JOHNSON SHOYAMA
GRADUATE SCHOOL OF PUBLIC POLICY
UREGINA USASK

JSGS 805 – Economics for Public Policy Analysis

(subject to change)

	UNIVERSITY OF SASKATCHEWAN CAMPUS
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OFFICE LOCATION:	Rm 154 – 101 Diefenbaker Place
TERM:	Fall 2022
ROOM:	DIEF 137 (Prairie Room)
DATE AND TIME:	Wednesdays 1:00 – 4:00 PM CST

The syllabus for this course is comprised of this document and a companion document titled "JSGS Common Syllabus 2022-23."

CALENDAR DESCRIPTION

The purpose of this course is to provide an economic framework for the analysis of public policy. It develops concepts in microeconomics that are instrumental in understanding and conducting public policy analysis. The course uses microeconomic concepts to examine when and how the government should intervene in the economy and the consequences of that intervention. 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.

Note: This course is intended for students who had limited prior exposure to economics. Though it is not a formal pre-requisite for JSGS 802, the latter assumes student has successfully completed JSGS 805.

LEARNING OBJECTIVES

JSGS programs, courses, and assignments are designed to prepare students for successful careers. Student performance is assessed based on a competency framework shaped through ongoing collaboration with researchers, alumni, and other public sector partners. The specific readings, assignments and activities in JSGS 805 will help you both acquire and demonstrate the ability to:

- Demonstrate how economic factors influence policy through a series of policy case analysis
- Think critically and analytically about policy problems and issues from an economic perspective
- Analyze policy problems using economic theory
- Communicate information and analyses critically and effectively

COURSE CONTENT AND APPROACH

In this class, students will learn the economic framework for the analysis of public policy by reviewing content related to economic concepts, engaging in interactive class activities, and completing independent and group-based applied assignments. To help students understand the key economic concepts and tools that have been covered, the course features modules focused on applying these concepts to solve real-world policy problems and issues. A critical component throughout this course will be the use of case studies and policy case analyses; these allow students to think critically and analytically about policy problems from an economic perspective.

The course will be offered in a "flipped classroom", which is around the idea that lecture or direct instruction is not the best use of class time. Instead, students should expose the information (at their own pace) prior to the class, freeing class time for more in-depth discussions and applied learning activities. Students in JSGS 805 are thus expected to complete the textbook readings and learning the assigned modules in Canvas learning management system (LMS) before the class, allowing for more interactive discussions and activities to take place during the class.

COURSE FORMAT

JSGS students have told us they prefer in-person instruction. That is why we are pleased to offer this course in person and on-site according to the latest protocols for health and safety at the University of Saskatchewan. Please refer to this health and safety information so that you are prepared for a great experience on campus.

This course is designed for participation in real time (also known as synchronous instruction). Scheduled classes complement learning material found on Canvas LMS. Please review the learning material in advance of each scheduled class. Your regular attendance in class offers the best opportunity to ask questions, make connections, and participate in learning based on the learning material.

Students are encouraged to bring a laptop or other wifi-enabled mobile device to class. This will enhance your experience by giving you access to online tools that allow classroom polls, surveys, and other collaboration tools that we may use this term.

REQUIRED READINGS

Textbook

CORE Economics: Economy, Society and Public Policy (ESPP).

Available at: https://www.core-econ.org/espp/book/text/0-3-contents.html

Throughout this course students will use the textbook *Economy, Society, and Public Policy* (ESPP) by CORE. Unlike most economics textbooks, this book focuses uniquely on public policy issues. Students in this class may have a variety of backgrounds and don't necessarily have a strong, or any, experience learning economics. The textbook builds from basic economic concepts to more advanced concepts that can be applied to real policy scenarios. Students with a stronger economics background may also find value in this textbook because it brings a unique policy perspective to the field of economics.

Supplementary Textbooks

Greenlaw, S.A., and D. Shapiro. 2017. Principles of Microeconomics, 2e. OpenStax. Rice University. Download for free here. Please note that while not the course's main textbook, we do draw on it for some of the required readings.

The Economy (Economy): Available here.

Readings required for each module are provided in the Canvas LMS. Any supplementary reading materials will be added and distributed during the course at a later date.

COURSE OUTLINE

1. **Demand, Supply, and Equilibrium** (September 7)

   The basic model of supply and demand offers some important insights into economic phenomenon and forms the basis for thinking around public policy. Thus, it serves as a good starting point for the course.

   ESPP: Unit 7 – https://www.core-econ.org/espp/book/text/07.html. Specifically, Units 7.3 and 7.9 – 7.13.

2. **Elasticity and Applications** (September 14)

   This module takes a deeper look at the demand and supply model. Economists use the concept of elasticity to measure the responsiveness of quantity to a change in price. The elasticity concept is a powerful tool in evaluating the effectiveness of public policy.

   Greenlaw & Shapiro: Unit 5 – https://openstax.org/books/principles-microeconomics-2e/pages/5-introduction-to-elasticity.

