

Subject	Economics of Public Sector			
	Type	Semester	ECTS	Code
	Obligatory	2	5	
Course Lecturer				
Aims and Objectives	<p>The main aim of the course is to develop analytical tools that can be applied to key policy issues relating to the economics of public sector. The focus is on describing and elaborating on details, the key theoretical concepts and models and also on explaining how public policy is influenced by decisions of the main economic actors. The course analysis the role of government, the existence of natural monopolies, the presence of externalities, government regulations and interventions. It also provides analysis on the role of economic policies on improving welfare and wellbeing.</p>			
Learning Outcomes	<p>Upon successful completion of this course, students will be able to:</p> <ul style="list-style-type: none"> - Demonstrate knowledge on the main theoretical concepts and models, - Elaborate why unequal distribution of income is present in a market economy and also evaluate and analyse the pros and cons of government efforts to redistribute income. - Analyse the effects of taxes on the distribution of income (e.g., tax incidence theory). - Understand and describe a public good and evaluate public and private institutions and government policies addressing the public goods problem. - Understand and describe externalities and evaluate government policies addressing externalities. - Elaborate the effects of taxes on the efficiency of resource allocation and also be able to describe the major revenue sources (e.g., personal income tax, corporate income tax,), and evaluate their effects on individual and firm behaviour. - Discuss different questions, connected with public sector economics, and solve problems. 			
Course Content	Course Plan			Week
	Introduction to Public Economics			1
	Key principles of Economics			2
	Public sector and the economics of welfare			3
	Externalities, environment and the role of government			4
	Taxes, taxation systems and public/government			5
	spending Government intervention and natural			6
	monopolies			7&8
	Sectoral analysis: Human Capital; Rule of Law; Infrastructure;			9
	Industrial Inequality and income distribution			10
	Market failures and market efficiency			11
	Monopoly			12&13
	Six main debates on economics and public policies			14&15
Teamwork presentations				
Teaching/Learning Activity			Weight (%)	

Teaching/Learning	1. Lectures			10%	
	2. Homework & quizzes			20%	
	3. Project			30%	
	4. Final exam			40%	
Assessment Methods	Assessment Activity		Number	Week	Weight (%)
	1. Homework, class work&		Regul	1-12	50%
	2. Final exam		ar 1	13-14	40%
	3. Quizzes				10%
			1,2,3,4,5,6		
Course resources	Resources			Number	
	1. Literature			Multiple	
	2. Moodle			Multiple	
	3. Software - Stata			1	
	4. Projector			1	
ECTS Workload	Activity		Weekly hrs	Total	
	1. Lectures and discussions		2	30	
	2. Homework, homework review and final essay		5/6	89	
	3. Project presentations			6	
Literature/References	Main textbook for the course				
	1. Joseph Stiglitz and Jay K. Rosengard (2015). Economics of the Public Sector, 4th edition. New York, NY: W.W. Norton & Company, Inc				
	Selected chapters from the following books:				
	1. Hindriks, J. and G.D. Myles Intermediate Public Economics. (Cambridge: MIT Press, 2013) second edition				
	2. Cullis, John G., and Philip R. Jones. 2009. Public finance and public choice: analytical perspectives. Oxford: Oxford University Press.				
	3. Acemoglu & Robinson (2005), Economic origins of democracy and dictatorship, Cambridge University Press				
	4. Caporaso& Levine (2005), Theories of Political Economy, Cambridge University Press				
	5. Persson &Tabellini (2000), Political economics: explaining economic policy, MIT Press				
	6. Weingastetl al (2007), Oxford Handbook of Political Economy				
	Optional:				
1. Akerlof, G. 'The market for lemons: quality uncertainty and the market mechanism', Quarterly Journal of Economics 89 1970, pp.488–500.					
2. Arrow, K.J. 'A difficulty in the concept of social welfare', Journal of Political Economy 58 1950, pp.328–46.					