Economics 349(L01) (Economics of Social Problems)

Instructor: Dr. Jean-François Wen  
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Email: wen@ucalgary.ca  
Office: SS418  
Office Hours: TR 15:00-16:00  
Lecture Location: ST147  
Lecture Days/Time: TR 9:30-10:45  

(Winter 2016)

Course Description

This course will use the tools of economic analysis to contribute to our knowledge of various social problems in Canada. The emphasis will be on the so-called economic way of thinking, which emphasizes incentives and individual choices. Attention will also be given to carefully designed empirical studies that connect social problems to explanatory variables. Using the economic model of the rational agent, we will explore how individuals behave in a social context. We will study how and when these actions may lead to social problems such as income inequality and poverty, crime, addiction, poor health, violence, and institutional instability. We will also evaluate the policies that are commonly proposed to deal with these problems.

Class participation is an important part of your learning experience. You should attend classes and be prepared to read the assigned material in advance in order to contribute to in-class questions and debates. Many of the questions that will come up in class have no clear cut response. Therefore, the point of the discussion is not to find the “right” answer but to be able to provide economic arguments to support your own view.

Course Objectives/Learning Outcomes

What you should expect to learn from this course is how to analyze social problems using economic models and empirical strategies, and to be aware of the pros and cons of the policy instruments that we use to solve them.

Prerequisites/corequisites

Econ201 and Econ203
Required Textbook(s)
There is no single textbook for this course. The basic materials will be covered in class. Below you will find a list of various textbook chapters and articles from which some of the lectures will be drawn. The readings with an asterisk (*) are required readings. The journal articles are available as electronic downloads from the university library. The textbooks that are listed are all on reserve at TFDL. Additional readings may be posted on D2L.

Topics and References
(Starred references are required readings)

The materials cited are the main sources from which the lectures are drawn.

1. Economic Perspectives on Social Problems
   a. What is a “social problem”?
   b. What is an “economic perspective”?
      i. Assumption of rationality
      ii. Econometric identification

2. Economics of Crime
   General Background: Statistics and Concepts


**Game Theory and Dynamics of Crime**


**Empirical Studies**


3. Economics of Obesity
General Background: Statistics and Concepts

a. Hurley, J. (2010) Individual-Level Demand for and Production of Health, Chapter 5 in Health Economics (Toronto: McGraw-Hill Ryerson), pages 132-141. This portion of the chapter introduces the “health capital model” used by economists to understand health outcomes. (*)

Empirical Studies


4. Economics of Addiction

General Background: Statistics and Concepts


Empirical Studies


5. Inequality, Poverty, and Discrimination

General Background: Statistics and Concepts

statistics and measures relating to inequality and poverty in Canada, and it addresses issues of inequality and poverty from a sociology perspective.


d. Fortin, N. D. Green, T. Lemieux, and K. Milligan (2012) Canadian Inequality: Recent Developments and Policy Options, *Canadian Public Policy* 38(2): 121—145. This article discusses recent trends on income inequality and the so-called top 1% versus the bottom 99%. (*)

e. The Conference Board of Canada (2012) “Hot Topic: Canadian Income Inequality: Is Canada Becoming More Unequal?” [http://www.conferenceboard.ca/hcp/hot-topics/caninequality.aspx](http://www.conferenceboard.ca/hcp/hot-topics/caninequality.aspx). This web-based article points to various policy changes that appear to have contributed to rising inequality in Canada. (*)


Social Determinants of Health


b. Richard Wilkinson’s Ted Talk on Inequality: [https://www.youtube.com/watch?v=PWpMr8jnf8](https://www.youtube.com/watch?v=PWpMr8jnf8). This Ted Talk is based on a major
book that claims that inequality per se generates various bad outcomes such as worsened population health.

