

NOTTINGHAM TRENT UNIVERSITY

Nottingham Business School

ECONOMICS OF PUBLIC ISSUES

Module Code: ECON22105

Academic Year: 2009–10

AIMS

This course provides a broad treatment of public policy issues that affect contemporary society. Students should become familiar with microeconomic theory to understand the principal aspects of government activity. Students will be expected to engage in discussion and debate of these topics and be competent in analysing related issues.

MODULE ARRANGEMENTS

The module is a level-two twenty credit point module. Each week, you are expected to attend a two-hour lecture totalling 20 hours over the term. Supporting material will be covered in a seminar, held every other week. Where appropriate, you should prepare answers in advance.

ASSESSMENT

The course will be examined through two coursework essays (weighted 25% each), and a two-hour examination at the end of the academic year (weighted 50%). Coursework essays should not exceed 1500 words. Students must submit a copy of their word-processed essay on a disk accompanying their essay. Essays must be typed using WORD.

RECOMMENDED TEXTBOOKS

Le Grand, J. Propper, C. and Smith, S. (2008), *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan.

COMPLEMENTARY READING

Barr, N. (2004), *The Economics of the Welfare State*, 4th edition, Oxford University Press.

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman.

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe.

Hindriks, J. and Myles, G. (2006), *Intermediate Public Economics*, London: MIT Press.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition. London and New York: W.W. Norton.

Tresch, R. W. (2008), *Public Sector Economics*, New York: Palgrave Macmillan.

This reading list is not exhaustive and students are advised to seek out additional references.

MODULE OUTLINE AND READING LIST (TERM I)

PART I FUNDAMENTALS OF WELFARE ECONOMICS

1. EQUITY AND EFFICIENCY

Reading:

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 3: Equity and Efficiency.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition. London and New York: W.W. Norton, Chapter 5: Efficiency and Equity.

Tresch, R. W. (2008), *Public Sector Economics*, New York: Palgrave Macmillan, Chapter 1: The Foundations of Public Sector Theory; Chapter 4: The Social Welfare Function and the Quest for Distributive Justice.

PART II THE WELFARE STATE

2. POVERTY, INEQUALITY AND THE WELFARE STATE

Reading:

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 14: Income Inequality; Chapter 15: Poverty; Chapter 16: Social Insurance and the Welfare State, Chapter 17: Social Policy.

Le Grand, J. Propper, C. and Smith, S. (2008), *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan, Chapter 9: Poverty and Welfare.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 14: Social Insurance.

3. AGEING AND PENSIONS

Reading:

Barr, N. (2004), *The Economics of the Welfare State*, 4th edition, Oxford University Press, Chapter 9: Consumption Smoothing: Old-age Pensions.

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 18: Pensions and Ageing.

Le Grand, J. Propper, C. and Smith, S. (2008). *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan, Chapter 4: Pensions.

4. HOUSING

Reading:

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman, Chapter 16: Housing.

Le Grand, J. Propper, C. and Smith, S. (2008). *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan, Chapter 5: Housing.

5. HEALTH AND HEALTHCARE SYSTEMS

Reading:

Barr, N. (2004), *The Economics of the Welfare State*, 4th edition, Oxford University Press, Chapter 12: Health and Health Care.

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman, Chapter 15: Health Policy.

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 19: Healthcare.

Le Grand, J. Propper, C. and Smith, S. (2008). *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan, Chapter 2: Health Care.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 12: Health Care.

6. EDUCATION

Reading:

Barr, N. (2004), *The Economics of the Welfare State*, 4th edition, Oxford University Press, Chapter 13: School Education; Chapter 14: Higher Education.

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman, Chapter 11: Education.

Le Grand, J. Propper, C. and Smith, S. (2008). *The Economics of Social Problems* (4th Ed.). Hampshire: Palgrave Macmillan, Chapter 3: Education.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 16: Education.

PART III TAXATION

7. TAXATION

Reading:

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman, Chapter 9: Income Maintenance and Taxation.

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 10: Taxation.

Griffiths, A. and Wall, S. (2007), *Applied Economics* (11th Ed). Harlow: FT Prentice Hall, Chapter 19: Taxation.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 17: Introduction to Taxation.

PART IV BOUNDARIES OF THE STATE

8. STATE OWNERSHIP, PRIVATISATION AND REGULATION

Reading:

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 21: Privatisation and Social Ownership; Chapter 22: Regulation and Competition Policy.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 8: Public Production and Bureaucracy.

9. THE DIVISION OF GOVERNMENT RESPONSIBILITIES

Reading:

Bochel, H., Bochel, C., Page, R. and Sykes, R. (2009), *Social Policy: Themes, Issues and Debates*, 2nd edition, Harlow: Pearson Longman, Chapter 19: European Welfare States and European Union Social Policy.

Connolly, S. and Munro, A. (1999), *Economics of the Public Sector*, Prentice Hall Europe, Chapter 24: Federal Issues and the European Union.

Griffiths, A. and Wall, S. (2007), *Applied Economics* (11th Ed). Harlow: FT Prentice Hall, Chapter 29: The European Union.

Stiglitz, J. E. (2000), *Economics of the Public Sector*, 3rd edition, London and New York: W.W. Norton, Chapter 26: Fiscal Federalism.