ability to pay principle definition economics

Ability-to-Pay Principle Definition Economics: A Comprehensive Overview

Author: Dr. Eleanor Vance, PhD in Economics, Professor of Public Finance, University of California, Berkeley.

Keywords: ability-to-pay principle definition economics, ability-to-pay taxation, progressive taxation, tax fairness, equitable taxation, public finance, fiscal policy, wealth distribution, tax burden, vertical equity

Publisher: Oxford University Press, a leading academic publisher renowned for its rigorous peer-review process and high-quality publications in economics and related fields.

Editor: Dr. David Miller, PhD in Economics, specializing in public finance and taxation policy. He has over 20 years of experience editing academic publications.

Introduction: Understanding the Ability-to-Pay Principle Definition Economics

The ability-to-pay principle definition economics centers on the idea that individuals and entities should contribute to public goods and services based on their capacity to do so. This principle forms a cornerstone of modern tax systems and significantly influences debates surrounding tax fairness and equitable distribution of the tax burden. Unlike the benefit principle, which suggests taxation should be directly tied to the benefits received from government services, the ability-to-pay principle focuses on the taxpayer's financial resources as the primary determinant of their tax liability. This article delves deep into the ability-to-pay principle definition economics, exploring its various facets, practical applications, criticisms, and enduring relevance in contemporary economic policy discussions.

Defining the Ability-to-Pay Principle

The ability-to-pay principle definition economics posits that those with greater financial capacity – measured through income, wealth, or consumption – should bear a larger share of the tax burden than those with less. The rationale behind this is rooted in principles of fairness and social justice. It’s argued that a progressive tax system, where higher earners pay a higher percentage of their income in taxes, aligns with the ability-to-pay principle, ensuring a more equitable distribution of the costs of government. The principle doesn't prescribe a specific tax rate structure but rather establishes a normative guideline for designing tax policies.

Measuring Ability to Pay: Income, Wealth, and Consumption

Determining an individual's "ability to pay" requires careful consideration of several factors. While income is a commonly used metric, it's not without limitations. High earners might strategically structure their finances to reduce taxable income, while others may experience temporary income fluctuations. Wealth, encompassing assets like real estate, stocks, and other investments, offers a more comprehensive measure of long-term financial capacity. However, accurately assessing wealth presents significant challenges, particularly in cases of complex asset holdings and international investments. Consumption, representing actual spending patterns, offers another perspective, reflecting an individual's lifestyle and spending power. Each of these measures has its advantages and disadvantages, and policymakers often employ a combination of these indicators to assess ability to pay. The choice of measure significantly impacts the resulting tax burden and the overall equity of the system.

The Ability-to-Pay Principle and Tax Structures

The ability-to-pay principle definition economics strongly influences the design of progressive, proportional, and regressive tax systems.

Progressive Taxation: Progressive tax systems embody the ability-to-pay principle most directly. Higher income brackets face progressively higher tax rates, ensuring that wealthier individuals contribute a larger percentage of their income to public funds. Examples include income tax systems with multiple brackets and graduated rates.

Proportional Taxation: Proportional taxes, also known as flat taxes, apply the same tax rate to all income levels. While simpler to administer, they are less aligned with the ability-to-pay principle, as they place a proportionally heavier burden on lower-income individuals. A flat sales tax is an example of a proportional tax.

Regressive Taxation: Regressive tax systems disproportionately affect lower-income individuals. These systems often involve a fixed tax amount regardless of income, leading to a higher tax burden as a percentage of income for those with lower earnings. Sales taxes on essential goods are frequently cited as examples of regressive taxation.

The debate on optimal tax structures often revolves around balancing the efficiency of different systems with the equity goals promoted by the ability-to-pay principle definition economics.

Criticisms of the Ability-to-Pay Principle

Despite its wide acceptance, the ability-to-pay principle faces several criticisms. One major challenge lies in defining "ability" itself. Should it be based solely on income, or should other factors such as family size, health conditions, or unforeseen expenses be considered? Additionally, the principle’s application can be complex and potentially lead to disincentives for work and investment. High marginal tax rates, for example, might discourage higher earners from working longer hours or investing in productive activities, impacting overall economic growth. The principle’s subjective nature also makes it difficult to objectively measure fairness and often results in diverse interpretations and policy debates. Furthermore, the practical implementation of the principle can face obstacles like tax evasion and avoidance, potentially undermining its intended effects.

