

## Graduate Public Economics: Public Goods

Summer Term 2024

### Instructor:

Prof. Dr. Sebastian G. Kessing

### Language & Location:

The course will be taught in English unless all students are German-speaking. The course will be taught at the University of Siegen Campus Unteres Schloss (approx. 10 minutes on foot from Siegen Hbf). Detailed information on the lecture halls and timing will be provided after May 13, see below.

### Registration:

If you are interested in participating, please send an email to Sebastian Kessing ([kessing@vwl.wiwi.uni-siegen.de](mailto:kessing@vwl.wiwi.uni-siegen.de)) or register in Unisono (Siegen students only) **by April 30, 2024**. Please indicate a ranking of your preferred three papers for presentation from the list below. I have selected only papers which are predominantly empirical for presentation. In case you are pursuing a purely theoretical dissertation and prefer to discuss a theory paper, please let me know by email. Please provide your paper preference by **May 8**. There will be an online meeting on **May 13 at 6pm**, 2024 to discuss the organization and the content of the course. The course will take place in Siegen from Thursday, June 27 (currently foreseen to start at noon, but we can adjust timing if some students need more time to come to Siegen on that day) until Saturday June 29. A detailed schedule will be announced after the meeting on May 13.

### Contents:

- Types of public goods
- Efficiency
- Preference revelation
- Public (tax-financed) provision of public goods
- Private provision of public goods (baseline)
- Aggregative game approach
- Private provision of public goods (extensions/dynamics)
- Optimal tax incentives
- Experimental evidence
- Global public goods and international cooperation
- Valuing public goods empirically
- Empirical evidence on tax incentives

Given the time constraint, some topics may only be touched upon briefly. Based on students' preferences (tbd on May 13) I can adjust the focus among the topics.

### Requirements:

To obtain (ungraded) credits you must:

- Participate in class.
- Hand in answers to the problem sets distributed in class.
- Present a paper in class from the below-given list (approx. 30 minutes including questions & discussion). Please send me a ranking of your three most preferred papers by May 8. Papers will be assigned on May 13 in the online meeting. Presentations will take place on the last day of the course.

**Literature (includes papers available for presentation by students. These papers are indicated by a \*.):**

- \*Adena, M. (2021). Tax-price elasticity of charitable donations—evidence from the German taxpayer panel. In *The Routledge Handbook of Taxation and Philanthropy* (pp. 219-235). London: Routledge.
- \*Almunia, M., Guceri, I., Lockwood, B., & Scharf, K. (2020). More giving or more givers? The effects of tax incentives on charitable donations in the UK. *Journal of Public Economics*, 183, 104114.
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- Buchholz, W., & Sandler, T. (2021). Global public goods: a survey. *Journal of Economic Literature*, 59(2), 488-545.
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- \*Choi, K. R., Kim, J. H., & Yoo, S. H. (2020). Public perspective on constructing sea forests as a public good: A contingent valuation experiment in South Korea. *Marine Policy*, 120, 104146.
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- Diamond, P. (2006). Optimal tax treatment of private contributions for public goods with and without warm glow preferences. *Journal of Public Economics*, 90(4-5), 897-919.
- Epperson, R., & Reif, C. (2017). Matching schemes and public goods: A review. *ZEW-Centre for European Economic Research Discussion Paper*, (17-070).
- Fack, G., & Landais, C. (2010). Are tax incentives for charitable giving efficient? Evidence from France. *American Economic Journal: Economic Policy*, 2(2), 117-141.
- Faias, M., Moreno-García, E., & Myles, G. D. (2020). Bergstrom, Blume, and Varian: Voluntary contributions and neutrality. *Journal of Public Economic Theory*, 22(2), 285-301.
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- Fershtman, C., & Nitzan, S. (1991). Dynamic voluntary provision of public goods. *European Economic Review*, 35(5), 1057-1067.
- \*Greenstone, M., & Hanna, R. (2014). Environmental regulations, air and water pollution, and infant mortality in India. *American Economic Review*, 104(10), 3038-3072.
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- \*Ito, K., & Zhang, S. (2020). Willingness to pay for clean air: Evidence from air purifier markets in China. *Journal of Political Economy*, 128(5), 1627-1672.
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- Kessing, S. G. (2007). Strategic complementarity in the dynamic private provision of a discrete public good. *Journal of Public Economic Theory*, 9(4), 699-710.
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- Saez, E. (2004). The optimal treatment of tax expenditures. *Journal of Public Economics*, 88(12), 2657-2684.
- \*Schlenker, W., & Walker, W. R. (2016). Airports, air pollution, and contemporaneous health. *The Review of Economic Studies*, 83(2), 768-809.

Further references may be provided in class.