

ΠΕΡΙΓΡΑΜΜΑ ΜΑΘΗΜΑΤΟΣ

1. GENERAL

SCHOOL	ECONOMIC SCIENCES		
DEPARTMENT	ECONOMICS		
LEVEL OF STUDY	Postgraduate		
COURSE UNIT CODE		SEMESTER OF STUDY	1o
COURSE TITLE	PUBLIC and EUROPEAN ECONOMICS		
COURSEWORK BREAKDOWN		TEACHING WEEKLY HOURS	ECTS Credits
	Lectures	2	5
COURSE UNIT TYPE	Scientific area		
PREREQUISITES :			
LANGUAGE OF INSTRUCTION/EXAMS:	English		
COURSE DELIVERED TO ERASMUS STUDENTS	YES in English		
MODULE WEB PAGE (URL)			

2. LEARNING OUTCOMES

Learning Outcomes
<p>The course is divided into two sections.</p> <p>In the first section, the course analyzes the activities of a modern state. At the beginning, the limits and size of government activity, in a market economy, and the main tool of policy implementation which is the government budget are examined.</p> <p>Next, the main methods used to evaluate the exercise of economic policy are examined. A basic objective is to use the available resources in the most efficient way to maximize the output. At the same time, however, we are also interested in the fairer distribution of the produced product, a goal that often contradicts the principle of efficiency. That is why we will examine ways of measuring the inequalities that are created and how efficiency can be combined with justice. It also examines why the state intervenes in a competitive market economy. Even if the functioning of the market gives us the optimal result, even if the distribution of the produced product is fair, the state still intervenes to provide goods and services that the free competitive market does not provide at all or provides them in socially insufficient quantities.</p> <p>Next, the other very useful tool at the state's disposal will be examined, and that is taxation. In modern societies, taxation yields almost all of the resources that the state can use to carry out its basic activities, such as national defense, education, health, etc. At the end, the institutional framework of Public Procurement and the manner in which Financial Control is exercised in Greece are described.</p> <p>In the second section, the attention is directed to the creation and operation of the "artificial state entity", namely the European Union (EU) and in particular the Economic and Monetary Union. At the beginning, the historical evolution of the creation of the EU is and the EMU is presented, then the theoretical rationale for the creation of the EMU examined through the theories of unification and integration and the reasoning of the Optimal Currency Areas where the pros and cons of an Economic and Monetary Union are analyzed. The course continues with the presentation and discussion of the criteria for joining the EMU where the economic background of the operation of the EMU and especially the New Macroeconomic Consensus is analyzed. Then the euro crisis is presented</p>

where emphasis is placed on highlighting the "architectural mistakes" of the creation of the EMU and finally, based on the background of the Euro crisis, the measures that have been taken to resolve the crisis and remove the "mistakes" of the EMU are presented EMU based on the proposals made by the report of the five presidents of the EU and the EMU.

Upon successful completion of the 1st module, the student will be able to:

- Explains the Theoretical Approaches to the Role of the State in the Economy
- Recognizes the function of the State as an economic unit
- Distinguishes between the reasons and causes of state intervention
- Determines the Legal Framework of the Functioning of the Greek State in the Economy
- Evaluates the Size of the State through economic indicators.
- Discovers the Relationship Between State Size and Economic Development • Understands the Reasons for increasing Public Expenditure in all economies
- Appreciates the Meaning and Importance of the State Budget
- Describes Basic Fiscal Policy Concepts
- Analyzes the European Budget
- Evaluates Economic Policy between Efficiency and Social Justice
- Compares concepts such as Economic Growth and Economic Development
- Identifies Economic Inequality and Poverty
- Assesses the Effects of Public Expenditure on Goods and Services on Work Incentive and Income Distribution
- Evaluates the ways of state intervention, net public goods and externalities
- Explains situations in which the market fails to lead to the maximization of social welfare, • Determines the efficient provision of private and public goods,
- Describes the role of externalities in the economy,
- Recognizes the theories of public expenditure and taxation,
- To distinguish the levels of public expenditure in relation to national defence, infrastructure, environmental regulation, social security, health and education.
- Assesses both the microeconomic and redistributive effects of these expenditures.
- Recognizes the theory of taxation, the Understanding of the Greek Tax System and Public borrowing. • Evaluates the Types of Financial Control
- Explains the Fundamental Principles and the Legal Framework of Public Contracts

Upon successful completion of the 2nd module, the student will be able to obtain:

Knowledge that will allow him:

- to recognize the main factors that determine the functionality of an international system of economic governance in the form of an economic and monetary union
- distinguish between the different exchange regimes
- to recognize the limitations imposed by a monetary regime on the use of an exchange regime
- recognize the limitations imposed by financial integration on the use of an exchange rate regime • recognize the basic weakness of an unacceptable currency
- to recognize the currency mix problem faced by many countries
- to recognize the basic problematic functioning of the EMU which lies in fiscal and monetary discipline
- to realize that in the final analysis the question of the inclusion of new countries in the EMU is not a question of an excellent monetary area but a question of imposing monetary discipline

Skills that will allow him to:

- evaluates key exchange regimes by identifying functionality in specific circumstances under which various regimes work or not
- distinguishes when and for what reasons the dollarization and currency board regime can be implemented
- identifies problems of monetary and fiscal discipline for the functioning of an international governance system such as that of the EMU
- evaluates the new measures taken by the EMU for its better functioning

Abilities that will allow him to:

- evaluates the proposed regimes based on empirical evidence regarding the degree of intervention by the authorities
 - ✓ both in the formation of the exchange rate,
 - ✓ as well as in the way monetary policy is carried out,
 - ✓ as well as the level of financial openness
- proposes research programs to evaluate policies
- actively participates in the public economic debate
- be able to act as a consultant on issues of an international monetary nature
- be able to actively participate in the public debate regarding the future of the EU. and the EMU

General Skills

- Understanding and deepening the functioning of the open economy and the effectiveness of economic policy in different exchange rate regimes.

