



Preliminary Programme



IAAEU
Institute for Labour Law
and Industrial Relations
in the European Union

Workshop on Labour Economics 2020
Institute for Labour Law and Industrial Relations in the European Union | Trier University

Workshop on Labour Economics 2020

17th – 18th April 2020

Preliminary Version
(Program may still change!)

Venue:

Institute for Labour Law and Industrial Relations in
the European Union (IAAEU)
Trier University, Campus II
Behringstraße 21
54296 Trier

Welcome to the Institute for Labour Law and Industrial Relations in the European Union

The Institute for Labour Law and Industrial Relations in the European Union (IAAEU) was established as a public foundation in 1983 and is funded by the state government of Rhineland-Palatinate. While being a public foundation, the IAAEU is also a research institute of Trier University and is situated in the heart of the Petrisberg Technology Park on Campus II. The IAAEU comprises two working groups of which one engages in research in the area of European labour law (Legal Team) and one engages in the theoretical and empirical analysis of personnel and labour economic issues (Economics Team). Depending on the research questions and the available data the economists rely on experimental data drawn from the experiments conducted in the institute's laboratory or on survey and corporate data. Since January 2012 Laszlo Goerke is one of the directors of the IAAEU and head of the Chair of Personnel Economics at Trier University. He is also a research fellow of the Institute of Labor Economics (IZA) and the CESifo Group Munich.

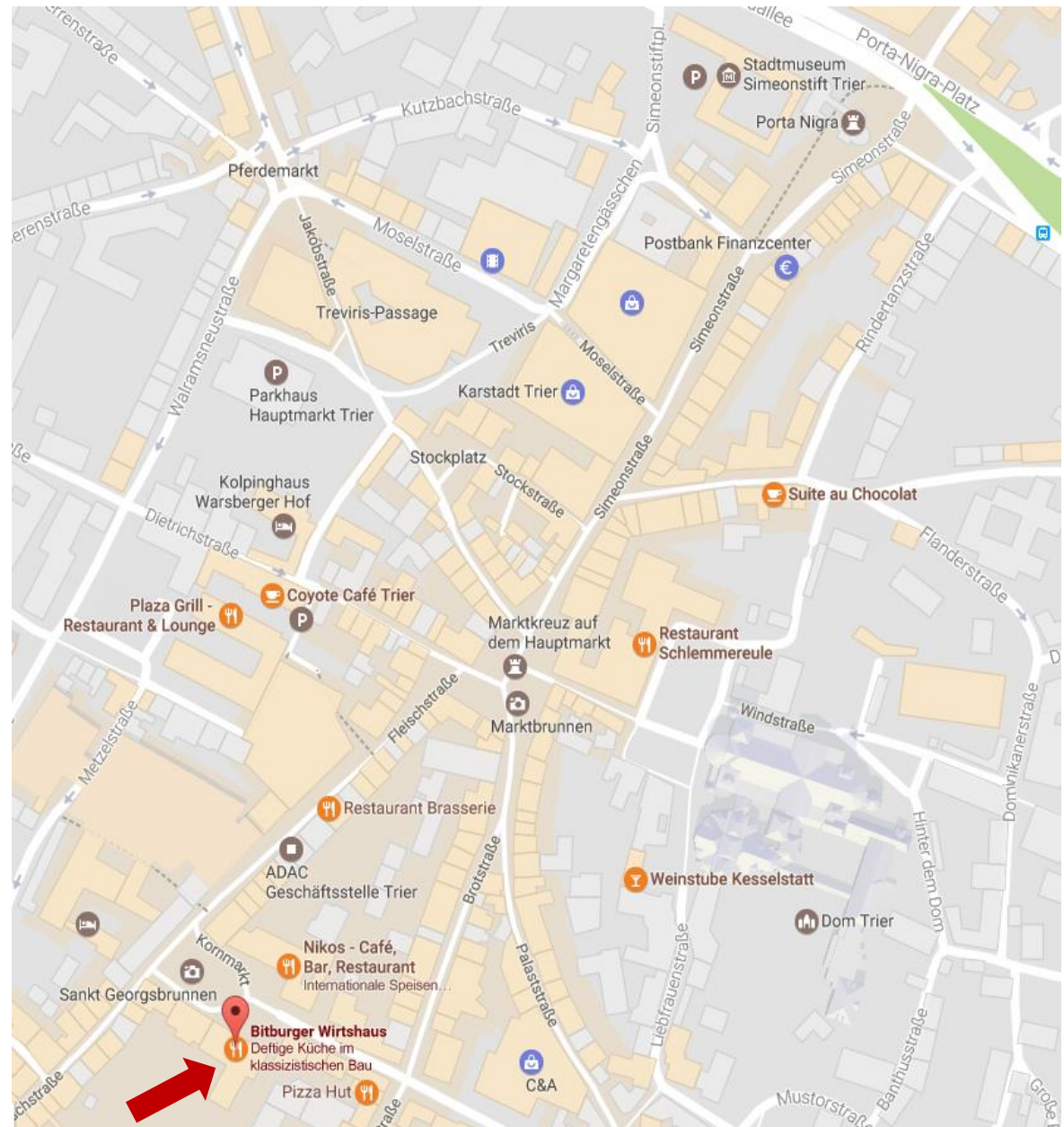
For detailed information have a look at our website: <http://www.iaaeu.de/en>

April 16th 2020
19:30 Get Together

Venue:

