

# Statement of Purpose

Konstantin Poensgen — Ph.D. in Economics

A central theme of my research interests is how market features interact with the collection of public revenues and the provision of public goods and services. I am inquisitive in studying these links using the quantitative economics toolkit in the areas of taxation and social insurance.

Regarding revenue collection, I am curious about the intersection of tax and development. For instance, given the rapid urbanization in developing countries, the revenues of city governments for providing urban amenities are crucial yet scarce. At the same time, local shopping markets centralize economic activity, where compliance among vendors with market fees is high anecdotally. However, this source is largely untapped for tax collection purposes. Exploring this topic could promote local tax capacity and inform about issues like fiscal decentralization (e.g., [Gadenne and Singhal, 2014](#)) and the organization of tax administrations (e.g., [Basri et al., 2021](#)).

Concerning public goods and services provision, I am especially interested in their supply through marketplaces. Health insurance, for example, is often provided on so-called exchanges to foster consumer choice and insurer competition. On the former, there is widespread evidence that individuals face substantial behavioral frictions in their insurance choices (e.g., [Ericson and Sydnor, 2017](#); [Chandra et al., 2019](#)). However, we know much less about their implications for insurance supply (e.g., [Handel and Ho, 2021](#)). To help fill this gap, I am keen to explore insurer behavior in the presence of demand frictions, which could provide critical regulatory insights.

I gained substantial research experience through independent research and my current predoc. My BSc thesis studies the link between indirect taxation and inequality in developing countries. Consistent with [Bachas et al. \(2020\)](#), I find no evidence that indirect taxes are regressive in this context using cross-country panel data. The paper received the highest grade possible. My MSc thesis explores price sensitivity in the German health insurance market. On the insurer level, I use a DiD design and an IV strategy to estimate the price elasticity of demand. Using representative, individual-level panel data, I find that a reform which reduced the salience of premiums decreased individuals' price sensitivity. The paper received the highest grade in the course, ranking 3<sup>rd</sup> out of all graduate economics essays at LSE that year. Finally, in my predoc, I actively contribute to various research stages such as theory, conducting and presenting empirical analyses, drafting academic papers, and developing grant applications.

My prior coursework in economic theory and quantitative methods provides a strong foundation for my doctoral studies. The rigorous training in Mannheim and Nottingham and my desire to pursue a Ph.D. motivated my graduate studies in mathematical economics and econometrics at LSE, which I finished among the top of my cohort. The proof-based micro, macro and econometrics sequences matched the rigor of first-year Ph.D. courses. Various electives in public finance and applied econometrics strengthen my interests in these areas. Additionally, I took a real analysis course to deepen my understanding of the mathematical foundations in economics.

My motivation to pursue a Ph.D. in economics is twofold. First, I am excited to continue learning about economic theory and empirical methods. Second, I aspire to become a quantitative economist at a leading university contributing to the research frontier in public economics. With this goal in mind, I hope to pursue a Ph.D. in economics at a leading university.

# Bibliography

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