

# **PUBLIC SECTOR I (11841)**

## **FIRST PART**

1. Rationality of public intervention and social welfare. Objectives and instruments. The activities of funding and regulating.
2. The public sector in the economy. Organization and budgeting. The analysis of public intervention. Equity and efficiency. Normative approach. Public Choice.

## **SECOND PART**

3. Public provision, direct production and efficiency. The provision of public services: Public funding with and without public production. Incentives, efficiency and public management.
4. Merit goods. The analysis of public programs: monetary and in-kind transfers. Efficiency and redistribution. The incidence of social programs and their distributional effects. The economic evaluation of public programs.
5. Types of public revenues. Prices versus taxes. Principles of taxation. The theory of optimal taxation. Incidence. The effects of taxes on economic behavior. Taxation on income, consumption and savings.
6. The economic effects of taxing personal and corporate income. Economic effects of indirect taxes on consumption.

## **THIRD PART**

7. Fiscal Federalism. International Public Finance. Decentralization and the funding of regional government. Coordination versus competition. Fiscal arbitrage.

## **REFERENCES**

Stiglitz, J. *Economics of the Public Sector*. New York: Northon, 2000.