



## O'Neill School of Public and Environmental Affairs

**Instructor Name:** Luis Navarro

**Email:** [lunavarr@iu.edu](mailto:lunavarr@iu.edu)

**Course Number:** SPEA-V 202

**Section:** 11040

**Course Title:** Contemporary Economic Issues in Public Affairs

**Enrollment Requirements:** ECON-E 251 or ECON-B 251

**Class Meeting:** TuTh 08:00 - 9:15 AM (Room PV 169)

**Office Hours:** TuTh 08:00 – 9:15 AM

### Course Description

This course reinforces and deepens economic skills by applying basic microeconomic concepts and models to a variety of policy areas. Using economic models, the course will examine the motivation for intervention in the economy, the types of intervention, and the predicted effects of policies.

Policy areas covered will include tax, social, health, regulatory, environmental, and trade policy, among others. To better understand these issues, the course will first briefly discuss some of the institutional details of the policy area, and then use economic models to examine impact of policy on behavior and market outcomes.

### Learning Outcomes

Upon completion of this course, students will be able to:

- Explain the economic rationales for government intervention (and non-intervention) in the economy.
- Explain the economic rationales for how regulation may be used to correct market failures.
- Identify features of various government policies and programs.
- Use economic models to predict the impact of these policies and programs on welfare and behavior.
- Compare U.S. and international approaches in one area of policy.

## O'Neill School expectations of civility and professional conduct<sup>1</sup>

The O'Neill School takes matters of honesty and integrity seriously because O'Neill is the training ground for future leaders in government, civic organizations, health organizations, and other institutions charged with providing resources for the public, and for members of society who are vulnerable and who are lacking in power and status. Precisely because O'Neill graduates tend to rise to positions of power and responsibility, it is critical that the lessons of honesty and integrity are learned early.

O'Neill requires that all members of its community – students, faculty, and staff – treat others with an attitude of mutual respect both in the classroom and during all academic and nonacademic activities outside the classroom. A student is expected to show respect through behavior that promotes conditions in which all students can learn without interruption or distraction. These behaviors foster an appropriate atmosphere inside and outside the classroom:

- Students are expected to attend class regularly and to be prepared for class.
- Students must be punctual in their arrival to class and be present and attentive for the duration of the class. Eating, sleeping, reading the newspaper, doing work for another class, wandering in and out of the classroom, and packing up or leaving class early are not civil or professional behaviors.
- Students must abide by the course policy regarding use of electronic devices in the classroom.
- Students must responsibly participate in class activities and during team meetings.
- Students must address faculty members, other students, and others appropriately and with respect, whether in person, in writing, or in electronic communications.
- Students must show tolerance and respect for diverse nationalities, religions, races, sexual orientations, and physical abilities.
- Students must not destroy or deface classroom property nor leave litter in the classroom.

### Course Material

There is not a unique textbook used for the course. For the most part, we will rely on Mankiw's Principles of Microeconomics. I use the 8<sup>th</sup> edition, but any edition should work fine.

- **Main Textbook:** Principles of Microeconomics by Gregory Mankiw.

As complementary materials, we will use specific chapters from the following books:

- Gruber, J., & Jonathan Gruber. (2019). Public finance and public policy. Worth Publishers.
- Stiglitz, Joseph E, and Jay Rosengard. (2015). Economics of the Public Sector. W.W. Norton & Company.

Reading the same concept from different sources improves our understanding of it. Hence, complementary books and videos are extremely helpful. Here are some useful additional resources for the class. I highly recommend the marginal revolution videos.

- Marginal Revolution videos and exercise: <https://mru.org/principles-economics-microeconomics> and <https://mru.org/principles-economics-macroeconomics-0>
- Principles of Microeconomics by Steven Greenlaw and David Shapiro (available here: <https://open.umn.edu/opentextbooks/textbooks/193> )
- The Economy by the Core Project: <https://www.core-econ.org/the-economy/>
- Professor Justin Ross’s videos  
on <https://iu.mediaspace.kaltura.com/channel/OnlineEcon/198405233>

**Material availability:** all readings will be provided through Canvas or are available online. All slides I use will be available in Canvas after the topic is covered.

