

Course Outline ECON 3820 B – 2019 FALL SEMESTER
Topics in Canadian Economic Policy

CARLETON UNIVERSITY
Department of Economics

Instructor: Brian Glabb

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Office hours: Tuesday from 14:30–18:00

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Meeting times: 11:35 to 14.25 on Tuesday from September 4 to December 6, 2019, Mackenzie Building, Room 3190

PREREQUISITE

The prerequisite for this course is ECON 1001 and 1002 or Econ 1000 or FYSM 1003. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator, Amanda Wright.

COURSE DESCRIPTION

Topics in Canadian Economic Policy Course is designed to:

- Review the underlying economic concepts governing most of Canadian economic policy at the federal and provincial level;
- Review several of the most important policies and programs at the federal and provincial level where economic analysis is useful;
- Examine the political institutions and their incentive structures within which economic policy decisions are made;
- Maximize the interaction with experienced policy advisers on current economic policy issues and options; and
- Provide a forum for student led discussion and debate about current policy issues.

This course will examine the following major economic policy issues of the day:

1. Health Care in Canada
2. International Competitiveness
3. Global debt
4. Carbon Tax

In general, the ability to understand or to provide advice on economic policy is an “applied art”. It requires much more than simply knowledge of a few basic economic principles. In fact, it requires some knowledge of a wide variety of disciplines (from politics to accounting to science to psychology to sociology and some knowledge of history is important as well).

The “Student Led” sessions require that small groups will be formed (depends on class size, but probably 4 to 5 students per group). Groups *will be form as soon as possible after the first class*. These led student sessions will consist of a discussion of the key points discussed in the readings with summaries being submitted for marking. This will form the basis of class and group participation marks worth 15% of the final grade.

It is essential to attend the lectures since material will be discussed in class. Working thoroughly through the questions in the textbook is a sensible strategy for students wanting to do well in this class. All problem sets, relevant course material, and announcements will be available on CuLearn

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under ECON 3820A. Reading week during Fall 2019 semester is from October 21 to 25 and there will be no classes during this period.

For each issue, the course will examine how to bring economic theory to bear in developing sound policy including questions such as:

1. What the economic problem really is
2. What part of economic theory applies to it, if any
3. Current approaches of federal and provincial governments
4. Linkage(s) between those approaches and theory, if any
5. Policy improvements that might be possible, given economic theory
6. The potential impact of an aging population (i.e., baby– boomers) on the above economic policy issues.

EVALUATION

The basis for determining your fall term grade (out of 100) in this course is as follows:

Class & Group Participation	15%
Four Assignments/ Briefing Notes (10 marks each).....	40%
Individual Policy Term Paper (December 3 rd)	45%

Students are expected to present their views and comments supported by economic theory and applied approaches of government and business on a number of assigned class readings.

The assignments will be due on the following dates:

- Briefing Note/Assignment #1 – October 1st
- Briefing Note/Assignment #2 – October 29th
- Briefing Note/Assignment #3 – November 12th
- Briefing Note/Assignment #4 – November 26th

The Policy Term Paper is to be no more than six pages single space in length that provides an analytical assessment of a recommended policy position on one the three a policy topics covered in class.

ASSIGNMENTS & POLICY DISCUSSION TERM PAPER EVALUATION DETAILS

Briefing notes/assignments are to be submitted both electronically as word files or PDF files by 11:35 of the aforementioned dates. In addition, the briefing notes/assignments must be submitted in class by the aforementioned dates. The Policy Term Paper must be handed in class at the beginning of the lecture (18:05) on the aforementioned date. E-mail submissions or submissions to the departmental drop-box will not be accepted unless approved explicitly by the instructor in advance. Late assignments will not be accepted and will receive a grade of zero. A total of three briefing notes/assignments will be given and will be marked for credit. Students who miss a briefing note/an assignment or hand it in late will receive a grade of zero on that briefing note/assignment. The Policy Term Paper will not be accepted after the aforementioned due date; students submitting it late will receive a grade of zero on the term paper—no exceptions. Reading week during Fall 2019 semester is from October 21 to 25 and there will be no classes during this period.

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OFFICE HOURS & TUTORIALS

Office hours will be held by the teaching assistant and will be on posted further details will be posted on CuLearn regarding TA's office hours. The instructor's office will be on Tuesdays from 14:30–18:00.

CULEARN

This course will make use of CuLearn. During the term, the instructor will post lecture notes, assignments, due dates, a more detailed reading list, etc. The instructor will also use CuLearn to make announcements, if necessary. Students are individually responsible for regularly checking CuLearn to ensure that they are up to date with any announcements and have access to posted course material.

