

**School of Government**

**GOVT 540**

**CONTEMPORARY ISSUES IN POLICY AND GOVERNANCE**  
(15 Points)

**Trimester 1 / 2015**

**COURSE OUTLINE**

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**Names and Contact Details**

**Course Coordinator:**

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The Treasury

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**Guest Lecturers:**

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**School Office Hours:** 8.30am to 5.00pm, Monday to Friday

### **Trimester Dates**

Monday 23 February – Monday 8 June 2015

### **Withdrawal from Course**

Formal notice of withdrawal must be in writing on a Course Add/Drop form (available from either of the Faculty's Student Customer Service Desks or from the course administrator). Not paying your fees, ceasing to attend lectures or verbally advising a member of staff will NOT be accepted as a formal notice of withdrawal.

1. Your fees will be refunded if you withdraw from this course on or before **Friday 6 March 2015**.
2. The standard last date for withdrawal from this course is **Friday 15 May 2015**. After this date, students forced to withdraw by circumstances beyond their control must apply for permission on an '*Application for Associate Dean's Permission to Withdraw Late*' including supporting documentation. The application form is available from either of the Faculty's Student Customer Service Desks.

### **Class Times and Room Numbers**

This course is delivered in a modular format.

<b>Module One:</b>	Wednesday 25 February 2015	9.00am – 5.00pm
<b>Module Two:</b>	Wednesday 15 April 2015	9.00am – 5.00pm
<b>Module Three:</b>	Wednesday 27 May 2015	9.00am – 5.00pm

**Locations:** Classes will be held on the Pipitea Campus of Victoria University in Wellington and you will be advised of your classroom one week prior to each module by email. The timetable is also available to view on the Victoria University website at [www.victoria.ac.nz/students/study/timetables](http://www.victoria.ac.nz/students/study/timetables) .

**Attendance is required at all teaching days**

## Course Delivery

This course is delivered in a modular format, which includes a minimum of 18 hours contact. The 18 hours are broken up into three separate days of 6 hours each (a ‘module’). There are three modules in the course with approximately seven weeks between each module. **Attendance is required at all three modular teaching days (9.00am – 5.00pm).**

## Expected Workload

The learning objectives set for each course are demanding and, to achieve them, candidates must make a significant commitment in time and effort to reading, studying, thinking, and completion of assessment items outside of contact time. Courses vary in design but all require preparation and learning before the first day of the course and regular learning is also necessary (students who leave everything to the last moment rarely achieve at a high level). Expressed in input terms, on average, the time commitment required usually translates to approximately 150 hours for a 15-point course.

## Group Work

Students will engage in group discussion and work during the course; assessments in the course will be based on three individual assignments plus a group presentation.

## Prescription

A consideration of selected, contemporary issues in New Zealand policy and governance using a range of disciplinary and conceptual frameworks.

## Course Learning Objectives

*Economists don't know very much about the economy; other people, including politicians who make economic policy, know even less*

Herbert Stein

This course draws on the fundamental tools of policy analysis to review and analyse selected contemporary issues in public policy. In many cases you will be confronted with complex or “wicked” policy issues. A primary aim is to apply economic frameworks to scope the issues and develop policy options. However, in many instances, a purely economic approach may not necessarily encompass all the relevant dimensions of a comprehensive policy analysis. Hence the course will recognise the role of other frameworks which can complement the use of economic paradigms to support the development of policy options that encompass economic, social, environmental and cultural outcomes.

After successfully completing this course, participants will be able to:

1. Accurately identify the fundamental elements of economics and apply them to contemporary public policy issues;
2. Show how insights into other frameworks can complement an economic approach to complex policy issues; and
3. Demonstrate skills in economic reasoning and communication as applied to complex policy issues.

## **Course Content**

The course has three overarching themes:

- The foundations of economic principles that underpin much of public policy;
- Other paradigms that can complement economic frameworks; and
- The ways in which analysis can bring both sets of frameworks to bear on contemporary but challenging areas of public policy (approached through a series of selected case studies).

The case studies form a central part of the course. They provide an opportunity for reading and analysis of important but difficult areas of policy. More importantly, while economic principles will underpin the analysis of these problems, they will almost inevitably require the use of other frameworks to enrich understanding and provide a broader perspective for the development of policy approaches. Finally, the case studies will provide students with an opportunity to further hone their communication skills through class workshops and discussions. In four instances, the case studies will be led by experts in the respective fields.

## Course Overview

Session	Module 1 Wednesday 25 February	Module 2 Wednesday 15 April	Module 3 Wednesday 27 May
9.00am – 10.30am	<b>1.1 Fundamental Aspects Public Policy</b> <ul style="list-style-type: none"> <li>➤ The role of markets</li> <li>➤ When markets fail</li> <li>➤ When government fails</li> </ul>	<b>2.1 Case Study</b> <ul style="list-style-type: none"> <li>➤ Managing the macroeconomy (II)</li> </ul>	<b>3.1 Case Study</b> <ul style="list-style-type: none"> <li>➤ Housing Affordability: The role for Public Policy</li> </ul> <p><b>Guest Lecturer: Dr Seamus Hogan</b></p>
10.30am – 11.00am	<i>Morning Tea</i>		
11.00am – 12.30pm	<b>1.2 Widening the Net</b> <ul style="list-style-type: none"> <li>➤ Behavioural Economics</li> <li>➤ Institutional Economics</li> <li>➤ Rights Based Models</li> <li>➤ Social Capital</li> </ul>	<b>2.2 Case Study</b> <ul style="list-style-type: none"> <li>➤ Public Policy for the Electricity Market</li> </ul> <p><b>Guest Lecturer: Mr Carl Hansen</b></p>	<b>3.2 Case Study</b> <ul style="list-style-type: none"> <li>➤ Tax and Welfare Policy: a challenging mix</li> </ul>
12.30pm – 1.30pm	<i>Lunch</i>		
1.30pm – 3.00pm	<b>1.3 Regulation as a Tool of Public Policy</b> <p><b>Guest Lecturer: Ms Nicola Kirkup</b></p>	<b>2.3 Case Study</b> <ul style="list-style-type: none"> <li>➤ Aid in the Pacific: A Policy Challenge for NZ</li> </ul> <p><b>Guest Lecturer: Dr Brian Bell</b></p>	<b>3.3 Case Study</b> <ul style="list-style-type: none"> <li>➤ Using Incentives to Achieve Policy Objectives in Health Care</li> </ul> <p><b>Guest Lecturer: Dr Bronwyn Croxson</b></p>
3.00pm – 3.30pm	<i>Afternoon Tea</i>		
3.30pm – 5.00pm	<b>1.4 Case Study</b> <ul style="list-style-type: none"> <li>➤ Managing the macroeconomy (I)</li> </ul>	<b>2.4 Class Workshop</b> <p>Group work to prepare presentations on selected current policy issues.</p>	<b>3.4. Group presentations</b> <ul style="list-style-type: none"> <li>➤ Current Policy Issues</li> </ul>

## **Course Materials**

### **Textbook**

The following book is required for the course. It comprises of short chapters on a wide range of public policy issues. It is, however, focussed on economic issues; so as to gain an appreciation of other approaches, you will need to rely on the readings and your own research:

Miller, R. L., Benjamin, D. K., & North, D. C. (2013). *The economics of public issues*. 18<sup>th</sup> ed. New York: Pearson.

### **Other Books That You Could Find Useful**

Heyne, P., Boettke, P. J., & Prychitko, D. L. (2005). *The economic way of thinking*. 11th ed. Upper Saddle River, NJ: Prentice Hall.

This book is an excellent economics text that is true to its title and provides examples of an economic approach to problems

Friedman, D. D. (1990). *Price theory: An intermediate text*. Mason, OH: South-Western.

Friedman is also a really good economics text. It combines the basics of microeconomics with a whole raft of examples in which the author applies the framework to policy issues – pollution, voting, plea bargaining, religious broadcasting. But wait ... there is more ... the book is online: [www.daviddfriedman.com/Academic/Price\\_Theory/PThy\\_ToC.html](http://www.daviddfriedman.com/Academic/Price_Theory/PThy_ToC.html)

And for some lighter reading, any of the following will stimulate your thinking about policy issues and are entertaining reading at the same time – great for the bedside table:

Levitt, S. D. & Dubner, S. J. (2006). *Freakanomics: A rogue economist explores the hidden side of everything*. New York: William Morrow.

