

Course Number: PAD 5311 Semester: FALL 2020

CRN: 28850 THURS (5-7PM)

Course Title: Economic Analysis for Public Administrators

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Office Hours: Thursdays, 3-5PM

This course provides an introduction to microeconomics, with an emphasis on its applications to public management and policy analysis. The aim of this course is to equip you with a conceptual and analytical understanding of economic analysis.

Decision-making in the public and nonprofit sector directly influences the delivery of goods and services to the public. The aim of this course is to empower you with an economic framework for evaluating and analyzing strategic decisions. Throughout the course, you will examine how people respond to incentives, how markets perform efficiently, and how government intervention affects market outcomes. You will also evaluate the government's role in the economy, including the potential for government intervention to influence economic welfare, market growth, and the distribution of costs and benefits.

This course is intended as a fundamental component of the Master of Public Administration program. No prior study of economics or mathematics is required or assumed. You will be expected, however, to achieve basic familiarity with graphing, computation and algebra as demonstrated in the course materials in the first two weeks of the class.

Central questions guiding this course include: What is the economic justification for government? How should concerns about efficiency and equity be balanced? What policies should we undertake to improve well-being? How can public and nonprofit managers improve the efficiency and effectiveness of organizations? What can the tools of economic analysis tell us about the ways policy changes are likely to influence behavior?

The learning objectives of this class include the abilities to:

- Demonstrate an ability to apply tools and theories from microeconomics to improve managerial and policy making decision-making;
- Understand the public sector through an economist's lens, and integrate economic reasoning and approaches into your research and reasoning;

- Understand basic microeconomic principles such as efficiency, opportunity costs, comparative advantage, preferences, elasticity, public goods, adverse selection, moral hazard, among others;
- Evaluate noneconomic policies through the lens of economic analysis to predict how policy changes may affect the behavior of individuals and those who produce goods and services for them in areas such as illegal immigration, illegal drug enforcement, etc.;
- Comprehend and critically evaluate arguments made by elected officials and political commentators;
- Incorporate economic concepts and tools into your own writing, thinking, and work.

Diversity Statement:

It is my intent that students from all diverse backgrounds and perspectives be well-served by this course, and that the diversity that the students bring to this class be viewed as a resource, strength and benefit. It is my intent to present materials and activities that are respectful of diversity: gender identity, sexuality, disability, age, socioeconomic status, ethnicity, race, nationality, religion, culture and political ideology. Your suggestions are encouraged and appreciated. Please let me know ways to improve the effectiveness of the course for you personally, or for other students or student groups.

Course Format:

Recognizing that students have different learning and working styles, this course will utilize a variety of learning and teaching formats. We will use lectures, discussions, case studies, examples from current events, examples from students' own personal professional experiences, and written assignments. The professor will utilize the UTEP *Blackboard* system to distribute class materials. If any student engages in behavior that is seen to be disruptive, condescending or inappropriate, the professor may remove significant credit for participation.

Students are responsible for maintaining access to the blackboard site for this course and their UTEP email accounts. Students are responsible for keeping up to date on email communication from the professor and fellow members of the class through their UTEP email accounts.

Students are expected to deliver their work on time. If, due to illness or personal emergency, you believe your work will be late, you are advised to discuss the matter in with the instructor before the assignment is due. Late work will normally be penalized by 1/3 of a letter grade (e.g., from a B+ to a B). Unless an agreement has been made with the professor before the assignment is due, a late assignment that has still not been handed in by the time the professor hands back the graded assignment to the rest of the class (normally about a week) will be deducted by 20 points.

The best way to handle a late assignment is to email the instructor BEFORE it is due, if you need extra time. If you commit to reasonable revised deadline that you meet, the instructor will be lenient on grade penalties.

Course Requirements (Also please see grading criteria attached to this syllabus):

1. Weekly Assignments (50%): Each person will complete weekly written assignments, through the assignments tab in Blackboard. In an effort to foster greater student-to-student interaction, there is the option to complete this assignment with a partner. If you work with a partner on the assignment, be sure to include both your name and your partner's name on the copy that you hand-in. For any graph that you provide, please generate the graphs with computer software and include it in the weekly assignment (Word document) that you submit.

