

**Economic Policy and the Economics of the Public Sector**

Code: 101084  
ECTS Credits: 6

Degree	Type	Year	Semester
2500259 Political Science and Public Management	OB	3	2

### Contact

Name: Guadalupe Souto Nieves  
Email: guadalupe.souto@uab.cat

### Use of Languages

Principal working language: spanish (spa)  
Some groups entirely in English: Yes  
Some groups entirely in Catalan: No  
Some groups entirely in Spanish: Yes

### Teachers

Guiomar Ibañez Zarate  
Martha Carolina Olaya Agudo

### Prerequisites

Having passed a basic Economics course, and particularly, having a basic training in microeconomics, is a prerequisite to register for this course. It is also highly advisable to have attended the "Propedeutic Course on Quantitative Methods".

### Objectives and Contextualisation

- Learning the foundations of public intervention.
- Relating public intervention to voting mechanisms and decision-making in the public sector.
- Approaching the economic theory of democracy and the economic theory of bureaucracy.
- Achieving a theoretical knowledge of economic behaviour, incentives and institutions giving rise to some collective outcomes.
- Achieving a theoretical knowledge of public finance and income redistribution.
- Accessing the relevant information on goals and instruments of economic policy and public sector economics.
- Obtaining and applying the terminology and specific techniques of analysis in economic policy and public sector economics.
- Appraising social policies (social security, health, education, demographic policy and migration)

### Competences

- Applying the discipline's main theories and different fields to real practical and professional problems.
- Arguing from different theoretical perspectives.
- Demonstrating good writing skills in different contexts.
- Distinguishing the discipline's main theories and different fields: conceptual developments, theoretical frameworks and theoretical approaches underlying the discipline's knowledge and different areas and sub-areas, as well as their value for the professional practice through concrete cases.
- Showing a good capacity for transmitting information, distinguishing key messages for their different recipients.
- Synthesizing and critically analysing information.
- Working autonomously.
- Working in teams and networking, particularly in interdisciplinary conditions.

## Learning Outcomes

1. Analysing and explaining the economic dimensions behind public policies.
2. Analysing the management of human resources, the dynamics and sectoral structure of active population and the functioning of labour market.
3. Arguing from different theoretical perspectives.
4. Assessing the role of the public sector as an economic agent.
5. Critically analysing the impacts of reinforcement policies and subsidies.
6. Critically arguing the operations of the institutions and economic actors.
7. Critically assessing the options in the economic policies taken by the Spanish governments since the Transition.
8. Demonstrating good writing skills in different contexts.
9. Describing the Spanish foreign sector: the dynamics of import/export, foreign investments in Spain and Spanish investments abroad.
10. Describing the central elements of the Spanish production structure: the agricultural, industrial, and service sectors.
11. Describing the ecological taxation and its relationship with the principle of sustainability.
12. Describing the stages of the Spanish post-1960 economic development.
13. Diagnosing specific situations and economic problems.
14. Efficiently describing forms of public intervention concerning the economic system.
15. Explaining political principles and impact of (distributive and redistributive) tax policies on economic inequality and social equity.
16. Explaining the consequences of a fiscal reform and changes on the government's tax issues.
17. Explaining the main characteristics of the economic policies of western governments.
18. Reflecting on the proposals of current economic policies, in several fields (financial, fiscal, incomes policy, etc.) and several territories (World, Europe, Spain).
19. Showing a good capacity for transmitting information, distinguishing key messages for their different recipients.
20. Specifying the roles, dimensions and structure of the public sector in the economy.
21. Synthesizing and critically analysing information.
22. Working autonomously.
23. Working in teams and networking, particularly in interdisciplinary conditions.

## Content

The general analytical framework of economic policy and public sector theory is presented, explaining the market failures that motivate intervention and the public sector failures that may result from interventions.

Topics:

1- The formation of economic policy: basic conceptual framework of objectives, instruments and policies

2- The welfare economy and the role of the public sector. Efficiency and equity. The fundamental theorems of welfare economics.

3- Market failures: imperfect competition, imperfect information, public goods and externalities.

