

**Fulbright Economics Teaching Program
Academic Year 2012-2013
Spring Semester**

COURSE SYLLABUS

PUBLIC SECTOR ECONOMICS

Teaching Team

Instructor	Vũ Thành Tự Anh	anhvt@fetp.vnn.vn
Co-Instructor	Mai Hoàng Chương	chuongmh@fetp.vnn.vn
Co-Instructor	Đỗ Thiên Anh Tuấn	tuandta@fetp.vnn.vn

Office Hours

	Monday	Tuesday	Wednesday	Thursday	Friday
Vũ Thành Tự Anh	16:00 – 17:30		16:00 – 17:30		
Mai Hoàng Chương			15:30-17:00		15:30-17:00
Đỗ Thiên Anh Tuấn		15:30-17:00		15:30-17:00	

If you have a scheduling conflict with these regular office hours, please feel free to make appointments at other mutually convenient times.

Objectives of the Course

The course examines policy options, with their strategic trade-offs and operational implications, for the design and implementation of public finance in both high-income countries as well as developing and transitional economies. It covers the role and size of the public sector, including the rationale for public sector interventions such as market failure and distributional concerns. It then discusses government social protection programs and public sector efficiency and effectiveness; fiscal balance and deficit financing; measurement of government spending efficiency. Next topics would be public resource mobilization via direct and indirect taxation, including the economics and political economy of taxation, taxation of income, wealth, and consumption, tax incentives, compliance, enforcement, and reform, and domestic user charges; public expenditure policy. Finally, the course looks at fiscal decentralization and intergovernmental relations. The course emphasizes utilization of theoretical and applied techniques in a comparative context for evaluation of the impact of alternative resource mobilization and expenditure policies on efficient allocation, social equity, and economic stability.

Course Outline

- I. The Role and Size of the Public Sector, and National Fiscal Architecture
 - A. Economic Rationale for Public Sector Interventions:
Market Failure and Distributional Concerns
 - B. Political Economics of Public Sector; Trade off among Economic, Political and Social Objectives.
 - C. Understanding a Nation's Fiscal Architecture:
Building Appropriate Revenue and Expenditure Systems
- II. Public Expenditure Policy
 - A. Public Sector Production and Provision

- B. SOEs and Privatization
- C. Private Sector Participation/Public-Private Partnerships
- D. Government Social Protection Policies
- E. Megaprojects
- F. Public investment
- G. Assessment of Public Sector Performance
- H. Government Failure and Corrections

III. Public Resource Mobilization

- A. Economics of Taxation
- B. Taxation of Income, Wealth, and Consumption
- C. Tax Incentives, Compliance, and Enforcement
- D. History of Taxation in Vietnam
- E. Tax Reform
- F. User Charges
- G. Fiscal Balance, Deficit and Financing
- H. Public debt and management

IV. Intergovernmental Fiscal Relations

- A. Fiscal Decentralization
- B. Public investment decentralization
- C. Resource Transfers and Local Government Debt Financing
- D. Local Government Public Finance
- E. Public Finance and Local Economic Development

Course Requirements and Assessment

It is expected that participants will attend class regularly, actively participate in class discussions, and successfully complete all course written requirements. Please read the assigned readings before class, and come to class prepared to discuss these readings.

There will be three problem sets, which may require the use of electronic spreadsheets like Excel. Participants will have one week to complete each problem set. In preparing the solutions to the problem sets, participants are encouraged to work in groups of three to four people, but they must write and submit their own individual answers.

There will five policy memos based on case studies in public finance, which must be completed without consultation with other class participants. Participants will have one week to complete each policy memo.

There will be some pop quizzes, a midterm exam and a final paper.

Assignments should be submitted by 8:20 a.m. on the due date. The teaching team will make every effort to return graded assignments, along with suggested solutions, to students within a week from the day of submission. If there are any questions about the grading of the assignments, please feel free to arrange a meeting with the instructors of the course.

