

ECO 4504
Spring 2022
Matherly 14
T-R 1:55 – 3:50

Steven Slutsky
Office: Matherly 338
Phone: 392-8106
Email: slutsky@ufl.edu
Office Hours: M-W 3:00 - 4:00

Public Economics

Text: *Economics of the Public Sector* (4th Edition), by Joseph Stiglitz and Jay Rosengard

Exams: There will be a midterm and a final, each counting for 1/2 of the grade. The final is at 7:30 am on Wednesday April 27. The midterm is tentatively scheduled for the first week in March before Spring break.

Homework: At various points during the semester, some homework problems will be assigned. Extra credit points will be given for these when the final grade is computed.

Public economics looks at government actions in ordinary matters like delivering mail and in extraordinary matters like dealing with a pandemic or climate change. This course will consider general principles behind spending and taxation policies that are relevant for understanding both the ordinary and extraordinary. The course will first review the operation of a market economy with no imperfections. In that context, the only role for government would be to redistribute among individuals. Then we will consider how market imperfections can create a role for government consumption and production. Once the government engages in such activities, the mechanisms by which it makes decisions become important. These can be done by democratic procedures or by more technocratic processes such as cost/benefit analysis. The course then turns to a positive and normative analysis of the tax instruments the government can use to fund its various programs.

Syllabus

I. Introduction: What Is Public Economics About?

Chapter 1

Contrasting Approaches to Climate Policy

<https://clcouncil.org/>

http://filesforprogress.org/pdfs/Green_New_Deal.pdf

Policy Responses to Covid

<https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19>

II. Background on the Public Sector: Some Data

Chapter 2

III. Review of Welfare Economics

Chapters 3, 4, & 7

IV. Public Goods and Externalities

Chapters 5 & 6

V. Public Production

Chapter 8

VI. Mechanisms for Allocation

Chapters 9, 10, & 11

VII. Health Care

Chapter 13

VIII. Taxation Theory

Chapters 17 – 21