

SIS 538 Economics of Information

Spring 2009

W: 6:30-9:10 pm

BEC 116 / Distance

Professor: Benjamin J. Bates (bjbates@utk.edu)

Course Description (Catalog)

Costing and pricing of information; value of information and value added services; cost-benefit analysis and trade-offs; policy issues related to economic aspects of information exchange and transfer.

Course Description (Real)

An introduction to economic reasoning as applied to information goods and services, with an emphasis on the distinctive nature of those goods and services. The course will cover basic economic approaches and analysis, consider the nature of information as an economic good, how information goods and services are valued and priced, and the resulting implications for business operations, policy, and society. Focus will be given to the implications for libraries, information systems (e.g. Internet) and services, and information policy.

Course Requirements

Student Attendance/ Discussion 10%

The basic official policy is that attendance at lectures is important, all deadlines are final, and no extensions can be granted. (At least if you expect a grade by the end of the term.) I anticipate the course will involve some traditional lecturing (particularly about the economics side) as well as broader seminar discussions, and presentations. I also anticipate (will look forward to) a lot of questions (particularly about the economics aspects), so there is an anticipation that students will be involved in class discussions.

On the other hand, I don't take role and will take outside factors into consideration.

Student Resources Participation 10% (+possible 10% bonus)

In an information age, the flood of information can overwhelm even the most diligent Prof. (not that I make *that* claim). Further, the economics of information is still an emerging field. Thus, you can gain credit for bringing new materials to the attention of the professor. Everyone will need to bring at least two items, at least one of which must be on-line. Be creative: these can be relevant articles, research papers, teaching examples,

web resources, issues, etc. The bonus is given for particularly interesting/valuable contributions

Quizzes, Problem Sets, and Reaction Papers 50%

The nature of the course topic doesn't fit with a traditional tests/final emphasis. Thus, there will be a series of more narrowly focused assignments. There will be a variety of short assignments that ask you to solve particular analytical problems, or to respond to short research questions (they may come from the books or elsewhere). There will be a mix of quantitative and qualitative assignments. Expect one every other week or so. Details will be posted online.

Term Paper 30%

Each student will write a research paper dealing with some topic related to the economics of information. The term paper may be either a survey or a research paper. The range of topics and approaches is fairly wide open, but they do need to be approved by the professor. These are to be considered major projects of the sort that could be submitted to conferences or publications.

Survey Paper: A comprehensive review of literature and knowledge in a relevant area. The survey should integrate published theory and research, presenting a comprehensive analysis of the topic, and laying out directions for further study.

Research Paper: Original theoretical or applied research addressing some issue or question related to the economics of information. Should include review of relevant literature, clearly stated research questions, and explicit analysis.

Students will present their results to the class.

Readings

Required

- Kingma, Bruce. *Economics of Information, 2nd Ed.* Libraries Unlimited. 2001. ISBN: 1563088169
- Kahin and Varian, Eds. *Internet Publishing and Beyond: The Economics of Digital Information and Intellectual Property.* MIT Press, 2000. ISBN: 0262611597

Recommended (and eligible for reports):

- Yochai Benkler. *The Wealth of Networks.* Yale University Press
- Ronald Bettig & Herbert Schiller, (Eds.). *Copyrighting Culture: The Political Economy of Intellectual Property.* Westview Press.

- Erik Brynjolfsson & Brian Kahin, (Eds.). *Understanding the Digital Economy: Data, Tools, and Research*. MIT Press.
- Oz Shy, *The Economics of Network Industries*. Cambridge: Cambridge University Press, 2001
- Lee W. McKnight & Joseph P. Bailey, *Internet Economics*. Boston: MIT Press, 1977.
- Lesley Ellen Harris. *Digital Property*. McGraw-Hill Ryerson.
- D. M. Lambertson. *Economics of Information and Knowledge*. Penguin (1971).
- Vincent Mosco & Janet Wasko. *The Political Economy of Information*. U of Wisconsin Press. 1988.
- Dale Neef, G. Anthony Siesfeld & Jacquelyn Cefola. *The Economic Impact of Knowledge*. Butterworth Heinemann. 1998
- Herbert Schiller. Various titles
- Carl Shapiro, Hal R. Varian. *Information Rules: A Strategic Guide to the Network Economy*. Cambridge, MA: Harvard Business School, 1998

Course Schedule (tentative)

The course will be developed as we go along, partly in response to student interests, partly in response to my continuing search for interesting readings and your suggestions on materials. For now, here's the tentative topic areas. Specific readings will be listed in the Online@UT Blackboard site for the combined course

- 7 Jan. Introduction to Course and Economic Approach
 14 -21 Jan. Information as an Economic Good
The following are possible topics and not in final order:
 Information as an Economic Good and Libraries as Firms
 Economics of Publishing and Information Services
 Economics of the Academy and Research
 Information in the Economy
 Analysis from an economic perspective (CBA)
 Pricing and Valuation Basics
 Pricing Options & Strategies
 Online Business Models
 Alternative Economic Approaches
 (other potential topics to be determined)
- 8 April Information, Value, and Policy
 15 April The Future of Information Economics & Commerce
 22 April Presentations

General Requirements and Notices:

- All materials to be turned in for this class must be typed or printed. They should be double-spaced, with normal font sizes and margins. Short assignments may be sent via e-mail or to Blackboard website, as indicated by the professor.
- Papers and longer assignments will be accepted online, as attachments in either Microsoft Word or RTF formats. If you do submit online, make sure you get a confirmation of receipt as a reply.
- No extensions on the term paper will be given. Students with extremely valid excuses may be given an opportunity to make up quizzes and other assignments. The instructor is the final arbiter of excuses and their acceptability. You must contact the professor as soon as you are aware of any problems or conflicts.
- While students are encouraged to study and work together, it is also expected that all work turned in will be original and individual-- plagiarism will not be tolerated and will result in a score of 0 on the plagiarized work and/or notification of appropriate authorities. If you still have any doubts as to what plagiarism is, consult your various handbooks and guides, or ask the instructor.
- The instructor is willing to work with students with special needs, and make any necessary special arrangements possible to facilitate their learning experience in this class. However, those individuals will need to consult with the instructor about their needs as soon as possible.
- The instructor reserves the right to modify the course schedule and requirements. Any changes will be announced during class meetings and on the official Online@UT class website (under announcements).