Late submission is subject to penalty described under section VI.3 (Homework Assignments) in Student Handbook. Only under extenuating circumstances, at the discretion and with the permission of the instructor, can late submission be allowed.

Grades will be determined by:

<u>Requirement</u>	<u>Weight</u>
Class participation	10%
Problem sets	15%
Policy memos	15%
Quizzes	10%
Midterm exam	25%
Final paper	<u>25%</u>
	100%

Required Course Text, Reference Texts, and Reading List

Main Course Text

*Jonathan Gruber (2011). *Public Finance and Public Policy*

*Joseph E. Stiglitz, *Economics of the Public Sector*, Third Edition (New York: W.W. Norton & Co., 2000).

*World Bank (2011). *Tax Reform in Vietnam: Toward a More Efficient and Equitable System*.

Reference Texts

1. Richard A. Musgrave and Peggy B. Musgrave (1989). *Public Finance in Theory and Practice*, 5th edition, McGraw Hill.
2. Harvey S. Rosen (2008). *Public Finance*, McGraw-Hill Book Co-Singapore
3. John E. Anderson (2003). *Public Finance: Principles and Policy*, Houghton Mifflin Company.
4. Sanjeev Gupta, Benedict Clements, and Gabriela Inchauste (2005). *Helping Countries Develop: The Role of Fiscal Policy*, International Monetary Fund.
5. Joseph J. Cordes, Robert D. Ebel, and Jane G. Gravelle (1999). *The Encyclopedia of Taxation and Tax Policy*, The Urban Institute Press and the National Tax Association.
6. Ronald C. Fisher (2007). *State and Local Public Finance*, 3rd edition, Thomson South-Western.
7. Richard Bird and Francois Vaillancourt (1999). *Fiscal Decentralization in Developing Countries*, Cambridge University Press.
8. Joel Slemrod and Jon Bakija (2008). *Taxing Ourselves: A Citizen's Guide to the Debate over Tax Reform*, 4th edition, MIT Press.
9. Richard W. Kopcke, Geoffrey M. B. Tootell, and Robert K. Triest (2006). *The Macroeconomics of Fiscal Policy*, MIT Press.

Class Schedule

Part I: The Economic Role of the Public Sector

Class #1 (2/18): Economic Rationale for Public Sector Interventions and roles

- **Market failure due to market power, asymmetric information, externality, public goods, equality, macro imbalances.**
- **The changing role of government in transitional economies**
- **Cases: Public sector role in Vietnam and Singapore**

*Jonathan Gruber (2011), Chapter 1

*Joseph E. Stiglitz (2000), Chapters 1

Richard W. Kopcke, Geoffrey M. B. Tootell, và Robert K. Triest (2006), Chapter 1.

Anthony Saich, *The Changing Role of Government*, Background Note for the World Bank Report on China's 11th Five Year Plan, August 2004.

John W. Thomas and Lim Siong Guan, *Using Markets to Govern Better in Singapore*, John F. Kennedy School of Government Faculty Research Working Paper RWP02-010 (Cambridge: Kennedy School of Government, August 2001). [Can be accessed for free at: http://www.ksg.harvard.edu/research/working_papers/index.htm]

Class #2 (2/20): Political Economy of public sector

- **Importance of political factors in determining tax policy**
- **Tradeoffs among conflicting economic, political, and social policy objectives**
- **Case: Alcohol Excise Tax in Thailand**

*Jonathan Gruber (2011). Chapter 9

*Aswin Techajareonvikul, *Liquor Tax Reform in Thailand: Competing Interests and Objectives*, KSG Case No. CR14-06-1857.0.

The Economist (1999). "The Grabbing Hand." February 13, 350(8106): 76.

