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## AWI This Week

### Monday, 4.2.13

#### Departmental Seminar I

17.15-18.45

AWI 00.010

Jean-Robert Tyran, University of Vienna

"Self-Organization for Collective Action:  
An Experimental Study of Voting on Sanction Regimes"

### Tuesday, 5.2.13

#### Economics & Politics Seminar

14.15-15.15

AWI 02.036

Timo Weishaupt, University of Mannheim

"Assessing the Impact of International Organizations on  
National Labor-Market Reforms"

### Wednesday, 6.2.13

#### Departmental Workshop

17.15-18.45

AWI 00.010

Nicolas Keller, University of Heidelberg

"Returns to Citizenship: Evidence from Germany's  
Immigration Reform"

### Friday, 8.2.13

#### Departmental Seminar II

17.15-18.45

AWI 02.023

Al Roth, Stanford University,  
Nobel laureate in Economic Sciences 2012 jointly with  
Lloyd S. Shapley *"for the theory of stable allocations  
and the practice of market design"*

TBA

### Departmental Seminar I

Jean-Robert Tyran

"Self-Organization for Collective Action: An Experimental Study of Voting on Sanction Regimes"

Entrusting the power to punish to a central authority is a hallmark of civilization, yet informal or horizontal sanctions have attracted more attention of late. We study experimentally a collective action dilemma and test whether subjects choose a formal sanction scheme that costs less than the surplus it makes possible, as predicted by standard economic theory, or instead opt for the use of informal sanctions or no sanctions. Our subjects choose, and succeed in using, informal sanctions surprisingly often, their voting decisions being responsive to the cost of formal sanctions. Adoption by voting enhances the efficiency of both informal sanctions and non-deterrent formal sanctions. Results are qualitatively confirmed under several permutations of the experimental design.

### Economics & Politics Seminar

Timo Weishaupt

"Assessing the Impact of International Organizations on National Labor-Market Reforms"

Regulating labor markets has always been at the center of political struggles, juxtaposing employers' and workers' interests. Not surprisingly, these political conflicts have never solely taken place within clearly defined national boundaries. International organizations (IOs) such as the OECD and EU have actively been engaged in defining appropriate levels of labor market interventions since the 1960s and 1990s respectively. In this paper, the question is raised if, and if so how, IOs have influenced national labor market policy reform agendas since the end of World War II. Analytically, this paper develops a constructivist interpretation of historical institutionalism that connects the Internal Relations literature on transnational policy learning and diffusion with the Comparative Politics literature on welfare state development. Substantively, the paper's main contention is that the OECD's recommendations put forward by "switchman of history" Gösta Rehn gave rise to a phase of institution building during the 1960s and 1970s, times during which legislation was passed to institutionalize active labor market policies across many Western democracies. During the 1980s, however, a phase of labor market divergence followed as the OECD – caught up in ideational clashes about the best way forward – was unable to put forward a commonly acceptable portfolio of choices. Accordingly, the 1980s were times during which labor markets were further regulated and social protection schemes expanded in Continental and Northern Europe, while the Anglo-Saxon world pursued a path of deregulation and welfare retrenchment. When the European Union entered as a player during the 1990s, Allan Larsson became a new "switchman of history", promoting an activation turn both formally through the launch of the European Employment Strategy and informally through the nourishing of an epistemic community. An era of contingent convergence was its result.

## Departmental Workshop

Nicolas Keller

"Returns to Citizenship: Evidence from Germany's Immigration Reform"\*

In many European countries, immigrants seem to have lower employment rates, worse education and lower earnings than Natives. This article analyzes whether easier access to citizenship improves the labor market outcomes of immigrants. We use recent changes in Germany's immigration policy to estimate the benefits of citizenship. For identification, we exploit discontinuities in the eligibility rules for naturalization in Germany. Between 1990 and 1999, immigrants with the same number of years in Germany faced very different residency requirements for naturalization depending on their age. While there is a positive correlation between naturalization and labor market performance in the cross-section, the reduced-form estimates from the quasi-experimental variation shows somewhat larger returns. Overall, our results suggest that a more liberal access to citizenship can improve the economic integration of the foreign-born, but is unlikely to fully eliminate the immigrant-Native wage gap.

\*with Christina Gathman

***There will be no newsletter before SS 2013, April 12.***

**Editorial deadline for issue 6/2013 of the newsletter:  
Wednesday, April 10, 2013, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,  
please contact the address above.