Bitburger Wirtshaus
Kornmarkt 1 – 3
54290 Trier

Tel.: +49 (0) 651 43 61 88 0
www.wirtshaus-trier.de



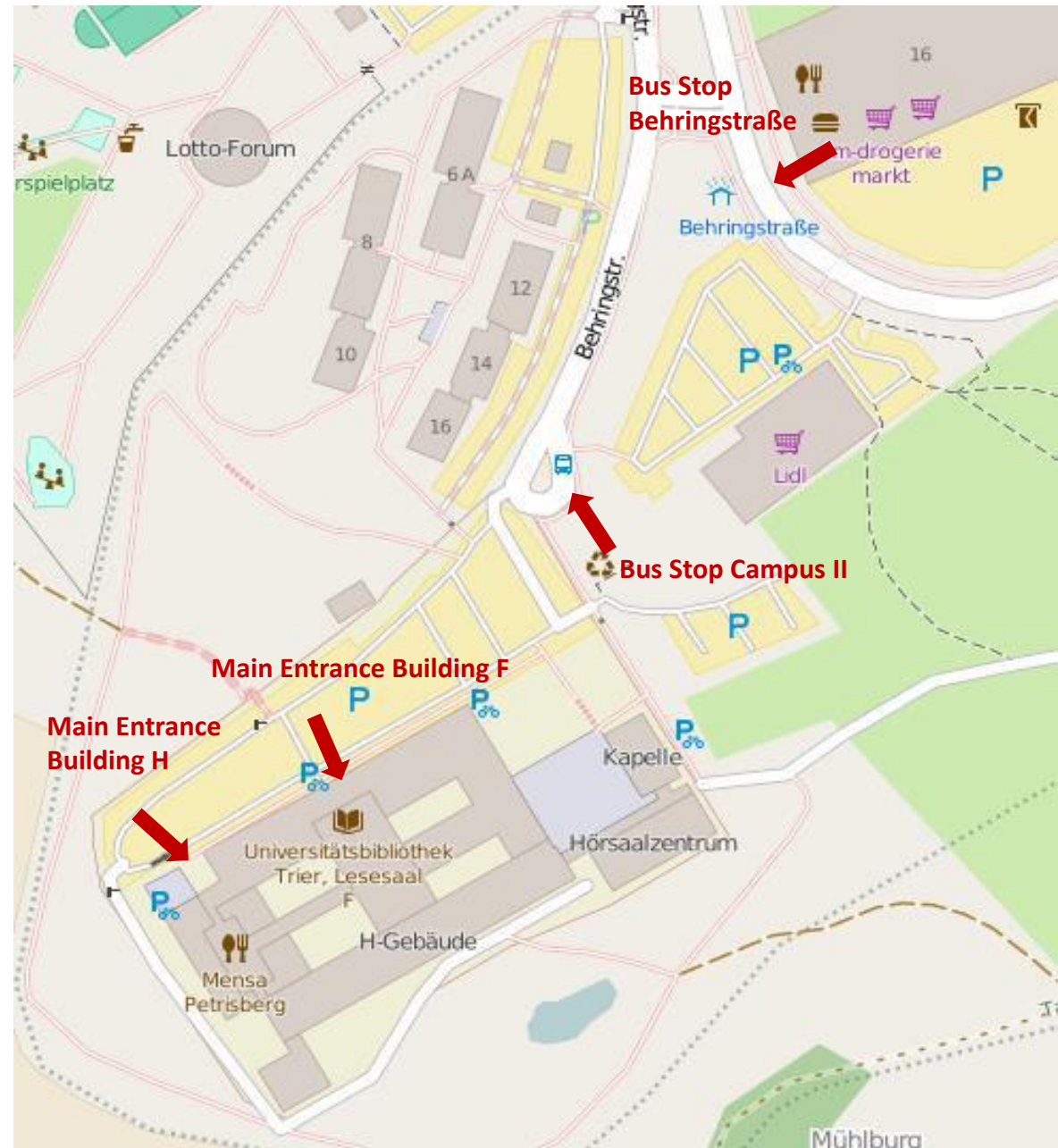
April 17th and 18th 2020 WLE 2020

Venue:

IAAEU
Trier University, Campus II (Building H)
Behringstraße 21
54296 Trier

Meeting Rooms:

H 703 (Building H, 7th Floor)
H 714 (Building H, 7th Floor)
H 730 (Building H, 7th Floor)

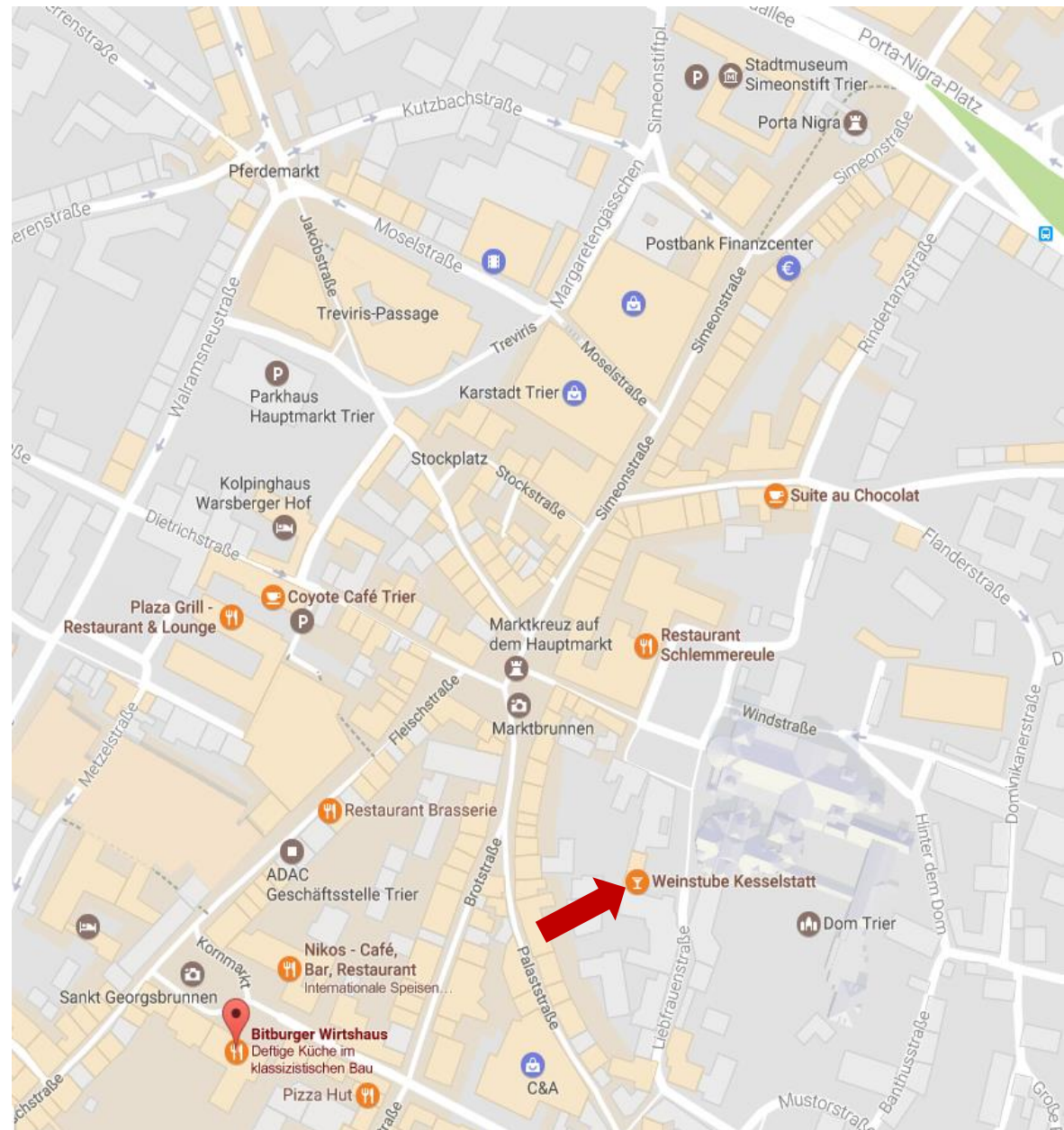


April 17th 2020 20:00 Conference Dinner

Venue:

Weinstube Kesselstatt
Liebfrauenstraße 10
54290 Trier

Tel.: +49 (0) 651 41178
www.weinstube-kesselstatt.de



Schedule – Workshop on Labour Economics 2020

Thursday, April 16th 2020

19:30 Get together at *Bitburger Wirtshaus* (Kornmarkt 1 – 3, 54290 Trier)

Friday, April 17th 2020

08:15 – 08:45	Registration
08:45 – 09:00	Welcome and Opening
09:00 – 10:20	Parallel Session I
10:20 – 10:40	Coffee Break
10:40 – 12:00	Parallel Session II
12:00 – 13:00	Lunch (organised)
13:00 – 14:00	Session III (Poster Session)
14:00 – 15:20	Parallel Session IV
15:20 – 15:45	Coffee Break
15:45 – 17:05	Parallel Session V
17:05 – 17:20	Coffee Break
17:20 – 18:20	Keynote Lecture
19:00 – 19:45	Social Event: Wine Tasting
20:00	Conference Dinner at <i>Weinstube Kesselstatt</i>

Schedule – Workshop on Labour Economics 2020

Saturday, April 18th 2020

09:15 – 10:35	Parallel Session VI
10:35 – 10:55	Coffee Break
10:55 – 12:55	Parallel Session VII
12:55 – 13:00	Best Paper Award
13:00	Farewell Lunch

All sessions will take place at IAAEU, Trier University, Campus II, Building H, 7th floor, in rooms H703, H714 and H730.

Programme – Friday, April 17th

08:15 – 08:45

Registration

08:45 – 09:00

Welcome and Opening

09:00 – 10:20

PARALLEL SESSION I

Session I (a), H714: Labour Contracts

Peymaneh Safynikoo: “Incentive Contracts, Social Comparison and Organizational Design”
(Discussant: Sonedda)

Daniela Sonedda: “Guess who's there: employment protection legislation and the degree of substitutability between labour contracts”

Session I (b), H730: Labour Market Integration

Theresa Markefke: “Macroeconomic Determinants of Involuntary Part-Time Employment in Germany”
(Discussant: Raposo)

Theresa Koch: “Coworker and Neighbor Networks: How do Both Promote Labor Market Integration After a Layoff”
(Discussant: Huang)

10:20 – 10:40

Coffee Break

Programme – Friday, April 17th

10:40 – 12:00

PARALLEL SESSION II

Session II (a), H714: Employment of Older Workers

Salvatore Carrozzo: “Imperfect substitutability between old and young workers.”
(Discussant: *Blanas*)

Thuc Uyen Nguyen-Thi: “Employment effects of hiring subsidies for older workers. The case of Luxembourg”

Session II (b), H730: Firms

Georg Neuschäffer: “Worker participation in decision-making, worker sorting, and firm performance”
(Discussant: *Brébion*)

Clément Brébion: “The unexpected impact of apprenticeship cost on firms' propensity to train and on mobility upon graduation”

Session II (c), H 703: Labour Supply

Marianna Schaubert: “Behavioral Response of Non-Resident Parents to Child Support Obligations: Evidence From SOEP”

Safoura Moenni: “The Role of Labor Market Barriers in the Life Cycle Decisions of Women”

12:00 – 13:00

Lunch (organised)

Programme – Friday, April 17th

13:00 – 14:00

SESSION III (POSTER SESSION)

Alessa Durst: “Education as a Positional Good? Evidence from the German Socio-Economic Panel”

Tobias Föll: “Out-Lawed: Estimating the Effects of Ideological Leanings of U.S. Supreme Court Justices on Labor Market Prospects”

Anastasiya Lisina: “Regional Cost-of-living Adjustments without Prices: a non-parametric approach”

Adda Carla Justiniano Medina: “Immigrant women employment and intermarriage”

Robin Konietzny: “Experiencing Globalization In Germany: How do job satisfaction and the perception of job security react to trade?”

Natalie Laub: “The minimum wage: An effective means to regain the electorate’s confidence?”

Bernd Josef Leisen: “The motivational effect of detailed job references for volunteers – Evidence from a field experiment on intergenerational cooperation”

Daniele Mazzacani: “Foreign languages for the European native workers: Evidence from compulsory schooling reforms”

Programme – Friday, April 17th

14:00 – 15:20

PARALLEL SESSION IV

Session IV (a), H714: Education

Tobias Brändle: “Accounting for Investment Risk in Educational Decisions: New Evidence for Lifetime Returns in Germany”

Pedro S. Raposo: “Rise and fall of a wage gap for vocational versus general secondary education”

Session IV (b), H730: Labour Market Policy

Alexander Lammers: “Public Employment Agency and job matching efficiency - A new perspective using establishment level data”

(Discussant: Goerke)

Anthony Lepinteur: “A Natural Experiment on Job Insecurity and Fertility in France”

Programme – Friday, April 17th

15:20 – 15:45 Coffee Break

15:45 – 17:05 **PARALLEL SESSION V**

Session V (a), H714: Labour Market Outcomes

Sonia Schifano: “Internet Access and Labour Market Outcomes”
(Discussant: Nieto)

Adrián Nieto: “Television and the Labour Supply: Evidence from the Digital Television Transition in the UK”

Session V (b), H730: Lab and Survey Experiments

Joschka Waibel: “Does Unkind Management Decision Making Trigger Unkind Employee Behavior Towards Coworkers?”
(Discussant: Friebel)

Christian Walter: “The Importance of Trust in the Ride-Sharing Market: Evidence on Gender-Based Discrimination”
(Discussant: Jelnov)

Session V (c), H703: Demographic and Technological Change

Sotiris Blanas: “The Distinct Effects of Information Technologies and Communication Technologies on the Age-Skill Composition of Labour Demand “

Max Bres: “Aging Consumers and the Secular Stagnation”
(Discussant: Nguyen)

Programme – Friday, April 17th

17:05 – 17:20

Coffee Break

17:20 – 18:20

KEYNOTE LECTURE

Guido Friebel: “Firms as Labs: What RCTs can tell us about Human Resource Policies”

19:00 – 19:45

Social Event: Wine Tasting

20:00

Conference Dinner

(More information will follow soon)

Programme – Saturday, April 18th

09:15 – 10:35

PARALLEL SESSION VI

Session VI (a), H714: Health & Development

Pavel Jelnov: “Trust and Vaccination”

Sheheryar Banuri: “Encouraging Service Delivery to the Poor: Does Money Talk When Health Workers Are Pro-Poor?”