DELIVER POLICY MEMO 1 (DUE ON Wed. 27 Feb.): Cancun, Mexico: Water and wastewater privatization, Gustavo Merino-Jarez và Carolina Gutierrez de Taliercio, KSG Case No. 1593.0 and KSG Case Sequel No. 1593.1

Part II: Public Expenditure Policy

Class #3 (2/22): Public Sector Production and Provision of Goods and Services

- **Interventions to mitigate market failures**
- **Public and quasi-public goods**
- **Cases: Examples from Vietnam**

*Joseph E. Stiglitz (2000). Chapter 6 & 7

Class #4 (2/25): State doing business via SOEs

- **The role of the SOE in several economies**
- **Role and Efficiency of SOEs**
- **Political economy of state ownership and privatization**

*Joseph E. Stiglitz (2000). Chapter 8

*Vũ Thành TỰ Anh, "SOEs fall short of being driving force," *Thời báo kinh tế Sài Gòn*, Thứ Năm, 21/10/2010.

*Policy case: Vũ Thành TỰ Anh và Trần Thị Quế Giang, *State conglomerates and SOE equityization in Vietnam*, FETP case study

Class #5 (2/27): Cycle of Despair

- **Recap of market failure, government failure**
- **Case: Cancun. Mexico: Water and wastewater privatization in Mexico**

POLICY MEMO #1 (CANCUN) DUE

Class #6 (3/4): Private Sector Participation (PSP)/Public-Private Partnerships (PPP)

- **Rationale for private participation in infrastructure (PPI)**
- **Types of PSP/PPP**
- **Cases: Infrastructure PPPs in Vietnam**

*Edward R. Yescombe (2007). Chapter 1 & 2, from *Public-Private Partnership: Principles of Policy and Finance*, Elsevier Ltd.

Antonio Estache, *PPI Partnerships Versus PPI Divorces in LDCs*, Policy Research Working Paper 3470 (Washington, D.C.: World Bank, January 2005). [Can be accessed for free at: <http://www-wds.worldbank.org>]

Class #7 (3/6): Government Social Protection Policies I

- **Social expenditures in developing and transitional economies**
- **Case: Health and education expenditures in Vietnam**

*Vũ Hoàng Linh, Lê Việt Thủy, and Giang Thành Long (2010). "Access and Equity in Tertiary Education in Vietnam", draft, commissioned by the World Bank's East Asia Regional Office.

*Giang Thành Long (2010). "Reaching a Universal Health Insurance in Vietnam: Challenges and the Role of Government," *Asia-Pacific Development Journal*, Vol. 18, No. 1, June 2011.

Jonathan Gruber (2011), Chapter 11 & 12

**Vietnam: Managing Public Expenditure for Poverty Reduction and Growth – Public Expenditure Review and Integrated Fiduciary Assessment*, Vol. 1: Cross Sectoral Issues, "Executive Summary" (Washington, D.C.: World Bank, April 2005), pp. ix-xxv. [Can be accessed for free in English and Vietnamese at:

<http://www-wds.worldbank.org/external/default/main?pagePK=64187835&piPK=64620093&theSitePK=523679&lang=&sType=2&query=vietnam+managing+public+expenditure&cntry=&isLeftNav=N&pageSize=10&docType=0&sortDesc=DOCDT&sortOrderby=DOCDT&siteName=EXTWDS&menuPK=64187295&callBack=null&dAtts=DOCDT%2CDOCNA%2CDOCTY%2CSECCL%2CLANG%2CREPNB%2CVOLNB%2CREPNME&x=12&y=5>]

POLICY MEMO #2 (THE BIG DIG) DISTRIBUTED IN CLASS: DUE ON 3/11

Class #8 (3/8): Government Social Protection Policies II

- **Social security reforms in the world and developing economies.**
- **Case: Social security policy in Vietnam**

*Jonathan Gruber (2011), Chapter 13, "Social Security Reform"

Paul Krugman (2005) "Confusions about Social Security," *The Economists' Voice*: Vol. 2: Issue. 1, Article 1.

Joseph Stiglitz (2005) "Securing Social Security for the Future," *The Economists' Voice*: Vol. 2: Iss. 1, Article 5.

