

Economics for Public Administration

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SCHOOL OF PUBLIC AFFAIRS AND ADMINISTRATION
RUTGERS UNIVERSITY – NEWARK

Spring 2018

Monday 5:30 - 8:10pm

LOCATION: HAH 421

This syllabus is subject to change.

Instructor Information

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Office Hours: Before & After Class; By Appointment

MPA Mission Statement:

Through a culture of innovation and based upon the values of **diversity, competence, knowledge, service, and ethical practice**, we pursue an evidence-based approach to the effective, equitable, and accountable implementation of public policy. Distinguished academic scholars, complemented by adjunct faculty rich in relevant government and nonprofit experience, deliver a capacity-based curriculum. We are dedicated to student success in applying such knowledge via effective ethical public service leadership.

Grading:

Final grades in this course will be assessed using the following breakdown:

Letter Grade	Definition	Numerical Equivalent
A	Outstanding	89.5 – 100
B+	Very Good	84.5 – 89.49
B	Good	79.5 – 84.49
C+	Intermediate	74.5-79.49
C	Satisfactory	69.5 - 74.49
F	Failing	< 69.5

Support for Students with Disabilities:

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation:

<https://ods.rutgers.edu/students/documentation-guidelines> .

If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at:

<https://ods.rutgers.edu/students/registration-form> .

For more information, please contact Kate Torres at (973)353-5375 or in the Office of Disability Services in the Paul Robeson Campus Center, on the 2nd Floor or by contacting odsnewark@rutgers.edu.

Academic Integrity:

The University's Honor Code is in effect at all times. For more information, please visit:

<http://academicintegrity.rutgers.edu>

Student Learning Outcomes:

By the end of this seminar, students will be able to achieve the following student learning outcomes:

- To be able to lead and manage in public governance (SLO 1).
- To participate in and contribute to the public policy process (SLO 2).
- To analyze, synthesize, think critically, solve problems, and make decisions (SLO 3).
- To articulate and apply a public service perspective (SLO 4).
- To communicate and interact productively with a diverse and changing workforce and citizenship (SLO 5).

Course Description:

This course introduces students to public economics and to the economics of public administration, policy, and governance. Students will utilize the fundamentals of economic analysis to explain and understand issues and problems impacting the public and nonprofit sectors.

Required Course Textbook:

Stiglitz, Joseph & Rosengard, Jay (2015). *Economics of the Public Sector*, Fourth Edition. New York: W. W. Norton & Company, Ltd.

ISBN: 978-0393925227

Learning Format:

Economics for Public Administration is an interactive course in the classroom.

General Expectations:

Throughout the entire course, all students are expected to:

- Contribute substantially to all discussions.
- Think critically.
- Ask questions.
- Complete all assignments.
- Be respectful.

Assignments and Grading:

Grade Breakdown:

In calculating your final grade for the course, assignments will be grouped and weighted as shown in the table below:

Classroom Participation –	10%
Classroom Assignments –	10%
Written Assignments –	
#1 Pricing Public Goods Editorial	10%
#2 Public Expenditures	20%
#3 Tax Systems	20%
Final Project –	
Case Study Analysis on How The Government Promotes Economic Growth For The Local Economy	<u>30%</u>
Total	100%

Classroom Attendance:

It is expected that students attend every class.

If a student has more than two (2) unexcused absences during the semester, his / her grade for the course can be reduced by the professor.

Classroom Participation:

Each student is expected to participate in the classroom discussions.

Classroom participation represents 10% of the student's final grade for the course.

Classroom Assignments:

In order to receive credit for the classroom assignment, the student needs to attend the class and complete the classroom assignment for that class.

Each classroom assignment represent 1% of the student's final grade for the course.

Since there are total of ten (10) classroom assignments during the semester, classroom assignments represent 10% of the student's final grade for the course.

