Dear Alumni,

The teas this year were particularly nice. And I enjoyed meeting with whoever came and drinking a cup of tea and eating a biscuit or two. Few things are more exciting or more productive than drinking tea and talking economic. I am grateful to those who came and participated, and urge that you think about a similar event when you get back home. Thank you again for your participation, and have a good trip home to your family and your job.

Your friend,
Henry Bruton
FACULTY NEWS

In 2008-09 Kisamba Mugerwe (Uganda) joined CDE / Williams College as the 1955 Visiting Scholar.
In his own words: “The CDE remains an outstanding international center of excellence and also offers a friendly environment for intellectual discussion. Be it at breakfast or lunch, there is always someone willing to discuss any topical issue. The performance of its alumni in developing countries makes Williams College shine and enhances its contribution to development.

CURRICULAR SPOTLIGHT: ECON 51

Prof. Bakija taught a highly popular “Tax Policy in Emerging Markets”.

Governments in developing and transition economies need to raise tax revenue to finance critical public goods, address other market failures and equity issues, and to avoid problems with debt and inflation. Even under ideal conditions, figuring out how to raise taxes in a way that balances efficiency, equity, and administrative feasibility is a hard problem.

But taxation is especially challenging in emerging markets, because of the great difficulty involved in taxing much of the economic activity there, serious problems with tax evasion and administration, and the various imperfections in the economic environment in which taxes are collected. Taxes typically consume between a fifth and a third of the proceeds of economic activity in these nations, and they profoundly affect the incentives to undertake all varieties of economic activity. So in terms of economic growth and welfare, the stakes involved in improving tax policy are potentially quite large. This class will build on knowledge developed in the basic public economics course to provide a more in-depth investigation of the special problems involved in tax policy in developing and transition economies, and possible approaches to addressing these problems.

MESSAGE FROM PROF. BRUTON

We need a bridge – a bridge from high, abstract theory to nitty, gritty, down to earth, historically and value based understanding – in order to design implementable, effective policies. So learning can never end. This local understanding at the end of the bridge is something that you have to acquire by reading, writing, talking, thinking at home, by using the framework of theory to guide you, and help you see what is important and can be adapted. After you finished your work at the CDE, you really can say that your real searching and learning is just beginning.