

4<sup>th</sup> SEEK Conference · Mannheim, May 15-16, 2014

# Public Finance and Income Distribution in Europe

May 15, 2014	Politics Meets Science
12:00	<i>Registration and light lunch</i>
1:00 p.m. Room "Europa"	<b>Welcome</b> Clemens Fuest, President of the Centre for European Economic Research (ZEW)
1:15 p.m. Room "Europa"	<b>Keynote Speech I: 21<sup>st</sup> Century Europe: A Peaceful Democratic Player or a Minor Object in the Global Power Dynamics?</b> Hans Eichel, German Minister of Finance ret. (1999-2005)
2:15 p.m.	<i>Coffee break</i>
2:45 p.m. Room "Europa"	<b>Introduction</b> Nils Schmid, Deputy Minister-President and Minister of Finance and Economics, Baden-Württemberg
3:15 p.m. Room "Europa"	<b>Round Table Discussion: Fiscal Union in Europe?</b> Giuseppe Bertola, EDHEC Business School, Nice, Centre for Economic Policy Research, London Franziska Brantner, Member of the Bundestag Karl Pichelmann, Senior Adviser, Directorate General for Economic and Financial Affairs, European Commission Kai Konrad, Director of the Max Planck Institute for Tax Law and Public Finance, Munich Host: Friedrich Heinemann, Head of the Research Department „Corporate Taxation and Public Finance“ at ZEW
4:30 p.m.	<i>Coffee break</i>
5:00 – 6:00 p.m. Room "Europa"	<b>Keynote Speech II: The Making of a Continental Financial System: Lessons for Europe from Early American History</b> Vitor Gaspar, Special Adviser at Banco de Portugal, former Portuguese Minister of Finance (2011–2013)
6:30 p.m.	<i>Departure to dinner</i>
7:00 p.m. Obsthof „Zur Scheuer“ Aussiedlerhof 7a 69198 Schriesheim	<b>Conference Dinner in the Countryside</b> Dinner speech: Konrad Stahl, Professor of Economics, University of Mannheim The dinner takes place in the barn of a traditional family-run orchard and vineyard.
10:00 and 10:30 p.m.	<i>Transfer to ZEW and hotels</i>
May 16, 2014	Scientific Forum
8:30 a.m.	<i>Registration</i>
<b>PARALLEL SESSIONS I</b>	
9:00 a.m. Room 3	<b>1a) EMU Unemployment Insurance</b> Chair: Mathias Dolls Michal Horvath (University of Oxford), Charles Nolan (University of Glasgow): <b>Countercyclical Unemployment Benefits Under Incomplete Markets</b> H. Xavier Jara (Institute for Social and Economic Research, University of Essex), Holly Sutherland (Institute for Social and Economic Research, University of Essex): <b>The Implications of an EMU Unemployment Insurance Scheme for Supporting Incomes</b> Mathias Dolls (ZEW, IZA, Bonn), Clemens Fuest (ZEW, University of Mannheim), Dirk Neumann (CORE, KU Leuven, IZA, Bonn), Andreas Peichl (ZEW, University of Mannheim): <b>An Unemployment Insurance Scheme for the Euro Area</b>

<p>9:00 a.m. Room 1</p>	<p><b>1b) Government Debt</b>  <b>Chair: Dennis Wesselbaum</b>  <b>Benedicta Marzinotto</b> (University of Udine and Bruegel, currently seconded to European Commission, DG ECFIN):  <a href="#">Euro Area Current Account Imbalances and Income Inequality</a>  <b>Erdost Torun</b> (Institute of Economics, Academia Sinica, Taiwan), <b>Sine Kontbay-Busun</b> (Department of Economics, Dokuz Eylul University, Turkey):  <a href="#">Causality Between Government Debt and Growth: Wavelet-Based Non-Parametric Granger Causality Analysis</a>  <b>Dennis Wesselbaum</b> (University of Hamburg):  <a href="#">Pro-Cyclical Debt as Automatic Stabilizer</a></p>
