

**Fulbright Economics Teaching Program
Master in Public Policy
Academic Year 2011-2012
Fall Term**

SYLLABUS

Introduction to Public Policy and Institutional Analysis

Class Times

Tuesday and Thursday 10:15-11:45
October 4 to November 24, 2011

Teaching Team

Co-Instructors: Jonathan Pincus (jonathan.pincus@fetp.vnn.vn)
Dinh Vu Trang Ngan (ndinh@fetp.vnn.vn)
Interpreter: Nguyen Quy Tam (quytam@fetp.vnn.vn)

Office Hours

	Monday	Tuesday	Wednesday	Thursday	Friday
Jonathan Pincus	15:00–16:30		15:00–16:30		
Dinh Vu Trang Ngan		15:30 – 17:00		15:30 – 17:00	

Students should feel free to consult with the instructors or tutor during their office hours or by appointment.

Objective

The objective of this course is to introduce students to some key concepts in the study of public policy and relate them to concrete policy issues. Our aim is to demonstrate to students how the theories and techniques that they will study in greater depth in other classes can be applied to important economic and social problems.

Course Description

The course consists of 14 classes held over seven weeks (half of the academic term). A new topic will be introduced each week and covered over two sessions. Most classes will take the form of discussions of specific policy issues rather than lectures. Students are encouraged to participate in discussions and draw out policy and theoretical implications as a group. The course introduces the study of public policy in a market economy, and addresses key concepts including market failure and the role of information, rationality and history in the functioning of economic institutions. We will also discuss problems in policy implementation.

Readings

There is no textbook for the course. Required and suggested readings are given in the class schedule below. Required readings are provided in Vietnamese and suggested

readings may only be available in English. Students must read the required readings before coming to class, and must be ready to demonstrate that they have read and understand the required readings.

Requirements

Students are required to attend every class, to read the assigned readings before class, to participate actively in class discussions and to complete all course requirements. Participants are encouraged to meet with teaching team members to discuss any aspect of the course.

The final grade will be determined based on three elements:

Class participation:	20%
Reading Diary:	40%
“Inside Vietnam” Project:	40%

Class participation is a combination of class attendance and constructive contributions to class discussions.

Students will also keep a “*reading diary*” and submit it by the end of each week. In the diary students will write notes and impressions from the readings and class discussion. Notes on other relevant issues, newspapers stories, books and articles can also be kept in the diary book. The diary book should demonstrate that the student is reading the assigned material and applying this knowledge to current issues in Vietnamese public policy. We would like to see evidence that you are engaged in current policy discussions in Vietnam and that you are using what you have learned in class to gain a deeper understanding of these issues.

During the first week of class, students will be divided into 6 groups. Each group will present a policy issue “*Inside Vietnam*” in the form of a short video clip no longer than 15 minutes. The short film should document a current policy issue in Vietnam, the controversies and debates surrounding it, and the authors/producers’ points of view. At the end of the term, each group will present their short film to the class, with a 15 minute “Conversation” with the audience. The short film will be voted by the audience and the faculty for its policy relevance, timeliness, creativity and persuasion.

Class Schedule

WEEK 1: WHAT IS PUBLIC POLICY?

October 4, 2011 - Lecture 01: What is a “fair” start?

Dinh Vu Trang Ngan

Required reading:

Malcolm Gladwell (2008) *Outliers: The Story of Success*, Chapter 1, “The Matthew Effect,” New York: Little, Brown and Company.

Suggested reading:

Richard Wilkinson and Kate Pickett (2010) *The Spirit Level: Why Equality is Better for Everyone*, Chapter 8, “Education Performance,” Penguin Books.

October 6, 2011 - Lecture 02: How Do We Study Public Policy?

Jonathan Pincus

Required reading:

Jonathan Pincus (2010) “Policy Case Study: Milk Price Registration and Regulations in Vietnam: Will it Lower Milk Prices?” Fulbright School, September.

Series of articles by Cẩm Quyên and Trần Thủy

“Người tiêu dùng Việt Nam đang 'đốt' tiền mua sữa,”

<http://vnn.vietnamnet.vn/psks/201005/Nguoi-tieu-dung-Viet-Nam-dang-dot-tien-mua-sua-911967/>

“Bỏ tay nhìn doanh nghiệp sữa móc túi người tiêu dùng,”

<http://www.baomoi.com/Bo-tay-nhin-doanh-nghiep-sua-moc-tui-nguoi-tieu-dung/50/4323168.epi>

“Phối bày thế giới ngấm kinh doanh sữa,”

<http://www.baomoi.com/Phoi-bay-the-gioi-ngam-kinh-doanh-sua/50/4327651.epi>

“Lợi nhuận kéch xù từ kinh doanh sữa vào tay ai?”

