

Public Economics

Syllabus, Summer Semester 2023

Institute of Economic Studies, Faculty of Social Sciences, Charles University, Prague

This version: 5 April 2023

Useful links

[MS Teams](#) (code to join: elrwtx; use your university email—@cuni.cz—to log in MS Teams)

1 Basic information

Name and code: Public Economics, JEM203 (SIS)

Course teachers: [Petr Janský](#), [Miroslav Palanský](#), [Ondřej Schneider](#), [Kamil Galuščák](#), [Evgeniya Dubinina](#), [Daniel Kolář](#), [Marek Šedivý](#).

Schedule: Feb-May 2023, lectures take place once a week (on Tuesdays, 15:30-16:50), seminars take place after selected lectures (on selected Tuesdays, 17:00-18:20), see detailed schedule in Section 4.

Place: Room 314 at Opletalova 26.

This course introduces advanced thinking in public economics and public finance for graduate students of economics. The objective is to provide students with a thorough understanding of research in selected topics in public economics and public finance. By actively participating in this course, students improve their understanding of the role of government, taxation, and public budgets. Students learn how to use the tools of economics for the analysis of government expenditures and tax policies. The official online home of the course where all materials will be published is [MS Teams](#) (you can use this code to join: elrwtx). We will teach the course in person in room 314, while streaming the lecture online (via MS Teams) and making the recording available afterwards in MS Teams. The final exam is to take place in person.

2 Course requirements

Students are evaluated on the basis of 5 requirements: 1) empirical paper; 2) its presentation and discussion; 3) review of another student's paper; 4) review of a published research paper; and 5) a final written exam. Table 1 shows an overview of these requirements, the maximum points that students can obtain from each of these requirements, and any associated deadlines. In addition, bonus points for active participation in seminars may be awarded. In order to pass the course, students are required to obtain at least half of the maximum points from each of the 5 requirements (i.e. 40, 10, 10, 10 and 30 points, respectively). Details for each requirement follow in the remainder of this section. The final grade is determined as the sum of points obtained for each requirement. Students' total point values correspond to the grades A-F according to the following intervals: A: [100-90); B: [90-80); C: [80-70); D: [70-60); E: [60-50); F (Fail): 50 and less (and as shown in Table 2 in Section 3).

Table 1: Course requirements

Requirement	Maximum points	Deadline
1 Empirical paper	40	Topic selection: March 6, 2023, 18:00 Work-in-progress submission: May 1, 2023, 18:00 Final deadline: May 21, 2023, 18:00
2 Presentation of empirical papers at a workshop	10	May 9, 2023, 15:30-18:20
3 Reviews of other students' papers	10	May 8, 2023, 18:00
4 Reviews of published research papers	10	March 27, 2023, 18:00
5 Final written exam	30	(four exam dates during May, June and September)
Total	100	

2.1 Empirical paper (max. 40 points)

Each student writes an empirical paper answering a research question related to public economics and public finance. The paper's quality (up to 40 points) and its public presentation and related discussion at the workshop (up to 10 points) make up half of the grade. Most of the empirical papers are likely to be based on new data analysis. Additionally, in case the topic is suitable, it is possible for the paper to be based on earlier or ongoing work by the student such as a paper for an earlier course or a thesis—but in that case we ask the student to state so clearly at the beginning of the empirical paper for us to know about it and reflect it in the evaluation.

The research question of the empirical papers can be chosen on the basis of the lectures, but other topics within the field of public economics are also possible. Students are encouraged to discuss the choice of their research questions with teachers (and/or expert consultants that might be suggested for selected topics) as well as their fellow students.

Students are asked to choose their research question, write an abstract that details their selected topic (around half a page) and submit it by March 6, 2023, 18:00 via MS Teams. Students will subsequently receive feedback on their topic selection from the teachers. Students are then required to submit a complete draft by May 1, 2023, 18:00 via MS Teams. The teachers will then assign each empirical paper to other students for a review (to be submitted by May 8, 2023, 18:00, see Section 2.3). The papers will then be presented at a workshop on May 9, 2023, 15:30-18:20. Students are then required to incorporate feedback received during the workshop and submit their final papers by May 21, 2023, 18:00.

