

## Economics 651 (L01) (Redistribution and Social Insurance)

Instructor:	Stefan Staubli	Lecture Location:	SS 423
Phone:	(403) 220-6180	Lecture Days/Time:	TR 11:30 – 12:45
Email:	sstaubli@ucalgary.ca		
Office:	SS 408		
Office Hours:	By appointment	Winter 2018	

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### Course Description:

Economics 651 focuses on the ideas and methods most relevant for understanding the economics of expenditure programs that are designed to redistribute income or to provide social insurance against risks faced by households. These programs include employment insurance, health care, pensions, subsidized housing, and progressive taxation. Such “welfare state” programs comprise a very substantial part of government activities. Understanding the efficiency and equity rationales for the welfare state is therefore fundamental to understanding the economic role of government in the modern economy. The theoretical concepts to be covered include excess burden, social welfare functions, inequality measures, public goods, insurance market failures, optimal income taxation, in-kind transfers, and social insurance. We will discuss how these topics relate to actual welfare states programs.

**Course Objectives/Learning Outcomes:** The course aims to give students a broad overview of the growing field of public economics and to bring them to the research frontier. By the end of the course students should be able to understand and critically evaluate issues related to social and government policy from an economic perspective.

### Course Outline:

The following topics will be covered in this course:

1. Introduction and Road Map
2. Social Welfare Functions and Fundamental Welfare Theorems
3. Income Inequality and Social Preferences for Distribution
4. Adverse Selection and Insurance Market Failures
5. Welfare Analysis of Health Insurance
6. Optimal Social Insurance: Unemployment Insurance
7. Disability Insurance
8. Behavioral Biases and Public Policy

## 9. Externalities and Public Goods

**Prerequisites/corequisites:**

None

**Required Textbook(s):**

There is no required textbook or reading packet for this course. A detailed reading list and course calendar will be distributed during the first week of classes. Course readings will be made available through the course website or in class.

**Recommended Textbook(s):**

You may find the following books to be useful reference materials:

A. Atkinson and J. Stiglitz, Lectures on Public Economics, McGraw-Hill (1980)

A. Auerbach and M. Feldstein, eds., Handbook of Public Economics, North-Holland, volumes 1 (1985), 2 (1987), 3 (2002), 4 (2002), and 5 (2013). [Note: Full text online at: <http://www.sciencedirect.com/science/handbooks/15734420>]

J. Gruber, Public Finance and Public Policy, Worth Publishers (any edition).

**Books on Reserve:**

None

**Desire2Learn:**

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

**Grade Determination and Final Examination Details:**

1. Three assignments	30%	10% each
2. Paper presentation	20%	
3. Referee reports	20%	
4. Final exam	30%	Registrar scheduled

*Grading Scale*

A+	95 – 100	B	73 – 76	C-	60 – 62
A	85 – 94	B-	70 – 72	D+	56 – 59
A-	80 – 84	C+	67 – 69	D	50 – 55
B+	77 – 79	C	63 – 66	F	0 – 49

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during his office hours.

The final examination will be comprehensive, scheduled by the Registrar, held in a classroom, and last 2 hours. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam [www.ucalgary.ca/registrar/exams/deferred\\_final](http://www.ucalgary.ca/registrar/exams/deferred_final). Under no circumstance will this be accommodated by the Department.

Tests and exams will not involve multiple choice questions. Non-programmable calculators WILL be allowed during the writing of tests or final examinations.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

**Reappraisal of Grades and Intellectual Honesty:**

*For reappraisal of graded term work, see Calendar I.2*

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

*For reappraisal of final grade, see Calendar I.3*

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

*Statement of Intellectual Dishonesty, see Calendar K.4*

<http://www.ucalgary.ca/pubs/calendar/current/k-4.html>

*Plagiarism and Other Academic Misconduct, , see Calendar K.5*

<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>

**Academic Accommodations:**

The student accommodation policy can be found at: [ucalgary.ca/access/accommodations/policy](http://ucalgary.ca/access/accommodations/policy).

Students needing an accommodation because of a disability or medical condition should communicate this need to Student Accessibility Services in accordance with the Procedure for Accommodations for Students with Disabilities [ucalgary.ca/policies/files/policies/student-accommodation-policy](http://ucalgary.ca/policies/files/policies/student-accommodation-policy).

Students needing an Accommodation based on a Protected Ground other than disability, should communicate this need, preferably in writing, to the course instructor.

**Important Dates:**

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

**Student Organizations:**

Faculty of Grad Studies website: <http://grad.ucalgary.ca/home>

Graduate Students Association: <http://gsa.ucalgary.ca/>

Professional Development for Grad Students

Workshops and resources can be found at <http://www.ucalgary.ca/mygradskills/>

Economics Graduate Association: <http://econ.ucalgary.ca/ega/>

**Faculty of Arts Program Advising and Student Information Resources:**

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580 or email them at [artsads@ucalgary.ca](mailto:artsads@ucalgary.ca). You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate> which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.
- Online writing resources are available at <http://www.ucalgary.ca/ssc/resources/writing-support>.

**Evacuation Assembly Point:**

In case of an emergency evacuation during class, students must gather at the designated assembly point nearest to the classroom. The assembly point for this classroom is Professional Faculties - Food Court.

**Safewalk:**

The Safewalk program provides volunteers to walk students safely to their destination anywhere on campus. This service is free and available 24 hrs/day, 365 days a year. **Call 403-220-5333.**

**Freedom of Information and Protection of Privacy (FOIP) Act:**

Personal information is collected in accordance with FOIP. For more information, see <http://www.ucalgary.ca/legalservices/foip/foip-hia>.

**Internet and Electronic Communication Device information:**

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note-taking only.

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2017-10-25