

ECON 3403 [0.5 credit] Introduction to Public Economics: Expenditures

Fall, 2021

Professor: Frances Woolley

In-person sessions: Mondays **10:05 a.m.** to 11:25 a.m. UC 231

Zoom office hours: Mondays 2:00 p.m. to 3:00 p.m. <https://carleton-ca.zoom.us/j/96302754717>

TA: To be announced.

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.

Skills built in this class: My aim in this course is to teach you the skills that you need for an entry-level economist or policy analyst position. By the time you complete ECON 3403, you should (a) be confident working with spreadsheets, creating graphs, and downloading data from the Statistics Canada website (b) have improved knowledge of Canada and Canadian institutions and (c) understand economic concepts relevant for the analysis of public policy such as externalities, public goods, and asymmetric information and (d) have improved problems solving, critical thinking and economic reasoning skills.

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.

Class format: There will be between 1 and 2 hours of pre-recorded material to watch or listen to each week on Brightspace. In addition, there will be in-person sessions Mondays from 10:05 to 11:25am. These in-person sessions will be used for problem solving, group work, class discussions, poster presentations, mid-term review, and so on. When weather permits, I will encourage you to do group work and have discussions outside, so please dress appropriately. In several classes we will be doing exercises and assignments that require the use of a computer, so please bring a laptop. If you do not have access to a laptop, email me, and I will see if I can arrange for you to borrow a computer from the library.

Office hours: Weekly zoom office hours will be held on Monday. Please check your Carleton email for doodle polls to sign up for office hour slots. Additional office hours will be held prior to major exams and assignments – please check Brightspace and your Carleton email for details.

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

<i>Schedule for readings and on-line lectures, videos, and podcasts.</i>	
<i>Week/Topic</i>	<i>Materials.</i>
1 & 2 Introduction	Readings: <i>Economy, Society and Public Policy</i> . unit 1. Capitalism and democracy: Affluence, inequality, and the environment .

<p>. Background and basic concepts. Using data for policy analysis.</p>	<p>https://www.core-econ.org/espp/book/text/01.html Economic Aspects of the Indigenous Experience in Canada, Chapter 24, Land Rights + other chapters as assigned/needed https://ecampusontario.pressbooks.pub/indigenouseconomics244/</p> <p>13 facts every Canadian economist needs to know: https://worthwhile.typepad.com/worthwhile_canadian_initi/2021/07/10-things-every-canadian-public-finance-student-needs-to-know.html</p> <p>On-line lectures and videos: Recorded lectures on CuLearn plus 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 Excel course here https://edu.gcfglobal.org/en/excel/ This series of videos is highly recommended for all students, even those who are experienced Excel users. 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>3 & 4 Externalities and public goods.</p>	<p>Readings: Economy, Society and Public Policy Unit 2 https://www.core-econ.org/espp/book/text/02.html and unit 11. The Economy, unit 20. Key concepts: externality, public good, common property, dominant strategy, Nash equilibrium. Videos: Lectures on Brightspace plus 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=HtA6l-5pFq8 Podcast (9 minutes): 50 Things that Made the Modern Economy: Antibiotics https://www.bbc.co.uk/programmes/p04pfn2z</p>
<p>5 Midterm 1</p>	<p>Midterm exam 1 – for more info, see the next table with schedule and evaluation criteria for in-class sessions, skill-building exercises, assignments, and exams below.</p>
<p>6 Goals for public policy. Markets.</p>	<p>Readings: Economy, Society and Public Policy Units 3 and 7. https://www.core-econ.org/espp/book/text/03.html Skip section 3.9. (Unintended consequences of a redistributive tax) https://www.core-econ.org/espp/book/text/07.html Most of unit 7 should be review, but be sure to understand section 7.11. Key concepts: Pareto efficiency, Pareto improvement, Coase theorem.</p>

