Course Specifications
Valid as from the academic year 2017-2018

Course
Applied Welfare Economics (F710294)

Lecturers in academic year 2018-2019
Verhofstadt, Elsy
Van Ootegem, Luc

Course offerings and teaching methods in academic year 2018-2019

A (semester 1)  English  lecture  15.0 h
microteaching  5.0 h
self-reliant study activities  5.0 h
PDE tutorial  5.0 h

Offered in the following programmes in 2018-2019
Bachelor of Science in Business Administration 3 A
Exchange programme in Economics and Business Administration 3 A

Teaching languages
English

Keywords
Welfare state, government intervention, measurement of well-being, employment policies, social affairs policies

Position of the course
The objective of the course “welfare economics” is twofold. On the one hand, this course wants to give the students an insight into (1) the possible reasons for government intervention and the theoretical concept ‘welfare state’, (2) employment and social affair in Europe and (3) the interpretation of the concept and the possibilities to measure “well-being”. On the other hand, the course also wants to encourage students to think critically about a number of current problems that welfare-societies have to deal with and about the possibilities to cope with them with policy. The use of economic arguments should allow students to form a well-founded opinion on several social problems, for which the normative choice should be distinguished from the positive analysis.

Contents
We discuss why a government intervenes in the market (for efficiency reasons on the one hand and for reasons of social justice on the other hand). We indicate the difference between insurance and solidarity and discuss moral hazard and adverse selection problems. As an application we examine the Belgian social security system and compare it to social security systems in other countries. Also, we discuss employment and social affair policies in Europe. We provide insights in the role of Europe versus the member states and the broader framework (Lisbon strategy / Europe 2020 strategy). Afterwards we discuss growth and employment challenges.

The second part of the course deals with the measurement of wellbeing. In the welfarist tradition the focus is on income or utility. Rawls suggested a basic needs approach. Nobel Prize Winner (1998) Economics A. Sen chooses to use the concepts of ‘functionings’ and ‘capabilities’ (a non-welfarist approach). We compare and discuss these different views and their consequences for the well-being concept.

Initial competences
Having knowledge of and being able to use general economic core concepts.

(Approved)
Understand the relations between micro economic variables.

Final competences
1. Argue about government intervention in the welfare state
2. Analyse possible solution for the challenges of our welfare state.
3. Have an nuanced opinion about different approaches of well-being
4. Evaluate the influence of Europe on the welfare state
5. Work independently and in group on welfare-economic problems.
6. Cooperate internationally

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

Conditions for exam contract
- This course unit cannot be taken via an exam contract

Teaching methods
- Lecture, microteaching, PDE tutorial, self-reliant study activities

Extra information on the teaching methods
- Interactive lectures with computer presentations and problem oriented education (an alternative way of learning which pays attention to learning and social skills, in which students solve practical cases in small groups) for which students' presence is required.

Learning materials and price
- Papers and presentations available on the electronic learning environment

References
- Barr, N. (2012). Economics of the welfare state

Course content-related study coaching
- Questions and discussions during and after the lectures.

Evaluation methods
- end-of-term evaluation and continuous assessment

Examination methods in case of periodic evaluation during the first examination period
- Written examination

Examination methods in case of periodic evaluation during the second examination period
- Written examination

Examination methods in case of permanent evaluation
- Participation, assignment, peer assessment

Possibilities of retake in case of permanent evaluation
- Examination during the second examination period is possible in modified form

Extra information on the examination methods
- The periodical evaluation for this course is a written exam. The continuous assessment encompasses the assignments of the problem oriented education and the participation during the lectures.
- Second term:
  - The permanent evaluation is replaced by an individual assignment. The student has to work on this assignment without supervision.
  - For the part (PE or NPE) passed in the first period, the points are used for the second term. The student does not have to retake this part.

Calculation of the examination mark
- Continuous assessment (40%) and periodical evaluation (60%).

(Approved)