

AREA CONFERENCE ON PUBLIC SECTOR ECONOMICS

PROGRAMME

THURSDAY, 11 APRIL 2013

Parallel Session 1a

LUDWIG ERHARD ROOM

Theoretical Labor & Health

- 09:30 – 10:05 **Workforce or Workfare? The Optimal Use of Work Requirements when Labor is Supplied along the Extensive Margin**
Craig Brett and LAURENCE JACQUET (University of Cergy-Pontoise)
Discussant: Jean-Marie Lozachmeur
- 10:05 – 10:40 **Normative Analysis with Societal Constraints**
Robin W. Boadway and NICOLAS-GUILLAUME MARTINEAU (University of Sherbrooke)
Discussant: Laurence Jacquet
- 10:40 – 11:15 **Health Insurance and Diversity of Treatment: A Policy Mix Perspective**
David Bardey, Bruno Jullien and JEAN-MARIE LOZACHMEUR (Toulouse School of Economics)
Discussant: Nicolas-Guillaume Martineau

Parallel Session 1b

RICHARD MUSGRAVE ROOM

Empirical Political Economy

- 09:30 – 10:05 **How to Tame two Leviathans?
Revisiting the Effect of Direct Democracy on Local Public Expenditure**
Sergio Galletta and MARIO JAMETTI (University of Lugano)
Discussant: Jan-Egbert Sturm
- 10:05 – 10:40 **Trial and Error? Policy Experimentation during the US Welfare Reform**
Andreas Bernecker and CHRISTINA GATHMANN (University of Heidelberg)
Discussant: Mario Jametti
- 10:40 – 11:15 **Using Real-Time Data to Test for Political Budget Cycles**
Richard Jong-A-Pin, JAN-EGBERT STURM (ETH Zurich) and Jakob de Haan
Discussant: Christina Gathmann
- 11:15 – 11:30 **Coffee Break**

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Parallel Session 2a LUDWIG ERHARD ROOM Firms

- 11:30 – 12:05 **Interest-rate Manipulation and Debt Shifting by Multinationals**
DIRK SCHINDLER (Norwegian School of Economics) and Guttorm Schjelderup
Discussant: Andreas Haufler
- 12:05 – 12:40 **Corporate Taxation and Financial Strategies Under Asymmetric Information**
Francesco Cohen, Alessandro Fedele and PAOLO M. PANTEGHINI (Università degli Studi di Brescia)
Discussant: Dirk Schindler
- 12:40 – 13:15 **Should Tax Policy Favor High- or Low-Productivity Firms?**
Dominika Langenmayr, ANDREAS HAUFLEER (University of Munich) and Christian J. Bauer
Discussant: Paolo M. Panteghini

Parallel Session 2b RICHARD MUSGRAVE ROOM Empirical Labor

- 11:30 – 12:05 **Beyond the Labor Income Tax Wedge: The Unemployment-Reducing Effect of Tax Progressivity**
ETIENNE LEHMANN (Universités Paris 2), Claudio Lucifora, Simone Moriconi and Bruno van der Linden
Discussant: Conny Wunsch
- 12:05 – 12:40 **Estimating Labour Supply Elasticities Based on Cross-Country Micro Data: A Bridge between Micro and Macro Estimates?**
Markus Jääntti, JUKKA PIRTTILÄ (University of Tampere) and Håkan Selin
Discussant: Etienne Lehmann
- 12:40 – 13:15 **Unemployment Insurance and Departures from Employment: Evidence from a German Reform**
Jeffrey Grogger and CONNY WUNSCH (VU University Amsterdam)
Discussant: Jukka Pirttilä
- 13:15 – 14:15 **Lunch**

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Parallel Session 3a LUDWIG ERHARD ROOM Taxation & Migration

