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## Upcoming Seminars

### **Monday, 17.7.2017**

#### **Departmental Seminar**

17.15-18.15

AWI 00.010

Fernanda Brollo, University of Warwick

(invited by Axel Dreher)

"Party Membership and Public Sector Employment in Brazil"

### **Tuesday, 18.7.2017**

#### **Economics and Politics Seminar**

13.45-14.45

AWI 01.030

Christian Stecker, MZES

"Why rigid majority coalitions are an increasing nuisance and how we can replace them"

### **Wednesday, 19.7.2017**

#### **Internal Seminar**

12.15-13.15

AWI 00.010

Florian Kauffeldt

"Characterizing exact capacities"

### Departmental Seminar

Fernanda Brollo

"Party Membership and Public Sector Employment in Brazil"

This paper analyzes whether politicians use public sector employment to reward their supporters. We use individual level data on political party membership and matched employer-employee data on the universe of formal workers in Brazil to study whether mayors reward their party members with jobs. To identify the causal effect of being a member of the ruling party, we exploit close mayoral elections, comparing, within a given municipality, the employment in the municipal administration of members of the party that barely won an election with that of members of the party that barely lost the election. We find that the number of members of the mayor's party working in the municipality government increases by 40 percent. This effect is driven by new hires, which mostly occur in the first years of the administration. We also find that the increase in the employment of political supporters occurs not only in high leadership positions, but also in lower prestige occupations, suggesting that public sector employment is a tool of political patronage.

### Economics and Politics Seminar

Christian Stecker, MZES

"Why rigid majority coalitions are an increasing nuisance and how we can replace them"

In light of an increasing party system fragmentation governing in majority coalitions has become increasingly difficult. Classic alliances of SPD/Greens and CDU/FDP regularly fail to reach a parliamentary majority and even grand coalitions of CDU and SPD may fall short of it. Building a majority coalition now often requires complex three-party alliances or heterogeneous partnerships (e. g. Greens/CDU in Baden-Württemberg). Against this background my talk pursues three goals. First, I suggest, that majority coalitions have become an inferior option both for individual parties and the quality of democracy in Germany. In doing so, I estimate the political and normative costs incurred by majority coalitions. One share of the cost is created by the fact that informal veto powers of coalition parties may block majority-preferred policies and/or that logrolling within coalitions sets minority preferences in place. Another share of the cost follows from the fact, that parties in heterogeneous coalitions find it increasingly difficult to ensure coalition unity while, at the same time, upholding a discernible party label in the eye of the voters. Second, with a view to New Zealand, I sketch how alternative forms of political cooperation such as 'agree-to-disagree'-clauses in coalition contracts and shifting majorities may ameliorate these problems. Finally, a cross-national analysis of 15 countries suggests that shifting majorities may also increase the overall satisfaction with democracy.

## Internal Seminar

Florian Kauffeldt

"Characterizing exact capacities"\*

Schmeidler (1989) has suggested that individuals with non-additive beliefs are uncertainty-averse if their beliefs are represented by convex capacities. On the other hand, Ghirardato and Marinacci (2002) have proposed that uncertainty-aversion is characterized by capacities with a non-empty core (balanced capacities). Balanced capacities are axiomatized in Chateauneuf and Tallon (2002). In our Paper, we provide an axiomatization of exact capacities, which is a subclass of balanced capacities and a superclass of convex capacities. This was until now an open question. We show that convex capacities can be interpreted as strong uncertainty-aversion, while balanced capacities represent weak uncertainty-aversion. Exact capacities can be then viewed as an intermediate level of uncertainty-aversion.

\*with Lorenz Hartmann

## Talks and Research Visits

At the Annual Meeting of the European Association of Environmental and Resource Economists in Athens, June 28 to July 1, the following papers were presented: **Timo Goeschl**: "Does Mitigation Begin at Home?" (joint with J. Diederich) and **Gert Pönitzsch**: "Pro-social Behavior by Groups and Individuals: Evidence from Contributions to a Global Public Good".

**Andreas Fuchs** presented his paper "Does Aid Help Refugees Stay? Does Aid Keep Refugees Away?" (joint work with Axel Dreher and Sarah Langlotz) at the 10th International Conference on "Migration and Development" at the Center for Research on International Development (CERDI) in Clermont-Ferrand, France, June 29-30.

**Sarah Langlotz** presented the paper "Does Aid Help Refugees Stay? Does Aid Keep Refugees Away?" (joint work with Axel Dreher and Andreas Fuchs) at the DIAL Development Conference, Paris, June 29-30.

**Marco Lambrecht** presented his project: "Measuring Skill and Chance in Games" (with Peter Dürsch and Jörg Oechssler) at the "Economic Science Association World Meeting" in San Diego, June 20-23, and at the "11th International Conference of Game Theory and Management", St Petersburg, June 28-30.

**Lennart Kaplan** presented the paper "Aid and Conflict at the Local Level – Mechanisms and Causality" (joint work with Kai Gehring and Melvin Wong) at the Conference of the European Political Science Association (EPSA), in Milan, Italy, on June 22-24, and at the 17<sup>th</sup> Jan Tinbergen European Peace Science Conference, Antwerp, June 26-28.

**Jörg Oechssler** presented the project "Measuring Skill and Chance in Games" (with Peter Dürsch and Marco Lambrecht) at the Université Paris Dauphine, June 20.

## New Publications

Clive Bell: "Providing Policy-Makers with Timely Advice: The Timeliness-Rigor Trade-off" (with L. Squire), *World Bank Economic Review*, 31(2), 2017, pp. 553-569. doi:10.1093/wber/lhw005.

## Miscellaneous

Stefan Trautmann and Christian König organized the workshop *Behavioral Finance for Policy and Regulation*, bringing together experts in the field of behavioral finance to discuss opportunities and limitations of the behavioral approach for policy applications. Details on the work program can be found [here](#).

Christiane Schwieren was the local organizer of the 8th BNUBS-GATE workshop, hosting 20 participants from Beijing, Lyon and Heidelberg at IWH in Heidelberg on July 4-5. Thomas Eife, Andreas Fuchs, Christian König-Kersting, Robert Schmidt and Christiane Schwieren presented papers on various topics, representing the diversity of research at our institute. The complete program with all presentation titles can be found [here](#).

**Editorial deadline for issue 20/2017 of the newsletter:  
Wednesday, July 19, 2017, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)**

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