3. **Policy Case Analysis I: Trans Mountain Pipeline** (September 21)

   Apply the basic economic principles of demand, supply, and elasticity to the analysis of a real-world public policy issue – the Trans Mountain Pipeline project.

4. **Consumer Choice and Decision-making Under Uncertainty** (September 28)

   People make consumption decisions in a world of scarcity. The model of budget constraint and indifference curves provides an economic framework to understand consumers' choice decision. Other choice and behavioural models will also be introduced, e.g., loss aversion, decision-making under uncertainty.

   ESPP: Unit 4 – https://www.core-econ.org/espp/book/text/04.html.

   Greenlaw & Shapiro: Unit 6 – https://openstax.org/books/principles-microeconomics-2e/pages/6-introduction-to-consumer-choices.

5. **Policy Case Analysis II: Consumer Consumption** (October 5)

   The consumer choice model can be used to understand the trade-offs people make when it comes to unhealthy drinking and eating behaviours – e.g., the consumption of alcohol and red meat – and to highlight the necessity of considering these trade-offs when making public policies to regulate unhealthy behaviours.

6. **Market Failures** (October 12)

   The market does not always properly value the things that we care about. This module examines examples of market failure, such as pollution, public goods and credit.

   ESPP: Unit 11 – https://www.core-econ.org/espp/book/text/11.html

7. **Economic Analysis of Policy Instruments** (October 19)

   The standard policy tools – e.g., taxes, subsidies, property rights – have important impacts on the economy and social welfare.

   ESPP: Unit 5 – https://www.core-econ.org/espp/book/text/05.html

8. **Policy Case Analysis III: Carbon Tax** (October 26)

   Examination of a real-world policy issue: the carbon tax. Discuss how the carbon tax affects consumers and producers and discuss the concepts of externality, tax incidence, and deadweight loss.

9. **Fairness and Efficiency** (November 2)

   A key trade-off in policy is the one between efficiency and fairness. This module examines this trade-off.

   ESPP: Unit 3 – https://www.core-econ.org/espp/book/text/03.html

10. **Policy Case Analysis IV: Climate Policy** (November 16)

    Limited policy approaches are available for Canada to reach its 2030 greenhouse gas emissions reduction target – carbon pricing, regulations, and subsidies. This module discusses the trade-offs that are made when selecting climate policy.

11. **Special Topic – Inflation** (November 23)

    We will cover some theories of inflation (e.g., the role that inflation expectations play in inflation), how to measure and account for inflation (e.g., which inflation index to use), as well as the pricing power that large firms possess. Discuss the importance of inflation targeting (as a way of reducing uncertainty) and policy stability/commitment.

    The Economy, Chapter 15

Li, N. (2022). An economist explains: What you need to know about inflation. *The Conversation*.

12. **Review of Material** (November 30)

13. **Final Exam** (December 7)

ASSIGNMENTS

Please note, the full and detailed instruction for each assignment item will be provided separately in due course.

Discussion Forum (20%)

Students are expected to effectively participate a discussion forum by providing their thoughtful comments. Participation will be graded based on the quality and frequency of the comments, the degree to which the comments integrate and demonstrate understanding of class material, the quality of the writing, and the extent to which students show genuine engagement with the material and their fellow classmates' posts. In other words, this should feel like a real, respectful and intellectually engaging conversation. Formulaic and "paint-by-number" response will not earn a good grade.

Assignment (45%)

In addition to the discussion forum, students must also complete three group-based assignments, each worth 15% of the final grade. Each group consists of *no more than three* students, and will submit only one assignment. The final grade received by individual student will be determined by the quality of group work as well as the feedback from peer evaluation. Each group member should provide the instructor confidentially with a grade for each of your fellow group members. Details and policy about the peer evaluation will be provided separately during the term. The quality of the assignment will be determined by the instructor on a group basis, while a student's final mark will be adjusted based on peer evaluation.

Please type solutions using a word processor (e.g., Microsoft Word, Google Docs), but you can do graphs by hand and scan them for inclusion. Students may consider installing software designed for easily creating charts such as diagrams.net, a free (and excellent) open-source tool that allows you to collaborate on creating your diagrams. Images from this tool and those like it can easily be ported over to MS Word or other word processors. All completed assignments should be submitted electronically to the Canvas LMS.

Final Exam (35%)

The final exam will be an individual exam. Students have to submit their own solutions.

EVALUATION

Format	Due Date	Percentage
Assignment 1	Due on September 28 by 1:00 PM	15%
Assignment 2	Due on October 26 by 1:00 PM	15%
Assignment 3	Due on November 23 by 1:00 PM	15%
Discussion Forum	Due on November 2 by 1:00 PM	20%
Final Exam	December 7	35%
Total		100%

* All times are Central Standard Time, which is the time zone for Saskatoon and Regina.

ENROLLMENT

Class enrollment will be normally limited to 30 students.

INTELLECTUAL PROPERTY ACKNOWLEDGEMENT

I wish to acknowledge the prior work of Murray Fulton, Yang Yang, and Marc-André Pigeon in the development of online materials (http://canvas.usask.ca) for this course.