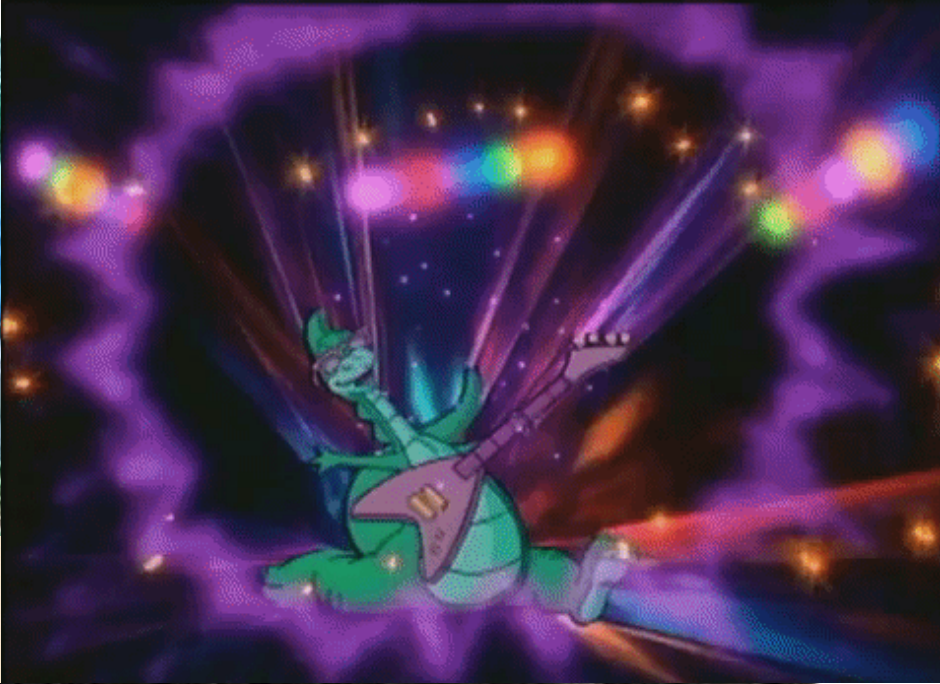


Markets and Measurement I

MPA 612: Public Management Economics

January 8, 2018





THYRANATHAURUS

REXTH



Plan for today

What are markets?

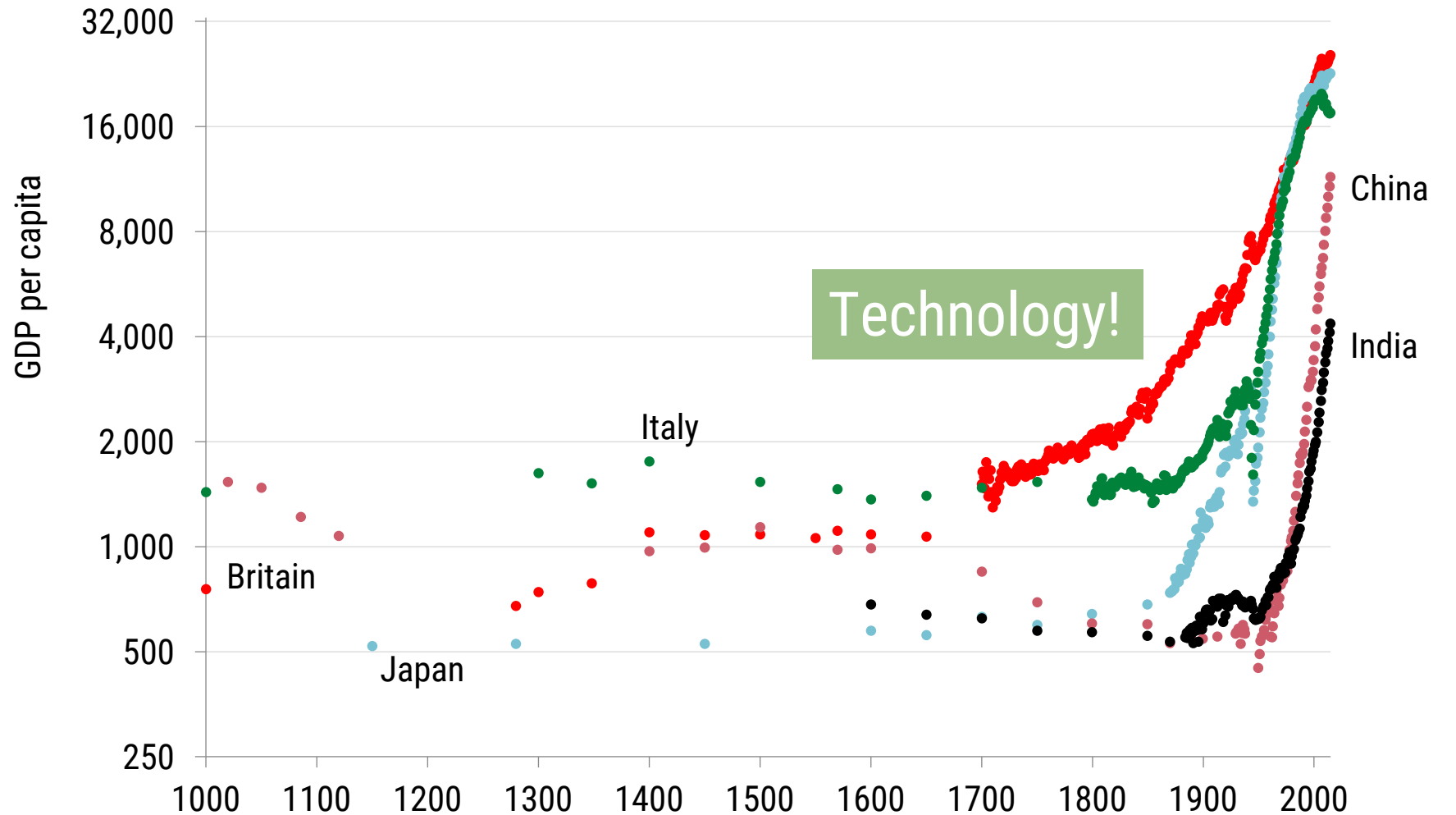
What is the public sector and why is it necessary?

