

COURSE SPECIFICATION
DOCUMENT

Academic School/Department: Richmond Business School

Programme: Economics

FHEQ Level: 5

Course Title: Public Economics

Course Code: ECN 5200

Total Hours: 120

Timetabled Hours: 45

Guided Learning Hours: 0

Independent Learning Hours: 75

Credits: 12 UK CATS credits
6 ECTS credits
3 US credits

Course Description:

This is a course in theoretical and applied public economics using microeconomic theory. The course addresses the theoretical analysis of market failure, public finance, taxation and expenditure systems in modern economies and discusses philosophical issues of economic welfare.

Prerequisites:

ECN 4105 Introduction to Microeconomics

Aims and Objectives:

This is a course in theoretical and applied public economics using microeconomic theory. The Course aims to familiarise students with the scope and concepts of public sector economics. The nature of market failure is investigated, and welfare economic postulates are derived. The concepts of efficiency and equity are analysed and issues of public finance, taxation and expenditure systems as well as issues of welfare provision are reflected upon.

Programme Outcomes:

ECN: A1, A4, A5 B1, B2, B4 C1-C8

Learning Outcomes:

Upon completion of this course, a successful student should be able to

- Demonstrate an in-depth understanding of the key issues in public economics.
- Formalise welfare axioms.
- Identify the nature of market failure and contrasts different philosophical strands regarding the role of the public sector.
- Analyse the comparative advantages and disadvantages of public revenue and spending systems.
- Critically assess economic policy options that aim at the correction of market failures such as market concentration or negative externalities.
- Apply public economic models to relevant topics.
- Make use of abstract, graphical and mathematical methods of analysis.
- Assess the appropriateness of a theoretical approach to a given situation and apply appropriate microeconomic models to given scenarios.
- Communicate the assessment and the limitations of the given models.
- Show critical awareness of cost implications of public sector policies.
- Make use of marginal taxation, revenue and welfare analysis.
- Interpret incentive structures within the economic framework, linking public economic strategy with desired economic outcomes and expectations.
- Appraise the limitations of the private sector approach and can use a rigorous analysis to appraise model and system shortcomings.

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at: <http://www.richmond.ac.uk/programme-and-course-specifications/>

Indicative Content:

- Microeconomic Principles
- Market Failure and the Role of the Government
- Social Choice: Efficiency and Equity
- State Intervention and Public Policy
- Public Goods: Fundamentals and Efficiency Considerations
- The Problem of Externalities
- Expenditure Policy and Cost-Benefit Analysis
- Welfare Programs: Rationale and Reform
- Health Care Systems: Comparative Analysis
- Taxation: Introduction and Efficiency
- Types of Taxation and Optimal Taxation
- Fiscal Budget Considerations

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board and located at: <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology:

The course is taught using a variety of methods including lectures, question sessions, directed and undirected reading, case studies, group work, and discussions.

Indicative Text(s):

Core Text

Stiglitz, J.E., Rosengard, J.K. (2015), *Public Sector Economics*, 5th edition, New York: W.W. Norton & Company. ISBN: 978-0-393-92522-7

Supplementary Reading

- Barr, N. (2004) Higher Education Funding, in: *Oxford Review of Economic Policy*, 20(2): 264-283.
- Barr, N. A. (2010) *Comment on the Browne Review*, 16. October 2010, accessible via: http://econ.lse.ac.uk/staff/nb/Barr_Browne_Review_101016.pdf.
- Barr, N. A. (2012) *Economics of the Welfare State*, 5th ed., Oxford: OUP.
- Besley, T. (2003) Welfare Economics and Public Choice, in: Rowley, C. (2003) *Encyclopaedia of Public Choice*, Amsterdam: Kluwer Academic Publishers.
- Cahn, S.M. (2014) *Political Philosophy*, 3rd edition, New York: OUP USA.
- Cancutt, E. M., Imrohorogh, S., Kumar, K.B., (2006) Does the Progressivity of Income Taxes Matter for Human Capital and Growth? in: *The Journal of Public Economic Theory*, 2006(8) Issue 1: 95-120.
- Fodha, M., Seegmuller, T., Yamagami, H. (2018) Environmental Tax reform under debt Constraint, in: *Annals of Economics and Statistics*, 129:33-59.
- Institute for Fiscal Studies (1978) *The Structure and Reform of Direct Taxation*, Report of a Committee chaired by Professor J.E. Meade, London: Allen and Unwin.
- Institute for Fiscal Studies (2009), Adam S., Browne, A., Heady C., *The Mirrlees Review*, Vol.1 Tax by Design, London: Allen and Unwin.
- Ivanova, A., Keen, M., Klemm, A. (2005) The Russian Flat Tax Reform, in: *Economic Policy*, 20 (43): 397-444.
- Jacobs, B., van der Ploeg, F. (2006) Guide to reform of higher education: a European perspective, in *Economic Policy*, 21: 535-592.
- Keenan, D. C., Kim, I., Warren Jr., R.S., (2006) The Private Provision of Public Goods under Uncertainty: A Symmetric Equilibrium Approach, in: *The Journal of Public Economic Theory*, 2006 (8), Issue 5: 863-902.
- Le Grand, J., Propper C., Smith S. (2008) *The Economics of Social Problems*, 4th edition, Basingstoke: Palgrave Macmillan.
- Nozick, R. (1974) *Anarchy State and Utopia*, Oxford: Blackwell.
- Rawls, J., (1972) *A Theory of Justice*, Cambridge, Mass: Belknap Press.
- Rachels, J. (2007), *The Elements of Moral Philosophy*, 6th edition, London: MacGraw Hill.
- Slemrod, J (1990) Optimal Taxation and Optimal Tax Systems, in: *Journal of Economic Perspectives*, Winter: 157-78.
- Stern Review (2006) accessible via: http://www.equalities.gov.uk/stern_review.aspx.
- Sunstein, C. R., Thaler, R.H., (2008) *Nudge*, London: Penguin.
- Stiglitz, J, Sen, A., Fitoussi, J.-P., (2009) The Measurement of Economic Performance and Social Progress Revisited, accessible via <http://www.stiglitz-sen-fitoussi.fr/documents/overview-eng.pdf> or as Pdf on the course homepage.
- Taylor, G., Hawley, H., (2010) *Key Debates in Health Care*, Maidenhead: McGraw Hill.
- Tresch, R. (2007) *Public Sector Economics*, Basingstoke: Palgrave Macmillan.

Journals

Web Sites

See syllabus for complete reading list

Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or AB)	Change Actioned by Academic Registry
Minor	Updated Reading List	School Meeting 18 th March 2016	
Minor	Updated reading list	September 2019	
	Various updates as part of the UG programme review	AB Jan 2022	
	Revision – annual update	May 2023	
	Total Hours Updated	April 2024	