



STUDY PROGRAMME

ECO-EEPA + POL-EPPA

ACADEMIC YEAR

2020 - 2021

SEMESTER

1

COURSE TITLE

Public Economics

COURSE PROFESSOR

Prof. Dr. Jean Hindriks

COURSE ASSISTANT

Sisi Zhang

NATURE OF COURSE (COMPULSORY, OPTIONAL)

Compulsory

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

3

1. **COURSE OBJECTIVE**

Public economics is about the government and the economic effects of its public policies. The course will offer some insights into what public economics says and what it can do including the most recent developments in behavioural public policy to deal with individual mistakes and the data revolution to track the impact of public policy. On the policy side the course will discuss the pension crisis (using the professor's experience in the pension reform commission) and the unequal opportunity in education (based on the PISA tests).

This course is essentially an evaluation of the role of the public sector in a market economy. The course will use the most recent economic analysis to (re)consider the efficiency and distributive effects of public intervention in the economy. The optimal design of public intervention with special attention to implementation and politics.

LEARNING OUTCOMES

ECO-EPPA students will acquire:

1. An understanding of the design of public spending and tax collection;
2. An understanding of the trade-off between equity and efficiency
3. The skill to apply data analysis to track the incidence of public policy (e.g. takes incidence).
4. Practical and applicable skills for analyzing, evaluating and communicating public policy;

POL-EPPA students will acquire:



1. An understanding of the three social dilemmas motivating public policy;
2. Sound understanding of the quantitative tools and research methodologies for conducting evidence-based public policy analysis.
3. The skill to apply economic analysis to the public policy
4. Analytical frameworks for thinking critically about the policy process, as well as the challenges and politics of public policy;

2. COURSE CONTENTS (INDICATIVE AND STILL SUBJECT TO CHANGE)

| PART1 | dates | Learning Public Economics | |
|---------------|--------------|----------------------------------|-------------|
| Lecture 1 | 22-09-20 | Intro & Behavioral pub eco | Behavioral |
| Lecture 2 | 29-09-20 | Behavioral pub eco | Behavioral |
| Lecture 3 | 06-10-20 | Externalities | Tax & quota |
| PART 2 | dates | Doing Public economics | |
| Lecture 4 | 20-10-20 | Aging and Pension reform | Pension |
| Lecture 5 | 27-10-20 | Education and Social mobility | Inequality |
| Lecture 6 | 03-11-20 | Tax reform | tax |
| Lecture 7 | 13-11-20 | General discussion | Policy |

3. TEACHING METHOD(S)

3 hours lecture with class participation and policy discussion based on data analysis and analytical concepts to provide sound and innovative solutions to current public policy problems.

4. COURSE MATERIAL

Main Textbook:

Jean Hindriks and Gareth Myles " Intermediate Public Economics- 2nd edition" (IPE2E) The MIT Press 2013

Political economy book:

Bueno de Mesquita 2016, Political Economy for Public Policy, Princeton University Press

Tube reading:



College of Europe
Collège d'Europe



Natolir

ECTS CARD

Abhijit Banerjee and Esther Duflo (2020), "Good Economics for Hard Times" Public affairs, November 2019.

Power point slide show + Specific teaching notes made available before class on the course website.

5. EVALUATION

The evaluation will be based on a closed-book written exam, three hours in length, which will take place during the Nov.-Dec. first examination session. If exam on campus is not possible due to Covid situation, there will be remote exam under modalities to be detailed.

The closed-book exam will consist of three parts: multiple choice questions, problem solving questions and essay type questions.

Second-session examinations: The resit exam is closed-book written exam and counts for 100% of the final grade.