



ECON*4860 Seminar in Current Economic Problems W15

Credit weight 0.5

General Course Information

Instructor: Michael Hoy
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Office Location MacKinnon 701
Office Hours Mondays and Wednesdays 10:30 to 12:00 (or by arrangement)
Department/School Department of Economics and Finance

Class Schedule: Mondays, Wednesdays: 1:00 to 2:20 (CRSC 101)

Pre-requisites: ECON*3600, ECON*3710, ECON*3740

Course Description

In a seminar setting, selected contemporary economic problems are examined.

Course Content

Course Description:

The purpose of this course is to help you develop skills to analyze the source of economic problems and possible solutions through government intervention. We will consider problems that arise from the free market economy in terms of both efficiency and equity considerations. Such problems could include many that you will have considered in other economics courses. For example, pollution and global warming are problems created by market failures associated with externalities and these are central topics in courses on Environmental Economics. My goal in this course is to extend the range of economic problems and approaches to looking at them beyond the “usual methods of analysis” that you have been exposed to in courses taken in economics. Thus, the first part of the course will be a series of lectures on how to analyze economic outcomes from both efficiency and equity (distributional) perspectives. I will then provide some examples of how one can use these techniques to investigate economic problems and potential government remedies.

The second part of the course will be composed of seminars presented by you. These will involve the explanation and review of papers related to topics that each of you will investigate (e.g., see examples below). I will help each of you to choose a topic and some related academic papers (e.g., journal articles) and together we will pick one of the papers for you to present to the class. As is common in professional economics seminars, I will assign a “second reader” to the main paper. The second reader will be responsible for a brief discussion of the paper. Based on the topic you choose, you will be responsible to write an essay/paper reviewing and balancing various views of the problem and possible government remedies given in the literature. Thus, each of you will make two presentations, one major one (on your essay topic) and one minor one (on a paper related to someone else’s topic).

The development of skills in this course should be a very useful component of your education in economics. This course will develop your ability to integrate economics analysis – both theoretical and empirical – in a way that brings together many of the economic tools you’ve learned throughout your undergraduate program. The writing experience in particular should prove useful to you in your careers whether in the private or public sector.

Most of economic analysis in “standard courses” focuses on the efficiency properties of the market system. Much of government intervention in the economy, however, is in fact geared towards distributional concerns or equity rather than to correct market failures and improve efficiency. For example, most economists would argue - and I think more or less correctly - that education and health, which are two of the main areas of government policy, are essentially private goods. So to study the effectiveness of such intervention, one needs to understand how to analyze equity concerns relating to poverty, inequality, and social mobility. The lectures at the beginning of the course will provide you with the necessary tools. After I give some examples about how to use these tools to analyze economic problems and their possible solutions, the course will then focus on student presentations and discussion.

The following list provides some examples of economic problems where government programs and policies have been created in response. This list is not exhaustive and you may well want to choose a topic not in the list. In any case, you will need to have your choice and a list of sources for your essay approved by me by the end of the third week of classes (i.e., by January 21). However, you should start thinking about this immediately and discuss with me as soon as possible. Following the list of possible topics I have also included a list of sources of economic analysis/debate, including “think tanks” and relevant journals. The newspaper is also a good place to look for ideas!

Example Topics/Areas for Student Presentations and Essays

Fertility and Childcare Policy (e.g., compare Quebec and Ontario).

Poverty in Canada

Poverty of Certain Groups (e.g., disabled, single mothers, first nations people, etc.)

Child Poverty

Economic Inequality and the Tax System (or one part of the tax system)

Healthcare funding (overall problems of specific aspects – e.g., pharmaceuticals, what gets on the list of covered procedures and what doesn’t)

Unemployment insurance / policies (e.g., different eligibility requirements across regions, different retraining possibilities)
Education (early childhood / junior kindergarten, testing and linking testing to funding or teacher salaries)
Post-secondary education (tuition policy, student loan and student grant policy, etc.)
Minimum wage debate.
Tax reform (income tax, HST, corporate income tax, etc.)
Regional inequality (transfer payments)
Immigration policy (targets, point system, policy for relatives, policies to improve integration in job market and society)
Gender Inequality in the Workplace
Gender Imbalance in Universities
Demographic Change (elderly and pensions, problems of divorced parents)
Developing Country Issues (e.g., HIV policies, millennium poverty reduction goals)

Some Sources for Ideas and Relevant Papers/Studies

Newspapers

CD Howe Institute - <http://www.cdhowe.org>

Fraser Institute - <http://www.fraserinstitute.org>

Canada Without Poverty - <http://www.cwp-csp.ca>

Centre for the Study of Living Standards - <http://www.csls.ca>

Institute for Competitiveness and Prosperity - <http://www.competeprosper.ca>

Canadian Centre for Policy Alternatives - <http://www.policyalternatives.ca/>

Journals (available through the library Trellis System): Canadian Public Policy, Canadian Journal of Economics, Canadian Journal of Higher Education

Also, the book “Dimensions of Inequality in Canada” ed. by David Green and Jonathan Kesselman, UBC Press (2006) is on reserve in the library. It may also provide ideas for essay topics.