Class #9 (3/11): Megaprojects

- **The nature and implications of megaprojects**
- **Policy discussion: Megaprojects in Vietnam (Bullet train, Dung Quat Refinery, Long Thanh International Airport, Hanoi Planning)**
- **Case: Big dig**

Alan Altshuler and David Luberoff, "Mega-Projects and Urban Theory" and "Urban Theory Redux," Chapters Three and Eight in *Mega-Projects: The Changing Politics of Urban Public Investment* (Washington, D.C. and Cambridge, MA: Brookings Institution Press and Lincoln Institute of Land Policy, 2003), pp. 45-75 and 248-269.

Bent Flyvbjerg, Mette Skamris Holm, and Soren Buhl, "Underestimating Costs in Public Works Projects: Error or Lie?" in *Journal of the American Planning Association*, Summer 2002 (Vol. 68, No. 3), pp. 279-295.

POLICY MEMO #2 (THE BIG DIG) DUE

Class #10 (3/13): Public investment and management in Vietnam

- **Public investment structure**
- **Preliminary Assessment of Public Sector Performance**
- **Policy Discussion: Public investment Decentralization in Vietnam**

*Vũ Thành Tự Anh, "SOEs without capability to lead" Saigon Economics Review, Thứ Năm, 21/10/2010.

*Vũ Tuấn Anh and Nguyễn Quang Thái (2011). Chapter 1: "Public Investment in the last ten years," *Public Investment*, Encyclopedia Publisher, pp. 13-101.

Class #11 (3/18): Assessment of Public Sector Performance

- **Expenditure efficiency and effectiveness**
- **Comparative performance measurement**
- **Policy discussion: assessment of ministries and local governments' performance**

*Joseph E. Stiglitz, "The Analysis of Expenditure Policy" Chapter 10 in *Economics of the Public Sector*.

*CECODES, Vietnamese Fatherland Front and UNDP (2010). PAPI 2010.

*VCCI (2011). Ministerial Effectiveness Index 2011 (MEI).

Elaine Morley, Scott P. Bryant, Harry P. Hatry, "What is CPM, and Why Is It Important?," "Analyzing Comparative Performance Information," and "Using Comparative Performance Information," Chapters 1, 6, and 8 in *Comparative Performance Measurement* (Washington, D.C.: The Urban Institute Press, 2001).

Class #12 (3/20): Government Failure

- **Causes of government failure**
- **Unintended consequences of government interventions**
- **Policy discussion: Government failure and macroeconomic instability in Vietnam**

*David L. Weimer and Aidan R. Vining (2005). Chapter 8 & 10, *Policy Analysis: Concepts and Practice, 3rd edition*. Pearson: Prentice Hall

Part III: Public Resource Mobilization

Class #13 (3/22): Economics of Taxation I

- **Taxation and social fairness: a tax burden perspective**
- **Features of a Sound Tax Regime**
- **Tax burden allocation**
- **Policy discussion: Examples from Vietnam**

*Jonathan Gruber (2011), Chapter 19

*Joseph E. Stiglitz (2000), Chapter 18

Michael Keen and Alejandro Simone, "Tax Policy in Developing Countries: Some Lessons from the 1990s and Some Challenges Ahead," Chapter 12 in Sanjeev Gupta, Benedict Clements, and Gabriela Inchauste, eds., *Helping Countries Develop: The Role of Fiscal Policy* (Washington, D.C.: International Monetary Fund, 2004), pp. 302-52.

Arthur Okun (1975). "The Leaky Bucket Experiment," in *Equality and Efficiency: The Big Tradeoff*. The Brookings Institution, pp. 91-100.

Joel Slemrod and Jon Bakija (2008). Chapter 4: "Taxes and Economic Prosperity," in *Taxing Ourselves*, pp.112-36.

