

Academic year	2017-18
Subject	20616 - Public Sector
Group	Group 30, 2S, GECO
Syllabus	F
Language	English

## Subject

<b>Name</b>	20616 - Public Sector
<b>Credits</b>	1.88 in-class (47 hours) 4.12 distance (103 hours) 6 total (150 hours).
<b>Group</b>	Group 30, 2S, GECO (Campus Extens)
<b>Period</b>	Second semester
<b>Language</b>	English

## Lecturers

Lecturers	Office hours for students					
	Starting time	Finishing time	Day	Start date	End date	Office
Luca Piccoli - <a href="mailto:luca.piccoli@uib.es">luca.piccoli@uib.es</a>	11:00	12:00	Thursday	05/09/2017	29/06/2018	DB220

## Context

The course is framed within the subject of Economics of the public sector, and gives continuity to the study of Welfare Economy, studying the instruments available to the social planner that allow an ideal balance between equity and efficiency. The first part of the course will focus on the financing of the public sector (taxes). The second part of the course will be devoted to public spending.

In the absence of non-distorting instruments such as flat-rate taxes, the social planner must choose from a group of instruments that push economics away from economic efficiency if equity is to be achieved. The trade-off between efficiency and equity is at the core of the optimal taxation analysis.

With regard to the study of public spending, such as health, education or social assistance programs, the main characteristics of these in Spain and other countries will be studied, asking what market failure it intends to correct, how it intends to correct it or whether the objective of these policies is redistributive.

## Requirements

This subject gives continuity to the study of Welfare Economics, the previous knowledge necessary to be able to follow this subject is divided into two groups:

### Essential requirements

Mathematical knowledge: The knowledge acquired in Mathematics and Optimization subjects is essential.

Economic knowledge: Knowledge acquired in welfare economics

### Recommended

Economic knowledge: although the basic knowledge acquired in introduction to economics, microeconomics and strategic games and decisions is not considered essential, it is very useful.

### Skills

#### Specific

- \* CE4 Evaluar consecuencias de distintas alternativas de acción y seleccionar las mejores dados los objetivos.
- \* CE8 Identify relevant economic information sources and their content.
- \* CE12 Contextualise economic problems through the use of formal models, knowing how to incorporate extensions or variations in the initial assumptions that respect the basic hypotheses established and being aware of their potential and limitations..

#### Generic

- \* CG4 Communicate fluently in your environment and work as a team.
- \* CG5 Analyze problems with critical reasoning, without prejudice, accurately and rigorously.
- \* CG7 Synthesis ability.

#### Basic

- \* You may consult the basic competencies students will have to achieve by the end of the degree at the following address: <http://www.uib.eu/study/grau/Basic-Competences-In-Bachelors-Degree-Studies/>

### Content

#### Theme content

- Topic 1. Introduction
  - 1.1 The public sector in a mixed economy.
  - 1.2 The public sector in Spain and the world.
  - 1.3 Public sector theories.
  - 1.4 Taxes, an introduction.
- Topic 2. Tax incidence
  - 2.1 Tax incidence.
  - 2.2 Taxes and economic efficiency.
- Topic 3. Optimal taxation
  - 3.1 Introduction.
  - 3.2 Indirect taxation. Ramsey's rule.
  - 3.3 Direct taxation. Income tax.

3.4 Capital taxes.

Topic 4. Federalism and fiscal competition

4.1 Fiscal Federalism. Tiebout's hypothesis.

4.2. Tax competition.

Topic 5. Public expenditure programs

5.1 Health.

5.2 Education.

5.3 Social security.

5.4 Technology, infrastructure.

5.5 Social assistance programs.

## Teaching methodology

With the aim of being able to develop and evaluate the competences previously established, this section describes the presential and non-presential work activities planned for the completion of the subject.

The course will be taught through both theoretical and practical lessons that will allow the student to make a critical analysis of the economic policies of the public sector (taxes and expenditure) and their possible impact on the economy.

