

School of Government

GOVT 521
ECONOMICS AND POLICY
(15 Points)

Trimester 1 / 2016

COURSE OUTLINE

Names and Contact Details

Course Coordinator:	Dr Arthur Grimes Adjunct Professor Telephone: (04) 939 4250 Mobile: (027) 248 9389 Email: arthur.grimes@motu.org.nz
Administrator:	Darren Morgan Room RH 821, Level 8, Rutherford House, Pipitea Campus Telephone: (04) 463 5458 Fax: (04) 463 5454 Email: darren.morgan@vuw.ac.nz
School Office Hours:	8.30am to 5.00pm, Monday to Friday

Trimester Dates

From Monday 22 February to Monday 27 June 2016.

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 4 March 2016**.

2. The standard last date for withdrawal from this course is **Friday 27 May 2016**. 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 or www.victoria.ac.nz/vbs/studenthelp/publications/Application-for-late-withdrawal-2010.doc.

Class Times and Room Numbers

This course is delivered in a modular format.

Module One:	Thursday 25 February 2016	9.00am – 5.00pm
Module Two:	Thursday 28 April 2016	9.00am – 5.00pm
Module Three:	Thursday 9 June 2016	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.

Attendance is expected for all three modules of the course.

Prescription

This course examines economic theories, principles and ideas and their application to complex strategic and operational policy issues in diverse sectors; behavioural and institutional economics; the application of theories to selected policy issues.

Readings

Required Textbook

Hubbard, Garnett, Lewis and O'Brien (2015) *Essentials of Economics* (3rd ed.), Pearson Australia. [Ebook version available from www.pearsoned.co.nz]. \$57.00

Recommended Supplementary Textbook

Guest R. (2015) *Government in a Market Economy* (5th ed.), Cengage. [Ebook version available from <https://www.cengagebrain.co.nz>]. The 5th edition of this e-book (\$49.95) is not available until late in February 2016. We will provide you with more information during our first class.

Note: See section on course content below.

Lists of other readings will be distributed via Blackboard and/or at the first and second modules.

Course Delivery

This course is delivered in a modular format over three days (three ‘modules’), each of which has 6 hours contact time (18 hours total) between 9.00am and 5.00pm on the days indicated above. This will be supplemented by an intensive preparation on module 1 course materials from Hubbard et al, which will require a further 6 hours.

Expected Workload

The learning objectives set for each course are demanding and to achieve them participants 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 module of the course and some require assessments following the last module. Continuous learning is helpful to obtaining high achievement, and those who leave everything to the last moment rarely achieve to a high standard. Expressed in terms of time commitment per course, this 15-point course usually requires approximately 150 hours. Some of that is set contact time for modules. The rest is personal study time and we recommend a weekly commitment of 8 to 10 hours per course, on average. The workload in this course is slightly weighted toward modules 2 and 3.

Course Learning Objectives

This course introduces analytical ideas in economics for understanding policy debates and analysing public policy issues. We start by analysing how markets allow individuals responding to incentives to coordinate their actions in the face of scarcity. We then consider how and why government can influence outcomes by either intervening in markets or participating in them directly.

By the end of the course, it is expected that course participants will have met the following course learning objectives (CLOs):

CLO1	Analyse the perspectives, frameworks and tools that economics brings to the study of public policy
CLO2	Identify what government can and cannot do to improve economic outcomes and how its intervention may affect economic activity
CLO3	Critically analyse economic theories and models in terms of their strengths and weaknesses and apply them as appropriate to public policy problems

Assessment

The Assessment Handbook will apply to all VUW courses: see www.victoria.ac.nz/documents/policy/staff-policy/assessment-handbook.pdf .

Please submit ALL assignments electronically to sog-assignments@vuw.ac.nz .

Students should keep a copy of all submitted work.

There are four pieces of assessment for this course:

Assessment Items		Due Date *	Style	%	CLOs
1	Test	Thursday 17 March 2016 (after work hours)	1 hour take-home test	25	1
2	Test	Thursday 12 May 2016 (after work hours)	1 hour take-home test	15	1, 2
3	Essay	Monday 23 May 2016	Essay: 1,500 words maximum	30	2, 3
4	Essay	Monday 27 June 2016	Essay: 1,500 words maximum	30	2, 3

* Assessment dates to be confirmed in class.

