

Seminar Public Economics 1, Summer Term

2020 Prof. Buettner/Prof. Rincke/Prof. Wrede

Course Description:

During the seminar, participants will discuss a broad range of topics. A first set of topics address questions related to **spatial and public economics** (Prof. Wrede). A second set relates to issues **behavioral and public economics** (Prof. Rincke). Finally, the seminar also deals with other **issues in public economics** (Prof. Büttner). The list of topics below provides more details, including references and brief comments on the research questions covered in the respective literature.

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 second part consists of a blocked seminar (July 2nd/3rd) of students' presentations.** Before preparing their presentations, supervisors will provide students with detailed feedback on their thesis.

Organisational details and grading:

The seminar is jointly organized by the chairs of Prof. Buettner, Prof. Rincke, and Prof. Wrede.

Students who want to participate should express their interest by submitting a participation form (see webpage of Prof. Rincke's chair) to

katharina.adler@fau.de until **February 10th, 2020**.

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%). To pass the seminar, students must obtain at least a grade of 4.0 in each of the parts.

List of Topics

Block 1: Spatial and Public Economics (Prof. Wrede)

1. Effects of Industrial Policy (n.a.)

Q: What are the effects of investment subsidy programs for economically disadvantaged areas on jobs and unemployment?

Criscuolo, Chiara, Ralf Martin, Henry G. Overman, and John Van Reenen. 2019. "Some Causal Effects of an Industrial Policy." *American Economic Review*, 109 (1): 48-85.

2. Urban Growth (n.a.)

Q: What is the impact of urban destruction on urban growth?

Hornbeck, Richard, and Daniel Keniston. 2017. "Creative Destruction: Barriers to Urban Growth and the Great Boston Fire of 1872." *American Economic Review*, 107 (6): 1365-1398.

3. Intergroup Contact and Nation Building (n.a.)

Q: What are the long-run effects of intergroup contact on national integration?

Bazzi, Samuel, Arya Gaduh, Alexander D. Rothenberg, and Maisy Wong. 2019. "Unity in Diversity? How Intergroup Contact Can Foster Nation Building." *American Economic Review*, 109 (11): 3978-4025.

4. Rent Control (n.a.)

Q: What are the effects of rent control expansions on tenants, property owners and inequality?

Diamond, Rebecca, Tim McQuade, and Franklin Qian. 2019. "The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco." *American Economic Review*, 109 (9): 3365-3394

Block 2: Behavioral and Public Economics (Prof. Rincke)

5. Consumers as Tax Auditors (n.a.)

Q: Can incentives for consumers to ask for receipts and thereby monitor firms contribute to making firms more tax compliant?

Naritomi, Joana (2019), Consumers as Tax Auditors, *American Economic Review* 2019, 109(9): 3031–3072.

6. The Effect of Incentives and Services on College Achievement (n.a.)

Q: Many college and university students struggle and take much longer to finish than the nominal completion time. Can monetary incentives and improved student services help students to become more successful?

Angrist, Joshua, Lang, Daniel, and Oreopoulos, Philip (2009), Incentives and Services for College Achievement: Evidence from a Randomized Trial, *American Economic Journal: Applied Economics* 2009, 1(1), 136–163.

7. Do Women Give Up Competing More Easily? (n.a.)

Q: How does competitive behavior differ between women and men? Can the differences explain gender effects in labor market outcomes?

Buser, T., & Yuan, H. (2019). Do women give up competing more easily? Evidence from the lab and the Dutch Math Olympiad. *American Economic Journal: Applied Economics*, 11(3), 225-52.

8. Children and Gender Inequality (n.a.)

Q: How does having children affect labor market outcomes? Are women affected differently than men from having children?

Kleven, H., Landais, C., & Sørensen, J. E. (2019). Children and Gender Inequality: Evidence from Denmark, *American Economic Journal: Applied Economics* 11(4), 181–209.

Block 3: Issues in Public Economics (Prof. Büttner)

9. Balanced Budget Rules

Q: What are the effects of constitutional-level balanced budget rules on fiscal outcomes?

Asatryan, Z., Castellón, C., Stratmann, T. (2018). Balanced budget rules and fiscal outcomes: Evidence from historical constitutions. *Journal of Public Economics*, 167, 105-119.

10. Political Biases in Revenue Forecasting

Q: Do politicians manipulate revenue forecasts?

Beetsma, R., Giuliodori, M., Walschot, M., Wierdsma, P. (2013). Fifty years of fiscal planning and implementation in the Netherlands. *European Journal of Political Economy*, 31, 119-138.

Chatagny, F. (2015). Incentive effects of fiscal rules on the finance minister's behavior: Evidence from revenue projections in Swiss Cantons. *European Journal of Political Economy*, 39, 184-200.

11. Artificial Intelligence

Q: What is the effect of artificial intelligence on the future of labor markets?

Acemoglu, D., Restrepo, P. (2018). Artificial intelligence, automation and work. *Working Paper National Bureau of Economic Research*, w24196.

12. Willingness to Pay for Environmental Quality

Q: What can be learned from alternative identification strategies?

Levinson, A. (2012). Valuing public goods using happiness data: The case of air quality. *Journal of Public Economics*, 96(9-10), 869-880.

Chay, K. Y., Greenstone, M. (2005). Does air quality matter? Evidence from the housing market. *Journal of Political Economy*, 113(2), 376-424.