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ECON7350/AEM7350
Topics in Public Economics

Spring 2022. Prerequisite: Basic graduate courses in ECON or AEM, or equivalent with Instructor's permission. Class meets: Wednesdays 7.00 pm-9.30 pm. Location: TBD.

This course is targeted to graduate students who have done the basic courses and are now looking to develop Doctoral or Masters thesis topics in public economics broadly construed. It is not a standard "lectures plus written test" course. There will be lectures, but the core of the course is reading and research leading to a term paper. All those registered for the course will be required to do the term paper. In close interaction with me and in a highly structured program, each student will define and develop a specific topic, do a literature search and critical review, highlight some open questions for research and make some headway on one or more of these questions. Alternatively, for those students who have already made some progress towards their dissertation, the exercise can be a step towards completing a chapter of the dissertation. The term paper is expected to be around 40 pages double space, all-inclusive, in length. There will be a presentation of the term paper to the class towards the end of the semester.

The overall plan for the semester is as follows. During the first weeks I will lecture on topics of interest to me, suggesting ideas for research and literatures for review. During the last weeks of the semester students will make presentations based on their term papers. In between and throughout, students will work on the term papers, with frequent and structured interaction with me, requiring the submission of different drafts of the term paper. Extensive office hours, during which students will come and discuss their work with me, form an important part of this course. Arrangements for booking office hours will be communicated in class. The detailed timetable is given at the end of this syllabus.

The following are the topics on which I propose to lecture. Each topic below is accompanied by one or two references which will give you a sense of my perspective on the area. Many other readings will be distributed in class as needed.

Please note that these topics do not limit areas for term papers. I have a broad range of interests and would be happy to discuss any other areas students would be interested in pursuing.

1. Tax Competition

James Poterba et. al. 2021. NBER Conference on Interjurisdictional Tax Competition.
[Interjurisdictional Tax Competition, Spring 2021 | NBER](#)

2. Optimal Income Taxation

Emmanuel Saez and Stephanie Stancheva. 2016. "Generalized Social Marginal Welfare Weights for Optimal Tax Theory." *American Economic Review*, Vol. 106. No. 1, pp. 24-45.

3. Inequality of Opportunity

Ravi Kanbur and Andy Snell. 2019. "Inequality Indices as Tests of Fairness" (with A. Snell), *Economic Journal*, Vol. 129, pp 2216-2239.

Ravi Kanbur and Joseph E. Stiglitz. 2016. "Dynastic Inequality, Mobility and Equality of Opportunity", *Journal of Economic Inequality*, Vol. 14, No. 4, pp 419-434.

4. Voluntary Contributions to Public Goods

James Andreoni and Ravi Kanbur (Editors). 2007. Special Issue, *Journal of Public Economics*, Vol. 91, No. 7, pp. 1643-1874.

5. Regulation and Enforcement

Arnab Basu, Nancy Chau and Ravi Kanbur. 2010. "Turning a Blind Eye: Costly Enforcement, Credible Commitment and Minimum Wage Laws," *Economic Journal*, Volume 120, March.

Vidhya Soudararajan. 2019. "Heterogeneous Effects of imperfectly Enforced Minimum Wages in Low-Wage Labour Markets." *Journal of Development Economics*, Vol. 140, pp. 355-374.

6. Efficiency and Equity in a Socially Embedded Economy

Marc Fleurbaey, Ravi Kanbur and Dennis Snower. 2021. "Efficiency and Equity in a Socially Embedded Economy." Vox EU Efficiency and equity in a socially embedded economy | VOX, CEPR Policy Portal (voxeu.org)

Marc Fleurbaey, Ravi Kanbur and Dennis Snower. 2021. "Efficiency and Equity in a Society-Economy Integrated Model." CEPR Discussion Paper no. 16446. [Centre for Economic Policy Research \(cepr.org\)](https://www.cepr.org/pubs/papers/16446)

The Time Table for the semester is as follows.

1/26 Office Hours 8am-6pm; Lecture 7pm-9.30pm

1/27 Office Hours 8am-6pm

2/2 Office Hours 8am-6pm; Lecture 7pm-9.30pm

2/3 Office Hours 8am-6pm

2/7 Deadline for submission of 1 page outline

2/9 Office Hours 8am-6pm; Lecture 7pm-9.30pm

2/10 Office Hours 8am-6pm

2/16 Office Hours 8am-6pm; Lecture 7pm-9.30pm

2/17 Office Hours 8am-6pm

2/21 Deadline for submission of 5 page outline

2/23 Office Hours 8am-6pm; Lecture 7pm-9.30pm

2/24 Office Hours 8am-6pm

3/2 Office Hours 8am-6pm; Lecture 7pm-9.30pm

3/3 Office Hours 8am-6pm

3/7 Deadline for submission of 10 page outline

3/9 Office Hours 8am-8pm

3/10 Office Hours 8am-8pm

3/16 Office Hours 8am-8pm

3/17 Office Hours 8am-8pm

3/23 Office Hours 8am-8pm

3/24 Office Hours 8am-8pm

3/28 Deadline for submission of 25 page draft

3/30 Office Hours 8am-8pm

3/31 Office Hours 8am-8pm

4/6 Spring Break

4/7 Spring Break

4/13 Office Hours 8am-8pm

4/14 Office Hours 8am-8pm

4/18 Deadline for submission of 40 page draft

4/20 Office Hours 8am-6pm; Class Presentations 7pm-9.30pm

4/21 Office Hours 8am-6pm

4/27 Office Hours 8am-6pm; Class Presentations 7pm-9.30pm

4/28 Office Hours 8am-6pm

5/4 Office Hours 8am-6pm; Class Presentations 7pm-9.30pm

5/5 Office Hours 8am-6pm

5/9 6pm. DEADLINE FOR FINAL SUBMISSION OF TERM PAPER. NO EXCEPTIONS. HALF GRADE PENALTY FOR EACH DAY OF DELAY.