

## 7. PUBLIC CONSUMPTION GOODS: THE SAMUELSON-LINDAHL MIXED ECONOMY

### Index

Sections, Appendices, Figures, Symbols and notations, References

- 1 SOCIAL OPTIMALITY WITH PUBLIC GOODS
  - A premise on normative versus positive economics
  - The Samuelson-Lindahl mixed economy
  - Balancing the budget
- 2 THE TWO-AGENTS GEOMETRY OF THE EFFICIENCY CONDITIONS
  - Efficient allocations. The standard ‘total’ diagram
  - Efficient allocations. The standard ‘per-unit’ diagram
- 3 THE FORMALISM OF SOCIAL OPTIMIZATION
  - Maximizing additive social welfare functions
  - Marginal utilities and marginal rates of substitution
  - From maximum social welfare to Pareto efficiency
  - Extension to multiple private and public goods
  - Efficiency versus distribution
  - Optimal distribution with representative consumer-taxpayers
- 4 COST SHARES, INDIVIDUAL ‘DEMAND’ FOR PUBLIC GOODS, TAX-PRICES
  - Cost shares and individual budget constraints
  - The individual ‘demand’ for public goods as a function of cost share and gross income
  - The diagrams
  - The tax-price
  - The individual demand for  $G$  as a function of the tax-price
  - Measuring expenditure in physical units of  $G$
- 5 TAX SYSTEMS, TAX-PRICES, BALANCED BUDGET
  - A uniform cost share
  - A proportional income tax system
  - A progressive income taxation
  - Introducing average income
- 6 THE LINDAHL EXISTENCE THEOREMS. THEOREM I (LET I)
  - The theorems of welfare economics
  - Proof of LET I
  - Extension to multiple private and public goods
  - Diagrammatic illustration of LET I. the ‘per-unit’ diagram
- 7 THEOREM II (LET II)
  - Proof of LET II
  - Extension to multiple private and public goods
  - Diagrammatic illustration of LET II. The ‘total’ diagram
  - Relation between LET I and LET II
- 8 THE DISTRIBUTION OF THE TAX BURDEN. THE BENEFIT AND ABILITY TO PAY PRINCIPLES
- 9 LINDAHL EQUILIBRIA, FREE-RIDING, AND PUBLIC EFFICIENCY: A SUMMARY

### FIGURES

F7.1 Social optimality

F7.2 Individual ‘demand’ for  $G$  as a function of the cost share

F7.3 Individual ‘demand’ for  $G$  as a function of the tax-price

F7.4 Individual budget constraint with different tax systems

F7.5 The theorems of welfare economics. T I: from equilibrium to efficiency, T II: from efficiency to equilibrium

F7.6 Lindahl cost shares and unanimity. Benefit versus ability to pay

APPENDIX 7.1. Cost shares and individual budget constraints under proportionality and progressivity

## SYMBOLS AND NOTATIONS

**APP** ability to pay principle

**ASWF** additive social welfare function

**BB** balanced budget constraint

**BP** benefit principle

**CE** competitive equilibrium

**CFR** consumption frontier

**EB** excess tax burden

**FOC** first order conditions

**GDP** gross domestic product

**IB** individual budget constraint

**LET** Lindahl existence theorems

**MOE** McGuire-Olson economy

**MRS=MB=MWP** marginal rate of substitution/marginal benefit/marginal willingness to pay

**MRT=MSC** marginal rate of transformation/marginal social cost

**MSRS=MSB=MSWP** marginal social rate of substitution/marginal social benefit/marginal social willingness to pay

**MU** marginal utility

**NMS** Nozick minimal state

**PA** Pareto allocation

**RCFR** residual consumption frontier

**SLE** Samuelson-Lindahl economy

**SWF** social welfare function

**TWE** theorems of welfare economics

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