



ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN  
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## Upcoming Seminars

### **Monday, 6.2.2017**

#### **Departmental Seminar**

17.15-18.15

AWI 00.010

Douglas Gollin, University of Oxford

(invited by Stefan Klonner)

"Heterogeneity, Measurement, and Misallocation in African Agriculture"

### **Wednesday, 8.2.2017**

#### **Internal Seminar**

12.15-13.15

AWI 00.010

Franziska K. Lembcke

"From Licensing to Certification: An Empirical Analysis of the 2004 Reform of the Crafts and Trade Code in Germany"

### **Thursday, 9.2.2017**

#### **Lecture Series: The End of Globalization?**

18.00-19.30

Campus Bergheim  
Hörsaal

Jan-Egbert Sturm, ETH Zürich

"Weltwirtschaft und Europa in der Krise:  
Eine makroökonomische Perspektive"

### Departmental Seminar

Douglas Gollin

"Heterogeneity, Measurement, and Misallocation in African Agriculture"

Empirical analysis of farm-level data from African agriculture consistently shows enormous dispersion in measured total factor productivity (TFP) at the farm level. Some farmers achieve relatively high levels of TFP, but many farms appear to operate at very low levels of measured TFP. One possible explanation for this is that some farmers have low levels of skill but continue nevertheless to farm because of market failures or distortions that make it difficult for them to be bought out by more skillful farmers. Previous research has suggested that this kind of misallocation may be an important source of differences in agricultural productivity across countries – and thus an important explanation for cross-country differences in per capita income. This paper notes that misallocation can be difficult to distinguish empirically from a range of measurement errors, classical and non-classical. It can also be difficult to measure productivity well in a highly volatile production environment. Finally, differences in farmer quality can be observationally similar to heterogeneity in unobserved land quality. Our paper presents a theoretical framework and empirical results that seek to advance our understanding of the distinctions between heterogeneity, measurement error, and misallocation in African agriculture, using data from three African countries. Preliminary results suggest that both measurement error and unobserved heterogeneity in land quality can account for a large amount of the measured differences in farm productivity, and these results also imply that misallocation may have a relatively modest impact on output.

### Internal Seminar

Franziska K. Lembcke

"From Licensing to Certification: An Empirical Analysis of the 2004 Reform of the Crafts and Trade Code in Germany"

In this paper we study the consequences of a substantial reform of the German Crafts Code that came into effect in 2004. After 2004, a Master craftsman diploma was no longer a prerequisite for opening a business in 53 of the 94 trades, while it remains a strict requirement in the remaining 41 trades. Using administrative data on employees covered by the German social security system we quantify the effects of the deregulation on labor market outcomes. Our empirical approach combines a matching procedure with a difference-in-differences approach to compare the development of careers and wages in liberalized crafts to employees in crafts that remain regulated. We find few effects of the liberalization on average wages and employment. We observe however, an increase in the wage premium for a Master's degree in the liberalized crafts and trades.

\* with Christina Gathmann

## Lecture Series: The End of Globalization

Jan-Egbert Sturm

"Weltwirtschaft und Europa in der Krise: Eine makroökonomische Perspektive"

Auch wenn die Geldschleusen weit offen stehen, kommen seit der Finanzkrise große Teile der Weltwirtschaft nicht wirklich in Gang. Der Welthandel ist nur noch halb so hoch. Die westlichen Staaten sind meist hochverschuldet und die wirtschaftliche Unsicherheit hat mit der Wahl von Donald Trump und den bevorstehenden Brexitverhandlungen ihren nächsten Höhepunkt erreicht. Wo steht die Weltwirtschaft und wie geht es mit Europa weiter?"

## Talks and Research Visits

**Andreas Fuchs** presented the paper "Aid on Demand: African Leaders and the Geography of China's Foreign Assistance" (joint work with Axel Dreher, Roland Hodler, Bradley Parks, Paul A. Raschky, and Michael J. Tierney) at the Research Seminar of the Mercator School of Management, University of Duisburg-Essen, January 18.

## New Working Papers

Carlo Gallier, Timo Goeschl, Martin Kesternich, Johannes Lohse, Christiane Reif, Daniel Römer: "Leveling up? An inter-neighborhood experiment on parochialism and the efficiency of multi-level public goods provision", *AWI Discussion Paper Series* No.630.

Christoph Brunner, T. Florian Kauffeldt, and Hannes Rau: "Does mutual knowledge of preferences lead to more equilibrium play? Experimental evidence", *AWI Discussion Paper Series* No.629.

***The next issue of the AWI Newsletter  
will be published Mid-April 2017.***

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Wednesday, April 12, 2017, 12 p.m.  
newsletter@awi.uni-heidelberg.de**

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please contact the address above.