Professor Holger Sieg

University of Pennsylvania

Econ 712 - Fall 2018

Topics in Public Economics

COURSE DESCRIPTION:

The course provides an introduction to current research in state and local public economics, political economy, education, and urban economics. There are three objectives. First, the course is to prepare and encourage you to start working on their own research. Second, we will read some of my recent papers to give you an idea what I am interested in and how I go about writing my own papers. Third, we will study some papers written by recent Penn Ph.D. students to give you an idea what a good dissertation at Penn entails. We will cover a variety of topics including the following:

1. Motivation:

   Holmes, T. and H. Sieg (2015), "Structural Estimation in Urban Economics." in: Handbook of Regional and Urban Economics 5A." G. Duranton, V. Henderson and W. Strange (eds.), North Holland, 69-114.

2. The Provision of Local Public Goods in a Decentralized System of Local Jurisdictions:

   Calabrese, S., Epple, D. and R. Romano (2012), "Inefficiencies from Metropolitan Political and Fiscal Decentralization: Failures of Tiebout Competition," Review of Economics Studies, 79(3),1081-1111.

   Epple, D., Romano, R. and H. Sieg (2012), "The Intergenerational Conflict in the Provision of Public Education," Journal of Public Economics, 96 (3-4), 255-268.

Calabrese, S., Epple, D., Romer, T. and H. Sieg (2006), "Local Public Good Provision: Peer Effects, Voting, and Mobility," Journal of Public Economics, 2006, 90 (6-7), 959-981.

Epple, D., Romer, T. and H. Sieg (2001), "Interjurisdictional Sorting and Majority Rule: An Empirical Analysis," Econometrica, 69, 1437-1465.

Epple, D. and H. Sieg (1999), "Estimating Equilibrium Models of Local Jurisdictions," Journal of Political Economy, 107, 645-681.

3. School Competition and Neighborhood Choice:

Epple, D., Jha, A., and Sieg, H. (2018), "The Superintendent's Dilemma: Managing School District Capacity as Parents Vote with Their Feet." Quantitative Economics, forthcoming.

Agarwal, N. and P. Somani (2018), Demand Analysis using Strategic Reports: An application to a school choice mechanism, 86 (2), 391-444.

Calsamiglia, C., Fu, C. and M. Guell (2018). Structural Estimation of a Model of School Choices: The Boston Mechanism vs its Alternatives. Working Paper.

∗ Mehta, N. (2016), Competition in Public School Districts: Charter School Entry, Student Sorting, and School Input Determination, International Economic Review, forthcoming.

Cestau, D., Epple, D. and H. Sieg (2017), "Admitting Students to Selective Education Programs: Merit, Profiling, and Affirmative Action." Journal of Political Economy, f125 (3), 761-797.

Bayer, P., Ferreira, F., and McMillan, R. (2007). "A United Framework for Measuring Preferences for Schools and Neighborhoods." Journal of Political Economy, 115 (4), 588-638.

4. Higher Education: Access and Financial Aid

Epple, D., Romano R., Sarpça, S., Sieg, H. and M. Zaber (2018), "Market Power

and Price Discrimination in the U.S. Market for Higher Education." Working Paper.

∗ Sieg, H. and Y. Wang (2018), "The Impact of Student Debt on Education, Career, and Marriage Choices of Female Lawyers." European Economic Review, forthcoming.

Epple, D., Romano R., Sarpça, S. and H. Sieg (2016), "A General Equilibrium Analysis of State and Private Colleges and Access to Higher Education in the U.S."Journal of Public Economics, 155, 164-178.

∗ Fu, C. (2014). Equilibrium Tuition, Applications, Admissions and Enrollment in the College Market" Journal of Political Economy , 2014, 122(2): 225-281.

Epple, D., R. Romano and H. Sieg (2006), Admission, Tuition, and Financial Aid Policies in the Market for Higher Education, Econometrica, 2006, 74 (4), 885-928.

Arcidiacono, P. (2005), "Affirmative Action in Higher Education," Econometrica, 63 (5), 1477-1524.

5. Housing Markets:

Sieg, H. and C. Yoon (2018). Waiting for Affordable Housing in New York City," Working Paper.

Epple, D., Quintero, L. and H. Sieg (2018), "A New Approach to Estimating Hedonic Equilibrium Models for Metropolitan Housing Markets." Working Paper.

Bayer, P., McMillan, R., Murphy, A. and C. Timmins (2016), "A Dynamic Model of Demand for Houses and Neighborhoods," Econometrica, 84, 893-942.

Epple, D., Gordon, B. and H. Sieg (2010), "A New Approach to Estimating the Production Function for Housing," American Economic Review, 100 (3), 905-924.

6. Spatial Equilibrium Models:

∗ Yoon, C. (2017), "The Decline of the Rust Belt," International Economic Review, 58(2): 473 - 497.

Ahlfeld, G, Redding, S. D. Sturm and N. Wolf (2015). The Economics of Density: Evidence From the Berlin Wall. Econometrica, 83(6), 2127-2189.

Brinkman J., Coen-Pirani D. and H. Sieg (2015), "Firm Dynamics in an Urban Economy." International Economic Review, 56 (4), 1135-64.

Holmes, T. (2011): "Diffusion of Wal-Mart and Economies of Density," Econometrica, 79 (1) 253-301.

7. Political Economy of State and Local Governments:

Sieg, H. and C. Yoon (2017), "Estimating Dynamic Games of Electoral Competition to Evaluate Term Limits in U.S. Gubernatorial Elections," American Economic Review, 107 (7), 1824-57.

Brinkman J., Coen-Pirani D. and H. Sieg (2018), "The Political Economy of Municipal Pension Funding. " AEJ-Macroeconomics, forthcoming.

∗ Koh, Y. (2018). "Universalism and the Value of Political Power". International Economic Review, forthcoming.

8. More Political Economy:

Merlo, A. and S. Tang (2012), Identification and Estimation of Stochastic Bargaining Models, Econometrica, July 2012, 80, 1563-1604.

Merlo, A., Diermeier D. and H. Eraslan (2003) A Structural Model of Government Formation, Econometrica, January 2003, 71, 27-70.

Merlo, A. (1997). Bargaining over Governments in a Stochastic Environment, Journal of Political Economy, 105, 101-131.

∗ Kang, K. (2016) Policy Influence and Private Returns from Lobbying in the Energy Sector The Review of Economic Studies, 83 (1), 269-305.

GRADES:

Grades will be based on participation, at least one presentation of a paper, and a research proposal.

PRESENTATIONS:

Each student is asked to present one of the papers marked with a ∗ These are job market papers written by former Penn students . All presentations should last approximately 1 hour. LATEX and PDF files of the 25-30 slides must be submitted at least one day before the presentation.

RESEARCH PROPOSAL:

The research proposal should include the following: a) a motivation of the topic that is to be studied; b) a short literature review summarizing the main papers in area and outlining the potential contributions of the proposed research; c) a data section describing the main sources and variables that are needed to conduct the empirical analysis. If possible, the proposal should provide some descriptive statistics of the main data set that is to be used in the research ; d) an outline of a model; e) discussion of potential identification problems; f) an outline of a feasible estimation strategy. The research proposal should be 15 pages and is due at the end of the semester.