Session VI (b), H730: Migrants’ Labour Market Performance

Eva Markowsky: “Does early exposure to gender equality influence labor market outcomes as adults? Migration as a natural experiment”

(Discussant: Stepanok)

Ignat Stepanok: “International Trade, Intellectual Property Rights and the (Un)employment of Migrants”

10:35 – 10:55

Coffee Break

Programme – Saturday, April 18th

10:55 – 12:55

PARALLEL SESSION VII

Session VII (a), H714: Wages

Luise Hammer: “The Labour Market Impact of Immigration in Germany in the 2010s”
(Discussant: *Lepinteur*)

Mikhail Ananyev: “Wage Arrears as Deferred Payments and Workers' Response - Evidence from Personnel Data in Early Transition Russia”
(Discussant: *Bijkerk*)

Suzanne Bijkerk: “The Consequences of Labor-Market Quotas for the Wages of Promoted Women”

Session VII (b), H730: Work Transitions

Mareen Bastiaans: “Labor market and health effects of an activation program for the long-term inactive”
(Discussant: *Banuri*)

Anna Hartmann: “The Role of Job-to-Job Transitions for Involuntary Part-Time Employment”
(Discussant: *Dautel*)

Vincent Dautel: “Neighbourhood effects in welfare to work transitions: focus on a small open economy”

Programme – Saturday, April 18th

12:55 – 13:00 **Best Paper Award**

13:00 **Farewell Lunch**

Instructions for Presenters, Discussants and Chairs:

The last speaker will chair the session. The first speaker keeps time during the chair's presentation. The name in brackets (*Discussant: Name*) after some presentations is the assigned discussant. We scheduled 40 minutes for each paper:

- PhD students (with discussion): 25 minutes for your presentation, 5 minutes for assigned discussant and 10 minutes for questions.
- All other presenters: 30 minutes for your presentation and 10 minutes for questions.

Please keep in mind to bring your presentation on a USB stick in a common file format such as .ppt or .pdf.

Organisational Information

Internet Access:

via the *eduroam* network:

- Please make sure your WLAN function is enabled.
- Select “eduroam” and click “Connect”.
- Log in with your own university account.

with guest account:

- Follow instructions from the organisers.

Directions from downtown Trier to the workshop venue:

On Friday: **Bus 4** towards “Irsch Hockweiler Str.” or **Bus 14** towards “University Campus II” (both from the main station bus platform 4 or from the Porta Nigra bus platform 1) to the “University Campus II”, travel time from the Porta Nigra: about 20 min., from the main station: about 15 min.

Recommended buses:

Bus 4: Departure at Porta Nigra on April 17th: 07:43 am (Arrival: 08:03am)

Bus 4: Departure at main station on April 17th: 07:46 am (Arrival: 08:03am)

Bus 14: Departure at Porta Nigra on April 17th: 07:58 am (Arrival: 08:19am)

Bus 14: Departure at main station on April 17th: 08:01 am (Arrival: 08:19am)

On Saturday: **Bus 85** towards “Pluwig, Ruwerstraße” (from main station bus platform 5) to “Behringstraße”.

Recommended bus:

Departure at main station on April 18th: 08:45am (Arrival: 09:00 am at station “Behringstraße”)

(Please note that there is no direct connection from the Porta Nigra to Campus II on Saturdays!)

Abstracts

Session I (a), H714: Labour Contracts

Peymaneh Safynikoo: “Incentive Contracts, Social Comparison and Organizational Design”

This paper investigates how firms’ organizational choices are influenced by other-regarding (social or interdependent) preferences, in particular, envy. In order to address this issue, I consider a principal-multi agent model where homogeneous agents of a firm either are organizationally integrated to work jointly in a single unit or separated to work in different units of a firm. As agents are physically proximate and socially connected under joint production, I posit that compensation comparisons and envy arise only in this organizational form. The paper derives conditions under which there is always a Nash equilibrium of the effort choice among the agents under joint production. It also shows that although joint production takes advantage of technological complementarity, with unlimited liability this superiority is decreased by envy. Hence, the choice of the organizational form is associated with a trade-off between extracting the technological complementarities and minimizing the envy cost. In contrast, when limited liability constraint is binding, the optimal effort level of agents is increasing in both the complementarity factor and envy as long as they receive rents. Then, joint production is always preferable for the principal.

Daniela Sonedda: “Guess who's there: employment protection legislation and the degree of substitutability between labour contracts”

Employment protection legislation may affect the degree of substitutability among different types of labour contracts by changing the individuals sorting into jobs and firms screening out jobs. Using administrative data, I document this substitutability in the context of a labour market reform that changed the employment protection legislation and provided incentives to training contracts in Italy in 2012. I present and simulate a model that shows that individual’s and firm’s behaviour have important implications for the impact of policies that lower firing costs. Inefficiencies of job sorting and screening due to asymmetric information can be reduced by a more flexible employment protection legislation regime combined with incentives to training contracts.

Abstracts

Session I (b), H730: Labour Market Integration

Theresa Markefke, Rebekka Rehm: “Macroeconomic Determinants of Involuntary Part-Time Employment in Germany”

In times of economic crisis, employers in the US and UK reduce their employees' working hours, which results in a higher incidence of involuntary part-time work (IVPT). German labor market regulations impede this adjustment mechanism. Against the background of these institutional differences, we use a panel regression framework that exploits federal state level variation to investigate the influence of cyclical, structural and institutional factors on the incidence of IVPT in Germany. The results are surprising: Both, GDP growth and unemployment, positively affect the share of IVPT in employment. Further analysis shows that the procyclical GDP growth effect is prevalent in more volatile sectors whereas the unemployment effect dominates in other, more stable sectors. Since unilateral downward hours adjustments are precluded, we investigate the relevance of different channels that potentially explain the unemployment effect. We conclude that cyclicalities of IVPT in terms of unemployment mainly stems from shifts in bargaining positions over the business cycle and from added labor supply on the intensive margin, that is extended supply of already employed workers.