Harford, T. (2006). *The undercover economist: Exposing why the rich are rich, the poor are poor and why you can never buy a decent used car*. New York: Oxford University Press.

Ormerod, P. (2007). *Why most things fail: Evolution, extinction and economics*. Hoboken, NJ: Wiley.

Hamermesh, D. S. (2004). *Economics is everywhere*. New York: McGraw Hill.

Coyne, D. (2002). *Sex, drugs and economics: An unconventional view*. New York: Texere.

Landsburg, S. E. (2007). *More sex is safer sex: The unconventional wisdom of economics*. New York: The Free Press.

### **Useful Websites**

New Palgrave Dictionary of Economics: [www.dictionaryofeconomics.com/dictionary](http://www.dictionaryofeconomics.com/dictionary)

Australian Policy Online (APO): [www.apo.org.au/](http://www.apo.org.au/) . This is an excellent source for current (Australian) policy reports.

National Center for Policy Analysis: [www.ncpa.org/](http://www.ncpa.org/) , a similar site for the USA.

For a wide range of papers in economics, see: <http://ideas.repec.org/>

Mercatus Center, George Mason University: [www.mercatus.org/](http://www.mercatus.org/) for a range of material under the Economics and Public Policy tab.

Martin Wolf: Associate Editor and Chief Economics Correspondent for the *Financial Times*: <http://blogs.ft.com/wolfforum/>

Centre for Independent Studies: [www.cis.org.au/](http://www.cis.org.au/)

The Australia Institute: [www.tai.org.au/](http://www.tai.org.au/)

Institute for Public Policy Research (UK): [www.ippr.org](http://www.ippr.org)

Policy Studies Institute (UK): [www.psi.org.uk/](http://www.psi.org.uk/)

The blogosphere is full of the musings of good economists on public policy issues: among my favourites are:

[www.marginalrevolution.com/](http://www.marginalrevolution.com/)

<http://offsettingbehaviour.blogspot.co.nz/>

<http://delong.typepad.com/>

<http://krugman.blogs.nytimes.com/>

<http://freakonomics.blogs.nytimes.com/>

<http://gregmankiw.blogspot.com/>

[www.economicthinking.org/](http://www.economicthinking.org/)

[www.adamsmith.org/blog/](http://www.adamsmith.org/blog/)

### **For Up To Date Data**

Monthly Economic Indicators (MEI) ([www.treasury.govt.nz/economy/mei](http://www.treasury.govt.nz/economy/mei)) are a regular stock-take of economic data releases prepared by the Treasury. The MEI comprises a commentary on the major data releases over the previous month and an annex with more detailed charts and source data.

Economic Development Indicators 2011 is a joint Ministry of Economic Development (MED), Treasury and Statistics New Zealand report providing a comprehensive and objective description of New Zealand's recent economic performance compared to other Organisation for Economic Co-operation and Development (OECD) ([www.oecd.org/](http://www.oecd.org/)) countries. See: [www.med.govt.nz/about-us/publications/publications-by-topic/economic-indicators/economic-development-indicators-2011](http://www.med.govt.nz/about-us/publications/publications-by-topic/economic-indicators/economic-development-indicators-2011)

Reserve Bank of New Zealand: [www.rbnz.govt.nz/statistics/](http://www.rbnz.govt.nz/statistics/)

The Treasury. Data - Fiscal Time Series Historical Fiscal Indicators 1972-2014: [www.treasury.govt.nz/government/data](http://www.treasury.govt.nz/government/data)

### **Readings**

Most readings can be accessed through the provided URL's. Required readings indicated below with an asterisk are available from the Victoria University of Wellington library databases or e-book collections. As a VUW student, you have complete and free access to these materials. University copyright licenses allow you to download and print these materials, so long as you use them for educational purposes only. Please ask your course convenor or a VUW librarian if you require help to access material, or if you run into any other problems. (However, see below for a detailed example.)

Priority should be given to the required readings, but time spent in the supplementary readings will enhance your learning outcomes from the course.

*For each of the case studies, there is a list of required readings (and in some cases, supplementary readings), together with a number of key questions. These questions are intended to guide your reading and form the basis of discussion during the class sessions. It is essential that you undertake the required readings for the case studies prior to coming to the class, so you can make a full contribution to both group workshops and the general discussion.*

#### An example of accessing an assigned reading

Here are the steps you would follow to access a working paper from the National Bureau of Economic Research (NBER):

1. Open a web browser and go to [www.myvictoria.ac.nz](http://www.myvictoria.ac.nz) .
2. Log into myVictoria using your ITS Username (on your Confirmation of Study) and password (if you've never used the Victoria University computer facilities before, your initial password is your student ID number, on your Confirmation of Study, Fees Assessment or student ID card – you may be asked to change it once you've logged in for the first time).
3. Once you've logged into myVictoria, select the Library tab (from the list of tabs along the top of the page).
4. On the right hand side, in the Library Catalogue box, enter NBER as a keyword search.
5. The result will be about 2066 hits. Don't panic! Scroll down to the 9th item, NBER working paper series, and click on the link. Click on the Electronic Resource link "Full text available from National Bureau of Economic Research Publications: 1998 to present" and you will be taken to the NBER website.
6. Click Working Papers & Publications, then in the Working Papers search box put in the working paper number from the reading list (e.g. 14631) and press Enter (there is no search button as such). The PDF full text should be available to you now.

#### Further guidance

1. Use the other very useful sections under the Library tab of MyVictoria such as Journal Finder, Recommended Resources, Library Online Resources and Library Forms (to place various kinds of requests for any material not available online)
2. You may also like to view the online tutorials available at <http://library.victoria.ac.nz/library/resources/guides/tutorials.html#guidesection.1206>
3. Should you need any further assistance, please contact:

Philip Worthington  
Subject Librarian – Commerce  
Victoria University of Wellington  
Room RWW 226a, Level 2, Railway West Wing, Pipitea Campus  
P.O. Box 600, Wellington, New Zealand  
Telephone: (04) 463 6945  
Email: [philip.worthington@vuw.ac.nz](mailto:philip.worthington@vuw.ac.nz)



*Some problems are so complex that you have to be highly intelligent and well informed just to be undecided about them*

Laurence J. Peter

Many of the problems we will address in the course are sometimes referred to as *wicked problems*. The following readings, that you should do *prior to the start of the course*, are intended to give you an appreciation of wicked problems in the context of public policy making.

Batie, S. S. (2008). Wicked problems and applied economics. *American Journal of Agricultural Economics*, 90(5), 1176-1191. [www.oecd.org/dataoecd/36/1/43926484.pdf](http://www.oecd.org/dataoecd/36/1/43926484.pdf)

Conklin, E. J. (2005). Wicked problems and social complexity. In *Dialogue mapping: Building shared understanding of wicked problems*. New Jersey: Wiley.  
[www.cognexus.org/wpf/wickedproblems.pdf](http://www.cognexus.org/wpf/wickedproblems.pdf)

*Most of economics can be summarized in four words:  
People respond to incentives. The rest is commentary.*

Steven E. Landsburg

## **Module 1**

### **1.1 Fundamental Aspects of Public Policy**

#### *Required Readings*

New Zealand Business Roundtable (2007). Public policy: An introduction. Wellington: New Zealand Business Roundtable.

[https://secure.zeald.com/site/nzinitiative/files/publications/public\\_policy.pdf](https://secure.zeald.com/site/nzinitiative/files/publications/public_policy.pdf)

Hausman, D. M. (2008). Market failure, government failure, and the hard problems of co-operation. *Ethics and Economics*, 6(1), 1-5.

<https://papyrus.bib.umontreal.ca/jspui/handle/1866/3421>

Caplan, B. (2008). Externalities. *The Concise Encyclopaedia of Economics*.

[www.econlib.org/library/Enc/Externalities.html](http://www.econlib.org/library/Enc/Externalities.html)

Cowen, T. (2008). Public goods. *The Concise Encyclopaedia of Economics*.