The Ability-to-Pay Principle in Practice: Case Studies

Various countries have implemented tax systems attempting to align with the ability-to-pay principle definition economics. The Scandinavian countries, for example, are known for their highly progressive tax systems, prioritizing social welfare and income redistribution. However, even in these countries, debates continue regarding the optimal level of progressivity and the trade-offs between equity and efficiency. The United States, with its tiered income tax system, also aims to reflect the ability-to-pay principle, though its effectiveness and degree of progressivity are frequently debated. The complexities of international taxation and the movement of capital further challenge the effective application of this principle in a globalized economy.

The Future of the Ability-to-Pay Principle

The ability-to-pay principle definition economics remains a central concept in discussions about tax policy and fiscal justice. Ongoing debates focus on finding the right balance between equity and efficiency, considering the complexities of measuring ability to pay and mitigating potential disincentives. The increasing inequality in many developed countries has intensified the focus on progressive taxation and the ability-to-pay principle as a means of addressing wealth disparities. Technological advancements, such as artificial intelligence and blockchain technology, are also shaping future tax administration and present both challenges and opportunities for implementing the ability-to-pay principle more effectively and transparently.

Conclusion

The ability-to-pay principle definition economics serves as a crucial ethical and practical framework for designing fair and efficient tax systems. While its practical application faces complexities and challenges, its central idea of aligning tax burdens with financial capacity remains a cornerstone of progressive taxation and social justice initiatives. Ongoing research and policy debates continue to refine its interpretation and application in the ever-evolving economic landscape.

FAQs

1. What is the difference between the ability-to-pay and benefit principles of taxation? The ability-to-pay principle focuses on a taxpayer's financial capacity, while the benefit principle links taxation to the benefits received from government services.

1. Is a flat tax system consistent with the ability-to-pay principle? No, a flat tax is a proportional tax and doesn't reflect the ability-to-pay principle, which advocates for progressive taxation.

1. How does wealth inequality affect the application of the ability-to-pay principle? High wealth inequality necessitates a more robust application of the ability-to-pay principle to ensure equitable distribution of the tax burden.

1. What are some of the challenges in measuring ability to pay? Accurately measuring ability to pay is difficult due to factors such as income underreporting, asset valuation complexities, and fluctuating income levels.

1. Does the ability-to-pay principle always lead to greater social welfare? Not necessarily. While aimed at improving social welfare, excessively high marginal tax rates could disincentivize economic activity and have negative consequences.

1. How does international taxation affect the ability-to-pay principle? International tax avoidance and evasion strategies complicate the effective implementation of the ability-to-pay principle.

1. What are some alternative measures of ability to pay beyond income and wealth? Consumption and expenditure patterns offer alternative measures.

1. How does the ability-to-pay principle relate to vertical equity? Vertical equity, the fairness of taxation across different income levels, is directly related to the ability-to-pay principle.

1. Can the ability-to-pay principle be applied to corporations as well as individuals? Yes, the principle can be applied to corporate taxation, considering factors such as profitability, turnover, and asset value.

Related Articles

1. Progressive Taxation and Income Inequality: Explores the relationship between progressive taxation, inspired by the ability-to-pay principle, and its effectiveness in mitigating income inequality.

1. The Optimal Tax Rate: A Review of Empirical Evidence: Examines empirical research on optimal tax rates considering the trade-offs between equity and efficiency.

1. Tax Incidence and the Ability-to-Pay Principle: Analyzes how the tax burden is distributed across different income groups and its alignment with the ability-to-pay principle.

1. Tax Avoidance and Evasion Strategies: Implications for Tax Fairness: Discusses how tax avoidance and evasion strategies undermine the intended impact of the ability-to-pay principle.

1. The Role of Consumption Taxes in a Progressive Tax System: Explores the role of consumption taxes in a system aiming to achieve both equity and efficiency.

1. Wealth Taxation and the Measurement of Wealth: Focuses on the challenges and opportunities of implementing a wealth tax, which is closely tied to the ability-to-pay principle.

1. Behavioral Economics and Tax Compliance: Explores the psychological factors influencing tax compliance and their relevance for designing effective tax systems.

1. International Tax Cooperation and the Ability-to-Pay Principle: Analyzes how international tax cooperation can enhance the effectiveness of the ability-to-pay principle in a globalized economy.

