



Carleton University Department of Economics

Fall 2023/Winter 2024

ECON 3403A

Introduction to Public Economics: Expenditures

The Instructor

Instructor: Professor Frances Woolley

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Office Location: Loeb D888/9

Office Hours: Sign up for on-line office hours here: <https://calendly.com/frwoolley/office-hours>

Regular office hours are Tuesdays 2:00 to 4:00. Additional office hours will be held before any major assessment (midterm exam, final exam). Please book your slot before 2:00 Tuesday. The zoom link for office hours is on Brightspace.

The Course

Course Location/Delivery: In person with on-line asynchronous component. Log into Carleton Central to view the location on your timetable.

Course Day and Time: In person session will be held Tuesday 9:35 to 11:25.

TA: Clare Goodwin

Brightspace Course Page: <https://brightspace.carleton.ca/d2l/home/208425>

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.

Course Calendar

<i>Week/Topic</i>	In-person session	<i>Readings</i>
1 (Sept 12)	Introductions	<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</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: 13 facts about Canada – pre-recorded lecture. 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): climate data due Sept 12 at noon. For description see Brightspace (look under “skill-building exercises” for “SB: climate data”).</p>
2 (Sept 19)	Indigenous economics	<p>Economic Aspects of the Indigenous Experience in Canada, Chapter 24, Land Rights; Chapter 13, discrimination + other chapters as assigned https://ecampusontario.pressbooks.pub/indigenouseconomics244/</p> <p>Pendakur, Krishna, and Ravi Pendakur. "The effects of modern treaties and opt-in legislation on household incomes in aboriginal communities." Social Indicators Research 137.1 (2018) SECTIONS 1, 2 and 5 ONLY. https://www.sfu.ca/~pendakur/papers/Aboriginal%20Agreements.pdf</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>

		Skill-builder (SB)– charting differences between two groups. For full description see Brightspace. Due Sept 19 at 10 p.m.
3 Sept 26	Social interactions and economic outcomes	<p>Readings: Economy, Society and Public Policy Unit 2 https://www.core-econ.org/espp/book/text/02.html 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</p> <p>CORE video: The Invisible hand game (4 minutes) https://www.youtube.com/watch?v=Sfh0Qj78dvA</p> <p>The coordination game (6 minutes) https://www.youtube.com/watch?v=HtA6I-5pFq8</p> <p>Skill Builder: Experiments. See Brightspace. Due Sept 26 at noon.</p>
4 Oct 3	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 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. Write up in class and hand it in at the end of class. Due Oct 3 at noon.</p>
5 Oct 10		Catch up and review.
6 Oct 17		Midterm.
7 Oct 31	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</p> <p>Skill Builder: income support. For details see Brightspace. Due noon Oct 31.</p>
8 Nov 7	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 7 at noon.</p> <p>Chart assignment first draft due Nov 9 at 10 p.m.</p>
9 Nov 14	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. Due Nov 14 at noon.</p>
10 Nov 21	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 21 at 11:59 p.m.</p>
11 Nov 28	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.</p>
12 Dec 5	Catch up and review	Catch up and review. Final draft of chart assignment due.

Textbooks and Readings

Texts

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

Evaluation

Evaluation

Assignment/Test	Date	Mode of Delivery	Percentage of Grade
Skill Builders	Sept 12, 19 & 26; Oct 3 & 31; Nov 7, 14, & 21 + week of Nov 28.	In class or on-line (see Brightspace).	10
Chart assignment: first draft.	Nov 9.	On-line	10
Midterm	Oct 17	In person	30
Chart assignment: Final	Dec 5	On-line	10
Final exam	As scheduled	In person	40
			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.

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.