>
<td>Midterm Exam</td>
<td></td>
<td>15</td>
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<tr>
<td>Final Exam</td>
<td>(Cumulative)</td>
<td>25</td>
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<tr>
<td>Unique graded components for 703</td>
<td></td>
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<tr>
<td>Conceptual Paper</td>
<td>(5% for the proposal; 15% for the final paper)</td>
<td>20</td>
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<tr>
<td>Lab Participation</td>
<td></td>
<td>10</td>
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<tr>
<td><strong>Total</strong></td>
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<td><strong>100</strong></td>
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Problem Sets (20%). For this course you will be assigned five problem sets: three to turn in individually and two to turn in with a team. Your lowest grade out of the five problem sets will be automatically dropped, which means that you may opt to not turn in one of the individual problem sets. You cannot opt out of a team assignment. You should expect to spend approximately 10-14 hours on each problem set.

Memos (10%). There will be two short analytical memos – one prepared individually and one as a team – in which you discuss how to apply course principles to specific case studies. A grading rubric for memos will be provided to students.

Conceptual Paper (20%). The final paper for this course will take a form quite different from other papers you have written. It is not a literature review, nor is it an empirical paper. You will identify a public administration or policy research question you are interested in, and then use an economic model from the course to make theoretical predictions (or compare and contrast the predictions from two different economic models or sets of assumptions). The objective is for students to think critically about the incentives facing individuals and organizations and how such incentives inform current policy and administration challenges. The final version of this short paper (less than twelve pages) could provide a theoretical framework for future qualitative or quantitative research.

Lab Participation (10%). During the semester, students will alternate leading discussions of a paper related to that week’s economic topic (e.g. ‘market power’ or ‘taxes and efficiency’). The presenter may either choose a paper from the reading list provided in the first class, which is organized by topic, or find an appropriate alternative paper related to the topic, with instructor approval. The discussion should cover the research question, the underlying economic model, the econometric methods – if applicable, the findings, the strengths and weaknesses of the paper, implications for policy or administration, and questions to guide group discussion.

Late Work. All problem sets, memos, and papers are due at the beginning of class unless otherwise noted. For each day that the assignment is late, one letter grade will be deducted from the final score.
Re-Grading. If you believe that an error has been made or misjudgement in the grading of your assignment or exam, you may make a written appeal describing why you think the grade should be changed. To be considered, this appeal must be typed and delivered (in person or by email) within three days of receiving your assignment back. Your grade may be lowered, increased, or remain the same.

Collaboration. The instructor will randomly assign students into groups for the team assignments to encourage you to discuss the course material with classmates and to provide networking opportunities. Remember that you are accountable as a group for the overall performance of the entire assignment, not just the section you individually completed.

I also strongly recommend that you discuss the individual problem sets and memos with your peers, provided that:

1. You attempt every problem on your own before discussing them with colleagues;
2. You write up your own individual assignments from scratch, without looking at your colleagues’ work while you do it; and
3. That you explicitly acknowledge whom you worked with on the front page of the assignment.

Copying a colleague’s work directly is cheating.

4. Schedule

Please check the academic calendar for dates regarding adding, dropping, and withdrawing from the course: [http://www.albany.edu/registrar/spring-2017-academic-calendar.php](http://www.albany.edu/registrar/spring-2017-academic-calendar.php). In the table below, “CI” refers to the Curtis & Irvine online text, and “UM” refers to the University of Minnesota online text. Papers with * blue asterisks are eligible papers to choose for 703 lab discussion.

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<tr>
<th>Week</th>
<th>Topic</th>
<th>Due</th>
<th>Readings</th>
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<tbody>
<tr>
<td>1/29</td>
<td>Introduction</td>
<td>Syllabus</td>
<td>CI Sections 1.1-1.3</td>
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| 2/5    | Supply, Demand, and Elasticity | BB video forum post | Minnesota Chapters 3 and 5  
| 2/12   | Taxes and Efficiency       | PS #1 (Team) BB video forum post | CI Sections 5.1-5.3, 4.7  
KSG Case 1776.0. “The Coffee Crisis.” |
| 2/19   | Production in the Short Run | BB video forum post | UM Section 8.1 (only read intro and starting at “costs in the short run”), and Section 9.2  
KSG Case 1273.0. “Casco Bay’s Ferries.” |
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| 2/26  | Production in the Long Run     | PS #2 (Individual)   | UM Section 8.2 (starting at “costs in the long run”) and Section 9.3<br>
|       |                                | BB video forum post  |                                                                                                                                         |
| 3/5   | MIDTERM EXAM                   |                      |                                                                                                                                         |
| 3/12  | SPRING BREAK – NO CLASS        |                      |                                                                                                                                         |
| 3/19  | Economic Justice and Regression| BB video forum post  | UM Chapter 19<br>
CI Section 2.2<br>
KSG Case 1328.0. “A Money-Losing Public Monopoly Faces a Competitive Threat: The New York City Transit Authority and the 'Dollar Vans'.” |
|       |                                | Conceptual Paper Proposal |                                                                                                                                         |
|       |                                | BB video forum post  |                                                                                                                                         |
| 4/2   | Market Power                   | PS #3 (Individual)   | UM Chapters 10 and 11<br>
|       |                                | BB video forum post  |                                                                                                                                         |
| 4/9   | Externalities and Public Goods |                      | UM Section 6.3 CI Section 5.5<br>
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| 4/16 | Solutions to Externalities: Pollution Control | Memo # 2 (Individual) BB video forum post | UM Chapter 18  
KSG Case 1514. “Cleaning up the ’Big Dirtries’: The Problem of Acid Rain” (pp. 1-6). The Section “Greens Eye the Market” (pp. 9-11).  
Mankiw “Smart Taxes: An Open Invitation to Join the Pigou Club.” Skip “Related Externalities” and “Energy Independence” (pp. 19-21).  
| 4/23 | Asymmetric Information | PS # 4 (Team) BB video forum post | Handout on Asymmetric Information  
| 4/30 | Strategic Games | BB video forum post  
| 5/7 | Markets or Government? | PS # 5 (Individual) | Roberts. *The Price of Everything* (Whole Book) |
| 5/14 | **FINAL EXAM** | | |

*I would like to thank Professor Stephen Weinberg for his work designing much of this class and syllabus, from which I have shamelessly borrowed.*