



Upcoming Seminars

Monday, 11.1.2016

Departmental Seminar

17.15-18.15

AWI 00.010

Jeremy Foltz, University of Wisconsin-Madison

(invited by Timo Goeschl)

"Do Higher Salaries Lower Petty Corruption? A Policy Experiment on West Africa's Highways"

Tuesday, 12.1.2016

Economics and Politics Seminar

13.45-14.45

AWI 01.030

Stefan Bauernschuster, University of Passau

"When Labor Disputes Bring Cities to a Standstill: The Impact of Public Transit Strikes on Traffic, Accidents, Air Pollution and Health"

Wednesday, 13.1.2016

Internal Seminar

12.15-13.15

AWI 00.010

Johannes Lohse

"An Online Experiment on Cooperation and Local Identity across Urban Districts"

Wednesday, 13.1.2016

Macro & Econometrics Seminar

17.00-18.00

AWI **01.030 !!**

Georg Dürnecker, University of Mannheim

"Occupations, Barriers to Entry, and Structural Change"

Thursday, 14.1.2016

Tauschen, Teilen, Tricksen

18.00-20.00

Grabengasse 3-5,
NUni HS 7

Yannis Theocharis, University of Mannheim,

"Can digital media help build social capital and strengthen civil society? The rise of networked solidarity in Greece"

Abstracts

Departmental Seminar I

Jeremy Foltz

"Do Higher Salaries Lower Petty Corruption? A Policy Experiment on West Africa's Highways Jeremy Foltz"

In an ambitious public sector reform experiment, the Ghana government doubled its police officer salaries in 2010 in part to mitigate petty corruption on its roads, while leaving salaries for other officials unchanged. Using unique data on bribes paid from truck trips in West Africa, we evaluate impacts of higher police salaries on petty corruption using a difference-in-difference method. Rather than decrease petty corruption, the salary policy significantly increased the police efforts to collect bribes, the value of bribes and the amounts given by truck drivers to policemen in total. The higher results are stable across alternative specifications.

Economics and Politics Seminar

Stefan Bauernschuster

"When Labor Disputes Bring Cities to a Standstill: The Impact of Public Transit Strikes on Traffic, Accidents, Air Pollution and Health"*

Many governments have banned strikes in public transportation. Whether this can be justified depends on whether strikes endanger public safety or health. We use time-series and cross-sectional variation in powerful registry data to quantify the effects of public transit strikes on urban populations in Germany. Due to higher traffic volumes and longer travel times, total car hours operated increase by 15% during strikes. This effect is accompanied by a 14% increase in vehicle crashes, a 20% increase in accident-related injuries, a 14% increase in particle pollution, and an 11% increase in hospital admissions for respiratory diseases among young children.

*with Timo Hener und Helmut Rainer

Internal Seminar

Johannes Lohse

"An Online Experiment on Cooperation and Local Identity across Urban Districts"*

We present experimental evidence that illuminates the trade-off between efficiency considerations and in-group favoritism in an inter-city multilevel public goods game. Inhabitants of Heidelberg and Mannheim take part in an online experiment in which they can allocate an initial endowment between a private account, an excludable (local) public good, and a non-excludable (global) public good. While a large body of literature analyzes the private provision of pure public goods, relatively little is known about the willingness to contribute to a local versus a global public good. This trade-off could depend both on efficiency considerations and how strongly decision makers identify with their own neighborhood. Will decision makers favor their own neighborhood even if this leads to losses in net social efficiency? We find that individuals respond to changes in social efficiency levels. As soon as efficiency levels from the global public good exceed those from the local one, participants substitute contributions away from the local to the global public good. We do not find that changing the saliency of a local group affiliation per se affects behavior. Only individuals who strongly identify with their own neighborhood behave differently when their local affiliation is made salient. These "local patriots" contribute significantly more to the local public good, but not at the expense of the global public good. Finally, we find that a salient common affiliation ceases to play a role as soon as the social efficiency of the global public good increases.

*with Timo Goeschl, Martin Kesternich, Daniel Römer, Carlo Gallier and Christiane Reif

Macro & Econometrics Seminar

Georg Dürnecker of Mannheim

"Occupations, Barriers to Entry, and Structural Change"*

We study the role that barriers to entry into occupations play for the reallocation of labor across sectors and for hours worked in the market in the US and Germany. We document that relative to the US, Germany has stricter degree requirements in many occupations and has lower employment shares in occupations in which it has stricter education requirements. We quantify the implications of such barriers to entry into occupation for labor market outcomes in an overlapping-generations model in which individuals choose their sector and occupation. We calibrate the model to match the US structural transformation and the changes in the distribution of the employment shares of occupations. We then feed the stricter German degree requirements into the otherwise unchanged model. We find that as a result Germans in the model work considerably fewer hours than Americans in the service sector in particular and in the market in general.

*with Berthold Herrendorf

New Working Papers

Tamila Levoshko: *Determinanten der FDI-Standortwahl. Eine empirische Analyse für die Ukraine und Polen*, AWI Discussion Paper Series, No 606, December 2015.

Daniel Heyen, Timo Goeschl, and Boris Wiesenfarth: *Risk Assessment under Ambiguity: Precautionary Learning vs. Research Pessimism*, AWI Discussion Paper Series, No 605, December 2015.

Talks and Research Visits

Stefan Trautmann gave an invited lecture on "Understanding Bank Run Contagion" at the Advances in Behavioral Finance Workshop at Bogazici University Istanbul, December 21.

Miscellaneous

As of January 2016, Stefan Trautmann has been appointed as an Associate Editor of the Journal of Behavioral and Experimental Finance.

Vera Eichenauer, PhD Student at the chair of International and Development Politics, was appointed Chair of the Program Committee of the *2016 Spring Meeting of Young Economists* taking place in Lisbon, Portugal.

Stefan Trautmann received funding from the German Science Foundation (DfG) for a 3-Year Project on the "Causes and Consequences of Uncertainty Seeking".

**Editorial deadline for issue 2/2016 of the newsletter:
Wednesday, January 13, 2016, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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