

# Economics and Public Finance

## Tutorial 7

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- Topics:

- Public sector
- Scope and concepts in Public Administration.
- Political decentralization (devolution)
- Administrative decentralization
- The General Government sub-sectors: Central Government (direct administration, indirect administration), Regional and Local Governments and Social Security (SS)



# Topics for discussion 1

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- a) Distinguish public sector from public sector administration.
- b) Explain two different meanings for the term “state”.



## Topics for discussion 2

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Given the distinction between administrative and political decentralization.

- a. Clarify the two forms of decentralization mentioned above.
- b. Indicate where are approved the budgets of the decentralized agencies of the State and the budgets of the politically decentralized entities.



# Topics for discussion 3

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Clarify the criteria for determining whether a given institution belongs to the general government.



# Topics for discussion 4

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Taking into account the four sub-sectors of public administration and the economic classification of revenues and expenses how would you record the following operations?

- i. Investment in Public University buildings.
- ii. Financial support from Central Government to the Azores Regional Government following an earthquake.
- iii. Cut in the salaries of civil servants.
- iv. Revenue from Value Added Tax (VAT).
- v. Rising costs of interests on government debt.



# Multiple Choice Question - 1

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When within a given Ministry, regionalized organizations are created to further implement its tasks and responsibilities we are in the presence of:

- a. Administrative de-concentration.
- b. Administrative decentralization.
- c. Political decentralization (or devolution).
- d. Political de-concentration.



# Multiple Choice - 2

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The central administration in Portugal consists of:

- a) Direct and Indirect Administration services.
- b) State and Social Security.
- c) Public corporations.
- d) Public entities that provide non market goods and services.



# Multiple Choice - 3

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Which is a false statement. The funds and services with autonomous administrative and financial autonomy in general:

- a) Have legal personality.
- b) Its leaders have only powers of daily management.
- c) They have own revenues.
- d) Have access to credit in certain situations.