What is economics even?

Plan for the class

Markets and capitalism


What happened?



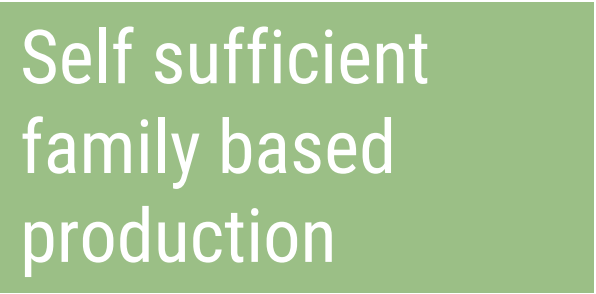
The technological revolution

Inputs → Outputs

As the time to produce stuff decreases,
living standards increase



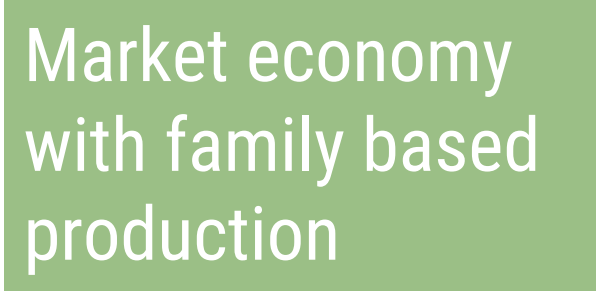
An economic
system with
private property