[www.econlib.org/library/Enc/PublicGoods.html](http://www.econlib.org/library/Enc/PublicGoods.html)

#### *Supplementary Readings*

Lazear, E. P. (2000). Economic imperialism. [www.nber.org/papers/w7300.pdf](http://www.nber.org/papers/w7300.pdf)

Varian, H. (1989). What use is economic theory?

[www.ischool.berkeley.edu/%7Ehal/Papers/theory.pdf](http://www.ischool.berkeley.edu/%7Ehal/Papers/theory.pdf)

Varuhas, J., Fursman, L., & Jacobsen, V. (2003). Work and family balance: An economic view. Working Paper. Wellington: New Zealand Treasury.

[www.treasury.govt.nz/publications/research-policy/wp/2003/03-26/](http://www.treasury.govt.nz/publications/research-policy/wp/2003/03-26/)

Scott, G. (2008). Ideology, economics and public policy. Speech presented at the 50<sup>th</sup> Anniversary AGM of NZIER, Wellington.

<https://secure.zeald.com/site/nzinitiative/files/speeches/ideology.%20economics%20and%20public%20policy.pdf>

Eiras, A. I. (2003). Ethics, corruption, and economic freedom. Heritage Lecture No. 813, Heritage Institute, Washington.

[www.heritage.org/research/tradeandeconomicfreedom/hl813.cfm](http://www.heritage.org/research/tradeandeconomicfreedom/hl813.cfm)

Horwitz, S. (2008). An open letter to my friends on the left. Department of Economics, St. Lawrence University. [http://myslu.stlawu.edu/~shorwitz/open\\_letter.htm](http://myslu.stlawu.edu/~shorwitz/open_letter.htm)

Viscusi, W. K. (2006). Regulation of health, safety, and environmental risks. Harvard Law and Economics Discussion Paper, No. 544. Harvard Law School, Cambridge MA.

[www.law.harvard.edu/programs/olin\\_center/papers/pdf/Viscusi\\_544.pdf](http://www.law.harvard.edu/programs/olin_center/papers/pdf/Viscusi_544.pdf)

### *Key Questions*

- What are the advantages and disadvantages of economic analysis in addressing wicked policy problems?
- What are the functions of price mechanism in a free market economy?
- Should there be a market for human organs?
- Does market failure justify redistribution?
- Is inequality of incomes and wealth an indication of market failure?
- What is the impact of banning the sale of human organs?
- What instruments can be used to improve the quality of regulation?
- How can corruption in government be addressed?
- Is there market failure in global warming, and if so, what is it?
- Is there market failure in education?

## 1.2 Widening the Net: A Synopsis of Complementary Frameworks

### *Required Readings*

Gleisner, B., Llewellyn-Fowler, M., & McAlister, F. (2011). Working towards higher living standards for New Zealanders. Wellington: New Zealand Treasury.

[www.treasury.govt.nz/publications/research-policy/tp/higherlivingstandards](http://www.treasury.govt.nz/publications/research-policy/tp/higherlivingstandards)

Jacobsen, V., Fursman, L., Bryant, J., Claridge, M., & Jensen, B. (2004). Theories of the family and policy. Working Paper. Wellington: New Zealand Treasury.

[www.treasury.govt.nz/publications/research-policy/wp/2004/04-02/](http://www.treasury.govt.nz/publications/research-policy/wp/2004/04-02/)

Ministry of Economic Development (2006). Behavioural analysis for policy: New lessons from economics, philosophy, psychology, cognitive science, and sociology. Wellington.

This paper is intended as an introductory guide to encourage policy analysts into a deeper understanding of people's behaviour, the factors that influence behaviour, and how to incorporate this into the policy development process.

[www.med.govt.nz/business/better-public-services/pdf-docs-library/behavioural-analysis-for-policy.pdf](http://www.med.govt.nz/business/better-public-services/pdf-docs-library/behavioural-analysis-for-policy.pdf)

Thaler, R. H. & Mullainathan, S. How behavioral economics differs from traditional economics. *Concise encyclopaedia of economics*. [www.econlib.org/library/Enc/BehavioralEconomics.html](http://www.econlib.org/library/Enc/BehavioralEconomics.html)

University of Minnesota Human Rights Resource Center. Developing a Rights-based perspective. In *Circle of rights, economic, social, and cultural rights activism: A training resource*. <https://www1.umn.edu/humanrts/edumat/IHRIP/circle/modules/module1.htm>

de Soto, H. (2001). *The hidden architecture of capital*. Lima: Institute for Liberty and Democracy. [www.ild.org.pe/index.php/es/articles/item/443-the-hidden-architecture-of-capital](http://www.ild.org.pe/index.php/es/articles/item/443-the-hidden-architecture-of-capital)

### *Supplementary Readings*

World Bank (2014). *Development report: Mind, society and behaviour*. Washington, DC. [www.worldbank.org/en/publication/wdr2015](http://www.worldbank.org/en/publication/wdr2015)

Bernheim, B. D. & Rangel, A. (2008). Behavioral public economics. In *The new Palgrave dictionary of economics online*. [www.dictionaryofeconomics.com/article?id=pde2008\\_B000331](http://www.dictionaryofeconomics.com/article?id=pde2008_B000331)

Alston, L. J. (2008). New institutional economics. In *The new Palgrave dictionary of economics online*. [www.dictionaryofeconomics.com/article?id=pde2008\\_N000170](http://www.dictionaryofeconomics.com/article?id=pde2008_N000170)

Tullock, G. (2008). Public choice. In *The new Palgrave dictionary of economics online*. [www.dictionaryofeconomics.com/article?id=pde2008\\_P000240](http://www.dictionaryofeconomics.com/article?id=pde2008_P000240)

Thaler, R. H. & Sunstein, C. R. (2008, April 17). Economic policy for humans. *Boston Globe*. [www.boston.com/bostonglobe/editorial\\_opinion/oped/articles/2008/04/17/economic\\_policy\\_for\\_humans/](http://www.boston.com/bostonglobe/editorial_opinion/oped/articles/2008/04/17/economic_policy_for_humans/)

Caplan, B. (2008). Economic policy for humans? What Thaler and Sunstein miss. In *Library of economics and liberty*. [http://econlog.econlib.org/archives/2008/04/economic\\_policy\\_3.html](http://econlog.econlib.org/archives/2008/04/economic_policy_3.html)

Shughart II, W. F. Public choice. In *Concise encyclopaedia of economics*. [www.econlib.org/library/Enc/PublicChoice.html](http://www.econlib.org/library/Enc/PublicChoice.html)

### *Key Questions*

- What is meant by the “new institutional economics?” Why does it matter? How does that differ from neo-classical economics?
- What is the essence of behavioral economics? What does it add to a neo-classical view?
- How does public choice theory help us in understanding the development of public policy?
- Is there a role for a rights-base approach in developing public policy?

## 1.3 Regulation as a Tool of Public Policy

### *Required Readings*

NZ Treasury (January 2013). Regulatory impact statement: Increasing the visibility of legislative quality issues

[www.treasury.govt.nz/publications/informationreleases/ris/treasury/ivlqi](http://www.treasury.govt.nz/publications/informationreleases/ris/treasury/ivlqi)

*Policy Quarterly* 10(4), at least Ayto; Bailey and Kavanagh; and Manch

<http://igps.victoria.ac.nz/publications/publications/show/359>

### *Recommended Readings*

Wander around the Treasury Regulation website [www.treasury.govt.nz/economy/regulation](http://www.treasury.govt.nz/economy/regulation) , noting in particular (but no need to read in full) the

Expectations for Regulatory Stewardship

[www.treasury.govt.nz/publications/guidance/regulatory/systemreport/04.htm](http://www.treasury.govt.nz/publications/guidance/regulatory/systemreport/04.htm)

Regulatory Impact Analysis Handbook

[www.treasury.govt.nz/publications/guidance/regulatory/impactanalysis](http://www.treasury.govt.nz/publications/guidance/regulatory/impactanalysis)

CBA Primer

[www.treasury.govt.nz/publications/guidance/planning/costbenefitanalysis/primer](http://www.treasury.govt.nz/publications/guidance/planning/costbenefitanalysis/primer)

