Instructors: Professor Yue-Chim Richard Wong  
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Office hours: By appointment at 2859-1122, K.K. Leung 1021

Dr. Vera Yuen  
yuenvera@hku.hk  
K.K. Leung 820, 3917-1287  
Office hours: Wednesday 14:30 – 16:30

Tutor: Mr. Colin Xiaokang Sheng  
csxl@hku.hk  
K.K. Leung 1026, 2857-8308  
Office hours: Tuesday 16:30 – 18:30

Course Logistics:

Class Schedule: Saturday mornings.

Classroom: KB 223 (Knowles Building)

We use a course management system MOODLE. Please login to your HKU Portal account to access MOODLE.

Professor Y C R Wong’s PowerPoint slides will be available online as the class progresses. Class time will be devoted to discussing key issues to deepen and broaden our understanding of the material. The first class-period will also be used to explain how Moodle works.

Dr. Vera Yuen will conduct the term paper class on how to prepare the proposal and fulfil the requirements of the term paper on 18 Feb 2023. Attendance is expected.

Description:

The course provides a theoretical and empirical understanding the political economy of law and public policy making, examines how law and regulation affects with policy outcomes, and familiarizes students with economic concepts and tools useful for analyzing policy issues. Topic covered include, public goods, externalities, monopolies, regulation, rent seeking, law and
economics, law enforcement, legal systems and public bureaucracy.

Aims:

1. To provide a theoretical and empirical understanding of the political economy of law and public policy;
2. To study in depth the concepts of public goods, externalities, monopolies, regulation, rent seeking, law enforcement, law and economics, public bureaucracy, and political business cycles to gain a good understanding political economic analysis;
3. To familiarize students with the applications of political economic analysis to analyze important policy issues.

Prerequisite:

Students should have studied introductory microeconomics (i.e. ECON1210 Introductory Microeconomics). Students who want to waive the prerequisite may contact Dr. Vera Yuen to discuss.

Course Intended Learning Outcomes (CILOs)

Upon completing this course, students should be able to:

CILO1 Enhance theoretical and empirical understanding of the application of political economic analysis to public policy issues.
CILO2 Learn to apply economic concepts to the study of politics as a form of non-market behavior;
CILO3 Develop the critical ability to analyze the differences between the political economic approach to public policy with a purely economic approach;
CILO4 Develop analytical thinking through analyzing the intended and unintended effects of public policy choices on policy outcomes using rigorous analytical tools.

Alignment of program ILOs and course ILOs Teaching and Learning Activities (TLA)

<table>
<thead>
<tr>
<th>Program ILOs</th>
<th>Course ILOs</th>
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</thead>
<tbody>
<tr>
<td>Acquisition and internalization of knowledge of economics &amp; finance</td>
<td>CILO1, CILO2, CILO3, CILO4</td>
</tr>
<tr>
<td>Application and integration of knowledge</td>
<td>CILO1, CILO3, CILO4</td>
</tr>
<tr>
<td>Developing global outlook</td>
<td>CILO1, CILO2, CILO3, CILO4</td>
</tr>
<tr>
<td>Mastering communication skills</td>
<td>CILO3, CILO4</td>
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</tbody>
</table>

TLA1 Lecture Instructor will give lectures on major concepts and issues.
### Alignment Among Course Intended Learning Outcome, Teaching and Learning Activities and Assessment Tasks:

<table>
<thead>
<tr>
<th>Learning Outcome</th>
<th>Teaching and learning activity (TLA)</th>
<th>Assessment Tasks</th>
</tr>
</thead>
<tbody>
<tr>
<td>CILO1</td>
<td>TLA1, TLA2, TLA3</td>
<td>Written Paper and Final Exam</td>
</tr>
<tr>
<td>CILO2</td>
<td>TLA1, TLA2, TLA3</td>
<td>Written Paper and Final Exam</td>
</tr>
<tr>
<td>CILO3</td>
<td>TLA1, TLA2, TLA3</td>
<td>Written Paper and Final Exam</td>
</tr>
<tr>
<td>CILO4</td>
<td>TLA1, TLA2, TLA3</td>
<td>Written Paper and Final Exam</td>
</tr>
</tbody>
</table>

### Course Assessment:

There are two assessment requirements for this course: (1) a written final exam (50%) covering topics taught in the course conducted at times indicated above on page 1, and (2) a written paper of 1500 words as coursework (50%). The course grade 100% is determined as the sum of two assessment requirements.

**Written Paper**

The written paper should examine in depth a specific topic studied in the course. It should be a thoughtful examination of a topic discussed in this course based on the materials assigned in the reading list. There is NO need to consult additional reading materials. Students should NOT submit a piece of work that is also being submitted to another course. Here are some good approaches:

1. Write a review of one of the topics learned in this course.
2. Compare and contrast the analysis between two topics on a related subject.
3. Write on a topic that is discussed in several assigned books or papers.
4. A policy paper studying a specific policy in a jurisdiction.
5. Consult with Dr. Vera Yuen for advice in deciding on a topic.