Self sufficient
family based
production



and markets



Market economy
with family based
production



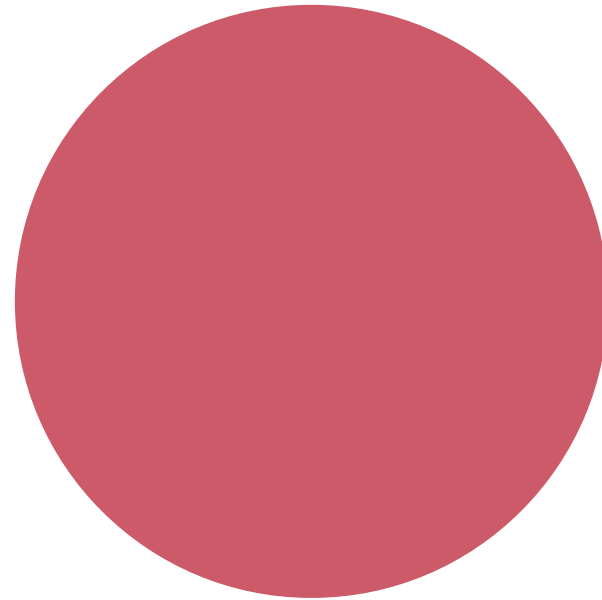
and firms



Capitalist
economic system

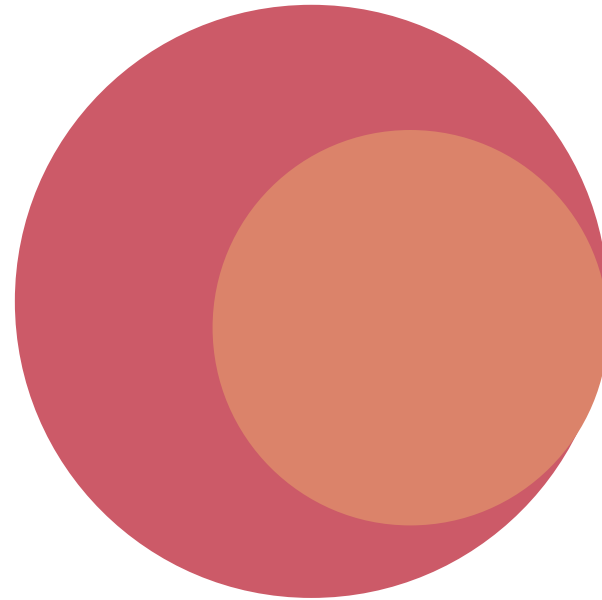
Quick definitions

Private property The right and expectation that you can use your stuff how you want



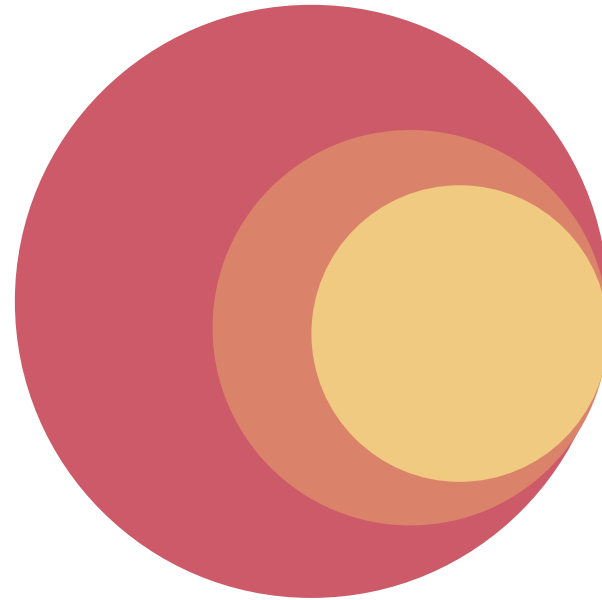
Quick definitions

Markets A way of connecting people who may mutually benefit by exchanging goods or services through a process of buying and selling



Quick definitions

Firms Organizations that use labor (people) and capital (inputs) to produce goods and services to make a profit

