POLITICAL ECONOMY AND PUBLIC ADMINISTRATION
20:834:541.90
Syllabus, Winter 2014
School of Public Affairs and Administration
Rutgers University- Newark

* This syllabus is subject to change

Instructor: Bokgyo Jeong, Ph.D.
Course Dates and Times: December 23, and January 2 – 17
Class Hours and Location: online course
Office Hours: Online office hours will be announced (I will also be available via email)
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E-mail: jeong@rmu.edu (my Rutgers e-mail will be announced soon.)

Course Description

This lecture begins with the simple question: can we apply economic principles to public decisions? We will explore this question in theoretical perspectives and apply subsequently proposed answers to real public policy issues. In other words, this course offers microeconomic and macroeconomic frameworks and tools to analyze and understand public administration, including both the public and nonprofit sectors.

This course differs from other courses in economics and political science departments as it pays attention to the political constraints that exist in public policy and administrative decisions. The discipline of political economy provides a prism that takes political constraints into account when applying economic theories to real world practice. Public administration is concerned with implementation of government policy and management of public organizations, including government agencies and nonprofit organizations. In nature, public administration connotes political process, as well as scientific management. By applying principles of political economy to public administration, this lecture intends to provide comprehensive and practical tools to analyze complex public policy issues and public management tasks.

In this course, students will apply the lessons from this course to their own areas of interests including but not limited to: foreign/security policy, education policy, health policy, financial/fiscal policy, labor market policy, housing policy, environment policy, information technology policy, and emergency management policy. The lessons from this course apply to comprehensive public administration sub-areas including human resource management, performance management, leadership management, strategic management, financial management, nonprofit management and management ethics.
Learning Objectives
The main objective of this course is to offer a theoretical framework and practical tools to conduct economic analysis to political and public policy issues. At the end of the course, students will be able to answer to the following questions:

1. What is the major difference between private sector and public sector decisions?
2. How can political constraints be taken into account as measurable factors in public decisions?
3. Which actors are more effective in solving social problems (federal and local government agencies, private companies, and nonprofit organizations)?
4. How can we compare varied public service delivery options in terms of efficiency and equity criteria?
5. What kinds of policy interventions can government use as public policy tools?
6. How can government complement the shortcoming of market system as defined as market failure?
7. What are the limits do government interventions have or what kinds of unintended consequences do government interventions bring?
8. Are there any factors that are not reflected in the market price system of services and goods (entitled externalities)? If so, how can public decision makers take these factors into account for their decisions?
9. What are the main characteristics of public goods that are different from those of private goods?
10. How can we compare public policy alternatives represented by cost-benefit analysis?
11. How can we characterize behaviors of government agencies from the standpoint of political economics?
12. Is the political economy of the nonprofit sector characterized differently because of the different nature of voluntary organizations?
13. How has a globalized market affected public administration?

COURSE REQUIREMENTS AND GRADING POLICY

Reading assignments (40%)
Students will have to submit minimum 10 daily reading comments on respective daily readings among the 13 sessions. The comment of each session should be between 300 and 500 words. The comments may include student’s critique of the readings, his or her understanding and interpretation of corresponding week’s theoretical concepts, his or her application of the theoretical concepts to practical policy or administrative issues. This daily assignment will be evaluated by the criteria of critical thinking, comprehensive understanding, creative thinking, and clear and logical arguments in writing. Each session’s (10 sessions except the first introduction part and the Blackboard discussion leading session of each student) reading assignment will constitute 4% of total final grade (10 session x 4 points = 40 points). Students are not required to submit comments on the first session and session(s) in which he or she serves as discussion group leader. Students can still submit comments voluntarily even on the session for his or her discussion leading. In that case, the top 10 higher scored comments will be counted for the final grade. For example, if one student submitted
Blackboard Discussion Leading & Participation (25%)
Students are required to lead discussions at one (or two) of the sessions on the black board. The discussion leaders will summarize the main topic and lessons, and discuss applicability and implications of the topic of that session not earlier than 6:00 pm of the prior day of the session and not later than 11:59 am in the morning on the corresponding session date. Discussion leaders must post two to three discussion topics of the session. Students other than the discussion leader are requested to respond to the posted discussion questions and post their answers to the blackboard at least in two sessions during the class. The answers and discussions will be evaluated by their substance of contribution as well as their actual number of posts. The substance of contribution checks whether the post contains actual arguments or evidence beyond repetition of existing discussions on the board or just perfunctory expression of agreement or disagreement. 
(Discussion leading 15 points + discussion participation 10 points = 25 points)

Final public policy brief: cost-benefit analysis (35%): Each student will write a short policy brief (between 3 and 5 pages, single spaced) based on public policy analysis or cost-benefit analysis. Students will assume that they are a policy advisor or professional consultant to a specific ministry of one country. Each student will pick one public policy issue that needs special attention to provide multiple solutions to address the introduced problems. The hypothetical social problems and public policy issues should be based on actual information based on real world data. Please use the following website for the actual public administration system and situation in each country. Students should use the following data source on public administration profiles provided by the United Nations. This list contains 147 countries’ most recent public administration profile. Students are strongly encouraged to find additional sources including but not limited to government websites, academic journals, and media channels.

