

# AREA CONFERENCE ON PUBLIC SECTOR ECONOMICS

## PROGRAMME

Thursday, 12 April 2012

**Parallel Session 1a**  
LUDWIG ERHARD ROOM

**Long-Term Care, Health, and Redistribution**  
Chair: Helmuth Cremer

- 09:30 – 10:05     **The bequest tax as long-term care insurance**  
JOHANN K. BRUNNER  
Discussant: Helmuth Cremer
- 10:05 – 10:40     **Long-term care policy, myopia and redistribution**  
HELMUTH CREMER and Kerstin Roeder  
Discussant: Johann K. Brunner
- 10:40 – 11:15     **Public and private hospitals, waiting times, and redistribution**  
CHIARA CANTA and Marie-Louise Leroux  
Discussant: Philippe De Donder
- 11:15 – 11:50     **Genetic testing with primary prevention and moral hazard**  
David Bardey and PHILIPPE DE DONDER  
Discussant: Chiara Canta

**Parallel Session 1b**  
RICHARD MUSGRAVE ROOM

**Taxation**  
Chair: John D. Wilson

- 10:05 – 10:40     **Revenue and Welfare Effects of Financial Sector VAT Exemption**  
THIESS BUETTNER and Katharina Erbe  
Discussant: John D. Wilson
- 10:40 – 11:15     **Pigou, Becker and the Regulation of Punishment-Proof Firms**  
Carl Davidson, Lawrence W. Martin and JOHN D. WILSON  
Discussant: Thiess Buettner
- 11:15 – 11:50     **Relative Consumption and Tax Evasion**  
LASZLO GOERKE

11:50 – 12:05 **Coffee Break**

**Parallel Session 2a**  
RICHARD MUSGRAVE ROOM

**Family**  
**Chair: Marcel Thum**

12:05 – 12:40 **Social Security and Family Solidarity**  
MARIE-LOUISE LEROUX and Pierre Pestieau  
Discussant: Marcel Thum

12:40 – 13:15 **Gender Power, Fertility, and Family Policy**  
Alexander Kemnitz and MARCEL THUM  
Discussant: Marie-Louise Leroux

**Parallel Session 2b**  
LUDWIG ERHARD ROOM

**Optimal Taxation 1**  
**Chair: Bas Jacobs**

12:05 – 12:40 **Optimal Linear Commodity Taxation under Optimal Non-Linear Income Taxation**  
BAS JACOBS and Robin Boadway  
Discussant: Jukka Pirttilä

12:40 – 13:15 **Optimally Uniform Commodity Taxation: Some Further Results**  
Sören Blomquist and JUKKA PIRTTILÄ  
Discussant: Bas Jacobs

13:15 – 14:15 **Lunch**

**Parallel Session 3a**  
RICHARD MUSGRAVE ROOM

**Education and Migration**  
**Chair: Alessandra Casarico**

14:15 – 14:50 **Spending more is spending less: policy dilemmas on irregular migration**  
ALESSANDRA CASARICO, Giovanni Facchini and Tommaso Frattini  
Discussant: Ioana Schiopu

14:50 – 15:25 **The Political Economics of Higher Education Finance for Mobile Individuals**  
Rainald Borck, SILKE UEBELMESSER and Martin Wimbersky  
Discussant: Alessandra Casarico

15:25 – 16:00 **Inequality and Education Funding: Theory and Evidence from the U.S. School Districts**  
Calin Arcalean and IOANA SCHIOPU  
Discussant: Silke Uebelmesser

**Parallel Session 3b**  
LUDWIG ERHARD ROOM

**Firms and Taxation**  
**Chair: Marcel Gérard**

- 14:15 – 14:50    **Investment and financing strategy of a multinational enterprise under alternative tax designs**  
MARCEL GÉRARD and Savina Princen  
Discussant: Michael Stimmelmayer
- 14:50 – 15:25    **Taxation of Multinationals in the Presence of Internal Capital Markets**  
Marko Koethenbueger and MICHAEL STIMMELMAYR  
Discussant: Christian J. Bauer
- 15:25 – 16:00    **Sorting into Outsourcing: Are Profits Taxed at a Gorilla's Arm's Length?**  
CHRISTIAN J. BAUER and Dominika Langenmayr  
Discussant: Marcel Gérard
- 18:00            **Richard Musgrave Lecture at the University of Munich**
- Socially Desirable Limits on Choice**  
EYTAN SHESHINSKI
- 20:00            Dinner on the Occasion of the Richard Musgrave Lecture  
at the Restaurant Spatenhaus

**Friday, 13 April 2012**

**Plenary Session**  
LUDWIG ERHARD ROOM

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

- 09:20 – 09:55 **Wages and International Tax Competition**  
Sebastian Krauthaim and TIM SCHMIDT-EISENLOHR  
Discussant: Jean-Marie Lozachmeur
- 09:55 – 10:30 **The Taxation of Bonuses and its Effect on Executive Compensation and Risk Taking – Evidence from the UK Experience**  
MAXIMILIAN VON EHRLICH and Doina Radulescu  
Discussant: Jukka Pirttilä
- 10:30 – 11:05 **Is it Worth it? On the Returns to Holding Political Office**  
HELÈNE LUNDQVIST  
Discussant: Kaisa Kotakorpi
- 11:05 – 11:20 **Coffee Break**
- 11:20 – 11:55 **The Influence of Special Interests and Party Activists on Electoral Competition**  
NICOLAS-GUILLAUME MARTINEAU  
Discussant: Panu Poutvaara
- 11:55 – 12:30 **Policy Persistence and Rent Extraction**  
SILKE FRIEDRICH  
Discussant: Pierre Pestieau
- 12:30 – 13:30 **Lunch**

