

Course Outline 2017

POLICY 702: ECONOMICS OF POLICY (15 POINTS)

Semester 1 (1173)

Course Prescription

Applies economic reasoning to current problems in policy and government. Covers behavioural models in economics; the structure of the macroeconomic system; market failure; government's role; project evaluation; topics in macroeconomics; economic growth and income distribution.

Programme and Course Advice

Prerequisite: STATS 101

This course is part of the Masters of Public Policy programme (MPP) run by the Department of Political Studies and is designed for students who may have little or no economics background.

Goals of the Course

The course teaches the basic economic concepts and shows how economic reasoning applies to current policy problems in a mixed market economy. It covers the role of government in the economy; market failure; cost benefit analysis, and contemporary economic and social issues.

The necessary theoretical and empirical tools will be introduced in and motivated by selected case studies of specific policy issues and problems.

Learning Outcomes

By the end of the course it is expected that the student will be able to:

1. Use concepts and techniques of economics to analyse and solve policy problems.
2. Appreciate the strengths and weaknesses of the economic framework as it applies to collective decision making.
3. Distinguish between normative and positive economics;
4. Identify the sources of market failure and the potential ways in which Governments respond to these.
5. Understand the basic workings of the New Zealand economy and current economic and social policy debates

Content Outline

(required readings to be announced in advance of each week's lecture)

- Week 1: Thinking like an economist
- Week 2: Market Failure and Climate Policy
- Week 3: Goals of People & Policies. Behavioural Economics
- Week 4: Cost-Benefit Analysis & Project Evaluation
- Week 5: Regulation & Competition Policy
- Week 6: Institutions, Growth, Tax Morale, etc
- Week 7: Economic History up to the Global Financial Crisis
- Week 8: Public Funding for Education, Arts, Sports etc
- Week 9: In-class TEST
- Week 10: Inequality and Incomes Policy
- Week 11: Student Presentations
- Week 12: (Queen's Birthday -- no lecture)

Learning and Teaching

The expected workload of students, including class attendance, class preparation, preparation of assignment, essay, presentation and private study time, will average 10 hours per week, of which 2 hours will be class time for lectures and student presentations, and 1 hour will be an in-class tutorial.

This course will be taught in the first semester. There will be a total of three contact hours per week: Monday 11:00am-2:00pm, room 253-101

Teaching Staff

Professor Tim Hazledine

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Learning Resources

Textbooks:

Tony Cleaver, *Economics: the basics*; 3rd edition, Routledge, 2014

Paul Dalziel and Caroline Saunders, *Wellbeing Economics: Future Directions for New Zealand*, BWB Texts, Bridget Williams Books, 2014.

http://www.library.auckland.ac.nz/subjects/bus/infosources/public_policy.htm#govt

Assessment

Assessment will be through one test (worth 50% of the final grade); one assignment (20%), one essay (20%), and one in-class presentation (10%).

Learning Outcomes	Essay	Presentation	Assignment
1	X	X	X
2	X	X	X
3	X	X	X
4	X	X	X