





5.00 credits

45.0 h + 7.5 h

Q2

Teacher(s)	Truyts Tom ;
Language :	English
Place of the course	Bruxelles Saint-Louis
Prerequisites	<i>The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.</i>
Learning outcomes	<p>At the end of this learning unit, the student is able to :</p> <p>This course studies the role of the state in a market economy. At the end of the course, the student will be able to analyze the different costs and benefits of different public policies and interventions, both in terms of efficiency and in terms of equity. The theoretical lectures provide a formal introduction to classical public economic theory, and discuss in detail the Belgian institutional context. The course aims primarily to develop a solid intuitive understanding of the theory, and considers various case-studies of current important societal questions and an analysis of current public debates.</p> <p>The students will learn how to put the theoretical concepts into practice in the 15 hours of exercise sessions, and acquire the tools to work in group with real world datasets in order to analyze and assess public policies.</p>
Evaluation methods	Oral exam (75% of final result) and evaluation of the group work (25% of final result).
Teaching methods	<p>a) Lectures The lectures consist of a theoretical and formal explanation of public economic theory and an introduction to the Belgian institutional context. We devote special attention to a number of case studies and to current societal debates.</p> <p>b) Exercise sessions The students learn concrete techniques for analysing economic policy, and then start working in group on a real data set. They present their analyses and findings in a final report, which will be presented in front of the class. The teaching team guides the students through the data analysis and writing process by means of regular meetings during the semester.</p>
Content	<p>a) Lectures The first part of the course will be devoted to the normative analysis of the role of the state in the economy. We first introduce the economic problem and the various coordination mechanisms. We proceed with market efficiency and its limits, public goods, externalities, the analysis of economic inequalities and the redistribution of incomes, collective decision-making processes, and ultimately cost-benefit analysis.</p> <p>The second part of the course studies the Belgian fiscal framework, and situates the Belgian reality in a historic and international context. We study the Belgian public expenditures by means of the budget and national accounts, and introduce different theories to explain the growth of the public sector. Next, the course focusses on analyzing government revenue. We will study the Belgian tax system, with special attention for the personal income tax, and analyze the role of public debt. We consider the economics of taxation and provide a brief introduction to the theory of optimal taxation.</p> <p>The third part will develop the theory of fiscal federalism and analyze the federal structure of Belgium.</p> <ol style="list-style-type: none"> 1. Introduction: the economic problem and public finances (Rosen & Gayer, Chapters 1 & 2) 2. Market efficiency: theorems of welfare economics and market failures (Rosen & Gayer, Chapter 3) 3. Public goods (Rosen & Gayer, Chapter 4) 4. Externalities (Rosen & Gayer, Chapter 5) 5. Analysis of economic inequality and income redistribution (Rosen & Gayer, Chapter 12) 6. Political economy (Rosen & Gayer, Chapter 6) 7. Cost-benefit analysis (Rosen & Gayer, Chapter 8) 8. Public expenditure (in part: Rosen & Gayer, Chapter 6) 9. Taxation and tax policy in Belgium 10. The public debt (Rosen & Gayer, Chapter 20) 11. The Economics of Taxation: Efficiency and Incidence (Rosen & Gayer, Chapters 14-15) 12. The principles of optimal taxation (Rosen & Gayer, Chapter 16) 13. Fiscal federalism and the Belgian federal system (Rosen & Gayer, Chapter 22) <p>b) Exercise sessions The exercise sessions will focus on the analysis of a real-world database and the evaluation of public policies.</p>

Bibliography	Harvey S. Rosen et Ted Gayer (2014) Public Finance, Global Edition, MacGraw-Hill, New York. Syllabus à base des diapositives des exposés magistraux disponible au service de reprographie.
Faculty or entity in charge	ESPB

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Bachelor in Economics and Management (French-English)	ECAB1BA	5	BECGE1113	
Bachelor : Business Engineering	INGB1BA	5	BECGE1110	
Bachelor : Business Engineering (French-English)	INAB1BA	5	BECGE1113	
Bachelor of Science in Business Engineering	BBEB1BA	5	BECGE1217	
Bachelor in Economics and Management [Dual Bachelor's degree for the holder of a Bachelor in Law]	ECGB1BA	5		