

Faculty of Economic, Social and Political Sciences



ECGE1312 Public Economics

[30h] 3 credits

This course is not taught in 2005-2006

Language: French

Level: First cycle

Aims

This course aims to teach students how to use economic analysis tools to study issues in the field of public sector economics, from the angle of the effectiveness of public intervention (as a remedy to market failings) and from the angle of wealth redistribution, examining taxation and social security. Emphasis will be laid on learning how to formulate a logical and coherent argument.

Main themes

The course begins with a descriptive analysis of the size of the public sector and the role of taxation and social security in income redistribution. This descriptive analysis highlights the different measures of inequality and poverty.

The normative analysis addresses the issue of opportunity and optimal forms of state intervention policies in a market economy whose weaknesses are linked to external effects, public wealth, imperfect competition and problems of information. The issue of desirable forms of taxation and social insurance is also discussed. Within this theoretical framework, the course touches on issues relating to tax reform, social security and other redistribution policies: privatisation of social security, alternative methods of funding retirement pensions (distribution versus capitalisation), given that we are faced with an aging population, universal versus means-tested payments, redistribution in currency or in kind, the impact of mobility on possibilities of taxing and redistributing wealth and fiscal competition.

The positive analysis studies the role of political processes in the choice and form of spending and taxation policies. In particular, it examines the choice of taxation and social insurance policies by majority voting.