

Microeconomics for Public Policy

Institution:	School of Public Policy, Central European University
Year/Term:	Year 1, Term 1
Course type:	Core course
ECTS:	6

Brief description:

Microeconomics is a branch of economics that focuses on the question how individuals (or households) and firms make decisions to allocate limited resources in market interactions. Individual choices and private interests are behind most socio-economic processes. The understanding of the behavioral aspects of socio-economic processes is indispensable for good policymaking. This course provides a sound microeconomic foundation for students wishing to become proficient civil servants, policy experts, or analysts in the field of public policy. It will equip the students with a thorough understanding of the microeconomic theory and thus enable them to understand and analyze socio-economic processes and relationships as driven by economic behavior at the micro level. Throughout the course, specific public policy issues will be studied with the objective to motivate and demonstrate the pertinence of economic analysis for sound public policy making.

The course consists of four blocs: Microeconomic Actors and Choice; Markets and Policies; Economic Action and the Society; and Microeconomic policy project. Interactive lectures will serve to explain and discuss the core course material. Throughout the course and especially during the last part of the course (Microeconomic policy project) emphasis will be put on skills relevant for understanding and analysis of, and engagement in, practical policy challenges.

Learning objectives and outcomes:

The course fosters a comprehensive understanding of the theoretical microfoundations of economic behavior and their repercussions for sound policy making. By the end of the course, a successful student will be equipped with an effective toolset to analyze public policy issues and proposals from the microeconomic perspective. Students shall improve their analytical skills through assignments fostering theoretical as well as policy aspects; and their argumentative skills through in-class

discussions. Students' practical skills will be solidified by means of an applied microeconomic policy project.