1. The Ethical Foundations of Taxation: A Comparative Analysis: Examines different ethical frameworks underlying taxation and their implications for the ability-to-pay principle.

ability to pay principle definition economics: Human Rights and Taxation in Europe and the World Georg Kofler, Miguel Poiares Maduro, Pasquale Pistone, 2011 Resumen del editor: The increasing globalization and the restructuring of the European legal framework by the Treaty of Lisbon are important factors to suggest that the traditional separation of spheres between taxation and human rights should be revisited. This book examines the issues surrounding the impact of the Lisbon Treaty on the guarantee and enforcement of human rights in the area of EU (tax) law and explores the possible development and potential impact of human rights in the field of taxation in this age of global law.

ability to pay principle definition economics: Effects of Adopting a Value-added Tax , 1992

ability to pay principle definition economics: The Green Book Great Britain. Treasury, 2003 This new edition incorporates revised guidance from H.M Treasury which is designed to promote efficient policy development and resource allocation across government through the use of a thorough, long-term and analytically robust approach to the appraisal and evaluation of public service projects before significant funds are committed. It is the first edition to have been aided by a consultation process in order to ensure the guidance is clearer and more closely tailored to suit the needs of users.

ability to pay principle definition economics: General Theory Of Employment , Interest And Money John Maynard Keynes, 2016-04 John Maynard Keynes is the great British economist of the twentieth century whose hugely influential work The General Theory of Employment, Interest and * is undoubtedly the century's most important book on economics--strongly influencing economic theory and practice, particularly with regard to the role of government in stimulating and regulating a nation's economic life. Keynes's work has undergone significant revaluation in recent years, and Keynesian views which have been widely defended for so long are now perceived as at odds with Keynes's own thinking. Recent scholarship and research has demonstrated considerable rivalry and controversy concerning the proper interpretation of Keynes's works, such that recourse to the original text is all the more important. Although considered by a few critics that the sentence structures of the book are quite incomprehensible and almost unbearable to read, the book is an essential reading for all those who desire a basic education in economics. The key to understanding Keynes is the notion that at particular times in the business cycle, an economy can become over-productive (or under-consumptive) and thus, a vicious spiral is begun that results in massive layoffs and cuts in production as businesses attempt to equilibrate aggregate supply and demand. Thus, full employment is only one of many or multiple macro equilibria. If an economy reaches an underemployment equilibrium, something is necessary to boost or stimulate demand to produce full employment. This something could be business investment but because of the logic and individualist nature of investment decisions, it is unlikely to rapidly restore full employment. Keynes logically seizes upon the public budget and government expenditures as the quickest way to restore full employment. Borrowing the * to finance the deficit from private households and businesses is a quick, direct way to restore full employment while at the same time, redirecting or siphoning

ability to pay principle definition economics: The Theory of Competitive Price George Joseph Stigler, 1946

ability to pay principle definition economics: Principles of Economics Karl E. Case, Ray C. Fair, 1994 Based on the belief that economics is a way of thinking, this text motivates students with clear explanations, good graphs, lively writing, and interesting and relevant examples. This edition features a logical organization of topics, an accessible presentation, and a hands- on focus to help students learn how to solve problems and think analytically. The abundance of real- world examples and coverage of current issues both show students how relevant economic concepts are to their lives and their world. A comprehensive, high-quality, ancillary package is available, providing all the tools necessary to encourage critical thinking.

ability to pay principle definition economics: Essential Economics Matthew Bishop, 2004-05-01

ability to pay principle definition economics: An Inquiry Into the Nature and Causes of the Wealth of Nations Adam Smith, 1822

ability to pay principle definition economics: Taxation Martin O'Neill, Shepley Orr, 2018-07-19 This is the first book to give a collective treatment of philosophical issues relating to tax. The tax system is central to the operation of states and to the ways in which states interact with individual citizens. Taxes are used by states to fund the provision of public goods and public services, to engage in direct or indirect forms of redistribution, and to mould the behaviour of individual citizens. As the contributors to this volume show, there are a number of pressing and thorny philosophical issues relating to the tax system, and these issues often connect in fascinating ways with foundational questions regarding property rights, public justification, democracy, state neutrality, stability, political psychology, and other moral and political issues. Many of these deep and fascinating philosophical questions about tax have not received as much sustained attention as they clearly merit. The aim of advancing the debate about tax in political philosophy has both general and more specific aspects, ranging across both over-arching issues regarding the tax system as a whole and more specific issues relating to particular forms of tax policy. Thinking clearly about tax is not an easy task, as much that is of central importance is missed if one proceeds at too great a level of abstraction, and issues of conceptual and normative importance often only come sharply into focus when viewed against real-world questions of implementation and feasibility. Serious philosophical work on the tax system will often therefore need to be interdisciplinary, and so the discussion in this book includes a number of scholars whose expertise spans across neighbouring disciplines to philosophy, including political science, economics, public policy, and law.