The final written paper is due on **14 May 2023**. Late submissions will NOT be accepted. A precise
word count must be given at the end of the paper. Footnotes and references should be placed at the end of the paper so that they can be excluded from the word count. Appendices are not necessary and not appropriate for papers of such a short length and should not be submitted. It is advisable to seek English language assistance if needed to ensure that your paper is clear.

Students must submit a half-page proposal of the paper they intend to write. The deadline for submitting the proposal is 5 March 2023. Late submissions will not be allowed. Students should include in the proposal the title of the project and a short summary of the subject they will investigate.

Students are also encouraged to submit optionally a first draft of the final paper for the instructor to provide feedback, but this is optional, not mandatory. If students choose to submit a first draft, they must do so on 9 April 2023. Your grade on the paper will depend only on your final paper, and not your draft. Your draft has to be a complete one and with full citations (to avoid plagiarism). Otherwise, it will be returned without marking. Your grade on the paper will depend only on your final paper, and not your draft. However, plagiarism is not allowed for both draft and final submission. Penalty will be imposed for both cases.

Students can make a late submission if they wish to have their drafts marked but pass the deadline; a late penalty will be imposed on their final grade without saying. Other than submitting on Moodle, any act of sending out a draft after the deadline asking for detailed feedback will be considered as an act of late submission.

If you submit a written paper, but DID NOT submit a proposal or the proposal was NOT APPROVED, then you will FAIL this part of the assessment.

Therefore, deadlines to be observed:

Proposal (mandatory) submission — 5 March 2023
First draft (optional) submission — 9 April 2023
Final paper submission — 14 May 2023

The proposal and paper(s) must be submitted electronically via MOODLE.

**Standards of Assessment**

<table>
<thead>
<tr>
<th>Grade</th>
<th>Criteria and Standards</th>
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<tbody>
<tr>
<td>Course Level Grade Descriptors</td>
<td></td>
</tr>
<tr>
<td>A+, A, A-</td>
<td>Show superior grasp of all aspects of the course and demonstrate strong evidence of original thinking and evidence of extensive knowledge base in the subject area.</td>
</tr>
<tr>
<td>Grade</td>
<td>Description</td>
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<tr>
<td>B+, B, B-</td>
<td>Show reasonable grasp of the key aspects of the course and demonstrate good evidence of original thinking and evidence of reasonable knowledge base in the subject area.</td>
</tr>
<tr>
<td>C+, C, C-</td>
<td>Show acceptable coverage of most aspects of the course, and demonstrate some evidence of original thinking and evidence of acceptable knowledge base in the subject area.</td>
</tr>
<tr>
<td>D+, D</td>
<td>Show marginal coverage of some aspects of the course, and demonstrate marginal evidence of original thinking and evidence of marginal knowledge base in the subject area.</td>
</tr>
<tr>
<td>F</td>
<td>Failure to identify and address any main theme and issue. No critical engagement with any issue, little mentioning and application of relevant concepts and theories, and with inaccuracies when doing so. Demonstrates a lack of understanding of existing arguments relevant to the topic.</td>
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**Academic Conduct**

1. The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: [http://www.hku.hk/plagiarism/](http://www.hku.hk/plagiarism/)
2. Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following type of case:
   a. **Plagiarism** - The representation of someone else’s ideas as if they are one’s own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one’s own work. Paraphrasing of someone else's ideas is still using someone else’s ideas, and must be acknowledged.
   b. **Unauthorized Collaboration on Out-of-Class Projects** - The representation of work as solely one’s own when in fact it is the result of a joint effort. Where a candidate for a degree or other award uses the work of another person or persons without due acknowledgement:
      - The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence;
      - The relevant Board of Examiners may report the candidate to the Senate, where there is *prima facie* evidence of an intention to deceive and where sanctions beyond those in (1) might be invoked.

**Course Syllabus:**

**Reading List**

1. METHODOLOGY OF ECONOMICS


Frank Knight, Risk, Uncertainty and Profit, University of Chicago Press, 1971, Ch. 9 -10, pp. 264-312.


2. PUBLIC GOODS AND EXTERNALITIES


3. LEGAL REASONING AND LEGAL ORIGINS


4. ECONOMIC ANALYSIS OF LAW


5. VOTING WITH YOUR FEET


6. RENT SEEKING AND COLLECTIVE ACTION


7. MONOPOLY AND BARRIERS TO ENTRY


8. THE CAPTURE THEORY OF REGULATION


9. COURT FAILURES AND REGULATION


10. REGULATION OF HOUSING AND LAND


*YCR Wong, *Hong Kong Land for Hong Kong People: Fixing the Failures of Our Housing Policy*, Hong Kong University Press, Hong Kong, January 2015, 219 pages.

11. PUBLIC BUREAUCRACY (Optional)


12. CHALLENGES IN THE TWENTY-FIRST CENTURY


*Matthew C Klein and Michael Pettis, Trade Wars are Class Wars: How Rising Inequality Distorts the Global Economy and Threatens International Peace*, Yale University Press, 2020 (Book review by Martin Wolf in 9 pages).