- 14:15 – 14:50 **Competition for Migrants in a Federation: Tax or Transfer Competition?**
MARKO KOETHENBUERGER (ETH Zurich)
Discussant: Laurent Simula
- 14:50 – 15:25 **International Tax Competition: Zero Tax Rate at the Top Re-established**
TOMER BLUMKIN (Ben-Gurion University), Efraim Sadka and Yotam Shem-Tov
Discussant: Marko Koethenbuerger
- 15:25 – 16:00 **Optimal Income Taxation between Competing Governments**
Etienne Lehmann, LAURENT SIMULA (Uppsala University) and Alain Trannoy
Discussant: Tomer Blumkin

Parallel Session 3b RICHARD MUSGRAVE ROOM Debt and Sustainability

- 14:15 – 14:50 **Fiscal Equalization Schemes and Fiscal Sustainability**
NIKLAS POTRAFKE (Ifo Institute) and Markus Reischmann
Discussant: Gabriela Legrenzi
- 14:50 – 15:25 **Euro Membership and Fiscal Reaction Functions**
ALFONS J. WEICHENRIEDER (Goethe University Frankfurt) and Jochen Zimmer
Discussant: Niklas Potrafke
- 15:25 – 16:00 **Modelling the Fiscal Reaction Functions of the GIPS based on State-Varying Thresholds**
GABRIELA LEGRENZI (Keele University) and Costas Milas
Discussant: Alfons J. Weichenrieder

2013 Richard Musgrave Lecture at the University of Munich

- 18:00 **Insights from a Tax-System Perspective**
JOEL B. SLEMRD
- 20:00 Dinner on the Occasion of the Richard Musgrave Lecture
at the Restaurant Spatenhaus

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FRIDAY, 12 APRIL 2013

Plenary Session 4
LUDWIG ERHARD ROOM

Presentation by Distinguished CESifo Affiliate Award Candidates
Chair: Rick van der Ploeg

- 09:30 – 10:05 **Imperfect Financial Markets as a Commitment Device for the Government**
JENNY SIMON (Stockholm Institute of Transition Economics)
- 10:05 – 10:40 **Voting on Road Congestion Policy**
ANTONIO RUSSO (Toulouse School of Economics)
- 10:40 – 11:15 **Centralization and Political Stability in Federations**
JEAN-DENIS GARON (Université du Québec à Montréal)
- 11:15 – 11:30 **Coffee Break**
- 11:30 – 12:05 **Optimal Capital Taxation for Time-Nonseparable Preferences**
SEBASTIAN KOEHNE (Stockholm University) and Moritz Kuhn
- 12:05 – 12:40 **Implementing the Second-Best Allocation: Identifying the Simplest Possible Tax System**
FLORIS ZOUTMAN (Erasmus University Rotterdam) and Sander Renes
- 12:40 – 13:15 **Relative Consumption and Public Provision of Private Goods**
TOBIAS KOENIG (Humboldt-University Berlin) and Tobias Lausen
- 13:15 – 14:25 **Lunch**

Plenary Session 5
LUDWIG ERHARD ROOM

- 14:25 – 15:00 **Harsh Occupations, Life Expectancy and Social Security**
PIERRE PESTIEAU (Université de Liège) and Maria Racionero
- 15:00 – 15:15 **Coffee Break**

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Parallel Session 6a
LUDWIG ERHARD ROOM
Public Goods

- 15:15 – 15:50 **Public Production: Aspects of Centralised and Decentralised Wage Setting**
Sören Blomquist and VIDAR CHRISTIANSEN (University of Oslo)
Discussant: Wolfgang Leiniger
- 15:50 – 16:25 **On the Efficient Provision of Public Goods by Means of Lotteries**
Jörg Franke and WOLFGANG LEININGER (University of Dortmund)
Discussant: Vidar Christiansen

