

# 2017 ZEW Public Finance Conference

## Public Finance and Development

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### P R O G R A M M E

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Monday, May 8, 2017

<b>8:30 – 9:30</b>	<b>Registration</b>
<b>9:30 – 11:00</b>	<b>Parallel Sessions A</b>
<b>11:00 – 11:30</b>	<b>Coffee Break</b>
<b>11:30 – 12:30</b>	<b>Keynote</b>
<b>12:30 – 13:30</b>	<b>Lunch</b>
<b>13:30 – 15:30</b>	<b>Parallel Sessions B</b>
<b>15:30 – 16:00</b>	<b>Coffee Break</b>
<b>16:00 – 18:00</b>	<b>Parallel Sessions C</b>
<b>19:00</b>	<b>Dinner</b>

Tuesday, May 9, 2017

<b>9:00 – 11:00</b>	<b>Parallel Sessions D</b>
<b>11:00 – 11:30</b>	<b>Coffee Break</b>
<b>11:30 – 12:30</b>	<b>Keynote</b>
<b>12:30 – 13:30</b>	<b>Lunch</b>
<b>13:30 – 15:30</b>	<b>Parallel Sessions E</b>
<b>15:35 – 15:45</b>	<b>Closing Remarks</b>

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Overview of Sessions

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Monday, May 8, 2017				
	Room 1	Room 2	Heinz-König-Hall	Room Brussels
09:30 – 11:00 Parallel Sessions A	A1 Taxation & Firm Behaviour	A2 Redistribution & Welfare	A3 Public Spending & Debt	
11:30 – 12:30 Keynote				Keynote I Sergei Guriev
13:30 – 15:30 Parallel Sessions B	B1 Development Aid	B2 Tax Competition & Optimal Taxation	B3 Fiscal Transfers	
16:00 – 18:00 Parallel Sessions C	C1 State Capacity	C2 Elasticity of Taxable Income	C3 Fiscal Decentralisation	
Tuesday, May 9, 2017				
	Room 1	Room 2	Heinz-König-Hall	Room Brussels
09:00 – 11:00 Parallel Sessions D	D1 Tax incidence and Reforms	D2 Taxes & Welfare in the Lab	D3 Poverty & Social Protection	
11:30 – 12:30 Keynote				Keynote II Ravi Kanbur
13:30 – 15:30 Parallel Sessions E	E1 Tax Compliance	E2 International Taxation	E3 Political Competition & Voting	

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Monday, May 8, 2017

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8:30 – 9:30	<b>Registration (Meeting Hall)</b>
	<b>Are financing constraints binding for investment? Evidence from natural experiment</b> <i>Katarzyna Habu</i> Discussant: Vincent Dekker
9:30 – 11:00	
Session A1 Taxation & Firm Behaviour Chair: Daniela Steinbrenner	<b>Opening Pandora's Box - Do Intellectual Property Boxes Foster Innovation</b> <i>Vincent Dekker</i> Discussant: Alessandro Di Nola
Room 1	<b>Productivity, Taxation and Evasion: An Analysis of the Determinants of the Informal Economy</b> <i>Alessandro Di Nola, Georgi Kocharkov and Aleksandar Vasilev</i> Discussant: Katarzyna Habu
9:30 – 11:00	<b>One vs. Two Instruments for Redistribution: The Case of Public Utility Pricing</b> <i>Fabian Feger and Doina Radulescu</i> Discussant: Charlotte Bartels
Session A2 Redistribution & Welfare Chair: Paul Hufe	<b>Redistribution and Insurance in Welfare States around the World</b> <i>Charlotte Bartels and Dirk Neumann</i> Discussant: Fabian Kindermann
Room 2	<b>Inheritance Taxation and Wealth Effects on the Labor Supply of Heirs</b> <i>Fabian Kindermann, Lukas Mayr and Dominik Sachs</i> Discussant: Doina Radulescu
9:30 – 11:00	<b>Restoring Reputation? The IMF and Sovereign Creditworthiness</b> <i>Kai Gehring and Valentin Lang</i> Discussant: Wouter van der Wielen
Session A3 Public Spending & Debt Chair: Sarah Ciaglia	<b>Stochastic Characterisation of EMU Budget Discipline with Policy Uncertainty</b> <i>Wouter van der Wielen</i> Discussant: Vera Z. Eichenauer
Heinz-König-Hall	<b>December Fever in Public Finance</b> <i>Vera Z. Eichenauer</i> Discussant: Sarah Ciaglia
11:00 – 11:30	<b>Coffee Break (Meeting Hall)</b>