ACADEMIC ACCOMMODATION

Carleton University is committed to providing access to the educational experience in order to promote academic accessibility for all individuals.

Academic accommodation refers to educational practices, systems and support mechanisms designed to accommodate diversity and difference. The purpose of accommodation is to enable students to perform the essential requirements of their academic programs. At no time does academic accommodation undermine or compromise the learning objectives that are established by the academic authorities of the University.

You may need special arrangements to meet your academic obligations during the term because of disability, pregnancy or religious obligations. Please review the course outline promptly and write to me 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. It takes time to review and consider each request individually, and to arrange for accommodations where appropriate. Please make sure you respect these timelines particularly for in-class tests, mid-terms and final exams, as well as any change in due dates for papers. You can visit the website to view the policies and to obtain more detailed information on academic accommodation at <https://students.carleton.ca/course-outline>.

ACADEMIC INTEGRITY

Please be aware that plagiarism is a serious offence at Carleton and should be recognized and avoided. For further information on how to avoid plagiarism, please see "Pammett on Plagiarism and Paraphrasing" at www.carleton.ca/economics/courses/writing-preliminaries.

REQUIRED READINGS

Health Related Readings:

<http://business.financialpost.com/opinion/health-cares-future-is-endlessly-higher-taxes-unless-we-try-this-one-thing>

* Health Care in Canada, Canadian Institute for Health Information, Statistics Canada, 2002, www.cihi.ca.

*National Post, Canada's health-care wait times get failing grade in survey of 11 industrialized countries, February 17, 2017.

*Financial Times, This report just shredded every myth claiming Canadian Medicare is superior — or fair, Peter Lee Crowley, July 25, 2017: <http://business.financialpost.com/opinion/this-report-just-shredded-every-myth-claiming-canadian-medicare-is-superior-or-fair/wcm/a20d3a41-7666-45bf-a761-cf8256f00353>.

*Building on Values, The Future of Health Care in Canada, Roy J. Romanow, Q.C., Commissioner, Final Report, November 2002 www.cbc.ca/healthcare/final_report.pdf

* Conference Board of Canada, *Future Costs of Health Care in Canada, 2000 to 2020 – Balancing affordability and sustainability*, Glenn Brimacombe, Pedro Antunes and Jane McIntyre.

International Competitiveness – Education Related Readings:

<https://www.nytimes.com/2015/03/08/upshot/true-reform-in-higher-education-when-online-degrees-are-seen-as-official.html?src=me&module=Ribbon&version=origin®ion=Header&action=click&contentCollection=Most%20Emailed&pgtype=article&abt=0002&abg=0>
http://www.nytimes.com/2015/04/01/upshot/why-more-education-wont-fix-economic-inequality.html?em_pos=small&emc=edit_up_20150403&nl=upshot&nlid=63361377&ref=headline&abt=0002&abg=0
<http://www.nextnewdeal.net/rortybomb/one-where-larry-summers-demolished-robots-and-skills-arguments>

International Competitiveness/Productivity Growth Related Readings:

<http://www.csls.ca/events/cea2018/sharpe.pdf>
https://www.nytimes.com/2016/04/29/upshot/why-is-productivity-so-weak-three-theories.html?_r=0
<http://www.nytimes.com/2016/02/21/magazine/are-we-doomed-to-slow-growth.html>
<http://larrysummers.com/2016/02/17/the-age-of-secular-stagnation/>
<http://www.budget.gc.ca/aceg-ccce/home-accueil-en.html>

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<http://news.nationalpost.com/news/canada/canadian-politics/canada-has-failed-at-innovation-for-100-years-can-the-trudeau-government-change-that>
<http://business.financialpost.com/fp-comment/governments-cant-find-the-secret-sauce-of-silicon-valley>

Debt Related Readings:

**Principles of Macroeconomics Fifth Canadian Edition*, Greg Mankiw, Kneebone, & McKenzie, Pages 447-451.

*Sovereign Doubts, *The Economist*, September 28, 2013.

*Sovereign Debt in Advanced Economies: Overview and Issues for Congress” by Rebecca M. Nelson (Analyst in International Trade And Finance , January 31, 2013

*Ottawa Doing Well, But Provinces in Trouble, Budget Watchdog Says, Julian Beltrame, *The Globe and Mail*, September 2013.

*2012 Fiscal Sustainability Report, Parliamentary Budget Office, September 27th, 2012,
http://www.pbo-dpb.gc.ca/web/default/files/files/files/FSR_2012.pdf.

