Political Economy and Public Administration (20:834:541)
Syllabus, Fall 2013
School of Public Affairs & Administration
Rutgers University – Newark

Instructor: Rusi Sun, PhD candidate
Class Hours: Monday 5:30 PM - 8:10 PM
Classroom: LSC-103
Office Hours: By appointment
E-mail: rusisun@pegasus.rutgers.edu

Course Description & Objectives:

This course introduces students to the application of political economy concepts and tools to different aspects of public administration – from policymaking (what should government do?), to production decisions (who should produce the goods and services?), and the internal management of public organizations (if public organizations are involved in service production, how can their performance be improved?). Topics to be covered include market failure, government failure, contracting out and privatization, and application of market-based strategies to public institutions and organizations.

By the end of the course, students are expected to:

- Apply basic tools of microeconomics to analyze when markets work, when they fail, and how government can intervene to ensure efficient allocation of resources
- Identify and assess situations when government intervention can lead to inefficient outcomes
- Understand how market-based tools can be applied to the public sector to bring market-like forces to bear on the production of public goods and services
- Apply political economy concepts and tools in evaluating real-world policies, institutional choices, production decisions, and bureaucratic structures.

Required Books and Articles

Readings: There are no required texts. The reading materials can be downloaded from the Blackboard course site

There are several recommended books:

Format and Requirements

The course consists of lectures, group presentations, exams, individual assignments. Course syllabus, lecture slides, announcement will be posted on Blackboard. (https://blackboard.newark.rutgers.edu/). Please check your blackboard account regularly.

1. **Class Attendance and Participation are mandatory (10%)**. All students are expected to attend every class, complete assigned readings before class and actively participate in classroom discussion. If you are unable to attend the class, you must contact me in advance and I may ask you to provide documentary evidence from a doctor or work supervisor. If you miss two or more class sessions without prior approval, you will be very likely to earn a course grade lower than “B”.

2. **Individual Term Paper (30%)**: Each student should identify a topic of contemporary public issues. The paper should synthesize relevant literature and discuss how it can be applied to the selected topics. 1 single-spaced page proposal and outline must be approved by week 8. You must submit your paper before or on the due date (Dec. 13). Late submission without prior approval will significantly impact your course grade. For each day your assignment is late, 10 points (out of 100) will be deducted from the final grade.

**Formatting of papers**: The minimum length of the paper is 15 pages excluding references. Standard formatting for written work is: double spaced, 12 font, and 1 inch margins on all sides. All published and unpublished sources must be properly cited using the American Psychological Association http://www.apastyle.org/. For additional help on writing, visit Rutgers-Newark Writing Center which offers writing tutoring and writing workshops http://www.ncas.rutgers.edu/writingcenter.

**Academic Integrity**: Students should be familiar with the Rutgers policy on academic integrity and sanctions for academic dishonesty. Students should pay special attention to properly citing sources in your written reports. All the written works will be checked through anti-plagiarism software. Violation of academic integrity, such as cheating and plagiarism, will result in the student receiving a failing grade for the assignment(s). For more details please visit http://academicintegrity.rutgers.edu/

3. **Group Presentation (20%)**: Starting from the 3rd class onward we will have a group presentation every class. Students will form groups of 2-3 (depending on the size of the class). Each group is to select a topic from my list. Each member will submit a single-authored analysis of the case. The report should be 2-3 single-spaced pages. Students are expected to apply concepts, theories and principles in the reading to the analysis. Email a copy of your individual report to me by 12 noon on Sunday of the week of your oral presentation.

The presentation and discussion usually will be in the second part of class meetings. Students will jointly give a 30 minute presentation (using PowerPoint) of the issue analysis and develop at least 5 questions for class discussion. Details of presentations
and group arrangements will be discussed in the first class. Email a copy of the team’s PowerPoint presentation (including the discussion questions) to your classmates and me by 12 noon on Sunday of the week of your oral report (Use the Blackboard course site to send email to your classmates).

The individual written report is worth 50 points, which the team presentation is worth 50 points (70% of which is based on peer assessment)

4. **Exams:** You will have **in-class midterm exam (20%)** and **take home final exam (20%)**. The exams will be based on lectures and reading material

   **Grading**

   The final term paper, the group presentation and exams and will be graded on a 100 point scale. The final grade point is a weighted total of the grades for all course work.

   The definition of the letter grade:

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<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
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<td>B+</td>
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<td>B</td>
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<td>C</td>
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<td>F</td>
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   **Course Schedule**

   Classroom topics are subject to change depending upon the time spent on certain topics and needs of class members. Changes may also occur to the current syllabus and will therefore be announced in class and via Blackboard.

   **Week 1 (Sep. 9): Course Introduction**

   **PART I: THE INVISIBLE HAND OF THE MARKET: A REVIEW**

   **Week 2 (Sep. 16): Supply and Demand Theory**

Week 3 (Sep. 23): Policy Applications


**PART II: WHEN MARKETS FAIL: A ROLE FOR THE VISIBLE HAND OF GOVERNMENT**


Week 5 (Oct 7): Other Justifications for Government Intervention: Redistribution and Macroeconomic Stabilization


**PART III: WHEN GOVERNMENT IS THE PROBLEM**

Week 6 (Oct 14): Government Failure and Agency Capture


Week 7 (Oct 21): The Budget-Maximizing Bureaucrat


Week 8 (Oct 28): In-Class Mid-Term Exam
PART IV: BRINGING BACK THE MARKET: PRIVATIZATION, CONTRACTING OUT AND QUASI-MARKETS

Week 9 (Nov 4): Privatization and Deregulation


Week 10 (Nov 11): Contracting Out, Transaction Costs and Accountability


Week 12 (Nov 18): The Tiebout Model and the Local Public Market


PART V: WHEN EXTERNAL MARKET FORCES ARE ABSENT: IMPROVING GOVERNMENT AGENCY PERFORMANCE THROUGH CONTROL

Week 13 (Nov 25): The New Economics of Organization and Political Control of Bureaucracies


Week 13 (Dec. 2): Summing up

Week 14 (Dec 9): Take-home Final Exam
Dec 13: Final paper due