



## 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				
Coordinator	Alonso Villar, María Olga del Río Otero, Coral			
Lecturers	Alonso Villar, María Olga del Río Otero, Coral			
E-mail	crio@uvigo.es ovillar@uvigo.es			
Web	<a href="http://alonso-villar.webs.uvigo.es">http://alonso-villar.webs.uvigo.es</a>			
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	Skills to make coherent and intelligible statements both in oral and written form.
D7	Promote 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
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
Seminars	7.5	0	7.5
Problem solving	21.5	0	21.5
Problem and/or exercise solving	1.5	0	1.5
Problem and/or exercise solving	2	0	2
Presentation	1	0	1

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

### Methodologies

	Description
Lecturing	Lecturing and debates on specific issues
Seminars	Individualized attention to solve specific doubts
Problem solving	Resolution of exercises, presentations, debates and conferences

### Personalized assistance

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

### Assessment

	Description	Qualification	Training and Learning Results
Problem and/or exercise solving. A midterm exam		20	C1 D1 C2 D5 C3 D7 C5
Problem and/or exercise solving. An end-of-term exam which covers all lessons.		70	C1 D1 C2 D5 C3 D7 C5
Presentation	Readings, analyses of data, and presentations	10	C1 D1 C2 D5 C3 D7 C5

### Other comments on the Evaluation

Students have two options:

1. Only final exam (100% of the grade); see date at <http://fccee.uvigo.es>. To choose this path, students have to send me an email before October 20th, 2020.
2. Continuous assessment:
  - a. Activities associated with readings, analyses of data, and presentations (10%)
  - b. A midterm exam (20%)
  - c. A end-of-term exam, which covers all units (70%)

If a student fails to do any of these exams (b or c), she/he will be graded exclusively via the final exam on the official date. She/he will also be graded exclusively via the final exam if the score of either the mid-term or the end-of-term exam is below 30% of its maximum score.

Those students who achieve less than 5 points (out of 10) via continuous assessment will be allowed to take the final exam, which will represent 100% of the grade. In case the student does not take the final exam, her/his score will be that of continuous assessment.

Students in their "end of degree" exam session ("final de carreira") will get 100% of the grade from the exam.

### Sources of information

#### Basic Bibliography

- Albi, González-Páramo, Urbanos, and Zubiri, **Economía Pública I**, Ariel, 2017  
 Albi, González-Páramo, Urbanos, and Zubiri, **Economía Pública II**, Ariel, 2017  
 Rosen and Gayer, **Public Finance**, MacGrawHill, 2014  
 Stiglitz and Rosengard, **La Economía del Sector Público**, Antoni Bosch, 2016  
 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  
 Boadway and Wildasin, **Economía del Sector Público**, Instituto de Estudios Fiscales., 1986  
 Bustos Gisbert, **Lecciones de Hacienda Pública II**, Colex, 1999

### 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

### Contingency plan

#### Description

=== EXCEPTIONAL PLANNING ===

Given the uncertain and unpredictable evolution of the health alert caused by COVID-19, the University of Vigo establishes an extraordinary planning that will be activated when the administrations and the institution itself determine it, considering safety, health and responsibility criteria both in distance and blended learning. These already planned measures guarantee, at the required time, the development of teaching in a more agile and effective way, as it is known in advance (or well in advance) by the students and teachers through the standardized tool.

=== ADAPTATION OF THE METHODOLOGIES ===

\* Teaching methodologies maintained

The material created by the instructor, available via FAITIC and/or Campus Remoto.

\* Teaching methodologies modified

If traditional classes were not possible, there will be online teaching via Campus Remoto.

\* Non-attendance mechanisms for student attention (tutoring)

Virtual tutoring (Campus Remoto) by appointment.

\* Modifications (if applicable) of the contents

\* Additional bibliography to facilitate self-learning

=== ADAPTATION OF THE TESTS ===

The tests (including presentations, mid-term, end-of-term, and final exams) will take place at the premises of the UVigo. If face-to-face tests were not possible, they would be done via Campus Remoto and/or FAITIC.

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