

## **Economics of Social Policy (Master's seminar)**

**Prof. Dr. Matthias Wrede / Michael Göschl / Ramona Müller**

### **Affordability Crisis**

#### **Tasks, Deliverables, Deadlines**

1. **Seminar paper:** Write a seminar paper of approximately 10 pages (excluding the title page, table of contents, and bibliography). The seminar paper should provide a short literature review and a structured summary of the assigned research paper, covering its research question, methodology, results, robustness checks, external validity, and related aspects.
  - Submittal deadline: 2 weeks before the block seminar
2. **Presentation:** Present the seminar paper during the block seminar (15 slides)
  - Submittal deadline: 1 week before block seminar
3. **Co-presentation:** Serve as a discussant for another student's assigned research paper in the block seminar. The co-presentation should offer a critical assessment of the published research paper, identifying potential limitations, methodological concerns, or alternative interpretations (5 slides).
  - Submittal deadline: 1 week before block seminar
4. **Defense:** Following the co-presenter's critique, the original presenter will respond to the points raised, defending or qualifying the findings of the assigned research paper (3 slides).
  - Submittal deadline: 2 days before block seminar

#### **Topics**

##### **1) India: Housing regulation and rural-urban migration**

- **Paper:** Dutta, A., Gandhi, S., & Green, R. K. (2025). Do housing regulations affect rural–urban migration? Evidence from rent control in India. *Journal of Economic Geography*, 25(6), 873–898. <https://doi.org/10.1093/jeg/lbaf021>
- **Affordability angle:** Analysis of how rent control and eviction laws impact rural–urban migration and labor markets

##### **2) India: Insecure property rights and housing market failure**

- **Paper:** Gandhi, S., Green, R., & Patranabis, S. (2022). Insecure property rights and the housing market: Explaining India's housing vacancy paradox. *Journal of Urban Economics*, 131, 103490. <https://doi.org/10.1016/j.jue.2022.103490>
- **Affordability angle:** Analysis of the effect of insecure property rights on rent levels and vacancy rates

##### **3) Germany (Berlin): Strict rent cap and supply-side responses**

- **Paper:** Hahn, K. (2024). Short-term effects of the rent freeze in Berlin. *Management Science*. <https://doi.org/10.1287/mnsc.2023.4775>
- **Affordability angle:** Examination of the trade-off between price and quantity, strategic landlord behavior, and market spillovers.

#### 4) Germany: Housing costs and measured inequality (after housing expenditure)

- **Paper:** Dustmann, C., Fitzenberger, B., & Zimmermann, M. (2022). Housing expenditure and income inequality. *The Economic Journal*, 132(645), 1709–1736.  
<https://doi.org/10.1093/ej/ueab097>
- **Affordability angle:** Evaluation of “after-housing” income as a welfare metric and the distributional consequences of housing-cost trends in Germany.

#### 5) US: Land-use regulation as a driver of housing unaffordability

- **Paper:** Glaeser, E. L., Gyourko, J., & Saks, R. E. (2005). Why is Manhattan so expensive? Regulation and the rise in housing prices. *The Journal of Law and Economics*, 48(2), 331–369.  
<https://doi.org/10.1086/429979>
- **Affordability angle:** Assessment of regulatory wedges, supply elasticity, the measurement of a “regulatory tax,” and alternative explanations.

#### 6) US: Macro costs of local housing supply constraints

- **Paper:** Hsieh, C.-T., & Moretti, E. (2019). Housing constraints and spatial misallocation. *American Economic Journal: Macroeconomics*, 11(2), 1–39.  
<https://doi.org/10.1257/mac.20170388>
- **Affordability angle:** Analysis of housing supply constraints as a macroeconomic drag, including welfare impacts and counterfactual scenarios.

#### 7) US: Health insurance affordability: premium subsidies and take-up

- **Paper:** Finkelstein, A., Hendren, N., & Shepard, M. (2019). Subsidizing health insurance for low-income adults: Evidence from Massachusetts. *American Economic Review*, 109(4), 1530–1567. <https://doi.org/10.1257/aer.20171455>
- **Affordability angle:** Discussion of the demand for insurance, effects of bunching and discontinuities, and the balance between moral hazard, selection, and welfare.

#### 8) US: Childcare affordability and maternal labor supply

- **Paper:** Baker, M., Gruber, J., & Milligan, K. (2008). Universal child care, maternal labor supply, and family well-being. *Journal of Political Economy*, 116(4), 709–745.  
<https://doi.org/10.1086/591908>
- **Affordability angle:** Evaluation of large-scale policy rollouts, family outcomes beyond labor supply, and external effects.

#### 9) US: Food affordability and long-run economic outcomes

- **Paper:** Hoynes, H., Schanzenbach, D. W., & Almond, D. (2016). Long-run impacts of childhood access to the safety net. *American Economic Review*, 106(4), 903–934.  
<https://doi.org/10.1257/aer.20130375>
- **Affordability angle:** Analysis of staggered policy rollouts and childhood exposure, linking early-life resource access to long-term adult outcomes.

## 10) US: Energy affordability, nonlinear pricing, and incidence

- **Paper:** Borenstein, S. (2012). The redistributive impact of nonlinear electricity pricing. *American Economic Journal: Economic Policy*, 4(3), 56–90. <https://doi.org/10.1257/pol.4.3.56>
- **Affordability angle:** Investigation of tariff design, its potential regressivity, and the overall distributional welfare impact.

### Study and examination achievements, calculation of module grade

- Seminar paper (50%), presentation, discussion, defense (50%)
- In-person attendance of the 2-day block seminar is mandatory for all seminar participants.
- Paper, presentation, critique, and defense must be sent by email at the specified times to [matthias.wrede@fau.de](mailto:matthias.wrede@fau.de), [michael.goeschl@fau.de](mailto:michael.goeschl@fau.de), and [ramona.v.mueller@fau.de](mailto:ramona.v.mueller@fau.de)

### Dates

- Registration via StudOn (with topic preferences): starting March 2, 2026 (first come, first served; maximum 10 participants)
- Exam registration and deregistration: April 27 and 28, 2026
- Submission of seminar paper (by email): June 3, 2026
- Submission of presentation and co-presentation (by email): June 11, 2026
- Submission of defense (by email): June 16, 2026
- Block seminar (presentations): June 18-19, 2026, LG 5.154 + LG 0.143

### Access to materials/literature/registration:

- StudOn

### Contact us

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