It can also be valuable to look at non-Canadian sources for inspiration and for comparison of how “problems” are addressed in other countries. A very good source is the NBER series (National Bureau of Economic Research).

TENTATIVE OUTLINE (Timetable)

Course Schedule (Tentative)

Weeks 1 to 6 (January 5 - 9 to February 9 – 13): Lectures

February 16 to 20: Winter Break

Weeks 7 and 8: No Lectures

Weeks 9 and 10: (March 9 to March 20): Seminar Presentations

Weeks 11 and 12: No lectures will be held in the last two weeks of the semester.

Final Exam: There is no final exam in this course.

NOTE: If at all possible I will schedule your seminar presentations outside of class hours using time periods exceeding the one hour and 20 minutes available in our scheduled lectures. Seminar presentations will take place in a workshop atmosphere involving groups of 4 to 6 students in each workshop.

Course Assessment

Assessment 1:	Choose Topic and Discuss With Me to obtain approval (Due January 21)	No grade, but mandatory
Assessment 2:	Summary of Proposal (Due February 4)	10%
Assessment 3:	Presentation and Participation in Seminars	30%
Assessment 4:	Essay (Due March 25, 4:00pm)	60%
Total:		100%

NOTES: Your major presentation will represent 20 of the 30 percentage points in (3) above, while your minor presentation and participation in seminars will represent the remaining 10 percentage points. By January 21 you must have chosen your essay topic, and have had it approved by me. In the following two weeks I will help you select some background papers / research materials and choose which of these you will focus on for your major presentation.

Teaching and Learning Practices (*as appropriate*)

Lectures I will provide all the reading material for the lecture part of the course.

Course Resources

Required Texts:

Reading Material for Lectures

I will provide all the reading material for the lecture part of the course. You may wish to access now the paper “**Describing the Distribution of Income: Guidelines for Effective Analysis**” by Mikal Skuterud, Marc Frenette, and Preston Poon, which is available at <http://www.statcan.gc.ca/pub/75f0002m/75f0002m2004010-eng.pdf>

Course Policies

Grading Policies

There will be penalties for late submissions of required material and obligations for the course.

University grading policies are provided at the following link:

<http://www.uoguelph.ca/registrar/calendars/undergraduate/current/c08/c08-grds.shtml>

Please note that these policies are binding unless academic consideration is given to an individual student.

Course Policy on Group Work:

There is no group work in this course. However, you will each join in a workshop where student presentations, including your own, are given. Besides each student being a formal discussant for one of the major presentations, you are expected to participate in the general discussion. You will be graded on your participation and the grade will depend on the quality of your questions and remarks. This must be done in a professional manner (i.e., suggestions should be constructive even if critical) and you shouldn't monopolize the discussion.

University Policies

Academic Consideration

When you find yourself unable to meet an in-course requirement because of illness or compassionate reasons, please advise the course instructor in writing, with your name, id#, and e-mail contact. See the academic calendar for information on regulations and procedures for

Academic Consideration: <https://www.uoguelph.ca/registrar/calendars/undergraduate/2014-2015/>

Academic Misconduct

The University of Guelph is committed to upholding the highest standards of academic integrity and it is the responsibility of all members of the University community, faculty, staff, and students to be aware of what constitutes academic misconduct and to do as much as possible to prevent academic offences from occurring.

University of Guelph students have the responsibility of abiding by the University's policy on academic misconduct regardless of their location of study; faculty, staff and students have the responsibility of supporting an environment that discourages misconduct. Students need to remain aware that instructors have access to and the right to use electronic and other means of detection. Please note: Whether or not a student intended to commit academic misconduct is not relevant for a finding of guilt. Hurried or careless submission of assignments does not excuse students from responsibility for verifying the academic integrity of their work before submitting it. Students who are in any doubt as to whether an action on their part could be construed as an academic offence should consult with a faculty member or faculty advisor.

The Academic Misconduct Policy is detailed in the Undergraduate Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2014-2015/>

Accessibility

The University of Guelph is committed to creating a barrier-free environment. Providing services for students is a shared responsibility among students, faculty and administrators. This relationship is based on respect of individual rights, the dignity of the individual and the University community's shared commitment to an open and supportive learning environment. Students requiring service or accommodation, whether due to an identified, ongoing disability or a short-term disability should contact the Student Accessibility Services as soon as possible.