3. COURSE CONTENTS

SECTION I: Public Economics

Lecture 1st

- Definition of Public Economics
- What is included in Public Economics as a branch of Economics
- The Role of Economists in Public Economics
- Views on the Role of the State in the Economy
- Theoretical Approaches to the Role of the State
- The Types of State Organization
- The Legal Framework of the Operation of the Greek State in the Economy
- Determining the Size of the State through economic indicators.

Lecture 2nd

- Similarities and Differences between Public and Private Sector of the Economy
- Conditions for Maximizing Social Welfare
- Reasons that make necessary the State Intervention in the Economy
- Defects of State Intervention

Lecture 3rd

- Public Economic Policies in Greece and the World.
- Smoking cessation policies.
- Policies in the field of education.
- Health policies.
- Anti-poverty policies.
- The Mixed Economy System
- Limitations of the Redistributive policy of the State
- Economic Inequality - Poverty level

Lecture 4th

- General State Budget
- Regular budget
- Public Investments and Public Investment Budget of Greece

Lecture 5th

- Tax Analysis
- The Passage of Taxes
- Tax evasion
- Tax Avoidance
- The presentation of the basic principles of taxation
- The Examination of three theories of tax systems
- Theory of Exchange
- Theory of Tax Capacity
- Theory of Maximizing Social Welfare

Lecture 6th

- Public Expenditure, content and classification
- National Fiscal Policy
- The Size of Public Debt
- Taxation or Borrowing?

Lecture 7: Forms of International Cooperation of Sovereigns

- International Cooperation of Sovereigns
- European Community
- European Economic and Monetary Union

Lecture 8: Theoretical underpinnings about the Exchange Rate Regime

- Systems of Exchange Rate Regimes
- Theories based on the effectiveness of the exchange rate
- Political Economic Theories
- Optimum Currency Areas theories

Lecture 9: Creating the EMU

- Meta-analysis of the criteria
- Cost-Benefit analysis
- Endogeneity vs Specialization
- Consolidation vs Intergration

Lecture 10: Maastricht Criteria of EMU

- Monetary Union: the ECB System and the ECB as binding rule
- Fiscal Union as matter of individual member states
- Stability and Growth Pact
- Price Stability
- Fiscal Deficit
- Public Debt
- Interest Rates and
- European Exchange Rate Mechanism

Lecture 11: The Logic of EU and EMU

- The Absence of the Lender of Last Resort regulation
- The New Classical Synthesis – Rational Expectation Theory, Real Business Cycles
- The Logic of EMU Maastricht : The New Macroeconomic Consensus
- A simple model of rational expectation

Lecture 12: The Euro zone Crisis and the EMU Architectural Failures

- The European impossible Trinity - Jean Pisani - Ferry Impossible Trinity)
- Non-Financing and Non-Liability Clauses as a matter of denying the institution of Lender of Last Resort
- The Doom Loop – The nexus of Banks and States-the vicious circle of state and banks
- Reconstruction proposals by Pisani – Ferry
- Proposals by the committee of Jean Claude Juncker
- The Five Presidents Proposal

Lecture 13: General Proposals for Solving the "Architectural Failures" of EMU

- the EFSF and ESM Mechanism
- Proposals on a new Stability and Growth Pact – stricter fiscal governance
- The Six-Pact
- The Fiscal Compact
- The Two – Pact
- The European Semester

4. TEACHING METHODS - ASSESSMENT

MODE OF DELIVERY	In class contact
USE OF INFORMATION AND COMMUNICATION TECHNOLOGY	Dynamic powerpoint transparencies e-class support Communication via e-mail and course discussion group

TEACHING METHODS	<i>Method description</i>	<i>Semester Workload</i>
	lectures	26
	Exercises in small groups	13
	Essay	21
	Study	65
	<i>Course total (25 hours of work load per credit)</i>	<i>125</i>
ASSESSMENT METHODS	I. Written final exam (60%) which includes: Multiple choice questions Comparative evaluation of theory. II. Written paper and Presentation with Power Point (40%)	

5. RESOURCES

Books

1. H. Rosen, T. Gayer, Public Finance (The McGraw-Hill Series in Economics) 10th Edition, Kindle Edition.
2. Stiglitz Joseph E., Rosengard Jay K. Economics of the Public Sector Fourth Edition
3. Jonathan Gruber, Public Finance and Public Policy Fifth Edition
4. Dani Rodrik(2011), The Globalization Paradox-Democracy and the Future of the World Economy. : W. W. Norton & Company, 2011
Dani Rodrik (2012), Το Παράδοξο της Πλαγκοσμιοποίησης – Η Δημοκρατία και το μέλλον της Πλαγκόσμιας Οικονομίας, Εκδόσεις Κριτική
5. Jean Pisani-Ferry (2011), Le reveil des demons-La crise de l'euro et comment nous en sortir. Librairie Artheme Fayard
Jean Pisani-Ferry (2012), Η Αφύπνιση των Αμνών: Η κρίση του ευρώ και πώς να βγούμε από αυτήν. Εκδόσεις Πόλις
6. Peter Bofinger(2012), Zurück zur D-Mark? Deutschland braucht den Euro. Droemer Verlag
Πετερ Μπόφινγκερ(2012), Επιστροφή στο μάρκο; Η Γερμανία χρειάζεται το ευρώ. Εκδόσεις Πόλις