Carbon Tax/Cap and Trade Related Readings:

<https://www.nytimes.com/2015/06/07/opinion/the-case-for-a-carbon-tax.html>
<http://business.financialpost.com/fp-comment/ross-mckitrick-how-politicians-wrecked-the-case-for-carbon-taxes>
<http://business.financialpost.com/fp-comment/matthew-lau-why-the-right-price-for-carbon-is-probably-zero-dollars>
http://www.auditor.on.ca/en/content/annualreports/arreports/en16/2016AR_v1_en_web.pdf
<http://business.financialpost.com/fp-comment/ross-mckitrick-turns-out-ontarios-painful-coal-phase-out-didnt-help-pollution-and-queens-park-even-knew-it-wouldnt>
<http://business.financialpost.com/opinion/al-gore-cant-deny-that-his-climate-crusade-involves-great-suffering/wcm/437f1ecb-cde9-41fc-abc7-a2484a1eaa00>
<http://www.auditor.on.ca/en/content/downloads/Perspectives%20on%20Climate%20Change%20Action%20in%20Canada%20English.pdf>

OTHER USEFUL REFERENCES

Health Related Topics

- Robert H. Blank & Viola Burau, *Comparative Health Policy- Third Edition Chapters 1 & 3 are Relevant.*
- Senate Standing Committee on Social Affairs, Science and Technology (Michael Kirby Response to the Romanow Report www.parl.gc.ca

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- Health Care in Canada 2012: A Focus on Wait Times – Canadian Institute for Health Information
- Health Care in Canada 2011: A Focus on Seniors and Aging – Canadian Institute for Health Information
- Maslove, “National Goals and the Federal Role in Health Care,” National Forum on Health, 1998
- Mintz, Jack. *The 2007 Tax Competitiveness Report: A Call for Comprehensive Tax Reform*. (September 2007)
- North American Energy data:
<http://www.pi.energy.gov/pdf/library/NorthAmericaEnergyPictureII.pdf>
- Browning and Zupan. (2006) *Microeconomics: Theory with Applications*, Ninth Edition. Wiley: 13-9-0-471-67943-1
- Brander, James, Government Policy toward Business, Fourth edition, Wiley & Sons, 2006.
- Wilson, James Q., Bureaucracy- What Government Agencies Do and Why they Do It, Basic Books, 2000.
- Canada’s war on healthcare economics, Brett Belchetz, National Post, July 8, 2014.

International Competitiveness - Immigration & Brain Drain

- Migration Policy Debates: Is Migration Good For The Economy?, Jean-Christophe Dumont & Thomas Liebig, OECD, May 2014.
- Improving Canada’s Immigration Policy, Charles M. Beach, Alan G. Green, & Christopher Worswick, C.D. Howe Institute, September 23, 2009.
- Living with the low Canadian Brain-Drain Dollar (Part 2), Jack M. Mintz, The Financial Post, Jan 13, 2016.
- Why Canada Needs a Flood of New Immigrants, Joe Friesen, The Globe and Mail, Jan 10, 2013.
- Growing Poverty Among Canadian Immigrants Could Explode: Study, Douglas Todd, The Vancouver Sun, June 28, 2013.

International Competitiveness- Education

- Adding the Ways We’re Falling Behind in Education, Paul Wells, Macleans, October 10, 2013.
- OECD Education GPS: Canada Student Performance (PISA 2012),
<http://gpseducation.oecd.org/CountryProfile?primaryCountry=CAN&treshold=10&topic=PI>.
- Why Are Finland’s Schools So Successful? LynNell Hancock, Smithsonian Magazine, September 2011.
- How to Reform Education? Start With School Choice. Paul W. Bennett, The Globe and Mail, December 13, 2013.
- Thomas L. Friedman, *The World is Flat*. 2005. –Chapter 7 might be useful.

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- Public Schools: Make Them Private. Milton Friedman, The Washington Post, March 18, 1995.
- The Impact of Rising Tuition Fees on Ontario Families. Erika Shaker & David MacDonald, Canadian Institute for Policy Alternatives, August 31, 2011.
- Canada's Students Slipping in Math and Science, OECD Finds. CBC, December 4, 2013.

Debt Related Readings

- Global Effects of Debt – As reviewed by Experts, 2012
- Paul Martin, “The Canadian Experience in Reducing Budget Deficits and Debt,” Paper for the Federal Reserve Bank of Kansas City for a Symposium on “Budget Deficits and Debt: Issues and Options, 1995, www.kc.frb.org/publicat/sympos/1995/pdf/s95marti.pdf
- Tax Reform: www.cdhowe.org/pdf/commentary_254.pdf
- Fiscal Capacity and Provincial Budgets:
www.fin.gov.bc.ca/archive/budget00/reports/bgt2000_report_g.htm