

Course Outline

Norms and Public Intervention

LECON2411 2017-2018

Université Catholique Louvain

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Wednesdays 08.30-10.30

Objectives

To expose students to the norms and values underlying different theories of social justice and to link these norms to different types of public intervention.

Set-up

The course is based on active learning. Before each session the student must read a text and answer some questions. The answers to the different questions are discussed in the classroom. For every session, a group of (approximately two) students is exempted from answering questions, but prepares a presentation (30' - 45') based on a related paper and presents it at the end of the session. Every group receives their paper two weeks in advance.

Evaluation

The evaluation consists of three parts:

- Written answers to questions + class interaction;
- Slides + presentation;
- Final open book exam.

The final grade is calculated as follows:

- If a student passes the final exam, then his/her final grade = $0.3 \times (a) + 0.2 \times (b) + 0.5 \times (c)$;
- If a student fails the final exam, then his/her final grade = $1 \times (c)$.

Topics

<u>Lecture 1</u> 07-feb	<u>Introduction</u>
<u>Lecture 2, 3</u> 21-feb 28-feb	<u>Redistribution</u> <ul style="list-style-type: none"> (*) Meltzer, A. and S. Richard (1981). A rational theory of the size of the government. <i>The Journal of Political Economy</i>, 89(5): 914-927. (*) Alesina, A. and P. Giuliano (2011). Preferences for Redistribution. In: <i>Handbook of Social Economics</i>, 93-132. North Holland. Kuziemko, I. M. I. Norton, E. Saez, and S. Stantcheva (2015). How elastic are preferences for redistribution? Evidence from randomized survey experiments. <i>American Economic Review</i>, 105(4): 1478-1508. Karabarbounis, L. (2011). One dollar, one vote. <i>The Economic Journal</i>, 121, 621–649.

<u>Lecture 4</u> 07-mar	<u>Inequality</u> <ul style="list-style-type: none"> • (*) Atkinson, A. B. (2015). Inequality. What Can be Done? Harvard University Press. (First part) • Anand, S., Segal, P. (2015) The Global Distribution of Income. In: Anthony B. Atkinson and François Bourguignon (eds.), Handbook of Income Distribution, Volume II, North-Holland, 2015.
<u>Lecture 5, 6, 7</u> 14-mar 21-mar 28-mar	<u>Happiness and wellbeing</u> <ul style="list-style-type: none"> • (*) Clark, A. E., P. Frijters, and M. A. Shields (2008). Relative income, happiness, and utility: an explanation for the Easterlin paradox and other puzzles. Journal of Economic Literature, 46(1): 95-144. • Alesina, A.; R. Di Tella and R. MacCulloch (2004). Inequality and happiness: are Europeans and Americans different? Journal of Public Economics 88: 2009-2042. • Deaton, A. (2008). "Income, Health and Wellbeing Around the World: Evidence from the Gallup World Poll." Journal of Economic Perspectives 22 (2): 53-72. • (*) Decancq, Koen, Marc Fleurbaey and Erik Schokkaert (2015) Inequality, income, and well-being. in: Anthony B. Atkinson and François Bourguignon (eds.) Handbook on Income Distribution, Volume 2A. Elsevier. pp. 67-140. • Sen Amartya (1980) Equality of What?. In: McMurrin S Tanner Lectures on Human Values, Volume 1. Cambridge: Cambridge University Press ; 1980.
<u>Lecture 8</u> 18-apr	<u>Trust</u> <ul style="list-style-type: none"> • (*) Algan, Y.; P. Cahuc and M. Sangnier (2016). Trust and the Welfare State: the Twin Peaks Curve. Economic Journal 126(593): 861-883. • Rothstein, B., and E. M. Uslaner (2005). All for all: Equality, corruption, and social trust. World Politics, 58(1): 41-72. • Alesina, A. and E. La Ferrara (2002) Who trusts others?, Journal of Public Economics 85: 207-234.
<u>Lecture 9, 10</u> 25-apr 02-may	<u>Equality of opportunity</u> <ul style="list-style-type: none"> • (*) Roemer, John and Alain Trannoy (2016) Equality of Opportunity: Theory and Measurement Journal of Economic Literature 54(4): 1288-1332. • Ferreira, Francisco and Vito Peragine (2016) Individual Responsibility and Equality of Opportunity. In: Matthew Adler and Marc Fleurbaey (eds.) Oxford Handbook of Well-Being and Public Policy. Oxford: Oxford University Press.
<u>Lecture 11, 12</u> 09-may 16-may	<u>Behavioural public economics</u> <ul style="list-style-type: none"> • (*) Camerer, C.; S. Issacharoff; G. Loewenstein; T. O'Donoghue and M. Rabin (2003) Regulation for Conservatives: Behavioral Economics and the Case for "Asymmetric Paternalism". University of Pennsylvania Law Review, 151: 1211-1254. • Bernheim, B.D., A. Rangel (2007) Behavioral Public Economics: Welfare and Policy Analysis With Non-standard Decision-Makers, in P. Diamond & H. Vartiainen (eds.), Behavioral Economics and its Applications, Princeton University Press, 2007.

(*) indicates compulsory reading