

# EC2450B Public Economics and Fiscal Policy II – Syllabus

Instructor: Stefanie Stantcheva

TA: Eric Andersen

Spring 2019

**Contact details:** Stefanie Stantcheva: [ssantcheva@fas.harvard.edu](mailto:ssantcheva@fas.harvard.edu), Eric Andersen: [ericandersen@g.harvard.edu](mailto:ericandersen@g.harvard.edu).

**Class time:** The class meets Tuesdays 6-8:45 pm in M-16.

**Course content:** This is a graduate course in public economics, appropriate for graduate students in the Department of Economics and other students with preparation in microeconomic theory and econometrics. The course teaches core topics in the field of public economics, through a combination of theoretical models and empirical work.

**Lecture notes:** I will post lecture notes online on my website: <http://scholar.harvard.edu/stantcheva/classes> every week the day before the class (at the latest). Lecture and section notes will be posted on Canvas as well.

**Reading List:** The Reading List for each lecture will be at the back of the slides' set. Papers are linked and we will post them in Canvas too. Strongly recommended readings are in bold. The other readings are there for you to know what the most relevant literature is and to pursue further if the topic is of interest to you.

There is no textbook for this class, but a useful guide on (almost) all the topics we will cover is available in the *Handbook of Public Economics* available through the Harvard libraries (electronically too).

**Course requirements:** To complete this course, you will have to 1) do a referee report on a paper that will be assigned; 2) write a paper proposal on a topic of interest to you in public economics; and 3) take a 3-hour final exam at the end of the semester.

**Office Hours:** Wednesdays 3:30-4:30 pm, starting Feb 20th.

The course will cover the following topics: (note, 1 lecture = 2 hours 45 minutes)

- Jan 29th: Facts about inequality, Facts about inequality, intergenerational mobility and the U.S. tax and transfer system.

- Feb 5th: Optimal income tax theory (I)
- Feb 12th: Optimal income tax theory (II)
- Feb 19th: Empirical evidence on responses to income taxation (I)
- Feb 26th: Empirical evidence on responses to income taxation (II)
- March 5th: Optimal transfers: theory and evidence.
- March 12th: Social preferences: theory framework and empirical work.
- March 26th: Tax avoidance, evasion, and enforcement.
- April 2nd: New Dynamic Public Finance (including: Financing Human Capital acquisition over the life cycle)
- April 9th: Capital taxation: theory and evidence (I)
- April 16th: Capital taxation: theory and evidence (II)
- April 23rd: Capital taxation: theory and evidence (III)
- April 30th: Social Security, Retirement, and Disability