



Fachbereich VWL / Department of Economics

EconNewsletter

Editorial Contact: Michael Paetz
tel: +49 40 42838-5561; e-mail: econ.newsletter@wiso.uni-hamburg.de

JUNE 4 – JUNE 8, 2018

NEWSLETTER 2018-12

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Jochen Kluve, Humboldt Universität & RWI:

The effectiveness of interventions to reduce formality in low and middle income countries

Monday June 4

16:30-18:00

R. 0029 (VMP 5)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Klaus Wälde, Universität Mainz:

Capital Income Risk and the Dynamics of the Wealth Distribution

Tuesday June 5

12:15–13:45

R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Ehud Kamar, Tel Aviv University:

The Effect of Minority Veto Rights on Controller Tunneling

Wednesday June 6

18:15–19:45

R. 1083a (VMP 5)

Research Seminar “Microeconomics”

Robert Dur, Erasmus University Rotterdam:

The Effects of Student Feedback to Teachers: Evidence from a Field Experiment

Thursday June 7

17:15–18:45

R. 0029 (VMP 5)

HCHE Research Seminar

- no seminar -

PhD Seminar

- no seminar -

ABSTRACTS

Research Seminar “Labour Economics”

Jochen Kluve, Humboldt Universität & RWI:

The effectiveness of interventions to reduce formality in low and middle income countries

Abstract:

Labor markets in low- and middle income countries are characterized by high levels of informality. A multitude of policies and programs have therefore been implemented in many countries with the objective to increase the formalization of firms or workers, or both. These formalization interventions range from information campaigns that explicate, for instance, the benefits of business registration, to the simplification of step-by-step registration procedures, to financial incentives created by reductions of payroll taxes and social security contributions, and on to interventions that enforce labor or business formalization. In this paper, we compile a database of 146 impact estimates from 29 academic studies that each evaluate empirically one or more of these formalization interventions. Using a meta analytical approach we correlate the impact estimates of the studies – given as either (i) a measure of sign and statistical significance (positive, insignificant, negative) or (ii) the percent impact as an effect size measure – with explanatory factors such as the intervention type, the outcome variable, the scope of the intervention (program or policy), and other covariates. Several key patterns emerge from the quantitative analysis: first, the intervention type is not a strong determinant for the effectiveness of formalization interventions. Second, the outcome "labor registration" shows significantly better results than other outcomes, indicating that targeting workers (relative to firms) may be a key avenue in formalization efforts. Third, interventions at scale (i.e. formalization "policies") are more effective on average than singular "programs".

Forschungsseminar “Quantitative Wirtschaftsforschung“

Klaus Wälde, Universität Mainz:

Capital Income Risk and the Dynamics of the Wealth Distribution

Abstract:

We develop and numerically solve a model of idiosyncratic labour income and idiosyncratic interest rates to predict the evolution of a wealth distribution over time. Stochastic labour income follows a deterministic growth trend and fluctuates between a wage and unemployment benefits. Stochastic interest rates fluctuate between two values. The low value implies a stationary long-run wealth distribution, the high value implies non-stationary wealth distributions. We also allow for an ex-ante heterogeneity in idiosyncratic interest rate distributions. We quantify our model to match the evolution of the wealth distribution of the NLSY 79 cohort from 1986 to 2008. We find that interest rate heterogeneity is required and extremely successful (96:2%) in matching the entire density of wealth in 2008 or for other targets. We show that the fit for non-targeted years is 74.9% on average. When targeting all years, the average fit is 88.9%. Surprisingly, the standard deviation of idiosyncratic

interest rates required for these findings is an order of magnitude lower than the empirical standard deviation.

Research Seminar “Microeconomics”

Robert Dur, Erasmus University Rotterdam:

The Effects of Student Feedback to Teachers: Evidence from a Field Experiment

Abstract:

We conducted a field experiment to examine the effects of student feedback to teachers at a large Dutch school for intermediate vocational education. Students evaluated all teachers, but only a randomly selected group of teachers received feedback. Additionally, we asked all teachers before as well as after the experiment to assess their own performance on the same items. We find a precisely estimated zero average treatment effect of receiving feedback on student evaluation scores a year later. Only those teachers whose self-assessment before the experiment is much more positive than their students' evaluations improve significantly in response to receiving feedback. We also find that provision of feedback reduces the gap between teachers' self-assessment and students' assessment, but only to a limited extent. All of these results are driven by the female teachers in our sample; male teachers turn out to be unresponsive to student feedback.

The next EconNewsletter will be published on Monday June 11, 2018.

Editorial deadline: Friday, June 8, 2018.

EconNewsletter

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

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