**Plenary Session**  
LUDWIG ERHARD ROOM

- 13:30 – 14:40 **Keynote Lecture**  
**The Public Economics of Increasing Longevity**  
PIERRE PESTIEAU and Gregory Ponthiere
- 14:40 – 15:00 **Coffee Break**

**Parallel Session 4a**  
RICHARD MUSGRAVE ROOM

**Pensions**  
**Chair: Hans Fehr**

- 15:00 – 15:35 **Do mobile pensioners threaten the deferred taxation of savings?**  
VOLKER MEIER and Andreas Wagener  
Discussant: Hans Fehr

15:35 – 16:10 **Should pensions be progressive? Yes, at least in Germany!**  
HANS FEHR, Manuel Kallweit and Fabian Kindermann  
Discussant: Volker Meier

**Parallel Session 4b**  
LUDWIG ERHARD ROOM

**Optimal Taxation 2**  
**Chair: Ray Rees**

15:00 – 15:35 **Optimal Piecewise Linear Income Taxation**  
Patricia Apps, Ngo Van Long and RAY REES  
Discussant: Vidar Christiansen

15:35 – 16:10 **Optimal participation taxes**  
VIDAR CHRISTIANSEN  
Discussant: Ray Rees

16:10 – 16:25 **Coffee Break**

**Parallel Session 5a**  
RICHARD MUSGRAVE ROOM

**Public Goods**  
**Chair: Andreas Wagener**

16:25 – 17:00 **Optimal Public Good Provision under Democratic Constraints**  
Felix Bierbrauer and MARCO SAHM  
Discussant: Marina Dodlova

17:00 – 17:35 **Intergovernmental Transfers as an Element of Multilevel Governance: Evidence from the United States**  
MARINA DODLOVA  
Discussant: Andreas Wagener

17:35 – 18:10 **The Public Provision of Private Goods with Status Concerns**  
Tobias König, Tobias Lausen and ANDREAS WAGENER  
Discussant: Marco Sahm

**Parallel Session 5b**  
LUDWIG ERHARD ROOM

**Taxation and Fiscal Policy (Empirics)**  
**Chair: Elisabetta Marzano**

16:25 – 17:00 **Effective Labor Taxation and the International Location of Headquarters**  
Peter Egger, DOINA RADULESCU and Nora Strecker  
Discussant: Elisabetta Marzano

17:00 – 17:35 **The sustainability of fiscal policy in Italy: a long-term perspective**  
Silvana Bartoletto, Bruno Chiarini and ELISABETTA MARZANO  
Discussant: Doina Radulescu

19:30 **Conference Dinner at the Restaurant “Seehaus” and  
Award Presentation of the Distinguished CESifo Affiliate Prize**

## **Saturday, 14 April 2012**

**Parallel Session 6a**  
RICHARD MUSGRAVE ROOM

**Political Economics 1**  
**Chair: Berthold U. Wigger**

09:20 – 09:55 **Expert Politicians, Electoral Control, and Fiscal Restraints**  
Uwe Dulleck and BERTHOLD U. WIGGER  
Discussant: Panu Poutvaara

09:55 – 10:30 **A Market for Connections**  
Topi Miettinen and PANU POUTVAARA  
Discussant: Berthold U. Wigger

**Parallel Session 6b**  
LUDWIG ERHARD ROOM

**Welfare and Free Lunch**  
**Chair: Ngo Van Long**

09:20 – 09:55 **Combining Rights and Welfarism: a new approach to intertemporal evaluation of  
social alternatives**  
NGO VAN LONG and Vincent Martinet  
Discussant: Volker Grossmann

09:55 – 10:30 **The Macroeconomics of TANSTAAFL**  
VOLKER GROSSMANN, Thomas M. Steger and Timo Trimborn  
Discussant: Ngo Van Long

10:30 – 10:45 **Coffee Break**

**Parallel Session 7a**  
RICHARD MUSGRAVE ROOM

**Political Economics 2 (Empirics)**  
**Chair: Massimo Bordignon**

- 10:45 – 11:20 **Fiscal federalism and political selection: evidence from Italy**  
MASSIMO BORDIGNON, Matteo Gamalerio and Gilberto Turati  
Discussant: Marko Koethenbueger
- 11:20 – 11:55 **Electoral Rules and Incentive Effects of Fiscal Transfers: Evidence from Germany**  
Peter Egger, MARKO KOETHENBUERGER and Michael Smart  
Discussant: Massimo Bordignon
- 11:55 – 12:30 **The returns to partisan alignment between layers of government**  
Marta Curto-Grau, Albert SOLÉ-OLLÉ and Pilar Sorribas-Navarro  
Discussant: Nadine Riedel
- 12:30 – 13:05 **Business Taxes and the Electoral Cycle**  
Dirk Foremny and NADINE RIEDEL  
Discussant: Albert Solé-Ollé

**Parallel Session 7b**  
LUDWIG ERHARD ROOM

**Labor and Taxation**  
**Chair: Matthias Wrede**

- 10:45 – 11:20 **Tax-Competition with Involuntary Unemployment**  
Thomas Eichner and THORSTEN UPMANN  
Discussant: Rainer Niemann
- 11:20 – 11:55 **Asymmetric Taxation and Performance-Based Incentive Contracts**  
RAINER NIEMANN  
Discussant: Thorsten Upmann
- 11:55 – 12:30 **Production Efficiency and Occupational Choice**  
Renato Gomes, JEAN-MARIE LOZACHMEUR and Alessandro Pavan  
Discussant: Matthias Wrede
- 12:30 – 13:05 **Wages, Rents, Unemployment, and the Quality of Life**  
MATTHIAS WREDE  
Discussant: Jean-Marie Lozachmeur
- 13:05 **Lunch**
- End of Conference**