Faculty of Science Course Syllabus
Department of Economics
Public Economics, ECON 3500
Fall 2026

Dalhousie University operates in the unceded territories of the Mi'kmaw, Wolastoqey, and Peskotomuhkati Peoples. These sovereign nations hold inherent rights as the original peoples of these lands, and we each carry collective obligations under the Peace and Friendship Treaties. Section 35 of the Constitution Act, 1982, recognizes and affirms Aboriginal and Treaty rights in Canada.

We recognize that African Nova Scotians are a distinct people whose histories, legacies, and contributions have enriched the part of Mi'kma'ki known as Nova Scotia for over 400 years.

Instructor

Nicholas Lawson, nicholas.lawson@dal.ca
Office: 6220 University Avenue, Office C14
Office Hours: Wednesdays, 10:30 am-11:45 am (or by appointment)

Timetable

Lectures: Mondays & Wednesdays, 1:05 pm-2:25 pm, McCain 2130

Communication

When I need to communicate information to you all, I will send an email to the class through Brightspace. You are responsible for checking your email account so as not to miss important messages. To contact me, send an email to nicholas.lawson@dal.ca, with "ECON 3500" in the subject, and I will respond within 24 hours (except weekends). I also make in-class announcements at the start of each class. I will be available to meet with students in my office during my office hours, but you can also contact me by email at any time, and I will also be available for meetings at other times by appointment, in my office or on Teams.

Course Description

Analyzes the role of government in problems of resource allocation due to market failure. Concentrates on theories of public goods, collective choice, potential of conflict and cooperation in individually-motivated actions, incentive structures capable of realizing rational, cooperative, group outcomes. Provides theoretical underpinnings of many applied fields. Involves mathematical methods.

Course Prerequisites

ECON 2200.03 (or ECON 2210.03 or ECON 2220.03), and MATH 1000.03 or equivalent with minimum grades of C or instructor permission. While a background of ECON 3700 is helpful, it is not a prerequisite.

Course Objectives

The objectives of the course are that the students will acquire the following knowledge and skills:

- ability to apply Intermediate Microeconomic Theory principles, including elements of game theory, to Welfare Economics;
- extension of concept of rational choice from individuals to collectives and the analysis of problems that appear;
- special theoretical issues that arise due to market failures, in particular, in the form of externalities and public goods and the role of the government and of the market;
- an ability to critically examine research papers in such areas including the necessary technical abilities.

Course Organization

In my lectures, I will present the theory of public economics along with various applications. The lectures will use my own slides, which are closely based on those of the authors of the textbook (with permission from Jean Hindriks), and which will be available on Brightspace. All lectures will be in-person.

Assessment

Component	*Due Date*	*Weight (% of final grade)*
Assignment #1	October 2	10%
Midterm Exam #1	October 14	15%
Assignment #2	November 3	10%
Midterm Exam #2	November 18	15%
Assignment #3	December 9	10%
Final Exam	Exam Period (December 11-20)	40%

The assignments will be available on Brightspace, and will include a combination of algebraic, graphical, and explanation-based questions; you can work on your own or in groups of 2 or 3. You may talk with members of other groups about the questions, but copying from another group, or submitting work that is not your own, is not permitted. Each assignment must be submitted by 11:59 pm on the due date; you can submit a paper copy in person or a PDF copy on Brightspace. Late assignments will be marked down by 1% per hour.

In exceptional circumstances, if a student cannot submit an assignment by the due date, the student must contact me before the deadline to discuss alternative arrangements.

Exams are "closed-book" and will take place in person. The first midterm exam covers the material up to October 7; the second midterm exam covers the material from October 19 to November 16; the final exam is cumulative. If a student is unable to write an exam, they must contact me by email prior to the date and time of the exam, and submit a completed Student Declaration of Absence by email (no medical note is required). If a student misses a midterm exam, its weight will be added to the final exam. If a student misses the final exam, they will have the opportunity to write a make-up exam.

I will provide you with your grades throughout the semester using the Brightspace Gradebook tool.

Conversion of Numerical Grades to Final Letter Grades (Dalhousie Grading Scale)

Letter Grade	Range	Letter Grade	Range
A+	90-100	C+	65-69
A	85-89	C	60-64
A-	80-84	C-	55-59
B+	77-79	D	50-54
B	73-76	F	0-49
B-	70-72		

Note: The ranges specified in the table refer to the two digits before the decimal; therefore, a grade of 76.99, for example, would be converted to a B, not a B+.

Textbook

The required textbook for this course is:

- Jean Hindriks & Gareth D. Myles (2019), *Intermediate Public Economics*, 2nd edition, MIT Press.