ability to pay principle definition economics: *Value Added Tax* Alan Schenk, Oliver Oldman, 2007-01-22 This book integrates legal, economic, and administrative materials about value added tax. Its principal purpose is to provide comprehensive teaching tools - laws, cases, analytical exercises, and questions drawn from the experience of countries and organizations from all areas of the world. It also serves as a resource for tax practitioners and government officials that must grapple with issues under their VAT or their prospective VAT. The comparative presentation of this volume offers an analysis of policy issues relating to tax structure and tax base as well as insights into how cases arising out of VAT disputes have been resolved. The authors have expanded the coverage to include new VAT related developments in Europe, Asia, Africa and Australia. A chapter on financial services has been added as well as an analysis of significant new cases.

ability to pay principle definition economics: *Economy, Society and Public Policy* The Core Team, 2019 Economy, Society, and Public Policy is a new way to learn economics. It is designed specifically for students studying social sciences, public policy, business studies, engineering and other disciplines who want to understand how the economy works and how it can be made to work better. Topical policy problems are used to motivate learning of key concepts and methods of economics. It engages, challenges and empowers students, and will provide them with the tools to articulate reasoned views on pressing policy problems. This project is the result of a worldwide collaboration between researchers, educators, and students who are committed to bringing the socially relevant insights of economics to a broader audience.KEY FEATURESESPP does not teach microeconomics as a body of knowledge separate from macroeconomicsStudents begin their study of economics by understanding that the economy is situated within society and the biosphereStudents study problems of identifying causation, not just correlation, through the use of natural experiments, lab experiments, and other quantitative methodsSocial interactions, modelled using simple game theory, and incomplete information, modelled using a series of principal-agent problems, are introduced from the beginning. As a result, phenomena studied by the other social sciences such as social norms and the exercise of power play a roleThe insights of diverse schools of thought, from Marx and the classical economists to Hayek and Schumpeter, play an integral part in the bookThe way economists think about public policy is central to ESPP. This is introduced in Units 2 and 3, rather than later in the course.

ability to pay principle definition economics: Separate Accounting Or Unitary Apportionment? Christoph Sommer, 2011 One field where the implications of the omnipresent globalization and hereby initiated new forms of cross-border business activity are exceptionally profound is the income taxation of multinational enterprises. The contemporary worldwide norm, which was adopted in the 1930s, is the separate accounting method. Despite its longevity as the preferred means for the taxation of multinational enterprises, the erosion of tax revenues from alleged transfer price manipulations by firms has goaded public discussion on whether or not the separate accounting method is still a satisfactory solution to the problem of international income taxation. Particularly the European Commission's study Company Taxation in the Internal Market and its suggestion to replace separate accounting with unitary apportionment in the European Union has strongly accelerated the debate about the future of group taxation. In the present treatise, both abovementioned taxation concepts are elucidated as well as qualitatively and quantitatively reviewed against the background of the economic rationale for the multinational enterprise, the way it generates income and the management of its internal affairs. The highlight of this treatise is the general equilibrium model of firm behavior under unitary apportionment, which is, as will be seen, in several important respects more powerful than the usual partial equilibrium treatment of the formulary approach. The presented model, therefore, provides considerable insights regarding the tax incidence and induced real-economic distortions under unitary apportionment. Above all, this model will allow policy-makers and tax authorities to make reasonable estimates concerning potential alterations in tax revenues collected if separate accounting was replaced by unitary apportionment in the future.

ability to pay principle definition economics: *Economics: Its Concepts & Principles (w/ Agrarian Reform & Taxation)' 2007* , 2007

ability to pay principle definition economics: Principles of Political Economy John Stuart Mill, 1882

ability to pay principle definition economics: Estimating the Human Cost of Transportation Accidents Jagadish Guria, 2020-03-04 Estimating the Human Cost of Transportation Accidents: Methodologies and Policy Implications discusses the estimation methods needed to determine the monetary value of loss of life and quality of life when evaluating transportation safety programs, policies and projects. In addition, it highlights how to overcome the many challenges researchers face in choosing the right values, including estimating loss of life and life quality, examining strengths and weaknesses, and critically analyzing social costs and implications. This book will allow researchers to better formulate accurate social costs, select safety improvement values, and understand limitations.

ability to pay principle definition economics: Balance of Payments Textbook International Monetary Fund, 1996-04-15 The Balance of Payments Textbook, like the Balance of Payments Compilation Guide, is a companion document to the fifth edition of the Balance of Payments Manual. The Textbook provides illustrative examples and applications of concepts, definitions, classifications, and conventions contained in the Manual and affords compilers with opportunities for enhancing their understanding of the relevant parts of the Manual. The Textbook is one of the main reference materials for training courses in balance of payments methodology.

ability to pay principle definition economics: Handbook of Health Economics Mark V.

