



Economía del sector  
público y del  
bienestar/ Economics  
of the public sector  
and welfare

**Grado en Economía y  
Negocios  
Internacionales**



UNIVERSIDAD  
**NEBRIJA**

## SYLLABUS

**Course:** Economics of public sector and welfare /Economía del sector público y del bienestar

**Degree:** Economics and International Business /Grado en Economía y Negocios Internacionales

**Type:** Mandatory / Obligatoria

**Languages:** Spanish and English

**Modality:** In-Person and online

**Credits:** 6

**Year:** 2nd

**Semester:** 2nd

**Professors:** Fabián Garzón Cuervo and Elena Palacio Iriso.

### 1. COMPETENCIES AND LEARNING OUTCOMES

#### 1.1. Competencies

##### Basic Competencies

CB1

CB2

CB3

CB4

CB5

##### General Competencies

CG6

CG8

##### Specific Competencies

CE5

CE10

## 1.2. Learning Outcomes

Upon completion of this course, students should be able to:

- Understand and apply elements of applied economics to real-life situations .
- Analyze economic welfare and diverse instruments for its promotion.
- Identify basic measures of economic policy aimed to the correction of disequilibria.
- Know and understand basic tools of public choice theory to analyze economic situations.
- Analyze the effects of public sector over economic activity as well as its internal working components.
- Identify current economic policy trends (mainstream and alternative) related to economic welfare issues.

## 2. CONTENIDOS

### 2.1. Previous Requisites

None.

### 2.2. Contents description

El programa se centra, por un lado, en profundizar en el análisis del comportamiento económico de los sujetos individuales y de las empresas en su relación con el sector público y los efectos que tiene la actividad económica de los agentes públicos en los mercados, los factores, las empresas y los individuos y la sociedad en general. Se analizan los efectos que los ingresos (fundamentalmente impuestos) y gastos tienen en los agentes económicos privados, su incidencia, el cambio de sus comportamientos consecuencia de la intervención pública, los efectos sobre las variables económicas y sobre la distribución de la renta. Por otro, la asignatura también se encarga en el análisis de los criterios de medición del bienestar colectivo y en la economía de la desigualdad y la pobreza. En primer lugar, se trata de dar respuesta a cuestiones como: una vez alcanzada la asignación de recursos correspondiente a la asignación de equilibrio eficiente en el sentido de Pareto. Se aborda la valoración de una determinada situación social a través de criterios de elección social y se presenta la teoría de la elección social que intenta construir, a partir de un conjunto de preferencias individuales, una regla de decisión social que permita determinar, desde un punto de vista colectivo, si un estado de la economía es mejor o peor que otro. Posteriormente, se analizan algunas soluciones a los problemas detectados en la economía del bienestar paretiana en relación con la imposibilidad de comparar cualquier par de asignaciones en ausencia de valoración de aspectos distributivos y se introduce al alumno en el concepto de función de bienestar social. A continuación, se presentan las funciones de bienestar social del pensamiento utilitarista, el Rawlsiano y el socialdemócrata. El final de la asignatura se centra en explicar las serias dificultades que se presentan al intentar medir el bienestar de una sociedad y se estudian los criterios más comunes para la medición de la desigualdad de rentas, la pobreza, la movilidad económica y la igualdad de oportunidades vitales.

On the one hand, the program focuses on the analysis of the economic behavior of individual subjects and companies in their relationship with the public sector and the effects of the economic activity of public agents on markets, factors, Businesses and individuals and society in general. We analyze the effects that the income (mainly taxes) and expenses have on private economic agents, their impact, the change in their behavior as a result of public intervention, the effects on economic variables and on the distribution of income. On the other hand, the subject is also responsible for analyzing the criteria for measuring collective well-being and for the economy of inequality and poverty. In the first place, it is a question of answering questions such as: once the allocation of resources corresponding to the allocation of efficient equilibrium in the sense of Pareto has been reached. It addresses the assessment of a particular social situation through social choice criteria and presents the theory of social choice that attempts to build, from a set of individual preferences, a social decision rule that allows to determine, from a point of a collective view, if one state of the economy is better or worse than another. Subsequently, some solutions are analyzed to the problems detected in the Paretian welfare economy in relation to the impossibility of comparing any pair of assignments in the absence of evaluation of distributive aspects and introducing the student to the concept of social welfare function. Here we present the social welfare functions of utilitarian thinking, Rawlsian and Social-Democrat. The final part of the course focuses on explaining the serious difficulties that arise when trying to measure the welfare of a society and the most common criteria for the measurement of income inequality, poverty, economic mobility and equal opportunities of life.