### Class Ground Rules

- **No Cellphones:** cellphones must be in silent mode during class time. If you need to take a call, feel free to exit the classroom and take it.
- **Electronics:** you can use a tablet or laptop to take notes. No headphones during class.

### Course Format

The course will consist of a combination of in-class lectures, activities, homework assignments, and two exams: midterm and final.

### Assignments

- Assignments will take the form of problem sets in which you will be required to use the economic theory tools covered in class to make predictions about specific policy scenarios. I strongly recommend working on the assignments in groups and discussing your answers with classmates. Assignments will be released after the topic is covered and, in general, you will have 1 week to do them.
- Assignments must be submitted via Canvas. There will be a total of 7 assignments. The first assignment is math prep and does not count toward your final grade. The remaining 6 assignments are worth 100 points each.
- Here is the schedule for each assignment. If there are any changes, I will let you know beforehand.

Assignment	Release Date	Due Date
A1	09/05/24	09/15/24
A2	09/19/24	09/29/24
A3	10/03/24	10/13/24
A4	10/24/24	11/03/24
A5	11/07/24	11/17/24
A6	11/21/24	12/08/24

## Midterm and Final Exams

- Based on the structure of the problem sets, the purpose of the exam is to assess the general understanding of the theories and policies covered in class.
- Exams will be a set of multiple-choice questions implemented through a Canvas quiz. However, this does not mean that the exams will be take-home. They will be held in class.
- Each exam is worth 15% of your total grade.
- **Midterm Exam Date:** Thursday October 10, 2024. 08:00 AM (PV 169)
- **Final Exam Date:** Thursday December 19, 2024. 08:00 AM (PV 169)

## Weekly Quizzes and Discussions

- In this space you will use the tools we learn in class to explore current policies from the lens of economic theory. Each week you'll get a combination of articles or videos related to the topic covered that week in class. There will be a brief quiz associated to the material, as well as a discussion forum in which you are expected to engage in scholarly discussions with your classmates using arguments from economic theory.
- For the first part of the course (before the midterm) these activities are simpler as we will be still learning how to use economic theory to analyze public policy, hence each weekly discussion and quiz are worth 5 points together (2.5 points each). Since the topics on the second part of the course are more complex, these activities are worth 10 points together (5 points each).
- Quizzes and discussions are due by the end of each week (Sunday night).

## Grading

The course is structured around three main activities: assignments, exams, and discussions. Altogether, these activities sum up to 1000 points. Attendance will account for an extra 5% of the grade.

Assignments	600 points	= 60%
Midterm Exam	150 points	= 15%
Final Exam	150 points	= 15%
Weekly Quiz	50 points	= 5%
Weekly Discussions	50 points	= 5%
Attendance (Extra)	50 points	= 5%

**Late Assignments Policy:** for each week the assignment or discussion is late, 10% of the total grade will be taken out. This will be capped at 50%.

- 1 – 7 days late = -10% of the total points available
- 8-14 days late = -20% of the total points available
- 15-21 days late = -30% of total points available
- 22 - 28 days late = -40% of total points available
- +28 days late = -50% of total points available

### **AI Tools Warning**

Discussion forums are safe spaces where you can practice how to articulate arguments about public policy using economic theory. Using AI tools (e.g. ChatGPT) to write your opinions and answers misses completely this point. If your answer seems AI generated and fails to pass an AI detector, you will lose the points of that discussion and quizz together. If this occurs more than 3 times, then you will lose the full 10% of your grade associated with discussions and weekly quizzes.

### **Attendance Policy**

Attending the class is your responsibility as a student. I will not consider attendance as main part of the grade (only 5%). **With the exception of exam dates, there is no need to inform me if you are not attending the class.**

### **Make-ups**

There are no make-up assignments or exams. You may be excused from an assignment or exam only in cases of serious illness or family emergency. In this case, the grade from the assignment will be dropped. To be excused from an assignment or exam due to illness, you must notify me in advance and provide a note from a doctor with the doctor's name and telephone number. To be excused from an assignment due to a family emergency, you must contact me immediately, in advance of the exam/assignment due date.

