

Program – ESPE Conference 2013

Wednesday June 12

14:00-17:00 ESPE Council Meeting - The Concert Hall Aarhus (Musikhuset)

17:00-19:00 Registration - The Concert Hall Aarhus (Musikhuset)

17:00-19:00 Welcome reception - The Concert Hall Aarhus (Musikhuset)

Thursday June 13

8:30-17:30 **Registration at the conference venue: The Lakeside Theatres (Søauditorierne), Building 1250**

9:00-9:30 **Welcome address – Building 1250, room 304 (Per Kirkeby Auditoriet)**

9:30-10:30 **Plenary address – Building 1250, room 304 (Per Kirkeby Auditoriet)**

Bill Evans: **The White/Black Educational Gap, Stalled Progress, and the Long Term Consequences of the Emergence of Crack Cocaine Markets**

10:30-11:00 **Coffee**

11:00-12:30 **Parallel sessions A**

Parallel session A1 - Volunteer Work + History

11:00-12:30 **Building 1252, Room 204 (Edvard Biermann Auditoriet)**

A11	Rafael González-Val*, David Cuberes	History and Urban Primacy: The Effect of the Spanish Reconquista on Muslim Cities
A12	Thomas K. Bauer*, Julia Bredtmann, Christoph M. Schmidt	Time vs. Money – The Supply of Voluntary Labor and Charitable Donations across Europe
A13	Yu Aoki*	An Outcome of Free Labour Supply: the Effect of Volunteer Work on Mortality. A Natural Experiment using Earthquake Shocks in Japan

Parallel session A2 – Education

11:00-12:30 **Building 1253, Room 1253 (Merete Barker Auditoriet)**

A21	Alessandro Cigno*, Annalisa Luporini	Student loans and the allocation of graduate jobs
A22	Volker Meier*, Ioana Schiopu	Optimal higher education enrollment and productivity externalities in a two-sector model
A23	Ulf Zölitz*, Lex Borghans, Bart Golsteyn	What parents value when school choice is diverse and free

Parallel session A3 - Labor markets (Informality)

11:00-12:30 **Building 1231, Room 214**

A31	Niels-Hugo Blunch*	The Financial Crisis and the Formal-Informal Sector Earnings Gap in Serbia
A32	Paula Herrera-Idárraga*, Enrique López-Bazo, Elisabet Motellón	Double Penalty in Returns to Education: Informality and Mismatch in the Labor market, evidence from Colombia.
A33	Alejandro del Valle*	Is Formal Employment Discouraged by the Provision of Free Health Services to the Uninsured ? Evidence From a Natural Experiment in Mexico

Parallel session A4 – Fertility

11:00-12:30 Building 1231, Room 216

A41	Hector Bellido, Miriam Marcen*	Teen mothers and culture
A42	Berkay Ozcan*, Signe Hald Andersen	The Effect of Unemployment on Fertility
A43	Mette Ejrnæs*, Karl Gunnar Persson	The effect of child mortality on fertility in rural Tuscany: a micro data approach

Parallel session A5- Immigration

11:00-12:30 Building 1231, Room 220

A51	Simone Bertoli, Herbert Brücker, Jesús Fernández-Huertas Moraga*	The European Crisis and Migration to Germany: Expectations and the Diversion of Migration Flows
A52	Verena Dill*	Ethnic Concentration and Right-Wing Voting Behavior in Germany
A53	Leilanie Basilio, Thomas K. Bauer, Anica Kramer*	Transferability of Human Capital and Immigrant Assimilation: An Analysis for Germany

Parallel session A6 - Sexual Orientation

11:00-12:30 Building 1231, Room 224

A61	Lydia Geijtenbeek*, Erik Plug	The income of Transsexuals and the Gender Wage Gap
A62	Ali Ahmed, Lina Andersson, Mats Hammarstedt*	Sexual prejudice and labor market outcomes of gays and lesbians
A63	Doris Weichselbaumer*	Testing for discrimination against single and married lesbians. A field experiment

