

MCGILL UNIVERSITY

Department of Economics

ECON 205-001

An Introduction to Political Economy

FALL 2020

Course Outline

Professor: Email: Teaching Assistant: Email: Office Hours: Lecture Hours:	Georgi Boichev georgi.boichev@mcgill.ca Han-i-Joseph Liang joseph.liang@mail.mcgill.ca TTh 10:05 – 11:25 (via Zoom meetings) TTh 10:05 – 11:25 (via Zoom meetings)
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Course Description

Prerequisites: None

A critical study of the insights to be gained through economic analysis of a number of problems of broad interest. The focus will be on the application of economics to issues of public policy.

Course Restrictions:

- Not open to students who have taken ECON 205D.
- Does not count for credit toward the Minor or Major Concentrations or the Honours degree in Economics

Learning Objectives

- Introduce students with no prior economics knowledge to the economic way of thinking in the design of institutions and public policy.
- Develop student's analytical skills to write short economic arguments. This may involve but is not limited to being trained to analyze and interpret:
 - time trends in graphs;
 - numerical information in tables; or,
 - descriptive information through the critical lens of an economist.

Required Textbooks and Readings

Miller, Roger LeRoy, Daniel K. Benjamin and Douglas C. North (MBN), *The Economics of Public Issues*, 20th Edition. Pearson, 2018.

North, Douglas C. (N), *Institutions, Institutional Change and Economics Performance*, Cambridge University Press, 1990.

Typed lecture notes will be posted on MyCourses in advance of each lecture.

Any required articles listed under each topic will be posted on course reserve to supplement the required textbooks.

Lectures and Office Hours

To accommodate students from different time zones, the lecture material will be released via pre-recorded asynchronous videos in lieu of class time. All lecture material, e.g. typed lecture notes and videos, will be posted in MyCourses.

The scheduled class time will take the form of virtual office hours that are optional and not recorded. You are received on a first-come, first-served basis and not by appointment. You sit in a virtual waiting room until the instructor is ready to admit you. If you use the opportunity, you are expected to “arrive” prepared (i.e., with their questions ready) and to be efficient so that the maximum number of students can make use of the available time.

In some instances, e.g. when demand for office hours is high, the professor may hold optional live Q&A sessions during the scheduled class time. The live Q&A sessions are open to the entire class and will be announced in advance via MyCourses.

Unless stated otherwise, office hours and live Q&A sessions will be conducted via the software Zoom. A link to the Zoom meeting will be provided via the announcements in MyCourses.

Evaluation

Component	Weight (% of Total Grade)	Due date
Midterm Exam I	25 %	October 9, 13:00
Midterm Exam II	25 %	November 13, 13:00
Final Exam	50 %	TBA by the Exams Office

The final exam is scheduled during the exam period. While the professor will announce the date and time of the final exam, the student is ultimately responsible for ensuring the accuracy of the information.

All exams are open-book take-home exams, where students are permitted to use all class resources, e.g. lecture notes, textbooks and videos.

An open book take-home exam is more challenging than a timed in-class closed book exam to account for the differences in available resources and duration. The exam questions will reward solid grasp and higher order comprehension of the course material beyond the mere memorization of the lecture material. For this purpose, the exam questions will be designed in a manner that answers qualifying for any non-failing grade cannot directly be copied down from the lecture notes and/or internet resources.

Each exam will be posted 48 hours prior to the due date and you will have 48 hours to complete each exam. Late submissions will not be accepted under any circumstances and will receive a score of zero.

Each exam is cumulative with respect to topics. The tentative coverage of topics for each exam is listed under the Tentative Class Schedule.

Unless otherwise announced, all exams will be distributed and submitted via MyCourses. Each exam must be completed individually and handed in as a single PDF file. Formats other than a single PDF file will NOT

be accepted.

Each exam must be completed individually without any assistance from third parties, e.g. classmates and/or private tutors. Communication during the duration of the exam with third parties, e.g. classmates, private tutors, who may influence one's exam performance is a form of academic dishonesty.

There are no make-up, deferred or supplemental midterm exams. The weight of any midterm exam missed for a valid documented reason will be transferred to the final exam.

