

**EMPIRICAL PUBLIC ECONOMICS**  
**Empirische Finanzwissenschaft und Wirtschaftspolitik**  
**SS 2014**

**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: Effects of government programs and income taxation on labor supply, consumption and taxable income, welfare measurement, and the empirical ex-ante evaluation of tax-benefit reforms. The course assumes some knowledge of applied microeconometrics.

	<b>Topics</b>	<b>Weeks</b>
	Introduction: Empirical Methodologies in Public Economics	1
<b>1.</b>	Non-Structural Estimation: "Treatment Effects" of Government Programs	2-5
<b>2.</b>	Structural Estimation: Taxation and Labor Supply	6-9
<b>3.</b>	Welfare Measurement	10-11
<b>4.</b>	Empirical Ex-ante Evaluation of Tax-Benefit Reforms	12-13

**Some relevant literature** (representative for each topic):

- Introduction: Blundell, R. (2012): Tax policy reform: the role of empirical evidence, *Journal of the European Economic Association* 10(1), 43-77.
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. King, M. A. (1983): Welfare Analysis of Tax Reforms Using Household Data, *Journal of Public Economics*, 183-214.
  4. Steiner, V., K. Wrohlich (2008): Introducing family tax splitting in Germany: How would it affect the income distribution, work incentives, and household welfare? *Finanzarchiv – Public Finance Analysis* 64(1), 115-142.