Economic Analysis of Social Policies

2014/2015

Miguel Gouveia

Course Description:
EASP studies the mechanisms of social protection that are at the core of the Welfare State using a perspective from economics. The course has two parts. The first part is a survey of basic results in Welfare Economics and Political Economy dealing with market failures, government policies, failures in social policies, and with the distribution and redistribution of income. The second part covers social policies: income maintenance and poverty reduction, pensions, and unemployment insurance.

Course Content:

1. Introduction and motivation. The need for social insurance and a brief history of social institutions and policies. Some data on Social Protection in OECD countries.
10. (Time allowing) Job search. Unemployment insurance: rules, effects on behavior and welfare consequences. Alternatives to UI.
**Course Objectives:**
After taking this class students should be familiar with the main social policies in European countries and the political and economic forces that have shaped them. Students should also be able to understand the goals, economic incentives, results and costs of the most important social policies in particular from the perspective of their impact on economic inequality and poverty. They should also be able to conduct inequality and poverty studies using survey data.

**Grading:**
- The evaluation consists of two tests, non-cumulative, and a group assignment.
- The group assignment will involve working with data to study income inequality and poverty in a quantitative fashion. Ideal group size should be 4. The weights determining the course grade are 40% for each test and 20% for the assignment.
- Absences from tests not due to hospital inpatient stays are equivalent to a grade of zero.
- The review and regrading of tests requires a written request.

**Bibliography:**
The lectures and lecture slides are mostly self-contained. References are useful mostly for those who want to study specific topics more in depth. The references most relevant for each topic will be indicated in class. Two nice references are:

**Biography:**
Miguel Gouveia has a PhD in Economics from the University of Rochester. He is an Associate Professor at the Catolica Lisbon School of Business and Economics and works in the areas of Public Economics, Social Policy, and Health Economics.

**Classes, Contacts and Office hours:**
Office: 5304  Telephone: External 217214244  Internal 4904
Email: mig@ucp.pt
Classes meet at 11:00 pm on Mondays (Room 520-A) and Wednesdays (Room 520-B)
Office hours day and schedule: Wednesday, after lunch, or by appointment