See also items from [www.treasury.govt.nz/publications/informationreleases/ris](http://www.treasury.govt.nz/publications/informationreleases/ris)

Be aware of NZ Productivity Commission report (2014). Regulatory institutions and practices. [www.productivity.govt.nz/inquiry-content/1788?stage=4](http://www.productivity.govt.nz/inquiry-content/1788?stage=4) . No need to read the whole thing; it's summarised in Bailey and Kavanagh above and in the 4-page summary:

[www.productivity.govt.nz/sites/default/files/regulatory-institutions-and-practices-final-cttc\\_0.pdf](http://www.productivity.govt.nz/sites/default/files/regulatory-institutions-and-practices-final-cttc_0.pdf)

Watch out for the Government's response, which may or may not be publicly available by the time of the regulation module

### *Supplementary Readings*

Fossick among the ANZSOG Occasional Papers: I particularly liked 19 (Weaver); 15 (Suggett); 9 (Ben-David); & Prebble September 2011 and March 2013 (not numbered, but listed under "SSC/ANZSOG Partnership Program") <https://www.anzsog.edu.au/applied-learning/occasional-papers>

Baldwin, R. & Black, J. (2007). *Really responsive regulation*. LSE law, society and economy, Working Paper 15/2007 [www.lse.ac.uk/collections/law/wps/WPS15-2007BlackandBaldwin.pdf](http://www.lse.ac.uk/collections/law/wps/WPS15-2007BlackandBaldwin.pdf)

Coglianesse, C. (2012, August 1). Measuring regulatory performance: Evaluating the impact of regulation and regulatory policy. In *OECD Expert Paper* no. 1. [www.oecd.org/gov/regulatory-policy/1\\_coglianesse%20web.pdf](http://www.oecd.org/gov/regulatory-policy/1_coglianesse%20web.pdf)

Professor Sir Gluckman, P. Communicating and using evidence in policy formation: The use and misuse of science. Speech presented to the Institute of Public Administration New Zealand (IPANZ). [www.ipanz.org.nz/Section?Action=View&Section\\_id=69](http://www.ipanz.org.nz/Section?Action=View&Section_id=69)

Haines, F., Sutton, A., & Platania-Phung, C. (2008). It's all about risk, isn't it? Science, politics, public opinion and regulatory reform. *Flinders Journal of Law Reform*. <http://dspace.flinders.edu.au/xmlui/handle/2328/1837>

Howlett, M. & Newman, J. (2012, July). Regulation and time: Temporal patterns in regulatory development. Presentation to the International Political Science Association World Congress, Madrid. [http://paperroom.ipsa.org/papers/paper\\_12605.pdf](http://paperroom.ipsa.org/papers/paper_12605.pdf)

Palmer, G (2014, September). Law-making in New Zealand – Is there a better way? Harkness Henry lecture. <http://my.lawsociety.org.nz/news/sir-geoffrey-palmer-proposes-reconfiguring-legislative-process/Law-Making-in-New-Zealand-Is-There-A-Better-Way,-Rt-Hon-Sir-Geoffrey-Palmer-QC-Harkness-Henry-lecture-10-9-14.pdf>

### *Key Questions*

- When is regulation a preferred approach to a public policy issue?
- How effective is regulatory impact analysis?
- How can compliance with regulations be monitored?
- How do regulations "fail?"

## 1.4 + 2.1 Managing the Macroeconomy: Monetary and Fiscal Policy

### *Required Readings*

The Treasury (2005). A guide to the Public Finance Act.

[www.treasury.govt.nz/publications/guidance/publicfinance/pfaguide](http://www.treasury.govt.nz/publications/guidance/publicfinance/pfaguide)

Barker, F. C., Buckle, R. A., & St Clair, R. W. (2008). The roles of fiscal policy in New Zealand. The Treasury, Working Paper. [www.treasury.govt.nz/publications/research-policy/wp/2008/08-02](http://www.treasury.govt.nz/publications/research-policy/wp/2008/08-02)

Mears, T., Blick, G., Hampton, T., & Janssen, J. (2010). Fiscal institutions in New Zealand and the question of a spending cap. The Treasury, Working Paper. [www.treasury.govt.nz/publications/research-policy/wp/2010/10-07](http://www.treasury.govt.nz/publications/research-policy/wp/2010/10-07)

Reserve Bank of New Zealand (2007). Explaining New Zealand's monetary policy. [www.rbnz.govt.nz/research\\_and\\_publications/fact\\_sheets\\_and\\_guides/3064172.pdf](http://www.rbnz.govt.nz/research_and_publications/fact_sheets_and_guides/3064172.pdf)

Reserve Bank of New Zealand (2006). Monetary policy accountability and monitoring. [www.rbnz.govt.nz/monetary\\_policy/about\\_monetary\\_policy/2851362.html](http://www.rbnz.govt.nz/monetary_policy/about_monetary_policy/2851362.html)

### *Supplementary Readings*

The Treasury (2014). New Zealand economic and financial overview.

[www.treasury.govt.nz/economy/overview/2014](http://www.treasury.govt.nz/economy/overview/2014)

Philip, R. & Janssen, J. (2002). Indicators of fiscal impulse for New Zealand. The Treasury, Working Paper. [www.treasury.govt.nz/publications/research-policy/wp/2002/02-30](http://www.treasury.govt.nz/publications/research-policy/wp/2002/02-30)

Reserve Bank of New Zealand (2013). A new macro-prudential policy framework for New Zealand. [www.rbnz.govt.nz/financial\\_stability/macro-prudential\\_policy/5270425.pdf](http://www.rbnz.govt.nz/financial_stability/macro-prudential_policy/5270425.pdf)

The horns of a trilemma. In *The economist* (2013). [www.economist.com/news/finance-and-economics/21584351-how-can-emerging-economies-protect-themselves-rich-worlds-monetary](http://www.economist.com/news/finance-and-economics/21584351-how-can-emerging-economies-protect-themselves-rich-worlds-monetary)

Wilkinson, B. & Acharya, K. (2014). *Guarding the public purse*. Wellington: The New Zealand Initiative.

<http://nzinitiative.org.nz/site/nzinitiative/files/publications/publications%202014/Guarding%20the%20Public%20Purse%20Web%20New%202.pdf>

### *Key Questions*

- Should New Zealand have an independent fiscal authority?
- What role can active fiscal policy play in stabilizing the macroeconomy?
- What do you understand by the monetary policy “trilemma.”
- In what ways might fiscal policy affect the rate of economic growth?

## 2.2 Case Study: Public Policy for the Electricity Market

### *Required Readings*

Review of electricity market performance (2013). <http://ar2013.publications.ea.govt.nz/>

Electricity in New Zealand: [www.ea.govt.nz/dmsdocument/12292](http://www.ea.govt.nz/dmsdocument/12292)

Interpretation of the Authority's statutory objective:

[www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/](http://www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/)

Strategic directions for market development: [www.ea.govt.nz/about-us/corporate-projects/2013-2016-planning-and-reporting/development/strategic-directions-for-market-development/](http://www.ea.govt.nz/about-us/corporate-projects/2013-2016-planning-and-reporting/development/strategic-directions-for-market-development/)

#### *Supplementary Readings*

[www.electricityinfo.co.nz/comitFta/ftapage.main](http://www.electricityinfo.co.nz/comitFta/ftapage.main)

Section 2 of the Authority's Consultation Charter:

[www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/](http://www.ea.govt.nz/about-us/strategic-planning-and-reporting/foundation-documents/)

#### *Key Questions*

- Why is the government involved in the electricity market?
- What is the strategy for ensuring an efficient level of security of supply?
- Why has the retail price of electricity increased greatly over the last 30 years?
- How is competition promoted?

### 2.3 Case Study: Aid in the Pacific: A Policy Challenge for New Zealand

#### *Required Readings*

MFAT (2014). Environment: Shaping a global response to Climate Change.

