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AWI This Week

Monday, 8.7.13

Departmental Seminar

17.15-18.45

Philip Keefer, The World Bank

AWI 00.010

"Pro-social behavior where we least expect it?
The selection and socialization of intrinsically-
motivated government (tax!) officials"

Tuesday, 9.7.13

Economics & Politics Seminar

14.15-15.15

Macartan Humphreys, Columbia University

AWI 02.036

"Importing Institutions: Evidence from a Field
Experiment in Congo "

Wednesday, 10.7.13

Departmental Workshop

17.15-18.45

Alexandra Rudolph, University of Heidelberg

AWI 00.010

"International Human Trafficking: Measuring
clandestinity by the structural equation approach"

Departmental Seminar

Philip Keefer

"Pro-social behavior where we least expect it? The selection and socialization of intrinsically-motivated government (tax!) officials" *

Research predicts that pro-social organizations, such as governments, are likely to have more pro-social employees. We investigate this prediction. Comparing the behavior of over 1,000 subjects from the public and private sectors in Indonesia, we find that even individuals in government ministries that are not particularly "caring", such as ministries of finance, are significantly more pro-social than their private-sector counterparts. Is this because of selection, or socialization? A well-identified comparison of pre-career subjects indicates that more pro-social individuals select into the public sector. However, we also find evidence for socialization: service in the public sector significantly increases employee pro-sociality.

*with Sheheryar Banuri

Economics & Politics Seminar

Macartan Humphreys

"Importing Institutions: Evidence from a Field Experiment in Congo"

We use a large scale field experiment to assess attempts to export local level democratic practices to developing countries. From 2007 to 2011 UK international aid was allocated to a Community Driven Reconstruction (CDR) project which sought to alter attitudes towards democratic practices and local decision making in Eastern Congo. 1250 villages grouped into 280 communities (pop c 1.8m) were randomly assigned to take part in the program in 2007/8 and over three years took part in participatory budgeting interventions designed to foster stronger local governance capacity. The theory behind CDR investments is that exposure to democratic procedures and exposure to accountability practices lead to domestic adoption. We find no evidence for this proposition. To measure social outcomes, we make use of a new unconditional cash transfer program that was implemented in treatment and control communities shortly after the end of the first phase of CDR programming. We measure how communities chose to manage funds in this new program. Choices by communities on how to allocate and manage funds are statistically indistinguishable in treatment and control areas. Our negative results join a growing body of findings that suggest that current conceptualizations of local governance structures in these regions as well as efforts to alter them are misguided.

Departmental Workshop

Alexandra Rudolph

"International Human Trafficking: Measuring clandestinity by the structural equation approach"

Worldwide human trafficking is the third largest criminal activity, ranked only after drug and weapon trafficking. Thus, HT is an economically significant criminal activity where huge profits are generated on tax evasion and is socially important, as threat to human security. Existing studies on the determinants of human trafficking (HT) identify the root causes of trafficking in persons (TIP) in both sending and host countries. This paper proposes the application of the Multiple Indicators Multiple Causes (MIMIC) structural equation model in order to include all potential causes and indicators at once and account for the clandestine nature of the crime. This separates the approach from previous ones that only account for specific parts of the phenomenon. HT into specific countries is determined mainly by its economic opportunities, openness towards trade and availability of low-skill working placements. Based on these findings an index is proposed that ranks countries according to their prevalence of HT. It shows the main destination countries are located in OECD countries. Finally, the relevance and impact of the measure is demonstrated.

Talks and Research Visits

Christian Conrad presented the paper "Anticipating Long-Term Stock Market Volatility" (joint with Karin Loch) in the Forschungsseminar of the Institut für Statistik und Mathematische Wirtschaftstheorie, Universität Augsburg, June 20, 2013.

New Publications

Gerd Ahlert, Hans Diefenbacher, Bernd Meyer, Hans Nutzinger und Roland Zieschank (2013): *Eckpunkte eines ökologisch tragfähigen Wohlfahrtskonzepts*. Osnabrück: GWS research report 2013/1, 241 S. URL: <http://www.gws-os.com/discussionpapers/gws-researchreport13-1.pdf>

Johannes Diederich and Timo Goeschl (2013): *Willingness to Pay for Voluntary Climate Action and Its Determinants: Field-Experimental Evidence*. Published in Environmental and Resource Economics, DOI 10.1007/s10640-013-9686-3.

**Editorial deadline for issue 19/2013 of the newsletter:
Wednesday, July 10, 2013, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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please contact the address above.