

**Fulbright Economics Teaching Program
Master in Public Policy
Academic Year 2012-2014
Fall Term**

**SYLLABUS
Introduction to Public Policy and Institutional Analysis**

Class Times

Tuesday and Thursday 10:15-11:45
October 2 to November 15, 2012

Teaching Team

Co-Instructors: Jonathan Pincus (jonathan.pincus@fetp.vnn.vn)
Tran Thi Que Giang (giangtq@fetp.vnn.vn)
Tutor: Lien Thu Tran
Interpreter: Nguyen Quy Tam (quytam@fetp.vnn.vn)

Office Hours

	Monday	Tuesday	Wednesday	Thursday	Friday
Jonathan Pincus					
Tran Thi Que Giang	15 – 16:30				15 – 16:30
Lien Thu Tran					

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. More focus will be put on students' development of critical thinking, analytical skill, rigid argument, dynamics and confidence.

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:	30%
Reading Diary:	40%
“Inside Vietnam” Project:	30%

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

Students will also keep a “*reading diary*” and submit it at the beginning of each week. The diary should have three parts: (i) summary of key messages and impressions from the readings of the week and reality observations (ii) Notes and comments on previous class discussions, and (iii) notes on related literature including 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. A non exhaustive-list of recommended newspapers and websites may include: www.thesaigontimes.vn, www.economist.com, www.justiceharvard.org/

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 clips 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 2, 2012 - Lecture 01: Public Policy in a Market Economy

Jonathan Pincus

World Bank and VCCI (2011) "Vietnam in Transition: Changing Attitudes towards the Market and State," Hanoi.

October 4, 2012 - Lecture 02: Public Policy and Critical thinking

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/>

"Bó 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>

"Phoi bày thế giới ngậm kinh doanh sữa,"

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

"Lợi nhuận kếch xù từ kinh doanh sữa vào tay ai?"

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

Also:

Xuân Hương (2012) "Quản giá sữa ngay từ cửa khẩu" Vneconomy, March 29,

<http://vneconomy.vn/20120329103036740P0C19/quan-gia-sua-ngay-tu-cua-khau.htm>.



"Here are some of my policy assumptions.
Find something to base them on."

WEEK 2: INCENTIVES

October 9, 2012 - Lecture 3: From the right incentives to good motivation

Tran Thi Que Giang

Required reading:

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

Ben Wilkinson & al. (2010): *Beyond the Apex: Toward a System Level Approach to Higher Education Reform in Vietnam*, extract of Part II: “Snapshot of Vietnamese higher education today”, FETP OCW

October 11, 2012 - Lecture 04: What’s wrong?

Tran Thi Que Giang

Required reading:

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

Vu Thanh Tu Anh (2006), *Xé rào ưu đãi đầu tư của các tỉnh*, Thời báo kinh tế Sài gòn 23/3/2006
Hết Vinashin đến Vinalines, Thời báo kinh tế Sài gòn, 15/05/2012,
<http://www.thesaigontimes.vn/Home/diendan/ykien/76232/Het-Vinashin-den-Vinalines.html>

WEEK 3: RATIONALITY

October 16, 2012 - Lecture 05: Cost – Benefit Analysis

Tran Que Giang

Required reading:

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

“*Playing with fire*”, Special report on “Financial Innovation”, The Economist, 25th Feb 2012.

Hồng Phúc & Thanh Thương, *Mức độ rút tiền tại ACB trong tầm kiểm soát*, Thời báo kinh tế Sài gòn 15/05/2012, <http://www.thesaigontimes.vn/Home/taichinh/nganhang/81984/>
Chuỗi bài về Quản lý người ăn xin:

Ngũ Anh Tuấn, *Cần có biện pháp quản lý người ăn xin*, Ninh Thuận online, 20/04/2012,

<http://baoninhthuan.com.vn/news/24288p1c30/can-co-bien-phap-quan-ly-nguoi-an-xin.htm>

Lê Thanh, *Cần quản lý người ăn xin*, Nghệ An online, 16/04/2012,

http://www.baonghean.vn/news_detail.asp?newsid=83806&CatID=75



October 18, 2012 - 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: INSTITUTIONS AND INSTITUTIONAL CHANGE

October 23, 2012 - 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 25, 2012 - Lecture 08: Path dependence - US health care reform and Vietnam hospital pricing

Jonathan Pincus

Required reading:

UNDP (2011) *Dịch vụ xã hội phục vụ phát triển con người: Báo cáo Quốc gia về Phát triển Con người năm 2011 [Social Services for Human Development: National Human Development Report 2011]*,

[http://www.undp.org.vn/detail/publications/publication-
details/?contentId=4225&languageId=4&categoryName=All&CategoryConditionUse=](http://www.undp.org.vn/detail/publications/publication-details/?contentId=4225&languageId=4&categoryName=All&CategoryConditionUse=)

Suggested reading:

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

WEEK 5: POLICY AND IMPLEMENTATION

October 30, 2012 - Lecture 09: Evidence-based policy making

Jonathan Pincus

Required reading:

Henderson, Mark (2013) "Using the Tools of Science to Improve Social Policy," *The Observer*, May 13.



November 1, 2012 - Lecture 10: 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.

WEEK 6: PUBLIC VALUES

November 6, 2012 - Lecture 11: Justice

Tran Thi Que Giang

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."

Vu Thanh Tu Anh (2011), "Thiếu công bằng trong tăng giá điện" *Thời báo Kinh tế Sài Gòn*, ngày 03/03/2011.

Chuỗi bài về vụ án Đoàn Văn Vươn

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*"Miss Dugan, will you send someone in here
who can distinguish right from wrong?"*

November 8, 2012 - Lecture 12: Morality

Tran Thi Que Giang

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"

Pham Duy Nghĩa, "Người nghèo, chó dữ và những ông chủ giàu", Tuổi trẻ ngày 30/01/2010
Tuổi trẻ (2012), chuỗi bài về Vụ án nhà báo Hoàng Khương

WEEK 7: STUDENT PRESENTATIONS

November 13, 2012: Groups 1-3

November 15, 2012: Groups 4-6