

## LECON2411-Norms and public intervention

### Syllabus

#### Administrative information

**Instructor(s):** Maniquet François ; Olivera Angulo Javier

**Quadrimester:** 2nd

**Language:** English

#### Learning outcomes

Whereas economics is mainly interested in efficiency, it is often the case that public intervention is inspired by different norms. One such major norm is that of social justice. There is no unique way to define justice, however, and there are implementation issues when one wishes to reach a more equitable allocation of resources. The course aims at introducing students to the part of economics that rigorously studies the different norms that can be used to justify public intervention.

#### Content

We will study several models in turn. For each model, we will define a list of axioms, capturing our intuition of what is just in each model. The analytical task consists in identifying which axioms of justice are compatible with each other, and which solution is incentive compatible

The main themes are :

- 1) How can we define resource equality when agents have different preferences ?
- 2) Can we justify competitive markets when efficiency is to be combined with norms of equity ?
- 3) How can we define equality of opportunity when agents have different needs and different talents ?
- 4) How can public intervention improve equality when the governments face information constraints

### **Teaching methods**

The course is composed of lectures given by the lecturer. Students are assigned exercises to solve each week. Students also have to work in group and produce an essay, that consists in applying the method developed during the lectures to a new problem.

### **Evaluation**

- 1) Students are required to submit homeworks every week. 20%
- 2) Students provide a group essay at the end of the term. These essays are graded and count for 30% of the final grade.
- 3) There is a written close book exam during the session. It counts for 50% of the final grade.

### **Recommended readings**

A detailed bibliography will be given at the beginning of the course. It includes the following textbooks.

- Moulin, H. (1995): Cooperative Microeconomics, Princeton: Princeton University Press.
- Young, H.P. (1994): Equity, in theory and practice, Princeton: Princeton University Press.