

COURSE SYLLABUS

Academic Year: 2020/2021

Identification and characteristics of the course			
Code	500422	ECTS Credits	6
Course title (English)	Public Economics I		
Course title (Spanish)	Economía del Sector Público I		
Degree programs	Degree in Economics and Degree in Business Administration and Economics		
Faculty/School	Facultad de Ciencias Económicas y Empresariales		
Semester	4	Course type (compulsory/optional)	Compulsory
Module	Public sector		
Subject matter	Public economics		
Lecturer/s			
Name	Room	E-mail	Web page
Jesús Pérez Mayo	55	jperez@unex.es	
Subject Area	Applied Economics		
Department	Economics		
Coordinator (Only if there is more than one lecturer)			

Competencies*
CB1: Students have demonstrated possession and understanding of knowledge in an area of study that is at the core of general secondary education, and is often at a level that, while supported by advanced textbooks, also includes some aspects that involve knowledge from the cutting edge of their field of study.
CB2: Students should be able to apply their knowledge to their work or vocation in a professional way and possess the skills usually demonstrated by developing and defending arguments and solving problems within their area of study.
CB3: Students have the ability to gather and interpret relevant data (usually within their area of study) to make judgements that include reflection on relevant social, scientific or ethical issues.
CB4: Students are able to convey information, ideas, problems and solutions to both specialist and non-specialist audiences.
CB5: Students have developed those learning skills necessary to undertake further study with a high degree of autonomy.
CG1: Ability to identify and anticipate relevant economic problems in both the private and public spheres, to discuss alternative solutions and to select the most appropriate ones.
CG3: Ability to apply professional criteria based on the use of technical instruments to the analysis of economic problems.
CT2: Oral and written communication skills in Spanish
CT4: Ability to manage, analyze and synthesize information
CT9: Capacity for critical and self-critical reasoning
CT10: Problem solving capabilities
CE3: Ability to know, understand and use the principles of public sector economics
Contents

* The sections concerning competencies, course outline, teaching activities, teaching methodology, learning outcomes and assessment methods must conform to those included in the ANECA verified document of the degree program.

Course outline*
<p>This subject depicts and analyses Public Economics. The first step is understanding basic definitions and fundamentals of Public Economics. Afterwards, two key issues, Budget Analysis and the Role of the Public Sector or Government in the Economy, are explained as well as the analysis of Market Failures. The main programmes and functions of Public Expenditure will be found in the last units of the subject.</p>
Course contents
<p>Unit 1: The public sector in the economy Contents of unit 1: 1.1. Public sector: concept, delimitation, and components 1.2. Size of the Public Sector. 1.3. The efficiency of the market. 1.4. Efficiency and equity: income distribution and economic stability. Description of practical activities for unit 1: 1.A. Income, capital, and financial account of the Public Sector.</p> <p>Unit 2: The budget Contents of unit 2: 2.1 Budget concept, basic structure, and budget cycle 2.2. Measuring public sector budgetary outcomes 2.3 Budgetary formulas for efficiency 2.4 Cost-benefit and cost-efficiency analysis 2.5 Deficit and debt in the long term Description of practical activities for unit 2: 2A. Analysis of several deficit definitions. 2B. Discussion of budgetary stability laws 2C. Cost-benefit analysis</p> <p>Unit 3: Market failures Contents of unit 3: 3.1 Public goods and market failure: efficient provision and preference disclosure mechanisms. 3.2. External effects: origin, types, and corrective mechanisms. 3.3 Monopoly regulation and imperfect competition 3.4 Imperfect information and adverse selection Description of practical activities for unit 3: 3A. Practical exercises in the provision of public goods in partial equilibrium. 3B. Practical exercises on preference disclosure mechanisms. 3C. Practical exercises on external effects correction mechanisms. 3D. Practical exercises on information problems</p> <p>Unit 4. Theory of public expenditure Contents of unit 4: 4.1 Analysis of expenditure policy 4.2 Public sector growth 4.2 Political economy: decision-making 4.3 Public choice theory: public sector failures Description of practical activities for unit 4: 4.A Exercises on different decision-making procedures by voting</p> <p>Unit 5: Public expenditure on the welfare state (I): preferential goods. Contents of unit 5: 5.1. Preferential goods and categorical equity. 5.2. Public expenditure on health. 5.3. Public expenditure on education. Description of practical activities for unit 5: 5A. Exercise on the example of expenditure on preferential goods</p> <p>Unit 6: Public expenditure on the welfare state (II): social benefits.</p>

Contents of unit 6:

- 6.1. Economic benefits: concept, types, and justification.
- 6.2. The social security pension system.
- 6.3. Unemployment insurance.
- 6.4. Poverty alleviation programmes.

