

# Public Economics

## Syllabus

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The objective of this course is to study the role of state in the economy. We will review the rational foundations of public intervention and explore some of the tools used by government to act: taxes and transfers, the provision of public goods, or the design of welfare schemes. Most topics will be approached from both theoretical and empirical points of view.

Lectures of this course are inspired from those taught by N. Gravel at the same time and from lectures taught by R. Chetty, G. Fields, H. Hoynes, and E. Saez.

### Outline

The class is made of 12 sessions. Each lasts 2 hours. Please find below the scheduled outline. It may be subject to changes.

- Session 1:** Introduction to public economics.
- Session 2:** Empirical evidence and methods for public economics.
- Session 3:** Social choice and social welfare.
- Session 4:** Social choice and social welfare (continued).
- Session 5:** Public goods and externalities.
- Session 6:** Public goods and externalities (continued).
- Session 7:** Taxation of commodities.
- Session 8:** Taxation of labor.
- Session 9:** Optional intermediary exam (see below).
- Session 10:** Taxation of capital.
- Session 11:** Social insurance.
- Session 12:** Social insurance (continued).

### Logistics

Sessions will take place in Aix en Provence on Thursday from 4:30pm to 6:30pm in room 102 Schuman and on Friday from 4pm to 6pm in room 13 Poncet. First session is on January 10<sup>th</sup> 2013. Lectures' notes will be posted at the following address: [http://marcsangnier.free.fr/ecopub\\_m1\\_2012-2013.php](http://marcsangnier.free.fr/ecopub_m1_2012-2013.php)

## Readings

Some readings will be posted before lectures at the same address. Login and password necessary to access documents will be given in class during the first session.

## Grading

Students will be graded on the basis of a final exam and an optional intermediary exam. The optional exam will last 1.5 hour and is planned during the 9<sup>th</sup> session, i.e. on February 7<sup>th</sup> 2013. The scope of the optional exam will include all lectures up to this date. Students who choose to take the optional exam will be graded using the average of both grades if and only if the optional exam's grade is above the final exam's one. Otherwise, they will be graded using the final exam's grade. Students who do not choose to take the optional exam will be graded using the final exam's grade. The final exam will last 1.5 hours and will take place later in the semester. The scope of the final exam will include all lectures.

## Reference handbooks

*Intermediate Public Economics*, by J. Hindriks and G.D. Myles - The MIT Press  
*Public Economics*, by G.D. Myles - Cambridge University Press  
*The Economics of Taxation*, by B. Salanié - The MIT Press  
*Microeconomic Theory*, by A. Mas-Colell, M. Whinston and J. Green - Oxford University Press