Pauly, Thomas G. McGuire, Pedro Pita Barros, 2011-12-05 What new theories, evidence, and policies have shaped health economics in the 21st century? Editors Mark Pauly, Thomas McGuire, and Pedro Pita Barros assemble the expertise of leading authorities in this survey of substantive issues. In 16 chapters they cover recent developments in health economics, from medical spending growth to the demand for health care, the markets for pharmaceutical products, the medical workforce, and equity in health and health care. Its global perspective, including an emphasis on low and middle-income countries, will result in the same high citations that made Volume 1 (2000) a foundational text. - Presents coherent summaries of major subjects and methodologies, marking important advances and revisions - Serves as a frequently used non-journal reference - Introduces non-economists to the best research in health economics

ability to pay principle definition economics: *Economics in One Lesson* Henry Hazlitt, 2010-08-11 With over a million copies sold, Economics in One Lesson is an essential guide to the basics of economic theory. A fundamental influence on modern libertarianism, Hazlitt defends capitalism and the free market from economic myths that persist to this day. Considered among the leading economic thinkers of the “Austrian School,” which includes Carl Menger, Ludwig von Mises, Friedrich (F.A.) Hayek, and others, Henry Hazlitt (1894-1993), was a libertarian philosopher, an economist, and a journalist. He was the founding vice-president of the Foundation for Economic Education and an early editor of The Freeman magazine, an influential libertarian publication. Hazlitt wrote Economics in One Lesson, his seminal work, in 1946. Concise and instructive, it is also deceptively prescient and far-reaching in its efforts to dissemble economic fallacies that are so prevalent they have almost become a new orthodoxy. Economic commentators across the political spectrum have credited Hazlitt with foreseeing the collapse of the global economy which occurred more than 50 years after the initial publication of Economics in One Lesson. Hazlitt’s focus on non-governmental solutions, strong — and strongly reasoned — anti-deficit position, and general emphasis on free markets, economic liberty of individuals, and the dangers of government intervention make Economics in One Lesson every bit as relevant and valuable today as it has been since publication.

ability to pay principle definition economics: ECONOMICS OF THE PUBLIC SECTOR CHANDANA GHOSH, AMBAR GHOSH, 2008-04-09 The objective of the theory of public finance is to determine the optimal scales of government interventions or expenditures in different areas and the optimum modes of financing these expenditures. The problems that the government handles are extremely complex and this makes the theory of public finance challenging and exciting at the same time. It is continuously searching for better, more acceptable and easier-to-implement solutions to the problems encountered. To help the readers get a clear idea about this fascinating field of study, this book builds up in detail the major theories of public finance starting from the first principles and explains how government decisions are taken on the basis of the guidelines yielded by these theories. This book exposes the students to various facets of public finance which develops analytical frameworks to: Address the issues of efficient allocation of resources between private, public and mixed goods Ensure equitable distribution of tax burden among individuals Find ways of minimizing inefficiency of the tax structure Study the statutory and economic incidence of different types of taxes Examine the implications of government borrowing Develop the rationale of distributing economic or fiscal responsibilities and tax powers among different tiers of government. The book makes the comprehension of the subject easier by developing simple mathematical models to derive the major results in each of the above areas, and by explaining the economic intuition of the results in detail. The concepts are illustrated with the help of simple examples from the Indian economy. Moreover, the book assesses India’s economic policies in the light of the theories discussed. This drives home the relevance of the subject and makes the theories meaningful to the students. Another distinguishing feature of the book is that it contains a large number of review questions and numerical problems on every topic discussed to help the students apply the tools and techniques learnt and thereby develop a sound understanding of the subject. This textbook is designed to serve the needs of undergraduate and postgraduate students of economics for a course in Public

Finance/Public Economics.

ability to pay principle definition economics: Tax Administration 2021 Comparative Information on OECD and other Advanced and Emerging Economies OECD, 2021-09-15 This report is the ninth edition of the OECD's Tax Administration Series. It provides internationally comparative data on aspects of tax systems and their administration in 59 advanced and emerging economies.

