

# Public Economics

Module 2, academic year 2017/2018

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## Course information

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**Course Website:** at my.nes.ru

**Instructor's Office Hours:** tba

**Class Time:** tba

**Room Number:** tba

**TAs:** tba

## Course description

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The main focus is on the role of government in the economy. The class will integrate theoretical modelling with empirical evidence and consist of three main parts. The first part is devoted to externalities and public goods provision; the second to social insurance and redistribution policies; and the third to local governments and federalism.

## Course requirements, grading, and attendance policies

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There will be:

- 4+ homeworks, combined worth 30% of the grade;
- an extensive individual project, worth 40%;
- and a final exam worth 30% of the grade.

Often, you will be asked to read certain materials before the lecture.

Cheating on assignments will not be tolerated.

## **Course contents**

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1. Subject and methods of Public Finance.
2. Externalities. Applications to Environment and Health.
3. Public Goods. Optimal, private, and public provision.
4. Political economy. Voting. Privatization. Corruption.
5. Education. The role of government. Competition. Returns to education.
6. Social Insurance. Adverse selection and moral hazard.
7. Social security. Unemployment insurance.
8. Health Insurance. Public vs. Private. Health Care Reforms.
9. Income Distribution and Welfare programs.
10. Overview of taxation topics.
11. Local public goods. Tiebout model.
12. Fiscal federalism.

## **Course materials**

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### **Required textbooks and materials**

J. Gruber Public Finance and Public Policy, Worth Publishers, 2007.

### **Additional materials**

B. Salanie The Economics of Taxation, MIT, 2003;  
H.S. Rosen, T. Gayer Public Finance, McGraw-Hill/Irwin, 2008;

## **Academic integrity policy**

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Cheating, plagiarism, and any other violations of academic ethics at NES are not tolerated.