# Public Economics (Business Administration and Consultancy Degree)

## Prof. Paolo Balduzzi

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course studies traditional and modern issues in Public economics. The aim of the course is to provide students with all the necessary tools for interpreting and understanding the role of the public sector in the modern economy.

At the end of the course, students will be able to:

1. demonstrate knowledge and understanding of the main aspects and issues regarding the economic role of the State;

2. based on this knowledge, analyse and discuss the main characteristics of the fiscal system as a whole and in relation to the specific segments of which it is composed; make temporal comparisons regarding the fiscal system of a single country and in an international context;

3. independently evaluate on general terms the effects of fiscal reforms specifically in the tax, pension and federal fields;

4. present their results on their analysis and contribute to the debate on topics of major interest regarding public economy;

5. independently study in-depth the course topics and those related to them.

***COURSE CONTENT***

The course is organised in single-subject sections, each of the same duration (the equivalent of 10h) and the same weight on the final evaluation:

1. Reasons for public intervention: market failures

The theorems of welfare economics; market failures; social welfare functions

1. Government balance sheet: expenditures, revenues and public debt management

The *management of public expenditure*: the growth of public expenditure, spending review and themanagement of public debt. Organisation, legislation and constraints in the State Budget approval process.

1. Pensions

Theory, organisation, critical aspects and possible reforms of pension systems.

1. Elements of tax theory

Definition and classification of taxes, regulatory and distributional effects, progressive taxation.

1. Economic organisation of the State

*Theory of fiscal federalism* and references to local tax reforms in Italy. Economic analysis of the balance sheet of Italian municipalities.

6. Public choice theory

State failures; Arrow’s impossibility theorem, direct democracy and representative democracy models; economics effects of institutions; electoral reforms in Italy.

***READING LIST***

The official text for the course is:

*Economia pubblica* (edited by Paolo Balduzzi), online course pack online available on Pandoracampus and including a selection of chapters of the following textbooks:

1. Balestrino-E. Galli-L. Spataro, *Scienza delle finanze,* UTET.
2. P. Bosi, *Corso di scienza delle finanze,* Il Mulino, latest edition.

All chapters are mandatory.

However, some parts of the course are developed with the influence of other textbooks (optional), such as, by way of example only:

R. Artoni, *Elementi di scienza delle finanze,* Il Mulino, latest edition.

P. Bosi, *Corso di scienza delle finanze,* Il Mulino, latest edition.

G. Brosio, *Economia pubblica moderna,* Giappichelli Ed., latest edition.

A. Petretto, *Economia pubblica e Unione Europea,* Il Mulino, latest edition.

Possible further study material will be made available online on the Blackboard platform.

***TEACHING METHOD***

This blended course includes face-to-face activities (50%) and distance activities (50%). Distance activities include video lectures (asynchronous), practical webinars and live feedback (conducted synchronously via web conference).

The course also includes group work on the analysis of municipal accounts, as well as group discussions on topical subjects related to the content of the course modules.

The detailed syllabus will be communicated on Blackboard.

***ASSESSMENT METHOD AND CRITERIA***

1. *Ongoing assessment*

For students who opt for an ongoing assessment: 50% of the assessment will be based on two equivalent tests (a test in class and a group assignment that includes also a final class presentation) assigned during the course as per content and timelines that will be published in the Blackboard area reserved for students enrolled in the course; 50% of the assessment will be based on a final written test.

The final test may only be taken following a positive assessment of the tests delivered during the course. In order to complete the exam, the final test (to be held in one of the 3 exam sessions following the end of the course) must be passed.

1. *Single summative assessment*

Students who opt for a single assessment during the exam period shall sit a written exam consisting of six questions, among which students shall answer four of their choice

***NOTES AND PREREQUISITES***

To attend the course, it is not necessary to have taken Public Economics or Financial Sciences courses during the three-year course; however, a good knowledge of microeconomics and mathematics is considered indispensable; by way of example, we recommend the following manuals if needed:

H. R. Varian, *Microeconomia*, Cafoscarina, Venice, latest edition; Torriero, Scovenna e Scaglianti, *Manuale di Matematica,* *Metodi e applicazioni*, Cedam, 2013.

In case the current Covid-19 health emergency does not allow frontal teaching, remote teaching will be carried out following procedures that will be promptly notified to students.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.