

Public Economics (F000684)

Course size *(nominal values; actual values may depend on programme)*

Credits 6.0

Study time 180 h

Course offerings and teaching methods in academic year 2025-2026

A (semester 2)

English

Gent

lecture

Lecturers in academic year 2025-2026

Van de gaer, Dirk

EB21

lecturer-in-charge

Offered in the following programmes in 2025-2026

[Master of Science in Teaching in Economics\(main subject Economics\)](#)

crdts

6

offering

A

[Master of Science in Complementary Studies in Economics](#)

6

A

[Master of Science in Economics](#)

6

A

[Master of Science in Economics \(Double Degree\)](#)

6

A

[Exchange programme in Economics and Business Administration](#)

6

A

Teaching languages

English

Keywords

Public economics, market failure, government failure, public choice, inequality, poverty, social choice, optimal taxation.

Position of the course

The purpose of the course is to offer a framework that allows to explain the necessity for government intervention in the economy, and from which the consequences of government action can be analysed. We focus on both positive and normative analysis.

Contents

Public economics studies the role of the government in the economy from both a positive and a normative point of view. Typically, micro economic tools are used to accomplish this task.

The first part of the course studies the conditions under which markets lead to an efficient allocation. If these conditions are not met (public goods, externalities, asymmetric information) markets will fail, and government intervention might lead to a more efficient allocation. Intervention by the government does not always achieve such a better allocation, however. The second part of the course studies government failures that result from democratic decision procedures, bureaucratic behaviour and special interest groups. The third part of the course studies inequality and poverty: how they arise, how we measure them and how they evolve. Next, we describe the consequences of taxes and study optimal taxation of goods, labour income, capital income and inheritances. The last part of the course introduces social choice theory. We analyse both traditional social choice theory and equality of opportunity.

Initial competences

Students should have followed the course "Microeconomics: Decision Theory", or otherwise acquired the following competences:

- be able to use micro economic techniques;
- analyse economic situations and problems using micro economic techniques;
- propose realistic solutions for micro-economic situations and problems;
- critical attitude towards expected utility theory.

Final competences

- 1 Understand under which circumstances markets work imperfectly.
- 2 Understand why the government does not always succeed in improving the efficiency of the economy.
- 3 Understand the causes of inequality and poverty.
- 4 Understand the way inequality and poverty are measured.
- 5 Explain why the government needs to intervene in some areas.
- 6 Reflect critically on the best way the government can intervene.
- 7 Understand the normative criteria that are being used by economists.

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

Access to this course unit via an exam contract is unrestricted

Teaching methods

Lecture

Extra information on the teaching methods

Formal lectures.

Study material

Type: Syllabus

Name: Public economics

Indicative price: Free or paid by faculty

Optional: no

Language : English

Number of Pages : 320

Available on Ufora : Yes

References

- Hindriks, J. en G.D. Myles (2006), Intermediate Public Economics, MIT Press.
- Connolly, S. and A. Munro (1999), The Economics of the Public Sector, Prentice Hall Europe.
- Myles, G.D., Public Economics, 1995.
- Atkinson, A.B. and J.E. Stiglitz, Lectures on Public Economics, 1980.

Course content-related study coaching

The professor will do the coaching.

Assessment moments

end-of-term assessment

Examination methods in case of periodic assessment during the first examination period

Oral assessment

Examination methods in case of periodic assessment during the second examination period

Oral assessment

Examination methods in case of permanent assessment

Possibilities of retake in case of permanent assessment

not applicable

Extra information on the examination methods

Oral examination with written preparation.

Calculation of the examination mark