



# RESULTS OF A SURVEY OF GRADUATE COURSES IN APPLIED WELFARE ECONOMICS

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## Introduction

In the Fall of 2008 I surveyed the web sites of 73 universities (offering degrees in agricultural economics according to the American Applied Economics Association) in North America (Canada and the United States) looking for graduate courses that dealt with agricultural policy, agricultural trade and/or welfare economics. This survey identified 48 universities that offer these courses. Of the universities not included in the sample three do not offer graduate degrees; 13 do not offer the type of course I was looking for; online information was not available for seven (amazing in this day and age); and the web site was not accessible for two universities. Of the 48 universities included in the sample, 19 offer one course in agricultural policy, agricultural trade or in welfare economics; 16 universities offer two such courses; eight universities offer three; and five universities offer four such courses.

The 48 universities offer 95 courses in the areas of interest. I was able to obtain course outlines for 85 of these courses primarily through correspondence with the course instructors. It is again amazing that most of the course outlines are not readily available online. The outlines were then sorted into four broad groups: 1) courses dealing with generic welfare analysis; 2) courses with “trade” someplace in the title; 3) courses dealing with agricultural and food policy; and 4) courses dealing with issues in resource economics (cost-benefit analysis, etc.). This report is focused on the 13 course outlines that deal with the topic of welfare economics in a fairly generic fashion. Having said that, because the courses are in departments with an emphasis on “agriculture” they tend to have an applied flavor rather than being strictly theory courses as might be the case for courses taught in a Department of Economics. These applied welfare courses are offered by 11 universities and only two offer more than one course.

The applied welfare outlines tend to include a fairly common core of material and then an eclectic mix of topics. More will be said about this later.

## Text Books

In a few cases the applied welfare courses did not have a required text book but of those with a required text book it was almost always Just, Hueth and Schmitz. Only five text books were mentioned more than once, as required or recommended text books and these are:

Boadway, R. W. and N. Bruce. 1984. *Welfare Economics*. Oxford: Basil Blackwell.

Cornes, R. and T. Sandler. 1996. *The Theory of Externalities, Public Goods, and Club Goods*. Cambridge: Cambridge University Press.

Just, R. E., D. L. Hueth and A. Schmitz. 2004. *The Welfare Economics of Public Policy*. Cheltenham: Edward Elgar.

Myles, G. D. 1995. *Public Economics*. Cambridge: Cambridge University Press.

Schmitz, A., H. Furtan and K. Baylis. 2002. *Agricultural Policy, Agribusiness, and Rent Seeking Behaviour*. Toronto: University of Toronto Press.

## **Outline**

I have provided an outline for an “applied welfare” course that includes most of the topics covered in the 13 courses surveyed. The exact topics included in any single course depends on its focus, the length of the term and the instructors preferences. However, most of the courses included topics one through six and many included some aspects of seven, eight and nine. After that there was very little commonality, with many of the topics from 10 through 20 only being covered in 1-2 courses..

## **Universities and Courses Included in the Sample**

Courses surveyed: Auburn University (8090);University of Arkansas (5153); University of California, Berkeley (242); Cornell University (630); University of Guelph (6910, 6920); University of Maryland (625/825); University of Minnesota (8203); University of Nebraska (840); Ohio State University (503. 809); Texas A&M University (636); University of Wisconsin (741);

### **1. Issues in Welfare Analysis and Pareto Optimality**

- a. Production
- b. Consumption
- c. Product mix
- d. Aggregation
- e. Multimarket
- f. Incidence and distribution
- g. Second best
- h. Intertemporal allocation and uncertainty
- i. Free riders
- j. Imperfect competition
- k. Deadweight loss from taxation

### **2. Consumer Surplus**

- a. Willingness to pay
- b. Willig

### **3. Producer Surplus**

- a. Profit and quasi-rent
- b. Input markets
- c. Factor supply
- d. Household production model
- e. Decoupling
- f. Functional form

### **4. Compensation Principle**

- a. Social welfare functions
- b. Transfer efficiency

### **5. Rationale for Government Intervention**

- a. Market failure
  - i. externalities
- b. Rent seeking
- c. Theory of regulation
- d. Political power
- e. Lobbying
- f. PERTs and PESTs

### **6. Non-Market Welfare Measurement**

- a. Public goods
- b. Quantity constraints

### **7. Agricultural Domestic and Trade Policy**

- a. Domestic and trade policy interventions
- b. Developing countries
- c. Developed countries
- d. Ramsey pricing

### **8. Overview of the WTO**

- a. Market access
- b. Domestic support
- c. Export subsidies
- d. Tariff rate quotas

**9. Environmental Policies**

- a. Multifunctionality
- b. Tragedy of the commons

**10. Property Rights and Development Policy**

**11. Intellectual Property Rights**

**12. Regulation and Monopoly**

**13. Measurement of Inequality and Poverty**

**14. Bargaining Power: Game theory**

**15. Transactions Costs**

**16. Food Security and Food Policy**

**17. Price Discrimination**

**18. Exchange Rates**

**19. Regional Trade Agreements**

**20. Mechanism Design**