

# Macroeconomics and **Public Economics**

Felix Bierbrauer

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# Topics

- Taxes
  - on labor income
  - on capital income and savings
  - on consumption expenditures
- Public debt
- Public goods and externalities
- Political economy of tax and expenditure policies
- Fiscal federalism

# Methods

## Theory:

- Constrained Optimization (static and dynamic)
- Game Theory
- Mechanism Design

## Applied Public Finance:

- Generational Accounting
- Sustainability analysis for public finances

# People

Responsible for courses in the Master's program:

- Felix Bierbrauer, chair of public economics
- Michael Thöne, managing director, Finanzwissenschaftliches Forschungsinstitut (FiFo)

Public economics at the Center for Macroeconomic Research:

- Martin Barbie, Prof.
- Emanuel Hansen, J-Prof.
- Laura Kohlleppel, PhD-Student
- Marius Vogel, PhD-Student

# Formats

- Lectures
  - with computer-based tutorials
  - with tutorials that focus on research papers
  - with tutorials that deepen the theoretical understanding
- Seminars
- Block courses

# Courses I

## Tax Policy

- Overview optimal taxation
- Optimal redistributive income taxation: a primer
- Political economy of redistributive income taxation
- Lecture with tutorials that focus on research papers
- Felix Bierbrauer
- Winter term, 4 hours per week

## Courses II

### **Advanced Public Economics: Theory of Taxation**

- Key results in the theory of optimal taxation
  - Optimal income taxation
  - Direct versus indirect taxation
  - Capital income
  - New dynamic public finance
- Focus on formal rigor
- Lecture, possibly with tutorials
- Felix Bierbrauer
- On demand, 2-4 hours per week

# Courses III

## **Advanced Public Economics: Mechanism Design**

- Introduction to mechanism design
- Validity of the Coase-Theorem/ Efficiency and coercive power
- Distinction between public and private goods
- Tutorials that deepen the theoretical understanding
- Felix Bierbrauer
- Summer, 4 hours per week

## Courses IV

### **Advanced Public Economics: Taxes and Public Goods**

- Advanced introduction to the theory of public goods
- Efficiency conditions for economies with public goods or externalities
- Private and public provision of public goods
- Distortionary taxation and public goods provision
- Felix Bierbrauer
- This summer, block course, week after Pentecost

# Courses V

## Seminar in Public Economics

- Different instructors, formats and topics
- Winter 2016/17: Piketty in his critics
  - Role-playing game of the publication process
  - Block seminar, 2 hours
  - Felix Bierbrauer, Laura Kohlleppe, Christof Weinmann

# Courses VI

## Fiscal Federalism

- Advantages and disadvantages of (de)centralization
- Tax competition between jurisdictions
- Fiscal transfer systems (Finanzausgleichssysteme)
- Lecture with computer-based tutorials
- When? hours per week?
- Michael Thöne

# Courses VII

## **Sustainability of Public Finances**

- Measuring the sustainability of public finances (Tragfähigkeitsanalysen)
- Demographic change and the sustainability of public finances
- Generational Accounting (Generationenbilanzen)
- Lecture with computer-based tutorials
- When? hours per week?
- Michael Thöne

# Courses VIII

## **Public Expenditure Reform**

- Public sector accounting
- Transparency of public expenditures
- Evaluation of public expenditures
- Lecture with tutorials that focus on academic policy-advising
- When? hours per week?
- Michael Thöne