	<p>Videos: Lectures on Brightspace plus. Kathryn Graddy Fishing for Perfect Competition Video (4 minutes) https://www.youtube.com/watch?v=5hJF8zNJg5I</p>
<p>7 & 8 Work decisions. Inequality. Income support.</p>	<p>Readings: Economy, Society and Public Policy Unit 4. https://www.core-econ.org/espp/book/text/04.html 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>Basic information on social assistance in Ontario: https://www.ontario.ca/page/social-assistance 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 Report of the BC Basic Income Panel https://bcbasicincomepanel.ca/wp-content/uploads/2021/01/Final_Report_BC_Basic_Income_Panel.pdf part 2 pp. 49-60 (analytical framework) part 3 (Contents) 2 Poverty in BC 4 Labour market trends and 5 income testing and effective tax rate implications.</p> <p>Videos: See lectures on Brightspace plus podcast plus podcast: David Green's summary of BC Basic Income Panel findings https://podcasts.apple.com/ca/podcast/2019-gideon-rosenbluth-memorial-lecture-with-david-green/id1064525928?i=1000453122418&l=fr</p>
<p>9</p>	<p>Midterm exam 2 – for more info, see the next table with schedule and evaluation criteria for in-class sessions, skill-building exercises, assignments, and exams below.</p>
<p>10 & 11 Labour markets Worker discipline Employment Insurance</p>	<p>Readings: Economy, Society and Public Policy unit 6 https://www.core-econ.org/espp/book/text/06.html especially sections on labour discipline, efficiency wages, unemployment insurance. Pierre Brochu Till Gross and Christopher Worswick Temporary foreign workers and firms: Theory and Canadian evidence, Canadian Journal of Economics – access through Carleton University library – read introduction and concluding remarks only. Economy, Society and Public Policy unit 8, sections to be determined https://www.core-econ.org/espp/book/text/08.html EI Failed So We Made CERB: Now What Should We Learn? https://ppforum.ca/publications/ei-failed-so-we-made-cerb-now-what-should-we-learn/ Modernizing EI for the Future of Work: https://ppforum.ca/wp-content/uploads/2019/05/PPF-Modernizing-EI-for-Future-of-Work-April-2019-EN.pdf</p> <p>Videos: See lectures on Brightspace</p>

12	Catch-up and review

Schedule and evaluation criteria for in-class sessions, skill-building exercises, assignments, and exams.		
Week	Component	Weight
1 (Sept 13)	<p>In class session: Work in groups on skill-building exercise 1.</p> <p>Skill building exercise 1 due 4:00 p.m. Sept 21st: Doing economics Empirical Project 1 https://www.core-econ.org/doing-economics/book/text/01-01.html . Do the project in Excel (go to https://carleton.ca/its/ms-offer-students/ to find out how to download a free copy of Excel). Complete Part 1.1 (i.e. up to and including Figure 1.4). This assignment may be done in groups, but each group member should write up and submit their own assignment.</p>	2
2 (Sept 20)	<p>In class session: Small group brain storming question – coming up with a research topic. How to download data from the Statistics Canada website.</p> <p>Skill building exercise 2 due 4:00 p.m. Sept 28th:</p> <ul style="list-style-type: none"> - Write down a question that interests you - Write three or four sentences explaining why this question interests you - Download data from the Statistics Canada website that is relevant to the question - Create a chart with the data - Submit a word document containing your question and your chart + a spreadsheet containing your data and your chart. 	2
3 (Sept 27)	<p>In class session: Public goods experiments.</p> <p>Skill building exercise 3 due 4:00 p.m Oct 5 . Empirical Project 2 Part 2.1: Collecting and analysing data from experiments https://www.core-econ.org/doing-economics/book/text/02-01.html</p> <ul style="list-style-type: none"> - Work in teams of 4 to 10 students. - Answer all questions in Empirical project 2 part 2.1. - Each student in the team should submit a copy of the assignment. It's o.k. for students on the same team to hand in the same assignment – just include a list of your team mates' names in your assignment. - Please submit your excel spreadsheet and a word document answering the questions in Part 2.1 of the empirical exercise - If you are unable to attend the in-class session on Sept 27th, ask friends or family to do the experiment with you. If you cannot find people to do the experiment with, you can make up this exercise by doing another one later on.. 	2
4 (Oct 4)	In class session: Problem-solving session and review for first midterm exam. Make-	