Theresa Koch: “Coworker and Neighbor Networks: How do Both Promote Labor Market Integration After a Layoff?”

The article examines the role of coworker and neighbor networks on workers' labor market participation after a displacement. To measure the effect of the employment rate in workers' networks on their labor market participation, I take the mass layoffs rate in their networks as instrument for an IV estimation. For the empirical analysis, I use administrative data that cover the universe of workers from 1995 through 2015 with daily precision and newly available geo-coded data from Germany that enable the analysis of neighborhoods. The results show that a 10 % higher employment rate in one's coworker network leads to a 5 % higher employment probability one year after displacement. Regarding heterogeneity, I find that the effect of coworker networks varies in a worker's migration status and the migration status of prior coworkers.

Abstracts

Session II (a), H714: Employment of Older Workers

Salvatore Carrozzo, Alessandra Di Pietro: “Imperfect substitutability between old and young workers”

We propose a novel identification strategy to estimate the elasticity of substitution in production between old and young workers. We use a nested CES production function to build up the relation between labor inputs and their prices that isolates such elasticity first. Then, we exploit yearly employment variations driven by labor supply shocks to identify the causal relation. A number of pension and labor migration reforms enacted in Italy between 1995 and 2004 provide us with heterogeneous and exogenous variations to draw on. We find that old and young employees within the same region-occupation-year cell experience low elasticity of substitution in production.

Thuc Uyen Nguyen-Thi, Andrea Albanese, Takao Kato: “Employment effects of hiring subsidies for older workers. The case of Luxembourg”

TBA

Abstracts

Session II (b), H730: Firms

Steffen Mueller, Georg Neuschäffer: “Worker participation in decision-making, worker sorting, and firm performance”

Worker participation in decision-making is often associated with high-wage and high-productivity firm strategies. Using linked-employer-employee data for Germany and worker effects from a two-way-fixed-effects model measuring observed and unobserved worker quality, we confirm that establishments with formal worker participation via works councils indeed employ higher-quality workers. Importantly, works council establishments are more productive, pay higher wages, and are more profitable even after adjusting for differences in observed and unobserved worker quality.

Clément Brébion: “The unexpected impact of apprenticeship cost on firms' propensity to train and on mobility upon graduation”

In this paper, I analyse the impact of the cost of apprenticeship training on firms' propensity to train and on apprentices' mobility upon graduation in France. The identification strategy relies on the regionalization of a large subsidy offered to employers of apprentices, the indemnité compensatrice forfaitaire (ICF). The law was put into force in 2005. By then, regions could decide upon the criteria of the ICF and the amounts associated, which generated substantial variations in the cost of apprenticeships. Estimates are led on data coming from 3 administrative databases and from regional regulations that I collected from 16 regional services for apprenticeship. Using triple difference techniques, I show that subsidies foster turnover strategies. Thus, I find a limited but significantly negative elasticity of the number of apprentices hired to training costs. The point estimate is -0.22. The impact however mostly plays at the intensive margin (training firms taking on more apprentices) rather than at the extensive margin (new firms entering the system). This suggests that training firms may respond to a rise in subsidies by training over their needs in skills. Confirming this interpretation, I find that a one standard deviation decrease in the cost of apprenticeships decreases the probability of retaining apprentices upon graduation by 88% of a standard deviation on average.

Abstracts

Session II (c), H 703: Labour Supply

Marianna Schaubert: “Behavioral Response of Non-Resident Parents to Child Support Obligations: Evidence From SOEP”

The present paper investigates how parents responsible for child maintenance payments have responded to changes in the amount of obligations. The potential endogeneity of child support obligations is addressed by using SOEP panel data from 1985-2013 and applying individual fixed effects instrumental variable models. Results for parents younger than 50 years old show that a e10 increase in monthly child support obligations decreases the likelihood of having an additional child by about 0.39 percentage points (about 3% at the sample mean). Furthermore, an increase in financial obligations does not have an impact on the likelihood of cohabiting with a new partner or on hours spent with children entitled to child support. There is only weak evidence of a positive (re)marriage incentive. There seems to be no adjustment in the parent’s labor supply. To my knowledge, the present investigation is the first causal analysis of the behavioral response of non-resident parents to child support obligations in Germany.

Safoura Moenni: “The Role of Labor Market Barriers in the Life Cycle Decisions of Women”

Using data from the Iranian Labor Force Surveys (ILFS), I structurally estimate a dynamic model of the life cycle decisions of young women (education, life-cycle labor supply, marriage, and fertility), exploiting a discriminatory policy that limited female employment in the public sector. This policy changes the incentives to obtain education, to work, to get married, and to have more children. I use the model to perform counterfactual simulations designed to shed light on three questions: (1) How much observed cohort differences in behavior can be attributed to differences in labor market opportunities and preference heterogeneity? (2) How does the hiring policy interact with factors to augment those differences? (3) How can new cohorts that grow up under the new hiring system be expected to behave compared to older cohorts?

Abstracts

Session III (Poster Session)

Alessa Durst: “Education as a Positional Good? Evidence from the German Socio-Economic Panel”

People care about their relative standing in society and therefore compare themselves to relevant others. Empirical findings suggest that there are concerns for relative standing for different goods and life domains such as income, cars, attractiveness, and supervisor’s praise. Even education has been mentioned as having a (partially) positional character. However, there has been only small consideration of education as a positional good in the empirical literature so far. Based on the literature on positional concerns and the role of education on relative position, this paper uses German data to investigate two questions. First, we will examine whether there is a relationship between education and life satisfaction beyond the effect education might have through other variables such as income, health, or occupational prestige. Second, we will investigate the possibility that the consumption of education is subject to positional concerns.

Christian Bredemeier, Tobias Föll, Anna Hartmann: “Out-Lawed: Estimating the Effects of Ideological Leanings of U.S. Supreme Court Justices on Labor Market Prospects”

Most of the evidence on the economic impact of U.S. Supreme Court justices is either case-based or purely anecdotal. We document that the ideology shift of the Supreme Court since the 1970s, from the middle of the ideological spectrum towards more conservative, affected different regions of the United States differently, as an increase in Supreme Court conservatism induces court rulings in more liberal districts to become more conservative relative to rulings in more conservative districts. We exploit these regional differences in order to estimate the economic effect of changes in Supreme Court ideology on labor market prospects in the U.S.

