

## Seminar Public Economics 1, Summer Term 2025

Prof. Büttner / 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. A supervisor is specified for each topic or will be announced after the topic has been assigned.

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 June 13, 2025. The second part consists of a two-day seminar (July 10-11, 2025) of students' presentations. Attendance at the two-day seminar is compulsory.** 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. Büttner, Prof. Necker and Prof. Wrede.
- Students who want to participate should express their interest by submitting a participation form (see webpage of Prof. Wrede's chair) to [elisa.poletto@fau.de](mailto:elisa.poletto@fau.de) until **February 21, 2025**.
- Please indicate your preferred topics. Preference will be given to the earliest submissions. Students are assigned to a specific topic in a timely manner.
- 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%).
- In the discussion section, two students will be assigned for "Lead Comments" on topics to which they are not assigned, which will be known beforehand. These students are expected to make two substantive comments related to the topic that was presented. Afterwards other students may proceed with asking their own questions regarding the topic.

## List of Topics

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

#### 1. Anomalies in consumption tax incidence

Q: How do prices respond to VAT rate changes?

Benzarti, Y., Carloni, D., Harju, J., Kosonen, T. (2020). What goes up may not come down: asymmetric incidence of value-added taxes. *Journal of Political Economy*, 128(12), 4438–4474.

#### 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. FEMA programs and disaster losses

Q: How do preventive FEMA programs affect disaster losses?

Davlasheridze, M., Fisher-Vanden, K. & Klaiber, A. (2017). The effects of adaptation measures on hurricane induced property losses: Which FEMA investments have the highest returns? *Journal of Environmental Economics and Management*, 81, 93 – 114.

#### 4. 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.

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

### **5. Nudges and Tax Compliance**

Q: Can governments use nudges to increase tax compliance?

Michael Hallsworth, John A. List, Robert D. Metcalfe, Ivo Vlaev. 2017. "The behavioralist as tax collector: Using natural field experiments to enhance tax compliance". *Journal of Public Economics*, Volume 148, Pages 14-31, ISSN 0047-2727, <https://doi.org/10.1016/j.jpubeco.2017.02.003>.

### **6. Wealth Taxation**

Q: What are the behavioral responses to wealth taxation?

Jakobsen, K., Kleven, H., Kolsrud, J., Landais, C., & Muñoz, M. (2024). Taxing Top Wealth: Migration Responses and their Aggregate Economic Implications (No. w32153). National Bureau of Economic Research.

### **7. Politics and Bureaucracy**

Q: How do politicians affect the efficiency of bureaucracy?

Gratton, Gabriele, Luigi Guiso, Claudio Michelacci, and Massimo Morelli. 2021. "From Weber to Kafka: Political Instability and the Overproduction of Laws." *American Economic Review*, 111 (9): 2964–3003. DOI: 10.1257/aer.20190672

### **8. Narratives and Voting**

Q: How do narratives shape political attitudes?

Ochsner, Christian, and Felix Roesel. 2024. "Activated History: The Case of the Turkish Sieges of Vienna." *American Economic Journal: Applied Economics*, 16 (3): 76–112. DOI: 10.1257/app.20190686

## **Block 3: Public economics and spatial economics (Chair Prof. Wrede)**

### **9. The benefits from homeownership**

Q: What causal effect does owner-occupied residential property have on the owners?

Sodini, P., Van Nieuwerburgh, S., Vestman, R., & von Lilienfeld-Toal, U. (2023). Identifying the Benefits from Homeownership: A Swedish Experiment. *American Economic Review* 113 (12). 3173-3212

### **10. Social impact of evictions**

Q: What are the causal social effects of eviction? Do evictions cause poverty and homelessness?

Collinson, R., Humphries, J.E., Mader, N., Reed, D., Tannenbaum, D., & van Dijk, W. (2024). Eviction and Poverty in American Cities. *Quarterly Journal of Economics* 139 (1). 57-120.

### **11. Cash transfers vs in-kind transfers in the event of price fluctuations**

Q: Do in-kind transfers serve as insurance against price fluctuations? What are the welfare effects?

Gadenne, L., Norris, S., Singhal, M., & Sukhtankar, S. (2024). In-Kind Transfers as Insurance. *American Economic Review* 114 (9). 2861-2897.

### **12. Change in income inequality over time**

Q: How has income inequality developed over time? What data and measurement methods are available and what are their advantages and disadvantages?

Auten, G., & Splinter, D. (2024). Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends. *Journal of Political Economy* 132 (7). 2179-2227.