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11:30 – 12:30

Keynote I

**Sergei Guriev (Sciences Po):**

**Distributional implications of transition from plan to market**

Room Brussels

12:30 – 13:30

**Lunch (Meeting Hall)**

**Aid Donors**

*Andreas Fuchs and Angelika Mueller*

Discussant: Sarah Langlotz

13:30 – 15:30

Session B1

Development Aid

Chair: Christoph Harendt

**Does development aid increase military expenditure?**

*Sarah Langlotz and Niklas Potrafke*

Discussant: Alexandra Avdeenko

**Humanitarian Aid and Natural Disasters: An Impact Evaluation in Pakistan**

*Alexandra Avdeenko, Markus Frölich and Juanita Vasquez-Escallon*

Discussant: Andreas Fuchs

Room 1

**Does Aid Help Refugees Stay? Does Aid Keep Refugees Away?**

*Axel Dreher, Andreas Fuchs and Sarah Langlotz*

Discussant: Angelika Mueller

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13:30 – 15:30

Session B2

Tax Competition & Optimal  
Taxation

Chair: Verena Dutt

**Dynamic Tax Competition, Home Bias and the gain from Non-preferential  
Agreements: A case for unilateral commitment**

*Kaushal Kishore*

Discussant: Simon Naitram

**Corporate Tax Competition and Profit Shifting to Tax Havens**

*Simon Naitram*

Discussant: Emanuel Hansen

Room 2

**Optimal income taxation with labor supply responses at two margins: When is  
an Earned Income Tax Credit optimal?**

*Emanuel Hansen*

Discussant: Kaushal Kishore

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**Separated Under the Same Roof: Fiscal Inefficiency of Parties' Fragmentation and Mayor's Political Power**

*Matteo Cervellati, **Giorgio Gulino** and Paolo Roberti*

Discussant: Katharina Richert

13:30 – 15:30

**The International Finance Corporation's hidden lending motives**

*Axel Dreher and **Katharina Richert***

Discussant: Brice Fabre

Session B3

Fiscal Transfers

Chair: Zareh Asatryan

**The returns from private and political connections: New evidence from French municipalities**

***Brice Fabre** and Marc Sangnier*

Discussant: Zareh Asatryan

Heinz-König-Hall

**Multi-Lateral Lending to European Regions: who gets the funds and what are the effects?**

***Zareh Asatryan** and Annika Havlik*

Discussant: Giorgio Gulino

15:30 – 16:00

Coffee Break (Meeting Hall)

**Semi-Autonomous Revenue Authorities In Sub-Saharan Africa: Silver Bullet Or White Elephant**

***Roel Dom***

Discussant: Tiangboho Sanogo

16:00 – 18:00

**Does fiscal decentralization enhance citizens' access to public service? Evidence from Côte d'Ivoire municipalities in conflict setting**