1. First assessment (25%): An on-line, open-book, concept/short answer test covering Microeconomics from module 1, held between modules 1 and 2.
2. Second assessment (15%): An on-line, open-book, concept/short answer test covering Macroeconomics and related materials from module 2, held between modules 2 and 3.
3. Third assessment (30%): Essay (maximum 1,500 words plus graphs and other materials) covering an economic analysis of a public policy issue. Topic(s) will be placed on Blackboard before module 2.
4. Fourth assessment (30%): Essay (maximum 1,500 words plus graphs and other materials) covering an economic analysis of a public policy issue. Topic(s) will be placed on Blackboard before module 3.

Further information on these assignments will be provided on Blackboard and will be discussed in class.

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.

Course Content

Module 1 – Thursday 25 February 2016: Microeconomic Concepts and Theories

This module reviews underlying microeconomic theories of how resources are allocated in the economy, and illustrates these theories with applications to public policy questions. Topics include:

- Overview of economics and the New Zealand economy
- Economic foundations and models
- Choices and trade-offs in the market
- Demand, supply and prices
- Elasticities of demand and supply
- Economic efficiency, government price setting and taxes
- Firms: Technology, production and costs
- Firms and markets
- Monopolies

The material for this module is drawn largely from the first eight chapters of the required textbook by Hubbard et al (2016). I will place a set of summary slides on this material on Blackboard prior to the module. If you have not studied a course in economics before, you should read the eight chapters in Hubbard et al. thoroughly, preferably before the first teaching module. I will cover key points across all eight chapters, but detailed understanding will require you to read and understand these materials. This reading is a complement to the material I will cover in the module, and is required in order to ensure you gain a sound understanding of microeconomic concepts. These eight chapters will underpin the take-home test between the first and second teaching modules.

Module 2 – Thursday 28 April 2016: Macroeconomics and Economic Roles for Government

This module begins with a review of macroeconomic concepts including monetary and fiscal policy and international trade. The materials will draw on chapters 12 – 15 and 18 of Hubbard et al.

We will then explore other economic roles of government, drawing, in particular, on chapters 2 and 4 of the recommended book by Guest (2014). These topics deal respectively with: “How can markets fail and what should government do about it?” and “Fairness and inequality: A role for government?”

We will examine behavioural economics – a useful introduction is provided by the Appendix to Chapter 3 of Hubbard et al – and apply these ideas to savings policy.

We will also examine new institutional economics. The design of the Reserve Bank of New Zealand Act 1989 will be used to illustrate the importance of institutional design. A useful review article on new institutional economics is provided by:

Alston, L. J. "New institutional economics." *The New Palgrave Dictionary of Economics*. Second Edition. Eds. Steven N. Durlauf and Lawrence E. Blume. Palgrave Macmillan, 2008. *The New Palgrave Dictionary of Economics Online*. Palgrave Macmillan. 26 May 2010. www.dictionaryofeconomics.com/article?id=pde2008_NOOOI70

Additional readings will be placed on Blackboard and/or distributed at the first module.

Module 3 – Thursday 8 June 2016: Topics in Microeconomic Policy

In this module we will apply the concepts we have covered to a number of topics relevant to current economic policy debates. Topics will be drawn from the following:

- Government's role in infrastructure
- Real options theory and its application to infrastructure policy
- Cities and agglomeration benefits
- Housing markets and housing policy
- Government policy in relation to culture and heritage
- Government's role in boosting productivity and growth
- Government policy role in retrofitted insulation and heating of private houses
- Financial markets regulation
- The economics of defence policy

Each will utilise papers published by the course lecturer plus other papers on the topic and will show how economic concepts can be used to analyse the role of government across a range of policy issues.

Additional readings will be distributed through Blackboard and/or at the second module.

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
Fail	C-	50% - 54%	Adequate evidence of learning
	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 .
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-servicedesk@vuw.ac.nz . See 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). 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. 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. 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).

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.

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 .

Student Feedback

This course was offered for the first time in 2015 as GOVT 521.

Student feedback on University courses may be found at 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 .

Note to Students

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.
