

PPUA 6502: ECONOMIC INSTITUTIONS AND ANALYSIS
SCHOOL OF PUBLIC POLICY AND URBAN AFFAIRS
NORTHEASTERN UNIVERSITY
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Instructor

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Course Meetings

TUES 5:15-7:45PM, Richards Hall 160

Course Description

This course is designed to introduce the essential ideas and methods of microeconomics and their applications to a wide range of domestic public policy issues at the national, state, and local level. The overall goal of the course is for students to develop a solid understanding of how economic analysis can be applied in the formulation and administration of public policy. The course will be organized in lecture format with ample time for discussion of critical economic theories and applications along with a discussion board each week.

In this course, students will develop a fundamental understanding of:

- Basic concepts of economic analysis.
- The “economic approach” to social issues and public policy and how economic concepts and models of economic behavior can help analysts devise better policies.
- Critical differences between “market goods” and “rights” – between the role of the private market and the role of government.
- Various paradigms in economic theory including the conservative approach of Milton Friedman and the liberal approach of John Kenneth Galbraith.
- Use of economic tools to evaluate the effectiveness and efficiency of public policies.

Key Readings:

A variety of readings are required for the course that will serve as a basis for class participation. In addition to the texts assigned, each week there will also be several news articles and/or policy pieces that will be required reading for the in-class policy discussion each week.

John M. Levy, *Essential Microeconomics for Public Policy Analysis* (Westport, CT: Praeger, 1995) (Available Used from Amazon.com)

Arthur Okun, *Equality and Efficiency: The Big Tradeoff* (Washington, D.C.: The Brookings Institution, 1975)

Milton Friedman, *Capitalism and Freedom* (Chicago: University of Chicago Press, 2002)

John Kenneth Galbraith, *American Capitalism: The Concept of Countervailing Power* (Boston: Houghton Mifflin, 1956)

Online Discussion Board

You will be required to participate in an online discussion board each week by posting a 300-500 word response to the assigned writing prompt. The writing prompt will be based on the readings for that week and will be preparation for the policy debate that will take place in class. Note that the writing style in a discussion forum is generally a bit more casual than in formal papers or weekly written assignments but should still maintain proper grammar, spelling, punctuation and sentence structure. I highly suggest following these guidelines: <https://www.lib.uoguelph.ca/get-assistance/writing/writing-disciplines/writing-online-discussions>

The readings and writing prompt will be made available each Wednesday. Your response is required to be posted no later than Sunday at 5PM and you are expected to respond to at least one of your classmates by noon on Tuesday. Note that this is a "post-first" discussion so that students can't see what others have posted until they first submit their own post for the week. Once a student posts, that unlocks the discussion.

Policy Research Seminars

Students will also be required to attend one policy research seminar of their choosing during the semester. It does not necessarily need to be an economics seminar but must be related to public policy. The idea is to see first-hand the development of policy-related research and how it can be translated into action. Students will write a discussion board post summarizing the research seminar for their classmates. Below are some suggested policy research seminar series, however you may attend a different policy research seminar of your choosing (subject to prior approval):

- **SPPUA In Action Seminar Series** The semester-long program can be found here: <https://cssh.northeastern.edu/policyschool/sppua-in-action/> The first session is Tuesday, September 18th, 12-1 p.m.
- **Myra Kraft Open Classroom** (Wednesdays 6-8) which will take participants inside the nation's newsrooms as they cover the midterm elections and gear up for 2020. <https://cssh.northeastern.edu/policyschool/myra-kraft-open-classroom/>
- **Lives in Law and Public Policy** (selected evenings) focused on the 2018 election cycle, asking "Will the Pendulum Swing Back?" <https://cssh.northeastern.edu/policyschool/event/lives-in-law-and-public-policy-the-2018-midterm-elections-and-the-future-of-the-supreme-court/>

Assignments and Grading

There will be a take-home exam on basic economic concepts. You will also be expected to select a policy issue for which you will write a short research paper, a policy brief, and an op-ed using the economic concepts presented in class and from the readings. Finally, you will make a brief 10 minute presentation based on your economic analysis of the policy issue.

Discussion Board Posted Responses	10%
Class Participation	10%
Take-Home Exam on Basic Economic Concepts	15%
Research Paper on an Economic Approach to a Policy Issue (8-10 pages)	20%
Policy Brief using Economic Analysis on Policy Issue (8-10 pages)	20%
Op-ed Article on Policy Brief (Max: 800 words)	15%
Presentation	10%

All written assignments will be submitted via email attachment prior to class along with a paper copy to be handed in at the beginning of class on the due date. All papers should be double-spaced with 1" borders and carefully proofread before submission to the instructor. Late assignments/exams will be penalized 10% per day unless you have a medical or family emergency. Assignments submitted more than 48 hours after the due date receive no credit.

