E410: Topics in Fiscal Federalism and Fiscal Competition

Content & Objectives:

This master-level course will equip students with formal methods to understand complex issues in fiscal federalism and fiscal competition. It aims at making sense of actual practices in federations around the world. It also aims at providing insights into policy issues that have arisen from increasingly mobile capital and commodity tax bases. In particular, we will deal with the following topics:

1. Important Theories and Methods in Public Economics
2. Efficiency and Equilibrium
3. Public Goods
4. Local Public Goods and the Tiebout Hypothesis
5. Fiscal Federalism
   - Introduction
   - Efficiency vs. Stability of Federal Systems
   - Accountability
   - Risk-Sharing
   - Insurance vs. Redistribution
   - Hard and Soft Budgets
6. Tax Competition
   - Capital Tax Competition
   - Country Size and Tax Competition
   - Commodity Taxation and Cross-border Shopping
   - Tax Competition and Agglomeration

Readings:

A literature list and references to research articles will be provided in the lecture.

Method of Assessment:

Assessment is based on a written exam (60 minutes).
Course Details:

2h Lecture: Tuesdays, 10.00 to 12.00
(the first lecture will take place on October 15).
2h Practice Course: Wednesdays, 10.15 to 11.45
You can earn 6 ECTS-Credits.
The course will be held in English language.