



Kuwait University
College of Business Administration
Master of Economics Program



Course Syllabus
1030-513: PUBLIC ECONOMICS I
Fall 2023 - 2024

Prof. Michail Skourtos

Lecture Time and Location

Monday, 5:00 PM – 7:50 PM, Building BUA-S, Room 1003 / C1

Contact Information

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Office Hours: Mon Wed, 2:00 PM – 3:00 PM or by appointment

Course Description

This is an advanced course in public economics designed to expose students to the theory and empirical evidence of the role of government in a market economy. I assume that students are familiar with basic microeconomic theory as well as basic econometric and mathematical tools. We will advance the economic concepts further, apply them in government interventions and test their adequacy in highlighting several important empirical cases. We start with a short review of the main theoretical concepts [efficiency, market and government failure, public goods, externalities]. We discuss then the functions of government, its budgeting and spending before proceeding to analyze four broad areas of public economics: Social insurance and redistribution; Education; Health; and Taxation.

Course Learning Objectives (CLOs)

Upon successful completion of the course, students will be able to:

CLO1. Articulate the microeconomic tools for the analysis of government action

CLO2. Use the appropriate economic models to evaluate the performance of government policies

CLO3. Formulate an applied research question; extract relevant information and apply relevant models

CLO4. Make an effective oral presentation, incorporate constructive feedback into their own work, and conduct a critical review of fellow students' research

CLO Mapping to CBA Skill Based Competency Goals*

CLO	Competency Goal			
	Global Economic Competency	Quantitative Reasoning Skills	Ethical Reasoning Skills	Communication Skills
1	R			
2	I			
3		A		
4				R

Type of Emphases:

(I)ntroduce: Students will be introduced to the skill and their grasp of it assessed in the course.

(A)pply: The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.

(R)einforce: Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Reading Material

There is no 'textbook' for this course. Students should consult, among others, the following books:

* CBA Competency Goals can be found at the end of this document

1. Jonathan Gruber (2016), Public finance and public policy. 5th Edition. Worth Publishers, N. York
2. Harvey Rosen and Ted Gayer (2014). Public Finance. Mac Graw Hill
3. Anthony B. Atkinson Joseph E. Stiglitz (2015). Lectures on Public Economics. Princeton University Press

Supplementary reading material will be distributed during the term.

E-Learning System: Moodle Learning Management System; we will occasionally also use MS Teams

Course Website : <http://moodle.ku.edu.kw>

Course Requirements and Policies

- **Individual Assignments:** There are in total two individual assignments. The assignments need to be submitted through Moodle by 9:00 AM on the due days. Submit your work always in Word files named as: "name_surname_513_Assign X"

- **Term Paper:** You will write a short paper on a public economic issue chosen from a list of topics that I will provide. Your paper can potentially be carried on into your master's thesis. The objective of writing the paper is for you to develop the writing skills needed to analyze and explain an applied, public economic issue. The objective of the presentation is for you to develop effective oral communication skills by presenting your findings in a clear and compelling way to the class. Upon completing the paper and presentation, you will have acquired the skills to identify a research question, construct an economic hypothesis, apply the theory to the question, identify and describe the data that you would use to answer your question, and present your ideas in a way that keeps your audience engaged with you. Papers should be well written, on average 25 pages, double-spaced with normal margins and type face, excluding the title page and references. Your paper should have the following sections:

1. An introduction that presents your issue and why this issue is important. Your introduction should be explicit and be clear about the issue you are addressing/question you are answering.
2. A brief analysis of previous literature on the topic and a discussion of how your paper summarizes, criticizes and/or extends this body of knowledge.
3. A description of the theory/model that applies to your question.
4. A discussion of the data that you would use in an empirical analysis and an econometric specification, including a description of variables, why they belong in your model and the impact you expect the dependent variables to have on your independent variable. An original econometric analysis of data should be included.
5. A brief conclusion that summarizes what you learned and areas for future research.

You should also put together a 6-page PowerPoint presentation (not counting the title and concluding slides) that clearly presents your issue. Students will make presentations during the last week of class. Students must refer to MLA writing style for their assignments and report writing (see https://owl.purdue.edu/owl/research_and_citation/mla_style/mla_formatting_and_style_guide/mla_general_format.html). Refer to the English Language Center for help. I encourage you to ask a classmate to read your paper for grammar, spelling, and clarity. Because this exercise is designed to develop your writing and oral communication skills, I will grade you on the quality of your writing, how effectively you incorporate comments from your reviewers, and on your presentation, including your PPT slides. The rubric below shows how your paper and presentation will be evaluated.

