

INTRODUCTION TO SOCIAL POLICY

Name of the Instructor: Professor Sara Cantillon (sara.cantillon@GCU.ac.uk), Chair of Economics, Director of WISE Research Centre, Glasgow School of Business and Society, GCU, Glasgow, UK.

Type of Class Arrangement (Time of the Course)

Proposed Time for the Course: Tuesday July 23rd 2018 to Friday August 3rd 2018, inclusive. It is proposed that the daily sessions would run from 08.30am to 12.00pm (i.e. 8.30am to 10.00am; and, 10.30am to 12pm).

Course Description including Objectives:

This course introduces the economics of social policy focusing in particular on the nature of economic and social inequality at a conceptual, theoretical and empirical level. It provides an overview of the analytical methods used in the economics of social policy and examines the role of the state in the amelioration of inequality both in principle and in practice. Specifically, it considers the role of economics in relation to issues such as the welfare state, public and social policy, poverty and income inequality, dimensions of inequality including health and socio-economic status, globalisation and North South relations. The rationale for state involvement in the economy is explored, distinguishing between equity and efficiency reasons, and the extent to which such objectives are met and the conflicts between them are examined.

Having successfully completed this module, students will be able to: explain and apply basic economic terminology; formulate and address economic and social policy issues using the language and approach of economics; understand economic approaches related to the technical topics covered in this module; and, articulate economic reasoning and results to others.

Topic or Topics for each session:

The first and last lectures primarily comprise an introduction to basic concepts and a review of the main themes and policy issues, respectively. The lectures will be organised such that the first section of each morning session follows the more traditional format with the main input provided by the lecturer whereas the second session will follow more of a seminar format with inputs by students on selected readings which will form the facilitated discussion. Active class participation is a key aspect of this course.

The following timetable is rather broad and tentative as the size of the group and the experiences of the group members will to a large extent dictate the manner in which we cover topics.

Introduction

This lecture provides a course overview, including the syllabus and assignments, and an introduction to the issue of economic inequality. It discusses definitions of basic concepts such as economics, economic inequality, market failures, opportunity costs and distribution. It establishes the framework for the course by addressing why economic inequality is so important.

Schools of Thought

This lecture presents a brief overview of the history of economic thought from the late 1700s to the present. It explores the predominance of neoclassical economics in mainstream theory, practice and policy and looks at main alternatives, namely institutional, Marxist, behavioural and feminist economics.

Measuring Economic Progress

The limitations of GDP/GNP as a measure of economic and social progress. Alternative approaches including the Physical Quality of Life Index (PQLI), the Human Development Index (HDI), the gender HDI, and other more broadly based well being approaches such as the OECD Quality of Life Measure and the Canadian Well Being Index.

The Welfare State

The rationale of the Welfare state. The evolution of the Irish Welfare State. Forms of State intervention - Typologies/Explanations.

Poverty

Defining and measuring poverty. Measuring poverty: absolute measures; official lines; consensual lines; relative lines and deprivation indicators. Causes of poverty.

Intra-household Inequalities

Conceptual and methodological issues. Equality issues with the household as the unit of measurement in poverty analysis. Intra-household resource allocation, a taxonomy of financial allocative systems, bargaining processes and outcomes and differences in material living standards.

The Distribution of Income

Equality and equity of income distribution. The income distribution and measurement of inequality. Measurement issues.

Socio Economic Status and Health – Historical

The lecture looks at health inequalities between socio economic groups highlighting examples of work on the subject by social scientists and public health specialists including a historical look at the publication of the highly influential Black report in the UK in 1980s. It provides an overview of the explanations that were developed historically; the idea of social selection (health determines social position rather than the other way around); individualist or behavioral explanations that invoked the 'bad habits' of the poor; and materialist type explanations that focused on living conditions and access to

resources. It looks at the interaction between these last two explanations and the emerging emphasis on the last.

Socio Economic Status and Health 2- Contemporary Evidence

This lecture provides examples of more recent international research findings on health inequalities and the social determinants of health. It looks at how debates about causation have evolved. There is a broad consensus in the literature that the causes of health inequalities are rooted in deeply embedded structural inequalities in society. These structural inequalities relate to class relations and to inequalities in access to material resources, conditions and opportunities.

Globalisation and Development

Provides an overview of the topics pertaining to development economics focusing on some of the key issues relating to North South inequalities, globalisation and international trade.

Efficiency and Equity

The relationship between efficiency and equity. the impact of social policy on economic behaviour. The imperfect market versus the "ideal" state. Prospects for the Welfare State and the future of social policy.

Teaching Methods:

The lectures will be a combination of lecture and seminar style with active participation from students. Students will be asked to provide inputs on selected readings which will form the facilitated discussion.

Assessment:

Attendance: 10 per cent of final grade.

Participation: 20 per cent of final grade.

Presentation: 35 per cent of final grade.

Final Exam (open book): 35 per cent of final grade.

Recommended Readings:

All students will receive (via email) lecture material and recommended readings prior to each meeting.

In terms of a recommended textbook, students might consider having access to at least one of the following sources:

- N Barr, 2012, *The Economics of the Welfare State*, 5th Ed, OUP
- J Le Grand and Sarah Smith, 2008, *The Economics of Social Problems*, 4th Edition, MacMillan
- The CORE, open-access, interactive ebook-based course (<http://www.core-econ.org/>).

The Barr book is a very comprehensive textbook on the economics of the welfare state and the early theoretical chapters have a non technical appendix for readers with little or no previous economics. The LeGrand book provides a very accessible introduction to the area. Both the Barr and the Le Grand books are UK based.

Recommended readings would likely include the following typical examples:

Equality and Efficiency: “The Big Tradeoff”, Arthur M. Okun, The Brookings Institution, Washington, D.C., 1975. See 16 page summary extracts at, http://www.aspeninstitute.org/sites/default/files/content/docs/OKUN_EQUALITY_AND_EFFICIENCY_%28AS08%29.PDF.

Wilkinson. R., and K. Pickett, *The Spirit Level: Why Equality is Better for Everyone*. (see <http://www.equalitytrust.org.uk>)

In addition, sets of readings relevant to particular areas will be identified under the separate lecture topics. Articles related to this course taken from major texts and journals in Economics, Political Economy, Development Economics and Social Policy. There are a number of journals that are relevant for this course that are available online in the library. These include *Journal of Social Policy*, *Economic and Social Review* and *Critical Social Policy*. Other relevant sources of data (global, comparative and Irish) and additional information include:

World Bank www.worldbank.org

UN Development Programme www.undp.org

Equality Trust www.equalitytrust.org.uk

OECD www.oecd.org

European Anti Poverty Network www.eapn.ie