

# Public Sector I (20847)

**Degree / Study:** bachelor's degree in Economics

**Year in the programme:** third

**Term:** first

**Number of ECTS credits:** 5

**Hours of student's dedication:** 125

**Language of instruction:** Catalan

**Lecturer:** Guillem López Casasnovas

## 1. Presentation of the subject

The subject Public Sector I covers the main concepts and implications of state intervention in the economy at an intermediate level. The objective of the subject is to analyze the rationality of this intervention, from the point of view of efficiency and fairness, and its effects on the economy and improvement of social welfare, and to assess the most appropriate range of instruments for this purpose. The basic theorems of welfare economics will be covered during the course. The main market failures and intervention instruments most suitable for various situations will be analyzed: in expenditure (direct production, external procurement, transfers), in income (types of taxes and prices and their economic effects), and as a whole in terms of financial, budgetary and public regulations activity. Finally, virtualities efficiency and equity and coordination problems when the public sector intervenes by means of multijurisdictional public treasuries are presented, based on their international and territorial aspects of fiscal federalism.

## 2. Competences to be attained

General competences
<ol style="list-style-type: none"><li>1. The ability to analyze and synthesize.</li><li>2. Identification of problems (applying simple economic models) and possible trade-offs when solving them.</li><li>3. The ability to work on information independently (databases, media, etc.) to support the argument based on the evidence available.</li><li>4. Open-mindedness and adaptability for active participation in classes and seminars (the ability to contribute, listen and oral and written communication skills).</li><li>5. Understanding and analysis of the economic conditions reflected in the media.</li><li>6. The ability to work individually (reading subject materials, solving exercises, empirical</li></ol>

research, etc.).

7. Replicability when applying the knowledge in practice (resolution of practical cases and news analysis).

8. Research skills (searching databases and reference journals in order to broaden knowledge).

Specific competences
1. Understanding of the concepts and theories in the syllabus.
2. Identification and solving of economic problems.
3. The ability to understand and use economic models
4. The ability to relate analysis of socioeconomic problems to the main objectives and instruments of economic policies.
5. Research skills (seeking information in order to broaden knowledge).

### 3. Contents

#### **FIRST PART**

**Subject 1.** First sphere of public intervention: market failures.

**Subject 2.** Second sphere of public intervention: when the market assignments are efficient, but do not lead to the desired social distribution and the public sector corrects this.

**Subject 3.** How public intervention takes place: the shaping of collective decisions.

#### **SECOND PART**

**Subject 4.** Instruments linked to expenditure.

**Subject 5.** Some specific expenditure programmes.

#### **THIRD PART**

**Subject 6.** How public activity is financed and based on what principles.

**Subject 7.** Analysis of the effects of some taxes.

#### **FOURTH PART**

## Subject 8. Multijurisdictional public treasuries

### SEMINARS LIST

SEMINAR	WEEK	QUALIFICATION	TOPIC
1	6	Theories explaining the behaviour of public intervention. Expenditure and efficiency	3
2	7	Monetary transfers <i>versus</i> transfers in kind	4
3*	8	Social expenditure: a) Pensions and the fight against poverty b) Education, health and housing	5
4	9	Taxation I: progressivity	6
5*	10	Taxation II: a) Wealth tax b) Double taxation	7
6	11	Autonomous financing + [review + doubts + unfinished seminars]	8

\* Two topics are planned for seminars 3 and 5. Each student must choose one of the two.

## 4. Assessment

The subject is based on the principle of continuing assessment of students. The acquisition of knowledge and skills is considered important.

1. To that end, participation in classes and seminars, and individual analyses of exercises and cases account for 30% of the total mark, while the final examination accounts for 70%. Both marks – for the examination and for participation in classes/seminars – must at least be a “Pass” to pass the course.

2. Attendance at all the seminars is compulsory if students are to receive the mark for them.

3. If the subject is failed, the participation grade is carried forward to the September resit examination, so that the September examination also accounts for 70% of the grade in this sitting. If the seminar section has also been failed, there will be a part dedicated to its recuperation in the final examination.

4. No partial pass marks (from the examination or for participation/ seminars) will be carried forward to subsequent academic years.

5. A partial examination will take place in week 7, which the lecturer and student will use to check the level of progress in the subject. The mark for this examination will never have a negative effect. It will only be positive as an additional factor in continuing assessment, within the final mark for the subject. Failure will be treated as if the mid-exam examination had not been sat.

## **5. Bibliography and teaching resources**

### **5.1. Basic bibliography**

ALBI, E. et al. *Economía pública I; Economía pública II*. 3rd ed. Barcelona: Ariel Economía, 2009.

ROSEN, H. S. *Hacienda Pública*. 5a. ed. McGraw Hill, 2002.

STIGLITZ, J. E. *La economía del sector público*. 3rd ed. Barcelona: Bosch, 2002.

### **5.2. Additional bibliography**

GRUBER, J. *Public Finance and Public Policy*. 2nd ed. Worth Publishers, 2007.

STIGLITZ, J. E. and Walsh C. E. *Microeconomía*. 4th ed. Barcelona: Ariel Economía, 2008. Chapter 17.

### **5.3. Teaching resources**

The additional materials for each group will be available by means of the Aula Global.

## **6. Methodology**

The subject methodology is based on student autonomy, the lecturer's role as a mentor, and systematic and continuous work. It combines face-to-face activities (in the classroom) with activities that students must do on their own account, either supervised or autonomously.

Specifically, students are expected (assumed) to:

1. Read and reflect on the reading and materials specified before the class.
2. Expand the content presented in the lectures with the recommended reading and bibliography.
3. Make a special effort to select and synthesize the most important parts of each reading item.
4. Formulate their doubts and questions, and mention them to lecturers before and/or during classes and seminars.
5. Attend all classes.
6. Answer lecturers' questions during classes and seminars.
7. Hand in all the cases studies and exercises assigned before the classes in which they are to be discussed.

Lecturers will:

1. Present the main points of each subject in class and resolve doubts and queries.

2. Assess the level of understanding and knowledge of the material, asking several students at random in each class or seminar about the reading, cases and other course materials.
3. Illustrate the application of the theoretical material with an analysis of exercises and cases.

## 7. Activities planning

Week	Theory classes	Seminars
Week 1	Introduction + Topic 1	
Week 2	Topic 1 (cont.)	
Week 3	Topic 2	
Week 4	Topic 3	
Week 5	Topic 4	
Week 6	Topic 5	Seminar 1
Week 7	Partial examination	Seminar 2
Week 8	Topic 6	Seminar 3
Week 9	Topic 7	Seminar 4
Week 10	Topic 8	Seminar 5
Week 11		Seminar 6