

**WWZ Research Seminar**

**Tuesday, December 17, 2019, 12:30pm, S 15, HG**

**Prof. Sebastian Siegloch, Universität Mannheim**

**"Efficiency and Equity Effects of Place-Based Policies: Evidence from Capital Subsidies in East Germany"**

(joint with Tobias Etzel and Wehrhöfer)

**ABSTRACT**

“We study the effects of capital investment subsidies mostly targeted at East German manufacturing firms post reunification. Exploiting quasi-experimental variation in the regional targeting of capital subsidies and administrative data on the regional and firm level, we estimate the causal effects of a large-scale place-based policy on local employment. In the course, we pay special attention to inter-regional as well as intraregional, inter-sectoral spill-overs, which underly the overall policy effect. Moreover, we assess the distributional implications of the policy, assessing its contribution to the overall change in within-East inequality.”