

| | | |
|--------------------------------|---|---|
| Course Title | : | Principles of Public Policy |
| Course Code | : | ECO3208 |
| Study Year | : | 3 and 4 |
| No. of Credits/Term | : | 3 |
| Mode of Tuition | : | Lecture-Tutorial |
| Class Contact Hours | : | 2-hour lecture per week 1-hour tutorial per week |
| Category in Major Prog. | : | Major in Economics (Elective Course), SPPS Major (Required Elective) |
| Discipline | : | Economics |
| Prerequisite(s) | : | (a) ECO2101 Introduction to Economics, or (b) ECO2104 Introduction to Microeconomics and ECO2105 Introduction to Macroeconomics , or (c) BUS2105 Microeconomics for Business |
| Co-requisite(s) | : | N/A |
| Exclusion(s) | : | N/A |
| Exemption Requirement | : | N/A |

Brief Course Description

This course defines the social/public interest and outlines the fundamentals of public policy design and analysis that is predicated on this definition of the public interest. The analytical framework follows the multidisciplinary approach and is based on the postulate of maximising social welfare. A basic premise is that policies should be grounded on cost and benefit comparisons if they are to improve social welfare. Good public policies are formulated based on sound principles and specific criteria including the mitigation of market failure. The roles of information cost, efficiency, equity, unintended consequences, etc are fully recognized.

Aims

Students will learn the various criteria for good public policy making, use practical tools for assessing the efficiency of policy design and learn how to apply some basic principles to different policy areas.

Learning Outcomes (LOs)

Upon completion of this course, successful students should be able to:

1. demonstrate an understanding of public interest and the roles of the market and those of the government in society;
2. assess the quality of policy and describe what constitutes a good policy;
3. evaluate different policy initiatives and make improvements to existing policy initiatives and communicate orally or in prose policy ideas

4. exhibit an understanding of the need for risk management both at the micro and at the macro levels and design policies to achieve risk management; and
5. demonstrate a concern for the welfare of the people in Hong Kong, in China, and around the world.

Indicative Contents

- I. Introduction
An overview of government's responsibilities and the meaning of public interest. Alternative meanings of democracy and the effectiveness of government. The Kaldor criterion, the Hicks criterion, and the Representative Individual criterion for public policy evaluation.
- II. What makes good public policy
Hierarchy of policy objectives. Addressing key public concerns. Addressing perception problems, the human nature constraint, and cultural constraint. Feasibility over short run and long run. The representative individual approach to Cost Benefit Analysis.
- III. Human nature and public policy
Human needs and human propensities. Mental goods and bads versus physical goods and bads. Perception and behavior.
- IV. Institutional policy and policies within given institutions
Open and close institutions and institutional evolution. Institutional choice as social choice. Situational justice, fundamental justice, and incremental fundamental justice. Justice and rationality. Applications of concepts of justice.
- V. Health care delivery and financing
Application of the theory to the healthcare reform debate.
- VI. The rule of law, Tort law reform, and legal aid
Application of the theory to the law reform debate.
- VII. Bank Runs and bank deposit insurance
Application of the theory to banking, depositor behavior, bankers' behavior, and systematic risks.
- VIII. Public pension plans
Application of the theory to public pension plans.
- IX. Government or market?

- Application of the theory to the government versus market debate.
- X. Education and cultural policy
Application of the theory to education and cultural policy.
- XI. Taxes, social safety net and redistribution
Application of the theory to social safety nets, and to tax and transfers.
- XII. Economic ecology: The case of the Great Depression of the nineteen thirties
Applying the systems perspective: macro policy as an example.
- XIII. Economic Ecology: The Case of Hong Kong
Applying the systems perspective: the great recession of 1998 in Hong Kong.
- XIV. Conclusions
Applying the theory to millennium concerns. Globalization, the technological challenge, environmental concerns and global warming, hunger and poverty, and peace and security

Teaching Method

Lectures, classroom discussions and tutorial discussions. Students are often asked to respond to questions and are then guided to consider what may have been overlooked. The course is interactive with plenty of references to actual policies practiced in different jurisdictions.

Measurement of Learning Outcomes

1. A mid-term test is designed to assess students' comprehension and applications of the concepts introduced in the course (LOs 1-4).
2. Students are required to write a term paper/project to indicate how well students understand and apply the concepts and theories introduced in the course to evaluate the policy by themselves. (LOs 1-5)
3. A final examination is designed to assess students' overall understanding of the key concepts introduced in the course. Students are expected to apply these concepts to the real world. (LOs 1-4)

Assessment

| | | | |
|-----------------------|---|------------------------|--------|
| Continuous assessment | : | 50% | |
| | | mid-term test | – 30%, |
| | | tutorial participation | – 10%, |
| | | term paper* | –10% |

Final examination : 50%

* Assessment is based on an essay developed either from service-learning or otherwise under the supervision of the instructor. A whole range of public policy issues about may be analysed including housing, healthcare, social security, industrial safety, environmental protection, land use, resource reservation, poverty, education, public governance, corruption, law, etc.

Good Practices

- a. A discussion page is set up on Moodle and students are encouraged to use it as a platform to discuss with the instructors and amongst themselves regarding the test and assignment results.
- b. A mid-term teaching and course evaluation is conducted to obtain feedback.
- c. Emailed questions on the course content will be answered within 2 days.