Grade Criterion

Letter	Points	Percent	Letter	Points	Percent	Letter	Points	Percent
A	4.0	85 – 100	B	3.0	70 – 74	C	2.0	55 – 59
A-	3.7	80 – 84	B-	2.7	65 – 69	D	1.0	50 – 54
B+	3.3	75 – 79	C+	2.3	60 – 64	F	0.0	00 – 49

At the end of each course, the instructor submits a letter grade for every student registered. Grade point average (GPA) is used for the evaluation of academic achievement, honours standing, prizes and academic standing.

All grades are subject to departmental approval. The grade distribution must comply with the department's grading norms. In case of conflict between the grade criterion and department policy, the department policy prevails. Adjustments (up or down) made to comply with department policy cannot be used as grounds for appeals.

Technical Requirements

- Each student is expected to have a reliable Internet connection to access all course materials as well as synchronous activities, e.g. office hours.
- To submit PDF copies of your answers to exams, it is the student's responsibility to have access to a scanner and a PDF converter on an electronic device such as a desktop, a laptop, a tablet or a cell phone.
- It is each student's responsibility to download and access software such as Zoom.

Tentative Class Schedule

Note that some course material may not be covered and other may be added at a later point in time.

1. Introduction, Dates: September 3 – 8

Required readings:

N, Chapters 1, 2 and 3

2. Living Standards and Economic Growth, Dates: September 10 – 15

Required readings:

MBN, Chapters 2 and 29

3. Political Institutions, Dates: September 15 – 17

Required readings:

N, Chapters 6 and 11

Al-Zanganeh, Shlair Abdulkhaleq, “Why Nations Fail? Daron Acemoglu: The Role of Inclusive and Extractive Institutions on Shaping Technological Change, Innovation, and Prosperity,” *International Journal of Social Sciences & Educational Studies*, 2015, 2(2): 34 – 39.

4. Legal Institutions, Dates: September 22 – 24

Required readings:

N, Chapters 6, 7 and 11 (pp. 96 – 100) and MBN, Chapter 4

5. Fiscal Capacity and Fiscal Institutions, Dates: September 24 – 29

Required readings:

Besley, Timothy and Torsten Persson (2014), Development Clusters. In *Political Economy of Development Clusters*. Princeton University Press, Princeton, NJ, USA, 1 - 39.

6. Culture, Fiscal Capacity and Tax Competition, Dates: October 1 – 6

Required readings:

Broga, Caitlyn, “Culture and Economics” Research Spotlight, 2006, Published online:
https://www.richmondfed.org/publications/research/econ_focus/2006/fall/~media/240C45D12D694DA5AA83E99D4E16A2A6.ashx

Midterm Exam I, Date: October 9, 13:00 EST

Tentative coverage: Topics: 1 – 6.

7. Introduction to Policy Analysis, Dates: October 6 – 13

Required readings:

MBN, Chapter 1

Schaffner, Julie (2014), Policy Analysis. In *Development Economics*. Wiley, Danvers, MA, USA, 377 - 390.

8. Government Policy in the Absence of Market Failure, Dates: October 15 – 20

Required readings:

N, Chapters 4 and 8 and MBN, Chapters 8, 9 and 10.

9. Government Policy in the Presence of Market Failure: Applications to the Environment, Dates: October 20 – 22

Required readings:

MBN, Chapters 20, 25, 27 and 28.

10. Property Rights Institutions, Dates: October 27 – 29

Required readings:

N, Chapter 5 and 7 and MBN, Chapters 5 and 26

11. Poverty, Inequality and Labour Markets: Trade-offs in Designing Government Policy, Dates: October 29 – November 3

Required readings:

N, Chapter 6 and MBN, Chapters 11 – 14

12. Health Insurance Markets: Government Provision vs. Regulation, Dates: November 5 – 10

Required readings:

MBN, Chapter 19

Midterm Exam II, Dates: November 13

Tentative coverage: Topics 1 – 12 with the latter topics: 7 – 12 being more heavily weighted.

13. Market Structures and Competition: Government Provision vs. Regulation, Dates: November 10 – 17

Required readings:

MBN, Chapter 15 - 18

14. Time Inconsistent Preferences: Saving for Retirement and Pensions, Dates: November 17 – 22

Required readings:

MBN, Chapter 23

15. Time Inconsistent Preferences: Sin Taxes, Dates: November 22 – 24

Required readings:

MBN, Chapters 6 and 7

16. Funding Post-Secondary Students: Student Loans vs. Bursaries, Dates: November 24 – December 1

Required readings:

MBN, Chapter 22

Final Exam, Date: TBA

Tentative coverage: Topics 1 – 16 with the latter topics: 13 – 16 being more heavily weighted.

