

Seminar Public Economics 2, Winter Term 2024/2025

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 reference(s) 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 8, 2025. The second part consists of a two-day seminar (January 23 and January 24, 2025) 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 until **August 5, 2024**.
- 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.
- 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%).
- In the discussion session, **two students will be assigned for "Lead Questions"** on topics to which they are not assigned, which will be known beforehand. These students are expected to provide **at least one substantive comment** related to the topic that was presented. After the two students have asked their questions, other students may proceed with asking their own questions regarding the topic.

List of Topics

Block 1: Public economics (Chair Prof. Büttner)

1. Tax base mobility and taxation

Q: How does tax base mobility impact local tax setting?

Langenmayr, D., & Simmler, M. (2021). Firm mobility and jurisdictions' tax rate choices: Evidence from immobile firm entry. *Journal of Public Economics*, 204, 104530.

2. Clientelism and Local Public Expenditures

Q: What role does regional favoritism play in determining local public expenditures?

Do, Q. A., Nguyen, K. T., & Tran, A. N. (2017). One mandarin benefits the whole clan: hometown favoritism in an authoritarian regime. *American Economic Journal: Applied Economics*, 9(4), 1-29.

3. "Retirement Puzzles"

Q: Why do individuals save more after retirement?

Olafsson, A., & Pagel, M. (2024). Retirement puzzles: New evidence from personal finances. *Journal of Public Economics*, 234, 105103.

4. Macroeconomic Effects of Tax Changes

Q: What effects do taxes have on the economy?

Nguyen, A. D., Onnis, L., & Rossi, R. (2021). The macroeconomic effects of income and consumption tax changes. *American Economic Journal: Economic Policy*, 13(2), 439-466.

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

5. Economics of Ageing

Q: How can retirement policies contribute to labor market dynamics?

Gudgeon, M., Guzman, P., Schmieder, J. F., Trenkle, S., & Ye, H. (2023). *When Institutions Interact: How the Effects of Unemployment Insurance are Shaped by Retirement Policies* (No. w31807). National Bureau of Economic Research.

6. Economics of Ageing (continued)

Q: How does the retirement decision affect individuals health and income post retirement?

Kuhn, A., Staubli, S., Wuellrich, J. P., & Zweimüller, J. (2020). Fatal attraction? Extended unemployment benefits, labor force exits, and mortality. *Journal of Public Economics*, 191, 104087.

7. Tax Professionals and Tax Behaviour

Q: What is the effect of tax professionals on tax declarations?

Zwick, E. (2021). The costs of corporate tax complexity. *American Economic Journal: Economic Policy*, 13(2), 467-500.

8. Tax Filing

Q: What are the consequences and determinants of tax (non-)filing?

Hauck, T. & Wallosek, L. (2024). Optional (Non-) Filing and Effective Taxation. Accepted at *Journal of Public Economics*. (link: https://www.dropbox.com/s/z9mv19h3fwpb45u/Hauck_Wallosek_Tax_Non_Filing.pdf?e=2&dl=0)

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

9. Political Determinants of Tax Compliance

Q: How do political alignment and perceptions of government spending influence tax paying behavior?

Cullen, J. B., Turner, N., & Washington, E. (2021). Political Alignment, Attitudes toward Government, and Tax Evasion. *American Economic Journal: Economic Policy* 13 (3). 135-166.

10. Long-term Effects of Government Repression

Q: What are the long-run effects of government repression on the economy and society?

Lichter, A., Löffler, M., & Sieglöcher, S. (2021). The Long-term Costs of Government Surveillance: Insights from Stasi Spying in East Germany. *Journal of the European Economic Association* 19 (2). 741-789.

11. Limited Choice over Housing Units and Targeting

Q: Is freedom of choice in the selection of housing units in the context of social housing associated with a trade-off between efficiency and redistribution?

Waldinger, D. (2021). Targeting In-Kind Transfers through Market Design: A Revealed Preference Analysis of Public Housing Allocation. *American Economic Review* 111 (8). 2660-2696.

12. Local Economic and Political Effects of Free Trade Agreements

Q: How do free trade agreements affect different employment groups? How do negative employment effects of free trade agreements affect the voting behavior of those affected?

Choi, J., Kuziemko, I., Washington, E., & Wright, G. (2024). Local Economic and Political Effects of Trade Deals: Evidence from NAFTA. *American Economic Review*, 114 (6). 1540-1575.