### **Individual vs group work**

In the real world, you will often work with colleagues to solve problems. It is no different in this course. You are encouraged to work with your classmates on the assignments. Still, you must turn in your own work on each assignment, written in your own words, but you may consult and discuss with peers.

### **Regrading Policy**

If you believe that an error was made in grading your homework or exam, write out on a sheet of paper which part of the assignment you would like to have regraded, and the reason why your answer deserves more points, and hand it in to me. I will review the request, and if I judge the request to be legitimate, your score will be adjusted accordingly. Regrade requests handed in more than two weeks after assignments have been returned will not be considered. Also, late assignments are not subject to regrading.

## **Class Expectations, Material, and Assignments-Exam Content**

In class I will review most of the material covered in the textbook, however due to the limited time we have in the classroom, I might not be able to cover all the material from the textbook (and in some cases even in the class slides). **This does not imply that such material might not come in the assignment or the exam. It is your responsibility to do the assigned readings before coming to class.**

## **Communicating with me/Asking questions/Getting help**

If you need to reach me, please email me at [lunavarr@iu.edu](mailto:lunavarr@iu.edu) (or write me a message through Canvas). Please write "V202" in the subject line if you are sending an email. If you are having trouble with the course material, keeping up with assignments, or any other issues, please do not hesitate to email me. It is important to me that everyone has an optimal chance to learn the material and succeed in this and all your classes. Within reason, I will do all that I can to help everyone succeed this semester.

### Class Outline

Date	Class	Readings
27-Aug-24	Introduction	Mankiw 1 and 2
29-Aug-24	Math Review	GS Appendix A
3-Sep-24	Supply and Demand	Mankiw 4 and 5
5-Sep-24	Supply and Demand	
10-Sep-24	Market Equilibrium	Mankiw 4 and 7; Gruber 2
12-Sep-24	Market Efficiency and Market Failure	Mankiw 6, 7; Stiglitz & Rosengard 1,4
17-Sep-24	Tax Policy	Mankiw 8,12; Gruber 18-19; Stiglitz & Rosengard 18
19-Sep-24	Tax Policy	
24-Sep-24	Public Goods	Mankiw 11; Stiglitz & Rosengard 5
26-Sep-24	No Class	
1-Oct-24	Externalities and Environmental Policy	Mankiw 10; Gruber 5-6; Stiglitz & Rosengard 6
3-Oct-24	Externalities and Environmental Policy	
8-Oct-24	Exam Review	
10-Oct-24	Midterm Exam	
15-Oct-24	Labor Market	Mankiw 18
17-Oct-24	Labor Market	
22-Oct-24	Poverty and Income Inequality	Mankiw 20, Stiglitz & Rosengard 15,16
24-Oct-24	Poverty and Income Inequality	
29-Oct-24	Health Policy	Mankiw 22, Gruber 12, Stiglitz & Rosengard 13
31-Oct-24	Health Policy	
5-Nov-24	Antitrust Regulation	Mankiw 15
7-Nov-24	Antitrust Regulation	
12-Nov-24	Trade Policy	Mankiw 3,9
14-Nov-24	Trade Policy	
19-Nov-24	Money, Credit Markets and Monetary Policy	Mankiw 26, 29, 30
21-Nov-24	Money, Credit Markets and Monetary Policy	
26-Nov-24	Thanksgiving Break	
28-Nov-24	Thanksgiving Break	
3-Dec-24	Macroeconomics	Mankiw 23,24,26,33
5-Dec-24	Macroeconomics	
10-Dec-24	Review	
12-Dec-24	Review	
17-Dec-24	No Class	
19-Dec-24	Final Exam	

**Note Selling:** Several commercial services have approached students regarding selling class notes/study guides to their classmates. Selling the instructor's notes/study guides in this course is not permitted. Violations of this policy will be reported to the Dean of Students as academic misconduct (violation of course rules). Sanctions for academic misconduct may include a failing grade on the assignment for which the notes/study guides are being sold, a reduction in your final course grade, or a failing grade in the course, among other possibilities. Additionally, you should know that selling a faculty member's notes/study guides individually or on behalf of one of these services using IU email, or via Canvas may also constitute a violation of IU information technology and IU intellectual property policies; additional consequences may result.