**Empirical Studies**


d. Ontario Ministry of Labour (2014), Section 3: The Economic Impact of Minimum Wages: 
[http://www.labour.gov.on.ca/english/es/pubs/mwap/section_03.php](http://www.labour.gov.on.ca/english/es/pubs/mwap/section_03.php) This webpage summarizes the empirical findings on the economic effects of minimum wages. (*)


6. **Homelessness and Food Insecurity**

**Empirical Studies**


7. **Delinquency and the Underclass**


8. Environment and Health

General Background: Statistics and Concepts


b. Sharp, A.M., C.A. Register, and P.W. Grimes (2008) Pollution Problems, Chapter 4 in Economics of Social Issues, 8th edition (New York: McGraw-Hill Irwin). This chapter provides an introduction to the economics of environmental problems and remedies. This chapter explains the core concept of externalities, which applies not only to pollution but also to other types of social problems. (*)

Empirical Studies

   This paper applies the health capital model in an empirical study connection air pollution and respiratory problems.


9. Violence Against Women


10. Other Topics

Desire2Learn This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at http://d2l.ucalgary.ca through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.
Grade Determination and Final Examination Details:

Homework Assignments (2@ 10% each) 20%
Midterm (March 3, 2016) 30%
Class Participation 20%
Final Examination 30%

Homework assignments are due at the beginning of the lecture on the due date. Late assignments will not be accepted. You are welcome to work in small groups (2 or 3 students) and to hand in a group assignment. All students in the group will receive the same mark for that assignment.

Class participation is required. Required class participation will take the form of participation in forums and/or in-class quizzes. There is no make-up for in-class quizzes. These will make up 20% of your mark. In addition, the class format will introduce opportunities for students to participate in class. This type of in-class participation may be used by the instructor to increase (never to decrease) your grade at his discretion.

Tests and final exams are marked on a numerical (percentage) basis, then converted to letter grades. The course grade is then calculated using the weights indicated above. As a guide to determining standing, these letter grade equivalences will generally apply:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>95-100</td>
</tr>
<tr>
<td>A</td>
<td>85-94</td>
</tr>
<tr>
<td>A-</td>
<td>80-84</td>
</tr>
<tr>
<td>B+</td>
<td>77-79</td>
</tr>
<tr>
<td>B</td>
<td>73-76</td>
</tr>
<tr>
<td>B-</td>
<td>70-73</td>
</tr>
<tr>
<td>C+</td>
<td>67-69</td>
</tr>
<tr>
<td>C</td>
<td>63-66</td>
</tr>
<tr>
<td>C-</td>
<td>60-62</td>
</tr>
<tr>
<td>D</td>
<td>50-54</td>
</tr>
<tr>
<td>D+</td>
<td>55-59</td>
</tr>
<tr>
<td>F</td>
<td>0-49</td>
</tr>
</tbody>
</table>

A passing grade on any particular component of the course is not required for a student to pass the course as a whole. Non-programmable calculators WILL be allowed during the writing of tests or final examinations, but cell-phones are strictly forbidden during the writing of examinations.

No deferred midterms will be given. In case of documented illness or family emergency, the extra weight will be shifted to the final examination. The instructor should be notified in advance whenever possible if a student will be unable to write a midterm. In any case, documentation must be provided as soon as possible (within a day or so of the missed midterm).

There will be a Registrar scheduled final examination, lasting 2 hours.

Tests and exams WILL NOT involve multiple choice questions.
Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Grade Point Value</th>
<th>Description</th>
<th>Grade</th>
<th>Grade Point Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A+</td>
<td>4.00</td>
<td>Outstanding</td>
<td>C+</td>
<td>2.30</td>
<td>Satisfactory – basic understanding of the subject matter</td>
</tr>
<tr>
<td>A</td>
<td>4.00</td>
<td>Excellent-superior performance, showing-comprehensive understanding of subject matter</td>
<td>C</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>A-</td>
<td>3.70</td>
<td></td>
<td>C-</td>
<td>1.70</td>
<td>Receipt of a grade point average of 1.70 may not be sufficient for promotion or graduation. (See individual undergraduate faculty regulations.)</td>
</tr>
<tr>
<td>B+</td>
<td>3.30</td>
<td>Good – clearly above average performance with knowledge of subject matter generally complete.</td>
<td>D+</td>
<td>1.00</td>
<td>Minimal pass – marginal performance; generally insufficient preparation for subsequent courses in the same subject.</td>
</tr>
<tr>
<td>B</td>
<td>3.00</td>
<td>Good – clearly above average performance with knowledge of subject matter generally complete.</td>
<td>D</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>B-</td>
<td>2.70</td>
<td></td>
<td>F</td>
<td>0</td>
<td>Fail – unsatisfactory performance or failure to meet course requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>I</td>
<td>0</td>
<td>Incomplete – unsatisfactory (effective January 2007)</td>
</tr>
</tbody>
</table>