<http://cafef.vn/20100525083645652CA39/loi-nhuan-kech-xu-tu-kinh-doanh-sua-vao-tay-ai.chn>

Suggested reading:

Sally Macintyre, Iain Chalmers, Richard Horton, Richard Smith (2001) “Using Evidence to Inform Health Policy,” *BMJ*, January 27,
<http://www.bmj.com/content/322/7280/222.full.pdf>.

WEEK 2: INCENTIVES

October 11, 2011 - Lecture 03: Drive

Dinh Vu Trang Ngan

Required reading:

Daniel Pink (2009) *Drive: The Surprising Truth of What Motivates Us*. Chapter 1: "The rise and fall of motivation," Riverhead Books.

October 13, 2011 - Lecture 04: Gifts and giving

Dinh Vu Trang Ngan

Required reading:

Steven Levitt and Stephen Dubner (2011) *Superfreakonomics*. Chapter 3: "Unbelievable stories about apathy and altruism," Harper Perennial.

WEEK 3: RATIONALITY

October 18, 2011 - Lecture 05: Laws of fears

Dinh Vu Trang Ngan

Required reading:

Cass Sustein (2005) *Laws of fears: Beyond the Precautionary Principle*. Chapter 3: "Worst-Case Scenarios," Cambridge University Press.

October 20, 2011 - Lecture 06: The Endowment Effect

Jonathan Pincus

Required reading:

Dan Ariely (2008) *Predictably Irrational: The Hidden Forces that Shape Our Decisions*, Chapter 7, "The High Price of Ownership: Why We Overvalue What We Have," New York: Harper Collins.

Suggested reading:

Daniel Kahneman, Jack L. Knetsch and Richard H. Thaler (1991) "Anomalies: The Endowment Effect, Loss Aversion, and Status Quo Bias," *Journal of Economic Perspectives*, 5:1, 193-206.

WEEK 4: KNOWLEDGE AND INFORMATION

October 25, 2011 - Lecture 07: The Division of Labor and Gains from Trade

Jonathan Pincus

Required reading:

Greg Linden, Kenneth L. Kraemer, Jason Dedrick (2007) "Who Captures Value in a Global Innovation System? The case of Apple's iPod," Personal Computing Industry Center (PCIC), University of California, Irvine, June.

October 27, 2011 - Lecture 08: Path dependence - US health care reform and Vietnam hospital pricing

Jonathan Pincus

Required reading:

Vietnamet Series entitled “Trước thêm dự thảo tăng viện phí,” Articles 1-2.

Suggested reading:

Atul Gawande (2009) “Getting There from Here: How Should Obama Reform Health Care?” *The New Yorker*, January 26.

WEEK 5: IMPLEMENTATION

November 1, 2011 - Lecture 09: Market incentives vs. command and control: London congestion charging

Jonathan Pincus

Required reading:

Eric Morris (2009) “London Congestion Charge [blog]” *New York Times*, October 13.

Suggested reading:

Jonathan Leape (2006) “The London Congestion Charge,” *Journal of Economic Perspectives*, 20:4, 157-176.

November 3, 2011 - Lecture 10: Politics and Policy implementation

Jonathan Pincus

Required reading:

Vũ Khoan (2011) “Lại bàn về đầu tư công,” *Saigon Economic Times*, August 12,
<http://www.thesaigontimes.vn/Home/diendan/ykien/59005/Lai-ban-ve-dau-tu-cong.html>.

Suggested reading:

Joseph Stiglitz (1998) “The Private Uses of Public Interests: Incentives and Institutions,” *Journal of Economic Perspectives*, Spring, 3-22.

WEEK 6: JUSTICE

November 8, 2011 - Lecture 11: What’s the right thing to do?

Dinh Vu Trang Ngan

Required reading:

Michael Sandel (2009) *Justice: What’s the Right Thing to Do?* New York: Farrar, Straus and Giroux. Chapter 1: “Doing the right thing.”

November 10, 2011 - Lecture 12: A lesson in lying

Dinh Vu Trang Ngan

Required reading:

Michael Sandel (2009) *Justice: What’s the Right Thing to Do?* New York: Farrar, Straus and Giroux. Chapter 5: “What matters is the motive”

WEEK 7: MIDTERM EXAMS

No classes

WEEK 8: STUDENT PRESENTATIONS

November 22, 2011: Groups 1-3

November 24, 2011: Groups 4-6