



## Course and Examination Fact Sheet: Spring Semester 2025

### 8,260: Public Policy, Taxation and Inequality

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

decentral - Active participation, Analog, Individual work individual grade (10%)

Examination time: Term time

decentral - Written examination, Analog, Individual work individual grade (60%, 90 mins.)

Examination time: Term time

decentral - Presentation, Analog, Group work group grade (30%)

Examination time: Term time

#### Attached courses

Timetable -- Language -- Lecturer

[8,260,1.00 Public Policy, Taxation and Inequality](#) -- English -- [Sachs Dominik](#)

#### Course information

#### Course prerequisites

A solid knowledge of microeconomics is required. Background in statistics and econometrics is also beneficial. While we will discuss formal models and empirical methods, the class will have an applied flavor!

#### Learning objectives

In this course, students

- acquire state-of-the-art knowledge in the field of public economics.
- learn how to assess the empirical evidence on inequality and redistribution.
- learn methods to theoretically and empirically evaluate policies.
- critically discuss results from research and policy implications.
- learn how to effectively communicate research insights and policy recommendations.

#### Course content

At the beginning, we will study empirical evidence on inequality and the size of the government. What are the trends in inequality? Do these trends differ across countries? We will also discuss recent disagreements in the literature about the implications for the public debate on inequality.

Next, we study the relation between taxes and individual behavior. How do different policies like the income tax, system, or commodity taxes affect individual behavior? Do people work less and invest less in their careers when taxes are high? How to conceptualize that and how to empirically quantify the importance of that?

Then, we turn to the main part of this course: the optimal design of policies and policy evaluation. Which policy instruments are best suited to reduce inequality? Which of these policies have the highest efficiency cost? What are the *real* fiscal effects of taxes and subsidies after accounting for their dynamic effects? We will consider the following policy instruments:

- Income taxes
- College subsidies
- Childcare subsidies



If time allows, we will also consider

- Consumption taxes
- Public pensions

## Course structure and indications of the learning and teaching design

- The course consists of 11 lectures; the last meeting is devoted to the exam.
- Some of the lectures will be complemented with presentations from the students.
- The goal is to have an interactive class with critical discussions.
- Comprehensive lecture slides will be provided.
- Connections to real-world policy debates are often made

## Course literature

The slides are self-contained and there is no textbook. A reading list will be provided on Canvas. Some of the reading is mandatory and some complementary. The list will contain shorter articles (newspapers, policy papers) but also a few research articles.

## Additional course information

Active participation is required.

## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/3)

##### Examination modalities

Examination type	Active participation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Synchronous
Examination location	On Campus
Grading type	Individual work individual grade
Weighting	10%
Duration	--

##### Examination languages

Question language: English  
Answer language: English

##### Remark

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##### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

##### Supplementary aids

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## 2. Examination sub part (2/3)

### Examination modalities

Examination type	Written examination
Responsible for organisation	decentral
Examination form	Written exam
Examination mode	Analog
Time of examination	Term time
Examination execution	Synchronous
Examination location	On Campus
Grading type	Individual work individual grade
Weighting	60%
Duration	90 mins.

### Examination languages

Question language: English  
Answer language: English

### Remark

Last week of semester

### Examination-aid rule

Closed Book

The use of aids is prohibited as a matter of principle, with the exception of pocket calculator models of the Texas Instruments TI-30 series and, in case of non-language exams, bilingual dictionaries without any handwritten notes. Any other aids that are admissible must be explicitly listed by faculty members in the paragraph entitled "Supplementary aids" of the course and examination fact sheet; this list is exhaustive.

Procuring any aids, as well as ensuring their working order, is the exclusive responsibility of students.

### Supplementary aids

none

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## 3. Examination sub part (3/3)

### Examination modalities

Examination type	Presentation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Asynchronous
Examination location	On Campus
Grading type	Group work group grade
Weighting	30%
Duration	--

### Examination languages

Question language: English  
Answer language: English



## Remark

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## Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

## Supplementary aids

Students use software like e.g. Powerpoint, Keynote, or Latex to design slides.

Before the presentation, students have the opportunity to obtain feedback from the professor on the slides. Depending on the number of students in the course, the presentations may be given in groups of one, two, or three people.

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## Examination content

**Final exam:** questions about the course content will be asked. This includes Income taxes, Consumption taxes, Public pensions, College subsidies, Childcare subsidies, Carbon taxes and their recycling. All topics are relevant. Long mathematical derivations will not be asked.

**Presentations:** a list of topics will be suggested by the professor. Students will then form groups and communicate their preferences regarding the topics. The professor will make sure to account for the preferences (to the extent it is possible) as much as possible when assigning the topics to groups. Depending on the number of students in the course, the presentations may be given in groups of one, two, or three people.

## Examination relevant literature

**Final exam:** Lecture slides and the literature provided through Canvas throughout the semester. It will be clearly communicated which literature is complementary reading and which is relevant for the exam.

**Presentations:** For each presentation topic, one or two papers will be provided by the professor. Ideally students also make connections to what has been discussed in class before.



## Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW21) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 13 (Monday, 25 March 2025) are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 04 (Thursday, 23 January 2025);
- Examination information (supplementary aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 17 March 2025);
- Examination information (supplementary aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 14 (Monday, 31 March 2025);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before ending with de-registration period in CW 15 (Monday, 07 April 2025).