



Carleton University Department of Economics

Fall 2024

ECON 3403A

Introduction to Public Economics: Expenditures

The Instructor

Instructor: Professor Frances Woolley

Email Address: frances.woolley@carleton.ca

Office Location: Loeb D888/9

Office Hours:

In person: Wednesday, 3:00 to 4:00, Loeb D888/9 – no appointment required

On-line: Tuesday 2:00 to 4:00 – appointment required – book before 1:00 p.m. Tuesday.

Book appointment here: <https://calendly.com/frwoolley/office-hours>

For zoom link, see Brightspace

The Course

Course Location/Delivery: In person.

Course Day and Time: Wednesdays, 11:35 to 2:25pm

TA: TBD

Brightspace Course Page: <https://brightspace.carleton.ca/d2l/home/288633>

Course Description:

The role and nature of the government sector in the economy, the theory of public goods, the equity and efficiency effects of public expenditures, voting rules and fiscal politics, techniques of public expenditure analysis, and intergovernmental fiscal relations

Learning Outcomes:

This course is designed to help students achieve the following learning outcomes:

- Knowledge of concepts and principles underlying the analysis of public policy and government expenditures (public goods, externalities, increasing returns to scale, competition)
- Knowledge of Canadian institutions, including the structure of government in Canada
- Ability to find high quality Canadian data and evaluate data sources
- Ability to download data and analyze it with Excel
- Data visualization skills: ability to represent data in chart form
- Improved writing skills, including improved ability to compare policy options and improved ability to discuss data.

Preclusions and Prerequisites:

Precludes additional credit for ECON 3003 (no longer offered) and ECON 3408 (no longer offered). Credit will not be given if taken concurrently with or after ECON 4402 (no longer offered) or ECON 4403. Prerequisite(s): ECON 1001 and ECON 1002 or ECON 1000 or FYSM 1003.

Textbooks and Readings

Texts:

Economy, Society and Public Policy. Free on-line textbook available at <https://www.core-econ.org/espp/>

Course Calendar:

<i>Week/Topic</i>	In-person session	<i>Readings</i>
1 (Sept 4)	Introduction.	<p>Readings: Economy, Society and Public Policy. unit 1. Capitalism and democracy: Affluence, inequality, and the environment . https://www.core-econ.org/espp/book/text/01.html You can skip section 1.2 and the discussion of ratio scales in section 1.4. Focus mostly on the material after this point: https://www.core-econ.org/espp/book/text/01.html#what-influences-growth-and-inequality</p> <p>Carter McCormack and Weimin Wang, 2024, Canada’s gross domestic product per capita: Perspectives on the return to trend. DOI: https://doi.org/10.25318/36280001202400400001-eng</p> <p>On-line lectures and videos: Hans Rosling, 200 years in 4 minutes (https://tinyco.re/5696325), Tim Harford, 50 things that made the modern economy, episode on the Lightbulb, https://www.bbc.co.uk/programmes/p04knm03 . Episode on the Limited Liability Company https://www.bbc.co.uk/programmes/p058qrk3 Optional: Hans Rosling, the magic washing machine https://youtu.be/BZoKfap4g4w</p> <p>Skill-builder (SB): Per capita GDP trends. Due Sept 6 at 4:00 pm.</p>
2 (Sept 11)	Indigenous economics	Governance and property rights:

		<ul style="list-style-type: none"> • https://ecampusontario.pressbooks.pub/indigenouseconomics244/chapter/chapter-19-governance-on-reserve/ • https://ecampusontario.pressbooks.pub/indigenouseconomics244/chapter/chapter-24/ <p>Ian Keay and Cherie Metcalf. 2021. “Recognizing Indigenous Rights in Canada: Property Rights and Natural Resource Values” Canadian Public Policy 47:1, 18-55 https://doi.org/10.3138/cpp.2020-017</p> <p>How to download data from Statistics Canada website: https://www.youtube.com/watch?v=4jdlqFu6Yak How to make charts in Excel – video #23, Charts, in this series: https://edu.gcfglobal.org/en/excel/</p> <p>Skill-builder (SB)– charting differences between two groups. For full description see Brightspace. Due Sept 13 at 4 p.m.</p>
Week 3 (Sept 18)	Social interactions and economic outcomes	<p>Readings: Economy, Society and Public Policy Unit 2 https://www.core-econ.org/espp/book/text/02.html For more info on which sections to concentrate on, see lecture notes. Key concepts: externality, public good, common property, dominant strategy, Nash equilibrium.</p> <p>Videos: Golden Ball video (6 minutes) https://www.youtube.com/watch?v=S0qjK3TWZE8&t=324s CORE video: The Invisible hand game (4 minutes) https://www.youtube.com/watch?v=Sfh0Qj78dvA The coordination game (6 minutes) https://www.youtube.com/watch?v=HtA6I-5pFq8</p> <p>Skill Builder: Experiments. See Brightspace. Completed in groups during class time. Due Sept 18 at 4:30 (Note due in class).</p>
Week 4 Sept 25	Externalities.	<p>Readings: Economy, Society and Public Policy Unit 3 https://www.core-econ.org/espp/book/text/03.html Skip section 3.9. (Unintended consequences of a redistributive tax); ESPP unit 11. https://www.core-econ.org/espp/book/text/11.html Why is addressing climate change so difficult? The Economy, unit 20.9, https://www.core-econ.org/the-economy/book/text/20.html#209-why-is-addressing-climate-change-so-difficult For more info on which sections to concentrate on, see lecture notes. Key concepts: Externality, Pareto efficiency, Pareto improvement, Coase theorem.</p> <p>Skill-builder: social dilemmas. Problem set and further details available on Brightspace. This assignment is to be done with pencil/pen and paper. Either submit in class or scan and submit on-line. Due Sept 27 at 4:30 pm</p>

