

**Fulbright Economics Teaching Program  
Master in Public Policy  
Academic Year 2010-2011  
Fall Term**

**SYLLABUS**

**Introduction to Public Policy and Institutional Analysis**

**Class Times**

Tuesday and Thursday 10:15-11:45  
October 5 to November 18, 2010

**Teaching Team**

Co-Instructors: Jonathan Pincus ([jonathan.pincus@fetsp.vnn.vn](mailto:jonathan.pincus@fetsp.vnn.vn))  
Dinh Vu Trang Ngan ([ndinh@fetsp.vnn.vn](mailto:ndinh@fetsp.vnn.vn))  
Tutor: Ngo Hoang Thao Trang ([m1.trangnht@fetsp.vnn.vn](mailto:m1.trangnht@fetsp.vnn.vn))  
Interpreter: Nguyen Quy Tam ([quytam@fetsp.vnn.vn](mailto:quytam@fetsp.vnn.vn))

**Office Hours**

	Monday	Tuesday	Wednesday	Thursday	Friday
Jonathan Pincus	15:00–16:30		15:00–16:30		
Dinh Vu Trang Ngan		13:30 – 15:00		13:30 – 15:00	
Ngô Hoàng Thảo Trang		15:00 – 17:00		17:15 – 18:15	

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 the role of community values and information networks in policy analysis and 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

Participants 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:	30%
Policy debate:	20%
Policy log book:	50%

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

In the second week of the course, students will be divided into 12 groups. Each group will be assigned a policy proposal. There are six policy issues in all, meaning that each issue will be assigned to two groups. One of the two groups will be asked to support the proposal, and the other will oppose it. In the final week of the course, we will hold debates between the supporters and opponents of the policy proposal. The debate will take the form of an initial presentation by the proponents of the proposal followed by a response by the opponents. The two groups will then take questions from the audience (other students). In the end, the audience will vote to determine whether the proposal is accepted or rejected.

Students will also keep a “*policy log book*” during the term and submit it after the last week of class. Students will write notes and impressions from the readings and classes in the log book. Notes on other relevant issues, newspapers stories, books and articles can also be kept in the log book. The log book should demonstrate that the student is reading the assigned material and applying this knowledge to current issues in Vietnamese public policy.

## Class Schedule

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### WEEK 1: WHAT IS PUBLIC POLICY?

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#### 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.

#### 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.

Vietnamnet series on milk pricing, “Người tiêu dùng Việt Nam đang 'đốt' tiền mua sữa,” Articles 1-5.

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### WEEK 2: AN INTRODUCTION TO THE MARKET ECONOMY

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#### Lecture 03: 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.

#### Lecture 04: What prices can't tell

Dinh Vu Trang Ngan

*Required reading:*

John Cassidy (2009) *How Markets Fail*, New York: Farrar, Straus and Girous. Chapter 10, “A Taxonomy of Failure”

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## WEEK 3: KNOWLEDGE AND INFORMATION

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### Lecture 05: Hidden Information

Dinh Vu Trang Ngan

*Required reading:*

John Cassidy (2009) *How Markets Fail*, New York: Farrar, Straus and Girous. Chapter 12, "Hidden Information and the Market for Lemons"

### Lecture 06: 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.

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## WEEK 4: RATIONALITY

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### Lecture 07: Making Choices

Dinh Vu Trang Ngan

*Required reading:*

Steven Landsburg (1993) *Armchair Economist: Economics and Everyday Life*, Free Press. Chapter 16 - 18: "Why Popcorn Costs More at the Movies and Why the Obvious Answer Is Wrong," "Courtship and Collusion: The Mating Game," "Cursed Winners and Glum Losers: Why Life Is Full of Disappointments"

### Lecture 08: The Endowment Effect

Jonathan Pincus

*Required reading:*

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

*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.

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## WEEK 5: VALUES AND DISTRIBUTION

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### Lecture 09: Justice: How do we know what 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."

### Lecture 10: Fairness and Efficiency

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/ Immanuel Kant," Chapter 6: "The case for equality."



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## WEEK 6: IMPLEMENTATION

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### Lecture 11: 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.

## **Lecture 12: Policy implementation and “networked government”**

Jonathan Pincus

*Required reading:*

“Harvard bàn về khủng hoảng giáo dục đại học VN,” (2009) *Tuanvietnam.net*,  
<http://www.tuanvietnam.net/harvard-ban-ve-khung-hoang-giao-duc-dai-hoc-vn>.

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## **WEEK 7: POLICY DEBATES**

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**Lecture 13: Groups 1-3**

**Lecture 14: Groups 4-6**