Required/ Essential Reading

Rosen, Harvey S. and Ted Gayer, *Public Finance*, 10th Global Edition, McGraw-Hill, 2014.
Ho Lok Sang, *Principles of Public Policy Practice*, Boston: Kluwer Academic Press, 2001, (2009 Revisions Manuscript)

Recommended/ Supplementary Readings

Acocella, Nicola, *The Foundations of Economic Policy: Values and Technique*, Cambridge: Cambridge University Press, 1998.
Weimer, David and Aidan R. Vining, *Policy Analysis: Concepts and Practice*, 3rd edition, New Jersey: Prentice Hall, 1999.

Assessment Rubrics

Rubric for Term paper, Mid-term Test and Final Exam

| | Excellent 9-10 pts | Good 7-8 pts | Average 4-6 pts | Below Par 1-3 pts | Poor 0 pts |
|-----------------|---|---|---|--|--|
| Analysis 40% | The response has a clear thesis that is analytically interesting and creative, plausible; the analysis has impressive depth | The response meets most of the criteria listed in the column to the left, but is lacking in one or more of them-or accomplishes all of them at a slightly lower level than excellence | The response has an identifiable thesis, but it may be a bit mundane or uninteresting, and not particularly creative; the analysis is superficial | The response has an identifiable thesis, but it is not analytically interesting, plausible; there is little analysis | The response lacks any clear thesis and little to no analysis. |

Lingnan University
Department of Economics

Term 1, AY2023-24

| | | | | | |
|------------------------|--|--|---|--|---|
| Documentation 30% | The response provides ample evidence in support of its thesis, with no extraneous detail; evidence is well-connected to the thesis; documentation is clear. | The response provides significant amounts of supporting evidence, well-connected to the thesis; some detail is extraneous; documentation is mostly clear. | The response provides supporting evidence, but less than is needed to make the argument; there is a significant amount of extraneous detail; documentation is incomplete or unclear. | The details of the response relate very thinly to a main argument; the evidence is poorly documented. | The response provides little to no evidence in support of a main argument; most evidence provided is undocumented. |
| Organization 20% | All writing relates to the thesis in a clear manner; individual paragraphs have a clear focus; there are clear transitions between paragraphs or ideas when appropriate; the order in which the ideas are presented makes sense. | Nearly all writing relates to the thesis in a clear manner; all or most individual paragraphs have a clear focus; there are generally clear transitions between paragraphs or ideas; the order in which the ideas are presented makes sense. | Most writing relates to the thesis in a clear manner, most individual paragraphs have a clear focus, and the order in which the ideas are presented generally makes sense; but there are often unclear transitions between ideas. | Most writing relates to the thesis in a clear manner, most individual paragraphs have a clear focus; it is often unclear why ideas are presented in their particular order, and there are often unclear transitions between ideas. | The response is extremely disorganized to the point that the order in which ideas are presented appears virtually random. |
| Language skills 10% | The writing displays excellent English language skills, with few mistakes, and is easily understandable | The writing contains several fairly minor errors, but the writing is clear and understandable | The writing contains several minor errors and/or a few major ones; the writing is mostly clear but may be difficult to understand in places. | The writing contains numerous writing errors that are serious enough that the paper is very difficult to understand | The writing contains an unacceptably large number of writing errors, major or minor, to the point of making it difficult or impossible to understand. |

Rubric for Tutorial Participation

| | Excellent 9-10 pts | Good 7-8 pts | Average 4-6 pts | Below Par 1-3 pts | Poor 0 pts |
|---|--|--|---|---|---|
| Class discussion/Peer Interaction/Pair work/Presentation 50% | Consistently, actively supports, engages, listens and responds to peers. Takes a leading role. Participates in a meaningful way in class discussions. Stays on task. | Makes an effort to interact with peers daily but does not take a leading role. Some active participation in class discussions. Sometimes deviates from task. | Some effort to interact with peers but does not take a leading role. Minimal participation in class discussions. Sometimes deviates from task | Limited interaction with peers and rarely participates in class discussions and/or does not stay on task. | Virtually no interaction with peers and does not participate in class discussions |
| Contributes in a Meaningful Way 50% | Comments often advance the level and depth of classroom <u>dialogue</u> ; elicits the contributions of others. | Relevant comments are based on assigned material; eliciting the contributions of others. | When prepared, (which is most of the time) relevant comments are based on assigned materials, without eliciting contributions of others | When prepared, some relevant comments are based on assignments, some comments not relevant and deviate from assignments | Class contributions lack relevance or without any comment. |

Important Notes:

- (1) Students are expected to spend a total of 6 hours (i.e. 3 hours of class contact and 3 hours of personal study) per week to achieve the course learning outcomes.
- (2) Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is “the presentation of another person’s work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student’s own work”. Students are required to strictly follow university regulations governing academic integrity and honesty.
- (3) Students are required to submit writing assignment(s) using Turnitin.
- (4) To enhance students’ understanding of plagiarism, a mini-course “Online Tutorial on Plagiarism Awareness” is available on <https://pla.ln.edu.hk/>.
- (5) Students are required to fill in a mid-term survey and the end of course CTLE survey.