COURSE OBJECTIVES
This course is a survey of major, topical issues in international public economics presented through five modules. The purpose of the course is to provide students with case studies of international experiences developed using standard tools of public economics so that students can analyze these and other topics outside the classroom. The course uses the basic concepts of public economics (public goods, externalities, principles of taxation, economic efficiency, equity, and income distribution) to analyze issues such as the following: Which level of government should provide which goods? How should a tax system be structured in developing, transitional, and developed economies? How many levels of government should exist? How can taxes be more effectively collected? How can intergovernmental transfers be designed to achieve equity and efficiency? The course will be delivered in a set of modules, each with a specific policy-oriented focus. The objectives of the course are to provide students with an overview of the theory of public economics in an international setting and also to provide students with an in-depth understanding of some of the most important current issues in public finance. At the end of the course, students should be familiar with important policy questions facing countries around the world, and should be better equipped to analyze the optimal structure of governance, the appropriate design of the public finance systems of countries around the world, and the incentives and impacts of tax and expenditure systems on individual and firm behavior.

COURSE PREREQUISITES
Students should have taken a graduate level (masters or doctoral) course in microeconomic theory, or should have the permission of the professor.

COURSE GRADING
There will be five graded assignments—one for each module. Each assignment will be focused on the content of the module and will be assigned and graded by the professor instructing that specific module. Each assignment is worth 20 percent of the total grade.

ATTENDANCE POLICY
Student attendance is mandatory. However, it is recognized that students may be unable to attend class as a result of observation of recognized religious holidays of the student's faith, from summons to jury duty, or from similar compelling reasons for absence. Students are encouraged to obtain and review class notes for missed classes from fellow students.

TEXTBOOKS
An intermediate-level public economics textbook is recommended but not required, for example, see


There are also required readings for each module.
COURSE LEARNING OUTCOMES

1. The student should be able to define and understand the reasons for fiscal decentralization.

2. The student should be able to define and understand a “public good”, and to evaluate public and private institutions that address the public goods problem.

3. Students should understand the welfare and distributional effects of a consumption tax.

4. Students should be able to discuss components of tax reform.

5. Students should be able to perform basic microsimulation analysis.

6. Students should understand the uses of computable general equilibrium modeling.

COURSE POLICIES

1. Desire2Learn will be used for this course. Most of the readings for this course are available through Desire2Learn.

2. All students are responsible for knowing and adhering to GSU’s Policy on Academic Honesty as published in On Campus: The Undergraduate Co-Curricular Affairs Handbook.

3. Incompletes will only be given to students who are PASSING the course, and even then, only in very special circumstances. In the case where an incomplete is awarded, it must be removed by the end of the next term that the student is enrolled (and within two terms regardless of whether or not the student is enrolled) or it will automatically turn into an F.

4. Please remember that all university regulations, deadlines, and policies must be observed. In particular, students are expected to follow the GSU “Policy on Academic Honesty” (Section 409 of the Georgia State University Faculty Handbook).

5. If you withdraw from class:

   a. After the end of Late Registration but before the semester midpoint, the course will appear on your transcript and you will receive a grade of either W or WF at your professor's discretion; or

   b. After the midpoint of the semester, but before the final two weeks of scheduled classes, the course will appear on your transcript and you will receive a grade of WF. For the only exception to this policy, see the Hardship Withdrawal.

You may not withdraw from a course during the final two weeks of scheduled classes of the semester.

6. All instructors must, on a date after the mid-point of the course (as set by the Provost):

   a. Give a WF to all those students who are on their rolls, but no longer taking the class; and

   b. Report the last day the student attended or turned in an assignment.

7. This course syllabus provides a general plan for the course; deviations may be necessary.
TENTATIVE COURSE OUTLINE AND SCHEDULE

Please note that the schedule is subject to change, and students will be notified of any changes to the schedule. All readings are required.

Module I (2 class meetings: January 15, 22): Fiscal Decentralization
Instructor: Prof. Martinez
This two week module is focused on fiscal decentralization, with an emphasis on developing and transition countries. The course syllabus and the required course readings are below. Supplementary readings can be found in the reference lists. Grading will be based primarily on a written assignment, as noted below.

Readings for week 1:


Readings for week 2:


Module II (2 class meetings: January 29, February 5: Microsimulation Modeling
Instructor: Prof. Wallace
The measurement of tax incidence, the benefits of expenditures and the revenue costs of various policies is not easily captured by most standard policy tools. Microsimulation modeling is a unique analysis tool that can capture the impact of revenue and expenditure changes on the distribution of income or other characteristics of a population. In this module, students will learn how to run a microsimulation module and analyze results of such models.

Readings for weeks 3-4:
Wahid, Umar and Sally Wallace (2008). “Incidence of Taxes in Pakistan: Primer and Estimates.” International Studies Program working paper no. 08-13, Andrew Young School of Policy Studies, Georgia State University, Atlanta, GA.

Sally Wallace, Simulation Modeling Notes.

Sally Wallace and Robert McNab, “Microsimulation Modeling.”


Module III (4 class meetings: February 12, April 8, 15, 22): Computational General Equilibrium Modeling  
Instructor: Prof. Feltenstein

Computational general equilibrium analysis has become the standard tool for analyzing the quantitative effects of fiscal policies. This module will introduce students to two broad areas, dynamic fiscal models, and the incorporation of financial assets in applied general equilibrium models. Students will be provided with computer programs written by the instructor, based upon fixed point algorithms, that solve n-period open economy models with financial assets and either fixed or floating exchange rates.

Readings for weeks 5, 12-14

Module IV (3 class meetings: February 19, 26, March 4): Program Evaluation  
Instructor: Prof. Rider

This module will focus on using of statistical methods, including randomized controlled trials, to evaluate government policies in developing countries.

Reading for week 6: Theory and applications

Readings for week 7: Using randomized control trials for program evaluation

Readings for week 8: Evaluating hypotheses from behavioral economics
Module V (3 class meetings: (March 11, 25, April 1):  Indirect taxation and incidence modeling
Instructor: Prof. Timofeev
This module will focus on understanding the concept of value added in the economy as a way to measure
national income and as a framework for thinking about tax policy in general. Input-Output (I-O) tables will
be presented as a useful tool for modeling the base of a typical value added tax. Students will have hands-
on experience with using I-O tables for distributional and revenue analysis of indirect taxes.

Readings for weeks 9-11
Developing Countries,” in Bourguignon, Francois and Luiz A. Pereira DaSilva, eds. The Impact of
Economic Policies on Poverty and Income Distribution Evaluation Techniques and Tools (Washington,

Reform II (FRP II) Project.