

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

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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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