Parallel Session 6b
RICHARD MUSGRAVE ROOM
Human Capital, Ageing, and Debt

- 15:15 – 15:50 **Low Altruism, Austerity, and Threats of Default: Are Countries Converging to the Natural Debt Limit?**
HENNING BOHN (University of California, Santa Barbara)
Discussant: Ben J. Heijdra
- 15:50 – 16:25 **Human Capital Accumulation and the Macroeconomy in an Ageing Society**
BEN J. HEIJDRA (University of Groningen) and Laurie S. M. Reijnders
Discussant: Henning Bohn
- 19:30 Conference Dinner at the Restaurant “Seehaus” and
Award Presentation of the Distinguished CESifo Affiliate Prize

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SATURDAY, 13 APRIL 2013

Parallel Session 7a
LUDWIG ERHARD ROOM
Optimal Taxation

- 09:30 – 10:05 **Optimal Taxation and National Public Debts in a Monetary Union**
KENNETH KLETZER (University of California, Santa Cruz)
Discussant: Johann K. Brunner
- 10:05 – 10:40 **Atkinson-Stiglitz and Ramsey Reconciled: Pareto Efficient Taxation and Pricing under a Break-Even Constraint**
HELMUTH CREMER (University of Toulouse) and Firouz Gahvari
Discussant: Kenneth Kletzer
- 10:40 – 11:15 **Beyond Ramsey: Gender-Based Taxation with Non-Cooperative Couples**
VOLKER MEIER (University of Munich) and Helmut Rainer
Discussant: Helmuth Cremer
- 11:15 – 11:50 **Optimal Taxation of Labor Income and Bequests in the Steady-State**
JOHANN K. BRUNNER (University of Linz) and Susanne Pech
Discussant: Volker Meier

Parallel Session 7b
RICHARD MUSGRAVE ROOM
Taxation

- 09:30 – 10:05 **Complexity, Salience and Income Tax Filing Behaviour: Evidence from a Natural Experiment**
KAISA KOTAKORPI (University of Turku) and Jani-Petri Laamanen
Discussant: Doina Radulescu
- 10:05 – 10:40 **The Effect of Awareness and Incentives on Tax Evasion**
ANNETTE ALSTADSÆTER (University of Oslo) and Martin Jacob
Discussant: Kaisa Kotakorpi
- 10:40 – 11:15 **Tax Compliance: Cost and Confidence**
Jarkko Harju, TUOMAS KOSONEN (Government Institute for Economic Research-VATT) and Olli Ropponen
Discussant: Annette Alstadsæter
- 11:15 – 11:50 **The Determinants of the Complexity and Progressivity of Personal Income Tax Systems: A Cross-Country Empirical Analysis**
Peter Egger, DOINA RADULESCU (ETH Zurich) and Ray Rees
Discussant: Tuomas Kosonen

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11:50 – 12:10 **Coffee Break**

Parallel Session 8a
LUDWIG ERHARD ROOM
Theoretical Political Economy

12:10 – 12:45 **A Political Economy Explanation for in-kind Redistribution: The Interplay of Corruption and Democracy**
Zohal Hessami, Claudio Thum and SILKE UEBELMESSER (University of Jena)
Discussant: Marie-Luise Leroux

12:45 – 13:20 **Behavioral Biases and Long Term Care Insurance: A Political Economy Approach**
Philippe De Donder and MARIE-LOUISE LEROUX (Université du Québec à Montréal)
Discussant: Silke Uebelmesser

Parallel Session 8b
RICHARD MUSGRAVE ROOM
Taxation of Firms

12:10 – 12:45 **Thin Capitalization Rules and Multinational Firm Capital Structure**
Jennifer Blouin, Harry Huizinga, Luc Laeven and GAËTAN NICODÈME (European Commission)
Discussant: Nils Johannesen

12:45 – 13:20 **Can Taxes Tame the Banks? Capital Structure Responses to the Post-Crisis Bank Levies**
Michael Devereux, NILS JOHANNESSEN (University of Copenhagen) and John Vella
Discussant: Gaëtan Nicodème

13:20 **Light lunch and end of conference**