

61335 - Issues of Public Economics

Syllabus Information

Academic year: 2023/24

Subject: 61335 - Issues of Public Economics

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 525 - Master's in Economics

ECTS: 6.0

Year: 1

Semester: First semester

Subject type: Compulsory

Module:

1. General information

The aim of this subject is to develop some advanced topics of public economics, such as the economic role of the public sector and its limitations, the effects of public sector action on growth, public intervention in the area of social expenditures (education, health, pensions, unemployment), the effects on the equity and efficiency of the tax system, the spatial scope of taxation (decentralization and international taxation), and trends in international taxation and public expenditure.

These approaches and objectives are aligned with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda (<https://www.un.org/sustainabledevelopment/es/>), specifically Goals 1 (End Poverty), 3 (Health), 4 (Education), 8 (Economic Growth) and 10 (Reduce Inequalities between and within Countries).

2. Learning results

1. Ability to argue rigorously about the need for public intervention in the economy and its limitations.
2. Knowledge of the effects of major public taxes and expenditures in terms of equity and efficiency.
3. Knowledge of the main theoretical and international trends in public revenues and expenditures.
4. Ability to use the instruments of public economics to evaluate a given public revenue or expenditure policy.
5. Ability to initiate a research activity in the field of public economics, either theoretical or applied.

3. Syllabus

PART ONE: PUBLIC EXPENDITURES

1. Fundamentals of public spending: efficiency and equity
2. Social expenditures: services (education, health and social services) and economic benefits (pensions and unemployment protection).
3. Economic effects of social expenditures (I): inequality and redistribution
4. Economic effects of social expenditures (II): incentives and growth
5. Trends, sustainability and reform of social spending.

PART TWO: GOVERNMENT REVENUES

6. The principles of taxation
7. Effects of the tax system (I): income redistribution
8. Effects of the tax system (II): incentives, tax avoidance and evasion
9. Multijurisdictional taxation (I): regional aspects
10. Multijurisdictional taxation (II): international aspects
11. Recent trends in tax reform: the extensive model of tax reform; the dual tax and the linear tax.

4. Academic activities

The organization of the subject is based on the reading, study and discussion of the most relevant theoretical and applied literature on the syllabus's topics. During the sessions, the students, with the help of the teacher, will discuss each topic on the basis of the bibliographical references consulted, the presentation and the questions proposed by the teacher, previously answered in writing. At the end of each session, the teacher summarizes the main conclusions reached and, where appropriate, presents the lines of research that remain open on the topic that has been studied.

The distribution of time among the various activities is as follows:

Master classes for presentation, orientation and conclusion of the topics: 34 hours.

Presentation and discussion of exercises: 20 hours.

Preparation of exercises and independent study by the student: 90 hours.

Assessment tests: 6 hours.

5. Assessment system

The subject will be evaluated as follows:

1. Written answers to the questions posed by the teacher in each topic and participation in the subsequent discussion of the same with the teacher and other classmates. The grade for this activity represents 50 percent of the final grade for the subject. The assessment criteria and levels of demand are as follows:

- Ability to give reasoned answers to the questions formulated by the teacher and to discuss them in a reasoned manner (30%).
- Ability to present and discuss in a reasoned manner the content of the bibliography studied, beyond the specific questions posed to be solved in writing (30%).
- Ability to correctly link the problems addressed in each topic with those examined in other topics (20%).
- Rigor in the use of economic language and the concepts and instruments of public economics, both in the written text and in discussion with other students (20%).

2. At the end of the subject, there is an individual written exam in which the student must demonstrate that they has retained the basic concepts studied throughout the term by answering ten short theoretical-practical questions. The grade for this activity represents 50 percent of the final grade for the subject.

In any case, students may choose to take the global assessment test of the subject.