The book is available at the Dal Bookstore; see the Bookstore website at https://bookstore.dal.ca/CourseSearch/?course%5b%5d=SUB,202710,ECON,ECON3500,01 for more information. This textbook covers a variety of areas in public economics, including areas of market failure and political economy (which we will cover) and areas of inequality, taxation, and fiscal federalism (which we will not cover).

There are other good undergraduate public economics textbooks, but the ones that I am most familiar with are quite old. Some of the best-known modern textbooks are:

- Joseph E. Stiglitz & Jay K. Rosengard (2015), *Economics of the Public Sector*, 4th edition, W.W. Norton.

- Jonathan Gruber (2022), *Public Finance and Public Policy*, 7th edition, Macmillan Learning.
- John Leach (2003), *A Course in Public Economics*, Cambridge University Press.
- José Luis Gómez-Barroso (2021), *Public Economics: A Concise Introduction*, Routledge.

These could potentially be useful supplements to Hindriks & Myles; I don't recommend them as substitutes, since I can't promise that they will cover the required material in the way that I want to cover it.

Use of Artificial Intelligence Tools

Generative AI is a useful tool which may assist you in learning, if you use it properly. Copying and pasting questions into an AI tool and copying and pasting its answers into your assignment is not proper use: you will not learn anything from the experience, and it will not help you prepare for the exams which constitute 70% of the overall grade in this course. It may also harm your grade, as AI does make mistakes. Responsible, interactive use of AI involves understanding that AI simply recognizes and reflects patterns in its training data: if you choose to use AI, you should analyze and try to understand the output that it gives you, and engage in a dialogue with the AI tool that will help you to expand your understanding of the subject.

You are allowed to use generative AI when working on your assignments, but I encourage you either to not use it, or to use it in an interactive way that will help you learn. You are not allowed to use generative AI (or any other resource) on any exam.

Accessibility

Refer to the Student Accommodation Policy for information on how Dalhousie instructors and staff work collaboratively with students to create and sustain an accessible educational environment. If there are aspects of this course, including but not limited to its design, teaching approaches, learning activities, and assessments, that result in barriers to your learning or do not align with your formal academic accommodations, reach out to me to collaboratively find a solution that meets your needs.

You are eligible for accommodations based on protected characteristics such as religion. If you have religious, cultural, or community-significant observances that conflict with course requirements, reach out to me to collaboratively find alternatives for completing the course requirements. To begin the process of requesting a formal academic accommodation, contact the Student Accessibility Centre.

Your classroom may contain accessible furniture and equipment. It is important that these items remain in the classroom, undisturbed and unused, so that classmates who require their use will be able to fully participate in the course.

Academic Integrity
Dalhousie expects all students to be responsible learners, [demonstrating the values] of intellectual honesty, trust, fairness, and respect in your work. Key aspects of academic integrity include, but are not limited to: avoiding plagiarism, not engaging in cheating, submitting original work, and acknowledging sources of information and ideas when they are not your own. Refer to the Statement on Intellectual Honesty for definitions of various academic offences. Failure to meet Dalhousie's academic integrity standards will result in appropriate disciplinary and/or corrective measures.

University Policies, Statements, and Resources
Please find the university policies and statements, and the links for student resources and support, at the following link: https://dalu.sharepoint.com/sites/learn-teach/SitePages/syllabus-appendix.aspx.

Course Schedule (Approximate)

Weeks	**Subject & Chapters**
1: Sept. 9 2: Sept. 14 & 16 3: Sept. 21 & 23 4: Sept. 28 5. Oct. 5 & 7	Public Economics, Economic Efficiency, and Public Goods • Introduction to Public Economics (Chapter 1) • Equilibrium & Efficiency (Chapter 2) • Behavioural Economics (Chapter 3) • Public Goods (Chapter 6)
October 14	***Midterm Exam #1***
7: Oct. 19 & 21 8: Oct. 26 & 28 9: Nov. 2 & 4 10: Fall Break 11: Nov. 16	Other Departures from Efficiency • Club Goods and Local Public Goods (Chapter 7) • Externalities (Chapter 8) • Imperfect Competition (Chapter 9) • Asymmetric Information (Chapter 10)
November 18	***Midterm Exam #2***
12: Nov. 23 & 25 13: Nov. 30 & Dec. 2 14: Dec. 7 & 8 & 9	Political Economy and Optimality • Political Economy: Voting (Chapter 11) • Political Economy: Rent-Seeking (Chapter 12) • Optimality & Comparability (Chapter 13)
Exam Period (December 11-20)	***Final Exam***

Note: See Dalhousie's Important Dates at https://www.dal.ca/study/plan-your-degree/important-dates.html.