

**Athens University of Economics and Business**  
**Mini-PhD course on:**  
**Optimal Taxation, Public Goods and Externalities<sup>1</sup>**  
22<sup>nd</sup> and 23<sup>rd</sup> March 2012

**Optimal Taxation**

A. Atkinson and J. Stiglitz, *Lectures on Public Economics*, New York: McGraw Hill, 1980. Chapter 12-1,12-2, and 12-5.

A. Auerbach and J. Hines, 'Taxation and Economic Efficiency,' in A. Auerbach and M. Feldstein, 2002, *Handbook of Public Economics*, Volume 3, 61-125.

**P. Diamond, 'A Many-Person Ramsey Tax Rule,' *Journal of Public Economics*, 4, 1975, 335-342.**

P. Diamond and J. Mirrlees, 'Optimal Taxation and Public Production,' *American Economic Review*, 61, 1971, 8-27 and 261-278.

**T. O'Donoghue, and M. Rabin, 2006. 'Optimal Sin Taxes,' *Journal of Public Economics* 90: 1825-1849.**

F. Ramsey, 'A Contribution to the Theory of Taxation,' *Economic Journal*, 37, 1927, 47-61.

A. Sandmo, 'Optimal Taxation: An Introduction to the Literature,' *Journal of Public Economics*, 6(1-2), July-Aug 1976, 37-54.

**Public Goods**

J. Andreoni, 1990. 'Impure Altruism and Donations to Public Goods: A Theory of Warm Glow Giving,' *Economic Journal* 100, 464-477.

**A. Atkinson and N. Stern, 'Pigou, Taxation and Public Goods,' *Review of Economic Studies* (1974).**

Atkinson and Stiglitz, *Lectures on Public Economics* Chaps. 16 and 17 and pages 457-76

Auerbach and Feldstein, *Handbook of Public Economics* (vol 2), Chap 9; (chap 10); chap 11, pp. 571- 601

T. Bergstrom, L. Blume and H. Varian, 'On the Private Provision of Public Goods,' *Journal of Public Economics* 29, 1986, 25-49.

T. Gaube, 'When do Distortionary Taxes Reduce the Optimal Supply of Public Goods?' *Journal of Public Economics* 76, 2000, 151-180.

**Externalities and Pigouvian Policies**

R. Arnott and J. Stiglitz, 'Moral Hazard and Optimal Commodity Taxation,' *Journal of Public Economics*, 29(1), February 1986, 1-24.

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<sup>1</sup> Bold-faced references are essential reading.

L. Goulder, 'Environmental Taxation and the Double Dividend,' *International Tax and Public Finance*, 2(2), August 1995, 157-183.

G. Myles, Chapter 10.

A. Sandmo, 'Optimal Taxation in the Presence of Externalities,' *Swedish Journal of Economics*, 77(1), 1975, 86-98.

M. Weitzman, 'Prices vs. Quantities,' *Review of Economic Studies*, 41(4), October 1974, 477-491.

**M. Keen and C. Kotsogiannis, 'Coordinating Climate and Trade Policies: Pareto Efficiency and the Role of Border Tax Adjustments,' (2011), mimeo, University of Exeter.**

**C. Kotsogiannis and A. Woodland, 'Climate and international trade policies when emissions affect production possibilities,' (2011), mimeo, University of Exeter.**

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March 9, 2012.