Kuwait University
College of Business Administration
Master of Economics Program

Course Syllabus
1030-518: Public Economics
Spring 2025-26
Prof. Michail Skourtos

Lecture Time and Location
Monday, 5:00pm – 7:50pm, Building BUA-S, Room 1005 / C3

Contact Information
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Office Hours: Mon Wed, 1:00pm – 2:00pm or by appointment

Course Description
Theoretical foundation of market failures due to public goods and externalities and their implications on welfare; public expenditure and taxation theory; efficiency and equity implications of government interventions through provision of public goods, regulation of private goods, and taxation; institutions, political economy, and public choice; income redistribution, social safety nets, social programs and insurance (education, healthcare, social security, etc.); cost-benefit analysis of public expenditures; forms of taxation (labor, consumption, income, corporate, etc.). Topics related to Kuwait and the MENA region such as infrastructure, social programs (e.g., education, healthcare, housing, etc.), social security, immigration, municipal services, government wage bill and subsidies, unemployment and disability insurance, privatization, public institutions. Reading and discussing relevant case studies, economic reports, policy papers, and empirical journal articles.

Course Learning Objectives (CLOs)
Upon successful completion of the course, students will be able to:
CLO1. Appy tools of economic theory to the analysis of the government's role in the economy and public finance.
CLO2. Explain the implications of market failures and government interventions on welfare, efficiency, and equity.
CLO3. Explain the merits and limits of social programs and taxation.
CLO4. Develop a general knowledge of issues related to public economics in Kuwait and the MENA region.
CLO5. Survey and discuss the main and latest empirical literature related to public economics.
CLO6. Write and present research (e.g., research proposal, literature review, term paper, replication, etc.).

CLO Mapping to Master Program Student Learning Outcomes (SLO)*

CLO	Competency Goal				
	Economic Theory	Quantitative Reasoning	Critical Thinking	Contextual Knowledge	Communication Skills
1	A	A	R		
2	I	A	R		
3	A	A	R		
4			A	A	
5		A	A		
6		A	A		A

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.

Pre-Requisites and/or Co-Requisites
Pre-Requisite: 1030531; 1030541.

Required Material
We will use several sources for the taught material. A textbook that we often follow is: Jonathan Gruber (2016), Public finance and public policy. 5th Edition. Worth Publishers, N. York. We also make use of *Economics of the Public Sector*, J. E. Stiglitz & J. K. Rosengard, 4th edition or later, W. W. Norton. Supplementary reading material will be distributed during the term.

E-Learning System: MS Teams and Moodle.
Course Website: https://moodle.ku.edu.kw

Course Requirements

- Participation and attendance: students are expected to attend every class and participate actively.
- Homework: three analytical problem sets to be submitted individually.
- Reading assignments: read, summarize, discuss, and/or present journal articles and/or policy papers.
- Research project: a short paper on a public economic issue chosen from a list of topics that the instructor will provide. Students must refer to MLA writing style for their assignments and report writing. Refer to the English Language Center for help.

Course Policies

- **Communication:** all class communication will be via MS Teams. Assignments are posted & submitted on Moodle.
- **Late assignment submission:** homework should be submitted on time. Late submissions are not accepted.
- **Class etiquette**: Refrain from using phones or taking pictures of the board.
- **Academic honesty**: submitted assignment must represent the student's own independent work. Violations of academic honesty are subject to the rules and regulations regarding cheating and plagiarism referenced below.
- Research Resources: use the KU library website to access the literature (https://eresources.ku.edu.kw). Google Scholar (https://scholar.google.com/) is also a great resource. If you cannot find or access an item, let me know.
- Attendance and Participation: students must abide by the KU-CGS by-laws regarding attendance (https://cgs.ku.edu.kw/cgs-by-laws/, Article 20).
- Cheating and Plagiarism: Every student in this course must abide by the KU-CGS by-laws regarding cheating and plagiarism ((https://cgs.ku.edu.kw/cgs-by-laws/, Article 20). 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.
- Use of GenAI: In accordance with Kuwait University Policy on the use of Generative Artificial Intelligence (GenAI) (https://www.ku.edu.kw/sites/default/files/2024-12/AI%20Policy%202024%20November%20-%20English.pdf), students should adhere to the instructor's instructions about GenAI. Uncritical and exclusive use of GenAI will be equated to receiving assistance from an outside source and, thus, considered cheating/plagiarism. When using GenAI you are required to provide the GenAI tool used, prompts to the AI, as well as which parts of the assignment that were generated/assisted by GenAI.
- Disability: inform the instructor if you have a disability and need assistance or accommodation.
- CGS Rules: you are responsible for familiarizing yourself with the College of Graduate Studies rules: https://cgs.ku.edu.kw/cgs-by-laws/

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

Course Outline

Week	
1	Preliminaries - Introduction, motivation, and stylized facts - Review of relevant mathematics, economic theory, and empirical methods
2-6	Part I: Theory and Fundamentals - Definition, scope, and measurement of the public sector - Market failures (externalities and public goods) and their welfare implications - Theory of public expenditure - Theory of taxation: incidence and optimal taxation, - Efficiency and equity implications of government interventions: provision of public goods, regulation of private goods, and taxation Institutions, political economy, and public choice
7-11	Part II: Outcomes, Extensions, Applications, and Policy - Fiscal policy tools for income redistribution and social safety nets - Social programs and insurance: education, healthcare, health insurance, social security, unemployment insurance, welfare programs, etc. - Cost-benefit analysis of infrastructure and social programs finance - Forms of taxation: labor, consumption, savings, wealth, business, etc. Tax agreements and competition
12-14	Part III: Kuwait and MENA Context

	Public finance issues relevant to Kuwait and the MENA region such as infrastructure investment, social programs (e.g., education, healthcare, housing, etc.), social security, immigration, municipal services, government wage bill and subsidies, unemployment and disability insurance, privatization, and public institutions
To be decided	Summary and term paper presentations

Important Dates

Date	Event
Febr 2nd, 2026	Beginning of class
Febr 16th , 2026	Choice of topic for term paper
March 23rd , 2026	Submission of 1st draft
April 20th , 2026	Submission of final draft
May 4th , 2026	Last day of classes - Term paper presentations

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.