## In-class work activities

Modality	Name	Typ. Grp.	Description	Hours
Theory classes	Lecture	Large group (G)	Using explanatory methods, the teacher will outline the theoretical foundations as well as practical applications of the reasoning behind the corresponding teaching units. In addition, information will be given on the advisable working method and the didactic material that the student should use to complete the learning in an autonomous way on the contents.  The aim is to develop an adequate theoretical knowledge of the key concepts that characterize public sector taxes and expenditure policies in different countries, all with the support of exercises or practical cases.	20
Practical classes	classroom-based practical sections	Medium group (M)	Using the method of problem solving and discussion activities, the student will put into practice the knowledge presented in the theoretical classes.	13.5
Assessment	Exposition of the group work	Medium group (M)	During the last weeks of the course, all students who have submitted a written work can present it during class hours. The maximum length of the presentation will depend on the number of participants in each working group. The purpose of this evaluation is for the student to be able to discuss fluently about topics on the economics of the public sector and to make a critical analysis of spending programs in Spain and the world.	12

Modality	Name	Typ. Grp.	Description	Hours
Assessment	Partial exam	Large group (G)	On the date specified in the timetable, there will be an exam on topics 1, 2, 3 and 4 of the content. This evaluation will make it possible to assess whether the student knows relevant concepts of the subject and knows how to correctly apply them. The exam will have a maximum duration of 1.5 hours.	1.5

At the beginning of the semester a schedule of the subject will be made available to students through the UIBdigital platform. The schedule shall at least include the dates when the continuing assessment tests will be conducted and the hand-in dates for the assignments. In addition, the lecturer shall inform students as to whether the subject work plan will be carried out through the schedule or through another way included in the Campus Extens platform.

### Distance education work activities

Modality	Name	Description	Hours
Individual self-study	preparation of teaching unit and solution of exercises	After the teacher's presentation in theory classes and in practical classes, the student have to complement what has been explained and study the subject in depth. To facilitate this task the teacher could provide bibliographic references and reference manuals.	60
Group or individual written work self-study		The student must submit a work written in group with an extension of no more than 10 pages, following the guidelines and the bibliography recommended by the teacher that will be available via Aula Digital during the course.	43

### Specific risks and protective measures

The learning activities of this course do not entail specific health or safety risks for the students and therefore no special protective measures are needed.

### Student learning assessment

#### Exposition of the group work

Modality	Assessment
Technique	Oral tests ( <b>non-retrievable</b> )
Description	During the last weeks of the course, all students who have submitted a written work can present it during class hours. The maximum length of the presentation will depend on the number of participants in each working group. The purpose of this evaluation is for the student to be able to discuss fluently about topics

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	on the economics of the public sector and to make a critical analysis of spending programs in Spain and the world.
Assessment criteria	The quality of the presentation will be valued: Transparencies, structure of the exhibition, ability to synthesize and transmit the knowledge learned.
Final grade percentage:	25%

### Partial exam

Modality	Assessment
Technique	Objective tests ( <b>retrievable</b> )
Description	On the date specified in the timetable, there will be an exam on topics 1, 2, 3 and 4 of the content. This evaluation will make it possible to assess whether the student knows relevant concepts of the subject and knows how to correctly apply them. The exam will have a maximum duration of 1.5 hours.
Assessment criteria	Topics 1, 2, 3 and 4 of the content will be examined. The final exam will have a maximum duration of 1.5 hours.  The test will include both practical exercises and a set of theoretical questions. The evaluation criteria are: adequacy of the procedures used, accuracy of the results obtained, correct interpretation of the results obtained, knowledge of key concepts.  A student who does not attend this activity is considered Not Presented (NP).
Final grade percentage:	50%

### written work

Modality	Group or individual self-study
Technique	Papers and projects ( <b>non-retrievable</b> )
Description	The student must submit a work written in group with an extension of no more than 10 pages, following the guidelines and the bibliography recommended by the teacher that will be available via Aula Digital during the course.
Assessment criteria	A group paper must be submitted. The presentation of the work, the ability of synthesis, the understanding of the studied issues, the understanding of the recommended readings and the discussions of the conclusions on the topic will be valued.
Final grade percentage:	25%

## Resources, bibliography and additional documentation

### Basic bibliography

HINDRIKS, J. y MYLES, G., Intermediate Public Economics. MIT Press, 2006.  
SALANIE, B., The Economics of Taxation. MIT Press, 2003.  
STIGLITZ, J. E., Economics of the Public Sector. 3rd edition. W. W. Norton, 2000.