

Course Outline

EE441 Economics of Public Expenditure

Semester 1/2023 (August 15th – December 4th, 2023)

Number of Credit: 3 credits

Prerequisite: EE212 (or EE214) and EE311

Course Description:

The course covers the role of the government in the allocation of resources for the public sector of the economy. Topics covered will include government (national and local) outlays and budgets, the provisions of public goods and the regulation of market failures. The role of the government's budget processes in providing macroeconomic stability, growth and income redistribution. This analysis also includes fiscal decentralization (the budget allocation of local governments). The application of these tools to selected contemporary topics such as social security, cost-benefit analysis, healthcare and education financing will also be covered.

Course Objectives:

- Students learn to understand the role of governments in economic systems.
- Students learn to understand the theories which are related to the roles of governments and can apply these theories to the real situations.
- Students can analyze the effects of public expenditure on Macroeconomic targets.

Class Time and Logistic

Class day: Thursday

Class time: 9.00 – 12.00 hrs.

Venue: Room 201, Faculty of Economics

Teaching Materials Platform: Google Classroom

Instructor:

Name: Asst. Prof. Dr. Duangmanee Laovakul

Office Hours: By appointment

Email: duangmanee@econ.tu.ac.th

Teaching Materials and Resources**1. Required textbooks and readings**

1. Rosen, H. and Gayer, T. (2010). Public Finance. (9th ed.). Boston, MA: McGraw-Hill/Higher-Education. [Call number: HJ257.2. R63 2010]
2. Stiglitz, J. (2015). Economics of the Public Sector. (4th ed.). New York: W.W. Norton & Company. [Call number: FIN HJ 2015 665065]
3. Gruber, J. (2016). Public Finance and Public Policy. (5th ed.). New York: Worth Publishers. [Call number: HJ141. G78 2016]
4. Mueller, Dennis., Public Choice II/III, Cambridge University Press, 1989, 2003.

2. Supplementary textbooks and readings

1. Hindriks, Jean and Gareth D. Myles, Intermediate Public Economics, MIT Press, 2006.
2. Persson, Torsten and Guido Tabellini, Political Economics: Explaining Economic Policy. MIT Press, 2000.
3. Atkinson, A., and J. Stiglitz., Lectures on Public Economics, New York, NY: McGraw Hill, 1980.
4. Auerbach, A and M. Feldstein, Handbook of Public Economics, Vols. 1, 2 and 3. Amsterdam, Holland, New York, NY: North-Holland; New York, NY: Elsevier, 1985, 1987, 2003.
5. Buchanan, James M. and Richard A. Musgrave, Public Finance and Public Choice: Two Contrasting Visions of the State, MIT Press, 1999.
6. Connolly, Sarah and Alistair Munro, Economics of the Public Sector, Prentice Hall, London, 1999.
7. Cullis, John and Philip Jones, Public Finance and Public Choice, Second Edition, Oxford University Press, 1998.
8. Hillman, Arye L., Public Finance and Public Policy, Responsibilities and Limitations of Government, Cambridge: Cambridge University Press, 2003.
9. Hyman, David N., Public Finance: a Contemporary Application of Theory to Policy. 9th ed. Thomson/South-Western, 2008.
10. Musgrave, R.A. and P.B. Musgrave, Public Finance in Theory and Practice, 5th edition, McGraw-Hill, 1989.
11. Myles, G., Public Economics, New York, NY: Cambridge University Press, 1995.
12. Shepsle, Kenneth and Mark Boncheck. Analyzing Politics: Rationality, Behavior and Institutions, New York: Norton, 1997.

Grading Criteria:

1) Short Paper	5%
2) Term Paper	15%
3) Midterm Exam	35%
4) Final Exam	45%

Tentative Class Schedule:

Date	Topic	Reading Lists
Aug 17, 2023	Topic 1 Introduction Topic 2 The Public Sector in a Mixed Economy	Stiglitz, chapter 1 Rosen and Gayer, chapter 1-3 Stiglitz, chapter 1 Gruber, chapter 5
Aug 24, 2023	Topic 3 Welfare Economics	Stiglitz, chapter 3-5 Rosen and Gayer, chapter 3
Aug 31, 2023	Topic 3 (continued)	
Sep 7, 2023	Topic 4 Theory of Public Goods Submit topic of term paper	Stiglitz, chapter 6 Rosen and Gayer, chapter 4
Sep 14, 2023	Topic 4 (continued) Topic 5 Externalities	Stiglitz, chapter 9 Rosen and Gayer, chapter 5
Sep 21, 2023	Topic 5 (continued) Submit short paper	
Sep 28, 2023	Topic 6 Income Redistribution	Stiglitz, chapter 15 Rosen and Gayer, chapter 7
Oct 5, 2023	Midterm exam (Topic 1-5)	9.00 – 11.00 AM
Oct 12, 2023	Topic 6 (continued) Topic 7 Cost-benefit Analysis of public sector's projects	Rosen and Gayer, chapter 8
Oct 19, 2023	Topic 7 (continued)	
Oct 26, 2023	Topic 8 Policy and Price Determination in the Public Sector	Atkinson and Stiglitz, chapter 15
Nov 2, 2023	Topic 8 (continued) Topic 9 Fiscal Decentralization	Stiglitz, chapter 26-27 Rosen and Gayer, chapter 22
Nov 9, 2023	Topic 9 (continued)	
Nov 16, 2023	Topic 10 Public Spending and Macroeconomic Objectives	Hindriks and Myles, chapter 21
Nov 23, 2023	Topic 11 Public Choice Theory	Stiglitz, chapter 7 Buchanan and Musgrave Mueller
Nov 30, 2023	Topic 11 (continued) Submit term paper	
Dec 20, 2023	Final Exam (Topic 6-11)	1.30 – 4.30 PM

ACADEMIC CALENDAR & HOLIDAY SEMESTER 1/2023

Semester 1/2023 (August 15 – December 4, 2023)	
<i>the TU Office of the Registrar (TU REG) will process the registration (semester 1/2023) for all BE students who have completed the pre-registration via BE Portal.</i>	July 17 – 20, 2023
Tuition Fee Payment Period (Via TU Greats App)	July 21 – August 11, 2023
Create Plan from Quota via TU Greats App (*ID.66)	August 1 - 9, 2023
Registration via TU Greats App (*ID.66)	August 10, 2023
Classes Begin	August 15, 2023
Add-drop period	August 15 – 28, 2023 <i>(from 9.00 AM of August 15 to 10.30 PM of August 28)</i>
Tuition Fee Payment Period (Via TU Greats App)	August 15 – 29, 2023 <i>(9 AM - 10.30 PM)</i>
Mid-term Examination Period	October 1 – 7, 2023
<i>H.M. King Bhumibol Adulyadej The Great Memorial Day*</i>	<i>October 13, 2023</i>
<i>King Chulalongkorn's Day*</i>	<i>October 23, 2023</i>
Withdrawal period with "W" on record	September 4 – October 22, 2023 <i>(from 9.00 AM of September 4 to 10.30 PM of October 22)</i>
Special Withdrawal with "w" on record	October 24 – November 20, 2023
Last day of class for Semester 1/2023	December 4, 2023
Final exam period	December 12 – 23, 2023
<i>H.M. King Bhumibol Adulyadej The Great's Birthday*</i>	<i>December 5, 2023</i>
<i>Constitution Day*</i>	<i>December 10, 2023</i>
<i>Substitution for Constitution Day*</i>	<i>December 11, 2023</i>
Submitting Forms for Degree Conferral	August 15 – 28, 2023

Remark * Holiday, No classes during this period
Updated: July 24, 2023