Description of practical activities for unit 6:

- 6A. Understanding and discussion of some recommended readings.

Educational activities *

Student workload (hours per lesson)		Lectures	Practical sessions				Monitoring activity	Homework
Lesson	Total	L	HI	LAB	COM	SEM	SGT	PS
1	25.45	8 (0.5)				2.5	0.45	15
2	24.40	7 (0.5)				2	0.40	15
3	25.45	8 (0.5)				2.5 (0.5)	0.45	15
4	24.40	7 (0.5)				2 (0.5)	0.40	9
5	16.90	7 (0.5)				1.5 (0.5)	0.40	9
6	16.90	5 (0.5)				2.5 (0.5)	0.40	9
Assessment **	16.50	4						12.50
TOTAL ECTS	150	45 (3)				12.5 (2)	2.5	90

L: Lectures (100 students)

HI: Hospital internships (7 students)

LAB: Lab sessions or field practice (15 students)

COM: Computer room or language laboratory practice (30 students)

SEM: Problem-solving classes, seminars or case studies (40 students)

SGT: Scheduled group tutorials (educational monitoring, ECTS type tutorials)

PS: Personal study, individual or group work and reading of bibliography

In brackets, activity hours in English.

Teaching Methodology*

1. Lecturing the contents.
2. Lecturing examples or problems and the way to solve them.
3. Lecturing problems solved by the students through the application of problem-solving procedures.
4. Intensive analysis of real or simulated cases in order to understand, solve, think, and expand knowledge.
5. Work in teams to broaden and deepen theoretical knowledge by searching relevant sources of information and data and applying them.
6. Performing some tests to reinforce their learning and as an evaluation tool.

Learning outcomes *

To understand the role of the public sector in the economy and its behaviour based on knowledge of the main public income and expenditure programmes in relation to the objectives of efficiency in the allocation of resources and equity in the distribution of income and wealth in both centralised and decentralised finance

Assessment methods *

The assessment system and criteria are applied in each examination opportunity of the academic year.

The final mark will be the result of the following activities and weights:

Term (final) Exam 70%

A written exam will be programmed at the end of the semester. It will include a theoretical section with short and essay questions, aimed to assess the understanding of theoretical contents and skills such as writing

** Insert as many rows as necessary. For instance, you can include one row for a partial exam and another for the final exam.

expression, the ability of summarizing or exposing ideas. A practical section similar to those performed in the practice classes will also be included.

Practical Activities: 15%

Different on-campus and non-classroom practical activities will be performed during the term.

Monitoring Exams: 15%.

Several follow-up checks will be made through unscheduled and unannounced in-class questions corresponding to the topics being viewed. They will allow for the evaluation of the acquisition of theoretical knowledge and some of the skills on an ongoing basis.

On the contrary, those students who expressly declare it will do a final exam in which they can achieve 100% of the mark. This declaration **MUST** be done in the first month of the term.

When taking the exams, no material is allowed other than the writing test and the calculator. Thus, it will not be possible to enter the exam with a mobile phone. If, at any time during the course of the exam, the phone rings or its use is detected, the student will be immediately expelled. In addition, the student must take the exam properly identified.

Bibliography (basic and complementary)

Basic:

- Albi, E.; González- Páramo, J.M. y Zubiri, I. (2009): Economía Pública I y II. Editorial Ariel. Barcelona. (3ª Edición actualizada).
- CORE-ECON (2019): Economy, society and public policy, in: www.core-econ.org/espp
- Gruber, J. (2011): Public Finance and Public Policy, Worth Publishers.
- Rosen, H.S. (2007): Hacienda Pública, Ed. Mc-Graw Hill, Madrid.

Complementary:

- Álvarez, F., Corona, J.F. y Díaz, A. (2007): Economía Pública. Una introducción. Ed. Ariel Economía.
- Bustos Gisbert, A. (2007): Lecciones de Hacienda Pública I y II. Ed. Colex. (4ª Edición).
- Fuentes Quintana, E (1987): Hacienda Pública, Ed. Rufino García Blanco.
- Hindriks, J. y Myles, G. (2013): Intermediate Public Economics, MIT Press
- Stiglitz, J. (2003): La Economía del Sector público, Ed. Antoni Bosch

Other resources and complementary materials