Assessment rubric for the final paper

	Excellent A (94-100)	Very Good A- (90-93)	Good B+ (86-89)	Adequate B (83-85)	Fair B- (80-82)	Deficient C+/C/C- Less than 80
Issue	Thorough, well-reasoned, creative, sophisticated, exceptional scholarly or practical quality	Strong understanding of material and analytical approaches; meets professional standards	Sound work with some weaknesses well-reasoned without serious analytical shortcomings	Competent work with some weaknesses; understanding or application of some important ideas is incomplete	Weak but meets minimal expectations, understanding, analysis, or application is incomplete	Inadequate work, doesn't meet minimal expectations; work is poorly developed and is flawed by errors and misunderstanding of important issues
Description of the question						
Literature Review						
Discussion of theory						

Presentation of Data						
Analysis of question						
Charts and Tables						
Comments incorporated						
References						
Overall Evaluation						

- **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class. Participation should include, among other things, (1) presenting case facts, (2) defining the problem, (3) exploring different alternatives, (4) persuasive, thoughtful, integrated analysis supported by the data given in the case, (5) Implementation plan for proposed actions. "Airtime" is not nearly as important as meaningful analysis and recommendations supported by data. Remember, for most of these cases, there is no right or wrong answer.
- **Attendance:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on: http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf This course has a significant seminar component and class participation is critical to the learning experience. Participation will be assessed in each class period. Your class participation and attendance will both contribute to your score of in-class performance.
- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on: http://www.kuniv.edu/cs/groups/ku/documents/ku_content/kuw055940.pdf Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes "unauthorized assistance" please email me before the deliverable is submitted.
- **Writing Style:** Students must refer to MLA writing style for their assignments and report writing. Refer to the English Language Center for help.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
30%	Individual assignments
60%	Term Paper and presentation
10%	Attendance and participation
100%	TOTAL

Grade Distribution

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Course Outline

Week		Chapters from Gruber
1	Introduction and Basic concepts	Ch 1
2	Microeconomic tools	Ch 2.1 and 2.2
3	Equilibrium and Social Welfare	Ch 2.3
4	Externalities and public Goods	Ch 5, 6, 7
5	Education	Ch 11

6	Social insurance	Ch 12
7	Social security	Ch 13
8	Unemployment insurance	Ch 14
9	Health insurance	Ch 15, 16
10	Taxation	Ch 18, 19
11	Labor taxation	Ch 21
12	Taxation of business income	Ch 24
13	Summary and term paper presentations	-----

Important Dates

Date	Event
Sept 18 th , 2023	Beginning of classes
Oct 2 nd , 2023	Assignment 1 Out
Oct 9 th , 2023	Assignment 1 In
Oct 16 th , 2023	Submission of first draft
Oct 30 th , 2023	Assignment 2 Out
Nov 6 th , 2023	Assignment 2 In
Nov 20 th , 2023	Submission of final draft
Dec 18 th , 2023	Paper presentation / Last day of classes

Master of Economics Competency Goals:

1. Global Economic Competency: Our students should demonstrate expertise in applying core economic theories to solve global and complex economic problems.

Student Learning Objectives:

- 1.1 Acquire a deep understanding of how markets and economies operate
- 1.2 Apply micro/macro-economic theories to solve complex economic problems.
- 1.3 Analyze in depth the impact of alternative regulatory activities in individual markets and their effect on the welfare of the population
- 1.4 Recognize that although economists address economic problems with a common approach, the science is ever changing, and one's approach must be regularly evaluated and updated.

2. Quantitative Reasoning Skills: Our students should acquire sufficient mathematical and statistical skills to be able to analyze economic problems and to make use of those skills in their future careers

Student Learning Objectives:

- 2.1 Understand how to collect and use empirical evidence to evaluate economic argument.
- 2.2 Conduct appropriate statistical analysis of data using appropriate econometric techniques and explain the statistical problems involved.
- 2.3 Interpret statistical results and understand the limitations of the analysis.

3. Ethical Reasoning Skills: Our students should learn to recognize different value judgments and ethical stances in economic arguments

Student Learning Objectives:

- 3.1 Evaluate economics decisions within an ethical framework.
- 3.2 Understand the ethical dimension of assumptions in arguments.

4. Communication Skills: Our students will demonstrate advanced communication skills in a variety of business settings.

Student Learning Objectives:

- 4.1 Deliver clear, concise, and persuasive presentations.
- 4.2 Write clear, concise, and persuasive business documents.