<p>9:00 a.m. Room "Heinz-König-Hall"</p>	<p><b>1c) Income Mobility</b>  <b>Chair: Jan Stuhler</b>  <b>Martin Nybom</b> (Stockholm University, Swedish Institute for Social Research), <b>Jan Stuhler</b> (University College London, Centre for Research and Analysis of Migration):  <a href="#">Interpreting Trends in Intergenerational Mobility</a>  <b>Katharina Jenderny</b> (Free University of Berlin):  <a href="#">Mobility of Top Incomes in Germany</a>  <b>Jan Stuhler</b> (University College London, Centre for Research and Analysis of Migration):  <a href="#">Mobility Across Multiple Generations: The Iterated Regression Fallacy</a></p>
<p>9:00 a.m. Room "Hamburg"</p>	<p><b>1d) Tax Progressivity</b>  <b>Chair: Salvador Barrios</b>  <b>Gerlinde Verbist</b> (Centre for Social Policy, University of Antwerp), <b>Francesco Figari</b> (University of Insubria, ISER – University of Essex):  <a href="#">What Makes Personal Income Taxes Progressive? A Decomposition Across European Countries Using EUROMOD</a>  <b>Hans A. Holter</b> (Uppsala University, UCFS), <b>Dirk Krueger</b> (University of Pennsylvania), <b>Serhiy Stepanchuk</b> (École Polytechnique Fédérale de Lausanne):  <a href="#">How Does Tax Progressivity Affect OECD Laffer Curves?</a>  <b>Salvador Barrios</b> (European Commission, Joint Research Centre, IPTS), <b>Serena Fatica</b> (European Commission, DG ECFIN), <b>Diego Martinez</b> (European Commission, Joint Research Centre, IPTS, Universidad Pablo de Olavide), <b>Gilles Mourre</b> (European Commission, DG ECFIN):  <a href="#">Work-Related Tax Expenditures in the EU: Impact on Tax Revenues</a></p>
<p>9:00 a.m. Room 2</p>	<p><b>1e) Inequality and Deprivation</b>  <b>Chair: Alari Paulus</b>  <b>Joseph Deutsch</b> (Department of Economics, Bar-Ilan University, Israel), <b>Anne-Catherine Guio</b> (CEPS/INSTEAD, Luxembourg), <b>Marco Pomati</b> (School for Policy Studies, University of Bristol), <b>Jacques Silber</b> (Department of Economics, Bar-Ilan University, Israel, CEPS/INSTEAD, Luxembourg):  <a href="#">Material Deprivation in Europe: Which Expenditures Are Curtailed First?</a>  <b>Markus M. Grabka</b> (Sozio-oekonomisches Panel DIW Berlin, TU Berlin), <b>Christian Westermeier</b> (Sozio-oekonomisches Panel DIW Berlin):  <a href="#">Income and Wealth Inequality After the Financial Crisis – the Case of Germany</a>  <b>Mathias Dolls</b> (ZEW, IZA, Bonn), <b>Karina Doorley</b> (IZA, Bonn, CEPS/INSTEAD, Luxembourg), <b>Alari Paulus</b> (ISER, University of Essex), <b>Hilmar Schneider</b> (IZA, Bonn, CEPS/INSTEAD, Luxembourg):  <a href="#">Decomposing Changes in Income Distribution in Europe in 2030</a></p>
<p>10:30 a.m.</p>	<p><i>Coffee break</i></p>
<p>10:45 a.m. Room "Europa"</p>	<p><b>Keynote I: Europe's Economic Policy Institutions: Current Issues and Research Challenges</b>  <b>Hans Peter Grüner</b>, Chair for Economic Policy, University of Mannheim</p>
<p>11:30 a.m. Room "Europa"</p>	<p><b>Keynote II: Capital in the 21<sup>st</sup> Century</b>  <b>Thomas Piketty</b>, Professor of Economics, Paris School of Economics</p>
<p>12:15 p.m. Room "Europa"</p>	<p><b>Discussion</b>  <b>Host: Andreas Peichl</b>, Head of the Research Group "International Distribution and Redistribution" at ZEW</p>
<p>12:45 p.m.</p>	<p><i>Lunch</i></p>

PARALLEL SESSIONS II	
1:45 p.m. Room 1	<p><b>2a) Fiscal Union</b>  <b>Chair: Dirk Neumann</b>  Manos Matsaganis (Athens University of Economics and Business), <b>Chrysa Leventi</b> (University of Essex):  <a href="#">The Distributional Impact of Austerity and the Recession in Southern Europe</a>  Davide Furceri (International Monetary Fund, Washington), <b>Aleksandra Zdzienicka</b> (International Monetary Fund, Washington):  <a href="#">The Euro Area Crisis: Need for a Supranational Fiscal Risk Sharing Mechanism?</a>  <b>Dirk Neumann</b> (CORE, KU Leuven, ZEW):  <a href="#">Benefiting from a European 'Fiscal Union'? Redistribution vs. Stabilization</a></p>
