



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

Upcoming Seminars

Monday, 20.6.2016

Departmental Seminar

17.15-18.15

AWI 00.010

Volker Nitsch, TU Darmstadt

(invited by Axel Dreher)

"Ease vs. Noise: On the Conflicting Effects of
Transportation Infrastructure"

Wednesday, 22.6.2016

Internal Seminar

12.15-13.15

AWI 00.010

Nicolas Keller

"The Economic Integration of Refugees:
New Evidence from Germany"

Departmental Seminar

Volker Nitsch

"Ease vs. Noise: On the Conflicting Effects of Transportation Infrastructure"*

The decision on where to locate transportation infrastructure is often a matter of great public dispute. Typically, positive and negative externalities arise simultaneously, exhibiting varying effects on localities in the surrounding area of the infrastructure. Given the difficulties in assessing these effects separately, previous work usually examines aggregate (net) effects of infrastructure provision, typically measured by property prices or land values. However, this approach is likely to produce biased results if the partially offsetting externality is not properly controlled for. In this paper, we aim to disentangle the various effects of infrastructure provision, analyzing a unique micro-level data set of land values at the individual plot level for the city of Berlin, Germany, from 1890 to 1914. Specifically, we argue that the inauguration of the city's first metro line in 1902 provides a perfect quasi-experimental setting to analyze this issue. Dividing our sample of up to 48,436 observations into residentially and commercially used properties, we apply a multi-step differences-in-differences approach to examine the conflicting effects of infrastructure provision. Our key results are derived from a fully-fledged panel analysis which makes use of the full variation of plot-level land values in our data. The results indicate an (unbiased) accessibility benefit of 23.7 (4.2) percent on commercial (residential) properties in the immediate vicinity of a station relative to localities of an additional km of distance. The corresponding disamenity effects of infrastructure, which are derived by using contemporary noise data, indicate a decline in land values of 0.5 (0.3) percent per additional db of noise. The corresponding structural parameters imply a decline of utility for households of 1.3 percent per km of distance to a station and a decline in firm productivity of 1.6 percent per km. The costs of noise add up to 0.16 percent and 0.34 percent for each 10 db increase in noise pressure. Confirming intuition, our results strongly indicate that estimated net effects of infrastructure externalities may be significantly biased if both amenities and disamenities are not controlled for simultaneously.

* with Gabriel Ahlfeldt and Nicolai Wendland

Internal Seminar

Nicolas Keller

"The Economic Integration of Refugees: New Evidence from Germany"

The economic literature on the assimilation of immigrants is large, but very little is known about the group of refugees. At the same time, there are various reasons to expect that refugees are different to other immigration groups in their motivation, selection and human capital they bring with them. In this paper, we analyze whether refugees differ to economic immigrants in their labor market integration. By comparing assimilation profiles of refugees and other immigrant groups in Germany, we detect distinct assimilation patterns for short and long term labor market outcomes. In addition, we test for potential channels which explain the delayed assimilation. Our results suggest that refugees have lower employment rates than

other immigrant groups in the first years, but catch up over time and nearly close the gap after approximately 12 years. The gap in earnings is more long-lasting, but closes after about 17 years. The long duration of the labor market integration is most likely due to a mismatch between refugees' formal qualifications and their actual occupations.

Talks and Research Visits

Zeno Enders participated in the Deutsche Bundesbank Spring Conference 2016 "Monetary, financial and fiscal stability", Eltville am Rhein, June 10-11.

Christian König-Kersting presented his paper "Ambiguity Attitudes in Decisions for Others" (with Stefan Trautmann), at the Experimental Finance Conference 2016 (University of Mannheim), St. Martin, June 8-10.

Sven Kunze presented his paper "The Effect of Tropical Cyclones on Economic Sectors Worldwide - A Panel Data Analysis using Geodata", at the the 2016 Development Economics and Policy Conference of the German Economic Association's Research Group on Development Economics on June 4, and at the Annual Summer Conference of the Association of Environmental and Resource Economists (AERE) at Breckenridge, Colorado, on June 10.

Jörg Oechssler presented his paper "Managerial bonuses and subordinates' disobedience" at the Stavanger Workshop in Behavioral Economics, Norway, June 6-7.

Miscellaneous

On June 10, Jürgen Eichberger organized with Klaus Fiedler (Psychology) and Knut Schnell (Psychiatry) the Marsilius Symposium on "Quantity of Information and Quality of Decisions". International researchers presented their current research on issues related to the relationship between the quantity of information and the quality of decisions. This workshop complemented the Marsilius Fellows' own research at the Marsilius Kolleg.

Stefan Trautmann has been elected to the scientific board of the Society for Experimental Finance at the *Experimental Finance Conference 2016* (University of Mannheim), St. Martin, June 8-10.

**Editorial deadline for issue 15/2016 of the newsletter:
Wednesday, 22.6.2016, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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