



Upcoming Seminars

Monday, 16.7.2018

Departmental Seminar

13.30-14.30

AWI 00.010

Andreas Roider, University of Regensburg

(invited by Jörg Oechssler)

"Power Politics: Electoral Cycles in German Electricity Prices"

Tuesday, 17.7.2018

Economics and Politics Seminar

13.45-14.45

AWI 01.030

André Kaiser, University of Cologne

"Decentralized Authority and the Dynamic Fragmentation of Regional Party Systems"

Wednesday, 18.7.2018

Internal Seminar

12.15-13.15

AWI 00.010

Eduard Brüll

"Employment Protection and Fixed Term Contracts: Evidence from a German Reform"

Departmental Seminar

Andreas Roider

"Power Politics: Electoral Cycles in German Electricity Prices"

We provide evidence that German public energy providers, over which municipality-level politicians hold substantial sway, systematically adjust the pricing of electric energy in response to local electoral cycles. The documented pattern is in line with both, an artificial reduction in prices before an election that needs to be countermanded by future price increases, and an artificial postponement of market-driven price increases until after the election is over.

*with Florian Englmaier, Elisabeth Hinreiner, and Till Stowasser

Economics and Politics Seminar

André Kaiser

"Decentralized Authority and the Dynamic Fragmentation of Regional Party Systems"

The stability of political systems crucially hinges on the format of party systems. Both, too little and too much fragmentation is considered damaging for democracies. One of the most important trends in political systems is the decentralization of authority to subnational levels. We analyze the role of decentralization reforms for long-term fragmentation dynamics on the regional level. We argue that fragmentation first decreases after decentralization because specific parties are held responsible to have delivered authority and accordingly benefit from achiever premiums. Afterwards, achievers start to lose grip on regional voters and fragmentation sets in. We empirically test this proposition using a dataset on regional election results consisting of more than 100.000 observations with growth models and demonstrate that achievers benefit systematically from decentralization in the first three elections after reform. This dynamic pattern is confirmed using aggregated regional fragmentation data as the dependent variable. Overall, the decentralization trend of the last decades can be seen as a short term mitigation of rising political fragmentation but in the long run decentralized authority undermines the cohesion of party systems.

*with Leonce Röth and Sandra León

Internal Seminar

Eduard Brüll

"Employment Protection and Fixed Term Contracts: Evidence from a German Reform"

I evaluate the effects of a 2001 reform in Germany, which has changed the ability of larger firms to establish fixed-term employment contracts. After the reform hiring employees on fixed-term contracts became relatively easier for firms above the employment protection threshold of 5 employees. Using a basic differences-in-differences approach that compares firms below and above the official employment protection threshold, I find that the reform has led to a rise in the use of fixed-term contracts but has not increased employment.

Talks and Research Visits

Sven Kunze presented his paper "Living on the Stormy Side? Tropical Cyclones and Human Settlements ", at the 6th World Congress of Environmental and Resource Economists at the University of Gothenburg, June 25-29.

New Publications

Christiane Schwieren ´s paper with Alec N. Niklas Sproten, Carsten Diener & Christian J Fiebach "Decision making and age: Factors influencing decision making under uncertainty" was accepted at the Journal of Behavioral and Experimental Economics.

New Working Papers

Dietmar Fehr, Hannes Rau, Stefan T. Trautmann, and Yilong Xu: "Inequality, Fairness and Social Capital", AWI Discussion Paper Series No.650, July 2018.

Jose Apesteguia, Jörg Oechssler, and Simon Weidenholzer: "Copy Trading", AWI Discussion Paper Series No.649, June 2018.

**Editorial deadline for issue 20/2018 of the newsletter:
Wednesday, July 18, 2018, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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