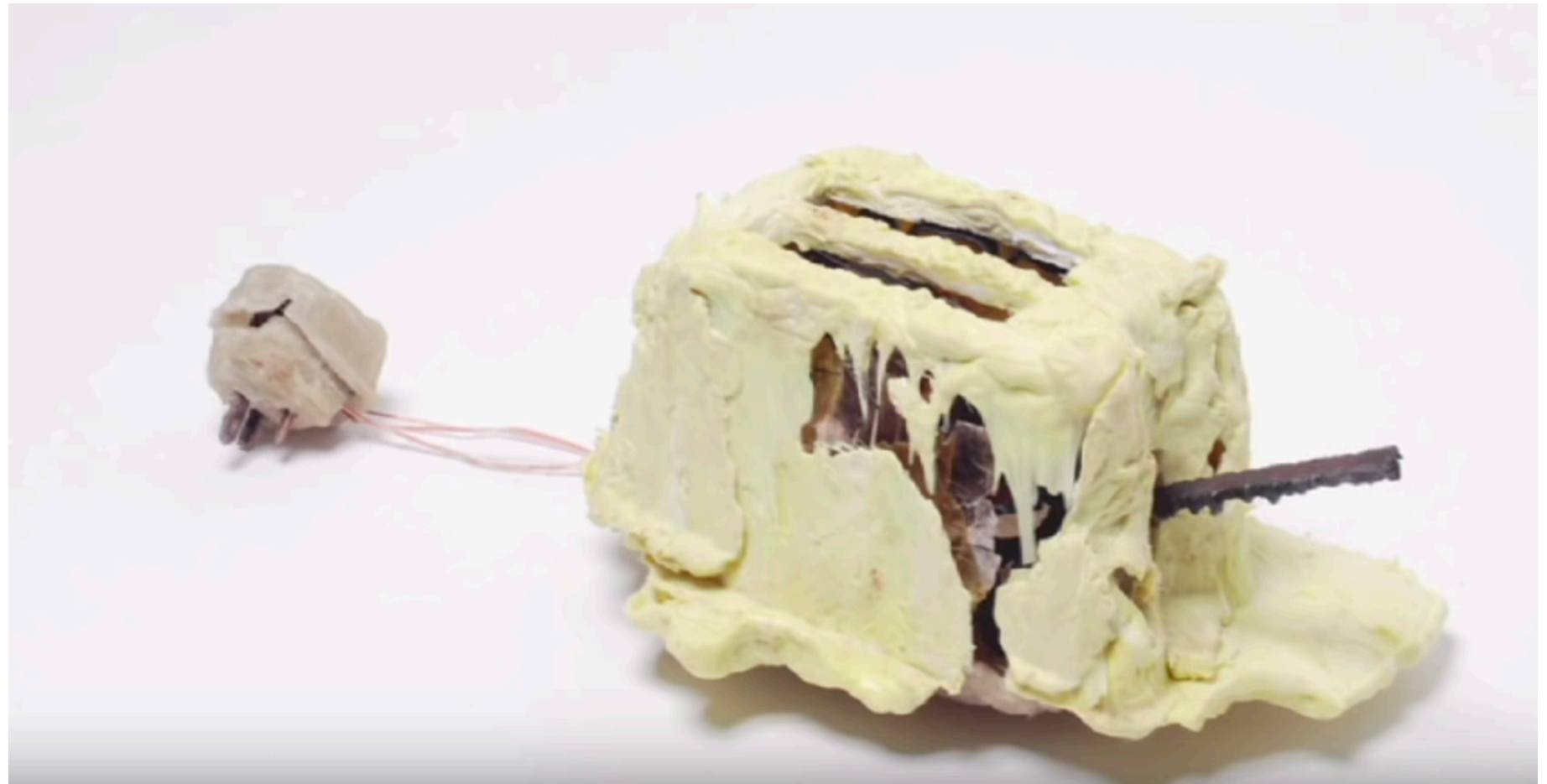


Technology and markets

Who feeds Provo?