## 2.3. Detailed Content

**Tema 1.-** Fundamental theories of welfare economics. Pareto's optimum.

**Tema 2.-**Market failures (theoretical and empirical approaches) and resolution strategies.

**Tema 3.-**Compensation criteria and social welfare function

**Tema 4.-**State intervention and economic efficiency. Fiscal policy.

**Tema 5.-** Measurement of Inequality. Taxes and inequality. Public Policy.

**Tema 6.-** Social Decision Functions.

## 2.4. Directed Activities

Along the course the following activities can be developed:

Directed Activity 1 (AD1): group assignment to analyze diverse measures of social welfare.

Directed Activity 2 (AD2): online work sessions about economic data and analysis of the public sector for Spain, the European area in the world.

## 2.5 Formative Activities

Type of activity in person modality	Hours	Presence%
AF1 Magistral Lecture/Theoretical principles	45	100%
AF2 Practical cases	9	100%
AF3 Tutoring	9	100%
AF4 Assignments and Exercises for students	18	0%
AF5 Activities through virtual resources	6	50%
AF6 Access to and research of complementary contents	6	0%
AF7 Individual study workload	57	0%

Type of activity distance modality	Hours	Presence%
AF8 Remote magistral lecture	12	50%
AF9 Remote practical cases	12	0%
AF5 Activities through virtual resources	48	0%
AF6 Access to and research of complementary contents	18	0%
AF7 Individual study workload	24	0%
AF10 Remote tutoring	12	100%
AF11 Remote assignments and exercises for students	24	50%

## Teaching methodologies:

### On-site and remote:

<b>MD1</b>	Exposition Method/Magistral lecture
<b>MD2</b>	Exercise and problem resolution
<b>MD3</b>	Case study method
<b>MD4</b>	Assignment development

## 3. EVALUATION SYSTEM

### 3.1. Grading system

final grades are expressed numerically with the following rule:

- 0.0 - 4,9 Failed (F)
- 5,0 - 6,9 Passed (P)
- 7,0 - 8,9 Good (G)
- 9,0 – 10 Outstanding (O)

The "honors" designation may be awarded to students who have obtained a grade equal to or higher than 9.0.

### 3.2. Evaluation criteria

#### Ordinary period

Mode: In-person

Evaluation systems	Percentage
Attendance to and participation in class	10%
Delivery of assignments and projects (individual and group)	30%
Mid-term (written presentation/assignment)	10%
Final exam o or final assignment (in person)	50%

Mode: Remote

Evaluation systems	Percentage
Participation in forums and tutored activities	10%
Delivery of assignments and projects (individual and group)	30%
Final exam o or final assignment	60%

#### Extraordinary period

Mode: In-person

Evaluation systems	Percentage
Delivery of assignments and projects (individual and group)	30%
Final exam o or final assignment (in person)	70%

Mode: Remote

Evaluation systems	Percentage
Delivery of assignments and projects (individual and group)	30%
Final exam o or final assignment	70%

### 3.3. Restrictions

#### Minimum grade

to calculate the aforementioned weightings is necessary to obtain at least a grade of 5,0 in the final exam.

#### Attendance

Any student that, unjustifiably, misses more than 25% of in person classes can be denied the right to take examination on the ordinary period.

#### Writing regulations

Special attention will be given to written assignments, exercises and projects, as well as in examinations, in terms of both the presentation and the content, ensuring proper grammar and orthography. Failure to meet minimum standards may result in points being deducted from the assignments in question.

### 3.4. Plagiarism warning

The Antonio de Nebrija University will not tolerate in any case cheating and plagiarism. Plagiarism is understood as the reproduction of ideas and data with authorship different from the student (Internet, books, articles, classmates' assignments, etc.), when the original source is not properly identified. The use of quotes should not be indiscriminate. Plagiarism is a felony.

In case any of those practices are detected, a Serious Offense will be considered and the sanctions stipulated in Students Regulations will be applied.

## 4. BIBLIOGRAPHY

- Birkland, T.A. (2020). *An Introduction to the Policy Process: Theories, Concepts, and Models of Public Policy Making (5th ed.)*. Routledge. <https://doi.org/10.4324/9781351023948>
- Frank, R.H. (2005). *Microeconomics and Behavior (5th Ed)*. McGraw-Hill Higher Education.
- Gruber, J. (2019). *Public Finance and Public Policy. (6th Ed)*. Worth Publishers
- Knill, C & Tosun, J (2020). *Public Policy: A New Introduction*. Bloomsbury Academic.
- Mueller, D.C. (2003). *Public choice (3rd Ed)*. Virtual publishing.
- Stiglitz, J. (2016). *Economics of the public sector*. Antoni Bosch.