

Lecture Notes in Economics and Mathematical Systems

Managing Editors: M. Beckmann and W. Krelle

329

Georg Tillmann.

FB Mathematik
TU Darmstadt



58387304

Equity, Incentives, and Taxation



Fachbereich Mathematik
Technische Hochschule Darmstadt

Bibliothek

Inv.-Nr. B 22 216

Springer-Verlag

Berlin Heidelberg New York London Paris Tokyo Hong Kong

CONTENTS

Acknowledgements

Introduction	1
Chapter I Fairness and production	22
1.1 The model	22
1.2 Finite economies	25
1.3 Continuum economies	31
1.4 Income tax implementability	33
1.5 Proofs	35
Chapter II Redistribution, observability and different tax systems	44
2.1 The model and first definitions	44
2.2 Finite economies	48
2.2.1 $PO(\ell)$ versus $PO(y)$	48
2.2.2 $PO(y, \ell)$ versus $PO(\ell)$ and $PO(y)$	55
2.2.3 Wage taxes $T(n)$ and $PO(n)$	57
2.3 Continuum economies	64
2.4 Proofs	74
Chapter III Taxation as insurance	95
3.1 The model	95
3.2 First and second best solutions	98

3.3 Remarks	107
3.4 Proofs	110
Appendix: The deterministic versus the stochastic model	119
Final Remarks	123
References	125
Index	130