The papers' structure should follow that of papers published in academic journals, but it should not be longer than 5000 words (excluding references and appendix, but including tables and figures in the main text).

2.2 Presentation and discussion of empirical papers at a workshop (max. 10 points)

We will organize a student workshop at which students will present their papers (and in additional sessions if the number of students requires it). The presentations are expected to be of similar structure and length as the defense of master theses at IES (i.e. 10-15 minutes for each presentation). Students are expected to prepare slides that present the research question of the paper and its motivation, the methodology and data used, and the results. Each paper will have an assigned discussant who will

prepare questions based on reading the paper (see Section 2.3). After each presentation and discussion, other students will also have the opportunity to ask questions and discuss the research.

2.3 Reviews of other students' papers (max. 10 points)

Shortly after the empirical papers are submitted, we will assign one paper to each student who will then have one week to critically review it and prepare potential questions for discussion. The reviews do not need to be long, but have to be based on a thorough reading of the paper and will be evaluated based on the quality of the feedback that they provide to the author of the reviewed paper. The reviews are to be submitted in advance of the workshop, by May 8, 2023, 18:00 via MS Teams. Then, at the workshop, after each presentation, the corresponding discussant will ask his or her questions to the presenting student.

2.4 Reviews of published research papers (max. 10 points)

The course is based mostly on published research papers and on chapters from the Handbook of Public Economics. Students are obliged to review one published paper (or Handbook chapter) which will be assigned to them.

The reviews should be concise and not longer than 3600 characters (including spaces). The reviews should follow the following structure: summary of the paper, comments on the methodology/data/research question/results. When summarising the paper, focus on the contribution of the paper. Identify the main objectives and hypotheses and summarize the key findings. Avoid retelling the whole paper section by section. Instead focus on what you think is crucial. After summarising the research, you can move on to the comments you want to make. It is possible that you are not convinced by the empirical strategy, think there is an issue with the data, or find the conclusion is just too strong compared to the provided evidence. This is the place where you can raise your concerns. Better still, you are encouraged to suggest possible ways how to improve the article. In case you find the paper convincing and do not have any methodological comments, you can further discuss the results, connect them to the topics discussed during the course or discuss future research questions stemming from the paper. Avoid making mundane comments such as focusing on stylistic errors or criticizing the layout of tables.

2.5 Final written exam (max. 30 points)

The course ends with a final written exam. The exam will consist of questions of various types, including problem sets (e.g. optimal taxation exercise) and open questions (e.g. How taxation influences firms' decisions to raise capital? How would you design an empirical experiment to estimate the scale of tax evasion or tax avoidance? What are some of the main ideas behind distributional national accounts? How can income concepts be used to estimate the effects of government on income inequality?).

3 Grading

Table 2: Course grading

Interval	Grade
[100 – 90)	A
[90 – 80)	B
[80 – 70)	C
[70 – 60)	D
[60 – 50)	E
[50 – 0]	F (fail)

4 Schedule

Table 3: Course schedule

Week	Date	Topic 1 (15:30-16:50)	Topic 2 (17:00-18:20)	Teacher 1	Teacher 2
1	Feb 14	Government		Petr Janský	
2	Feb 21	Tax evasion		Petr Janský	
3	Feb 28	Corporate taxation	International taxation 1	Petr Janský	Evgeniya Dubinina
4	Mar 7	Tax avoidance	International taxation 2	Evgeniya Dubinina	Evgeniya Dubinina
5	Mar 14	Optimal taxation	Direct taxes	Ondřej Schneider	Ondřej Schneider
6	Mar 21	Indirect taxes	Tax incidence	Ondřej Schneider	Ondřej Schneider
7	Mar 28	Wealth inequality	Estimating inequality 1	Daniel Kolář	Daniel Kolář
8	Apr 4	Income inequality	Estimating inequality 2	Marek Šedivý	Marek Šedivý
9	Apr 11	Pensions, social benefits		Miroslav Palanský	
10	Apr 18	- (no teaching)			
11	Apr 25	Labour market regulations		Kamil Galuščák	
12	May 2	Public choice theory		Miroslav Palanský	
13	May 9	Student workshop 1	Student workshop 2		

5 Literature

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