1:45 p.m. Room 3	<p><b>2b) Savings, Fiscal Policy and Risk</b>  <b>Chair: Daniel Harenberg</b>  Christoph Basten (KOF Swiss Economic Institute, FINMA, Switzerland), <b>Andreas Fagereng</b> (Statistics Norway), Kjetil Telle (Statistics Norway):  <a href="#">Saving and Portfolio Allocation Before and After Job Loss</a>  <b>Sebastian Gechert</b> (Macroeconomic Policy Institute, Düsseldorf, Chemnitz University of Technology), Christoph Paetz (Macroeconomic Policy Institute, HWR Berlin), Paloma Villanueva (Macroeconomic Policy Institute, HWR Berlin):  <a href="#">The Effects of Tax and Transfer Shocks on Output: Reassessing the German Case</a>  <b>Daniel Harenberg</b> (ETH Zurich), Alexander Ludwig (CMR, Institute for Public Economics, University of Cologne, ZEW):  <a href="#">Social Security and the Interactions Between Aggregate and Idiosyncratic Risk</a></p>
1:45 p.m. Room "Heinz-König-Hall"	<p><b>2c) Wealth</b>  <b>Chair: Daniel Waldenström</b>  <b>Philip Vermeulen</b> (Directorate General for Research and Innovation, Monetary Policy Research Division, European Central Bank):  <a href="#">How Fat is the Tail of the Wealth Distribution?</a>  <b>Henry Ohlsson</b> (Department of Economics, Uppsala University), Jesper Roine (Stockholm Institute of Transition Economics and East European Economies), Daniel Waldenström (Department of Economics, Uppsala University):  <a href="#">Inherited Wealth Over the Path of Development: Sweden, 1810–2010</a>  Jacob Lundberg (Department of Economics, Uppsala University), <b>Daniel Waldenström</b> (Department of Economics, Uppsala University):  <a href="#">Wealth Inequality and the Great Recession: Evidence from Sweden</a></p>
1:45 p.m. Room 2	<p><b>2d) Optimal Taxation</b>  <b>Chair: Sebastian Findeisen</b>  Etienne Lehmann (CREST, Paris Centre for Law and Economics, Université Panthéon-Assas, Paris), <b>Laurent Simula</b> (Uppsala Center for Fiscal Studies, Department of Economics, Uppsala University), Alain Trannoy (Aix-Marseille Université, Aix-Marseille School of Economics):  <a href="#">Tax Me if You Can! Optimal Nonlinear Income Tax Between Competing Governments</a>  <b>Erwin Ooghe</b> (Department of Economics, KU Leuven, IZA, Bonn, ZEW), Andreas Peichl (ZEW, University of Mannheim):  <a href="#">Fair and Efficient Taxation Under Partial Control</a>  <b>Sebastian Findeisen</b> (University of Mannheim), Dominik Sachs (University of Cologne):  <a href="#">Efficient Labour and Capital Income Taxation Over the Life Cycle</a></p>
1:45 p.m. Room "Hamburg"	<p><b>2e) Labour Market Policies</b>  <b>Chair: Balázs Reizer</b>  <b>Denisa M. Sologon</b> (CEPS/INSTEAD, Luxembourg, Maastricht University/UNU-MERIT), Philippe Van Kerm (CEPS/INSTEAD, Luxembourg):  <a href="#">Earnings Dynamics, Foreign Workers and the Stability of Inequality Trends in Luxembourg, 1988–2009</a>  Mario Centeno (Banco de Portugal, University of Lisbon), <b>Álvaro A. Novo</b> (Banco de Portugal, University of Lisbon):  <a href="#">Employment Protection, Segmentation and Wage Inequality in Portugal</a>  Attila Lindner (UC Berkeley), <b>Balázs Reizer</b> (Central European University):  <a href="#">Reemployment Bonus vs. Frontloading the Benefit: An Empirical Assessment</a></p>
3:15 p.m.	<i>Coffee break</i>

PARALLEL SESSIONS III	