	up skill-building exercise (optional) due 4:00 p.m. Oct 12: Take a photograph (your own photograph, with your phone or camera) of something that illustrates the idea of non-excludability/excludability OR non-rivalry/rivalry. Write 250 to 500 words describing your photograph, describing how it illustrates the ideas of excludability or rivalry, and saying some other interesting things about the photograph.	
5 (Oct 18)	Midterm exam 1 This 1.5 hour in-class exam will contain a mix of multiple choice questions, short answer questions, and longer questions involving diagrams and/or calculations. Students who do better on the final exam than the midterm exam can have the weight of this midterm transferred to their final; students who are unable to write the midterm exam for any reason can transfer the weight of the midterm to the final however the final cannot count for more than 75% of the course grade.	15
6 (Nov 1)	In-class session: review of midterm exam.	
7 (Nov 8)	Nov 9 4:00 p.m.: First draft of chart assignment due For this assignment, please hand in <ul style="list-style-type: none"> - A word document containing - a chart that you have created with data downloaded from Statistics Canada or a similar high quality website (not a site like Statista). The chart should help you answer an interesting question relating to Canadian public policy and material/ideas covered in this course. The chart can use the same data as skill-building assignment #2, but be sure to address any comments/suggestions made on previous submission. - A short essay about your chart which includes: <ul style="list-style-type: none"> - a statement of the question your chart answers. - a description of your chart and a discussion of the patterns the chart shows - a paragraph putting the chart in context – can you use economic theory to explain the patterns shown? Are the patterns in the chart the same as what you expected, or different? Are there any policy conclusions you can draw from the chart – does the chart tell you anything about what policies governments should/should not introduce? Who should care, and why? - A spreadsheet with the data used to create your chart + the chart - - Minimum/maximum assignment length: 500/1000 words + chart + spreadsheet. - Your essay should be in well structured paragraphs. Paragraph organization and spell-checking count. Try to use your own original words and ideas as much as possible, but if you do use other sources, cite them. 	5
8 (Nov 15)	In-person session: pre-midterm review Skill-building exercise due Nov 16 4:00 p.m. Income assistance review questions available on Brightspace.	2
9 (Nov 22)	Midterm exam 2 This 1.5 hour in-class exam will contain a mix of multiple choice questions, short answer questions, and longer questions involving diagrams and/or calculations. Students who do better on the final exam than the midterm exam can have the weight of this midterm transferred to their final; students who are unable to write the midterm exam for any reason can transfer the weight of the midterm to the final however the final cannot count for more than 75% of the course grade.	15

