

PUBLIC ECONOMICS

MASTER COURSE

Code: 80037

Date: 1st semester, quarter 2, 2004.

Time: Tuesdays, 11:15-13:00 and Thursdays, 11:15-14:00.

Lecturer: **Dr. Arno Riedl** (email: a.m.riedl@uva.nl)

Contents: The course focuses on the theory and practice of fairness and justice. Among the topics to be discussed are: fair distributions, progressive taxation, the problem of indivisibles, voting and social choice, etc. The relevance of the fairness and justice considerations is discussed with empirical examples, like the allocation of transplantation organs, the distribution of seats in parliament, queuing problems on servers, bankruptcy problems etc.

An important part of the course consists of developing and carrying out a small research project (in pairs of students), which culminates in a written research report.

Grading: on the basis of presence and active participation in the class (both are absolutely necessary for passing), presentation of the literature and the research report (which determines the final grade).

Requirements:

1. Presence and active participation in all classes (necessary prerequisite for passing);
2. Presentation of the literature.
3. Presentation of research project (topic, hypotheses, and methods).
4. Presentation of (first) results of the research project.
5. Research report (about 25 pages); to be submitted for grading at the latest in January 2005.

Organizational procedures for meetings: The meetings are organized in a seminar and reading group style. This means that they are held in a rather informal way. However, this also means that students do not only have to be present but also to be prepared for presenting and discussing the relevant literature at each meeting.

In the first part of the course we will deal with the theoretical basis of fair division and justice using the book "Fair Division and Collective Welfare" by Herve J. Moulin (2003). In the second part we use the book "Equity in Theory and Practice" by H. Peyton Young (1994) to deepen our theoretical knowledge and to relate the theory to practically relevant political and economic questions. In the third part additional research articles that deal with fairness and equity in an empirical and experimental way will be discussed. In this last part also the students' research projects and first results from them will be presented and discussed.

Further organizational procedures are to be discussed in the first meeting.

Literature

Herve J. Moulin (2003). *Fair Division and Collective Welfare*, The MIT Press: Cambridge, Massachusetts and London, England.

H. Peyton Young (1994). *Equity in Theory and Practice*. Princeton University Press: Princeton, New Jersey.

Empirical and experimental research articles published in scientific journals or discussion paper series [to be agreed upon in course of the meetings].

Provisional schedule for meetings:

[depending on students' interests we might change/add some literature]

9 November: organizational issues, introduction M ch. 1

11 November: M chs. 2 & 3.

16 November: M chs. 4 & 5.

18 November: M chs. 5 (con'd), 6, & 7

23 November: M chs. 7 (con'd) Y ch.1

25 November: Y chs. 2 & 3

30 November: Y chs. 4 & 5.

2 December: Y chs. 5 (con'd), 6, & 7

7 December: Y chs. 7 (con'd) & 8

9 December: Y chs. 9 & other literature

14 December: *presentation of outline of research project and research strategy*

16 December: *discussion of research questions and research strategy*

The above two meetings maybe contensed into one. In this case 14 December can be used for presentations of empirical and experimental literature.

21 December: *presentation of first results of research project*

23 December: *presentation of first results of research project*