Public Finance and Multilevel Governance

## Prof. Floriana Cerniglia

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

To introduce the economic role of the state. To this end, students will be introduced to the economic factors justifying the intervention of the state in a market economy. The course will provide explanations concerning the development of the role of the state and illustrate the relative regulatory issues.

The course is divided into two parts. The first part will be dedicated to the general principles of public intervention, the public finance system in Italy and finally the taxation theory. The second part will focus in particular on fiscal decentralisation, EU economic governance and the theory of public debt.

*Knowledge and understanding:* By the end of the course, students will have greater knowledge and a broader perspective of the relationship between the State and the market.

*Ability to apply knowledge and understanding*: students will also have the necessary skills to interpret the key elements in the current debate on themes related to, for example: i) the Italian tax system; ii) the Italian reforms relating to the question of finance relations between the central state and local governments, iii) reforms in EU economic governance and Next Generation EU.

***COURSE CONTENT***

The course covers the following topics:

1. *Part 1:*

– Reasons for public intervention: the economics of welfare, public assets, mechanisms for political decision-making and other causes of market failure.

– Public funding in Italy, the state budget and budget law.

– Tax theory: public revenues, criteria for allocating the tax burden, the distortive effects of taxes, an overview of the main taxes and the Italian tax system.

2. *Part 2:*

- Fiscal decentralisation.

- Debt sustainability and European obligations.

- The institutional structure of Europe and economic governance.

***READING LIST***

For the first part:

P. Bosi (ed.) *Corso di Scienza delle Finanze,* Il Mulino, Bologna, 2019 (8th edition) chaps. 1-3.

For the second part:

P. Bosi (ed.) *Corso di Scienza delle Finanze,* Il Mulino, Bologna, 2019 (8th edition) chaps. 4-6.

***TEACHING METHOD***

Classroom lectures with the publication of learning material and further optional readings on the course *Blackboard* page.

***ASSESSMENT METHOD AND CRITERIA***

Students will be assessed by means of an oral exam on all the topics covered by the course. Important assessment criteria are logical reasoning skills, economic intuition and skilful use of language.

***NOTES AND PREREQUISITES***

Students will require knowledge of the main aspects of microeconomics and macroeconomics. NB: *Blackboard* will be the main online communication tool between the students and the lecturer, who will publish any notifications and resources from lectures there as well as other materials for the exam. Non-attending students must also use *Blackboard*.

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.