

**EMPIRICAL PUBLIC ECONOMICS**  
**Empirische Finanzwissenschaft und Wirtschaftspolitik**  
**WS 2017/18**  
**2 SWS VL (Lectures) + 1 SWS Ü (Classes)**

**Contents:** The aim of the course is to teach students how to interpret empirical research in public economics and to apply modern econometric methods commonly used in the field. The course covers alternative empirical approaches and important topics in empirical public economics. Empirical approaches include both structural and non-structural estimation methodologies. Topics include: The measurement of the distributional and welfare effects of taxes and transfers, “treatment effects” estimation of policy reforms (instrumental variable estimation, “natural experiments” and difference-in-differences estimation, regression discontinuity design ...), structural estimation of labor supply models with taxes, and the empirical ex-ante evaluation of tax-benefit reforms. The course assumes knowledge of applied microeconometrics.

	<b>Topics</b>	<b>Weeks</b>
	Introduction: Empirical Methodologies in Public Economics	1
<b>1.</b>	Measuring Distributional and Welfare Effects of Taxes and Transfers	2-4
<b>2.</b>	Non-Structural Estimation: “Treatment Effects” of Government Programs	5-9
<b>3.</b>	Structural Estimation and Ex-ante Policy Evaluation: Taxation and Labor Supply	10-14 (15)

**Literature** (representative for each topic):

1. Bourguignon, F., A. Spadaro (2006): Microsimulation as a tool for evaluating redistribution policies. *Journal of Economic Inequality* 2006, 4(1), 77-106.  
 Biewen, M., A. Jurasz (2012): Understanding rising income inequality in Germany. *Review of Income and Wealth* 58/4, 622–647.
2. Blundell, R., M. Costa-Dias (2009): Alternative approaches to evaluation in empirical microeconomics. *Journal of Human Resources* 44, 565–640.
3. Keane, M. (2011): Labor Supply and Taxes: a Survey. *Journal of Economic Literature* 49(4), 961-1075.  
 Jessen, R., D. Rostam-Afschar, V. Steiner (2017): Getting the Poor to Work: Three Welfare Increasing Reforms for a Busy Germany. *FinanzArchiv–Public Finance Analysis*, 73(1), 1-41.