SUBJECT TEACHING GUIDE

860 - Economics of Public Services and Innovation

Master's Degree in Economics: Instruments of Economic Analysis

Academic year 2026-2027

1. IDENTIFYING DATA					
Degree	Master's Degree in Economics: Instruments of Economic Analysis			Type and Year	Optional. Year 1
Faculty	Faculty of Economics and Business Studies				
Discipline	Optional Subjects Module				
Course unit title and code	860 - Economics of Public Services and Innovation				
Number of ECTS credits allocated	3	Term		Semester based (2)	
Web	http://ocw.unican.es/ciencias-sociales-y-juridicas/economia-de-los-servicios-publicos-e-innovacion				
Language of instruction	Spanish	English Friendly	Yes	Mode of delivery	Face-to-face

Department	DPTO. ECONOMIA
Name of lecturer	DANIEL DIAZ FUENTES
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Other lecturers	JUDITH CATHERINE CLIFTON WALKER JOSE MANUEL ALONSO ALONSO

3.1 LEARNING OUTCOMES

- Students acquire an overview of the Economics of Public Services through the analysis of the functioning of markets, businesses and the regulations of energy infrastructure, telecommunications and water.

  Students learn to prepare a case study similar to those for international organizations (OECD, EU EC, World Bank), public presentations from the literature and selected data.

  Students will become familiar in the operation of databases on regulation of public services (OECD REGREF), privatization of various industries and countries (PRIVATIZATION BAROMETER) stated preferences in the EU and Latin America (EUROBAROMETER), preference (EUROSTAT HBS) .

4. OBJECTIVES

In this course the students will examine the international reforms in public service such as deregulation, privatization, internationalization, (re) regulation and the introduction of new governance standards on public services and infrastructure. In turn, we review the mainstream economic literature, institutional, political and social organizational reforms, public service obligations and financing of public services, particularly in the context of the European Union, in the context of the Jean Monnet Master Classes, but also in other regions and countries such as Latin America and Asia . The course will examine several cases of public services, like those operated on the basis of networks and infrastructure: communications, energy, transport, water, and it will be evaluated public policy alternatives that can be extended to other social services.

6. SUBJECT PROGRAM

CONTENTS	
1	Regulatory Reform and Privatization
2	Liberalization and Deregulation of Public Services: regional and international dynamics.
3	Regulatory Reform and Privatization
4	New Public Management. Service of General Economic Interest. Public Service evaluation
5	5. Public Services transnationalisation.

7. ASSESSMENT METHODS AND CRITERIA

Description	Type	Final Eval.	Reassessn	%
Brief essay on a topic based on mainstream literature -2 articles- (40%)	Work	No	Yes	40,00
Oral examination based on the literature (10%)	Oral Exam	No	No	10,00
Classroom discussion 10%	Oral Exam	No	Yes	10,00
Written Exam 2000-3000 words (35%)	Written exam	Yes	No	40,00
		No	No	0,00
TOTAL				100,00

Observations

TWO oral presentations (20-25 minutes) and delivery of TWO written essays (1000 to 1500 words) each on one of the obligatory readings of this course.
Date due: between weeks 2-5
60% (30% x 2)

A written synthesis of all the topics covered, in the form of a critical essay delivered at the end of the five weeks (3000 words maximum)
40%