<p>10 (Nov 29)</p>	<p>No class. Individual meetings with professor to discuss your final chart assignment. Please sign up Here for Nov 29: https://doodle.com/poll/9rw89ab72rfyxw35?utm_source=poll&utm_medium=link Here for Nov 30: https://doodle.com/poll/gebpcf5nbniisxpq?utm_source=poll&utm_medium=link (1 skill-building exercise credit for attending an individual meeting with the professor). Final chart assignment is due DEC 3 at 4:00 p.m. This assignment should be a revised version of the first draft handed in on Nov 8th. If you wish, you can change topic between your first and final chart assignment. In your final chart assignment, please include the elements in the first draft (see week 7) plus a summary of how the comments on the previous draft were addressed. The final chart assignment cannot be submitted until the first draft is submitted and graded.</p>	<p>2 10</p>
<p>11 (Dec 6)</p>	<p>Poster presentations: 9:30 a.m. start time! During this class, each student presents a poster based on their chart assignment. I suggest buying a piece of Bristol board at the dollar store at Bank and Sunnyside or the Billings Bridge Walmart, printing out your chart and other materials, and gluing them to the board.</p> <p>Students will be evaluated on both their presentation AND the quality of feedback they give other students/extent of participation (hanging around chatting to your friends is not o.k.)</p> <p>Students who do not hand in a poster, who show up late, who leave before 11:25, or who do not participate will receive a grade of zero for the poster session. Those with a valid excuse for not showing up or not staying will be allowed to transfer the weight of the poster session to the final exam. There will be no make-up session for the poster presentations.</p> <p>As poster presentation grades are typically higher than final examination grades (most of the marks are given for showing up and participating), participating in the presentation is typically a good strategy.</p> <p>If the poster session cannot be held because of COVID, the weight of the poster session will be transferred to the final examination.</p>	<p>5</p>
<p>12 (Dec 10)</p>	<p>Pre-final exam review Make-up skill-building exercise (optional) due : Many photographers have tried to capture income inequality in pictures – see, for example, the photographs here https://www.bbc.com/news/in-pictures-45257901 , Gapminder’s “dollar street” https://www.gapminder.org/dollar-street/ or this collection of photo essays here https://www.theguardian.com/world/ng-interactive/2015/sep/24/photograph-inequality-sustainable-development-goals-poverty-climate-change-action2015 . Take a photograph of something that represents inequality to you (i.e. use your phone or your own camera and take your own photograph), and write a brief explanation (maximum 250 words) of what your photograph shows and why it represents inequality to you.</p>	

As schedule d	Final examination The final exam is cumulative, 3 hours, and the same format as the midterms. Last year's final exam is available on Brightspace, and indicates the type of questions that could be asked on the final exam.	40
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Note on evaluation, expectations and late policies:

Academic integrity: Not living up to Carleton's academic integrity expectations is one of the top reasons for failing this course. Please be aware that plagiarism is a serious offence at Carleton and should be recognized and avoided. For further information on how to do so, please see "Pammett on Plagiarism and Paraphrasing" at www.carleton.ca/economics/courses/writing-preliminaries .

Skill-building assignments: Skill-building assignments will be marked on a satisfactory/unsatisfactory basis. A satisfactory assignment is one that contains the students own original work (except where group work is authorized), and makes a good attempt to answer all parts of the assignment. Satisfactory assignments get a grade of 2/2; unsatisfactory assignments get a grade of 0/2. **No marks are given for late assignments.** There are two make-up assignments (see week 4 and week 12) that can be used to make-up the grades for any missed or unsatisfactory assignments.

Missed midterm exams: There will be no make-up exam for students who are unable to write the midterms; students who are unable to write a midterm will have the weight of the midterm shifted to their final exam, **however the final cannot count for more than 75% of the course grade.** Similarly, students who do better on the final exam than on the midterm exams will have the weight of the midterms shifted to their final exam.

Late chart assignments: Students who have a valid reason for being unable to complete either of the chart assignments on time must submit the declaration of illness form (found here <https://carleton.ca/registrar/wp-content/uploads/self-declaration.pdf>) a minimum of 24 hours before the assignment is due- no exceptions! For students who do not have a valid reason or submitting their chart assignment late, grades are reduced by 10 percentage points per day for each day that an assignment is submitted late.

Final exam: The final exam will be cumulative, and similar in format to the midterm exam. Application to write a deferred final examination must be made at the Registrar's Office.

Final grades: 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.

Requests for Academic Accommodation:

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation: Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

Religious obligation: Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, visit the Equity Services website:

Academic Accommodations for Students with Disabilities: If you have a documented disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613-520-6608 or pmc@carleton.ca for a formal evaluation or contact your PMC coordinator to send your instructor your Letter of Accommodation at the beginning of the term. You must also contact the PMC no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with your instructor as soon as possible to ensure accommodation arrangements are made. For more details, visit the Paul Menton Centre website.

Survivors of Sexual Violence: As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and where survivors are supported through academic accommodations as per Carleton's Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: <https://carleton.ca/sexual-violence-support>.

Accommodation for Student Activities: Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact your instructor with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, see the policy at: For more information on academic accommodation, please contact the departmental administrator or visit: <https://students.carleton.ca/course-outline>.

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