3:30 p.m. Room 2	<p><b>3a) Fiscal Consolidation</b>  <b>Chair: Florian Misch</b>            Eduardo Ley (World Bank, Washington), <b>Florian Misch</b> (ZEW):  <a href="#">Real-Time Macro Monitoring and Fiscal Policy</a>            Laurence Ball (Johns Hopkins University, Baltimore), <b>Davide Furceri</b> (International Monetary Fund, Washington), Daniel Leigh (International Monetary Fund, Washington), Prakash Loungani (International Monetary Fund, Washington):  <a href="#">The Distributional Effects of Fiscal Consolidation</a></p>
3:30 p.m. Room "Heinz-König-Hall"	<p><b>3b) Fiscal Policy and the Crisis</b>  <b>Chair: Iva Tasseva</b>            Boris Cournède (OECD, Paris), Antoine Goujard (OECD, Paris), Álvaro Pina (OECD, Paris):  <a href="#">How to Achieve Growth- and Equity-Friendly Fiscal Consolidation? A Proposed Methodology for Instrument Choice with an Illustrative Application to OECD Countries</a>            Simone Salotti (Oxford Brookes University), <b>Carmine Trencroci</b> (University of Brescia):  <a href="#">Can Fiscal Policy Mitigate Income Inequality and Poverty?</a>            John Hills (CASE, London School of Economics), Alari Paulus (ISER, University of Essex), Holly Sutherland (ISER, University of Essex), <b>Iva Tasseva</b> (ISER, University of Essex):  <a href="#">Lost Decade? Decomposing the Effect of Tax-Benefit Policy Changes on the EU Income Distribution in 2001–2011</a></p>
3:30 p.m. Room 1	<p><b>3c) Taxing the Top</b>  <b>Chair: Max Löffler</b>            Christian Frey (University of Lucerne), Christoph Gorgas (University of Lucerne), Christoph A. Schaltegger (University of Lucerne, University of St. Gallen):  <a href="#">The Long-Run Effects of Taxes and Tax Competition on Top Income Shares: An Empirical Investigation</a>            Fabian Kindermann (University of Würzburg, Netspar, Tilburg), Dirk Krueger (University of Pennsylvania, CEPR, London):  <a href="#">The Redistributive Benefits of Progressive Labour and Capital Income Taxation, or: How to Best Screw the Top 1%</a>  <b>Max Löffler</b> (ZEW, University of Cologne), Sebastian Sieglöch (IZA, Bonn, ZEW):  <a href="#">Property Taxes and Rental Housing</a></p>
3:30 p.m. Room 3	<p><b>3d) Effects and Incidence of Taxation</b>  <b>Chair: Sebastian Sieglöch</b>            Charlotte Bartels (Free University of Berlin), Nico Pestel (IZA, Bonn, ZEW):  <a href="#">The Impact of Participation Tax Rates on Labour Supply Decisions</a>            Jörg Paetzold (Department of Economics and Social Sciences, Salzburg Centre for European Union Studies, University of Salzburg), Hannes Winner (University of Salzburg, Austrian Institute of Economic Research):  <a href="#">Unwilling, Unable or Uninformed to Cheat? Tax Evasion via (Quasi-) Self-Reporting in Austria</a>            Clemens Fuest (ZEW, University of Mannheim), Andreas Peichl (ZEW, University of Mannheim), <b>Sebastian Sieglöch</b> (IZA, Bonn, University of Cologne):  <a href="#">Do Higher Corporate Taxes Reduce Wages? Micro Evidence from Germany</a></p>
3:30 p.m. Room "Hamburg"	<p><b>3e) Level of Redistribution</b>  <b>Chair: Anita Tiefensee</b>            Javier Olivera (IRSEI, University of Luxembourg):  <a href="#">Preferences for Redistribution in Europe</a>            Sebastian Findeisen (University of Mannheim), <b>Dominik Sachs</b> (University of Cologne):  <a href="#">Designing Efficient Education and Tax Policies</a>  <b>Anita Tiefensee</b> (Hertie School of Governance, Berlin), Markus M. Grabka (DIW Berlin, TU Berlin):  <a href="#">Non-Response Is also a Response – Data Quality of the HFCS</a></p>
5:00 p.m.	<i>Farewell reception</i>