Topics in Public Economics I (Econ 603)

Instructor: Li Gan

Fall 2008                      MW10:20am-11:35pm, Allen 3067

This course is one of the two semesters of graduate public economics. It covers several topics within the field of public economics.

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Requirements and Grading:

(1) Paper presentation (30%): Each student is required to present a paper in the literature. This paper should be highly correlated with the term paper that the student is writing. The paper to be presented is subject to approval. The presentation will be held during the week of October 13th.

(3) Term paper (70%): Each student is required to write and present a term paper. The term paper can be an extension of a paper in the literature, or a new paper.
   (a) A five-page proposal, including motivation, literature review, and some basic summary statistics (if empirical) or the basic setup of a model (if theoretical), is due on October 27th, in class.
   (b) The full draft of the paper is due on November 19th, in class.
   (c) The presentation of the term paper will be held during the week of Nov 24th, in class.

We will use papers from the reading list below. Some textbooks are also listed for background reading.

J. Stiglitz, Economics of the Public Sector, third edition (W.W. Norton & Company, 2000)

I. Optimal Income Taxation

II. Effects of Income Taxation


III. The Welfare Cost of Taxation and the Marginal Cost of Public Funds

Hausman, Jerry, “Exact Consumers Surplus and Deadweight Loss”, American Economic Review 71 (September, 1981), 622-676

IV. Taxation and Charitable Giving


**V. Cost-Benefit Analysis**


**VI. Social Security and Retirement Behavior**


**VII. Health and Health Care**
M. Pauly, “Taxation, Health Insurance, and Market Failure in the Medical Economy.” Journal of Economic Literature 24 (1986), 629-75

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