Anastasiya Lisina, Philippe Van Kerm: “Regional Cost-of-living Adjustments without Prices: a non-parametric approach”

In this paper, we develop a method for estimating regional cost-of-living indices by exploiting variations in incomes, socio-demographic characteristics and financial hardship across regions in Russia. We compare our estimates with official indices provided by the Russian Statistical Office, and we find a strong correlation between the two measures. Once accounted for the regional price differences, inequality and poverty decrease and income levels increase.

Abstracts

Session III (Poster Session)

Adda Carla Justiniano Medina: “Immigrant women employment and intermarriage”

In this study, we analyze the causal effect of intermarriage on employment outcomes for immigrant women in Italy. Employment is measured both as a binary outcome, employed or not, and as a continuous outcome, average weekly hours worked. We account for endogenous intermarriage in both outcomes and selection into employment for the continuous measure. The linear probability model delivers the so-called raw intermarriage premium revealing that intermarried women have 8% higher probability of being employed compared to endogamously married counterparts and this premium rises to 11%, once other controls are added, this result is confirmed in the nonlinear regressions. However, the intermarriage premium vanishes once we account for endogeneity by including instrumental variables estimation. Additionally, no relationship between intermarriage and average weekly hours worked has been established in none of the estimations. Moreover, results from the Heckman sample correction reveal no evidence of self-selection into employment for married immigrant women. We conclude that although immigrant women that marry natives in Italy have higher employment rates, this is due to positive selection into intermarriage rather than a positive effect of intermarriage on employment integration for immigrant women.

Robin Konietzny: “Experiencing Globalization In Germany: How do job satisfaction and the perception of job security react to trade?”

This paper adds to the discussion on the repercussions of economic globalization by analyzing the effect of import exposure on non-pecuniary aspects of employment. I study the effect of occupation-level import exposure on job satisfaction and job security worry in Germany using individual-level data from the German Socio-Economic Panel in the period 1995-2011. To this end, I propose two channels through which imports affect workers, a competition-increasing supply and a competitiveness-enhancing use channel. I find that rising exposure to Chinese imports reduces job security by increasing competition in final and intermediate goods through the supply channel. The negative effect of import exposure is mainly concentrated on individuals in occupations that typically require lower skill-levels and less specialization. The effect on job satisfaction through both the supply and use channel is only moderate. My results augment the growing literature on the labor market repercussions of trade as well as the literature on the effect of trade on political outcomes. In this context, I provide an additional explanation for the anti-globalization backlash recently observed in developed economies.

Abstracts

Session III (Poster Session)

Ido Erev, Devin Kwasniok, Bernd Josef Leisen, Vanessa Mertins: “The motivational effect of detailed job references for volunteers – Evidence from a field experiment on intergenerational cooperation”

TBA

René Kalweit, Natalie Laub: “The minimum wage: An effective means to regain the electorate’s confidence?”

This paper analyses whether the introduction of the minimum wage in Germany had an effect on the electorate’s support for the ruling parties. Estimations base on data from a large household survey and exploit regional differences in the bite of the minimum wage. The results show that in regions where the bite of the minimum wage was higher, the support for the ruling parties significantly decreased in the year in which the minimum wage was introduced. Individuals who were not themselves affected by the minimum wage mainly drive this result, which is robust to different model specifications.

Daniele Mazzacani: “Foreign languages for the European native workers: Evidence from compulsory schooling reforms”

TBA

Abstracts

Session IV (a), H714: Education

Anne Zühlke, Tobias Brändle, Philipp Kugler, Armin Hackenberger: “Accounting for Investment Risk in Educational Decisions: New Evidence for Lifetime Returns in Germany”

We analyse the economic returns in lifetime labour income of different educational paths in Germany, especially the difference between university studies and apprenticeship or vocational training. New data allows us to calculate cumulative labour earnings at different ages and to compare not only the highest educational degree, but also which educational paths have been taken, as well as the educational background of individuals. We find that lifetime labour income is higher for individuals with university degrees, but only after their late thirties. When considering the failure risks of educational degrees as well as the possibilities of educational upskilling, we find that individuals who start with an apprenticeship training after their highest school degree do not earn less than individuals who start with university studies, once we control for other covariates such as parental background.

Joop Hartog, Pedro S. Raposo, Hugo Reis: “Rise and fall of a wage gap for vocational versus general secondary education”

Comparing cohorts born between 1951 and 1994, we document and interpret changes in the wage differential among graduates from secondary education with a vocational and a general curriculum. The vocational wage gap initially increased and then decreased. We find that these changes cannot be attributed to simple compositional shifts in the economy, but instead relate to important changes in worker-firm allocation. Among low wage workers, trends are similar, but more pronounced for vocational graduates: increasing share in high wage firms, decreasing share in low wage firms. Among high ability workers, developments differ: almost stable for vocational graduates, deterioration for general graduates (more in low wage firms, less in high wage firms). Our results suggest that reforms of vocational education initiated in the late 1980s have been a successful policy intervention.

Abstracts

Session IV (b), H730: Labour Market Policy

Kornelius Kraft, Alexander Lammers : Public Employment Agency and job matching efficiency - A new perspective using establishment level data“

Using detailed German establishment level data, we model the relationship between job matching efficiency and employment growth. We use a policy reform (Hartz III) which was explicitly framed at improving the placement process of the Public Employment Agency (PEA) in Germany. Baseline difference-in-differences estimates reveal that reforming the Public Employment Agency results in an increased creation of employment among the users of the placement services relative to non-users. After the Hartz III reform was in place, establishments using the PEA grew roughly 2 percentage points faster in terms of employment relative to non-users. We also provide robustness checks using inverseprobability weighting for our identification strategy which highlights the internal validity of our results. Due to the scarcity of studies investigating the Hartz reforms on the establishment level, our results are highly relevant for policy makers trying to improve job matching efficiency. In this view, we gain new insights in the mode of action in one of the most profound labor market programs in the last decades.