[www.mfat.govt.nz/Foreign-Relations/1-Global-Issues/Environment/2-Climate-Change/index.php](http://www.mfat.govt.nz/Foreign-Relations/1-Global-Issues/Environment/2-Climate-Change/index.php)

New Zealand Aid Programme (2012). Strategic plan 2012-15 [www.aid.govt.nz/webfm\\_send/448](http://www.aid.govt.nz/webfm_send/448)

New Zealand Aid Programme (2011). Delivering and tracking Climate Change related ODA [www.aid.govt.nz/sites/default/files/Climate%20Change,%20Delivering%20and%20Tracking%20CC%20ODA.pdf?q=ccoda.pdf](http://www.aid.govt.nz/sites/default/files/Climate%20Change,%20Delivering%20and%20Tracking%20CC%20ODA.pdf?q=ccoda.pdf)

United Nations Framework Convention on Climate Change (2014). COP 20 2014. Overview of institutions, mechanisms and arrangements under the Convention <http://unfccc.int/focus/overview/items/7756.php>

#### *Supplementary Readings*

Bell, B. A. 2008. Tuvalu's Falekaupule trust fund: Supporting community-based capacity development. In *Capacity development series*, Asian Development Bank.

[www.adb.org/sites/default/files/publication/29190/community-based-capacity-development.pdf](http://www.adb.org/sites/default/files/publication/29190/community-based-capacity-development.pdf)

Hughes, A. V. (1998). A different kind of voyage: development and dependence in the Pacific Islands. Pacific Studies Series. Office of Pacific Operations, Asian Development Bank.

[www.adb.org/sites/default/files/pub/1998/different-kind-voyage.pdf](http://www.adb.org/sites/default/files/pub/1998/different-kind-voyage.pdf)

McKinnon, J. (2011). NZADDs commentary, reading between the lines: Summary of the DAC Review of NZ ODA 2010. <http://nzadds.org.nz/2011/02/27/nzadds-commentary-john-mckinnon/>

Hayes, J. B. (2010). Inquiry into New Zealand's relationships with South Pacific countries. Report of the Foreign Affairs, Defence and Trade Committee, December 2010. [www.johnhayes.co.nz/archives/12-14%202010%20Final.pdf](http://www.johnhayes.co.nz/archives/12-14%202010%20Final.pdf)

Hughes, H. (2011). On line opinion. *Australia's e-journal of Social and Political Debate*. [www.onlineopinion.com.au/author.asp?id=169](http://www.onlineopinion.com.au/author.asp?id=169) . Selected readings: Article=10089 Army of well-paid advisers keep Pacific poor. Article=5031 Jobs for Pacific Islanders or our own. Article=4343 Vanuatu's privileged elite get another aid lifeline. Article=2842 Australia's Pacific aid supports bankrupt regimes. Article=1324 Foreign aid policy offers a poor solution to problems of poverty

McCully, M. (2011). Airlift operation to assist Tuvalu drought. [www.beehive.govt.nz/release/airlift-operation-assist-tuvalu-drought](http://www.beehive.govt.nz/release/airlift-operation-assist-tuvalu-drought)

NZAID, (2012). Year in review 2010-11, The New Zealand aid programme: Committed to effective aid. [www.aid.govt.nz/media-and-publications/publications/year-review-2010-11](http://www.aid.govt.nz/media-and-publications/publications/year-review-2010-11)

OECD, (2010). New Zealand (2010) DAC Peer Review: Main findings and recommendations. <http://tinyurl.com/4cgvmuh>

Hayes, J. B. (2009, October 20). Beyond an independent foreign policy. A speech to the New Zealand Institute of International Affairs. [www.johnhayes.co.nz/index.php/?archives/101-Beyond-an-Independent-Foreign-Policy-Speech-to-the-New-Zealand-Institute-of-International-Affairs.html](http://www.johnhayes.co.nz/index.php/?archives/101-Beyond-an-Independent-Foreign-Policy-Speech-to-the-New-Zealand-Institute-of-International-Affairs.html)

### *Key Questions*

- What are the special characteristics of PICs that influence NZ's relations with them?
- What is the evidence that aid has contributed to sustainable development?
- Should aid be focused poverty reduction or economic self-reliance?
- How far should technical assistance go in assisting PICs manage their economies? The case of the Tuvalu Trust Fund

### 2.4 Class Workshop: Current Policy Issues

- In this session, you will work in your groups to prepare for **Session 3.4 Group presentations** which will take place at:

***4.00pm on Wednesday 27 May 2015***

- On the first day of the course (25 February 2015), you will have been assigned to one of four Groups, and each Group will have been assigned a current policy issue. You will need to have researched the topic and read widely so as you come to this workshop session prepared to fully contribute to your Group's effort.
- In this session you will:
  - Identify the key issues
  - Analyse how you will apply economic principles
  - Consider what alternative approaches might be relevant
  - Identify and evaluate at least 2 policy options for dealing with the issue
  - Plan a 15 minute presentation and decide which members of the group will be participating as speakers in the presentation (it is recommended you have at least 3 speakers – say five minutes each – to cover the key issues you wish to present).
- You may wish to note the email addresses of each member of your group as you will need to do further preparation and communicate over the following 2 months.

## Group Presentations: Current Policy Issues

Group	Topic	Assignment
A	Partnership (Charter) Schools	<ul style="list-style-type: none"> <li>Analyse the case for and against partnership schools</li> <li>Form a policy recommendation</li> </ul>
B	Child Poverty	<ul style="list-style-type: none"> <li>Analyse the role of the state in addressing child poverty</li> <li>Set out your policy advice</li> </ul>
C	Sale of State Assets	<ul style="list-style-type: none"> <li>Analyse the case for and against the sale of state assets</li> <li>Form a policy recommendation</li> </ul>
D	Foreign Direct Investment	<ul style="list-style-type: none"> <li>Should foreigners be able to own land in New Zealand? Analyse the case for and against.</li> <li>Form a policy recommendation</li> </ul>

- You will need to research the topic drawing on current New Zealand sources and material from other countries where applicable. The following are just a few leads to get you started. You will need to read more widely.

### A Guide to get you started on current policy issues

Group	Topic	Assignment
A	Partnership (Charter) Schools	<a href="http://nzmcscs.education.govt.nz/">http://nzmcscs.education.govt.nz/</a> <a href="http://www.treasury.govt.nz/publications/informationreleases/education/partnershipschools">www.treasury.govt.nz/publications/informationreleases/education/partnershipschools</a> <a href="http://www.focusonthefamily.com/parenting/schooling/school_choice/charter_schools.aspx">www.focusonthefamily.com/parenting/schooling/school_choice/charter_schools.aspx</a> <a href="http://tvnz.co.nz/q-and-a-news/debate-charter-schools-video-5007140">http://tvnz.co.nz/q-and-a-news/debate-charter-schools-video-5007140</a> <a href="http://www.educationreview.co.nz/magazine/december-2012/charter-schools-answer-to-underachievement-or-mad-experiment/#.VM2GYaZyUos">www.educationreview.co.nz/magazine/december-2012/charter-schools-answer-to-underachievement-or-mad-experiment/#.VM2GYaZyUos</a>
B	Child Poverty	<a href="http://www.cpag.org.nz/">www.cpag.org.nz/</a> <a href="http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj22/22-pages83-96.pdf">www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj22/22-pages83-96.pdf</a> <a href="http://www.occ.org.nz/publications/expert-advisory-group/?category=14">www.occ.org.nz/publications/expert-advisory-group/?category=14</a>
C	Sale of State Assets	<a href="http://www.treasury.govt.nz/government/assets">www.treasury.govt.nz/government/assets</a> <a href="http://www.psa.org.nz/media/news/sneaking-privatisation/">www.psa.org.nz/media/news/sneaking-privatisation/</a> <a href="http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&amp;objectid=10862682">www.nzherald.co.nz/business/news/article.cfm?c_id=3&amp;objectid=10862682</a>
D	Foreign Direct Investment	<a href="http://www.stuff.co.nz/the-press/opinion/perspective/4217921/Is-foreign-ownership-of-land-so-bad">www.stuff.co.nz/the-press/opinion/perspective/4217921/Is-foreign-ownership-of-land-so-bad</a> <a href="http://nzinitiative.org.nz/site/nzinitiative/files/Open%20for%20business.pdf">http://nzinitiative.org.nz/site/nzinitiative/files/Open%20for%20business.pdf</a> <a href="http://nzier.org.nz/publications/in-defence-of-foreign-investment">http://nzier.org.nz/publications/in-defence-of-foreign-investment</a>



## **Module 3**

### **3.1 Case Study: Housing affordability**

#### *Required Readings*

Quigley, J. M. & Raphael, S. (2004). Is housing unaffordable? Why isn't it more affordable? *Journal of Economic Perspectives*, 17(1), 191-214.

