

Course Outline for CES Lecture

“Limited commitment, asymmetric information and fiscal policy”

Kenneth Kletzer, University of California, Santa Cruz

The lectures will cover background literature related to some fiscal issues arising in current European policy debates. The first lecture will introduce the concepts and modeling approaches in the literature on sovereign debt. The second lecture will present models of limited commitment and private information with applications to sovereign debt and implications for distribution. The topic of the third lecture will be dynamic optimal taxation of capital and labor income with imperfect information.

Lecture 1: Models of sovereign debt, default and renegotiation

Lecture 2: Incomplete risk-sharing in macroeconomics and the role of debt

Lecture 3: Dynamic optimal taxation

References

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