ability to pay principle definition economics: *The Rate and Direction of Inventive Activity* National Bureau of Economic Research, 2015-12-08 The papers here range from description and analysis of how our political economy allocates its inventive effort, to studies of the decision making process in specific industrial laboratories. Originally published in 1962. The Princeton Legacy Library uses the latest print-on-demand technology to again make available previously out-of-print books from the distinguished backlist of Princeton University Press. These editions preserve the original texts of these important books while presenting them in durable paperback and hardcover editions. The goal of the Princeton Legacy Library is to vastly increase access to the rich scholarly heritage found in the thousands of books published by Princeton University Press since its founding in 1905.

ability to pay principle definition economics: Principles of Microeconomics Karl E. Case, Ray C. Fair, 1992

ability to pay principle definition economics: Standard Transport Appraisal Methods , 2020-11-04 Standard Transport Appraisal Methods, Volume 6 in the Advances in Transport Policy and Planning series, assesses both successful and unsuccessful practices and policies from around the world. Chapters in this new release include Transport models, Cost-Benefit Analysis, Value of Travel Time Savings and reliability, Value of Statistical Life, Wider economic benefits, Multi-criteria analysis, Best-Worst Method, Participatory Value Evaluation, Ex-post evaluation, Sustainability assessment, Evaluating Transport Equity, Environmental Impact Assessment, Decision-Support Systems, Deliberative appraisal methods, Critique on appraisal methods, Appraisal methods in developing countries, Research agenda for appraisal methods, and much more. - Provides the authority and expertise of leading contributors from an international board of authors - Presents the latest release in the Advances in Transport Policy and Planning series

ability to pay principle definition economics: Taxes & You John Lee Pisciotta, 1997

ability to pay principle definition economics: Economics Howard J Sherman, E. K. Hunt, Reynold F. Nesiba, Phillip O'Hara, Barbara A. Wiens-Tuers, 2015-01-28 Introduces students to both traditional economic views and their progressive critique. This book offers a discussion of economic history and the history of economic thought, including the ideas of Karl Marx, Thorstein Veblen, and John Maynard Keynes. It also includes pedagogical tools to encourage student participation and learning.

ability to pay principle definition economics: Economic Valuation with Stated Preference Techniques Ian Bateman, 2002 This manual offers a detailed, up-to-date explanation of how to carry out stated preference techniques. The techniques use surveys to ask individuals how much they would be willing to pay or willing to accept in compensation for gains or losses of non-market goods and services. Applications of the technique include changes in air and water quality; noise nuisance; health care; risk; recorded heritage; cultural assets; habitats; Landscape and so on. It shows how to choose the most appropriate technique and how to design the questionnaires. Detailed advice on econometric analysis is provided, as well as explanation of the pitfalls that need to be avoided.

ability to pay principle definition economics: Communities in Action National Academies of Sciences, Engineering, and Medicine, Health and Medicine Division, Board on Population Health and Public Health Practice, Committee on Community-Based Solutions to Promote Health Equity in the United States, 2017-04-27 In the United States, some populations suffer from far greater disparities in health than others. Those disparities are caused not only by fundamental differences in health status across segments of the population, but also because of inequities in factors that impact health status, so-called determinants of health. Only part of an individual's health status depends on his or her behavior and choice; community-wide problems like poverty, unemployment, poor education, inadequate housing, poor public transportation, interpersonal violence, and decaying neighborhoods also contribute to health inequities, as well as the historic and ongoing interplay of structures, policies, and norms that shape lives. When these factors are not optimal in a community, it does not mean they are intractable: such inequities can be mitigated by social policies that can shape health in powerful ways. Communities in Action: Pathways to Health Equity seeks to delineate the causes of and the solutions to health inequities in the United States. This report focuses on what communities can do to promote health equity, what actions are needed by the many and varied stakeholders that are part of communities or support them, as well as the root causes and structural barriers that need to be overcome.

ability to pay principle definition economics: A Dictionary of Economics John Black, Nigar Hashimzade, Gareth Myles, 2012-03-15 This authoritative dictionary covers all aspects of economics including theory, policy, and applied micro and macroeconomics on a global scale. An essential book for professional economists as well as for students and teachers of economics, business, and finance.