For more information, contact SAS at 519-824-4120 ext. 56208 or email csd@uoguelph.ca or see the website: <http://www.uoguelph.ca/csd/>

Course Evaluation Information

Please refer to: <https://www.uoguelph.ca/economics/course-evaluation>

Drop date

The last date to drop one-semester courses, without academic penalty, is **March 6, 2015**. For regulations and procedures for Dropping Courses, see the Academic Calendar:

<https://www.uoguelph.ca/registrar/calendars/undergraduate/2014-2015/>

Additional Course Information

Summary of Proposal:

The summary of your proposal should include: (1) a discussion of the economic issue (problem) you are going to investigate, (2) an explanation of the relevance or importance of the problem, (3) a description of the economic policy (or policies) related to this problem, and (4) a list of relevant sources of information (e.g., books, journal articles, reports, newspaper articles). The list in (4) needn't be extensive and you may well add to this list while you write your essay. However, you should include at least a few journal articles or a book or the equivalent in terms of reports (e.g., a report by the C. D. Howe Institute or the Fraser Institute can be as substantive as a journal article). Your grade will depend not only on the substance of your summary but also on how well the proposal is written. Although appropriate grammar and writing style will have some weight in my grading scheme, logic and substance in terms of economic

analysis is more important. It is important that you integrate the material from the course lectures regarding efficiency and equity analysis in economics into your proposal. Of course, if your proposal is about an economic problem that has no substantive equity issues, then you simply need to explain why this is so.

Essay and Presentations

I will help you to select an economic problem or policy issue. Your task is to write a critical review of options for resolving or ameliorating the problem. The review should highlight both efficiency and equity concerns. For example, a representative topic could be on university tuition policy or how pharmaceutical expenses should be covered (or not) by the public health care system or even something as broad as whether we should have a two tiered health care system as a response to rising health care costs. You needn't choose one side or another of a debate but rather critically highlight the arguments made. As a guideline your essay should be about 4000 to 5000 words. If you wish to write your essay on a topic that you have used in a previous course, you will need to discuss this with me.

Your major presentation, on one or two papers relating to your essay topic, will last a maximum of 40 minutes and an outline/handout of the presentation must be prepared beforehand and distributed to all members of the class at the time of the presentation. You must also provide me (and your assigned discussant) with the one or two most important background papers or reports relevant to your topic/essay and do this by March 2 **at the latest**.

Your minor presentation will be as a discussant of someone else's topic and will involve a brief view of the main paper(s), including critical questions about it, at the presentation. Discussants must also provide a (brief) outline of their comments and will have a maximum of ten minutes to make their points. This will be followed by a further 15 minutes or so of discussion, and the main presenter should be able to make some responses to some of the remarks that are made by discussants' and others. Participation grades can be enhanced by fruitful contributions to this stage of the discussions. I expect all of you to read all of the principal papers before the presentations. The order of presentations will be picked randomly and announced at least a couple of weeks before they begin. I will likely divide the class into two workshop groups and each of you will be assigned to one of these groups.

Course Learning Outcomes

The Department of Economics & Finance *Learning Objectives (skills and knowledge competencies)* for this course are:

Skills

- **Written Communication:** There is a major essay as well as a proposal for the essay which are graded. Also a presentation is written and graded with feedback.
- **Oral Communication/Presentation:** The second half of the course contains workshops for students to present their material in their essays.
- **Analytical Problem Solving:** Students read analytical background papers for their essays and must understand these and explain in their own words.
- **Problem Solving in a Real World Context:** Each student's major essay involves analyzing a real world problem. Students must also contribute in workshops which require participation in discussion of all other students' work.
- **Group Work:** The workshops in this course are designed for students to reflect and offer constructive suggestions to each other. Contributions are graded.
- **Professional and Ethical Awareness and Conduct:** Students learn professional behaviour in the context of workshop involvement. The workshops are set up as in meetings of professional associations such as the Canadian Economics Association.

Knowledge

- **Mathematical Methodology:** Background papers for essays include journal articles that utilize mathematical methods. Students must understand and interpret such work and describe the articles in their essays.
- **Statistical and Econometric Methodology:** Background papers for essays include journal articles that utilize statistical and econometric methods. Students must understand and interpret such work and describe the articles in their essays.
- **Microeconomic Modelling:** Background papers for essays include journal articles that utilize microeconomic models. Students must understand and interpret such work and describe the articles in their essays.
- **Economic Policy and Regulation:** The topic of each student essay relates to an economic problem and relevant policy analysis. Besides the essay, each student is also graded on his/her participation in workshops which exposes all the students to a broad range of economic policy issues.
- **Understanding of Specific Markets:** The topic of each student essay will include analysis of some market failure and so each student acquires an in depth understanding of the market(s) related to the economic problem that they analyse. Each student also needs to understand the essays of the other students.