<Resources for public policy meme>
United Nations Public Administration Country Profiles - Division for Public Administration and Development Management (DPADM) & Department of Economic and Social Affairs (DESA) of the United Nations

Main contents of the public administration country profile include:
1. General Information (People, Economy, Public Spending, Public Sector Employment and Wages)
2. Legal Structure (Legislative Branch, Executive Branch, Judiciary Branch, Local Government)
3. The State and Civil Society (Ombudsperson, Civil Society)
4. Civil Service (Legal basis, Recruitment, Promotion, Remuneration, Training, Gender)
5. Ethics and Civil Service (Corruption, Ethics)
6. e-Government (e-Government Readiness, e-Participation)

Students are required to conduct the following tasks:
1) Please choose one country that you are most familiar with or you are most interested in.

2) Look into the United Nations Public Administration Country Profile of your selected country and describe the main characteristics of the public administration system of your selected country compared to those of other countries in the profiles (Minimum 300 words and maximum 500 words)

3) Which public policy issues are currently discussed and debated without major consensus? Choose one public policy area and its corresponding ministry in that country that is currently causing public debates over public policy options or alternatives (e.g. United States, health care reform or gun control). Please introduce the main public policy debates over policy alternatives. (Minimum 300 words and maximum 500 words)

4) Assess and describe the major policy decision making, service delivery or policy implementation system in regards to the selected public policy issue within selected country and selected ministry (Minimum 500 words and maximum 750 words)

5) Please perform a cost-benefit analysis on the suggested policy options. You may have to include the following information, though not all elements will apply to your paper (Minimum 1,250 words and maximum 1,500 words).
   a. Develop alternatives
   b. Determine the scope of the decision
   c. Determine the costs of each alternative
   d. Determine the benefits of each alternative
   e. Quantify the costs and benefits of each alternative
   f. Evaluate the costs versus the benefits
   g. Evaluate the equity impacts

6) Summarize your cost-benefit analysis and provide policy implication as a policy advisory proposal to the Minister of your selected country (Minimum 250 words and maximum 300 words).

**Course Readings**

There is no one text book for this course. However, chapters and sections from the following books will be used as main sources of readings for this course.


* Student may refer to a textbook on public administration.


**COURSE REQUIREMENTS AND GRADING POLICY**

**Grading Policy:**
- A      90 – 100
- B+     85 – 89
- B      80 – 84
- B -    75 - 79
- C+     70 – 74
- C      60 – 69
- F      Below 60

**Academic Integrity Policy:**

Students must observe the school’s academic integrity policy:
(Please look into the following page for your information. [http://academicintegrity.rutgers.edu/](http://academicintegrity.rutgers.edu/) )
• Properly acknowledge and cite all use of the ideas, results, or words of others
• Properly acknowledge all contributors to a given piece of work
• Make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of unsanctioned materials or unsanctioned collaboration
• Obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions
• Treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress
• Uphold the canons of the ethical or professional code of the profession for which he or she is preparing.

Please know that plagiarism and cheating will never be excused under any circumstances. Violation of these policies leads to immediate failure of the course. Be advised that all assignments will be checked for plagiarism using the online software.

Course Schedule and Main Topics

Section I. Introduction

Lecture goals: This lecture introduces the concept of political economy and its main characteristics. This lecture also overviews the foundations of economics and public administration for the winter semester.


Section II. Market Economy and Market Dynamics

Lecture goals: This lecture introduces principles of microeconomics. Student will overview of the foundations of economics and learn how market allocates its scarce resources to the production of goods and services in a society.

Readings:
Section III. Government Interventions in a Market Economy

Lecture goals: This lecture introduces the efficiency criteria and market economy, the concept of market failures, equity issues, and the rationale of government interventions.

Readings:


Lecture goals: Students will learn how major decisions affect the allocation of resources and well-being among members of society. This lecture starts with the introduction of the concept of social surplus and perfect competition and it will examine how social surplus is influenced by market interventions.