Week 5 Oct 2		Externalities con't. No skill-builder assignment.
Week 6 Oct 9		Midterm.
Week 7 Oct 16	Work decisions and income support	<p>Readings: Economy, Society and Public Policy Unit 4. https://www.core-econ.org/espp/book/text/04.html</p> <p>Basic information on social assistance in Ontario: https://www.ontario.ca/page/social-assistance</p> <p>Canada's Forgotten Poor pages 1 to 25 (skip the commentary) https://irpp.org/wp-content/uploads/2020/09/Canada-Forgotten-Poor-Putting-Singles-Living-in-Deep-Poverty-on-the-Policy-Radar.pdf plus other readings as assigned.</p> <p>Skill Builder: income support. For details see Brightspace. Due Oct 18.</p>
Week 8 Oct 30	Causes and Measurement of Inequality	<p>Required readings: Economy, Society and Public Policy Unit 5. The Economy, unit 19, available here: https://core-econ.org/the-economy/book/text/19.html</p> <p>Max Roser and Esteban Ortiz-Ospina https://ourworldindata.org/income-inequality</p> <p>Skill building exercise: Calculating Ginis. For details see Brightspace. Due Nov 1 at 4:30 pm</p> <p>Chart assignment first draft due Nov 4 at 10 p.m.</p>
Week 9 Nov 6	Economies of scale and winner take all competition.	<p>Readings: Economy, Society and Public Policy Unit 7. https://www.core-econ.org/espp/book/text/07.html especially material on economies of scale and market power.</p> <p>The Economy, unit 21, Economies of scale and winner take all competition https://www.core-econ.org/the-economy/book/text/21.html#214-economies-of-scale-and-winner-take-all-competition</p> <p>Skill-builder: economies of scale. Problem set and further details available on Brightspace. This assignment is to be done with pencil/pen and paper. Write up in class and hand it in at the end of class or scan and submit electronically. Due Nov 8 at noon.</p>
Week 10 Nov 13	Governments and markets in a democratic society	<p>Required readings: Economy, Society and Public Policy, unit 12 https://www.core-econ.org/espp/book/text/12.html</p> <p>Skill Builder: Visualizing Inequality. For details, see Brightspace. Due Nov 15 at 4:30 p.m.</p>

Week 11 Nov 20	Market successes and failures	<p>Required readings: Economy, Society and Public Policy, unit 11. The Economy, unit 20.</p> <p>Podcast (9 minutes): 50 Things that Made the Modern Economy: Antibiotics https://www.bbc.co.uk/programmes/p04pfn2z</p> <p>Jacques, O., & Noël, A. (2022). The politics of public health investments. Social Science & Medicine, 115272 – skip the data section and econometric analysis – i.e. sections 2 and 3. Access through Carleton library.</p> <p>The median voter theorem and its limitations: https://www.core-econ.org/the-economy/book/text/22.html#226-political-preferences-and-electoral-competition-the-median-voter-model</p> <p>Skill builder: one-on-one meeting with prof to discuss your chart builder assignment. Schedule using regular office hours link. Must be completed by Nov 29.</p>
Week 12 Nov 27		Poster presentations.
Week 13 Dec 4	Catch up and review	Catch up and review. Final draft of chart assignment due.

