

## Seminar Public Economics 2, Winter Term 2023/2024

Prof. Buettner / Prof. Necker / Prof. Wrede

### Course Description:

During the seminar, participants will discuss a broad range of topics. A first set of topics is provided by the chair of Prof. Büttner, a second set by the chair of Prof. Necker, and a third set by the chair of Prof. Wrede. The list of topics below provides more details, including references and a brief research question. For each topic an advisor is announced after topics are allocated.

The seminar has two consecutive parts. **In the first part, students write a thesis (15 pages)** under the guidance of their advisor. In an introductory session, students learn about the principles of scientific work and the scope of analysis that is expected. The thesis elaborates on the literature (see the list of topics for the main article(s) to be covered). Students are expected to search for additional literature and then work independently on their topic. Advisors provide close guidance during this process. **The deadline to hand in the thesis is January 08, 2024. The second part consists of a two-day seminar (January 25 and January 26, 2024) of students' presentations.** Before preparing their presentations, supervisors will provide students with detailed feedback on their thesis. During the seminar students present their thesis. Each presenter has 25 minutes for her/his presentation, followed by 25 minutes of discussion.

### Organisational details and grading:

- The seminar is jointly organized by the chairs of Prof. Buettner, Prof. Necker and Prof. Wrede.
- Students who want to participate should express their interest by submitting a participation form (see webpage of Prof. Buettner's chair) to [william.dean@fau.de](mailto:william.dean@fau.de) until **August 4, 2023**.
- Please indicate your preferred topics. Preference will be given to the earliest submissions.
- After being assigned to a specific topic, students can repeal their participation within a week's time. After that deadline has passed, participation in the seminar is mandatory. Students not handing in a thesis in time will be graded a 5.0.
- Please note that the maximum number of participants is 10 students.
- Additional information on how to write a seminar paper, how to search for literature, etc. will be provided in an introductory session.
- Grading: The overall grade will reflect the quality of the thesis (50%), the presentation in the seminar (30%), and the student's contributions to the discussion following each of the presentations (20%).

## List of Topics

### Block 1: Public economics (Chair Prof. Büttner)

#### 1. Local Tax Policy Interaction

Q: Do local governments react to their neighbors' tax policy setting?

Merlo, V., Schanbacher, A., Thunecke, G., & Wamser, G. (2023). Identifying Tax-Setting Responses from Local Fiscal Policy Programs. CESifo Working Paper, No. 10473.

Lyytikäinen, T. (2012). Tax competition among local governments: Evidence from a property tax reform in Finland. *Journal of Public Economics*, 96(7-8), 584-595.

#### 2. Inheritance and wealth inequality

Q: What is the influence of inheritance on wealth inequality?

Nekoei, A., & Seim, D. (2023). How do inheritances shape wealth inequality? Theory and evidence from Sweden. *The Review of Economic Studies*, 90(1), 463-498.

Boserup, S. H., Kopczuk, W., & Kreiner, C. T. (2016). The role of bequests in shaping wealth inequality: evidence from Danish wealth records. *American Economic Review*, 106(5), 656-661.

#### 3. "Ghost firms"

Q: What can be done to reduce the presence of missing traders or invoice mills?

Shah, J. A. (2023). Using Computerized Information to Enforce VAT: Evidence from Pakistan. *Oxford University Centre for Business Taxation Working Paper*.

Waseem, M. (2023). Overclaimed refunds, undeclared sales, and invoice mills: Nature and extent of noncompliance in a value-added tax. *Journal of Public Economics*, 218, 1047-83.

#### 4. Property Rights Reform and Sex Selection Bias

Q: How do reforms in property rights influence demography?

Almond, D., Li, H., & Zhang, S. (2019). Land reform and sex selection in China. *Journal of Political Economy*, 127(2), 560-585.

Bhalotra, S., Chakravarty, A., Mookherjee, D., & Pino, F. J. (2019). Property rights and gender bias: Evidence from land reform in West Bengal. *American Economic Journal: Applied Economics*, 11(2), 205-237.

## **Block 2: Behavioral public economics and political economy (Chair Prof. Necker)**

### **5. Moving up the social ladder**

Q: What determines perceptions about social mobility?

Alesina, A., Stantcheva, S., & Teso, E. (2018). Intergenerational mobility and preferences for redistribution. *American Economic Review*, 108(2), 521-554.

Hvidberg, K. B., Kreiner, C., & Stantcheva, S. (2020). Social positions and fairness views on inequality (No. w28099). National Bureau of Economic Research.

### **6. Non-take up rates**

Q: What drives take-up rates for public benefits?

Linos, E., Prohofsky, A., Ramesh, A., Rothstein, J., & Unrath, M. (2022). Can nudges increase take-up of the EITC? Evidence from multiple field experiments. *American Economic Journal: Economic Policy*, 14(4), 432-452.

Finkelstein, A., & Notowidigdo, M. J. (2019). Take-up and targeting: Experimental evidence from SNAP. *The Quarterly Journal of Economics*, 134(3), 1505-1556.

### **7. Public support for climate change policies**

Q: What drives public support for climate change policies?

Dechezleprêtre, A., Fabre, A., Kruse, T., Planterose, B., Chico, A. S., & Stantcheva, S. (2022). Fighting climate change: International attitudes toward climate policies (No. w30265). National Bureau of Economic Research.

Andre, P., Boneva, T., Chopra, F., & Falk, A. (2021). Fighting climate change: The role of norms, preferences, and moral values. CESifo Working Paper No. 9175.

### **8. Effectiveness of emission reduction policies**

Q: Which public policies are more effective in achieving emission reduction goals?

Hahn, R. W., & Metcalfe, R. D. (2021). Efficiency and equity impacts of energy subsidies. *American Economic Review*, 111(5), 1658-1688.

Andersson, J. J. (2019). Carbon taxes and CO2 emissions: Sweden as a case study. *American Economic Journal: Economic Policy*, 11(4), 1-30.

### **Block 3: Public Economics and Spatial Economics (Chair Prof. Wrede)**

#### **9. Comparison of Welfare Effects of Different Government Policies**

Q: Is it possible to compare the welfare effects of different public policies and what are the differences?

Hendren, Nathaniel & Sprung-Keyser, Ben (2020). A Unified Welfare Analysis of Government Policies. *Quarterly Journal of Economics*, 135(3). 1209-1318.

#### **10. Intergenerational Mobility and the Timing of Parental Income**

Q: How do adult outcomes of children depend on parental income (and the timing of investments in children) during their childhood years?

Carneiro, Pedro, López García, Italo, Salvanes, Kjell G. & Tominey, Emma (2021). Intergenerational Mobility and the Timing of Parental Income. *Journal of Political Economy*, 129(3). 757-788.

#### **11. Historical Pollution and Persistent Neighborhood Sorting**

Q: Is there persistent neighborhood sorting and what are the causes and implications?

Heblich, Stephan, Trew, Alex & Zylberberg, Yanos (2021). East-Side Story: Historical Pollution and Persistent Neighborhood Sorting. *Journal of Political Economy*, 129(5). 1508-1552.

#### **12. Natural Disasters and Relocation of Economic Activities**

Q: Do natural disasters lead to a permanent spatial relocation of economic activities?

Kocornik-Mina, Adriana, McDermott, Thomas K. J., Michaels, Guy & Rauch, Ferdinand (2020). Flooded Cities. *American Economic Journal: Applied Economics*, 12(2). 35-66.