

NAME OF THE COURSE		PUBLIC SECTOR ECONOMICS						
Code	EUE402	Year of study		1				
Course teacher	Maja Mihaljević Kosor, PhD Vladimir Šimić, PhD	Credits (ECTS)		5				
Associate teachers		Type of instruction (number of hours)		L	S	E	F	
				26		26		
Status of the course	elective	Percentage of application of e-learning		30%				
COURSE DESCRIPTION								
Course objectives	The main goal of the course is to ensure students have the knowledge and skill to assess critically public sector performance, including the performance of public enterprises and services. Students will be able to apply economic theory, methods and research to analyse economic topics in this field.							
Course enrolment requirements and entry competences required for the course								
Learning outcomes expected at the level of the course (4 to 10 learning outcomes)	<ol style="list-style-type: none"> 1. Critically assess the main element of government expenditures and revenues and develop policy recommendations. 2. Re-examine the main forms of market failure and present conclusions independently. 3. To evaluate the main instruments used in correcting market failures, and to establish principles of their application. 4. To analyse the effect of government policies on equity and efficiency. 5. To critically assess government failure. 							
Course content broken down in detail by weekly class schedule (syllabus)	Week	Lectures			Exercises			
			Topic	Hours		Topic	Hours	
		1	Organization of the class. Introduction to public sector economics. Economic role of the government.	2		Discussion of the main topics. Government's role in an economy.	2	
		2	Types of government activities. Investigation of public sector size and growth. Public finance.	2		The size of the public sector: theories and international data.	2	
		3	Welfare economics.	2		Two fundamental theorems of welfare economics. Social welfare functions.	2	
		4	Efficiency in the public sector. Reasons for privatization.	2		Three types of efficiency and Pareto efficiency. General Competitive Equilibrium.	2	
		5	Market failure. Imperfect competition, information asymmetry, public goods and externalities.	2		Sources of market failure. International examples.	2	
		6	Privatization of the public sector. Examples of privatization.	2		Analysis of the main components of privatization. Examples.	2	
		7	Public goods and publicly provided private goods.	2		Main characteristics of public goods. Examples and analysis.	2	

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	8	Introduction to public choice theory.	2	Analysis of the voting process. Majority voting and median voter. Voting paradox.	2
	9	Analysis of public expenditures.	2	Government failure. Natural monopoly. Bureaucracy. Principal-agent problem.	2
	10	Social insurance: main issues and programmes.	2	Examples: pensions, unemployment benefits, health and education.	2
	11	Taxation and its role in the provision of public goods.	2	Characteristics and effects of different taxes.	2
	12	Fiscal federalism.	2	International examples.	2
	13	Public sector reform. Public and private partnership.	2	Public sector reforms: an analysis. Public-private partnership models.	2
Format of instruction	<input checked="" type="checkbox"/> lectures <input type="checkbox"/> seminars and workshops <input checked="" type="checkbox"/> exercises <input type="checkbox"/> <i>on line</i> in entirety <input type="checkbox"/> partial e-learning <input type="checkbox"/> field work			<input checked="" type="checkbox"/> independent assignments <input checked="" type="checkbox"/> multimedia <input type="checkbox"/> laboratory <input type="checkbox"/> work with mentor <input type="checkbox"/> (other)	
Student responsibilities	Students are required to regularly follow the class materials and perform the assigned tasks. Furthermore, during the semester students will write and submit two essays on a topic determined by the course teacher. During the semester, records are kept on the execution of these obligations.				
Screening student work (name the proportion of ECTS credits for each activity so that the total number of ECTS credits is equal to the ECTS value of the course)	Class attendance	1	Research		Practical training
	Experimental work		Report		(Other)
	Essay	0,5	Seminar essay		(Other)
	Tests	3,5*	Oral exam		(Other)
	Written exam	3,5	Project		(Other)
Grading and evaluating student work in class and at the final exam	Two written tests are organized during the semester. The second test can be taken only under the condition that the first one is passed (score of 60% or more). Two tests are equivalent to the final exam*. A student with a pass grade from the first and second test does not take the final exam. After passing the tests or the final exam, a student will receive his/her grade. The final exam is written. The grade is formed in a following way: score of 60-69% sufficient, 70-79% good, 80-89% very good, 90-100% excellent.				
Required literature (available in the library and via other media)	Title			Number of copies in the library	Availability via other media
	Stiglitz, J.E. (2000), Economics of the Public Sector, 3rd edition, W.W. Norton & Company, New York/London.			2	
	Maja Mihaljević Kosor – materials for Public Sector Economics, 2019.				Moodle

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Optional literature (at the time of submission of study programme proposal)	<ol style="list-style-type: none"> 1. Hindriks, J. & Myles, G. (2006): Intermediate Public Economics, MIT Press, London. 2. Barr, N. (2004): Economics of the Welfare State, 4th edition, Oxford University Press. 3. Tresch, R. (2008): Public Sector Economics, Palgrave Macmillan, Basingstoke. 4. Mihaljević Kosor, Maja: Efficiency Measurement in Higher Education: Concepts, Methods and Perspective // <i>Procedia - Social and Behavioral Sciences journal</i>, 106 (2013), 1031-1038. 5. Malešević Perović, Lena; Golem, Silvia; Mihaljević Kosor, Maja: The impact of education expenditures on growth in EU28 – a spatial econometric perspective // <i>ACTA OECONOMICA</i> (2018) (međunarodna recenzija, prihvaćen) 		
Quality assurance methods that ensure the acquisition of exit competences			
Other (as the proposer wishes to add)			