

Seminar: Theoretical Advances in Public Economics

Contents

In this seminar, we will discuss various recent research contributions on different aspects of public economics. Public economics is the study of government policy focusing on economic efficiency and equity. The topics we might discuss in the seminar span a wide range of issues, including e.g. taxes and subsidies, government expenditures, market failures, optimal regulation, minimum wages, retirement policies, employment protection legislation, wealth and poverty, family policies, migration, education, active labor market policies, and much more. The specific selection of topics varies from year to year. In all topics, theoretical models are used to analyze economic and social problems.

Structure

In the kick-off session, each student will choose one of the available research articles. The content of the articles will be presented and discussed in group meetings in the second half of the semester. Students are expected to write a seminar paper (about 12-15 pages), which has to be submitted at the end of the semester. After all presentations, students are asked to write a short summary about the topics covered in the seminar (about 2 pages). The final grade will depend on the presentation, the written seminar paper, the summary, as well as on active participation during discussions.

Depending on your preferences and program requirements, it is possible to write the seminar paper and give the presentation either in **English or German**.

Kickoff Meeting: April 9, 2024, 9:15am, G22-A217

Presentations: second half of the semester (exact dates: tba), tuesdays, 9:15am-12:30pm, G22-A217

Submission of seminar paper: July 12, 2024, 23:59pm (via elearning)

Submission of summary: July 26, 2024, 23:59pm (via elearning)

Topics

Taxation, Public Expenditures, and Redistribution

Boadway, Robin W.; Martineau, Nicolas-Guillaume: Optimal Redistribution with Endogenous Social Norms, *The Scandinavian Journal of Economics* 118(3), 524–556, 2016.

doi: 10.1111/sjoe.12156

Buchholz, Wolfgang; Rübhelke, Dirk: Improving Public Good Supply and Income Equality: Facing a Potential Trade-Off, *FinanzArchiv* 79, 146-163, 2023.

doi: 10.1628/fa-2003-0006

Franks, Max; Edenhofer, Ottomar: Optimal Wealth Taxation when Wealth is more than just Capital, *FinanzArchiv* 79(3), 175-207, 2023.

doi: 10.1628/fa-2023-0011

Fleurbaey, Marc; Leroux, Marie-Louise; Pestieau, Pierre; Zuber, Stephane: Premature Deaths, Accidental Bequests, and Fairness, *The Scandinavian Journal of Economics* 124(3), 709–743, 2022.

doi: 10.1111/sjoe.12478

Guerreiro, Joao; Rebelo, Sergio; Teles, Pedro: Should Robots be Taxed?, *Review of Economic Studies* 89, 279–311, 2022.

doi: 10.1093/restud/rdab019

Henkel, Marcel; Seidel, Tobias; Suedekum, Jens: Fiscal Transfers in the Spatial Economy, *American Economic Journal: Economic Policy* 13(4), 433–468, 2021.

doi: 10.1257/pol.20180294

Krug, Philipp: Optimal Estate Taxation: More (about) Heterogeneity across Dynasties, *FinanzArchiv/Public Finance Analysis* 78(4), 2022.

doi: 10.1628/fa-2022-0010

Leroux, Marie-Louise; Pestieau, Pierre: Age-Related Taxation of Bequests in the Presence of a Dependency Risk, *Journal of Public Economic Theory* 24(1), 92-119, 2022.

doi: 10.1111/jpet.12539

Pauser, Johannes: Fiscal Competition, Unemployment, and the Provision of Productive Infrastructure, *FinanzArchiv/Public Finance Analysis* 79(3), 208-234, 2023.

doi: 10.1628/fa-2023-0009

Piketty, Thomas; Saez, Emmanuel: A Theory of Optimal Inheritance Taxation, *Econometrica* 81(5), 1851-1886, 2013.

doi: 10.3982/ECTA10712

Social Policy

Ivanov, Asen: Optimal Pension Plan Default Policies when Employees are Biased, *Journal of Public Economic Theory* 23, 583–596, 2021.

