



INTERNATIONAL PUBLIC ECONOMICS

SYLLABUS FOR WINTER TERM 2021/22

This block course consists of lectures and classes and is taught on a graduate level aiming at Master and PhD students. We offer the course at the Department of Economics at LMU Munich. It qualifies students for 6 ECTS or a doctoral course certificate, respectively.

Lecture: Prof. Dr. Kai A. Konrad
Class: Yixuan Shi, M.Sc. in Economics

Language: English

To sign up (please state your name, your matriculation number, and the programme you are enrolled in; deadline: February 07, 2022) or for further questions, please contact:

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CONTENT

The strengthened internationalization of modern economies constitutes a new framework to public spending and revenue policies, creating new challenges for policy makers. This course analyses the incentives for and effects of state actions in an international setting. Topics include, among others, the theory of international public goods, optimal tariffs, strategic trade policy, and tax competition.

ORGANIZATION

All relevant information and material is provided on Moodle. Please enrol to the Moodle course “International Public Economics” on Moodle. To obtain the enrolment key and to sign up to the course, please contact Yixuan Shi (Yixuan.Shi@tax.mpg.de). You will receive the enrolment key to the Moodle course in the beginning of February.



1. Lecture

Lectures will take place on the following dates:

15/02/2021	14:00 – 18:00
16/02/2021	14:00 – 18:00
17/02/2021	14:00 – 18:00
21/02/2021	14:00 – 18:00
23/02/2020	14:00 – 18:00

The lectures will take place in a hybrid form (online + in-person, provisional, subject to university regulation and covid situation). The lecture rooms will be Raum Geschw.-Scholl-Pl. 1 (A) - A 015 (Feb.15-18) and Leopoldstr. 13, H2 – 2102 (Feb.21-28). Additional, lecture notes and recommended literature will be available online on Moodle. Lecture slides will not be published.

2. Class

Classes will take place on the following dates:

18/02/2021	14:00 – 18:00
22/02/2021	14:00 – 18:00
24/02/2021	14:00 – 18:00
25/02/2021	14:00 – 18:00
28/02/2021	14:00 – 18:00

The classes will take place in a hybrid form (online + in-person, provisional, subject to university regulation and covid situation) at Raum Geschw.-Scholl-Pl. 1 (A) - A 015 and Leopoldstr. 13, H2 – 2102. Problem sets will be available on Moodle and it is highly recommended that students try to solve these prior to the classes taking place.

3. Exam

The exam will take place on March 04, 2022 from 10:00 to 12:00. It will take the form of a written exam (provisional).

OUTLINE

1. International Public Goods

Part I: Theory of non-cooperative provision of public goods

- The normative benchmark
- Non-cooperative provision – the BBV-Model
- Multiple public goods
- Other composition functions
- Step-level provision



Part II: Applications

- Global warming and generous pre-commitment
- Clubs of country clubs – the example of golden passports
- The economics of European border control effort
- The economics of defence alliances

Recommended literature (shortlist):

Lecture Notes, Part I

Suggestions for further reading:

See the references in Lecture Notes, Part I

2. Trade and Trade Policy

Introduction and motivation

Optimal tariffs

Trade agreements

Political economy of tariffs

Strategic trade policy

Recommended literature

- Lecture Notes, Part II
- Brander, James A. 1995. Strategic Trade Policy, in: G. Grossman and K. Rogoff (Eds.), *Handbook of International Economics*, Vol. 3, Chapter 27, Elsevier, Amsterdam, 1395-1455.
- Huck, Steffen, and Kai A. Konrad, 2004. Merger Profitability and Trade Policy, *Scandinavian Journal of Economics*, 106, 107-122.

Suggestions for further reading:

See the references in Lecture Notes, Part II

3. Tax Competition and Cooperation

Motivation and illustrative examples

The Wildasin-Wilson model

Coordination and tax unions

Leviathan governments

Dynamic aspects

Market analysis of tax havens

Recommended literature:

Keen, Michael, and Kai A. Konrad, 2014. The Theory of International Tax Competition and Tax Coordination, in: Alan J. Auerbach, Raj Chetty, Martin Feldstein, and Emmanuel Saez (Eds.), *Handbook of Public Economics*, Vol. 5, Chapter 5, North-Holland, Amsterdam, 257-328.