

**COURSE DATA****DATA SUBJECT****Code:** 36150**Name:** Public regulation**Cycle:** Undergraduate Studies**ECTS Credits:** 6**Academic year:** 2026-27**STUDY (S)**

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Facultat d'Economia	4	First quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1316 - Degree in Economics	Pathway: public economy	ELECTIVES

**COORDINATION**

FUENMAYOR FERNANDEZ AMADEO

**SUMMARY**

Within the Curriculum Degree of Economics this subject can be located within the range of subjects offered by the Unit of Public Economics of the Department of Applied Economics.

In third grade compulsory subjects ECONOMICS OF THE PUBLIC SECTOR I and ECONOMICS OF THE PUBLIC SECTOR II are taught. In the fourth year the program of these subjects has its continuity in a set of optional subjects such as:

SPANISH TAX SYSTEM  
PUBLIC ECONOMIC EVALUATION  
PUBLIC REGULATION  
FISCAL FEDERALISM: REGIONAL AND LOCAL FINANCE

The objective of this course is to address in a comprehensive way the issue of government regulation, so present in our lives as forgotten. To do this, the subject begins with some introductory topics that form the basis of public regulation (Unit 1).

The first and second parts focus on social public regulation. The first part (Units 2 and 3) focuses on the external effects, while the second part studies the merit goods (Units 4 and 5).

Economic public regulation: The third part (Units 6 and 7) is an analysis of the other major aspect of public



regulation. Here the problem of natural monopoly and regulation, as well as some specific areas addressed.

The theoretical part of the course seeks knowledge of the main problems related to public regulation. The practical part, however, aims to develop the ability to search, select and evaluate information.

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## PREVIOUS KNOWLEDGE

### RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

### OTHER REQUIREMENTS

For proper development of learning this subject, it is necessary that the student knows the contents analyzed in the materials Public Sector Economics I and Public Sector Economics II.

## COMPETENCES / LEARNING OUTCOMES

### 1316 - Degree in Economics

Apply the principles of economic analysis (rational decision) to the diagnosis and resolution of problems.

Be able to collect and analyse information.

Be able to use ICTs.

Be able to work in a team (including interdisciplinary teams).

Know and understand the main market failures (public goods and externalities), their private and public solutions and their influence on the environment and natural resources.

Know the economic measures to reduce income inequality and poverty.

Show critical thinking skills.

Understand the effects of different market structures on efficiency and equity and the influence of regulatory policies.

Understand the keys to the functioning of market economy, the difference between normative and positive reasoning and between the concepts of equity and efficiency.

## DESCRIPTION OF CONTENTS



## **1. Public regulation and social welfare**

- 1.1 Concept of public regulation
- 1.2 Forms of public regulation
- 1.3 Measurement and evaluation of public regulation
- 1.4 Economic Rationale of public regulation

## **2. Internalization of externalities. Private and public internalization.**

- 2.1. Introduction: the external effects of market
- 2.2. Concept of the process of internalization of external effects
- 2.3. Alternatives of internalization and regulation
- 2.4. Analysis of the process of private internalization
- 2.5. Techniques or instruments of public internalization
- 2.6. Criteria of evaluation techniques internalization

## **3. Externalities and public regulation of natural environment**

- 3.1. Introduction
- 3.2. The provision of resources
- 3.3. The environmental function of assimilation and storage of waste: pollution
- 3.4. The provision of environmental services. External environmental costs and benefits

## **4. The public provision of merit goods**

- 4.1. Characterization of merit goods
- 4.2. Explaining the gap between fact use and desirable use
- 4.3. Reconciliation of the principle of consumer sovereignty. Specific cases
- 4.4. Suitable techniques for public intervention

## **5. Economic analysis of drug related activities**

- 5.1. Outline for an economic analysis of drug-related activities



- 5.2. Public regulation of therapeutic drugs
- 5.3. Public regulation of the legal non-therapeutic drugs: tobacco and alcohol
- 5.4. Public regulation of illegal drugs
- 5.5. Food Regulation: obesity

## 6. Natural monopoly

- 6.1. Concept of natural monopoly
- 6.2. Some basics
- 6.3. Pricing: different choices

## 7. The regulation of the electricity market

- 7.1. Product Features
- 7.2. The recent regulation of the electricity market
- 7.3. The supply of electricity in Spain
- 7.4. The current electricity market

### WORKLOAD

#### PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
<b>Total hours</b>	<b>60,00</b>

#### NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	0,00
Individual or group project	30,00
Independent study and work	30,00
Preparation of lessons	30,00
Preparation for assessment activities	0,00
Resolution of case studies	0,00
<b>Total hours</b>	<b>90,00</b>

### TEACHING METHODOLOGY



The different sections of the course are approached from a dual perspective. First, from a theoretical perspective, offering the necessary tools to address the various problems. Second, from a practical perspective, applying these tools to specific problems. Each of the sections in the program offers this dual perspective. Therefore, the classes must be complemented with student work.

The theoretical module consists of lectures that will be assessed through an exam. The practical module is individual and mandatory and will be based on a set of questions, readings, and other materials proposed by the professor. Each practical assignment must be submitted on the scheduled date. Furthermore, during the practical classes, the questions posed will be discussed and shared.

Students may attend the professor's tutorials to resolve any questions related to the content of the classes. These hours will be announced to students at the beginning of the course and posted on the Department of Applied Economics notice board. Questions can also be sent by email to: Amadeo.Fuenmayor@uv.es

## EVALUATION

Evaluation of student achievement will be assessed through the work done in the practical sessions, and exams to be held at the end of the semester.

Practical assessments account for 40% of the final grade. In these assessments the teacher will consider the student's presence in the theoretical and practical sessions as well as written responses and oral performances in the practical sessions. At the end of the class period before the exam, the professor will publish a list of marks obtained by each student during class.

The exam will represent the remaining 60% of the final grade, and will include questions about the contents of the units covered in the theoretical and practical classes. However, to take account of this note, a minimum score is required in the exam (4). If a student has a lower mark, the note of examination and assessment practices will also be added, but with a maximum of 4.5.

If a student does not attend theoretical and practical sessions, only the exam will be taken into account, there being no alternative work to redress the lack of rating practices. By their very nature, practical sessions are considered non-recoverable. The grade obtained at the end of the course will be applied both in the first and in the second call.

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## REFERENCES

- BAUMOL, William J.; John C. PANZAR y Robert D. WILLIG (1988): Contestable Markets and the Theory of Industry Structure (revised edition)
- LASHERAS, M.A: La regulación económica de los servicios públicos. Barcelona: Ariel, 1999.



- PEARCE, D.P. y TURNER, R.K.: Economía de los recursos naturales del medio ambiente. Madrid: Celeste Ediciones, 1995.
- VISCUSI, W. Kip; John M. VERNON y Joseph W. HARRINGTON, Jr. (2005: Economics of Regulation and Antitrust (4ª ed.), Cambridge: MIT.