

Seminar Public Economics 1

Summer Term 2022

Prof. Büttner / Prof. Wrede

Course Description:

During the seminar, participants will discuss a broad range of topics. A first set of topics address questions related to **public economics** (Prof. Büttner). A second set relates to **public and spatial economics** (Prof. Wrede). The list of topics below provides more details, including references and 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 deadline to hand in the thesis is June 23, 2022.

The second part consists of a two-day seminar (July 14-July 15, 2022) 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. Büttner 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 sebastian.ach@fau.de until **February 20, 2022**.
- 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%).

List of Topics

Block 1: Public economics (Prof. Büttner)

1. Public Spending and Volunteering

Q: Does public spending crowd out volunteering?

Hackl, F., Halla, M., Pruckner, G. J. (2012). Volunteering and the State. *Public Choice*, 151(3-4), 465-495.

Bartels, K. P., Cozzi, G., Mantovan, N. (2013). "The Big Society," Public Expenditure, and Volunteering. *Public Administration Review*, 73(2), 340-351.

2. Climate Policy and the Induced Innovation Hypothesis

Q: Can government intervention influence the direction of technical change and induce "clean" innovation?

Calel, R., Dechezleprêtre, A. (2016). Environmental policy and directed technological change: evidence from the European carbon market. *Review of economics and statistics*, 98(1), 173-191.

Aghion, P., Dechezleprêtre, A., Hemous, D., Martin, R., Van Reenen, J. (2016). Carbon taxes, path dependency, and directed technical change: Evidence from the auto industry. *Journal of Political Economy*, 124(1), 1-51.

3. Accounting in the Public Sector

Q: Has the introduction of accrual accounting affected public policy?

Christofzik, D. I. (2019). Does accrual accounting alter fiscal policy decisions? Evidence from Germany. *European Journal of Political Economy*, 60, 101805.

Dorn, F., Gaebler, S., Roesel, F. (2021). Ineffective fiscal rules? The effect of public sector accounting standards on budgets, efficiency, and accountability. *Public Choice*, 186(3), 387-412.

4. Special Economic Zones

Q: What was the effect of China's Special Economic Zones on China's economic development?

Lu, Y., Wang, J., Zhu, L. (2019). Place-based policies, creation, and agglomeration economies: Evidence from China's economic zone program. *American Economic Journal: Economic Policy*, 11(3), 325-60.

Wang, J. (2013). The economic impact of special economic zones: Evidence from Chinese municipalities. *Journal of development economics*, 101, 133-147.

5. Municipal Mergers

Q: What are the fiscal effects of municipal mergers?

Blesse, S., Baskaran, T. (2016). Do municipal mergers reduce costs? Evidence from a German federal state. *Regional Science and Urban Economics*, 59, 54-74.

Allers, M. A., Geertsema, J. B. (2016). The effects of local government amalgamation on public spending, taxation, and service levels: Evidence from 15 years of municipal consolidation. *Journal of Regional Science*, 56(4), 659-682.

Block 2: Public and spatial economics (Prof. Wrede)

6. Interregional Transfers, Equity, and Welfare

Q: How do interregional transfers affect regional disparities and economic welfare?

Henkel, M., Seidel, T. & Suedekum, J. (2021). Fiscal Transfers in the Spatial Economy. *American Economic Journal: Economic Policy* 13 (4). 433-468.

7. Federal Income Tax in a Country with Multiple Regions

Q: How does the federal income tax affects a country with multiple regions and heterogeneous workers?

Colas, M. & Hutchinson, K. (2021). Heterogeneous Workers and Federal Income Taxes in a Spatial Equilibrium. *American Economic Journal: Economic Policy* 13 (2). 100-134.

8. Local Border Reforms and Economic Activity

Q: What are the effects of local territorial changes on economic development?

Egger, P.H., Koethenbueger, M. & Loumeau, G. (2022). Local Border Reforms and Economic Activity. *Journal of Economic Geography* 22(1). 81-102.

9. Tax Compliance Costs

Q: How large are tax compliance costs?

Benzarti, Y. (2020). How Taxing Is Tax Filing? Using Revealed Preferences to Estimate Compliance Costs. *American Economic Journal: Economic Policy* 12 (4). 38-57.

10. Cooperative Property Rights and Economic Development

Q: Do cooperative property rights reduce economic development?

Montero, E. (2022). Cooperative Property Rights and Development: Evidence from Land Reform in El Salvador. *Journal of Political Economy* 130 (1). 48-93.