Readings:


Lecture goals: This lecture introduces the concept of public goods, which are characterized by nonrivalry and nonexclusivity of consumption. This lecture explains how determining market demand in private production differs from determining aggregate demand in public production.

Readings:


**[Lecture 6] January 8: Taxes, Subsidies, and Regulations**

Lecture goals: This lecture details how taxes, subsidies, and regulations affect the production of goods and services in the market. This lecture examines how tax, subsidies, and regulations affect the allocation of resources in the society.

Readings:


**[Lecture 7] January 9: Externalities and Imperfect Information**

Lecture goals: This lecture introduces the concept of externalities and explains what happens when actions of consumers or producers impose harm or costs (negative externalities) and when the actions result in befits for others (positive externalities). This lecture will also show why and how the perfect information can be broken in the real world. This lecture introduces imperfect information as part of market failure.

Readings:


**Section IV. Tools for the Application of Economics to Public Administration**

**[Lecture 8] January 10: Cost-Benefit Analysis I - Methods**

Lecture goals: This lecture introduces the methods of cost-benefit analysis. This lecture also demonstrates how to categorize and quantify costs and benefits and provide a practical tool to compare alternatives.

Readings:
Lecture goals: This lecture looks into actual applications of cost-benefit analysis in public policy areas. This will help student understand and learn how to use this analytical method.

Readings:


Section V. Application of Political Economics to Public Sectors

Lecture goals: This lecture explores the political economy of bureaucracy and the government sector. This lecture will help students understand characteristics and behaviors of government agencies from the standpoint of political economics.

Readings:


Lecture goals: This lecture explores whether the political economy of the nonprofit sector is characterized differently because of the different nature of voluntary organizations. This lecture also highlights the logic of voluntary organizations’ response to market and government failure.
Section VI. International Political Economy and Public Administration

Lecture goals: This lecture explores how globalization affected the public administration. This lecture examines how the market affected politics and public administration in the international level. In addition, this lecture explores the current challenges of financial crisis that have been sweeping the world market and this lecture examines how this financial crisis has affected the public administrations.

Readings:


Section VII. Synthesis

Lecture goals: This study will summarize the whole winter session’s learning and lectures. Student will have a chance to synthesize the individual concepts and lessons.
**Course Schedule:**
Below are the schedule, readings and assignments with due dates (*This syllabus is subject to change)

**Readings and Assignments (Due by Midnight Each Day)**

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<th>Assignments Due</th>
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<td>Lecture 1</td>
<td>Introduction of Political Economy and Public Administration</td>
<td>-</td>
<td>Introduce yourself and your areas of interests &amp; academic background in the Discussion Board</td>
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<tr>
<td>(December 23)</td>
<td></td>
<td>- Steinemann, 2011. Part I.</td>
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<td>Lecture 2</td>
<td>Foundations of Economics</td>
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<td>Reading comments</td>
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<td>(January 2)</td>
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<td>- Steinemann, 2011. Ch. 6.</td>
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<td>Lecture 3</td>
<td>Market Failure and Market Interventions</td>
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<td>- Steinemann, 2011. Ch. 7.</td>
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<td>Lecture 5</td>
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<td>- Steinemann, 2011. Ch. 10.</td>
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<tr>
<td>Lecture 6</td>
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<td>- Steinemann, 2011. Ch. 7.</td>
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<tr>
<td>Lecture 7</td>
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<td>- Steinemann, 2011. Ch. 9 &amp; 11.</td>
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<td>Lecture 9</td>
<td>Cost-Benefit Analysis II – Applications</td>
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<td>Reading comments</td>
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<tr>
<td>(January 13)</td>
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<td>- Fuguitt &amp; Wilcox, 1999. Section II.</td>
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<td>Lecture 10</td>
<td>The Political Economy of Bureaucracy and the Government Sector</td>
<td>- Horn, 1995.Ch. 4.</td>
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<td>(January 14)</td>
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<td>- Richardson, 2011. Ch. 2 &amp; 6.</td>
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<td>Lecture 11</td>
<td>The Political Economy of the Nonprofit Sector</td>
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<td>Lecture 12</td>
<td>Globalization and Public Administration</td>
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<td>Reading comments</td>
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<td>(January 16)</td>
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<td>- Blais &amp; Dion, 1991.</td>
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<td>Lecture 13</td>
<td>Summing-Up: Political Economy and Public Administration</td>
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<td>Final public policy brief: cost-benefit analysis</td>
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<td>- Egeberg, 1995.</td>
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