doi: 10.1111/jpet.12493

Bernheim, Douglas; Fradkin, Andrey; Popov, Igor: The Welfare Economics of Default Options in 401(k) Plans, *American Economic Review* 105(9): 2798–2837, 2015.
doi: 10.1257/aer.20130907

Canta, Chiara; Cremer, Helmuth: Asymmetric Information, Strategic Transfers, and the Design of Long-Term Care Policies, *Oxford Economic Papers*, 1–25, 2022.
doi: 10.1093/oep/gpac010

Cremer, Helmuth; Pestieau, Pierre: Social Long-Term Care Insurance and Redistribution, *International Tax Public Finance* 21, 955–974, 2014.
doi: 10.1007/s10797-013-9289-5

Nishimura, Yukihiro; Pestieau, Pierre: Old Age or Dependence: Which Social Insurance?, *Journal of Public Economic Theory* 24(4), 639-652.
doi: 10.1111/jpet.12571

Labor Market Policy

Acemoglu, Daron: Obedience in the Labour Market and Social Mobility: A Socioeconomic Approach, *Economica* 89, 2-37, 2022.
doi: 10.1111/ecca.12406

Acemoglu, Daron; Restrepo, Pascual: Demographics and Automation, *Review of Economic Studies* 89, 1–44, 2022.
doi: 10.1093/restud/rdab031

Alder, Simeon D.; Lagakos, David; Ohanian, Lee: Labor Market Conflict and the Decline of the Rust Belt, *Journal of Political Economy* 131(10), 2780-2824, 2023.
doi: 10.1086/724852

Barnichon, Regis; Zylberberg, Yanos: A Menu of Insurance Contracts for the Unemployed, *Review of Economic Studies* 89, 118–141, 2022.
doi: 10.1093/restud/rdab026

Environmental Policy

Besley, Timothy; Persson, Torsten: The Political Economics of Green Transitions, *The Quarterly Journal of Economics* 138(3), 1863–1906, 2023.
doi: 10.1093/qje/qjad006

Fuest, Clemens; Meier, Volker: Will the Centralization of Carbon Pricing Revenue in the European Union Lead to Laxer Climate Policy? *The Scandinavian Journal of Economics*, 000(0), n/a, 2024.
doi: 10.1111/sjoe.12555

Jacobsen, Mark R.; Sallee, James M.; Shapiro, Joseph S.; Van Benthem, Arthur: Regulating Untaxable Externalities: Are Vehicle Air Pollution Standards Effective and Efficient?, *NBER Working Paper* 30702, 2022.
doi: 10.3386/w30702

Meunier, Guy; Ponsard, Jean-Pierre: Green Industrial Policy, Information Asymmetry, and Repayable Advance, *Journal of Public Economic Theory* 26(1), 1-32, 2023.
doi: 10.1111/jpet.12668

Other Policy Issues

Demange, Gabrielle; Fenge, Robert; Übelmesser, Silke: Financing Higher Education in a Mobile World, *Journal of Public Economic Theory* 16(3), 343-371, 2014.
doi: 10.1111/jpet.12064

Broccardo, Eleonora; Hart, Oliver, Zingales, Luigi: Exit versus Voice, *Journal of Political Economy* 130 (12), 2022.
doi: 1086/720516

Fleurbaey, Marc; Ponthière, Grégory: The Stakeholder Corporation and Social Welfare, *Journal of Political Economy* 131(9), 2023.
doi: 10.1086/724318

Kotsogiannis, Christos; Schwager, Robert: Present Bias and Externalities: Can Government Intervention Raise Welfare?, *Canadian Journal of Economics*, 1-27, 2022.
doi: 10.1111/caje.12572

Pestieau, Pierre; Ponthiere, Gregory: Optimal Lockdown and Social Welfare, *Journal of Population Economics* 35, 241-268, 2022.
doi: 10.1007/s00148-021-00867-w

Schneider, Maik T.; Winkler, Ralph: Growth and Welfare under Endogenous Lifetimes, *The Scandinavian Journal of Economics* 123(4), 1339-1384, 2021.
doi: 10.1111/sjoe.12455

Konrad, Kai A.: *The Political Economy of Paternalism*, Working Paper of the Max Planck Institute for Tax Law and Public Finance 2023 (2).