PROBLEM SET #1 (ECONOMICS OF TAXATION) DISTRIBUTED: DUE on 27 MARCH

Class #14 (3/25): Economics of Taxation II

- **Taxation and its economic inefficiency**
- **Theory of optimal taxation**
- **Policy discussion: Tax impact on labor and saving**

*Joseph E. Stiglitz (2000), Chapter 19 & 20

Jonathan Gruber (2011), Chapters 20, 21 & 22

Class #15 (3/27): Taxation of Wealth (Tax on land and house)

- **Tax on land and buildings in general**
- **Policy discussion: non- arable land tax in Vietnam**

*WB (2011), Chapter 9: Tax on Land and Assets

*Jay K. Rosengard, "Introduction" Chapter 1 in *Property Tax Reform in Developing Countries* (Boston: Kluwer Academic Publishers, 1998), pp. 1-30.

*Jay K. Rosengard, "Indonesia Case Study," Chapter 5 in *Property Tax Reform in Developing Countries* (Boston: Kluwer Academic Publishers, 1998), pp. 111-156.

William G. Gale and Joel Slemrod (2001). "Overview" In William G. Gale, James R. Hines Jr., and Joel Slemrod, eds., *Rethinking Estate and Gift Taxation*. Brookings Institution Press.

PROBLEM SET #1 (ECONOMICS OF TAXATION) DUE

POLICY MEMO #3 (VAT REFORM IN VIETNAM) DISTRIBUTED: DUE, 3 APRIL

Class #16 (4/1): Taxation of Income

- **Personal and corporate income tax in general**
- **Policy discussion: Personal and corporate income tax Reform in Vietnam**

*Joseph E. Stiglitz, “The Personal Income Tax,” Chapter 21 in *Economics of the Public Sector*.

*Janet Stotsky, “The Base of the Personal Income Tax” and “The Choice of Taxable Unit” and John Norregaard, “The Progressivity of Personal Income Tax Systems” in Parthasarathi Shome, ed., *Tax Policy Handbook* (Washington, D.C.: International Monetary Fund, 1995), pp. 121-136.

Jonathan Gruber (2011), Chapter 24: “Issues of Corporate Taxation”

Class #17 (4/3): Taxation of Consumption

- **General sales and companion use taxes, excise taxes, value added taxes**
- **Policy discussion: Comparison of sales and value added taxes**

*WB (2011), Chapter 7: VAT

*Jonathan Gruber (2011). Section 25.3: “Consumption Tax,” pg. 754-763.

WEDNESDAY, 4/10: MIDTERM EXAM PROBLEM SET#2 (DIRECT AND INDIRECT TAXES) DUE

Class #18 (4/15): Tax Incentives, Compliance, and Enforcement

- **Tax avoidance and tax evasion**
- **Positive and negative incentives**
- **Policy discussion: Examples from selected countries**

*Joseph E. Stiglitz, “A Student’s Guide to Tax Avoidance,” Chapter 24 in *Economics of the Public Sector*.

*WB (2011). Chapter 2: Tax Compliance and Sources of Revenue Leakage: Conceptual Framework and Assessment.

Richard K. Gordon, Jr., “Improving Tax Compliance – Income Tax Compliance and Sanctions in Developing Countries,” in Bird and Oldman, *Taxation in Developing Countries*, Fourth Ed. (Baltimore: Johns Hopkins University Press, 1990), pp. 453-465.

Richard A. Musgrave, “Reaching the Hard-to-Tax – Income Taxation of the Hard-to-Tax Groups,” in Bird and Oldman, *Taxation in Developing Countries*, Fourth Edition (Baltimore: Johns Hopkins University Press, 1990), pp. 297-309.

Joel Slemrod (2007). “Cheating Ourselves: The Economics of Tax Evasion.” *Journal of Economic Perspectives*, 21(1), Winter 2007, pp. 25-48.

Joel Slemrod and Jon Bakija (2008). Chapter 5: “Simplicity and Enforceability”. *Taxing Ourselves*, Russell Sage Foundation.

