

PUBLIC ADMINISTRATION AND ECONOMICS

POLS 4358

UGLC 334

T & TR 10:30-11:50

Dr. Sergio Peña

General Objective

The class is intended for students with minimal or no background in economics and who are interested in learning and applying economic thinking to the analysis of public sector policy and decision making.

Specific Objectives

To introduce the student to the basic principles of microeconomic theory that is relevant and applicable to the field of public administration.

To apply microeconomic theory and principles to study basic governmental functions at the local level and evaluate policy outcomes.

Required Books

The following books are required and can be purchased at the UTEP bookstore. In addition to the required books there is a list of articles and book chapters selected by the professor to complement the readings for the course. Additional readings will also be given prior to the topic. The student may also use any other microeconomics book to complement the readings assigned in the class.

- Levy, John M. (1995). *Essential Microeconomics for Public Policy Analysis*. Preager: Westport, CT. **(LJ)**
- Heikkila, Eric (2000). *Economics of Planning*. CUPR-Rutgers University: New Brunswick, NJ. **(HE)**

Class Format:

The professor will be responsible for presenting the topic and identifying key issues in the public policy process. It is also expected that the student will come prepared to class with the readings assigned previously read and ready to be engaged in class discussion. The instructor will rely heavily on graphs so the student is advised to be ready and prepared.

Grading

Exam (3) *	75% (25% each exam)
Final Paper* *	20%
Class Participation***	5%

- * The exams will be a combination of multiple choice and essay questions
- * The student will choose a topic and apply the conceptual tools to the analysis of an issue that is of his/her interest.

The final paper is due May 6

*** Class participation takes into account attendance and other forms such as active participation during class with comments and questions on the assigned readings.

Class Schedule Topics and Readings:

Introduction to economics (January 13 & 15)

LJ (Intro, Chapter 1 & 2)

Supply & Demand (January 20, 22, 27 & 29)

LJ (Chapter 3)

- Demand (Jan. 20)
- Supply (Jan. 22)
- Elasticities (Jan. 27)
- Consumer & producer surplus (Jan. 29)

The firm & markets (February 3, 5, 10, & 12)

LJ (Chapter 4)

- Isoquants & Isocosts (Feb.3)
- Optimization & production (Feb. 5)
- The firm & perfect competition (Feb. 10)
- Firms & market power (Feb. 12)

EXAM 1 (Feb. 17)

Consumer choice & welfare (February 19, 24 & 26 & March 2)

LJ (Chapter 5)

- Indifference curves (Feb.19)
- Budget line (Feb. 24)
- Equilibrium & optimization (Feb. 26)
- Individual demand & Market demand (March 2)

The role of government (March 4, 9 & 11)

LJ (Chapter 6 & 7) & HE (Chapter 5)

- Market failures & Externalities (March 4)
- Public Goods & Public Choice (March 9)

EXAM 2 (March 11)

Economics of land use (March 23 & 25)

LJ (Chapter 11) HE (Chapter 2)

Economics of housing (March 30 & April 1)

(LJ Chapter 10) HE (Chapter 3)

Economics of traffic congestion (April 6 & 8)

HE (Chapter 6)

Economics of the environment (April 13 & 15)

LJ (Chapter 12)

EXAM 3 (April 20)

Economics of crime (April 22)

Becker, Gary (1978). "Crime & Punishment: An Economic Approach" in Gary S. Becker: *The Economic Approach to Human Behavior*. The University of Chicago Press: Chicago, IL. (pp. 3-14 & 39-79)

Economics of Education (April 27 & 29)

- Todaro, Michael (1994) "Education and Development" in Michael Todaro *Economic Development*. Longman: New York, NY. (pp. 363-404).
- Cohn, Elchanan & Geske, Terry G. (1990). "Production and Cost Functions in Education" in Cohn, Elchanan & Geske, Terry G. *Economics of Education*. Pergamon Press: New York, NY: (pp. 159-210).