

DIW Berlin

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Seminar WS 2015/16: Empirical Methods in Applied Microeconomics – Introduction to academic policy advise

(Aktuelle Forschungsfragen der Sozialpolitik)

Lecturers: Dr. Johannes Geyer and Prof. Dr. Peter Haan

Content:

The aim of this seminar is to give an introduction into methods for academic policy advice. In particular students will learn how to apply empirical and microeconomic methods to evaluate the effect of policy reforms, such as pension reforms, family policy reforms or tax reforms, and how to explain these methods and the empirical findings to policy makers or other practitioners. The empirical methods that are used include modern microeconomic methods, such as IV-estimation, panel data methods (for instance differences in differences), and limited dependent variable estimation (probit or logit). In addition, students are supposed to acquire detailed knowledge of the institutional environment and of the tax & transfer system in order to analyze the effect of the policy reforms.

The seminar consists of several steps: First students need to form a team (about 3-4 students) and choose a policy reform they want to analyze during the seminar (below is a list with potential topics). In a mid-term presentation the team will explain the policy reform in detail and discuss the effects for stylized households in a case-study. In addition a short briefing note is required that summarizes the key findings of the mid-term presentation. In the final presentation at the end of the term students will present a detailed evaluation of the policy reform based on micro data, in general based on the Socio Economic Panel Study (SOEP). The data will be provided and we give a brief introduction how to work with the data. In addition to the oral presentation a related policy paper (max. 15 pages) is required. The presentation and policy paper consist of i) introduction: motivation and aim of the reform ii) explanation of the rules including examples from the case study iii) empirical evaluation and discussion of the methods and the required assumptions iv) description of the results and v) a conclusion with policy recommendations.

The prerequisite for the seminar is good knowledge in econometrics; some experience with statistical software and micro-data is an advantage. The maximum number of students is 15 (per university).

Resources:

- Wooldridge, Jeffrey M. (2003): Introductory Econometrics – A modern approach. Second edition. The book provides a very useful exhibition of applied microeconomic methods. Furthermore, chapter 19 gives a good introduction on the necessary steps for carrying out an empirical project.
- Resources for using Stata: e.g. <http://stata.com/links/resources-for-learning-stata/>

Course requirements:

All requirements are performed in group of 3 to 4 students:

1. Mid-term presentation & short briefing note summarizing the key findings
2. Final presentation
3. Policy paper (max. 15 pages)

Organisation:

The seminar is jointly organized for Master Students of the HU and FU.

Important dates:

What	When	Description	Where
First meeting	HU: 15.10.2015 at 10am FU: 15.10.2015 at 16:00	Introduction and discussion of open questions; Choice of topics (final choice has to be made within 14 days)	HU FU-Hörsaal 328 (Boltzmannstr. 16-20)
Stata introduction	23.10.2015 at 4pm		DIW
Decision on topic	Latest: 31.10.2015	Decide on your research topic as soon as possible	
Midterm presentation I	11.12.2015	Short presentation of research question and plan	DIW
Paper submission	07.02.2016		
Presentation	12.02/13.02.2016	Final Presentation	DIW

List of potential policy reforms:

1. **Marginal employment reform (*Minijobreform*)** (Steiner & Wrohlich 2005; Freier & Steiner 2007)
2. **Income tax reform (*Einkommensteuerreform*)** (Haan und Steiner 2005; Haan & Steiner 2006)
3. **Social security benefit cuts (*Abschläge bei Rentenzugang*)** (Mastrobuoni 2009; Börsch-Supan et al. 2004)
4. **Family tax splitting (*Ehegattensplitting*)** (Steiner & Wrohlich 2004; Steiner & Wrohlich 2008)
5. **Making work pay: Employment bonuses for elderly unemployed** (Haan & Steiner 2008)
6. **Riester pension (*Riester-Rente*)** (Corneo, Keese, & Schröder 2009)
7. **Parental Leave Benefits (*Elterngeld*)** (Geyer, Haan, & Wrohlich 2012; Geyer et al. 2013; Wrohlich u. a. 2012)
8. **Child Care Subsidy in Thuringia (*Betreuungsgeld Thüringen*)** (Gathmann & Sass, 2012)
9. **Copayment for ambulatory care (*Praxisgebühr*)** (Schreyögg & Grabka 2010)
10. **Reform in unemployment compensation (*Arbeitslosengeld-Reform*)** (Hunt, 1995)
11. **Reform of reduction in sick pays (*Kürzung des Krankengeldes*)** (Ziebarth & Karlsson 2010)
12. **Reform of co-payment rates for medical rehabilitation therapy** (Ziebarth 2010)

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