***Tiangboho Sanogo***

Discussant: Antonio Savoia

Session C1

State Capacity

Chair: Julia Braun

**How Do Political Institutions Affect Fiscal Capacity? Explaining Taxation in Developing Economies**

*Roberto Ricciuti, **Antonio Savoia** and Kunal Sen*

Discussant: Roel Dom

Room 1

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	<b>The Elasticity of Taxable Income: A Meta-Regression Analysis</b> <i>Carina Woodage</i> Discussant: Albrecht Bohne
16:00 – 18:00	<b>Learning Dynamics in Tax Bunching at the Kink: Evidence from Ecuador</b> <i>Albrecht Bohne and Jan Sebastian Nimczik</i> Discussant: Gauthier Lanot
Session C2 Elasticity of Taxable Income Chair: Katharina Nicolay	<b>The Bias of the Estimators of the Elasticity of Taxable Income</b> <i>Thomas Aronsson, Katharina Jenderny and Gauthier Lanot</i> Discussant: Marcelo Bergolo
Room 2	<b>Tax Bunching at the Kink in the presence of low capacity of enforcement: Evidence from Uruguay</b> <i>Marcelo Bergolo, Gabriel Burdin, Mauricio De Rosa, Matias Giacobasso and Martin Leites</i> Discussant: Carina Woodage
	<b>Yardstick Competition in Local Business Taxation: Quasi-experimental Evidence from Portugal</b> <i>Mariana Lopes da Fonseca</i> Discussant: Christian Frey
16:00 – 18:00	<b>Fiscal Federalism and Income Inequality: an Empirical Analysis for Switzerland</b> <i>Lars P. Feld, Christian Frey, Christoph A. Schaltegger and Lukas A. Schmid</i> Discussant: Pablo Evia
Session C3 Fiscal Decentralization Chair: Annika Havlik	<b>Increased decentralization, basic services, and nutrition: Evidence from Bolivia</b> <i>Pablo Evia</i> Discussant: Ekkehard A. Koehler
Heinz-König-Hall	<b>Federalism and foreign direct investment An empirical analysis</b> <i>Lars P. Feld, Ekkehard A. Koehler, Leonardo Palhuca and Christoph A. Schaltegger</i> Discussant: Mariana Lopes da Fonseca
19:00	Dinner (Rheinterrassen)

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Tuesday, May 9, 2017

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	<p><b>A European Perspective on the US Plans for a Destination Based Cash Flow Tax</b> <i>Johannes Becker and Joachim Englisch</i> Discussant: Jarkko Harju</p>
9:00 – 11:00	<p><b>Tax incidence in the fuel market: Evidence from station-level data</b> <i>Jarkko Harju, Tuomas Kosonen and Marita Laukkanen</i> Discussant: Jonathan Pycroft</p>
Session D1 Tax Incidence and Reforms Chair: Rainer Bräutigam	<p><b>Modelling corporate tax reform in the EU: New simulations with the CORTAX model</b> <i>María T. Alvarez-Martinez, Salvador Barrios, Diego d'Andria, María Gesualdo, Dimitris Pontikakis and Jonathan Pycroft</i> Discussant: Mariona Mas-Montserrat</p>
Room 1	<p><b>Behavioural Responses to the (Re)Introduction of Wealth Taxes. Evidence from Spain</b> <i>José María Durán-Cabré, Alejandro Esteller-Moré and Mariona Mas-Montserrat</i> Discussant: Johannes Becker</p>
	<hr/> <p><b>All's fair in taxation: A framing experiment with local politicians</b> <i>Colin Kuehnhanss and Bruno Heyndels</i> Discussant: Jana Friedrichsen</p>
9:00 – 11:00	<p><b>Welfare stigma in the lab: Evidence of social signaling</b> <i>Jana Friedrichsen, Tobias König and Renke Schmacker</i> Discussant: Eckhard Janeba</p>
Session D2 Taxes & Welfare in the Lab Chair: Sebastian Blesse	<p><b>Preferences over Taxation of High Income Individuals: Evidence from Online and Laboratory Experiments</b> <i>Dirk Engelmann, Eckhard Janeba Lydia Mechtenberg and Nils Wehrhöfer</i> Discussant: Tuomas Matikka</p>
Room 2	<p><b>Discrete earnings and optimization errors: Evidence from student's responses to local tax incentives</b> <i>Tuomas Kosonen and Tuomas Matikka</i> Discussant: Colin Kuehnhanss</p> <hr/>

