

Seminar Public Economics 1, Summer Term 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. 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 07, 2024. The second part consists of a two-day seminar (June 27-28, 2024) 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. Buettner, 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 ramona.v.mueller@fau.de until **February 23, 2024**.
- Please indicate your preferred topics. Preference will be given to the earliest submissions. Students are assigned to a specific topic in a timely manner.
- The official registration period for the exam at Campo is **April 29-April 30, 2024**, after which registration and deregistration are no longer possible.
- 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. Clientelism and Local Public Expenditures

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

Carozzi, F., & Repetto, L. (2016). Sending the pork home: Birth town bias in transfers to Italian municipalities. *Journal of Public Economics*, 134, 42-52.

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.

2. Consequences of Recreational Marijuana Legalization

Q: How does recreational cannabis's legalization affect socioeconomic outcomes?

Dave, D. M., Liang, Y., Muratori, C., & Sabia, J. J. (2023). *The effects of recreational marijuana legalization on employment and earnings* (No. w30813). National Bureau of Economic Research.

Sabia, J. J., Dave, D. M., Alotaibi, F., & Rees, D. I. (2021). *Is recreational marijuana a gateway to harder drug use and crime?* (No. w29038). National Bureau of Economic Research.

3. Sports Events and Domestic Violence

Q: How do sports events influence patterns of domestic violence?

Card, D., & Dahl, G. B. (2011). Family violence and football: The effect of unexpected emotional cues on violent behavior. *The Quarterly Journal of Economics*, 126(1), 103-143.

Ivandić, R., Kirchmaier, T., Saeidi, Y., & Blas, N. T. (2024). Football, alcohol, and domestic abuse. *Journal of Public Economics*, 230, 105031.

4. Local Government Reserves

Q: What drives the accumulation of local government reserves in the U.S.?

Pierson, K., Thompson, J. C., and Thompson, F. (2022). Accounting for the State Fixed Effect for Municipal Cash Reserves: The Role of Financial and Institutional Variables. *Public Finance Review*, 50(2), 169-205.

Gorina, E., Maher, C. and Park, S. (2019). Toward a Theory of Fiscal Slack. *Public Budgeting & Finance*, 39(4), 48-74.

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

5. 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.

6. Reference Points and Retirement Behavior

Q: What is the impact of the retirement age on retirement behavior?

Seibold, Arthur. 2021. "Reference Points for Retirement Behavior: Evidence from German Pension Discontinuities." *American Economic Review*, 111 (4): 1126-65.

Lalive, Rafael, Arvind Magesan, and Stefan Staubli. 2023. "How Social Security Reform Affects Retirement and Pension Claiming." *American Economic Journal: Economic Policy*, 15 (3): 115-50.

7. Tax Professionals and Tax Behavior

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

Zwick, Eric. 2021. "The Costs of Corporate Tax Complexity." *American Economic Journal: Economic Policy*, 13 (2): 467-500.

Battaglini, M., Guiso, L., Lacava, C., & Patacchini, E. (2020). Tax professionals and tax evasion. NBER Working Paper No, 25745.

8. Complexity as a Screening Device? Non-Take up of Transfers

Q: Are transfer schemes intentionally complex to maintain a screening device?

Kleven, Henrik Jacobsen, and Wojciech Kopczuk. 2011. "Transfer Program Complexity and the Take-Up of Social Benefits." *American Economic Journal: Economic Policy*, 3 (1): 54-90.

Deshpande, Manasi, and Yue Li. 2019. "Who Is Screened Out? Application Costs and the Targeting of Disability Programs." *American Economic Journal: Economic Policy*, 11 (4): 213-48.

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

9. Effects of Unequal Voting Rights

Q: How do unequal voting rights affect political and economic outcomes?

Becker, S., & Hornung, E. (2020). The Political Economy of the Prussian Three-Class Franchise. *The Journal of Economic History* 80(4). 1143-1188.

10. The Great Migration in the US: Inequality, segregation, and social mobility

Q: How has the Great Migration in the USA shaped temporary and lasting social patterns?

Derenoncourt, E. (2022). Can You Move to Opportunity? Evidence from the Great Migration. *American Economic Review* 112 (2). 369-408.

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. Preferences for Policies Addressing Global Inequality

Q: What are the determinants and consequences of preferences for measures to combat global inequality?

Fehr, D., Mollerstrom, J. & Perez-Truglia, R. (2022). Your Place in the World: Relative Income and Global Inequality. *American Economic Journal: Economic Policy* 14 (4). 232-268.