Important Dates:

Sep 25:	Research Paper Proposal Due
Oct 2:	Take-Home Exam handed out in class
Oct 16:	Take-Home Exam returned to instructor
Oct 30:	Research Paper Due
Nov 20:	Policy Brief Due
Nov 27 and Dec 4:	Op-ed Due/Student Presentations

Course Outline and Readings

Date	Topic	Reading(s)
Introduction to the Course		
September 11	Market goods versus rights	Okun, Chapter 1 and 2 Policy Debate Exercise: Tuition Free Community College
September 18	Basic economic concepts	Levy, Chapter 1 and 2 and 13 Policy Debate Exercise: The Fight for \$15
September 25	Supply and Demand	Levy, Chapter 3 Policy Debate Exercise: Climate Change Research Paper Topic Due
The Friedman Model: The Conservative Paradigm/Neoclassical Model		
October 2	Welfare Economics and the Friedman Model	Levy Chapter 5 Friedman, Chapter 1 and 2 Policy Debate Exercise: Gun Control Take-home midterm assigned
October 9	Firms and Markets: Free Market Capitalism	Levy, Chapter 4 Friedman, Chapter 7, 8, 9 Policy Debate Exercise: Monopoly
October 16	The Friedman Model: Limit the role of government	Levy, Chapter 6; Friedman, Chapter 3, 4, 5 Policy Debate Exercise: Monetary Policy Take-home midterm due
The Galbraith Model: The Liberal Paradigm/Public Choice Model		
October 23	The Galbraith Model: Expand the role of government	Levy, Chapter 7; Galbraith, Chapter 1-10 Policy Debate Exercise: Transportation
October 30	Distributional Equity	Okun, Chapter 3 and 4 Policy Debate Exercise: Income Inequality Research paper due
November 6 VOTE!	Taxes and Tax Expenditures	Levy Chapter 8 Policy Debate Exercise: Tax Credits
The Economics of the Public Sector: Cost-Benefit Analysis and Market Failure		
November 13	Cost-Benefit analysis	Levy Chapter 9 Policy Debate Exercise: Healthcare Reform
November 20	Externalities and Market Failure	Levy, Chapter 11 and 1e Policy Debate Exercise: Residential Zoning Policy brief due
November 27 December 4	Student Presentations	Op-Ed Due

Other Policies and Procedures

- **Electronics:** All cell phones, tablets, iPods and other electronic devices should be completely turned off and put away during class time or your class participation grade will be lowered. If use of personal technology becomes a recurrent issue, you will be asked to leave class and will not be given the opportunity to make up any missed work.
- **Laptops:** Computers, laptops, and tablets are not to be used in class without prior permission. I strongly encourage you to take notes during class by hand because of the amount of graphing we will do. However, if you need to use your laptop or tablet to take notes for accommodating a learning disability, I expect that it will be used solely for note-taking during the class session.
- **Accommodations:** Please let me know as soon as possible if you believe that you require accommodations for any type of disability. All requests for accommodations must be cleared through the University's Access Office before I can work with you to develop an accommodations plan. University rules do not permit me to provide any retroactive accommodations.
- **Participation:** Over the course of the semester, we will be discussing a number of controversial policy issues, including welfare reform, tax policy, affirmative action and immigration policy. I expect that each of you will approach the readings and lectures with an open mind and that class discussions will always be conducted at a scholarly level and in a tolerant and respectful atmosphere.
- **Exams and assignments** may not be made up without official written verification (from your doctor or the NU residence life office) of serious illness or a death in the family. If you anticipate a conflict with a scheduled exam you *must* come and talk to me as soon as possible.
- **Extra Help:** If you find yourself having trouble with the material, please see me or the TA for help as soon as possible. As is true in most economics courses, material in this course is cumulative. Therefore, if you do not fully master the theory presented at the early in the course, your chances of doing well as the semester progresses will be significantly reduced. I hold open office hours directly before class and can usually meet with you at other times by advance appointment. Do yourself a favor – please do not wait until the day before an exam or homework deadline to ask for help!
- **Academic Integrity:** All students are expected to do their own work on the take-home exam, the research paper, the policy brief, and the OpEd. All works referred to in these assignments must be cited in a bibliography and/or footnotes. Please be aware that all students in the course are responsible for knowing and understanding the academic policies and procedures of the university to which they are expected to adhere. These regulations are outlined in the Graduate Student Handbook, which can be found here: <http://www.northeastern.edu/registrar/catgraddir1213.html>