

ST. FRANCIS XAVIER UNIVERSITY  
Department of Economics

ECONOMICS 241: Canadian Economic Policy and Problems

**Instructor:** Patrick Withey

Fall 2012

**Lectures:** 9:45 AM–11:00 AM Wednesday and 8:15 AM – 9:30 AM Friday  
NH 348

**Office:** Nicholson Tower 504

**Office Hours:** Monday 11:00 AM- 1:00 PM; Tuesday 10:00 AM -1:00 PM  
Wednesday 12:00 PM- 1:00 PM or by appointment

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**Course Description (Calendar):**

Covers policy issues and problems in the Canadian economy. Topics include: employment and unemployment; poverty and income distribution; productivity, education and the ‘brain drain’; health care and the social welfare safety net; trade and globalization; the environment and sustainable development; the primary sectors, regional disparity; and the new economy. Topics that reflect strong student interest and/or new issues may be added.

**Course Goals:**

The goal of this course is twofold. First, the course will provide a survey of policy issues that come up in various economic fields of study, so that students can sample the types of questions and issues that can be analyzed in different economic courses. Second, by taking this course, students should gain an appreciation for the various public policy issues faced by decision-makers in Canada, and how these issues can be analyzed using economic theory.

**Textbook:**

Luciani, P. (2004). Economic Myths: Making Sense of Canadian Policy Issues, 4E.  
(Mandatory)

Fellows, C.M., Flanagan, G. and S. Shedd (1997). Economic Issues: A Canadian Perspective (Optional – on reserve)

**Prerequisites:** Econ 101 and Econ 102

## Grading:

Your final grade will be determined as follows:

Midterm 1	25%	Wednesday, October 10, 2012
Midterm 2	25%	Friday, November 9, 2012
Final examination	<u>50%</u>	TBA

You will take two midterm tests during the term, which are not cumulative. You will be tested on material from lectures, textbook and any supplemental reading that may be assigned. You must write the final exam in order to pass the course. The final examination will be set by the examinations office and covers material from the entire course.

## SYLLABUS

The following topics and readings are tentative and changes may be made as the course progresses. We may not have time to cover all topics. In such a case, we can decide based on class interest which topics to study.

1. Introduction to Canadian policy issues and review of economic theory
  - a. Luciani pp. ix-xvi, Fellows et al. Ch.'s 1 and 2, introductory economic textbook
2. Issues in Labour Economics (Econ 361)
  - a. Minimum wages: Are higher minimum wages a good way to help the working poor? Luciani Ch 4
  - b. Who pays for education? Fellows et al Ch. 3
    - i. Education and wages: the value of a University Education- Luciani Ch. 16
  - c. The New Economy: Is job security a thing of the past? Luciani Ch. 28
  - d. The Brain Drain: Is Canada suffering? Luciani Ch. 29
3. Issues in International Trade and Finance (Econ 365 and 366)
  - a. Background to free trade – Fellows et al Ch. 12
  - b. NAFTA: how are we doing? – Luciani Ch. 7, Fellows et al Ch. 12
  - c. Does buying Canadian mean more jobs for Canadians? Luciani Ch. 9
  - d. Valuing the Canadian dollar: does a lower value make us competitive in trade? Luciani Ch.8
4. Issues in Health Economics (Econ 364)
  - a. Background - Supply and demand for health professionals – Luciani Ch. 5, Fellows et al Ch. 6
  - b. Obesity: is it an economic issue? Luciani Ch. 6

5. Issues in Environmental Economics (Econ 281 and 381)
  - a. Optimal pollution levels – Luciani Ch. 18, Fellows et al Ch. 6
  - b. Are we running out of natural resources? Luciani Ch. 19, Fellows et al Ch. 16
  - c. Does recycling make good business sense? Luciani Ch. 20
  - d. Growth vs. the environment- Luciani Ch. 21
  
