

Master Seminar
Empirical Public Economics

Prof. Dr. Guido Schwerdt

Summer term 2023

Policy-makers want to know which policies and practices can best achieve their goals. But research that can inform evidence-based policy often requires complex methods to distinguish causation from accidental association. This seminar is primarily devised to ensure that participants learn about the latest econometric methods to evaluate economic policies. At the same time, it covers a broad range of topics from public child care provision to health policy. Selected research papers will be presented by students and discussed in class.

Objective

After completion of the course students should be able to understand the most recent micro-econometric methods commonly used to evaluate economic policies. They should understand their basic identification strategies, the data requirements to implement these methods as well as their potential shortcomings. The seminar aims at providing students with the necessary skills to understand and to critically assess empirical evaluations of economic policies.

General information and prerequisites

Participants should have a solid background in econometrics and statistics. In order to pass the seminar, students must submit a term paper (maximum 12 pages) on one of the ten topics and present their work in the seminar. Students are also expected to prepare one-page summaries [in a bullet-point manner] of the other readings discussed in class. Summaries are to demonstrate familiarity with and discuss critically the required readings. Grading is based on the term paper, presentation, participation and the one-page summaries. The language of the seminar is English.

Registration

During the official registration period in January 2023. Students applying for the seminar should pick three topics from the list below, rank them according to their preferences (from 1 to 3 with one being the most preferred topic) and send an email to office.schwerdt@uni-konstanz.de. Topics are allocated on a “first come, first serve” basis. After the enrolment period students cannot drop the seminar any more. No-shows receive a 5.0.

Procedure of the seminar

The seminar starts on April 11 with a preliminary session. This preliminary session introduces basic concepts, present a common conceptual framework for evaluating economic policies and show the key empirical approaches. The key empirical approaches include experiments, instrumental variables, regression discontinuity designs, and difference-in-differences estimation. The preliminary session is obligatory for all participating students.

The deadline for submission of the term paper is June 30, 2023. Students should send an electronic copy of the paper (pdf) to office.schwerdt@uni-konstanz.de. The block seminar will take place on July 7 and 8, 2023. Students are expected to prepare one-page summaries for each of the required readings, which should be submitted electronically by July 3, 2023.

Important dates and deadlines:

April 11, 2023	17.00 - 18.30	Preliminary session (Room: tba)
June 30, 2023		Deadline for submission of term paper
July 3, 2023		Deadline for submission of one-page summaries
July 7, 2023	9:00 – 17:00	Block seminar (Room: tba)
July 8, 2023	9:00 – 12:30	[if > 6 participants] Block seminar (Room: tba)

Topics and Readings

Topic 1: Political economy I: Preferences for redistribution

Alesina, Alberto, Stefanie Stantcheva, and Edoardo Teso (2018). Intergenerational Mobility and Preferences for Redistribution. *American Economic Review*, 108(2): 521-54.

Topic 2: Political economy II: Preferences for public spending

Lergetporer, Philipp, Guido Schwerdt, Martin R. West, Katharina Werner and Ludger Woessmann (2018). How Information Affects Support for Education Spending: Evidence from Survey Experiments in Germany and the United States. *Journal of Public Economics*, 167, 138-157.

Topic 3: Tax policy: Support for inheritance taxation

Bastani, Spencer and Daniel Waldenström (2021). Perceptions of Inherited Wealth and the Support for Inheritance Taxation. *Economica* 88(350), 532-569.

Topic 4: Education policy I: Role models in education

Anelli, Massimo and Giovanni Peri (2019). The Effects of High School Peers' Gender on College Major, College Performance and Income. *Economic Journal*, 129(618), 553-602.

Topic 5: Labor market policy II: Labor disputes

Bauernschuster, Stefan, Timo Hener and Helmut Rainer (2017). When Labor Disputes Bring Cities to a Standstill: The Impact of Public Transit Strikes on Traffic, Accidents, Air Pollution and Health. *American Economic Journal: Economic Policy*, 9(1), 1-37.

Topic 6: Health policy: Legal cannabis access

Marie, Olivier, and Ulf Zölitz (2017). "High" Achievers? Cannabis Access and Academic Performance. *The Review of Economic Studies*, 84(3), 1210–1237.

Topic 7: Labor market policy II: Labor market deregulation

Lergetporer, Philipp, Jens Ruhose, and Lisa Simon (2018). Entry Barriers and the Labor Market Outcomes of Incumbent Workers: Evidence from a Deregulation Reform in the German Crafts Sector, IZA Working paper 11857.

Topic 8: Education policy II: Central exit exams

Leschnig, Lisa, Guido Schwerdt, and Katarina Zigova (2022). Central Exams and Adult Skills: Evidence from PIAAC. *Economics of Education Review*, 90, 102289.

Topic 9: Family policy II: Public child care provision

Hermes, Henning, Marina Krauss, Philipp Lergetporer, Frauke Peter and Simon Wiederhold (2022), Early Child Care and Labor Supply of Lower-SES Mothers: A Randomized Controlled Trial. CESifo Working Paper 10178.

Topic 10: Education policy III: Computers in classrooms

Falck, Oliver, Constantin Mang, and Ludger Woessmann (2018). Virtually No Effect? Different Uses of Classroom Computers and their Effect on Student Achievement. *Oxford Bulletin of Economics and Statistics*, 80(1), 01–38.