Written Assignment #1
Pricing Public Goods Editorial

In a double – spaced editorial of two (2) to three (3) pages, write a persuasive editorial in response to the following question:

How is it possible to establish pricing levels for public goods?

For your editorial:

- State your opinion or thesis coherently.
- Build your argument based on facts and analogies.
- Recognize possible limitations in your argument.
- How would a typical taxpayer respond to your conclusions?

Be sure to include at least three (3) outside sources in your editorial.

Written Assignment #1 represents 10% of the student’s final grade for the course.

Due: February 12, 2018

Criteria	Possible Points
Clear thesis statement	5
Clarity and strength of argument	30
Substantiated points with research articles that are integrated into paper	20
Critical analysis of issues	30
Discussion of implications for public finance	10
Spelling, grammar, and citations	5
Total	100

**Written Assignment #2
 Public Expenditures**

In a double – spaced paper of four (4) to five (5) pages, each student will analyze his / her assigned public expenditure topic from a non-political perspective.

How would a typical taxpayer respond to your conclusions?

Be sure to include at least five (5) outside sources in your paper.

Written Assignment #2 represents 20% of the student’s final grade for the course.

Due: March 26, 2018

Criteria	Possible Points
Clear thesis statement	5
Clarity and strength of argument	30
Substantiated points with research articles that are integrated into paper	20
Critical analysis of issues	30
Discussion of implications for public finance	10
Spelling, grammar, and citations	5
Total	100

Written Assignment #3
Tax Systems

In a double – spaced paper of four (4) to five (5) pages, each student will analyze his / her assigned tax systems topic from a non-political perspective.

How would a typical taxpayer respond to your conclusions?

Be sure to include at least five (5) outside sources in your paper.

Written Assignment #3 represents 20% of the student’s final grade for the course.

Due: April 16, 2018

Criteria	Possible Points
Clear thesis statement	5
Clarity and strength of argument	30
Substantiated points with research articles that are integrated into paper	20
Critical analysis of issues	30
Discussion of implications for public finance	10
Spelling, grammar, and citations	5
Total	100

Final Project

Case Study Analysis on How the Government Promotes Economic Growth for the Local Economy

The government has helped to create arts and cultural institutions, sports stadiums, and business improvement districts. Students will research whether such activities promote economic growth for the local economy.

The Student Learning Outcome assessment process for the Rutgers SPAA MPA Program will be connected to the final paper.

The primary Student Learning Outcome for Economics for Public Administration is the following:

- To participate in and contribute to the public policy process

Your Final Project will culminate in seven (7) to nine (9) double-spaced pages.

- The rationale and implications for the government to create arts and cultural institutions, sports stadiums, and / business districts
- Based upon an analysis of two (2) different case studies, does government intervention promote economic growth for the local economy?
- Compare and contrast the successes and / or failures of the above case studies.
- Your recommendations to make this government intervention more effective
- How would a typical taxpayer respond to your conclusions?

Be sure to include at least five (5) outside sources in your paper.

Final Project represents 30% of the student’s final grade for the course.

Due: May 7, 2018

Criteria	Possible Points
Clear thesis statement	5
Clarity and strength of argument	30
Substantiated points with research articles that are integrated into paper	20
Critical analysis of issues	30
Discussion of implications for public finance	10
Spelling, grammar, and citations	5
Total	100

Additional details for the Classroom Assignments, Written Assignments, and the Final Project will be provided to the students during the semester.

Late Work Policy: Any work submitted after the due date may be subject to a reduction in grade.

Disclaimer: The professor will notify the students about changes in the course.

Course Schedule

This course schedule is subject to change.

