



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			
Lecturers	Alonso Villar, María Olga del Río Otero, Coral Gradin Lago, Carlos Manuel			
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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
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
Master Session	45	150	195
Group tutoring	7.5	0	7.5
Troubleshooting and / or exercises	20	0	20
Short answer tests	1.25	0	1.25
Short answer tests	1.25	0	1.25

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

Methodologies

	Description
Master Session	Lectures and debates on specific questions
Group tutoring	Individualized attention to solve specific doubts
Troubleshooting and / or Exercises, debates, and seminars exercises	

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.	80	C1 D1 C2 D5 C3 C5

Other comments on the Evaluation

The exam in July is scheduled by the dean team.

Sources of information

Albi, González-Páramo and Zubiri, **Economía Pública I**, 2010,
Albi, González-Páramo and Zubiri, **Economía Pública II**, 2009,
Gradín and Del Río, **Desigualdad, pobreza y polarización en la distribución de la renta en Galicia**, 2001,
Hindriks and Myles, **Intermediate Public Economics**, 2013,
Rosen, **Hacienda Pública**, 2007,
Rosen and Gayer, **Public Finance**, 2014,
Stiglitz, **La Economía del Sector Público**, 2002,
Stiglitz and Rosengard, **Economics of the Public Sector**, 2015,

Recommendations

Subjects that continue the syllabus

Public service economics/V03G100V01602
Wellbeing, equity and gender/V03G100V01901

Subjects that it is recommended to have taken before

Principles of Economics I/V03G100V01102
Principles of Economics II/V03G100V01203
Mathematics I/V03G100V01104
Mathematics II/V03G100V01303
Microeconomics I/V03G100V01304