
PUBLIC FINANCE 2 credits (Fall)

財政論 2 単位(秋学期)

Public Finance

(サントリーホールディングス株式会社寄附講座)

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特任教授 (非常勤) 鞠 重鎬

Course Description:

This class is open to PCP students, qualified exchange students and Masters' course students only.

This course introduces main functions of governments, and explains some features of central and local governments in Japan. The course of Public Finance aims to understand the basic theory of public finance and the fiscal activities of central and local governments. We study the issues of provision of public goods, externality, optimal size of local authorities, fiscal decision-making of central and local levels, and some topics of intergovernmental fiscal relations. Also, this course discusses the roles of local governments. While we mainly use the framework of traditional public finance theory, if necessary, we introduce public choice approach.

Textbooks:

Cullis, John and Philip Jones, Public Finance and Public Choice, 3rd edition, Oxford Press, 2009. (Some chapters and parts will be selected, e.g. Fiscal Federalism.)

Reference Books:

Atkinson, Anthony. B. and Joseph E. Stiglitz, Lectures on Public Economics, Princeton Univ. Press, 2015.
Auerbach, Alan J., Raj Chetty, Martin Feldstein, and Emmanuel Saez, Handbook of Public Economics, North-Holland, 2013.
Anderson, John E. Public Finance, Houghton Mifflin, 2003.
Ministry of Finance, Current Japanese Fiscal Conditions and Issues to be Considered.
Auerbach, Alan J. and Martin Feldstein, Handbook of Public Economics, North-Holland, 2002.

Course Plan:

- 1 Introduction and Fiscal Features in Japan
 - 2 Main Characteristics of governments in Japan
 - 3 Functions of Governments, Provision of Public goods
 - 4 Externality
 - 5 Decentralization Theorem
 - 6 Optimal Size of Local Government and Optimal Number of Residents
 - 7 Tiebout Hypothesis (How individuals choose local authorities)
 - 8 Government Revenue and Expenditure
 - 9 Central and Local Tax Structure
 - 10 Non-tax Revenue (User Charges)
 - 11 Intergovernmental Fiscal Relations(1)
 - 12 Intergovernmental Fiscal Relations(2)
 - 13 Economic Policy and Government
 - 14 Presentation of assignment (or essay) (1), Review and Summary
- Other Presentation of assignment (or essay) (2) Review and Final exam (or quiz)

Lecturer's Comments to Students:

Let me know your backgrounds of economics and course requirements. It may help to proceed the course smoothly.

Method of Evaluation:

Term paper and Brief exam:

- 1) Essay or Report (Case Study)

An Essay or a report that investigates the topic associated with public finance. For example, a topic on (a) your own country, or (b) a certain country in which you are interested, or (c) a comparative study among countries.

- 2) Brief Exam(or Quiz)

Questions/Comments:

Feel free to ask questions about the basic concepts of economics and the course.