

## Junior Sophister 2018/19

# EC3161 ECONOMICS OF POLICY ISSUES

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### Rationale and Aims

EC3161 will analyse the relationship between markets, institutions and policy outcomes. Lectures will focus on the challenges inherent in the pursuit of social justice and will analyse entitlements such as health care and old age pensions. Discussion of voting behaviour and the impact of forms of government and electoral rules on redistribution will be followed by an examination of issues related to optimal taxation. The module concludes with a more philosophical discussion on the overall need for government in society.

The course is suitable for any JS student who has taken Economics in his/her SF year and all Visiting Students who have acquired an equivalent level of Economics training.

### Course Content/Outline

- (i) Voting rules and political competition. The impact of voting on income redistribution.
- (ii) Social justice and insurance. Moral Hazard and social justice without government.
- (iii) The attributes and consequences of entitlements. Old age and health care entitlements.
- (iv) The choice of taxation. Optimal taxation and alternative tax bases.
- (v) The growth of government and competing views on the need for government.

### Course Textbook

The core book is Arye L. Hillman, *Public Finance and Public Policy: Responsibilities and Limitations of Government* (2<sup>nd</sup> Edition) Cambridge University Press 2009 and it is advised that you order this now through any bookshop. More recent editions will also suffice.

### Learning Outcomes

On successful completion of this module, student should be able to:

- Identify and understand the key issues involved in welfare economics
- Discuss the basic economic and broad philosophical principles underlying these issues
- Appraise the various arguments/theories relating to these issues
- Formulate a balanced, critical judgment on the status of each of these debates.

### Methods of Teaching and Student Learning

The main mode of teaching is the use of standard lectures, running for 50 minutes twice a week, throughout both semesters. The lectures will be used primarily to stimulate interest in the subject, provide introductions to some of

the more difficult material in the core textbook, and to supplement the book where relevant and possible. While the numbers taking the course can exceed 40, questions are welcomed, at least to a limited extent, during lectures. Students will also be allowed to evaluate, anonymously, each module at the end of each term.

There will also be a tutorial programme at which every student will be asked to contribute to class discussion and group presentations will take place. The lecturer will also be readily contactable by email to answer queries in relation to the course and to make face-to-face appointments when required.

### **Methods of Assessment**

Each module accounts for 50 per cent of the marks for the course. Marks for the module will be allocated as follows:

- 40 per cent for test to be held in Week 8, HT.
- 20 per cent for group assignment.
- 40 per cent for individual policy paper.