Required Statements

Language of Submission:

In accordance with McGill University's [Charter of Students' Rights](#), students in this course have the right to submit in English or in French any written work that is to be graded.

Academic Integrity:

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the [Code of Student Conduct and Disciplinary Procedures](#).

Text-Matching Software:

As per McGill University's [Policy on Text-Matching Software](#), this course uses such software. Item 2 of the Policy states, in part, that, "*Students shall also be informed in writing before the end of the drop/add period that they are free, without penalty of grade, to choose an alternative way of attesting to the authenticity of their work. Instructors shall provide students with at least two possible alternatives that are not unduly onerous and that are appropriate for the type of written work.*"

If you prefer an alternative way of attesting to your work's authenticity be used, you may choose to...

- Submit copies of multiple drafts;
- Submit photocopies of sources;
- Take an oral examination directed at issues of originality; or,
- Respond in writing to a quiz or questions directed at issues of originality.

Student Assessment Policy:

The [University Student Assessment Policy](#) exists to ensure fair and equitable academic assessment for all students and to protect students from excessive workloads. Students are encouraged to review this Policy, which addresses multiple aspects and methods of student assessment (eg, the timing of evaluation due dates and weighting of final examinations).

Copyrighted Materials:

Instructor-generated course materials (eg, handouts, notes, summaries, exam questions, etc.) are protected by law and may not be copied or distributed in any form or in any medium without explicit permission of the instructor. Note that infringements of copyright can be subject to follow up by the University under the [Code of Student Conduct and Disciplinary Procedures](#).

Inclusive Learning:

While I endeavor to provide an inclusive learning environment, if you experience barriers to learning in this course, do not hesitate to discuss them with me and/or with the [Office for Students with Disabilities](#).

End-of-Course Evaluations:

[End-of-Course Evaluations](#) are one of the ways that McGill works towards maintaining and

improving the quality of courses and the student's learning experience. You will be notified by e-mail when the evaluations are available.

Students' Rights:

Additional policies governing academic issues that affect students can be found in the [Handbook on Student Rights and Responsibilities](#).

Extraordinary Circumstances Statement:

In the event of extraordinary circumstances beyond the University's control, the content and/or evaluation scheme in this course is subject to change.

Copyright of lectures Statement:

All slides, video recordings, lecture notes, etc. remain the instructor's intellectual property. As such, you may use these only for purposes of your own learning (and research, with proper referencing/citation). You are not permitted to disseminate or share these materials; doing so may violate the instructor's intellectual property rights and could be cause for disciplinary action.

Lecture/Conference/Seminar Recording Statement:

By enrolling in a remote course, you accept that fixed sessions will be recorded. You must consent to being recorded if you attend a lecture or participate in a component of a course that is being recorded. You will be notified through a "pop-up" box in Zoom if a lecture or portion of a class is being recorded. If you are not comfortable being in a class that is recorded, you may decide to not take part by logging off Zoom. Students who log off will be able to later watch the video recording in MyCourses.

For pedagogical reasons and for the enrichment of the experience of all students, attendance may be monitored and/or active participation may be expected or required during fixed (synchronous) class time. As such, you may be asked to turn on your camera and audio. **If you do not have the necessary resources (e.g., adequate Internet bandwidth or equipment) to do so, inform your instructor at the beginning of term so appropriate accommodations can be made.**

In addition to the recording of your image and voice, your name (or preferred name) may be displayed on screen, and your instructor may call your name during the lecture. As such, this personal information will be disclosed to classmates, whether during the lecture or in viewing the recording. By remaining in classes that are being recorded, you accept that personal information of this kind may be disclosed to others, whether during the lecture or when viewing the recording.

Etiquette Statement:

The University recognizes the importance of maintaining teaching spaces that are respectful and inclusive for all involved. To this end, offensive, violent, or harmful language arising in contexts such as the following may be cause for disciplinary action:

1. Username (use only your legal or preferred name)
2. Visual backgrounds
3. "Chat" boxes

To maintain a clear and uninterrupted learning space for all, you should keep your microphone muted throughout your class, unless invited by the instructor to speak.

You should follow instructors' directions about the use of the "chat" function on remote learning platforms.