Reappraisal of Grades

For reappraisal of graded term work, see Calendar I.2
http://www.ucalgary.ca/pubs/calendar/current/i-2.html

For reappraisal of final grade, see Calendar I.3
http://www.ucalgary.ca/pubs/calendar/current/i-3.html

A student who feels that a piece of graded term work (e.g., term paper, essay, test) has been unfairly graded, may have the work re-graded as follows. The student shall discuss the work with the instructor within 15 days of being notified about the mark or of the item’s return to the class; no reappraisal of term work is permitted after the 15 days. If not satisfied, the student shall immediately take the matter to the Head of the department offering the course, who will arrange for a reassessment of the work within the next 15 days. The reappraisal of term work may cause the grade to be raised, lowered, or to remain the same. If the student is not satisfied with the decision and wishes to appeal, the student shall address a letter of appeal to the Dean of the faculty offering the course within 15 days of the unfavourable decision. In the letter, the student must clearly and fully state the decision being appealed, the grounds for appeal, and the remedies being sought, along with any special circumstances that warrant an appeal of the reappraisal. The student should include as much written
documentation as possible.

**Plagiarism and Other Academic Misconduct**

Intellectual honesty is the cornerstone of the development and acquisition of knowledge and requires that the contribution of others be acknowledged. Consequently, plagiarism or cheating on any assignment is regarded as an extremely serious academic offense. Plagiarism involves submitting or presenting work in a course as if it were the student's own work done expressly for that particular course when, in fact, it is not. Students should examine sections of the University Calendar that present a Statement of Intellectual Honesty and definitions and penalties associated with Plagiarism/Cheating/Other Academic Misconduct, [http://www.ucalgayr.ca/pubs/calendar/current/k.html](http://www.ucalgayr.ca/pubs/calendar/current/k.html)

**Academic Accommodation**

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities Visit [www.ucalgary.ca/access/](http://www.ucalgary.ca/access/).

Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at [www.ucalgry.ca/policies/files/policies/student-accommodation-policy_0.pdf](http://www.ucalgry.ca/policies/files/policies/student-accommodation-policy_0.pdf)

**Absence from a Quiz/Test/Exam**

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Registrar’s Office, they need to apply for a deferred exam [www.ucalgary.ca/registrar/exams/deferred_final](http://www.ucalgary.ca/registrar/exams/deferred_final) Under no circumstance will this be accommodated by the department.

**Important Dates**

Please check: [http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html](http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html)

Faculty of Arts Students’ Association (F.A.S.A.):

Economics Department Representative
Office: SS 803, E-mail: econrep@fasaucalgary.ca Web: [www.fasaucalgary.ca](http://www.fasaucalgary.ca)

Society of Undergraduates in Economics
[www.ucalgarysue.com](http://www.ucalgarysue.com)

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career partnerships with the Career Centre through hosting industry nights and information sessions, recognizing achievements in teaching, and organizing social events for members. They invite you to join by contacting sue@ucalgary.ca.
Faculty of Arts Program Advising and Student Information Resources

- Have a question, but not sure where to start? The Arts Students’ Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at http://arts.ucalgary.ca/undergraduate which has detailed information on common academic concerns, including program planning and advice.

- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.

- Online writing resources are available at http://www.ucalgary.ca/ssc/resources/writing-support

Evacuation Assembly Point

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The list of assembly points is found at www.ucalgary.ca/emergencyplan/assemblypoints

Please check this website and note the nearest assembly point for this course.

Safewalk

The safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year.

Call 403-220-5333