# Public Economics (Business Administration and Consultancy Degree)

Prof. Stefano Olivari; Prof.ssa Lorena Scaperrotta

***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 must be able to interact critically and knowingly with the main theoretical models of reference literature as well as with the political and economic debate on the topics covered.

***COURSE CONTENT***

The course is organised in single-subject sections:

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. Public spending

Theory, functions and critical aspects of the Italian welfare state (pension, education and health systems).

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.

1. Elements of tax theory

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

1. 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 and compulsory text for the course is:

Balestrino-E. Galli-L. Spataro, *Scienza delle finanze,* UTET.

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

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

R. Artoni, *Elementi 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.

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: 70% of the assessment will be based on two tests (a test in class and a group assignment) assigned during the course as per content and timelines that will be published in the Blackboard area reserved for students enrolled in the course; 30% 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 pass 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.

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.