

Public Sector I (20847)

Degree/study: Bachelor's degree in Economics

Year: 3rd

Term: 1st

Number of ECTS credits: 5 credits

Hours of student commitment: 125 hours

Language or languages of instruction: Catalan

Teaching Staff: Guillem López Casasnovas

1. Introduction to the subject

The objective of this course is to present, at an intermediate level, the main concepts of public economics and analyze the implications of State intervention in the economy.

In this course, we aim to analyze the reason for State intervention in terms of efficiency and equity; to study its effects on the economy and on social welfare; and to assess which instruments best serve this purpose.

During the course, we will present and discuss the fundamental theorems of welfare economics. We will study the main market failures, and analyse the most suitable instruments for different types of public intervention in the economy: in expenditure (direct production, outsourcing and transfers), in revenues (taxes and prices and their economic effects), and taken together in terms of financial activity, budgeting and regulation. Finally we will discuss virtualities in efficiency and equity, and coordination problems arising when the responsibilities for public sector intervention are shared between local, national and international institutions.

2. Competences to be attained

General Competences

1. Analytical and synthesis skills.
2. The ability to identify economic problems (using simple economic models) and the potential trade-offs arising in their resolution.
3. The ability independently find information (databases, media, etc.) in order to build an argument using available evidence.
4. The ability to participate actively in lectures and seminars (know how to contribute, how to listen and acquire oral and written communication skills), keeping an open mind.
5. The ability to understand and critically analyze current economic events, as they are covered in the media.

6. The ability to work individually (reading material for the course, solving exercises, doing empirical research, etc.).
7. The ability to apply public economic concepts in practice (solving case studies and analysis of economic news and current events).
8. Research skills (searching databases and academic journals, in order to expand knowledge in the field).

Specific Competences

1. Understanding of the concepts and theories of the syllabus.
2. The ability to identify and solve economic problems.
3. The ability to understand and use economic models.
4. The ability to relate the analysis of socio-economic problems with the objectives and the main instruments of economic policy.
5. The ability to search for information in order to increase knowledge of the topics discussed.

3. Contents

FIRST PART

Topic 1. The first area of government intervention: market failures

Topic 2. The second area of government intervention. When the market is efficient, but the resulting distribution of resources is not socially desirable and the public sector corrects it.

Topic 3. How governments intervene in the way that they do: the establishment of collective decisions

SECOND PART

Topic 4. Tools linked to expenditure

Topic 5. Some public spending expenditure programs

THIRD PART

Topic 6. How to finance public activities, and the principles used.

Topic 7. Analysis of the effects of some taxes

FOURTH PART

Topic 8. Multi-jurisdictional taxes

SEMINARS

SEMINAR	Week	Title	Topic
1	4	The role of the public sector in the economy and the main areas of intervention	1, 2, 4 and 5
	5	Welfare versus Workfare: the	4, 5

		Poverty Trap	
2	6	Taxation I: Tax Incidence	7
3	7	Taxation II: Fat Tax	7
4	8	Mid-term test correction	
5	9	Progressivity and measures of inequality	4-7

4. Assessment

4.1 Assessment Method

The course is based on the principle of continuous assessment, with a significant weight placed put on the acquisition of knowledge and skills.

1. For this purpose, the final grade for the course will be the result of the weighted average of the following assessment items: a) participation in classes and seminars, and individual analysis of exercises and case studies, which will in total account for 30% of the total grade as continuous assessment, and b) the final exam, which will account for 70%, and which may include content taught in the seminars.
2. A final grade equal or superior to 5.0 must be obtained to pass the course. The final grade is a weighted average of the two components of the grade (continuous assessment and exam). Students who attended the course but failed may take the resit (*recuperació*). Students may take the part(s) of the resit corresponding to the part(s) of the course that they failed: continuous evaluation, exam or both (see paragraph below on the resit exam rules).
3. Attendance at seminars is compulsory in order to obtain the grade. Attendance without good participation does not guarantee any predetermined grade.
4. Partial pass grades are not maintained (exam or participation/seminars) for subsequent academic years.
5. There will be a mid-term test, which will enable both the teacher and the students to assess the understanding of the topics. The mid-term grade will not have any negative impact on the final grade of the course, and will only be used positively in the continuous assessment for the final grade. The mid-term test will take place on November 8. The correction will be carried out in class or seminars and there will be no specific individual reviews.