Evaluation

Evaluation:

Assignment/Test	Date	Mode of Delivery	Percentage of Grade
Skill Builders	Sept 6, 13, 18, 27; Oct 18; Nov 1, 8, 15, 29. Only best 5 count.	In class or on-line (see Brightspace).	10
Chart assignment: first draft.	Nov 4.	On-line	10
Midterm	Oct 9	In person	30
Poster presentation	Nov 27	In person	5
Chart assignment: Final	Dec 4	On-line	10

Final exam	As scheduled	In person	35
			Total: 100%

Information about Skill Builder Assignments:

The Skill Builder assignments are marked on a satisfactory (100%) / unsatisfactory (0%) basis. Generally speaking, a satisfactory skill builder must be (a) be handed in on time and (b) attempt all questions (even if you don't get the right answers). For more details, see Brightspace. You get 2 points for each "satisfactory" skill builder. There are 9 skill builders throughout the term. Only your best 5 count. So if you did 6 skill builders and 4 were satisfactory you would get $4 \times 2 = 8$ or 80% on this part of the course. Collaboration and group work is generally acceptable for the Skill Builders. For more details, see individual assignments on Brightspace.

Information on Chart Assignment:

This assignment requires you to create a chart that helps you tell a story about a current Canadian microeconomic policy issue, and to discuss the chart. For more details, see Brightspace. The Chart assignment must be your own individual work – so your own original chart based on high quality data that you have downloaded, backed by a discussion written up in your own words. Re-use of charts or analysis previously submitted for credit in another course is prohibited.

Generative Artificial Intelligence tools (e.g. ChatGPT):

Any use of generative AI tools to produce assessed content is considered a violation of academic integrity standards as per our statement on Plagiarism.

Late Policies and Extensions for Term Work

Skill Builder Assignments:

Must be handed in on time. However, there are 9 assignments and only the best 5 count, so you can miss four assignments without penalty. If due to extraordinary circumstances you must miss more than four assignments, please make an appointment with me (Prof. Woolley) to discuss alternative arrangements.

Chart assignments: If you are unable to hand in your draft or final assignment on time, please fill in a self-declaration of illness form here: <https://carleton.ca/registrar/wp-content/uploads/self-declaration.pdf> and submit it to me (Prof. Woolley) AT LEAST 24 HOURS BEFORE THE ASSIGNMENT IS DUE. You can self-declare inability to complete an assignment on time for reasons such as mental health. If you fill in a self-declaration form on time, I will work with you to come up with a reasonable submission schedule and you will not be penalized for handing in the assignment late.

If you do not provide a self-declaration form in a timely manner, your grade will be reduced by 10 percentage points for every 24 hours that your assignment is late. For example, if you hand in the assignment two days late and you earn a grade of 80 percent, the late penalty will reduce

the grade to $80 - 2 * 10 = 60$ percent. Exceptions will only be made in extraordinary circumstances (e.g. you were in hospital and thus unable to submit a self-declaration of illness form on time.)

Midterm/Test Policies:

The midterm exam will be a mix of multiple-choice, short answer (problem solving) and essay type questions. Examples of former exams are available on Brightspace. There will be no make-up exam for students who are unable to write the midterm. Students who are unable to write either midterm for any reason will have the weight of that midterm shifted to their final exam.

No documentation is necessary. Likewise, students who do better on the final exam than on one of the midterm exams will have the weight of that midterm shifted to their final exam. This means that the midterms will never reduce your grade, they will only increase it - so you have every incentive to write them.

Poster Presentation:

The poster presentation will be a presentation of the material from your chart assignment. You will be graded on your poster and the quality of the comments you make on other people's posters. Students who are unable to participate in the poster session for any reason will have the weight of the poster session shifted to their final exam. **No documentation is necessary.**

Final Exam:

The final exam will be in-person as scheduled by the University during the exam period. Students are not to make travel plans during the exam period as that is not a valid reason for missing a final exam.

Satisfactory Performance Criteria:

Students must fulfill achieve a grade of at least 50 percent in the skill-building exercises and the chart assignments in order to achieve a passing grade (D- or higher). So, for example, if you score 75 percent on the final exam, but have a score of 40 percent on the skill builders and chart assignments you would still fail the course.

Deferred Finals:

Students who do not write the final examination because of illness or other circumstances beyond their control may apply for to write a deferred final examination by contacting the Registrar's Office no later than three working days after the original final examination was scheduled. In the event that a student writes a deferred examination, the deferred examination will carry the same weight as the final examination in determining the course grade. Any deferred examination will not be identical to the original final examination.

Deferred finals (which must be applied for at the RO) are only available if the student is in good standing in the course. Good standing requires that you have earned a grade of at least 50 percent on the skill-building exercises and chart assignments.

E-Proctoring:

E-proctoring will not be used for evaluations in this course.

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the Dean.

Plagiarism, Resources and Mental Health, Academic Accommodations

You are responsible for reading and knowing the information about plagiarism, Carleton University resources, and academic accommodations found [HERE](#).

Please – don't plagiarize. Submit your own work. Your own ideas and words are so much more interesting and valuable than something copied from some other source or purchased off some website. **Plagiarism offenses and other academic violations are the number one reason why students fail this course.** Yes, I read your work. I notice.