ONURSAL BAGIRGAN

Özyeğin University
Department of Economics

CONTACT INFORMATION

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EMPLOYMENT

Assistant Professor of Economics, Özyeğin University   *September 2020 - present*

EDUCATION

Ph.D. Economics, Universidad Carlos III de Madrid   *2020*
M.S. Economic Analysis, Universidad Carlos III de Madrid   *2016*
M.A. Economics, Bilkent University   *2014*
B.S. Industrial Engineering, Bilkent University   *2012*

RESEARCH INTEREST

My research focuses on the strategic interactions of government and private agents under imperfect environments due to limited commitment and limited enforcement.

- Public Finance

- Macroeconomic Theory

- Applied Theory

REFERENCES

William Fuchs *(Main Advisor)*   Andres Erosa   Matthias Kredler
UT-Austin, UC3M   UC3M   UC3M
wfuchs@gmail.com   aerosa@eco.uc3m.es   mkredler@eco.uc3m.es

WORKING PAPER

Repeated Tax Amnesties

Abstract: Governments have used tax amnesties repeatedly in recent decades. In this paper, we present a theoretical framework to explain the recurring nature of tax amnesties. We construct a model with the strategic interaction of a government and a mass of taxpayers. The government and the taxpayers interact repeatedly, and each interaction can result in a tax amnesty. We first show that the self-fulfilling characteristic of tax amnesties may lead to sub-optimal outcomes under lack of commitment. Then, we show that an amnesty can cause another amnesty in the near future by altering taxpayers' beliefs about unobservable government characteristics. Therefore, an economy may get into a sequence of consecutive tax amnesties through a reputational channel referred to as an "expectation trap." The expectation trap mechanism can explain the series of tax amnesties in some US states that rarely experienced tax amnesties in the past. Our model predicts that four factors can make an economy more vulnerable to the expectation trap: high personal income; high tax rates; low political cost for declaring an amnesty; and low audit rates. We examine US state-level data to test this prediction and show that the states with high personal income and high tax rates are using tax amnesties more frequently and repeatedly.

RESEARCH IN PROGRESS

Sustainable Intergenerational Insurance with Money (with William Fuchs)

Abstract: We study the potential role of money and monetary policy on improving intergenerational risk-sharing. Standard studies on redistribution assume perfect enforcement. A government can tax one generation and make transfers to another. However, this is a very strong assumption. We build on the work by Lancia, Russo, and Worrall (2017). We focus on the intergenerational re-distributive policies without any formal enforcement in a 2-period OLG framework. Lack of enforcement implies that it is impossible to tax an old agent. We show that introducing money into the LRW (2017) environment improves risk-sharing. We also show that the government can transfer wealth from old generation to young generation if it creates unanticipated inflation. In this ongoing project, we plan to study the consumers' optimal strategies if they expect such monetary shocks and what would be the effect of such policies if they are anticipated.

Optimism Bias and Inequality

Abstract: Optimism bias is a well-established psychological phenomenon, i.e., individuals have a bias to be optimistic about their future. Brunnermeier and Parker (2005) build a mathematical representation of a decision-making mechanism with optimism bias. I study a dynamic version of Brunnermeier and Parker (2005) model. I extend their model into a 2-period OLG framework. I plan to study the effects of optimism bias from two different channels. First, the distribution of expectations might change during a recession and it may result in a heterogeneity in portfolio allocation decisions. Second, optimism bias may promote a risk-taking attitude. If the magnitude of the effect on risk-behavior differs with personal wealth, the investment decisions of rich and poor may vary.

TEACHING ASSISTANT

PhD Level
Universidad Carlos III de Madrid
Microeconomics I (2017, 2018, 2019)

Undergraduate Level
Universidad Carlos III de Madrid
Monetary and Financial Macroeconomics (2017, 2018, 2019)
Game Theory (2015, 2016)

Bilkent University
Principles of Economics - II (2014)
Econometrics – I (2013)
Microeconomic Theory – I (2012, 2013)

AWARDS & ACCOMPLISHMENTS

UC3M Outstanding Teaching Award (2017,2018)
FPI (Ayuda Predoctoral), Ministry of Economics and Competition, Spain
Masters' Scholarship from Universidad Carlos III de Madrid, Department of Economics
Graduate Scholarship and Tuition Waive from Bilkent University, Department of Economics
Full Undergraduate Scholarship from Bilkent University

PRESENTATIONS

UC3M-CEMFI Macroeconomics PhD Workshop (2016)
UC3M PhD Workshop (2016,2017,2018,2019)
ENTER Jamboree Tilburg (2019)
Max Planck Institute 3rd Workshop in Advances in Political Economy and Public Economics (2019)
Mannheim University Public Economics Seminar (2019)

SKILLS

Software	Matlab, Stata, LaTeX, EViews, Office
Languages	Turkish (Native), English (Fluent), Spanish (Intermediate)