Syllabus

ECONOMICS AND PUBLIC POLICY - 59716

Last update 25-09-2016

HU Credits:  4

Degree/Cycle: 2nd degree (Master)

Responsible Department: public policy

Academic year: 0

Semester: 1st Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: momi dahan

Coordinator Email: momidahan@mscc.huji.ac.il

Coordinator Office Hours: 16:00-16:45

Teaching Staff:
   Prof Momi Dahan
Course/Module description:
The course first shows that under certain conditions market economy lead to an efficient allocation of resources. Then we discuss the conditions under which market economy fail to generate an efficient allocation. Various types of government intervention to remedy those market failures are presented along side with the limitations of government involvement. The inequality as a prominent consideration for government intervention is also discussed. In the second part of the course we deal with taxes that are needed to finance government intervention. In particular, we study how to design an efficient and equitable tax system. For each and every economic policy question discussed, the presentation of an economic conceptual framework is followed by a description of the way and extent of government intervention in Israel and the developed world.

Course/Module aims:
The goal of this course is to provide an economic conceptual framework that enables us to discuss the effects of government intervention on the efficiency of resources allocation in a range of areas such as education, health and welfare.

Learning outcomes - On successful completion of this module, students should be able to:

- Assess the impact of public policy on economic efficiency and inequality in various policy arenas such as education, health, welfare and taxes.
- Justify government intervention or inaction in the markets.
- Integrate economic considerations into policy analysis and in particular in policy papers that every student has to prepare on actual policy issue.
- Compare the desired public policy and the actual policy in Israel and developed countries from economic perspective.
- Examine critically economic publications that are circulated by government institutions, NGOs and international institutions.

Attendance requirements(%):
none

Teaching arrangement and method of instruction: Lectures & tutorials

Course/Module Content:
Course contents

Introduction:
Tools for positive analysis

Market efficiency

Public Goods

Externalities

Moral hazard asymmetric information

Pension

Education

Public choice

Inequality

Designing programs for combat poverty

Tax Incidence

Efficient Taxation

Fair and efficient tax system

Local Government

Required Reading:
Required readings

The central book in this course is:

Introduction:
Rosen and Gayer, Chapter 1

Tools for positive analysis
Rosen and Gayer, Chapter 2

Market efficiency
Rosen and Gayer, Chapter 3
Rosen and Gayer, Appendix

Public Goods
Rosen and Gayer, Chapter 4

Externalities
Rosen and Gayer, Chapter 5

Moral hazard asymmetric information
Rosen and Gayer, Chapter 11 and Chapter 8, pages 177-178

Pension

Education
Rosen and Gayer, Chapter 7

Public choice
Rosen and Gayer Chapter 6

Inequality
Rosen and Gayer, Chapter 12

Designing programs to combat poverty
Rosen and Gayer, Chapter 13

Tax Incidence
Rosen and Gayer, Chapter 14

Efficient Taxation
Rosen and Gayer Chapter 15

Fair and efficient tax system
Rosen and Gayer Chapter 16

Local Government
Rosen and Gayer Chapter 22

Additional Reading Material:
Additional readings

Introduction:
OECD Economic Outlook
Economic Freedom of the World, Annual Report
World Economic Forum, Global Competitiveness Report

Tools for positive analysis


Momi Dahan and Udi Nisan, "The Effect of Benefits Level on Take-up Rates: Evidence from a Natural Experiment" forthcoming in the International Tax and Public Finance

Market efficiency

Public Goods


Externalities

Moral hazard asymmetric information

Pension

Education

Altonji, Joseph and Dunn, Thomas. "The Effects of Family Characteristics on the


Public choice

Inequality

Designing programs for combat poverty

Tax Incidence

Efficient Taxation

Fair and efficient tax system

Local Government

Course/Module evaluation:
End of year written/oral examination 70 %
Presentation 0 %
Participation in Tutorials 0 %
Project work 0 %
Assignments 30 %
Reports 0 %
Research project 0 %
Quizzes 0 %
Other 0 %
Additional information:
Six out of seven assignments.