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AWI This Week

Monday, 19.11.12

Departmental Seminar

17.15-18.45
AWI 00.010

Albrecht Glitz, UCL
"Coworker Networks in the Labour Market"

Tuesday, 20.11.12

FZU-ZEW EnvEcon Monthly Brownbag

12.30-14.00
Raum Luxemburg
ZEW, L7, 1
68161 Mannheim

Johannes Lohse, FZU
"Public good games and public good provision – is there a difference? Evidence from an artefactual field experiment."

Tuesday, 20.11.12

Economics & Politics Seminar

14.15-15.15
AWI 02.036

Christoph Moser, KOF, ETH Zurich
"The Value of the Revolving Door:
Political Appointees and the Stock Market"

Wednesday, 21.11.12

Departmental Workshop

17.15-18.15
AWI 00.010

Christine Binzel, University of Heidelberg and IZA
"Education, Social Mobility and Religious Movements:
A Theory of the Islamic Revival in Egypt"

Jour Fix

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Departmental Seminar

Albrecht Glitz

"Coworker Networks in the Labour Market"

This paper studies the role of coworker-based networks for individual labour market outcomes. I analyse how the provision of labour market relevant information by former coworkers affects the employment probabilities and, if hired, the wages of workers who have previously become unemployed as the result of a firm closure. To identify the causal effect of an individual worker's network on labour market outcomes, I exploit exogenous variation in the strength of these networks that is due to the occurrence of mass-layoffs in the firms of former coworkers. The empirical analysis is based on German administrative data that comprise the universe of workers who were employed in Germany between 1980 and 2001. My results suggest a strong positive effect of a higher employment rate in a worker's network of coworkers on her re-employment probability after displacement. Accordingly, a 1 percentage point increase in the prevailing employment rate in the network increases the re-employment probability by 1.4 percentage points. In contrast, I find no evidence of a statistically significant effect on wages.

FZU-ZEW Brownbag Seminar

Johannes Lohse

"Public good games and public good provision – is there a difference? Evidence from an artefactual field experiment."

The public goods literature has produced ample experimental evidence under which conditions problems of public good provision can be solved. However as most of this research is based on observing student behavior in an abstract laboratory setting, conclusions regarding the provision of real world public goods might be premature. Students are not only a special subpopulation that might behave differently than the general public, but it is also unclear if behavior in the abstract public good game is a good indicator for real world behavior. We test these propositions experimentally by comparing students to members of the general public in an artefactual field experiment. We employ a standard public goods game and a real contribution task in which participants can reduce CO₂ emissions in a within subjects design. We find that non-student subjects give higher amounts both to the abstract and the real public good. Hence observing students underestimates real world contributions. On the individual level behavior in the laboratory public goods game is not informative on the size of contributions to the real public good. This casts some doubt whether results from abstract public good games should be readily applied to the context of real public goods such as climate change mitigation."

The next FZU-ZEW Brownbag will take place on December 18, 12.30 to 14.00 hours at the FZU in Heidelberg.

Economics & Politics Seminar

Christoph Moser

"The Value of the Revolving Door: Political Appointees and the Stock Market"

We analyze stock market reactions to announcements of political appointments from the private sector and corporate appointments of former government officials. Using unique data on corporate affiliations and announcements of all Senate-confirmed U.S. Defense Department appointees of six administrations, we find positive abnormal returns for political appointments. These estimates are not driven by important observations, volatile stocks or industry-wide developments. Placebo events yield no effects. Effects are larger for top government positions and less anticipated announcements. We also find positive abnormal returns for corporate appointments. Our results suggest that conflicts of interest matter also in a country with strong institutions.

Departmental Workshop

Christine Binzel

"Education, Social Mobility and Religious Movements: A Theory of the Islamic Revival in Egypt"*

In Egypt, and in Muslim societies more generally, there has been a surge in Islamic participation and values since the 1970s-80s. We make two contributions to the literature. First, we show quantitatively that while there has been a marked increase in educational attainment across social strata, social mobility among educated youth in Egypt has declined. Second, we develop a game-theoretic model which specifies how a decline in social mobility can produce a rise in religious participation among the educated, and how this can in turn give rise to a widespread religious revival. Rather than undermining religious belief and participation, we show that under certain conditions economic development can make societies more prone to religious revivals.

*with Jean-Paul Carvalho

Miscellaneous

Andrea Leuermann, former Ph. D. student at the chair of Andreas Roider, has successfully defended her doctoral thesis on "Essays on Risk Preferences and Behavioral Finance", November 14.

R. Münscher and C. Schwierer received a Frontier-Grant from CSI for: "The Behavioural Dimension of Social Investment: How variables of human decision-making affect the success of social purpose organisations".

**Editorial deadline for issue 26/2012 of the newsletter:
Wednesday, November 21, 2012, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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