Anthony Lepinteur: “A Natural Experiment on Job Insecurity and Fertility in France“

Job insecurity can have wide-ranging consequences outside of the labour market. We here argue that it reduces fertility amongst the employed. The 1999 rise in the French Delalande tax, paid by large private firms when they laid off workers aged over 50, produced an exogenous rise in job insecurity for younger workers in these firms. A difference-in-differences analysis of French panel data reveals that this greater job insecurity for the under-50s significantly reduced their probability of having a new child by 3.9 percentage points. Reduced fertility is only found at the intensive margin: job insecurity reduces family size but not the probability of parenthood itself. Our results also suggest negative selection into parenthood, as this fertility effect does not appear for low-income and less-educated workers.

Abstracts

Session V (a), H714: Labour Market Outcomes

Giorgia Menta, Sonia Schifano: “Internet Access and Labour Market Outcomes”

TBA

Adrián Nieto: “Television and the Labour Supply: Evidence from the Digital Television Transition in the UK”

This paper exploits exogenous variation in the date of the transition from analogue to digital television signal in the UK across more than 40,000 geographical units to investigate the impact of television on employment probabilities and potential mechanisms. Using a large individual panel survey dataset and a difference-in-differences model that compares the outcomes of adults living in regions where the switchover occurs at different years, I find that the digital transition increases employment probabilities. The impact is driven by mothers, and is due to an increase in part-time and self-employment. The effect increases in the number of children and when the parent does not cohabit with a partner. A possible explanation for these results is that television keeps children busy, reducing the amount of housework that parents need to do and allowing them to focus on their career. I test whether the digital transition reduces the time that individuals dedicate to housework, and show that this is the case for mothers, but not for fathers and non-parents. I find no effect on time allocation other than via housework.

Abstracts

Session V (b), H730: Lab and Survey Experiments

Sabrina Jeworrek, Joschka Waibel: “Does Unkind Management Decision Making Trigger Unkind Employee Behavior Towards Coworkers?”

TBA

Bernd Josef Leisen, Vanessa Mertins, Christian Walter: “The Importance of Trust in the Ride-Sharing Market: Evidence on Gender-Based Discrimination“

In this paper we test gender-based discrimination in a customer-to-customer service market. Choosing a service provider is often characterized by uncertainty as the service quality is hard to predict. If no revealing information is tangible at the time of decision-making, service demanders rely on easily accessible and visible information such as service providers' gender to draw inferences, e.g. on trustworthiness. A market that mainly builds on trustworthy behavior is the growing ride-share market. By conducting a factorial survey experiment we test whether drivers' gender affect ride-share demanders' (n = 1875) purchase intention and willingness to pay. Contrary to previous findings, our results indicate female-favoritism. While this effect is driven by female demanders, we can show that the characteristic “female” is a vehicle for perceived trustworthiness. The results suggest how women have advantages in service markets where trustworthiness is a key factor. But we also provide feasible instruments for male providers – such as mentioning a relationship or a voluntary monitoring – that are capable of decreasing the magnitude of discrimination.

Abstracts

Session V (c), H703: Demographic and Technological Change

Sotiris Blanas: “The Distinct Effects of Information Technologies and Communication Technologies on the Age-Skill Composition of Labour Demand”

This paper is the first to study the distinct effects of Information Technologies (IT) and Communication Technologies (CT) on the skill, age, and age-skill composition of labour demand. The analysis is conducted on a sample covering the bulk of economic activity in 10 developed countries during 1982–2005. I find that IT capital intensity increases the relative demand for the high-skilled and low-skilled of all age profiles, while it decreases the relative demand for the medium-skilled of all age profiles. Unconditional on skill, the same type of technologies increases the relative demand for the oldest and decreases the relative demand for the youngest. CT capital intensity exerts mostly opposite effects. Interestingly, the identified effects operate mostly as of 1990, when the advancement rates of IT and CT were even higher than in the 1980s, and in technologically advanced and knowledge-intensive manufacturing and service industries. Also, the inequalities generated by the two types of technologies are smaller in countries with higher union density. For the rationalisation of the findings, I develop a knowledge-based hierarchy framework à la Bloom et al. (2014) highlighting the empowerment of agents at lower and higher hierarchical layers induced by IT and CT, respectively.

Daniele Angelini, Max Bres: “Aging Consumers and the Secular Stagnation”

In this paper, we analyze the effect of the aging population on labor productivity through the demand channel. It provides a novel explanation to the stagnation of labor productivity growth in recent decades. Indeed, old consumers experience a drop in the capacity to access information with significant effects on consumption behavior. We develop a model of oligopolistic competition in which firms can invest in labor-saving technologies and agents are heterogeneous with respect to search costs. As population ages, modeled as an increase in the fraction of high search cost agents, firms exploit the lower average amount of information held by the consumers by increasing prices and changing the investment in productivity enhancing technologies. We show that for the relevant parameterization space, an aging population tends to reduce labor productivity. Empirically, we identify aging shock to demand using the heterogeneous exposure of sectors to the aging of foreign demand. We estimate that the aging of the demand, both domestically and abroad, contributed to a 3.5 percentage point drop in the US yearly labor productivity growth between 1995 and 2007.

Abstracts

Keynote Lecture

Guido Friebel: “Firms as Labs: What RCTs can tell us about Human Resource Policies”

I review a new literature in which randomized controlled trials (RCTs) are used to identify causal evidence for the effects of management on both firm performance, and workers' satisfaction and wages.

Abstracts

Session VI (a), H714: Health & Development

Artyom Jelnov, Pavel Jelnov: “Trust and Vaccination”

We study the relationship between trust and vaccination. We find theoretically and empirically that countries perceived as less corrupted experience higher vaccination rates, but are less likely to adopt mandatory vaccination policy. One unit of Corruption Perception Index (scaled from 0 to 10) is associated with one pp increase in vaccination rate but with 10 pp decrease in the likelihood to have compulsory vaccination.

Sheheryar Banuri, Damien de Walque, Philip Keefer, Paul Jacob Robyn: “Encouraging Service Delivery to the Poor: Does Money Talk When Health Workers Are Pro-Poor?”

Do service providers respond to pecuniary incentives to serve the poor? Service delivery to the poor is complicated by the extra effort required to deliver services to them and the intrinsic incentives of service providers to exert this effort. Incentive schemes typically fail to account for these complications. A lab-in-the-field experiment with nearly 400 health workers in rural Burkina Faso provides strong evidence that the interaction of effort costs, ability, and intrinsic and extrinsic incentives significantly influences service delivery to the poor. Health workers reviewed video vignettes of medical cases involving poor and nonpoor patients under a variety of bonus schemes. Bonuses to serve the poor have less impact on effort than bonuses to serve the nonpoor; health workers who receive equal bonuses to serve poor and nonpoor patients see fewer poor patients than workers who receive only a flat salary; and bonuses operate largely through their influence on the behavior of pro-poor workers. The paper also presents novel evidence on the selection effects of contract type: pro-poor workers prefer the flat salary contract to the variable salary contract.