[http://web.stanford.edu/group/scspi/media/pdf/Reference%20Media/Quigley%20and%20Raphael\\_2004\\_Land,%20Housing,%20and%20Homelessness.pdf](http://web.stanford.edu/group/scspi/media/pdf/Reference%20Media/Quigley%20and%20Raphael_2004_Land,%20Housing,%20and%20Homelessness.pdf)

Rohe, W.M., Van Zandt, S., & McCarthy, G.M. (2001). *The social benefits and costs of homeownership: a critical assessment of the research*. Cambridge, MA: Joint Center for Housing studies at Harvard University. [www.jchs.harvard.edu/sites/jchs.harvard.edu/files/liho01-12.pdf](http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/liho01-12.pdf)

Coleman, A. & Scobie, G. (2009). A simple model of housing rental and ownership with policy simulations. Wellington: New Zealand Treasury.

[www.treasury.govt.nz/publications/research-policy/wp/2009/09-05/](http://www.treasury.govt.nz/publications/research-policy/wp/2009/09-05/)

Glaeser, E. L., Gyrouko, J., & Saiz, A. (2008). Housing supply and housing bubbles.

<http://real.wharton.upenn.edu/~gyourko/Working%20Papers/bubbles-supply-NBER%20version-July%2016%202008.pdf>

#### *Supplementary Readings*

Coleman, A. (2008). The hidden costs of low inflation: Savings, tax and the dearth of home ownership. Wellington: Motu Economic and Public Policy Research.

[www.motu.org.nz/publications/detail/the\\_hidden\\_costs\\_of\\_low\\_inflation\\_savings\\_tax\\_and\\_the\\_dearth\\_of\\_home\\_owners](http://www.motu.org.nz/publications/detail/the_hidden_costs_of_low_inflation_savings_tax_and_the_dearth_of_home_owners)

Department of Prime Minister and Cabinet (2008). Final report of the House Prices Unit: House price increases and housing in New Zealand. Wellington: Department of Prime Minister and Cabinet. [www.dpmpc.govt.nz/sites/all/files/publications/hpr.pdf](http://www.dpmpc.govt.nz/sites/all/files/publications/hpr.pdf)

Statistics New Zealand. Statistics on housing affordability.

[www.stats.govt.nz/tools\\_and\\_services/nzdotstat/tables-by-subject/housing-affordability-tables.aspx](http://www.stats.govt.nz/tools_and_services/nzdotstat/tables-by-subject/housing-affordability-tables.aspx)

Wilkinson, D. (1999). Poor housing and ill health: A summary of the research evidence. Edinburgh: The Scottish Office. [www.scotland.gov.uk/Publications/1999/05/2763/File-1](http://www.scotland.gov.uk/Publications/1999/05/2763/File-1)

Quigley, J.M. & Rosenthal, J. (2005). The effects of land use regulation on the price of housing: What do we know? What can we learn? In *Berkeley program on housing and urban policy, Working Paper Series No. 1052*, University of California, Berkeley.

<http://urbanpolicy.berkeley.edu/pdf/QR2005.pdf>

#### *Key Questions*

- Why should governments care about housing affordability?
- What are key differences between housing markets and the markets for other goods (e.g. food or cars)?
- How can one measure housing costs and housing affordability?
- If Governments wish to ensure that people have inexpensive housing, what policies are available, and which policies are likely to be most effective?
- In what circumstances are changes in land use regulation likely to improve housing affordability

### 3.2 Case Study: Taxes and Welfare

#### *Required Readings*

Inland Revenue Department (2007). Why do we pay tax? [www.ird.govt.nz/income-tax-individual/different-income-taxed/why-pay-tax/](http://www.ird.govt.nz/income-tax-individual/different-income-taxed/why-pay-tax/)

Inland Revenue Department (2014). Income taxes for individuals [www.ird.govt.nz/how-to/taxrates-codes/itaxsalaryandwage-incometaxrates.html](http://www.ird.govt.nz/how-to/taxrates-codes/itaxsalaryandwage-incometaxrates.html)

Key features of the New Zealand welfare system.

<http://igps.victoria.ac.nz/WelfareWorkingGroup/Downloads/Working%20papers/WWG-Key-features-of-the-NZ-welfare-system.pdf>

Description of social assistance benefits in New Zealand

<http://igps.victoria.ac.nz/WelfareWorkingGroup/Downloads/Working%20papers/MSD-Description-of-social-assistance-benefits.pdf>

Tax and transfers – Design of the income tax/transfer system, background paper for the Tax Working Group. [www.victoria.ac.nz/sacl/cagtr/twg/Publications/taxes\\_transfers.pdf](http://www.victoria.ac.nz/sacl/cagtr/twg/Publications/taxes_transfers.pdf)

Understanding the interface between tax, tax credits and social assistance - Appendix C [www.victoria.ac.nz/sacl/cagtr/twg/Publications/2-appendixC-understanding-the-interface.pdf](http://www.victoria.ac.nz/sacl/cagtr/twg/Publications/2-appendixC-understanding-the-interface.pdf)

\* Aziz et al (2012). The effect on household income of government taxation and expenditure in 1988, 1998, 2007 and 2010. *Policy Quarterly*, 8(1), 29–38.

Mok, P. & Mercante, J. (2014). Working for families changes: The effect on labour supply in New Zealand. Treasury Working paper 14/18.

[www.treasury.govt.nz/publications/research-policy/wp/2014/14-18/wp-14-18.pdf](http://www.treasury.govt.nz/publications/research-policy/wp/2014/14-18/wp-14-18.pdf)

#### *Supplementary Readings*

Chamberlain, A. & Prante, G. (2007). Who pays taxes and who receives government spending? An analysis of federal, state and local tax and spending distributions, 1991-2004 (pp. 1–34)

<http://taxfoundation.org/sites/taxfoundation.org/files/docs/wp1.pdf>

#### *Key Questions*

- What would be the implications of making the effective marginal rate of taxation the same for all taxpayers? Would that make the system “fairer?”
- Should the first \$5,000 of income be tax free?
- What do you understand by *fiscal incidence*? In addition to spending on transfers, should other forms of government spending, such as health, education, housing etc. be taken into account when assessing the extent of the redistributive impact of taxation and government spending?
- What effect might Working for Families be expected to have on the labour supply?

### 3.3 Case Study: Using Incentives to Achieve Policy Objectives in Health Care

#### *Required Readings*

*Background on the New Zealand Health Care system*

The New Zealand Health and Disability System (2011). Organisations and responsibilities, briefing to the incoming minister of health. Part 2 (not part 1)

[www.health.govt.nz/publication/briefing-incoming-minister-health-december-2011](http://www.health.govt.nz/publication/briefing-incoming-minister-health-december-2011)

### *Issues with using incentives in the public sector*

\* Dixit, A. (2002). Incentives and organizations in the public sector: An interpretative review. *Journal of Human Resources*, 37(4), 696-727 (From page 711).

### *Supplementary Readings*

Besley, T. & Ghatak, M. (2003). Incentives, choice and accountability in the provision of public services. London: The Institute for Fiscal Studies Working Paper 03/08.

<http://ideas.repec.org/p/ifs/ifsewp/03-08.html>

Halpern, S. D., Asch, D. A., & Volpp, K. G. (2012). Commitment contracts as a way to health. *BMJ*. 344: e522. [www.bmj.com/content/344/bmj.e522](http://www.bmj.com/content/344/bmj.e522)

### *Key Questions*

- Under what circumstances might financial incentives be used to improve health system performance?
- What range of non-financial incentives might be effective in improving health system performance?
- Whose behaviour should be targeted when designing incentives in health systems? Users, the public, clinicians, managers?
- What might be the impact of public reporting of health system performance indicators?

