

EC2450B Public Economics and Fiscal Policy II – Syllabus

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TA: Eric Andersen

Spring 2021

Hello hello! Very glad you are interested in this class. Here is a super useful syllabus :)

Who is teaching? I am Stefanie Stantcheva: ssantcheva@fas.harvard.edu and our great teaching assistant is Omeed Maghzian: omaghzian@g.harvard.edu.

Class time: The class meets Thursdays 3-5:45 pm on.. Zoom! I know some of you are in Europe and it is a LONG class. We will take two 10 minute breaks, at 4-4:10 and then 5-5:10. Read below for recording.

Course content: This is a graduate course in public economics, intended for graduate students in the Department of Economics and other students with preparation in microeconomic theory and some econometrics. The course teaches core topics in the field of public economics, through a combination of theoretical models and empirical work. We will cover classical, seminal work, as well as new, frontier research.

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

Lecture recording: Lectures will be recorded, securely stored on Canvas, not downloadable, and visible only to those registered for the class. The recordings will be erased after a week, so you don't need to worry about it remaining online. That way, you can feel free to drop out of the class if it feels too long or it's too late in the day (I will continue even if I am alone hehe) and watch the rest of the recording later. You can of course come talk about it in office hours or drop me or Omeed an email if anything is unclear.

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 2 hour final exam at the end of the semester.

Office Hours: Wednesdays 3:30-4:30 pm, starting Feb 3rd. Office hour link is on zoom. Sign-up in google sheet below, feel free to sign up as a group or agree between yourselves to come in groups; you can mark “alone” if you want to have that slot alone (so others don’t show up during that time) or “ok with others” if you are ok with others just dropping in and listening or chatting. Pets, babies, friends, roommates welcome during office hours :-)

https://docs.google.com/spreadsheets/d/1H-A6WyDjhUea0quma-C4hhbmkoDgrQk3CFEQiN-n_C8/edit?usp=sharing

The course will cover the following topics:

- Jan 28th: Facts about inequality, intergenerational mobility and the U.S. tax and transfer system, compared to other countries.
- Feb 4th: Optimal income tax theory (I)
- Feb 11th: Optimal income tax theory (II)
- Feb 18th: Empirical evidence on responses to income taxation (I)
- Feb 25th: Empirical evidence on responses to income taxation (II)
- March 4th: Empirical evidence on responses to income taxation (III)
- March 11th: Optimal transfers: theory and evidence and start on social preferences.
- March 18th: Social preferences: theory framework and empirical work.
- March 25th: Tax avoidance, evasion, and enforcement.
- April 1st: New Dynamic Public Finance (including: Financing Human Capital acquisition over the life cycle)
- April 8th: Capital taxation: theory and evidence (I)
- April 15th: Harvard Wellness Day (no class – deadline to file your income taxes though ;-)
- April 22nd: Capital taxation: theory and evidence (II)

[Term ends April 28th]