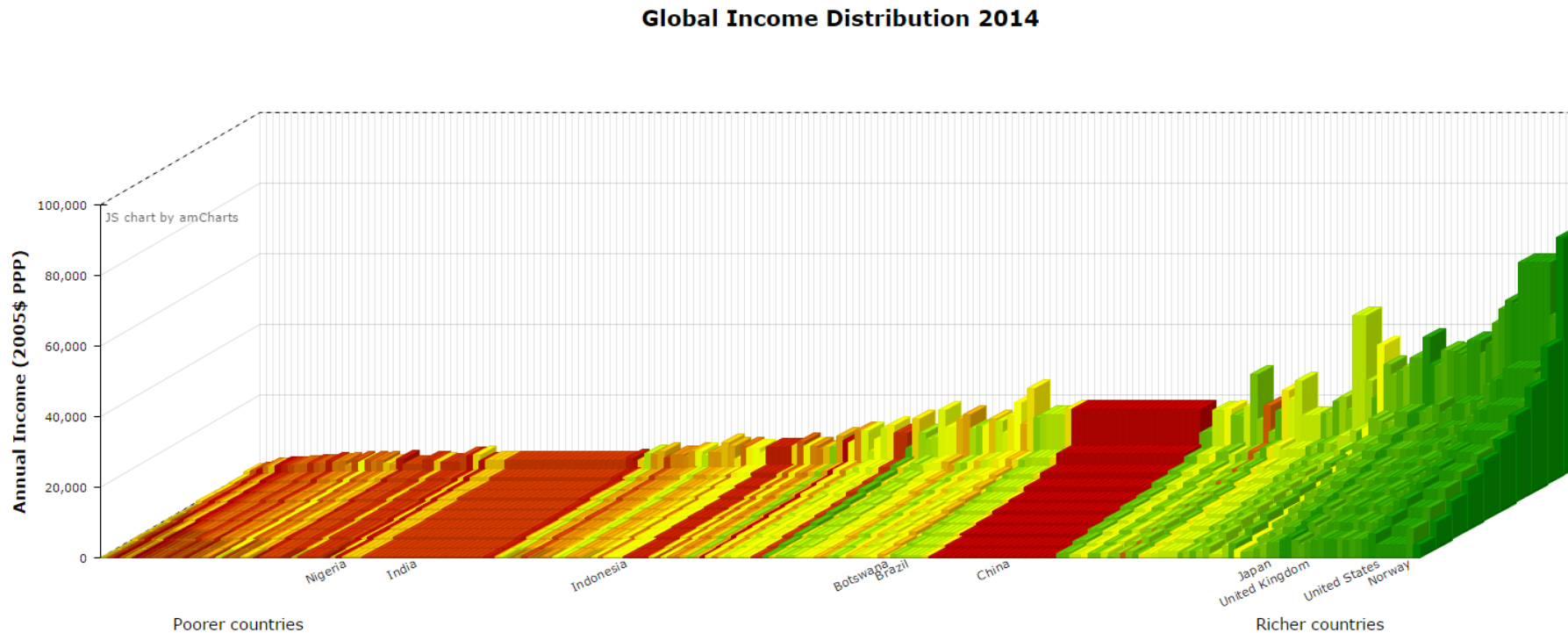


Technology and markets



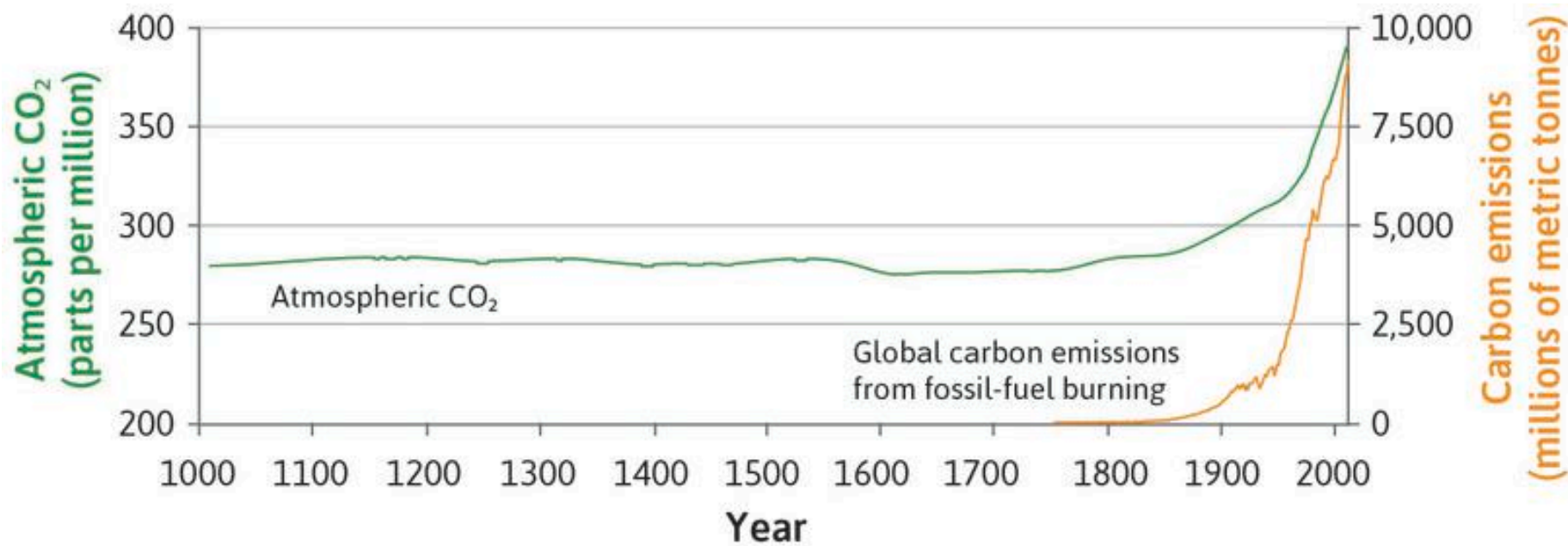
However... inequality

Not all gains are spread equally (within *and* between)

