



IDENTIFYING DATA

Public economics

Subject	Public economics			
Code	V03G100V01502			
Study programme	Degree in Economics			
Descriptors	ECTS Credits	Choose	Year	Quadmester
	9	Mandatory	3rd	1st
Teaching language	Spanish English			
Department	Applied Economics			
Coordinator	Alonso Villar, María Olga del Río Otero, Coral			
Lecturers	Alonso Villar, María Olga del Río Otero, Coral			
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Web				
General description	Organization and dimension of the public sector. Justification of public intervention. Public revenues and expenditures. Effects of public intervention on efficiency and equity. Optimal taxation.			

Competencies

Code	
C1	Understand the basic mathematical tools required to formalize economic behavior.
C2	Understand the basic language of economics and the way economists think.
C3	Know the institutional framework of the economy.
C5	Understand the basic functioning of the economy, both from a broad perspective as well as a close one.
D1	Respect civic and ethical values. Strong commitment to work ethic.
D5	Skill to make coherent and intelligible statements both in oral and written form.
D7	Critical and self-critical thinking.

Learning outcomes

Expected results from this subject	Training and Learning Results
Solve exercises in which the economy is mathematically formalized.	C1
Use properly the terminology of Public Economics.	C2
Distinguish the role of the different economic agents, paying special attention to the public sector.	C3
(*)	
Establecer procesos de mejora del proceso de E/A: analizando la interacción profesor alumnos como base para el establecimiento de nuevas estrategias de acción programadora durante la realización del proceso E/A.	
Identify the main problems of the market that justify public intervention as well as the different solutions to them.	C5
Fulfilment and delivery of the tasks assigned.	D1
Argue properly the answers to the questions posed	D5
Identification of the problems that Public Economics addresses and the advantages/disadvantages of the solutions proposed to solve them.	D7

Contents

Topic	
Role and size of the public sector	Agents of the public sector The weight of the public sector International Comparisons

Justification for public intervention	Efficiency and equity 1st and 2nd Theorems of welfare economics Market failures
Public goods and externalities	Public goods Efficient provision of pure public goods Lindahl prices Preference revelation mechanisms The nature of externalities Externalities among producers Utility interdependence Solutions for externalities
Other market failures	Imperfect competition Public intervention Imperfect information and market incompleteness
Public intervention for equity	Economic justice and redistribution Social welfare functions Equity
Public choice theory	Arrow's impossibility theorem Majority voting Borda count
Efficiency in the public sector	The excess burden of taxation Cost-benefit analysis
Distributive tax incidence	Tax shifting Fair taxation and progressivity
Optimal taxation	Taxation principles Taxation rules
Public revenues in Spain	Taxes Fees and other revenues

Planning

	Class hours	Hours outside the classroom	Total hours
Lecturing	41.5	150	191.5
Group tutoring	7.5	0	7.5
Problem solving	22.5	0	22.5
Short answer tests	1.5	0	1.5
Short answer tests	2	0	2

*The information in the planning table is for guidance only and does not take into account the heterogeneity of the students.

Methodologies

	Description
Lecturing	Lectures and debates on specific questions
Group tutoring	Individualized attention to solve specific doubts
Problem solving	Exercises, debates, and seminars

Personalized attention

Methodologies	Description
Group tutoring	We will solve in small groups the doubts of students

Assessment

	Description	Qualification	Training and Learning Results
Short answer tests	A midterm exam (in November) that combines multiple choice questions and short questions. A minimum grade is required in the multiple choice part to take the second part of the exam into account.	20	C1 D1 C2 D5 C3 C5
Short answer tests	The final exam covers all lessons. It combines multiple choice questions and short questions. A minimum grade is required in the multiple choice part to take the second part of the exam into account. Check the date scheduled by the dean team on the website.	80	C1 D1 C2 D5 C3 C5

Other comments on the Evaluation

The exam is scheduled by the dean team. Check the date on the website.

Sources of information

Basic Bibliography

Albi, González-Páramo and Zubiri, **Economía Pública I**, Ariel, 2010

Albi, González-Páramo and Zubiri, **Economía Pública II**, Ariel, 2009

Rosen and Gayer, **Public Finance**, MacGrawHill, 2014

Stiglitz and Rosengard, **La Economía del Sector Público**, Antoni Bosch, 2015

Stiglitz and Rosengard, **Economics of the Public Sector**, Norton, 2015

Complementary Bibliography

Gradín and Del Río, **Desigualdad, pobreza y polarización en la distribución de la renta en Galicia**, 2001

Rosen, **Hacienda Pública**, MacGrawHill, 2007

Recommendations

Subjects that continue the syllabus

Public service economics/V03G100V01602

Wellbeing, equity and gender/V03G100V01901

Taxation/V03G100V01907

Subjects that it is recommended to have taken before

Economics: Principles of economics 1/V03G100V01102

Economics: Principles of economics 2/V03G100V01203

Mathematics: Mathematics 1/V03G100V01104

Mathematics II/V03G100V01303

Microeconomics I/V03G100V01304

Microeconomics II/V03G100V01404
