This course surveys the economics of multi-level government finance from a theoretical and empirical perspective. The learning outcome of this course is to impart the basic theory and practice of fiscal federalism with emphasis on the workings of the Canadian federation.

**GRADING**

Tests - 2x25% (Test #1 February 13th; Test Number 2, March 13th), Final Exam - 50% (Take home final exam).

**COURSE RESOURCES**

Powerpoint Slides and some of the readings and materials will be available on D2L

(2017W) ECON-4611/5279-WA - Fiscal Federalism Economics - 95630-95644
**Topics and Readings**

**1. Introduction to Federalism**

*Recommended*


*Supplemental*


**2. Rationale for Federalism: Functions in a Federation**

*Recommended*


*Supplemental*

3. The Tiebout Model

Recommended


Supplemental


4. Tiebout: Empirical Evidence

Recommended


Supplemental


5. Tiebout Model: Additional Evidence

Recommended


6. Extensions and Critique of the Tiebout Model

*Recommended*


*Supplemental*


7. The Division of Powers

*Recommended*


*Supplemental*

British North America Act, 1867 & Constitution Act, 1982


8. The Canadian Federation Over Time: Empirical Evidence

Recommended


Supplemental


9. Centralization and Decentralization

Recommended


Giertz, J. Fred (1976) "Decentralization at the State and Local Level: An Empirical Analyris" National Tax Journal (201-210).


Supplemental


10. Public goods in a Federal System

Recommended


Supplemental


11. Taxation in a Federal System


12. Rationale for Intergovernmental Transfers

Recommended


Scott, A. (1950) "A Note on Grants in Federal Countries" Economica, 17, 416-422.
13. Overview of Transfers and Equalization in Canada

Recommended


Finances of the Nation. Canadian Tax Foundation.


Supplemental


14. Evolution of Grants and Transfers in Canada: 1867-Present


15: Theory of Grants and Transfers


16. Health Spending in the Canadian Federation

Canadian Institute for Health Information (2012) *Health Care in Canada 2012*


17. Secession, Federalism and the Break-up of Nations