Class 1	January 22, 2018
Chapter 1:	Defining Public Sector Responsibilities
	The Economic Role of Government Thinking like a Public Sector Economist Disagreements among Economists
Class 2	January 29, 2018
Chapter 2:	Measuring Public Sector Size
	What or who is the Government? Types of Government Activity Gauging the Size of the Public Sector Government Revenues Deficit Financing
Chapter 3:	Market Efficiency
	The Invisible Hand of Competitive Markets Welfare Economics and Pareto Efficiency Analyzing Economic Efficiency
Class 3	February 5, 2018
Chapter 4:	Market Failure
	Property Rights and Contract Enforcement Market Failures and the Role of Government Redistribution and Merit Goods Two Perspectives on the Role of Government
Chapter 5:	Public Goods and Publicly Provided Private Goods
	Public Goods Publicly Provided Public Goods Efficiency Conditions for Public Goods
Class 4	February 12, 2018
Chapter 6:	Externalities and the Environment
	The Problem of Externalities Private Solutions to Externalities Public Sector Solutions to Externalities

Class 5 February 19, 2018
Chapter 7: Efficiency and Equity

Efficiency and Distribution Trade – Offs
Analyzing Social Choices
Social Choices in Practice
Three Approaches to Social Choice

Chapter 8: Public Production of Goods and Services

Natural Monopoly: Public Production of Private Goods
Comparison of Efficiency in the Public and Private Sectors
Sources of Inefficiency in the Public Sector

Class 6 February 26, 2018
Chapter 9: Public Choice

Public Mechanisms for Allocating Resources
Alternatives for Determining Public Goods Expenditures
Politics and Economics

Class 7 March 5, 2018
Chapter 10: Framework for Analysis of Expenditure Policy

Need for a Program
Market Failures
Alternative Forms of Government Intervention
The Importance of Particular Design Features
Private Sector Responses to Government Programs
Efficiency Consequences
Distributional Consequences
Equity – Efficiency Trade – Offs
Public Policy Objectives
Political Process

Spring Recess March 12, 2018

Class 8 March 19, 2018
Chapter 11: Evaluating Public Expenditures

Private Cost – Benefit Analysis
Social Cost – Benefit Analysis
Consumer Surplus and the Decision to Undertake a Project
Measuring Non-monetized Costs and Benefits
Shadow Prices and Market Prices
Discount Rates for Social Cost – Benefit Analysis
The Evaluation of Risk
Distributional Considerations
Cost Effectiveness
Post – Expenditure Evaluation: Assessing and Improving Government Performance

Class 9 March 26, 2018
Chapter 17: Introduction to Taxation

Background
The Five Desirable Characteristics of Any Tax System
General Framework for Choosing among Tax Systems

Chapter 18: Tax Incidence

Tax Incidence in Competitive Markets
The Incidence in Environments without Perfect Competition
Other Factors Affecting Tax Incidence
Incidence of Taxes in the United States

Students will be presenting their Public Expenditure Assignments.

Class 10 April 2, 2018
Not Meeting in the Classroom

Students will prepare for Written Assignment #3 Tax Systems.
Students will prepare for the Final Project.

Class 11 April 9, 2018

Chapter 19: Taxation and Economic Efficiency

Effect of Taxes Borne by Consumers
Quantifying the Distortions
Effect of Taxes Borne by Producers
Taxation of Savings
Taxation of Labor Income
Measure the Effects of Tax on Labor Supplied

Chapter 20: Optimal Taxation

Two Fallacies of Optimal Taxation
Optimal and Pareto Efficient Taxation
Differential Taxation
Taxes on Producers

Students will be presenting their Public Expenditure Assignments.

Class 12 April 16, 2018

Preparing for Final Project

Case Study Analysis on How the Government Promotes
Economic Growth for the Local Economy

Students will be presenting their Tax Systems Assignments.

Class 13 April 23, 2018

Preparing for Final Project

Case Study Analysis on How the Government Promotes
Economic Growth for the Local Economy
Ethical Implications

Students will be presenting their Tax Systems Assignments.

Class 14 April 30, 2018

Course Review

Students will be presenting their Final Projects.

Exam Period May 7, 2018

Final Project

Case Study Analysis on How the Government Promotes
Economic Growth for the Local Economy