**Materials:** The faculty member teaching this course holds the exclusive right to distribute, modify, post, and reproduce course materials, including all written materials, study guides, lectures, assignments, exercises, and exams. While you are permitted to take notes on the online materials and lectures posted for this course for your personal use, you are not permitted to re-post in another forum, distribute, or reproduce content from this course without the express written permission of the faculty member. Any violation of this course rule will be reported to the appropriate university offices and officials, including to the Dean of Students as academic misconduct.

### **Additional information for Students Counseling and Psychological Services**

For information about services offered to students by CAPS:  
<http://healthcenter.indiana.edu/counseling/index.shtml>.

### **Religious Observation**

In accordance with the Office of the Dean of Faculties, any student who wishes to receive an excused absence from class must submit a request form available from the Dean of Faculties for each day to be absent. This form must be presented to the course instructor by the end of the second week of this semester. A separate form must be submitted for each day. The instructor will fill in the bottom section of the form and then return the original to the student. Information about the policy on religious observation can be found at the following website:  
<http://vpfaa.indiana.edu/policies/bloomington/instructional-responsibilities/religious-observances.shtml>.

### **Disability Services for Students**

Securing accommodations for a student with disabilities is a responsibility shared by the student, the instructor and the DSS Office. For information about support services or accommodations available to students with disabilities, and for the procedures to be followed by students and instructors: <http://studentaffairs.iub.edu/dss/>.

### **Sexual Harassment**

As your instructor, one of my responsibilities is to help create a safe learning environment on our campus. Title IX and our own Sexual Misconduct policy prohibit sexual misconduct. If you have experienced sexual misconduct, or know someone who has, the University can help.



If you are seeking help and would like to talk to someone confidentially, you can make an appointment with:

- The Sexual Assault Crisis Service (SACS) at 812-855-8900
- Counseling and Psychological Services (CAPS) at 812-855-5711
- Confidential Victim Advocates (CVA) at 812-856-2469
- IU Health Center at 812-855-4011

For more information about available resources: <http://stopsexualviolence.iu.edu/help/index.html>. It is also important to know that federal regulations and University policy require me to promptly convey any information about potential sexual misconduct known to me to our campus' Deputy Title IX Coordinator or IU's Title IX Coordinator. In that event, they will work with a small number of others on campus to ensure that appropriate measures are taken and resources are made available to the student who may have been harmed. Protecting a student's privacy is of utmost concern, and all involved will only share information with those that need to know to ensure the University can respond and assist. I encourage you to visit <http://stopsexualviolence.iu.edu/help/index.html> to learn more.

**Commitment to Diversity: Find your home and community at IU**

**Asian Culture Center**

Address: 807 East Tenth Street, Bloomington, IN 47408

Phone: 812-856-5361

Email: [acc@indiana.edu](mailto:acc@indiana.edu)

Website: <https://asianresource.indiana.edu/index.html>

**First Nations Educational & Cultural Center**

Address: 712 E 8th St., Bloomington, IN 47408

Phone: 812-855-4814

Email: [fnec@indiana.edu](mailto:fnec@indiana.edu)

Website: <https://firstnations.indiana.edu/contact/index.html>

**LGBTQ+ Culture Center**

Address: 705 E 7th St., Bloomington, Indiana 47408

Phone: 812-855-4252

Email: [glbtserv@indiana.edu](mailto:glbtserv@indiana.edu)

Website: <https://lgbtq.indiana.edu/contact/index.html>

**La Casa Latino Culture Center**

Address: 715 E 7th St., Bloomington IN, 47408

Phone: 812-855-0174

Email: [lacasa@indiana.edu](mailto:lacasa@indiana.edu)

Website: <https://lacasa.indiana.edu/>

**Neal Marshall Black Culture Center**

Address: 275 N Jordan Ave Bloomington, Indiana 47405

Phone: 812-855-9271

Email: [nmgrad@indiana.edu](mailto:nmgrad@indiana.edu)

Website: <https://blackculture.indiana.edu/index.html>