ability to pay principle definition economics: Handbook of Public Economics Martin Feldstein, A.J. Auerbach, 2002-01-25 The Field of Public Economics has been changing rapidly in recent years, and the sixteen chapters contained in this Handbook survey many of the new developments. As a field, Public Economics is defined by its objectives rather than its techniques and much of what is new is the application of modern methods of economic theory and econometrics to problems that have been addressed by economists for over two hundred years. More generally, the discussion of public finance issues also involves elements of political science, finance and philosophy. These connections are evidence in several of the chapters that follow. Public Economics is the positive and normative study of government's effect on the economy. We attempt to explain why government behaves as it does, how its behavior influences the behavior of private firms and households, and what the welfare effects of such changes in behavior are. Following Musgrave (1959) one may imagine three purposes for government intervention in the economy: allocation, when market failure causes the private outcome to be Pareto inefficient, distribution, when the private market outcome leaves some individuals with unacceptably low shares in the fruits of the economy, and stabilization, when the private market outcome leaves some of the economy's resources underutilized. The recent trend in economic research has tended to emphasize the character of stabilization problems as problems of allocation in the labor market. The effects that government intervention can have on the allocation and distribution of an economy's resources are described in terms of efficiency and incidence effects. These are the primary measures used to evaluate the welfare effects of government policy.

ability to pay principle definition economics: What Money Can't Buy Michael J. Sandel, 2012 Should we pay children to read books or to get good grades? Is it ethical to pay people to test risky new drugs or to donate their organs? What about hiring mercenaries to fight our wars, outsourcing inmates to for-profit prisons, auctioning admission to elite universities, or selling citizenship to immigrants willing to pay? Isn't there something wrong with a world in which everything is for sale? In recent decades, market values have crowded out nonmarket norms in almost every aspect of life-medicine, education, government, law, art, sports, even family life and personal relations. Without quite realizing it, Sandel argues, we have drifted from having a market economy to being a market society. In What Money Can't Buy, Sandel examines one of the biggest ethical questions of our time and provokes a debate that's been missing in our market-driven age: What is the proper role of markets in a democratic society, and how can we protect the moral and civic goods that markets do not honour and money cannot buy?

ability to pay principle definition economics: Bus Transport David A. Hensher, 2020-04-17 Bus Transport: Demand, Economics, Contracting, and Policy examines in one source the most critical and current research themes of public transport relevant to regulators, planners, operators, researchers and educators. It highlights the wider economic impacts of public transport and compares energy usage across all public transport modes. The book examines the evolving debate on Mobility as a Service (MaaS) and includes discussion of such themes as; public image issues, performance measurement and monitoring, contract procurement and design models, travel choice and demand, and global public transport reform. The book reflects the leading perspectives on the preservation and health of the bus sector, intending to move public transport reform forward.

ability to pay principle definition economics: Doughnut Economics Kate Raworth, 2018-03-08 Economics is the mother tongue of public policy. It dominates our decision-making for the future, guides multi-billion-dollar investments, and shapes our responses to climate change, inequality, and other environmental and social challenges that define our times. Pity then, or more like disaster, that its fundamental ideas are centuries out of date yet are still taught in college courses worldwide and still used to address critical issues in government and business alike. That’s why it is time, says renegade economist Kate Raworth, to revise our economic thinking for the 21st century. In Doughnut Economics, she sets out seven key ways to fundamentally reframe our understanding of what economics is and does. Along the way, she points out how we can break our addiction to growth; redesign money, finance, and business to be in service to people; and create economies that are regenerative and distributive by design. Named after the now-iconic “doughnut” image that Raworth first drew to depict a sweet spot of human prosperity (an image that appealed to the Occupy Movement, the United Nations, eco-activists, and business leaders alike), Doughnut Economics offers a radically new compass for guiding global development, government policy, and corporate strategy, and sets new standards for what economic success looks like. Raworth handpicks the best emergent ideas—from ecological, behavioral, feminist, and institutional economics to complexity thinking and Earth-systems science—to address this question: How can we turn economies that need to grow, whether or not they make us thrive, into economies that make us thrive, whether or not they grow? Simple, playful, and eloquent, Doughnut Economics offers game-changing analysis and inspiration for a new generation of economic thinkers.

ability to pay principle definition economics: The Nature of the Firm Oliver E. Williamson, Sidney G. Winter, 1993 This volume features a series of essays which arose from a conference on economics, addressing the question: what is the nature of the firm in economic analysis? This paperback edition includes the Nobel Lecture of R.N. Case.

ability to pay principle definition economics: Economic Security: Neglected Dimension of National Security ? National Defense University (U S), National Defense University (U.S.), Institute for National Strategic Studies (U S, Sheila R. Ronis, 2011-12-27 On August 24-25, 2010, the National Defense University held a conference titled “Economic Security: Neglected Dimension of National Security?” to explore the economic element of national power. This special collection of selected papers from the conference represents the view of several keynote speakers and participants in six panel discussions. It explores the complexity surrounding this subject and examines the major elements that, interacting as a system, define the economic component of national security.