	<p><b>Capital Accumulation, Private Property and Rising Inequality in China, 1978-2015</b> <i>Thomas Piketty, Li Yang and Gabriel Zucman</i> Discussant: Paul Hufe</p>
<p>9:00 – 11:00</p> <p>Session D3 Poverty &amp; Social Protection Chair: Olena Pfeiffer</p> <p>Heinz-König-Hall</p>	<p><b>Equality of Opportunity and Freedom from Poverty: Measurement and Optimal Taxation</b> <i>Paul Hufe, Ravi Kanbur and Andreas Peichl</i> Discussant: Jukka Pirttila</p> <p><b>Quantifying the Impacts of Expanding Social Protection on Efficiency and Equity: Evidence from a Behavioral Microsimulation Model for Ghana</b> <i>Robert Osei, Jukka Pirttila and Pia Rattenhuber</i> Discussant: Torben Fischer</p>
	<p><b>Adverse Selection in Low-Income Health Insurance Markets: Evidence from a large-scale RCT in Pakistan</b> <i>Torben Fischer, Markus Frölich and Andreas Landmann</i> Discussant: Li Yang</p>
11:00 – 11:30	Coffee Break (Meeting Hall)
11:30 – 12:30	<p>Ravi Kanbur (Cornell University): The Digital Revolution and Targeting Public Expenditure for Poverty Reduction</p>
Keynote II	
Room Brussels	
12:30 – 13:30	Lunch (Meeting Hall)
	<p><b>Using Movement of Exemption Cutoff to Estimate Tax Evasion: Evidence from Pakistan</b> <i>Mazhar Waseem</i> Discussant: Amanda Tuset Cueva</p>
13:30 – 15:30	<p><b>Administrative Efficiency and Tax Compliance</b> <i>Tobias Cagala, Johannes Rincke and Amanda Tuset Cueva</i> Discussant: Jost Heckemeyer</p>
Session E1 Tax Compliance Chair: Phillip Dörrenberg	<p><b>Information Exchange and Tax Haven Investment in OECD Equity and Debt Markets</b> <i>Jost Heckemeyer and Aaron Hemmerich</i> Discussant: Johannes Voget</p>
Room 1	<p><b>Inverse December Fever</b> <i>Zareh Asatryan, Andreas Peichl, Thomas Schwab and Johannes Voget</i> Discussant: Mazhar Waseem</p>



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13:30 – 15:30	<b>Corporate Investment Policies, Market Power, and Strategic and Tax Incentives</b> <i>Elena Patel and Nathan Seegert</i> Discussant: Maximilian Todtenhaupt
Session E2 International Taxation Chair: Maximilian Todtenhaupt	<b>International Taxation and Productivity Effects of M&amp;As</b> <i>Maximilian Todtenhaupt and Johannes Voget</i> Discussant: Dominik von Hagen
Room 2	<b>Impact of controlled foreign company rules on post-acquisition investment in target firms</b> <i>Dominik von Hagen and Christoph Harendt</i> Discussant: Nathan Seegert
13:30 – 15:30	<b>Compulsory Voting, Voter Turnout and Asymmetrical Habit-formation</b> <i>Stefanie Gäbler, Niklas Potrafke and Felix Roesel</i> Discussant: Christian Bruns
Session E3 Political Competition & Voting Chair: Mustafa Yeter	<b>Accountability with large electorates</b> <i>Emre Aytimur and Christian Bruns</i> Discussant: Vitezslav Titl
Heinz-König-Hall	<b>Political Donations and the Allocation of Public Procurement Contracts</b> <i>Vitezslav Titl and Benny Geys</i> Discussant: Stefanie Gäbler
15:35 – 15:45	<b>Closing Remarks (Heinz-König-Hall)</b>