Abstracts

Session VI (b), H730: Migrants' Labour Market Performance

Miriam Beblo, Luise Görge, Eva Markowsky: “Does early exposure to gender equality influence labor market outcomes as adults? Migration as a natural experiment”

TBA

Lucas Guichar, Ignat Stepanok: “International Trade, Intellectual Property Rights and the (Un)employment of Migrants”

We study the effect of trade liberalization and intellectual property rights (IPR) protection on the unemployment rate of migrants relative to non-migrants. We build a North-South trade and growth model with a positive steady state rate of migration. We find that bilateral trade liberalization decreases the relative unemployment rate of migrants when migration is low and increases the relative unemployment rate when the migration rate is high. The results do not rely on assumptions about network effects, the probability to find a job for a migrant is independent of the size of the migrant diaspora. IPR protection leads to a higher relative unemployment rate of migrants regardless of the size of migration. We empirically test and confirm the theoretical predictions on trade liberalization and IPR protection using data for 20 OECD countries over the period 2000-2014.

Abstracts

Session VII (a), H714: Wages

Luise Hammer, Matthias S. Hertweck: “The Labour Market Impact of Immigration in Germany in the 2010s”

Based on SIAB (2005-2017) data, we estimate the dynamic effects of recent immigration on wages and employment of natives and earlier migrants in Germany. Using regional variation in immigrant shares we show that, first, in the short run immigration inflows are associated with a small rise in average wages of natives, while the longer-term effects are negative. Second, we find evidence for considerable heterogeneity of the effects. The lowest wage quintile experienced a strong negative wage effect, whereas the effects are positive in the upper part of the wage distribution. Third, the effect of immigration on native employment appears to be positive across all groups. Fourth, we do not find evidence for significant effects of the recent immigration on wages and employment of earlier immigrants. Only, for highly educated earlier immigrants there appears to be a positive wage effect

Mikhail Ananyev, Thomas Dohmen, Hartmut Lehmann: “Wage Arrears as Deferred Payments and Workers’ Response — Evidence from Personnel Data in Early Transition Russia”

TBA

Suzanne Bijkerk: “The Consequences of Labor-Market Quotas for the Wages of Promoted Women”

In this paper, we examine the effects of increasing structural change at the establishment level on wages and within-establishment inequality. We find that higher *servitization* of an establishment is on average associated with a lower pay level for otherwise equal workers. This result is particularly pronounced in the manufacturing sector. Differentiating between worker groups by occupation and skill, we cannot confirm the general assumption of competitive labor markets. Increasing shares of workers with service occupations positively affects medium-skilled workers' wages, even though their absolute and relative labor demand falls. To the best of our knowledge, this paper is the first that identifies establishment-level *servitization* as a main driver for increasing within-establishment inequality. We find that (depending on the specification), *servitization* accounts for 20-50% of the observed increase in the inequality between 1994 and 2014.

Abstracts

Session VII (b), H730: Work Transitions

Mareen Bastiaans, Robert Dur, Anne C. Gielen: “Labor market and health effects of an activation program for the long-term inactive“

Some active labor market programs have been shown to improve labor market outcomes, however they mostly focus on individuals relatively close to the labor market. Many long-term benefit recipients suffer from mental health issues, indicated by the high rate of mental health care use in this group. Activation strategies for this group may not result in better labor market outcomes, but may benefit these individuals by replacing some of the benefits that a job offers such as providing a routine, social network and a sense of being valued or appreciated. We evaluate the effects of an activation program for individuals with a large distance to the labor market, at least five years out of employment and on general assistance. We exploit the staggered implementation of the program which allows for a difference-in-difference design. We find that the activation strategy decreases general assistance receipt, but we find no increase in employment nor benefit substitution. Moreover, we find an increase in drug use, partially driven by mental drug use. The exit out of general assistance is concentrated among those with a relatively short general assistance duration pre-treatment (5-9 years), whereas the drug effect is concentrated among those with the longest general assistance duration (at least 14 years).

Anna Hartmann: “The Role of Job-to-Job Transitions for Involuntary Part-Time Employment“

Since the Great Recession workers in the U.S. are increasingly more likely to become involuntary part-time employed. At the same time, the job-to-job flows of workers in the U.S. have slowed down dramatically. In this paper, I document differences between the job mobility of workers that are restricted in their amount of hours worked and workers that are not affected by working hours mismatch. I document three stylized facts about part-time employment in the U.S.: First, the job mobility of workers exhibits a “stair-step” pattern over time. Second, involuntary part-time workers flow at a higher rate to new employers to find full-time jobs than unrestricted workers. Third, the job mobility has declined for all workers since the 90’s, with involuntary part-time workers experiencing the most pronounced drop. To shed light on these results, I introduce work hours mismatch into a job ladder model. As involuntary part-time workers cannot only be poached by higher wages but also by a higher amount of working hours, they accept a wide range of job offers. Therefore, involuntary part-time workers exhibit a higher job-to-job transition rate compared to unrestricted workers. When hiring becomes more selective over time, involuntary part-time workers are affected by a scarring effect because firms perceive them as being less competent compared to workers with full-time employment histories

Abstracts

Session VII (b), H730: Work Transitions

Vincent Dautel: “Neighbourhood effects in welfare to work transitions: focus on a small open economy”

This paper aims at analysing the existence of neighbourhood effects in the transition from welfare to work. To do so, we develop an identification strategy based on Bayer, Ross and Topa (2008) by focusing on exogenous variations provided by very fine data granularity. We first examine interactions among all the neighbours using an individual-level analysis, before focusing on interactions among welfare recipients only using a matched-pair analysis. This second step provides in addition the opportunity to deal with the mediating effect of one characteristic of welfare recipients, their citizenship. We use Luxembourg administrative social security data available from 2001-2015, which provides precise information at a small geographical unit – the postal code corresponding mostly to the street level. The main findings highlight that individuals likely to follow the behaviour of their direct neighbours do so, and that the characteristics of the neighbours including their citizenship affect also welfare to work transition. The focus on pairs of welfare recipient provides contrasting results according to the size of citizenship group to which they belong, i.e. homophily in large-size group and interaction with others groups among medium-size groups.

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