Parallel session A7 - Intergenerational Transmission

11:00-12:30 Building 1231, Room 228

A71	Paul Bingley*, Lorenzo Cappellari	Alike in Many Ways: Intergenerational and Sibling Correlations of Brothers' Earnings
A72	Rebekka Christopoulou*, Ahmed Jaber, Dean Lillard	The Intergenerational and Social Transmission of Cultural Traits: Theory and Evidence from Smoking Behavior
A73	Natalia Kyui, Véronique Simonnet*	Education, Professional Choice and Labor Market Outcomes: Influence of Preferences, Parental Background and Labor Market Tightness

Parallel session A8 – Gender

11:00-12:30 Building 1252, Room 310 (Jeppe Vontilius Auditoriet)

A81	Sonia Bhalotra*, Irma Clots-Figueras, Lakshmi Iyer	Path-Breakers: How Does Women's Political Participation Respond to Electoral Success?
A82	Lena Nekby*, Peter Skogman Thoursie, Lars Vahtrik	Examination Behavior-Gender Differences in Preferences?
A83	Asena Caner*, Cahit Guven, Cagla Okten, Seyhun Orcan Sakalli	Gender Views and the Gender Gap in Educational Achievement: Evidence from Turkey

Parallel session A9 - Child Development

11:00-12:30 Building 1253, Room 317 (William Scharff Auditoriet)

A91	Christina Felfe*, Nuria Rodriguez-Planas, Natalia Nollenberger	Can't Buy Mommy's Love? Universal Childcare and Children's Long-Term Cognitive Development
A92	Miki Kohara*, Sun Youn	Mother's Employment in her Offspring's Early Childhood and the Child's Educational Attainment
A93	Magdalena Rokicka*	Do parental employment and hours of work matter for children's educational achievements?

12:30-13:30 Lunch – Building 1250, the Lobby (101 Foyer)

13:30-15:30 Parallel sessions B

Parallel session B1 - Education

13:30-15:30 Building 1252, room 204 (Edvard Biermann Auditoriet)

B11	Xiaoxuan Jia*, Arnaud Chevalier	Subject Specific League Tables and Students' Application Decisions
B12	Jens Ruhose*, Guido Schwerdt	Does Early Educational Tracking Increase Native-Migrant Achievement Gaps? Differences-In-Differences Evidence Across Countries
B13	Ellen Greaves*	Parents' preferences for school attributes: A discrete choice model incorporating unobserved heterogeneity
B14	Krzysztof Karbownik*	Effects of changes in student composition on teacher mobility. Evidence from the admission reform.

Parallel session B2 - Health

13:30-15:30 Building 1231, room 214

B21	Vesile Kutlu*, Adriaan Kalwij	Individuals' Survival Expectations and Actual Mortality
B22	Casper Worm Hansen*	Causes of mortality and development: Evidence from large health shocks in 20th century America
B23	Nicolas Ziebarth*, Martin Karlsson, Maïke Schmitt	The Health Effects of Weather and Pollution: Implications for Climate Change
B24	Martina Zweimüller*, Martin Halla	The Social Gradient in the Impact of the Chernobyl Accident: The Case of Austria

Parallel session B3 – Family Economics

13:30-15:30 Building 1231, room 216

B31	Francesco Billari, Vincenzo Galasso, Paola Profeta, Chiara Pronzato*	Does Information Matter for Women Decisions? Experimental Evidence from Childcare
B32	Jee-Yeon K. Lehmann, Ana Nuevo-Chiquero*, Marian Vidal-Fernandez	Explaining the birth order effect: the role of prenatal and early postnatal investments
B33	Silke Anger, Daniel D. Schnitzlein*	Like Brother, Like Sister? – The Importance of Family Background for Cognitive and Non-Cognitive Skills
B34	Andrea Weber, Martin Halla*	The Effect of Paternal Job Loss on Infants Health at Birth

Parallel session B4 - Fertility**13:30-15:30 Building 1253, Room 211 (Merete Barker Auditoriet)**

B41	Kamila Cygan-Rehm*	Earnings-Dependent Parental Leave Benefit and Fertility: Evidence from Germany
B42	Michael Kvasnicka*, Dirk Bethmann	A Theory of Child Adoption
B43	Claus Portner*, Kathleen Beegle, Luc Christaensen	Does Family Planning Reduce Fertility? Evidence from Rural Ethiopia
B44	Damian Clarke*, Sonia Bhalotra	Child Quantity versus Quality: Are Twin Births Exogenous?

