# Newsletter 03/2018



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## **Upcoming Seminars**

| Monday, 22.1.2018         | Departmental Seminar   |
|---------------------------|--|
| 13.30-14.30<br>AWI 00.010 | Alexander Cappelen, Norwegian School of Economics<br>(invited by Stefan Trautmann)<br>"Beliefs about Behavioral Responses to Taxation" |

| Tuesday, 23.1.2018 | Economics and Politics Seminar                            |
|--------------------|---|
| 13.45-14.45        | Nikolay Marinov, Mannheim University                      |
| AWI 01.030         | "Hobbesian Wilsonians: U.S. Pressure for Clean Elections" |

## Wednesday, 24.1.2018 Internal Seminar

12.15-13.15Ole MonscheuerAWI 00.010"National attachment and the integration of second<br/>generation immigrants"

#### **Departmental Seminar**

Alexander Cappelen

"Beliefs about Behavioral Responses to Taxation"\*

Behavioral responses to taxation affect the trade-off society faces between implementing equality and efficiency. Several influential theoretical papers have used heterogeneity in beliefs about behavioral responses to taxation to explain variation in people's support for redistribution of income in society. In this study, we use a purposefully simple task to elicit incentivized beliefs from a representative sample of 4200 Americans about how taxes affect people's effort choices. The design allows us to assess the empirical validity of theoretical models suggesting a key role for beliefs about behavioral responses by investigating whether these beliefs are a good predictor of people's support for redistributive policies. We find that while equalityefficiency preferences strongly predict individual support for redistributive policies in society, beliefs about behavioral responses are not a significant predictor of support for redistributive policies. The findings suggest that preference heterogeneity is more important than differences in beliefs to explain people's attitudes toward redistribution of income in society.

\*with Ingar Haaland and Bertil Tungodden

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

Nikolay Marinov "Hobbesian Wilsonians: U.S. Pressure for Clean Elections" Work in progress. Overview check <u>here.</u>

#### **Internal Seminar**

#### Ole Moonscheuer

"National attachment and the integration of second generation immigrants"

This paper analyzes whether and how national attachment to the country of origin of immigrants affects the long-run integration of their children. Based on a theoretical model on the transmission of identity, I derive empirical predictions regarding its effects on long-term assimilation. Using data from the Children of Immigrants Longitudinal Study (CILS) and an IV-strategy, I find that parents' national attachment has substantial negative effects on their children's assimilation in terms of ethnic identity, socialization choices, language use, language skills, and education outcomes. The instrument for national attachment of parents is the average national pride in the country of origin. Using a sample of second generation immigrants in the CPS, I further find suggestive evidence for negative long-run effects on labor market outcomes.

## **Talks and Research Visits**

**Robert Schmidt** presented the paper "Measuring social norm perception: "Objective norms, intersubjective norms and subjective norms" at the Moralforschertagung 2018 at the Goethe-University Frankfurt on January 18.

**Sarah Langlotz** presented the paper "Stimulant or depressant? Opium and the geography of conflict in Afghanistan" (joint work with Kai Gehring and Stefan Kienberger) at the Research Seminar "Labour Economics" at the University of Hamburg, January 15.

**Christian Conrad** presented the paper "On the Economic Determinants of Optimal Stock-Bond Portfolios: International Evidence" at the 11th International Conference on Computational and Financial Econometrics, University of London, UK, December 16-18.

**Anna Busse** presented her paper "Low-Skilled Labor in Hospital Production: Evidence from the Suspension of Compulsory Military Service in Germany", at the RWI Internal Seminar in Essen on December 1, ics and at Vrije Universiteit Amsterdam, Internal Seminar at the Department of Economics, from where she returned back to Heidelberg from her visit to Maarten Lindeboom's chair at Vrije Universiteit Amsterdam on December 15.

## **New Publications**

Christopher Kops: "(F)Lexicographic shortlist method", *Economic Theory*, Volume 65(1), January 2018, Pages 79-97

Trautmann, S.T., and P.P. Wakker (2018). Making the Anscombe-Aumann approach to ambiguity suitable for descriptive applications. *Journal of Risk and Uncertainty*, forthcoming.

Kocher, M. G., A. Lahno, and S. T. Trautmann (2018). Ambiguity aversion is not universal. *European Economic Review* 101, 268–283.

Fehr, Dietmar and Julia Schmid (2017). Exclusion in All-Pay Auctions: An Experimental Investigation, Journal of Economics and Management Strategy, forthcoming.

Lennart Kaplan, Tristan Kohl and Inmaculada Martínez-Zarzoso: "Supply-chain trade and labor market outcomes: The case of the 2004 European Union enlargement." *Review of International Economics*. 2017; 00:1–26.

## Miscellaneous

**Illia Pasichnichenko** (National Technical University of Ukraine, Kiew) has been awarded a research grant by the Alexander von Humboldt Foundation in order to conduct research at the Ruprecht-Karls University of Heidelberg for 18 months. He will join the Alfred Weber Institute to work with Jürgen Eichberger on the problem of evaluation of information for decisions under great uncertainty. This question is of great importance for decisions in the field of health and environmental economics. **Yilong Xu** joined the AWI (room 01.016) as a postdoctoral researcher at the chair of Behavioral Finance (Stefan Trautmann). Previously, he was a PhD student at Tilburg University, the Netherlands, where he also obtained his bachelor and master degrees in economics and quantitative finance. His research applies experimental methods to a number of topics in economics. He conducts asset market experiments to understand bubbles and crashes. He also studies risky decision making in stressful environments, as well as social preferences. Besides economics, he was trained and qualified at Donders, DCCN, Nijmegen, to conduct standalone fMRI neuro-imaging studies. His current research explores individuals' multivariate (higher-order) risk preferences and the role of emotions in (collective) decision-making.

## New and Leaving Staff



**Christian Scherf** joined the SAI (room 418) at the chair of Stefan Klonner as of September 2017. He finished his master's studies in International Economics with focus on Econometrics and Development Economics at Göttingen University in 2017. Additionally, he spent one semester abroad as an exchange student at Korea University in Seoul, South Korea. He gained his bachelor degree at Kassel University investigating whether financial stability should be a goal of monetary policy or banking supervision. His research focuses on the financial system and its impact on economic growth. Specifically, how financial development and financial openness influences financial stability of economies and their consequences for economic growth in low- as well as middle income countries.

**Anna Busse** left Christina Gathmann's chair on December 31, 2017 and accepted a position at the Federal Ministry for Economic Affairs and Energy, Berlin.

Editorial deadline for issue 04/2018 of the newsletter: Wednesday, January 24, 2018, 12 p.m. newsletter@awi.uni-heidelberg.de

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