



Fachbereich VWL / Department of Economics

# EconNewsletter

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JUNE 18 – JUNE 22, 2018

NEWSLETTER 2018-14

## SEMINAR CALENDAR

### Research Seminar “Labour Economics”

Niclas Berggren, Research Inst. of Ind. Economics, Stockholm:  
*Roots of Tolerance: What Explains a Western Value Among  
Children of Immigrants*

Monday June 18  
16:30-18:00  
R. 0029 (VMP 5)

### Forschungsseminar “Quantitative Wirtschaftsforschung“

Artur Tarassow, Universität Hamburg:  
*Bootstrap-Based Probabilistic Analysis of Spillover Scenarios in  
Macrofinancial Networks*

Tuesday June 19  
12:15–13:45  
R. 0029 (VMP 5)

### Hamburg Lectures on Law & Economics

Prof. Rachel Brewster, Duke University Durham:  
*Enforcing the FCPA: Domestic Strategies and International  
Resonance*

Wednesday June 20  
18:15–19:45  
R. 1083a (VMP 5)

### PhD Seminar

- no seminar -

### Research Seminar “Microeconomics”

- no seminar -

### HCHE Research Seminar

- no seminar -

## ABSTRACTS

### **Research Seminar “Labour Economics”**

Niclas Berggren, Research Inst. of Ind. Economics, Stockholm:

*Roots of Tolerance: What Explains a Western Value Among Children of Immigrants*

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*Abstract:*

Integration of immigrants has become a prominent policy issue in Europe. Immigrants who embrace Western values can be expected to fit in better culturally, which should improve both employment prospects and social interaction in general. This study focuses on one indicator of Western values, tolerance, among secondgeneration immigrants across Europe and investigates what factors in their parents’ home countries that predict tolerance. The background factors could affect the values of the parents and in turn be transmitted across generations to children born in another country. The method explains variation in tolerance while ruling out reverse causality. Out of the 52 included ancestral factors and among more than a dozen statistically significant factors, two emerge as especially robust: the view that it should be a priority to teach children tolerance (on the positive side) and a Muslim background (on the negative side). Of these, a Muslim background is the most robust and the one with the biggest standardized estimate. This knowledge is useful in assessing what immigrant background implies for value cohesion in a country and for more precise efforts to boost integration.

### **Hamburg Lectures on Law & Economics**

Prof. Rachel Brewster, Duke University Durham:

*Enforcing the FCPA: Domestic Strategies and International Resonance*

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*Abstract:*

The Foreign Corrupt Practices Act (“FCPA”), which bans corporations from offering bribes to foreign government officials, was enacted during the Watergate era’s crackdown on political corruption but remained only weakly enforced for its first two decades. American industry argued that the law created an uneven playing field in global commerce, which made robust enforcement politically unpopular. This Article documents how the executive branch strategically under- enforced the FCPA, while Congress and the President pushed for an international agreement that would bind other countries to rules similar to those of the United States. The Article establishes that U.S. officials ramped up enforcement only after the United States successfully concluded the Organisation for Economic Co-operation and Development (“OECD”) Anti-Bribery Convention in 1997, twenty years after the enactment of the FCPA. Afterward, U.S. officials, desiring to maintain industry support for the FCPA, prosecuted both foreign and domestic corporations, thereby minimizing the statute’s competitive costs for American companies.

This Article argues that the OECD Convention was critical to the dramatic expansion of FCPA enforcement because it allowed American prosecutors to adopt an “international-competitionneutral” enforcement strategy, investigating domestic corporations and their foreign rivals alike. The existence

of the treaty was decisive because it established anti-bribery as a binding legal principle and legitimized U.S. prosecutions of foreign corporations. Today, seven of the ten highest FCPA penalties have been against foreign corporations.

This Article advocates, on a theoretical level, for a reevaluation of the multidirectional relationship between international and domestic law in transnational issue areas, such as foreign bribery. National laws are most often viewed as self-contained legal rules that develop or decline based on domestic officials' policy decisions. The evolution of the FCPA, however, demonstrates that some statutes may require "international resonance" to be meaningfully enforced: a domestic statute can create pressure for national leaders to conclude an international agreement, and then that agreement provides the means for the national law to develop into a robust national policy. As this Article establishes, the OECD Convention owed its existence to the FCPA and, in turn, the FCPA owes much of its development and strength to the OECD Convention. A greater appreciation for international resonance's feedback mechanisms is essential to understanding national enforcement of a wide range of transnational commercial, financial, and environmental statutes.

## ACTIVITIES OF DEPARTMENT MEMBERS

### New Publications

- **Siedler, T., Kvasnicka, M. und Ziebarth, N. (2018)**, "The Health Effects of Smoking Bans: Evidence from German Hospitalization Data", *Health Economics*, accepted for publication.

### Miscellaneous

- Der Umweltökonom Jun.-Prof. Dr. Moritz Drupp und der Pflanzenökologe Dr. Peter Müller haben den Forschungspreis zur Nachhaltigkeit des Bundes für Umwelt und Naturschutz Deutschland (BUND) erhalten. Ausgezeichnet wurden sie für ihre Dissertationsarbeiten. Drupp beschäftigte sich mit Nachhaltigkeitsbewertung und dem Verhältnis von Ungleichheit und Umweltschutz. Müller erforschte Küstenökosysteme und deren Fähigkeit, CO<sub>2</sub> zu binden. Weitere Informationen finden Sie hier: <https://www.uni-hamburg.de/newsroom/forschung/2018-06-14-forschungspreis-nachhaltigkeit-drupp-mueller.html>
- We welcome Prof. Hong Hwang from the National Taiwan University ([www.coss.ntu.edu.tw/en/8/Hong-Hwang-33048214](http://www.coss.ntu.edu.tw/en/8/Hong-Hwang-33048214)) who will visit the department throughout the whole month of July 2018. His main fields of research are Industrial Organization, International Trade and Regional Economics and he will give a talk in the microeconomics seminar. During his visit, he will use office 2090 (VMP5). Everyone interested can get in touch with him directly via email to: [echong@ntu.edu.tw](mailto:echong@ntu.edu.tw).

*The next EconNewsletter will be published on Monday, June 25, 2018.*

*Editorial deadline: Friday, June 22, 2018.*

### EconNewsletter

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