



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN
BERGHEIMER STR. 58, 69115 HEIDELBERG, TEL. 06221/54-2941, FAX: 06221/54-3592
REDAKTION: FREYA SCHADT, EMAIL: NEWSLETTER@AWI.UNI-HEIDELBERG.DE

AWI This Week

Monday, 13. 12. 10 Departmental Seminar

17.15-18.45	Martin Gassebner, ETH Zurich
AWI 00.010	"The Golden Halo and Political Transitions"

Wednesday, 15. 12. 10 Departmental Workshop

17.15-18.45	Andrea Leuermann, University of Heidelberg
AWI 00.010	"Politics or Parents? - The Evolution of Germans' Values after Reunification"

Departmental Seminar

Martin Gassebner

"The Golden Halo and Political Transitions"*

We analyze the influence of IMF and World Bank programmes on political regime transitions around the world since 1970. We develop an extended version of Acemoglu and Robinson's [American Economic Review 91, 2001] model of political transitions to show how the anticipation of financial aid flows from international donors can trigger political transitions which would not otherwise have taken place. We test this unexplored implication of the theory empirically. We find support for the view that the anticipation of receiving an IMF or a World Bank programme within two years after a political regime transition increases the probability of a transition from autocracy to democracy and reduces the probability of democratic survival. The magnitude of these effects is substantial.

* with Toke Aidt and Facundo Albornoz

Departmental Workshop

Andrea Leuermann

"Politics or Parents? - The Evolution of Germans' Values after Reunification"*
(work in progress)

In recent years, the axiom of exogenous preferences has been challenged. A notion that has been put forward is that people's values are endogenous to politics. Drawing from the natural experiment of the German reunification, previous studies find that communism has a significant and long-lasting influence on attitudes, e.g. regarding redistribution, trust, and gender-roles. The persistence of differences in values is yet puzzling, given that Germans are now living under one political regime for twenty years. Particularly, the question arises of why the preferences of young age cohorts, i.e., individuals not directly affected by politics in the German Democratic Republic, also differ significantly from their West German counterparts. The aim of our analysis is to investigate the role of cultural transmission for the persistence of communism's impact on East Germans' values. Using individual data from the German Socio-Economic Panel, we can observe the evolution of individuals' values regarding the importance of different things in life in different years since reunification. In particular, we are the first investigating the values of children born into a reunified Germany. We find that the importance of some things in life (though not all) significantly differs between East and West. This effect extends to all age cohorts. Our dataset allows for testing the importance of parents' values for their children's. The analysis shows that fathers in the East have a stronger impact on their children's values than West fathers. Surprisingly, no such effect is found for mothers. If the sample is split by age at reunification, no differences in the impact of fathers is found for the group then younger than six.

* with Sarah Necker

Jour Fixe

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Talks and Research Visits

Hans Diefenbacher gave a lecture "Vom diskreten Charme der Statistik – Das Bruttoinlandsprodukt und alternative Wohlstandsmaße" as part of the lecture series "Wachstums Wende" of the Wuppertal Institute for Climate, Environment and Energy. on November 24.

Hans Diefenbacher was on the panel "International and national measurement approaches" of the 6th Workshop of the European Sustainable Development Network "Reforms for Measuring Welfare and Wealth in the Context of Sustainable Development", Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, in Berlin, on December 2.

**Editorial deadline for issue 30/2010 of the newsletter:
Wednesday, December 15, 2010, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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