



IDENTIFYING DATA

Public economics

Subject	Public economics			
Code	V03G100V01502			
Study programme	Grado en Economía			
Descriptors	ECTS Credits	Choose	Year	Quadmester
	9	Mandatory	3rd	1st
Teaching language	Spanish English			
Department				
Coordinator	Alonso Villar, María Olga			
Lecturers	Alonso Villar, María Olga del Río Otero, Coral			
E-mail	ovillar@uvigo.es			
Web	http://alonso-villar.webs.uvigo.es			
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.			

Training and Learning Results

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.

Expected results from this subject

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
Essay questions exam	1.5	0	1.5
Essay questions exam	1.5	0	1.5
Problem and/or exercise solving	1.5	0	1.5

*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, debates, conferences and/or multimedia resources

Personalized assistance

Methodologies Description

Seminars	We will solve in small groups the doubts of students. The office hours will be available at the web of the course (Moovi). To ask for an appointment, please send an email to ovillar@uvigo.es.
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Assessment

	Description	Qualification	Training and Learning Results	
Essay questions exam	The first exam will take place in the middle of the semester. It will evaluate all the contents, theoretical and practical, seen up to the date of the exam.	20	C1 C2 C3 C5	D1 D5 D7
Essay questions exam	The second exam will take place at the end of the first semester and will evaluate all the theoretical contents of the course.	40	C1 C2 C3 C5	D1 D5 D7
Problem and/or exercise solving	The last exam will take place on the official date of the first opportunity. It will evaluate contents related to: exercises, readings, and data analysis (graphs and tables).	40	C1 C2 C3 C5	D1 D5 D7

Other comments on the Evaluation

Students will have two options to pass the course:

1. Waive the continuous assessment and request the global assessment (GA) through an exam, which will account for 100% of the grade, and which will take place on the official date that appears on the faculty website (<http://fccee.uvigo.es>), both on the first opportunity and on the second. To waive the continuous assessment, it is necessary to send an email to the teachers of the course before October 15, 2023. Of course, class attendance is still highly recommended even if the continuous assessment is not chosen.

2. Accept the continuous assessment (CA), which consists of three exams:

a) The first exam, which will take place in the middle of the semester, will evaluate all the contents, theoretical and practical, seen up to the date of the exam. This exam represents 20% of the grade. To continue in the CA, the minimum score for this exam is 4 points out of 10.

b) The second exam will take place at the end of the first semester and will evaluate all the theoretical contents of the course. This exam represents 40% of the grade. To continue in the CA, the minimum grade for this exam is 4 points out of 10.

c) The last exam will take place on the official date of the first opportunity GA and will evaluate contents related to: exercises, readings and data analysis (graphs and tables). This exam represents 40% of the grade.

Students who opt for CA and do not reach the minimum grade in the first or second exam may take GA at the first opportunity with 100% of the grade. On the second opportunity, the exam will count 100% of the grade.

Those students who, having obtained more than 4 points in each of the first two exams, want to waive the CA, may request it by sending an email to the teaching staff before December 31, 2023.

In the second opportunity call and in the End of Degree call, the evaluation will be carried out exclusively by GA (which will constitute 100% of the grade).

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, 2011

Boadway and Wildasin, **Economía del Sector Público**, Instituto de Estudios Fiscales., 1986

Bustos Gisbert, **Curso Básico de Hacienda Pública**, Civitas, 2017

Greve, **The Role of the Public Sector. Economics and Society**, Edward Elgar, 2022

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