Class #19 (4/22): History of Taxation in Vietnam

Phan Hiển Minh, Nguyễn Ngọc Thanh, and Châu Thành Nghĩa, Tổng quan về thuế, Chương I, Giáo trình Thuế thực hành (“Overview of Taxation,” Chapter I in *Practical Taxation Handbook*), (Hanoi, Vietnam: Statistics Press, 2001), pp. 1–10.

* WB (2011) Chapter 8: Taxation In Vietnam: Who Pays What?

POLICY MEMO #4 (HCMC-TRUNG LUONG HIGHWAY) DISTRIBUTED: DUE MONDAY, 5/6

Class #20 (4/24): Tax Reform I

- **Rationale for, obstacles to, and lessons of tax reform**
- **Independent revenue authorities**
- **Cases: Examples from selected countries**

*Jonathan Gruber (2011). Chapter 25

*Joel Slemrod and Jon Bakija (2008). Chapter 6: “Elements of Fundamental Reform,” *Taxing Ourselves*, Russell Sage Foundation.

*WB (2011). Chapter 5: Tax Reform and Revenue Assignments in Vietnam.

Mack, Connie et al. (2005). “Executive Summary of Simple, Fair and Pro-Growth: Proposals to Fix American’s Tax System. *Report of the President’s Advisory Panel on Federal Tax Reform*. <http://www.taxpolicycenter.org/taxtopics/upload/tax-panel-2.pdf>

PROBLEM SET#3 (TAX REFORM, TAX INCENTIVES, COMPLIANCE AND ENFORCEMENT) DISTRIBUTED: DUE on 5/3.

Class #21: (5/3): Tax Reform II

- **Tax reform in developing and transitional economies**
- **Case: VAT reform in Vietnam**

*International Monetary Fund, “Tax Policy – Medium Term Challenges” in *Vietnam Country Report*, December 2003, pp. 24-31.

*Ministry of Finance (2011), Vietnam Comprehensive Tax Reform Plan 2011-2015

PROBLEM SET#3 (TAX REFORM, TAX INCENTIVES, COMPLIANCE AND ENFORCEMENT) DUE

Class #22 (5/6): User Charges

- **Taxes vs. user charges (fees)**
- **Types and structures of user charges**
- **Case: HCMC-Trung Luong Highway**

Ronald C. Fisher, “Pricing of Government Goods: User Charges,” in *State and Local Public Finance*, 3rd ed. (Chicago: Richard D. Irwin, 1996), pp. 170-196.

POLICY MEMO #4 (HCMC-TRUNG LUONG HIGHWAY) DUE

Class #23 (5/8): Fiscal Balance, Fiscal Deficits, and Deficit Financing

- **Tradeoffs in maintaining a balanced budget**
- **Alternatives for financing fiscal deficits**
- **Policy discussion: Fiscal Deficits and Deficit Financing in Vietnam**

*Jonathan Gruber (2011). Chapter 4

*Joseph E. Stiglitz, “Deficit Finance,” Chapter 28 in *Economics of the Public Sector*.

Class #24 (5/13): Public Debt and Management

- **Public debt, government debt, and SOE debts**
- **Public debt crisis and US and EU fiscal space**
- **Public debt risk management**
- **Policy discussion: public debt in Vietnam**

*Vũ Thành Tự Anh, “Nợ công, nợ chính phủ, và nợ của doanh nghiệp nhà nước” (Public debt, government debt, and SOE debts)

*Moody’s Analytics (2011). *Fiscal Space*. Special Report, December 12, 2011.

*World Bank (2009). *Debt Management Performance Assessment (DeMPA) Tool*. Truy cập miễn phí từ: <http://siteresources.worldbank.org/INTDEBTDEPT/Resources/468980-1184253591417/GDM-PMF.pdf>.

World Bank (2009). *Guide to the Debt Management Performance Assessment (DeMPA) Tool*.

