

EMPIRICAL PUBLIC ECONOMICS
Empirische Finanzwissenschaft und Wirtschaftspolitik
WS 2018/19

2 SWS VL (Lectures) + 1 SWS Ü (Classes)

Lectures (Prof. Steiner): Wednesday, 2-4 pm, starting date: 17.10., HS 104, Garystr. 21
Classes (Dominik Hügler): Thursday, 10-12 am, bi-weekly, starting date: 18.10., K006a PC Pool1,
Garystr. 21

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 including non-structural (“treatment effects” estimation) and structural estimation methodologies as well as the empirical ex-ante evaluation of tax-benefit reforms. Methodologies are illustrated by selected applications from the recent literature in empirical public economics. Students also learn how to do own empirical studies using micro data and the STATA software package.

Topics		Weeks
	Introduction: Empirical Methodologies in Public Economics	1
1.	Non-Structural Estimation: “Treatment Effects” of Government Programs	2-7
2.	Structural Estimation: Taxation and Labor Supply	8-12
3.	Ex-ante Policy Simulation: Behavioral and Welfare Effects of Tax-Benefit Reforms	13-15 (16)

Literature:

1. Blundell, R., M. Costa-Dias (2009): Alternative approaches to evaluation in empirical microeconomics. *Journal of Human Resources* 44, 565–640.
2. Keane, M. (2011): Labor Supply and Taxes: a Survey. *Journal of Economic Literature* 49(4), 961-1075.
3. Aaberge, R., U. Colombino (2018): Structural labour supply models and microsimulation. IZA DP No. 11562.

The cited literature includes more material than covered in the course but makes good background reading; slides of the material presented in the lectures and classes will be made available on the course blackboard.

Requirements and grading: The course assumes knowledge of applied microeconometrics. Grading will be based on the **final exam** which may be written in English or German. Extra points may be obtained by presenting own empirical estimations in class. For students enrolled in the DIW-GC or BDPEMS, an empirical research paper is also required.