Parallel session B5 - Discrimination**13:30-15:30 Building 1231, Room 220**

B51	Arnaud Chevalier, Alex Bryson*	What Happens When Employers are Free to Discriminate? Evidence from the English Barclays Premier Fantasy Football League
B52	Uwe Neumann*, Christoph M. Schmidt	Dynamics of residential segregation – A micro-level analysis based on the GSOEP 1984-2010
B53	Jan Feld, Nicolas Salamanca*, Daniel S. Hamermesh	Endophilia or Exophobia: Beyond Discrimination
B54	Eva Arceo-Gomez*, Raymundo Campos-Vazquez	Race and Marriage in the Labor Market: A Discrimination audit study in a developing country

Parallel session B6 - Development**13:30-15:30 Building 1231, room 224**

B61	Linguere Mbaye*, Natascha Wagner	Bride price and fertility decisions: Evidence from rural Senegal
B62	Janneke Pieters*, Stephan Klasen	Development and female labor force participation in urban India
B63	Carlos Gradín*	Rural Poverty and Ethnicity in China
B64	Andy Dickerson*, Steven McIntosh, Christine Valente	Do the Maths: An Analysis of the Gender Gap in Mathematics in Africa

Parallel session B7 - Gender**13:30-15:30 Building 1252, Room 310 (Jeppe Vontillius Auditoriet)**

B71	Sara De la Rica*, Ainara Gonzalez de San Román	Gender Gaps in Spain: Family Issues and the Career Development of College Educated Men and Women
B72	Luca Flabbi*, Mario Macis, Fabiano Schivardi	Do Female Executives Make a Difference? The Impact of Female Leadership on Firm Performance and Gender Gaps in Wages and Promotions.
B73	Marco Caliendo, Wang-Sheng Lee*, Robert Mahlstedt	The Gender Wage Gap: Does a Gender Gap in Reservation Wages Play a Part?
B74	James Albrecht, Aico Van Vuuren, Susan Vroman*	Selection and the Measured Black-White Wage Gap Among Young Women

Parallel session B8 - Crime**13:30-15:30 Building 1231, Room 228**

B81	Anna Piil Damm, Cédric Gorinas*	Building a Criminal Career: Peer Effects among Young Inmates in Sentencing Facilities
B82	Georgios Papadopoulos*	The Relationship between Immigration Status and Victimisation: Evidence from the British Crime Survey
B83	Chris Van Klaveren*	The Effect of a Dutch Alternative Punishment Program on Future Educational Outcomes

Parallel session B9 - Immigration**13:30-15:30 Building 1253, Room 317 (William Scharff Auditoriet)**

B91	Andrew Aitken*	Changing Places? Spatial Mobility of Immigrants and Natives in Great Britain
B92	Benjamin Elsner*, Gaia Narciso, Jacco Thijssen	Migrant Networks and the Spread of Misinformation
B93	Katarina Lisenkova, Marcel Merette, Robert Wright*	Immigration and Economic Growth
B94	Klaus F. Zimmermann*, Anzelika Zaiceva	Returning Home at Times of Trouble? Return Migration of EU Enlargement Migrants during the Crisis

15:30-16:00 Coffee**16:00-17:30 Parallel sessions C****Parallel session C1 - Education****16:00-17:30 Building 1252, Room 204 (Edvard Biermann Auditoriet)**

C11	Anders Böhlmark, Helena Holmlund, Mikael Lindahl*	School Choice and Inequality – Lessons from a Voucher Reform
C12	Sander Gerritsen*	The effect of raising the minimum school leaving age on education and earnings
C13	Paul Bingley*, Arnaud Chevalier, Vibeke Myrup Jensen	Reform-Based Evidence of Pupil, Family and School Effects on Test Scores

Parallel session C2 – Gender and the Labor Market**16:00-17:30 Building 1231, Room 214**

C21	Daniel Fernández-Kranz*, Núria Rodríguez-Planas	Can Mommy-Friendly Policies Hurt Childbearing-Aged Women? A Natural Experiment with Administrative Data
C22	Marc Jourdain de Muizon*	Why do married women work less in the UK than in France?
C23	Astrid Kunze*	Gender differences in career progression: Do children capture low work effort?