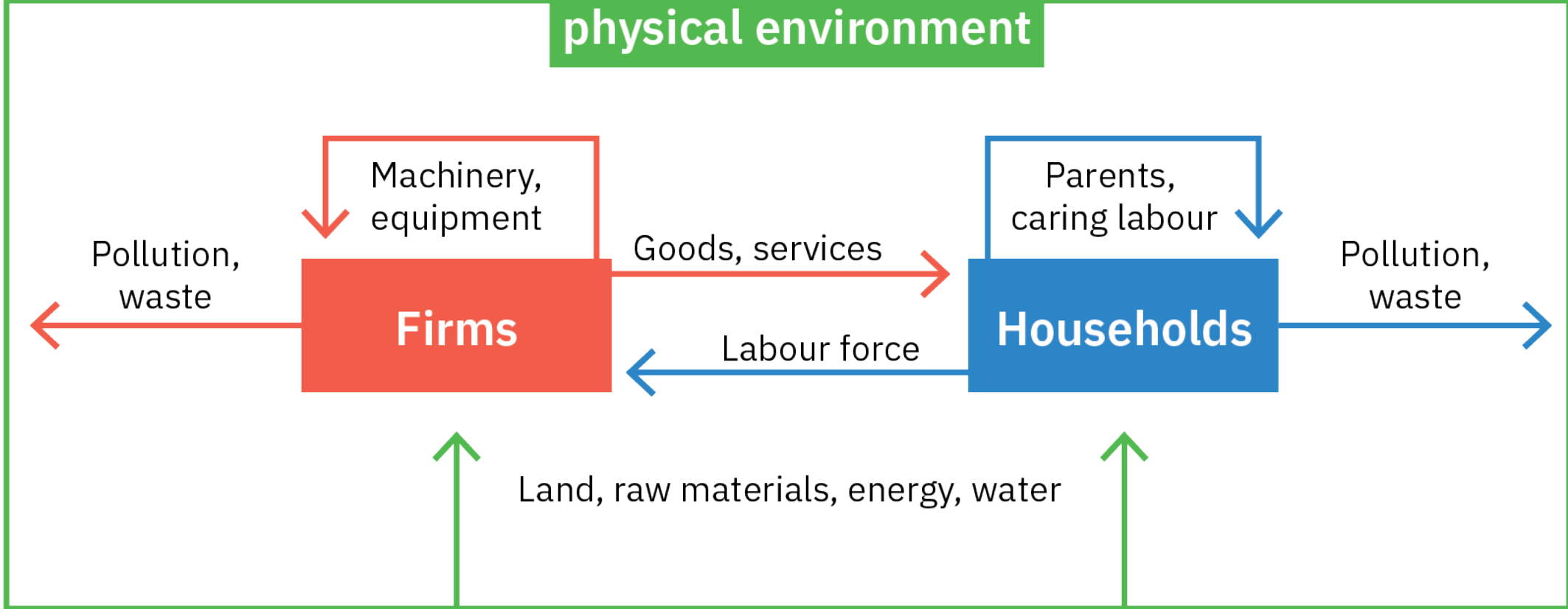


However... the environment

Gains have side effects



Biosphere and physical environment



Public goods game

The public sector

Public goods

Non-rivalrous

Non-excludable

Institutions

Collective action and
coordination

Protection of rights

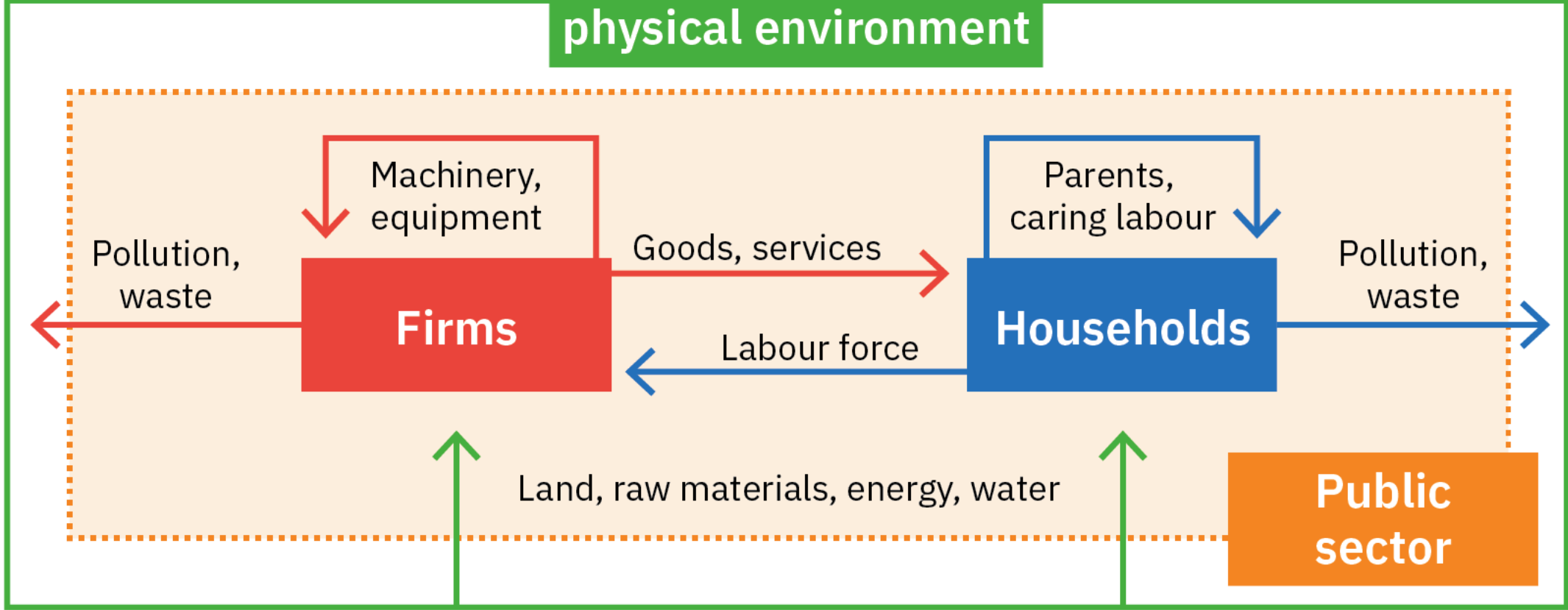
Rules and norms matter

1 We believe that governments were instituted of God for the benefit of man; and that he holds men accountable for their acts in relation to them, both in making laws and administering them, for the good and safety of society.

2 We believe that no government can exist in peace, except such laws are framed and held inviolate as will secure to each individual the free exercise of conscience, the right and control of property, and the protection of life.

3 We believe that all governments necessarily require civil officers and magistrates to enforce the laws of the same; and that such as will administer the law in equity and justice should be sought for and upheld by the voice of the people if a republic, or the will of the sovereign.

Biosphere and physical environment



What is economics even?

And what does this have to do with being a public manager?

The study of how people interact with each other and with their natural surroundings in providing their livelihoods, and how this changes over time.

Homo economicus and
crystal ball math

vs.

Data + models +
analysis = **decisions**

Believer in everyone
st when self-taught.

WikiScholar
A book? I can find all the info I need
online for free, thank you very much.

THE DEATH OF EXPERTISE

AGeniusIRL
Is that really how you spell expertise?

AnAmPatr
According to my
little reason to as

The Campaign Against
Established Knowledge
and Why it Matters

DrMom_312
This title just sounds like yet
another elitist appeal to authority.

TOM NICHOLS

Luv2Read
And why do we care what this
so called "expert" has to say???

WebSurfBum
ck out this great cat video from

When ordinary citizens believe that no one knows more than anyone else, democratic institutions are in danger



Plan for the class

Main goals for the class

Talk like an economist

(or at least understand what economists are talking about)

Understand why the government is involved in the market

Do public economic analysis

Potential ethos-destroying caveat

I am not an economist

I'm also not a true believer in all economic theories or models

(or unfettered capitalism, for that matter)

But, economics can still be useful for promoting good public policies and for making good managerial decisions.