Observations for part-time students

Final exam on all the contents of the course

8. BIBLIOGRAPHY AND TEACHING MATERIALS

BASIC

Topic I.Traditional Regulation of Public Services: Public Enterprises and Public Service Obligations
Andrews, R., Ferry, L., Skelcher, C., & Wegorowski, P. (2020), Corporatization in the public sector: explaining the growth of local government companies. Public Administration Review, 80(3), 482-493..
Archibugi, D., Ciccarone, G., Mare, M., Pizzetti, B., & Violati, F. (2003), Triangular relations in public service economics. International Review of Applied Economics, 17(1), 49-68..
Florio, M., Borghi, E., & Del Bo, C. (2010). The Theory of Public Enterprise, Social Welfare and Planning: A Note. Social Welfare and Planning: A Note. http://ideas.repec.org/p/mil/wpdepa/2010-20.html
Ceriani, L., Doronzo, R., & Florio, M. (2009). Privatization, unbundling and liberalization of network industries: a discussion of the dominant policy paradigm in the EU. Available at SSRN 3202145.
Chang, H.J. (2007), State-Owned Enterprise Reform, United Nations Department For Economic and Social Affairs.
Clifton, J., Comín, F., & Díaz Fuentes, D. (2005). 'EMPOWERING EUROPE'S CITIZENS'? Towards a charter for services of general interest. Public Management Review, 7(3), 417-443.
Clifton, J., and D. Díaz-Fuentes. (2018),"The state and public corporations." Handbook of the International Political Economy of the Corporation. Edward Elgar Publishing, 2018.
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Gomez-Ibañez J.A., (2004), Regulating Infrastructure: Monopoly, Contracts, and Discretion, Harvard University Press, Cambridge, MA:
Florio, M. (Ed.). (2017). The reform of network industries: Evaluating privatisation, regulation and liberalisation in the EU. Edward Elgar Publishing.
Héritier, A. (2001). Market integration and social cohesion: the politics of public services in European regulation. Journal of European Public Policy, 8(5), 825-852..
Kaul, I. (2003), ´Redefining Public Goods: Why, How and to What Effects?´ UNU-CRIS International.
Lienert, I. (2009): "Where Does the Public Sector End and the Private Sector Begin?", IMF WP 09/122 .
Millward, R. (2005), Private and public enterprise in Europe: energy, telecommunications and transport, 1830-1990, Cambridge University Press, Cambridge.
Ostrom, E. (1990), Governing the Commons. Cambridge University Press.
Stiglitz, J. E. (2008). Government failure vs. market failure: Principles of regulation. https://academiccommons.columbia.edu/doi/10.7916/D8FN1D0Z/download

Topic II. Privatisation
Alonso, J. M., Clifton, J., & Díaz-Fuentes, D. (2017). The impact of government outsourcing on public spending: Evidence from European Union countries. Journal of Policy Modeling, 39(2), 333-348.
Alonso, J. M., Clifton, J., & Díaz-Fuentes, D. (2022). Corporatization and political ideology: The case of hospitals in Spain. Public Administration, 100(2), 324-337.
Austin M. Aldag & Mildred E. Warner (2023): Intermunicipal cooperation and agreement formalization, Journal of Economic Policy Reform, DOI: 10.1080/17487870.2023.2244628
Bauer, J. M.(2005), "Regulation and state ownership: conflicts and complementarities in EU telecommunications" Annals of Public and Cooperative Economics, 76, 2, 151-177.
Bel, G. (2006) Against the Mainstream: Nazi Privatisation revisited, Journal of Economic Perspectives
Belke, A.; Baumgaertner, F.; Schneider, F. & Setzer, R. (2005), "The Different Extent of Privatisation Proceeds in EU Countries: A Preliminary Explanation Using a Public Choice Approach", Center for Economic Studies & Ifo Institute for Economic Research CESifo, Working Paper No. 1600
Bourguignon, F. & Sepúlveda, C. (2009) Privatization in Development Some Lessons from Experience, World Bank WP5131.
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Topic III. Liberalisation and deregulation

Armstrong, Mark & David E. M. Sappington (2006), “Regulation, Competition, and Liberalization Journal of Economic Literature .
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Wilson, C. M & Waddams, C. (2010) Do consumers switch to the best supplier? Oxford Economic Papers 62. 647-668.

Topic IV. New Public Management

Alonso, J. M., & Andrews, R. (2021). Government-Created Nonprofit Organizations and Public Service Turnaround: Evidence from a Synthetic Control Approach. Journal of Public Administration Research and Theory, 31(2), 346-362.
Alonso, J. M., Clifton, J. & D. Díaz-Fuentes (2015) "Did New Public Management Matter? An Empirical Analysis of the outsourcing and decentralization effects on public sector size", Public Management Review.
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international perspectives, and the case of the CNMC in Spain. Utilities Policy, 40, 75-87.
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Topic V. Internationalisation and innovation in Public Services

Aharoni (2018) “The evolution of State-Owned Multinational Enterprise Theory”. In (ed.) Alvaro Cuervo-Cazurra, State-Owned Multinationals. Springer. 9-44.
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Clifton, Judith, and Daniel Díaz Fuentes. "How do state owned enterprise multinationals behave abroad? A multi-dimensional framework for analysis." Journal of Economic Policy Reform 26.1 (2023): 67-81.
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