6. Economics of Sports (Econ 291)
  - a. Do athletes earn their pay? Fellows et al Ch. 11
  
7. Issues in Public Finance (Econ 391 and 392)
  - a. Background - Is Government spending too much? Luciani Ch. 17, Fellows et al Ch. 15
  - b. Can Government afford an aging population? Luciani Ch.14
  - c. Defence spending – Luciani Ch. 26
  
8. Issues in Macroeconomics (I.E. Econ 102...) and Money and Banking (Econ 330)
  - a. Government statistics- Luciani Ch. 25
  - b. Why do we have Unemployment? Fellows et al Ch.13
  - c. Inflation: can we create too much money? Fellows et al Ch. 14
  - d. Do banks in Canada make too much? Luciani Ch. 24
  - e. Financial markets- Luciani Ch. 27
  
9. Poverty and Economic Development (Econ 306 and 307)
  - a. Poverty and income distribution in Canada- Luciani Ch. 15, Fellows et al Ch. 7
  - b. International income distribution – Luciani Ch. 11
  - c. Should we abolish child labour? Luciani Ch. 12
  - d. Should we abolish third world debt? Luciani Ch. 13
  
10. Issues in Industrial Organization (Econ 312)
  - a. Big business vs. small business- Luciani Ch. 3, Fellows et al Ch. 9
  - b. The state of Canadian manufacturing – Luciani Ch. 22
  
11. Crime and punishment
  - a. How much is too much crime? Fellows et al Ch. 4

**Policies:**

Approach to the course and class participation: Students are expected to attend all classes and be present in class on time. For each major topic, I will first provide some background economic analysis, which will be followed by a class discussion of several specific policy questions. Much of the background will come from my lecture notes, making class attendance extremely important. Students will be responsible for ALL material presented during lectures. Students are expected to prepare for each week of lectures by reading the assigned chapters of the required text and are expected to actively

engage in class discussions. Exam questions will typically consist of short answer questions and will require you to critically analyze policy issues using economic theory, as we will do during discussions in class.

Missed midterm exams: There will be no make-up midterm exams. If you miss a midterm exam and provide evidence of an illness, accident or family affliction, then the weight of that midterm will be placed on the final. Students may not miss both midterms. In the event of an illness or family affliction, students should immediately consult with a physician, a counsellor, or another health professional to obtain official documentation. This documentation must specifically cover the date of the missed examination.

Email Policy: I am happy to answer questions about the course via email, and try to respond within a day or two. However, students should try to limit emails to critical matters such as inability to attend class or an exam or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during office hours or in class. The standard format for writing a letter must be used. This means it should start off with a salutation (e.g. Dear...), include full sentences and conclude with a signature that includes your name (e.g. “Sincerely, *your full name*).

Travel Plans: Students are advised not to make travel plans until after the examination timetable has been finalized. Students who wish to finalize their travel plans at an earlier date should book flights that depart after the end of the examination period. *There will be no special accommodation if travel plans conflict with the examination.*

Plagiarism and Cheating: Students are expected to observe the same standards of scholarly integrity as their academic and professional counterparts. Students who are found to have engaged in unethical academic behavior, including the practices described on page 13-14 of the Calendar or available online at [www.sites.stfx.ca/registrars\\_office/academic\\_integrity](http://www.sites.stfx.ca/registrars_office/academic_integrity), are subject to penalty by the University.

Statement on Equitable Learning Environment:

Everyone learns more effectively in a respectful, safe and equitable learning environment, free from discrimination and harassment. I will strive to create a classroom space that promotes values of human dignity, equity, non-discrimination and respect for diversity. These values and practices are in accord with the *StFX Discrimination and Harassment Policy* which can be found at <http://www.mystfx.ca/campus/stu-serv/equity/>.

Please feel free to talk to me about your questions or concerns about equity in our classroom or in the StFX community in general. If I cannot answer your questions or help you address your concerns, I encourage you to talk to the Chair/Coordinator of the Department/Program or the Human Rights and Equity Advisor, Marie Brunelle at [mbrunell@stfx.ca](mailto:mbrunell@stfx.ca)