Part IV: Intergovernmental Fiscal Relations

Class #25 (5/15): Fiscal Decentralization

- **Rationale for fiscal decentralization**
- **Deconcentration, delegation, devolution, and transfer of functions**
- **Measuring and evaluating fiscal decentralization**
- **Cases: Examples from selected countries**

*Anwar Shah, *Fiscal Decentralization in Developing and Transition Economies: Progress, Problems, and the Promise*, World Bank Policy Research Working Paper No. 3282 (Washington, D.C.: World Bank, April 2004).

[Can be accessed for free at: <http://www-wds.worldbank.org>]

*Vũ Thành Tự Anh (2012). “Economic Decentralization in Vietnam: An Institutional Perspective.”

Bambang Brodjonegoro, *Three Years of Fiscal Decentralization in Indonesia: Its Impacts on Regional Economic Development and Fiscal Sustainability*, Paper Presented at the International Symposium on Fiscal Decentralization in Asia Revisited, Hitotsubashi University, Tokyo, February 2004.

Ninh Ngoc Bao Kim and Vu Thanh Tu Anh, *Decentralization in Vietnam: Challenges and Policy Implications for Sustainable Economic Growth*, USAID and Asia Foundation study 2008.

Class #26 (5/17): Public Investment Decentralization

- **Fiscal decentralization in developing and transitional economies**
- **Cases: Indonesia and Vietnam**

*Government of the Socialist Republic of Vietnam (2010). *Draft on Public Investment Law*, <http://duthaonline.quochoi.vn/du-thao-luat/du-thao-luat-110au-tu-cong>

Class #27 (5/20): Resource Transfers and Cross Subsidy

- **Resource allocation options**

- **Revenue sharing grant formulas**
- **Case: Fiscal decentralization and resource transfers in Vietnam**

Ronald C. Fisher, "Intergovernmental Grants," in *State and Local Public Finance*, Second Edition, pp. 202-234.

Odd-Helge Fjeldstad, *Intergovernmental Fiscal Relations in Developing Countries: A Review of Issues*, WP 2001: 11 (Bergen: Chr. Michelsen Institute, 2001), pp. 1-15.

[Can be accessed for free at: <http://www.cmi.no/publications/2001/wp/wp2001-11.pdf>]

POLICY MEMO #5 (DANANG AND BINH DUONG PUBLIC FINANCE MODELS)
DISTRIBUTED, DUE ON 5/27

Class #28 (5/22): Municipal Public Finance

- **Local revenue sources**
- **Deficit Financing**
- **Local budget expenditures**
- **Stability and sustainability of the local budget**

*Jay Rosengard et al. "Paying for Urban Infrastructure and Services: A Comparative Study of Municipal Finance in Ho Chi Minh City, Shanghai and Jakarta," Prepared under United Nations Development Program Project No. 5088790-01, "UNDP-Vietnam Discussion Papers on Topics Relating to Decentralization and Economic Performance," 2006

*Ronald C. Fisher, "Borrowing and Debt," in *State and Local Public Finance*, Second Edition, pp. 235 – 267.

* Đỗ Thiên Anh Tuấn (2013). "Municipal Debt and Bond"

Judy Wesalo Temel, "Overview of the Municipal Bond Market" and "The Basics of Municipal Securities," Chapters 1 and 2 in *The Fundamentals of Municipal Bonds*, Fifth Ed. (New York: John Wiley & Sons for The Bond Market Association, 2001), pp. 1-48.

Robert D. Behn and Elizabeth K. Keating, Facing the Fiscal Crises in State Governments: National Problem; National Responsibilities, John F. Kennedy School of Government Faculty Research Working Paper RWP04-025 (Cambridge: Kennedy School of Government, June 2004), pp. 1-15.

[Can be accessed for free at: http://www.ksg.harvard.edu/research/working_papers/index.htm]

Class #29 (5/27): Public Finance vs. Provincial Economic Development

- **The relationship**
- **Cases: Da Nang and Binh Duong Public Finance Models**

POLICY MEMO #5 (DANANG AND BINH DUONG PUBLIC FINANCE MODELS) DUE

Class #30 (5/29): Course Review

MONDAY 6/10: FINAL PAPER DUE