

List of Projects

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Public finances and climate change

Anniversary Fund of the Oesterreichische Nationalbank

October 2025 - September 2027

Against the background of predictions by climate scientists that temperatures and related extreme weather events will continue to increase in the coming decades, the interest of academics and policy makers in understanding the complex economic effects of climate change has grown. Events such as the flooding in mid-September 2024 after the heaviest rain in decades in Central and Eastern Europe emphasise the threat posed by extreme weather events. However, research on the complex nexus between climate change and public finances remains relatively underdeveloped, with comparatively little research on the consequences for different dimensions of public finances, including debt sustainability and sovereign risk. This project aims to close existing gaps in the literature by providing new theoretical and empirical contributions that allow for a better understanding of the nexus between climate change and public finances in Europe and beyond.

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Verteilungs- und Beschäftigungseffekte von Fiskalpolitik in Österreich

AK - Wien

September 2025 - September 2027

Am wiiw werden im Rahmen eines von der Österreichischen Akademie der Wissenschaften geförderten Projekts neue Erkenntnisse zu den Verteilungs- und Beschäftigungswirkungen der Fiskalpolitik in Österreich gewonnen. Grundlage ist ein neu erhobener narrativer Datensatz exogener Steuer- und Transferschocks für den Zeitraum 2000–2022. Ziel des vorliegenden Projekts ist es, Forschungsergebnisse zu den Effekten von Fiskalpolitik in deutscher Sprache einer breiteren österreichischen Fachöffentlichkeit zugänglich zu machen, insbesondere durch eine deutschsprachige Studie bezüglich der neuen Daten zu fiskalpolitischen Reformen, eine Aufbereitung in Form eines Blog-Beitrags sowie eine öffentliche Präsentation von Studienergebnissen am wiiw.

Distributional income and employment effects of fiscal policy: Micro-level evidence for Austria

Österreichische Akademie der Wissenschaften

July 2025 - June 2027

This project provides new micro-level evidence on how tax and transfer shocks affect incomes and employment. As the identification of exogenous policy shocks is a key issue in establishing a causal relation from tax and transfer policy changes to incomes and employment, we collect a rich time series of exogenous tax and transfer shocks for Austria. These novel data cover the timing, size and motivation of legislative tax and transfer changes over the period 2000–2022 based on information collected from government bills, budget reports, the annual budget speech of the finance minister in the Austrian parliament, press coverage and economic reports. We combine this narrative data set with micro data provided by the AMDC on incomes and employment. This allows us to test whether different policy measures (e.g. labor income tax reforms, changes to consumption taxes, or social security transfers) will affect individual income and employment trajectories differently. Combining the AMDC micro data with our macroeconomic dataset of fiscal shocks will enable a high-frequency identification of the impact of tax and transfer shocks at the individual level. These individual tax and transfer shocks can then be tested as possible explanations for individual employment trajectories, reasons for (un)employment and work time decisions, conditional on the social and economic status of the individual. An important outcome of our project will be a consistent narrative macroeconomic time series of the timing, size, motivation and target of tax and transfer shocks for Austria. This

dataset will be published open-source and can thus be used by other researchers for further research questions at the national level. It may also be combined with similar datasets for other countries in international panel studies or country-comparisons. While there is a large empirical literature on the macroeconomic effects of tax and transfer shocks, the transmission mechanisms from tax and transfer changes to income and employment effects are not yet well understood. Our findings will inform policy makers about the impact of different tax and transfer policies on employment and income trajectories in Austria, also with a view to exploiting regional variation. These findings will also contribute to the academic literature on the impact of fiscal policies. In particular, we will shed new light on the transmission mechanisms of tax and transfer shocks via labor supply and demand decisions that are currently not well understood. This could also inform parameterisations of modern macroeconomic heterogeneous agent models.