

End-of-chapter Questions

Chapter 1: The Foundations of Public Sector Theory

1. What are the implications of the norm of consumer sovereignty for the mainstream theory of the public sector?
2.
 - a. What is the efficiency goal in the mainstream theory of the public sector?
 - b. Why is the utility possibilities frontier a picture of the goal?
3. What are the goals of the mainstream economic theory of the public sector, and why are these the goals?
4.
 - a. What are the main goals within the quest for process equity in the mainstream theory of the public sector?
 - b. How are these goals related, if at all?
 - c. Are any of these goals related to the efficiency goal? If so, how?
5. Some people are concerned about the increase in inequality in the U.S. since the early 1990s. Is this concern a matter of end-results equity, process equity, or both?
6.
 - a. In what ways are Buchanan's theory of public choice critical of mainstream public sector theory?
 - b. How do the goals of the theory of public choice differ from the goals of mainstream public sector theory?
7. What are some of the mainstream criticisms of the theory of public choice? Which theoretical framework do you find the more convincing, and why?
8.
 - a. What is behavioral economics?
 - b. What is the fundamental challenge of behavioral economics to mainstream public sector theory?