

RED - Public Economics Syllabus

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Topics

1. Tax incidence: the effects of taxes on prices
 - (a) standard tax incidence framework and empirical evidence
 - (b) departure from the standard model: imperfect tax salience
 - (c) firm-level tax incidence
2. Welfare Analysis
 - (a) basic notions on welfare metrics: compensating and equivalent variation
 - (b) sufficient statistics for welfare analysis
 - (c) causal inference meets welfare analysis: the Marginal Value of Public Funds
 - (d) welfare weights: generalized welfare weights and efficient welfare weights
3. Optimal income taxation
 - (a) Taxation with constrained instruments: Ramsey taxation
 - (b) Taxations with unconstrained instruments: Mirrlees tax problem
 - (c) Inverse optimum: assessing implicit welfare weights using optimal tax formulas
4. Topics on Inequality
 - (a) income inequality: the rise of income concentration
 - (b) intergenerational mobility
 - (c) tax evasion of top income taxpayers and missing profits of large corporations

Reading List

I will draft a reading list by topic including theory and empirical papers. I will focus mostly on recent papers and seminal contributions from the past.

Grades

The final grade will be a weighted average of the grades obtained in problem sets (30%) and in the final exam (70%). There will be one or two problem sets where you will be asked to solve some analytical exercises. The final exam will consist of two parts. First, you will answer a series of TRUE/FALSE questions in which you will be asked to motivate your answer. Second, you will solve some analytical exercises.