4- The distribution of income: different theories about the optimal distribution of income. The limits of redistribution: efficiency, equity and incentives

5- Analysis of social policies: social security, minimum income programs, health economics, education economics.

6- Public sector income: public revenues, types of taxes, introduction to tax analysis (desirable characteristics of the tax system; progressiveness, regressivity and proportionality).

## Methodology

Theoretical lectures will focus on the more important issues in each topic, referring to the relevant references in aspects not requiring their development in class.

The objective of practical classes is that of applying the issues discussed in theoretical lectures to the situation in Spain and other countries or regions. Practical classes will be developed with working groups.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

## Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Case studies	15	0.6	5, 1, 2, 10, 11, 12, 13, 20, 18
Lectures	30	1.2	5, 1, 6, 4, 13, 16, 17, 18, 7
Type: Supervised			
Tutorials	7.5	0.3	6, 8, 13, 19, 18, 21
Type: Autonomous			
Study, preparation and other activities	90	3.6	5, 1, 2, 6, 4, 14, 13, 18

## Assessment

Evaluation of the course will be on a continuous assessment basis with the following criteria:

1. Two written exams, to be carried out on established dates, with weighs 30% each.
2. Two case studies, to be delivered on established dates, with weighs 20% each.

In case plagiarism is detected, the grade assigned to the activity will be 0.

The instructor will set the dates along the first week of the course. Students will strictly respect the above-mentioned dates. Otherwise, they will not be evaluated.

To pass the subject the following conditions must be met:

- Students must have taken the two written exams, and have obtained an average grade of 3.5 or above.
- The average grade of the whole set of evaluation activities must be 5.0 or above.

In accordance with article 112.3 of the UAB Academic Regulations, a make-up exam will be scheduled by the Faculty. This exam is addressed to those students who have taken at least the two written exams, and who have obtained a final grade (weighted average of the set of evaluation activities) not lower than 3.5, but below 5.0.

In accordance with article 117.2 of the UAB Academic Regulations, the evaluation of those students who have been enrolled before, may consist of a single synthesis examination. The students who wish to be evaluated this way should contact the professor at the beginning of the semester.

## Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Two written exams and two case studies	30%, 30%, 20%, 20%	7.5	0.3	5, 1, 2, 6, 3, 4, 8, 14, 9, 10, 11, 12, 13, 20, 15, 16, 17, 19, 18, 21, 22, 23, 7

## Bibliography

Basic references:

Rosen, H. and T. Gayer, 2014. Public Finance. McGraw-Hill.

Stiglitz, J. and Rosengard, 2016. Economics of the public sector. Norton & Company.

Sanchez Andres, A. 2021. Introducció a la Política Económica. Available on-line for UAB users: [https://bibcercador.uab.cat/permalink/34CSUC\\_UAB/1eqfv2p/alma991000847739706709](https://bibcercador.uab.cat/permalink/34CSUC_UAB/1eqfv2p/alma991000847739706709)

Other references:

Friedman and Friedman. 1980. Free to Choose. Harcourt.

Harvey, D. 2005. A Brief History of Neoliberalism. Oxford University Press.

Madden and Marcuse. 2016. In Defense of Housing. Verso

Harvey, D. 2010. A Companion to Marx's Capital. Verso

McConnell, Brue and Macpherson. 2017. Contemporary Labor Economics. McGraw-Hill.

Graeber, D. 2018. Bullshit jobs. Simon & Schuster.

Federici. 2012. Revolution at Point Zero. Housework, Reproduction and Feminist Struggle. PM Press.

Piketty. 2014. Capital in the XXIst Century. Harvard University Press.

Zucman. 2015. The Hidden Wealth of Nations. The University of Chicago Press.

Samuelson and Nordhaus. 2010. Economics. McGraw-Hill.

Skidelsky. 2018. Money and Government. Yale University Press.

Mazzucato. 2014. The Entrepreneurial State. Anthem Press.

Rodrik. 2012. The Globalization Paradox. Oxford University Press.

Kindleberger. 2005. Manias, Panics and Crashes. John Wiley & Sons.

Stiglitz. 2016. The Euro. Norton & Company.

## **Software**

No specific software is used, beyond a word processor and basic spreadsheets.