Parallel session C3 - Health

16:00-17:30 Building 1231, Room 216

C31	Bénédicte Apouey*, Joshua Wilde	Heat Waves at Conception and Later Life Outcomes
C32	Cristina Borra*, Maria Iacovou, Almudena Sevilla	Breastfeeding and Maternal Wellbeing
C33	Mevlude Akbulut-Yuksel, Gerard J. van den Berg, Katharina Walliczek*	Exploiting spatial and temporal variation in nutrition at birth, using data on infant mortality and famines: a study of long-run health effects

Parallel session C4 - Crime

16:00-17:30 Building 1253, Room 211 (Merete Barker Auditoriet)

C41	Nils Braakmann*, Simon Jones	Cannabis consumption, crime, anti-social behaviour and victimization – Evidence from the 2004 cannabis declassification in the UK
C42	Núria Rodríguez-Planas*	School and Drugs: Closing the Gap Evidence from a Randomized Trial in the US
C43	Chandler McClellan, Erdal Tekin*	Stand Your Ground Laws, Homicides, and Injuries

Parallel session C5 - Search

16:00-17:30 Building 1231, Room 220

C51	Rune Vejlin*, Chris Taber	Estimation of a Roy/Search/Compensating Differential Model of the Labor Market
C52	Anna Zaharieva*	Double Matching: Social Contacts in a Labour Market with On-the-Job Search
C53	Nabanita Datta Gupta, Lene Kromann*	An Equilibrium Search Model of the Labor Market Entry of Second-Generation Immigrants and Ethnic Danes

Parallel session C6 - Immigration

16:00-17:30 Building 1252, Room 310 (Jeppe Vontilius Auditoriet)

C61	Costanza Biavaschi*	Fifty years of compositional changes in U.S. out-migration, 1908-1957
C62	Dean Lillard*, Rebekka Christopoulou	Does migration to the US cause people to smoke? Evidence corrected for selection bias
C63	Carlo Devillanova, Francesco Fasani, Tommaso Frattini*	Employment of Undocumented Immigrants and the Prospect of Legal Status: Evidence from an Amnesty Program

Parallel session C7 – Sick Leave

16:00-17:30 Building 1231, Room 224

C71	Daniela Andren*	Work capacity, the degree of sick leave and return to work
C72	Daniel Arnold*, Tobias Brändle, Laszlo Goerke	Sickness Absence, Works Councils, and Personnel Problems. Evidence from German Individual and Linked Employer-Employee Data
C73	Kjersti Misje Østbakken*	The importance of workplaces: a panel data study of sickness absence

Parallel session C8 – Income and Poverty**16:00-17:30 Building 1253, Room 317 (William Scharff Auditoriet)**

C81	Lorenzo Cappellari*, Stephen Jenkins	Earnings and labour market volatility in Britain
C82	John Creedy, Nicolas Herault*	Decomposing Inequality and Social Welfare Changes: The Use of Alternative Welfare Metrics
C83	Renata Bottazzi, Serena Trucchi*, Matthew Wakefield	The Effects of the Financial Crisis of the late 2000s on the Wealth, Consumption and Saving of Households in Italy

Parallel session C9 – Family**16:00-17:30 Building 1231, Room 228**

C91	Jan Bauer*, Alfonso Sousa-Poza	Informal elderly care and caregivers' subjective well-being
C92	Miriam Beblo*, Denis Beninger, Francois Cochard, Helene Couprie, Astrid Hopfensitz	Equality-Efficiency Trade-off within French and German Couples – A Comparative Experimental Study
C93	Marion Leturcq*	Do bankers prefer married couples? Marital status and credit constraints in France

18:30 Social event: Visit to The Old Town (Den Gamle By)**Meeting place: The City Hall Square (Rådhuspladsen)**

Friday June 14

8:30-17:30 Registration at the conference venue: The Lakeside Theatres (Søauditorierne), Building 1250

9:00-11:00 Parallel sessions D

Parallel session D1 – Health

9:00-11:00 Building 1252, Room 204 (Edvard Biermann Auditoriet)