### 3.4 Group presentations: Current Policy Issues

- Each group will have 15 minutes for their presentation

## **Assessment**

There are three required written assignments in this course. Each in turn relates to one of the three broad learning objectives of the course. In addition there is one group assignment.

<b>Assignment</b>	<b>CLOs</b>	<b>Due Date</b>	<b>Weight</b>	<b>Guidelines</b>
1. Applying economic reasoning	1	5.00pm, Wednesday 8 April 2015	25%	1,500 words maximum
2. Using complementary perspectives	2	5.00pm, Wednesday 20 May 2015	25%	1,500 words maximum
3. Analysing a current policy	1, 2, 3	5.00pm, Monday 8 June 2015	35%	2,500 words maximum
4. Preparing a policy presentation	1, 2, 3	4.00pm, Wednesday 27 May 2015	15%	15 minutes for each group

In each case, you should seek out current policy papers from NZ agencies, other countries (especially Australia, Canada, USA, UK, Denmark, etc.), papers from international agencies (World Bank, IMF, OECD), as well as key pieces from the academic literature. It is important that you present evidence of having read widely for the assignments.

### Referencing your work

As a guide, I would expect that a well prepared written assignment would contain at least 15-20 pertinent references – of course, you are not limited to this number! It is critical you read widely for your assignments and cite correctly the material on which you draw. And please ***Do not*** cite the lecture notes!!

The School of Government (as part of the Victoria Business School) requires the APA referencing system. You will recognise this as a version of in-text parenthetical author and date references, for example, (Coleman, 2008). If you use a direct quotation or close paraphrase, include the page number: (Coleman, 2008, p. 153). You can do similarly within the text: “Coleman (2008) argues that inflation taxes widows (p. 28).” APA referencing does not use *op.cit.*, or *ibid* and does not put references in footnotes (unless the footnote text itself requires a reference).

The reference list is not included in the word count.

Examples:

*For an article:*

- Coleman, A. (2012). Why does inflation matter? *Journal of Improbable Outcomes*, 43(2), 112–118.

*For a book:*

- Coleman, A. (2014). *The value of nothing*. London: Thames University Press.

*For a working paper or report:*

- Coleman, A. (2013). *Do sunspots affect economic growth?* Working Paper 08/13. Lumsden: Lumsden Institute for All Things Groovy.

**Please submit all three written assignments IN HARD COPY, by 5.00pm on the appropriate dates indicated, to:**

Post Experience Programmes,  
School of Government,  
Victoria University of Wellington,  
Level 8 Reception,  
Rutherford House,  
23 Lambton Quay,  
P.O. Box 600,  
Wellington 6140.

Assignments submitted by post are given two days grace to allow for delivery time, while assignments that are submitted in person should be placed in the secure box at School of Government reception (Level 8, Rutherford House, Pipitea Campus, office hours = 8.30am to 5.00pm, Monday to Friday) by the due date/time. The assignment box is cleared daily, and assignments will be date stamped.

**Students should keep a copy of all submitted work.**

### **Assignment 1: Applying Economic Reasoning**

Select one of the following topics:

- Immigration
- Minimum wages
- Illegal drugs
- Sale and supply of liquor
- Sale of human organs for transplantation

Your paper should:

- Define the aspect of the problem that you will investigate
- Identify the key economic issues
- Draw on ( and cite) both New Zealand and international literature and case studies
- Draw on studies that provide empirical evidence where relevant
- Discuss public policy options based solely on economic analysis and criteria
- Identify the strengths and limitations of an economic approach to your topic

The purpose of this exercise is to (1) deepen your understanding of applying economic reasoning to public policy questions; (2) stimulate reflection on both the strengths and shortcomings of this approach, and (3) prepare for the application of complementary perspectives in the second assignment.

### **Assignment 2: Using Complementary Perspectives**

Based on readings from Section 1.3 and your own wider research, analyse the contribution *that both economics and alternative perspectives* can bring to public policy formation on the question of:

- ***Surrogate Motherhood***

Your paper should consider the legal, bioethical, moral and economic aspects which need to be addressed by policy makers. You should examine the policies in a number of other countries.

The purpose of this exercise is to (1) enhance your understanding of alternative approaches; and (2) illustrate how these can be used to complement an economic analysis of a public policy issue.

The following notes are included to clarify your understanding of the concept (but you should not use up valuable space in your 1,500 word limit by repeating this information):

Surrogacy involves a woman (the surrogate mother) carrying a child for someone else, usually an infertile couple or sometimes a gay couple. Before she becomes pregnant, the surrogate mother agrees to give the child to the couple shortly after birth. There are different forms of surrogacy, and these can be grouped into categories:

- **Traditional surrogacy**

The surrogate mother provides the egg for fertilization, and the intended father provides the sperm. Fertilization can occur as the result of intercourse, in vitro fertilization (IVF), or artificial insemination. The surrogate mother is the genetic mother of the child. At birth the child is surrendered by the surrogate mother to the intended parents, with the female partner effectively becoming the step mother of the child.

- **Gestational surrogacy**

In gestational surrogacy, the surrogate mother is not related genetically to the child. An egg from the intended mother or from another female donor is fertilized by the sperm of the intended father, using IVF. The resulting embryo is then transferred to the uterus of the surrogate mother. If the IVF process has resulted in a number of embryos the remaining embryos may be frozen and stored for use at a later date.

- **Commercial surrogacy**

Takes place when the contract between the surrogate mother and the intended parents involves payment for the services of the surrogate mother. Some countries have legislation which outlaws commercial surrogacy, but allow "reasonable expenses" to be paid to the surrogate mother. In New Zealand, there is currently no law on surrogacy. Intending parents are usually referred by a fertility clinic to the National Ethics Committee on Assisted Human Reproduction (NECAHR), which gives approval on a case-by-case basis according to a set of guidelines. These include a requirement that the surrogacy be non-commercial.

Source: [www.nathaniel.org.nz/](http://www.nathaniel.org.nz/)

### **Assignment 3: Analysing a Current Policy**

In October 2013, the Reserve Bank of New Zealand introduced controls on mortgage lending by commercial banks in the form of Loan to Value Ratios (LVRs).

Drawing on both New Zealand and international experience, critically analyse the role of LVRs as a tool of monetary policy and their impact on a) the housing market and b) the broader macroeconomy.

The purpose of this exercise is to develop your skills in critically analysing the nature and purpose of a major public policy and to assess the extent to which it is meeting its stated objectives.

### **Assignment 4: A Policy Presentation**

See Section 2.4 above for details.

The purpose of this exercise is to (1) provide an opportunity to integrate your understanding of economic and complementary frameworks in analysing a complex policy issue, and (2) develop your communication skills.

#### **Scoring system for Group Presentations**

<b>Mark</b>	<b>Criteria</b>
25	Has developed a clear statement of the problem
25	Has applied economic principles and other approaches where relevant
25	Has identified and evaluated at least two alternative policy options for dealing with the issue
25	Overall quality of the content and presentation
Total = 100	(Each member of the group will receive the same mark)

### **Note on Quality Assurance**

Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning objectives as required for accreditation and academic audit. The findings may be used to inform changes aimed at improving the quality of VBS programmes. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the course.

## Penalties

The ability to plan for and meet deadlines is a core competency of both advanced study and public management. Failure to meet deadlines disrupts course planning and is unfair on students who do submit their work on time. It is expected therefore that you will complete and hand in assignments by the due date. Marks will be deducted at the rate of five per cent for every day by which the assignment is late and no assignments will be accepted after five working days beyond the date they are due. For example, if you get 65% for an assignment, but you handed it in on Monday when it was due the previous Friday, you will get a mark of 50%.

If ill-health, family bereavement or other personal circumstances beyond your control prevent you from meeting the deadline for submitting a piece of written work or from attending class to make a presentation, you can apply for and may be granted an extension to the due date. You should let your course coordinator know as soon as possible in advance of the deadline (if circumstances permit) if you are seeking an extension. Where an extension is sought, evidence, by way of a medical certificate or similar, may be required by the course coordinator.