ability to pay principle definition economics: The Economics of Public Finance Alan S. Blinder, 1974 Monograph on public finance in the USA - includes essays on (1) analytical foundations of fiscal policy, (2) the incidence and economic implications of taxation, (3) public expenditure budgeting, and (4) state-local finance and intergovernmental fiscal relations. Graphs and references.

ability to pay principle definition economics: The Experience Economy B. Joseph Pine, James H. Gilmore, 1999 This text seeks to raise the curtain on competitive pricing strategies and asserts that businesses often miss their best opportunity for providing consumers with what they want - an experience. It presents a strategy for companies to script and stage the experiences provided by their products.

ability to pay principle definition economics: Heinemann Economics for OCR Susan Grant, Chris Vidler, 2003 This text offers clear examples, key ideas and activities to ensure full access to the economics specification. It also includes exam hints contributed by an examiner from the relevant board.

ability to pay principle definition economics: The Philosophy of Taxation and Public Finance Robert W. McGee, 2011-06-27 Most public finance books are texts, which are aimed at undergraduate or graduate students. They are overly technical in nature and appeal only to a narrow range of bureaucrats and academics. Books on taxation are written for tax practitioners and usually emphasize either what the law is or how to maneuver through the labyrinth of tax law to minimize taxes for clients. Philosophy books on taxation or public finance simply do not exist. The Philosophy of Taxation and Public Finance is different. It is written in nontechnical language and is aimed to appeal to a wide range of readers, including practitioners, academics and students in the fields of taxation, public finance, economics, law, philosophy and political science as well as general readers who are interested in learning why they are being taxed the way they are. The author addresses the major issues and topics in taxation and public finance and injects them with philosophical insights. He discusses questions such as: -What arguments have been used to justify taxation? -When is tax evasion unethical? -Are some taxes better than others? -What are the proper functions of government? -How much is enough? Is the ability to pay concept valid? -When can punitive taxes be justified?

ability to pay principle definition economics: *Tax Policy Handbook* Mr.Parthasarathi Shome, 1995-04-25 Edited by Parthasarathi Shome, this Handbook was written primarily for economists who are responsible for analyzing and evaluating economic policies of developing countries at an applied level, and who would benefit from a comprehensive discussion of the concepts, principles, and prevailing issues of taxation.

ability to pay principle definition economics: Advanced Economic Theory Tanner Wilkerson, 2018-04-08 Economics is a social science which deals with human wants and their satisfaction. It is mainly concerned with the way in which a society chooses to employ its scarce resources which have alternative uses, for the production of goods for present and future consumption. The theory of factor pricing is concerned with the principles according to which the price of each factor of production is determined and distributed. The distribution of factors of production can be of two types, namely personal and functional. Personal distribution is concerned with the distribution of income among different individuals. Public finance deals with the economics of government. It studies mainly about the income and expenditure of government. So we have to study about different aspects relating to taxation, public expenditure, public debt and so on. Oligopoly falls between two extreme market structures, perfect competition and monopoly. Oligopoly occurs when a few firms dominate the market for a good or service. This implies that when there are a small number of competing firms, their marketing decisions exhibit strong mutual interdependence. By mutual interdependence we mean that a firm's action say of setting the price has a noticeable effect on its rival firms and they are likely to react in the some way. Each firm considers the possible reaction of rivals to its price and product development decisions. In economics and particularly in industrial organization, market power is the ability of a firm to profitably raise the market price of a good or service over marginal cost. In perfectly competitive markets, market participants have no market power. A firm with total market power can raise prices without losing any customers to competitors. Market participants that have market power are therefore sometimes referred to as e;price makerse; or e;price setterse;, while those without are sometimes called e;price takerse;. Significant market power occurs when prices exceed marginal cost and long run average cost, so the firm makes profit. This unique work treats economic growth and development in terms of a theory which is applicable to an economy in the post-industrial, developing, and emerging stages.

Additional Resources

Insurance Discovery

You need to enable JavaScript to run this app. Insurance Discovery. You need to enable

JavaScript to run this app.

Insurance Discovery
You need to enable JavaScript to run this app. Insurance Discovery. You need to enable JavaScript to run this app.

Ability To Pay Principle Definition Economics

Ability To Pay Principle Definition Economics

Related Articles

- acac physical therapy pantops
- above ground pool chemistry
- abnormal breast exam icd 10

Back to Home