For both the mid-term and the final exam, specific hours of tutoring will be provided for students who have attended class, based on notes, Aula Global presentations and prior reading of the appropriate chapter of the Manual raising doubts.

6. To sit the final exam, students must have a minimum Seminars grade which enables the students to take the exam, which will be determined as a result of the continuous assessment. The grades for the "continuous assessment" will be announced before the final exam. A grade lower than "pass" in the seminars but which has been sufficient to make the student eligible for examination will indicate the major effort that will be required in the student's final exam.

4.2 Resit exam

The resit exam will take place on the date scheduled in the academic calendar (the date will be published in the *Aula Global*). A student can take the resit exam if and only if she/he has participated in the teaching and evaluation activities of the course during the term, but has failed to pass the course. Students who did not participate in those activities or were not subject to assessment of the course cannot take the resit exam.

A student will be considered to have participated in the teaching and assessment activities of the term when:

- She/he has participated in the continuous assessment of the course, handing-in the work and attending at least 50% of the seminars and participating in the other activities mentioned in the course syllabus (except on duly justified grounds).
- She/he has taken and submitted the final exam.

The resit exam may only be taken by students who attended and participated in the activities of the course, but failed. Students who attended the course and passed with a final grade of 5.0 or over may not take the resit exam.

Students who participated in the teaching and evaluation activities of the course, but failed it, may take the resit exam for the parts of the course that they initially failed during the term: continuous assessment, exam, or both; but the student cannot take the resit for a part of the course for which her/his initial grade is already higher than 5.0 (the initial grade will be maintained). The resit exam will therefore consist of two parts, the first is the resit for continuous assessment activities, and the second is the resit for the exam, although questions regarding seminars could appear in the exam.

Finally, in order to encourage student mobility, students who took the course during the term but are studying abroad and cannot attend the resit exam must notify the lecturer responsible for the course in advance in order to sit an alternative exam that will take place in the stipulated period at the end of the year. If the student studying abroad cannot attend the exam for justified reasons, an alternative date or an alternative assessment will be arranged, with the agreement of the professor responsible for Public Economic courses at UPF and with the agreement of the Faculty's student mobility coordinator. This particular disposition only applies to students participating in a mobility programme recognized by the Faculty.

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.

5.2 Complementary Bibliography

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

HILLMAN, A. *Public Finance and Public Policy*. Ed. Cambridge, 2003

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

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

5.3. Teaching Resources

Additional material for each group and/or seminar will be available through *Aula Global*.

6. Methodology

The methodology of the course is based on the student's autonomy, the lecturer's role as a mentor and systematic and continuous effort. The course combines face-to-face activities (performed in the classroom) with activities that students must carry out their own, either guided or independently.

In specific terms, students are expected:

1. To read and think critically about the readings and material indicated before the classes.
2. To complement the content presented in lectures by doing the reading using the recommended bibliography.
3. Dedicate specific effort to selecting and summarizing the most important point in each reading.
4. Ask the lecturer questions concerning their doubts before and/or during lectures and seminars.
5. Attend all classes.
6. Participate during lectures and seminars.
7. Hand-in all the case studies and exercises assigned before the seminars in which they are to be discussed.

Lecturers are expected:

1. To present the main points of each topic in class and clear up doubts and queries.
2. To assess the level of understanding and knowledge of the material, asking several students at random questions on the readings, case studies and other course materials, in each class or seminar.
3. To illustrate the application of the theoretical material by analyzing exercises and case studies.

7. Schedule of activities

Week	Lectures	Seminars
Week 1	Introduction + Topic 1	xxxxxxxxxxxxxxxxxxxxxx
Week 2	Topic 1 (cont)	xxxxxxxxxxxxxxxxxxxxxx
Week 3	Topic 2	xxxxxxxxxxxxxxxxxxxxxx
Week 4	Topic 3	Seminar 1
Week 5	Topic 4	Seminar 2
Week 6	Topic 5	Seminar 3
Week 7	Topic 5 (cont)	Seminar 4
Week 8	Topic 6	Seminar 5
Week 9	Topic 7	Seminar 6
Week 10	Topic 8	xxxxxxxxxxxxxxxxxxxxxx