## Computation of Grades

The translation from numerical marks to letter grades is set by the following grade ranges.

<i>Pass/Fail</i>	<i>Grade</i>	<i>Normal range</i>	<i>Indicative characterisation</i>
Pass	A+	90% - 100%	Outstanding performance
	A	85% - 89%	Excellent performance
	A-	80% - 84%	Excellent performance in most respects
	B+	75% - 79%	Very good performance
	B	70% - 74%	Good performance
	B-	65% - 69%	Good performance overall, but some weaknesses
	C+	60% - 64%	Satisfactory to good performance
	C	55% - 59%	Satisfactory performance
	C-	50% - 54%	Adequate evidence of learning
Fail	D	40% - 49%	Poor performance overall; some evidence of learning
	E	0 - 39%	Well below the standard required
	K	Fail due to not satisfying mandatory course requirements, even though the student's numerical course mark reached the level specified for a pass, usually 50%. A student whose course mark is below 50 should be given a D (40-49) or E (0-39), regardless of whether they met the mandatory course requirements	
Pass	P	Overall Pass (for a course classified as Pass/Fail)	
Fail	F	Fail (for a Pass/Fail course)	

## Access to Blackboard

Blackboard is Victoria University's online environment that supports teaching and learning by making course information, materials and other learning activities available via the internet through the myVictoria student web portal. Ensure that you can access Blackboard before the course begins.

To access the Blackboard site for this course:

1. Open a web browser and go to [www.myvictoria.ac.nz](http://www.myvictoria.ac.nz) .
2. Log into myVictoria using your ITS Username (on your Confirmation of Study) and password (if you've never used the Victoria University computer facilities before, your initial password is your student ID number, on your Confirmation of Study, Fees Assessment or student ID card – you may be asked to change it when you log in for the first time).
3. Once you've logged into myVictoria, select Blackboard (from the options along the top of the page) to go to your Blackboard homepage.
4. The "My Courses" section displays the courses you have access to – select the appropriate link to access the course-specific Blackboard site. Please note that only courses that are actually using Blackboard and have been made available to students by their respective course coordinator will be displayed.

If you have any problems gaining access to Victoria University's computer facilities, such as myVictoria and Blackboard, you should contact the ITS Service Desk on (04) 463 5050 or [its-service@vuw.ac.nz](mailto:its-service@vuw.ac.nz) . See [www.victoria.ac.nz/its/student-services/](http://www.victoria.ac.nz/its/student-services/) for more information.

Power-point slides and other lecture materials that are posted on Blackboard may differ from the presentations used in class, as the copyright rules for archived presentations differ somewhat from those for live presentation.

### **Academic Integrity, Plagiarism, and the Use of Turnitin**

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not. 'Someone else's work' means anything that is not your own idea. Even if it is presented in your own style, you must still acknowledge your sources fully and appropriately. This includes:

- material from books, journals or any other printed source
- the work of other students or staff
- information from the Internet
- software programs and other electronic material
- designs and ideas
- the organisation or structuring of any such material.

Acknowledgement is required for *all* material in any work submitted for assessment unless it is a 'fact' that is well-known in the context (such as "Wellington is the capital of New Zealand") or your own ideas in your own words. Everything else that derives from one of the sources above and ends up in your work – whether it is directly quoted, paraphrased, or put into a table or figure, needs to be acknowledged with a reference that is sufficient for your reader to locate the original source.

Plagiarism undermines academic integrity simply because it is a form of lying, stealing and mistreating others. Plagiarism involves stealing other people's intellectual property and lying about whose work it is. This is why plagiarism is prohibited at Victoria.

If you are found guilty of plagiarism, you may be penalised under the Statute on Student Conduct. You should be aware of your obligations under the Statute, which can be downloaded from the policy website ([www.victoria.ac.nz/home/about/policy/students.aspx](http://www.victoria.ac.nz/home/about/policy/students.aspx)). You could fail your course or even be suspended from the University. Plagiarism is easy to detect. The University has systems in place to identify it.



Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine [www.turnitin.com](http://www.turnitin.com). Turnitin is an on-line plagiarism prevention tool which compares submitted work with a very large database of existing material. At the discretion of the Head of School, handwritten work may be copy-typed by the School and subject to checking by Turnitin. Turnitin will retain a copy of submitted materials on behalf of the University for detection of future plagiarism, but access to the full text of submissions will not be made available to any other party.

There is guidance available to students on how to avoid plagiarism by way of sound study skills and the proper and consistent use of a recognised referencing system. This guidance may be found at the following website [www.victoria.ac.nz/home/study/plagiarism.aspx](http://www.victoria.ac.nz/home/study/plagiarism.aspx). If in doubt, seek the advice of your course coordinator. **Plagiarism is simply not worth the risk.**

## **School of Government Service Standards**

Good learning and teaching outcomes for students in School of Government courses depend on many factors, including open, transparent and accountable relationships between teaching and support staff, and students in their various activities. The following service standards indicate some of the key expectations that teaching staff and students can have of each other. In all cases, they represent what the School believes should be 'normal' practice; exceptional circumstances can and will be negotiated as required.

Please note that there are University-wide policies relating to assessment – including rights of review and appeal. Details may be found in the Assessment Handbook (which is reviewed and updated from time to time – [www.victoria.ac.nz/about/governance/dvc-academic/publications](http://www.victoria.ac.nz/about/governance/dvc-academic/publications)).

In general terms, any concerns that a student or students may have should be raised with the course coordinator in the first instance. If that course of action is not appropriate, the School's programme support staff will direct you to the relevant Programme Director/Coordinator.

*Standards relating to staff timeliness of responses to email and phone queries:*

- Email or phone queries from students will be responded to in 48 hours

*Standards relating to availability of course materials:*

- Students on modular or intensive courses will usually have course materials at least 4 weeks before the course starts
- Students on weekly courses will usually have course materials available on the first day of the course

*Standards relating to attendance:*

- It is expected that students will attend all contact teaching sessions for a course. If a student is aware that they will be unable to attend part of a course prior to it commencing, they are required to advise the course coordinator. In such a situation, the student may be declined entry into the course.
- Where a course coordinator approves some non-attendance before the class commences, the course coordinator may set additional item(s) of assessment of learning and teaching objectives for the course for students unable to attend. Advice relating to the submission and assessment of any such additional assessment will be provided by the course coordinator.

*Variations to the assessment details provided in the course outline:*

- Any variation to the assessment details in the course outline will be formally agreed between the course coordinator and students at the earliest possible time, preferably at the beginning of the course.

*Standards relating to assignments – turnaround and feedback:*

- Unless otherwise agreed between students and the course coordinator, items of assessment will be marked within 15 working days of submission.
- Comments on pieces of assessment will allow students to understand the reasons for the mark awarded, relative to the teaching and learning objectives specified in the course outline, and will usually include advice on how the student can improve their grades in future assignments.

## **Mandatory Course Requirements**

In addition to obtaining an overall course mark of 50 or better, students must submit or participate in all pieces of assessment required for this course.

If you cannot complete an assignment or sit a test or examination, refer to [www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat](http://www.victoria.ac.nz/home/study/exams-and-assessments/aegrotat) .

## **Communication of Additional Information**

Information will be communicated via Blackboard. It is essential, therefore, that you activate your @myvuw.ac.nz email account (the free email account created for you when you enrol and accessed via the myVictoria student web portal) before the start of the course. Once you have activated your @myvuw.ac.nz email account, if you want to receive these emails at your preferred email address (e.g. your home or work email address), you must modify the settings so all emails sent to it are automatically forwarded to your preferred email address. For more information, please go to [www.victoria.ac.nz/its/student-services/FAQs.aspx#Email\\_Forward](http://www.victoria.ac.nz/its/student-services/FAQs.aspx#Email_Forward) .

## **Student Feedback**

Student feedback on University courses may be found at [www.cad.vuw.ac.nz/feedback/feedback\\_display.php](http://www.cad.vuw.ac.nz/feedback/feedback_display.php) .

## **Link to General Information**

For general information about course-related matters, go to [www.victoria.ac.nz/vbs/studenthelp/general-course-information](http://www.victoria.ac.nz/vbs/studenthelp/general-course-information) .

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