Course outline

Core principles

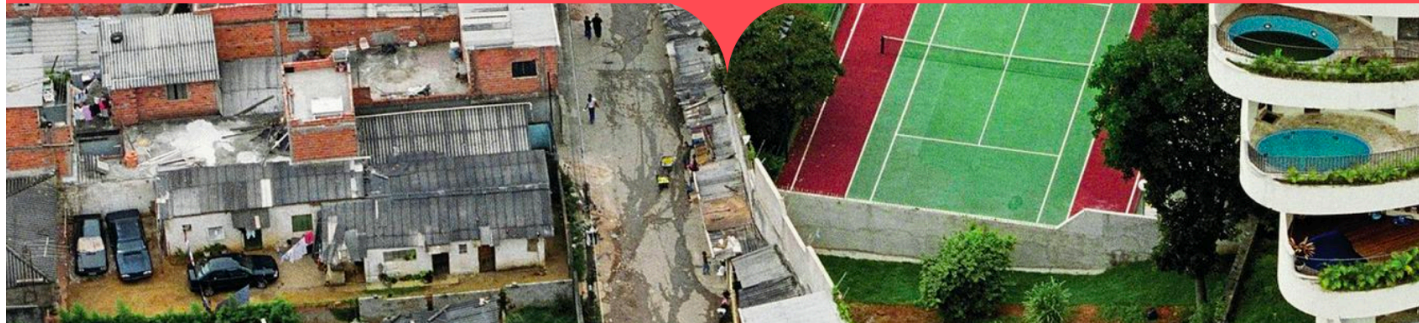
Justifying policies

Evaluating and
implementing policies



THE CORE TEAM

THE ECONOMY



naked economics

UNDRESSING THE DISMAL SCIENCE

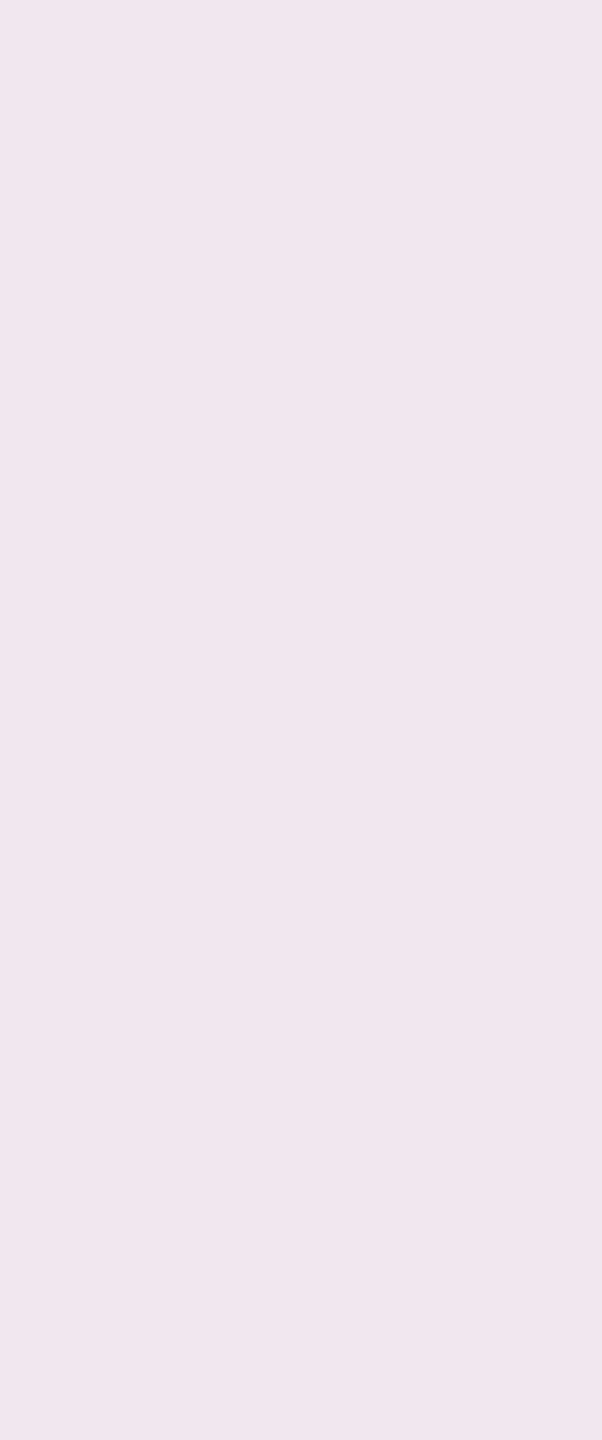


fully revised
and updated

Charles Wheelan

FOREWORD BY BURTON G. MALKIEL

"Clear, concise, informative, witty and, believe it or not, entertaining."
—Chicago Tribune



Main assignments

Readings

Listen to podcasts

Economic briefing

Labs

Problem sets

Midterms

Final project

Course policies

Class conduct and expectations

On the first day of class, we will come up with a set of rules, expectations, and policies for the following things:

Late work

Class participation

Attendance

Use of technology