To complete this assignment each week, you should 1) click on the assignments tab and select the weekly assignment that you will complete, 2) download the Word document with the weekly assignment questions, 3) complete your answers in the downloaded Word document and resubmit the document through Blackboard Assignments for the week in question. Each weekly assignment is due end of day (11:59pm).

Some weekly assignments will be assigned as video presentations.

2. Midterm Exam (25%): This online exam will involve multiple-choice and short-answer questions from all of the material covered in sessions I-IV and will be completed via Blackboard.
3. Final Exam (25%): The final take-home exam will involve some short-answer questions, as well as essay questions to challenge you to think through the material on a deeper level.

Required Reading

1. Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage. ISBN-13: 978-1305971493
2. Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co. ISBN-13: 978-0393337648

Journal articles, book chapters, case studies and other required and recommended material not in the assigned books will be available on *Blackboard* or handed out in class.

I. INTRODUCING ECONOMICS - August 27, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 1: Ten Principles of Economics

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Introduction

Recommended

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 2: Thinking Like an Economist

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 1: What is Economics?

II. COMPETITIVE MARKETS – SEPTEMBER 3, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 4: The Market Forces of Supply and Demand
- Chapter 2: Appendix – Graphing: A Brief Review

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Chapter 1: The Power of Markets: Who Feeds Paris?

Miller, R. L., Benjamin, D. K., & North, D. C. (2012). *The Economics of Public Policy Issues*. Upper Saddle River, NJ: Pearson Education, Inc.

- Chapter 7: Kidneys for Sale

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 2: The Role of Prices

Krugman, P., & Wells, R. *Microeconomics* (5th ed.). New York, NY: Worth Publishers.

- Economics in Action: Only Creatures Small and Pampered
- Business Case: Uber Gives Riders a Lesson in Supply and Demand

III. CONSUMERS AND DEMAND – SEPTEMBER 10, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 5: Elasticity and its Application

Miller, R. L., Benjamin, D. K., & North, D. C. (2012). *The Economics of Public Policy Issues*. Upper Saddle River, NJ: Pearson Education, Inc.

- Chapter 6: Sex, Booze, and Drugs

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.).

Basic Books.

- Chapter 4: An Overview of Prices

Register, Charles A., and Paul W. Grimes. 2013. *Economics of Social Issues*. New York, NY: McGraw Hill.

- Chapter 5: Economics of Crime and Its Prevention

IV. GOVERNMENT INVOLVEMENT IN MARKETS – SEPTEMBER 17, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 6: Supply, Demand, and Government Policies

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Chapter 4: Government and the Economy II: The Army Was Lucky to Get that Screwdriver for \$500

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 3: Price Controls
- Chapter 11: Minimum Wage Laws

Register, Charles A., and Paul W. Grimes. 2013. *Economics of Social Issues*. New York, NY: McGraw Hill.

- Chapter 3: Government Control of Prices in Mixed Systems

V. CONSUMERS, PRODUCERS, AND MARKET EFFICIENCY – SEPTEMBER 24, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 7: Consumers, Producers, and Market Efficiency

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Chapter 2: Incentives Matter

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 10: Productivity and Pay

VI. EXAM – OCTOBER 1, 2020

VII. PUBLIC GOODS & EXTERNALITIES – OCTOBER 8, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 10: Externalities
- Chapter 11: Public Goods and Common Resources

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 18: Government Functions

Coase, R. H. (1960). The Problem of Social Cost. *Journal of Law and Economics*, 3.

Ostrom, E. (2010). Beyond Markets and States: Polycentric Governance of Complex Economic Systems. *American Economic Review*, 100(3), 641-672.

VIII. THE COSTS OF PRODUCTION – OCTOBER 15, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 13: The Costs of Production

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 5: The Rise and Fall of Business
- Chapter 6: The Role of Profits – and Losses

IX. MONOPOLY AND IMPERFECT INFORMATION – OCTOBER 22, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 15: Monopoly

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Chapter 5: Economics of Information: McDonalds didn't Create a Better Hamburger

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 8: Regulation and Anti-Trust Laws

Akerlof, G. A. (1970). The Market for Lemons: Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics*, 84(3), 488-500.

