PUBLIC ECONOMICS LECTURES

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This is the first of two courses in the graduate public economics sequence at Harvard. This one-semester course covers basic issues in the optimal design of tax and social insurance policies, with emphasis on combining theoretical models with empirical evidence. Topics include efficiency costs and incidence of taxation, income taxation, transfer and welfare programs, public goods and externalities, optimal social insurance (excluding social security), and welfare analysis in behavioral models.

The course consists of 28 lectures, each lasting 1.5 hours. The slides and reading list are divided into eight parts:

Part 1: Introduction

Part 2: Tax Incidence [3 lectures]

Part 3: Efficiency Cost of Taxation [3 lectures]

Part 4: Optimal Taxation [5 lectures]

Part 5: Income Taxation and Labor Supply [4 lectures]

Part 6: Social Insurance [5 lectures]

Part 7: Public Goods and Externalities [4 lectures]

Part 8: Corporate Taxation [4 lectures]

Part 9: Education Policy [2 lectures]

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Tax Incidence and Efficiency

Tax Incidence

Partial Equilibrium Incidence

- A. Atkinson and J. Stiglitz. *Lectures on Public Economics*, New York: McGraw Hill, 1980. Chapter 6.
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Empirical Applications

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General Equilibrium Incidence

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Open Economy Applications

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- * M. Feldstein and C. Horioka, "Domestic Savings and International Capital Flows", *Economic Journal*, 90(358), June 1980, 314-329.
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Capitalization and the Asset Price Approach

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Mandated Benefits

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Excess Burden

Theory

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Optimal Taxation

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