Microeconomics for Public Policy

Institution: Department of Public Policy, Central European University PU

Course instructor: Anand Murugesan

Year/Term: Year 1

Course type: Core course

ECTS: **4**

Background and overall aim: The course trains students to use concepts from microeconomic theory to analyze public policy issues. As an introductory course, it equips students to use economic reasoning for critically thinking through the policymaking process besides everyday decisions. We will cover modules on consumer theory and game theory to understand behavior, market equilibrium, and dynamics, including an introduction to market failures, externalities, and public goods. The primary goal of the course is to enable students to apply principles of economics to complex policy questions and analyze market scenarios and the distributional and efficiency aspects of government intervention. We will include case studies and policy labs to supplement class lectures.

Learning outcomes:

Students will be able to:

- Apply microeconomic theory to analyze public policy issues (price regulation, rationing)
- Use the lens of game theory to understand social interactions (free-riding)
- Exposure to some contemporary topics in public economics (market failures, externalities)