Miller, R. L., Benjamin, D. K., & North, D. C. (2012). *The Economics of Public Policy*

Issues. Upper Saddle River, NJ: Pearson Education, Inc.

- Chapter 18: Keeping the Competition Out

X. POLICY APPLICATION: GOVERNMENT PRIVATIZATION – OCTOBER 29, 2020

Savas, E. S. 2000. *Privatization and Public-Private Partnerships*. New York and London: Chatham House Publishers.

- Chapter 1: Introduction
- Chapter 2: The Growth of Government

Solheim-Kile, Espen, and Andreas Wald. 2020. "Public–private joint ventures in the healthcare sector: enlarging the shadow of the future through social and economic incentives." *International Journal of Public Sector Management*.

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 24: Myths about Markets

Vecchi, Veronica, Niccolò Cusumano, and Eric J. Boyer. 2020. "Medical Supply Acquisition in Italy and the United States in the Era of COVID-19: The Case for Strategic Procurement and Public–Private Partnerships." *The American Review of Public Administration*.

XI. BEHAVIORAL ECONOMICS – NOVEMBER 5, 2020

Mankiw, N. G. (2018). *Principles of Microeconomics* (8th ed.). Boston, MA: Cengage.

- Chapter 22: Frontiers of Microeconomics

Wheelan, C. (2010). *Naked Economics: Undressing the Dismal Science*. New York, NY: W. W. Norton & Co.

- Chapter 7: What Economics can Tell us about Getting Rich Quick (& losing weight, too!)

Recommended

Sowell, T. (2014). *Basic Economics: A Common Sense Guide to the Economy* (5th ed.). Basic Books.

- Chapter 25: “Non-economic” Values

Thaler, R. H. (2015). *Misbehaving: The Making of Behavioral Economics*. New York: W. W. Norton & Co.

- Chapter 1: Supposedly Irrelevant Factors
- Chapter 2: The Endowment Effect

XII. TAKE HOME EXAM DUE – NOVEMBER 12, 2020

[REVIEW SESSION]

**XIII. WEEK OFF – NOVEMBER 19, 2020
[WORK ON YOUR BOOK REVIEW]**

XIV. BOOK REVIEW DUE – DECEMBER 3, 2020

Course Policies

1. Incompletes: A student must consult with the instructor to obtain a grade of “I” (incomplete) no later than the last day of classes in a semester. At that time, the student and instructor will both sign the contract for incompletes and submit a copy to the Program Director. Please consult the Student Handbook for the complete policy on incompletes.
2. Submission of Written Work Products Outside of the Classroom: It is the responsibility of the student to ensure that an instructor receives each written assignment, even those submitted online through SafeAssign.
3. Submission of Written Work Products after Due Date: Policy on Late Work: All work must be turned in by the assigned due date in order to receive full credit for that assignment, unless an exception is expressly made by the instructor.
4. Academic Honesty: Please consult the “policies” section of the student handbook for the university code of academic integrity. Note especially the definition of plagiarism: “intentionally representing the words, ideas, or sequence of ideas of another as one’s own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.”
4. Changing Grades After Completion of Course: No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.
5. The Syllabus: This syllabus is a guide to the course for the student. Sound educational practice requires flexibility and the instructor may therefore, at her/his discretion, change content and requirements during the semester.
6. Accommodation for Students with Disabilities: In order to receive accommodations on the basis of disability, a student must give notice and provide proper documentation to the Office of Disability Support Services at UTEP.
7. Instructor’s Policy on Grade Contestation: Students wishing to contest a grade are required to draft a brief memo explaining the reasoning behind their dispute, and to then schedule a meeting with the instructor to discuss it.

Grading Criteria

A

Excellent: Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of exceptional, professional quality.

B

Adequate: Competent work for a graduate student with some evident weaknesses. Demonstrates competency in the key course objectives but the understanding or application of some important issues is less than complete.

C

Deficient: Inadequate work for a graduate student; rarely meets minimal expectations for the course. Work is poorly developed or flawed by numerous errors and misunderstandings of important issues.

F

Unacceptable: Work fails to meet minimal expectations for course credit for a graduate student. Performance has consistently failed to meet minimum course requirements. Weaknesses and limitations are pervasive.