Public Economics and the Household

Introduction

Helmut Rainer*

*University of Munich, CESifo, Ifo Institute

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Motivation for this Course

- Economic model that underlies most of labor economics and public economics ⇒ single individual dividing his or her time between market labor supply and leisure

- But ⇒ many issues in reality are concerned with policies towards families, a majority of which contain two earners ⇒ large literature has emerged concerned with developing models of family decision-making

- This course aims to bring together the economics of multi-person households with public economics ⇒ provides a new foundation for many policy-relevant issues in public economics
Two Parts

• The first part of the course (Part I) discusses the main developments in the economics of the family in the past decades
  ⇒ Focus particularly on models of time allocation with household production

• The second part of the course (Part II) deals with optimal income taxation, tax reform and public policy
  ⇒ Focus particularly on the optimal taxation of couples
Literature

- Book

- Journal articles
  - Del Boca D, Flinn C (2012) Endogenous household interaction. Journal of...
Literature

• Journal articles - cont

• Working Papers
Overview

Part I

1. Time allocation and household production
   a. The standard consumer model
   b. The Becker model
   c. The Pollak and Wachter critique
   d. Market substitutes, implicit prices and the value of household production

2. Household models: theory
   a. Cooperative models
      i. Samuelson’s theorem
      ii. Nash bargaining and the collective model
   d. Endogenous household interaction: Del Boca and Flinn (2012)
Overview

Part II

1. Household taxation: introduction
2. Joint versus individual taxation
   a. Apps and Rees (1999)
   b. Piggot and Whalley (1996)
   c. Meier and Rainer (2012a)
   d. Corneo (2013)
3. Gender-based taxation
   a. Boskin and Sheshinski (1983)
   b. Alesina et al. (2011)
   c. Bastani (2013)
   d. Meier and Rainer (2012b)
4. Fertility and Taxation
   b. Meier and Wrede (2013)
   c. Komura (2013)