D11	Eric Bonsang*, Valeria Bordone	The effect of informal care from children on cognitive functioning of older parents
D12	Annette Bergemann, Anna Hammerschmid*	Intergenerational Influences on Cognitive Functioning: The Effect of Grandchildren on Mental Performance in Old Age
D13	Mette Gørtz*, Yosef Bhatti, Lene Holm Pedersen	Does organisational change affect health outcomes?
D14	Stefan Boes, Stephan Nüesch, Steven Stillman*	Aircraft Noise, Health, and Residential Sorting: Evidence from Two Quasi-Experiments

Parallel session D2 – Retirement

9:00-11:00 Building 1231, Room 214

D21	Ayako Kondo*, Hotoshi Shigeoka	The Effects of Elderly Employment Stabilization Law on Labor Supply and Employment Status
D22	Wolfgang Frimmel, Thomas Horvath, Mario Schnalzenberger*, Rudolf Winter-Ebmer	The role of firms in retirement decisions
D23	Elena Stancanelli*, Arthur Van Soest	Joint Leisure Before and After Retirement: A double Regression Discontinuity Approach
D24	Andries De Grip, Didier Fouarge, Raymond Montizaan*	How sensitive are individual retirement expectations to raising the retirement age?

Parallel session D3 – Education

9:00-11:00 Building 1231, Room 216

D31	Ricardo Estrada*, Jérémie Gignoux	Elite schools and the formation of expectations of returns to education: evidence from Mexico City
D32	Marieke Heers*, Joris Ghysels	The Contribution of Community Schooling to Children's Educational Progress: A comparative evaluation of the various activities of Community Schools
D33	Maria De Paola, Francesca Gioia*	Impatience and Academic Performance. Less effort and less ambitious goals.
D34	Mariña Fernández Salgado*	Has the Housing Boom Decreased School Enrolments in Spain?

Parallel session D4 – Labor Markets

9:00-11:00 Building 1253, Room 211 (Merete Barker Auditoriet)

D41	Patrick Arni*, Rafael Lalive, Gerard van den Berg	Carrots & Sticks - How Do Labor Market Policy Mixes Affect Job Seekers' Earnings?
D42	Jonas Maibom Pedersen*, Torben M. Andersen, Michael Svarer, Allan Sørensen	Are the costs from recessions cohort specific?
D43	Bernd Fitzenberger, Marina Furdas*, Olga Orlanski, Christoph Sajons	"End-of-year" Spending on Training Programs for the Unemployed: Evidence for West Germany
D44	Laura Hospido*, Enrique Moral-Benito	The Public Sector Wage Gap in Spain: Evidence from Income Tax Data

Parallel session D5 – Immigration

9:00-11:00 Building 1231, Room 220

D51	Sebastian Butschek*, Thomas Walter	What Active Labour Market Programmes Work for Immigrants in Europe?
D52	Anna Godoe* [*]	Local labor market conditions, demographics and employment outcomes of refugee immigrants
D53	Julia Bredtmann, Sebastian Otten* [*]	The Role of Source- and Host-Country Characteristics in Female Immigrant Labor Supply
D54	Christoph Skupnik* [*]	"Welfare magnetism" in the EU-15? - Why the EU enlargement did not start a race to the bottom of welfare states

Parallel session D6 – Gender

9:00-11:00 Building 1231, Room 224

D61	Deger Eryar*, Hasan Tekgüç	Gender Role Attitude and Female Labor Force Participation: A case study of İzmir
D62	Naci Mocan, Colin Cannonier* [*]	Empowering Women Through Education: Evidence from Sierra Leone
D63	Klara Kaliskova* [*]	Family Taxation and the Female Labor Supply: Evidence from a Natural Experiment in the Czech Republic
D64	Eleonora Matteazzi, Ariane Pailhé, Anne Solaz* [*]	Part-time employment: does it matter in explaining the gender wage gap in Europe?

Parallel session D7 – Child Development

9:00-11:00 Building 1252, Room 310 (Jeppe Vontillius Auditoriet)

D71	Nabanita Datta Gupta*, Mette Lausten, Dario Pozzoli	Does Mother Know Best? Parental Discrepancies in Assessing Child Functioning
D72	Emilia Del Bono, Chiara Pronzato* [*]	Does Breast Feeding Support At Work Mothers and Employers at the Same Time?
D73	Søren Dalsgaard, Helena Skyt Nielsen, Marianne Simonsen* [*]	Long-term Consequences of ADHD Medication Use for Children's Human Capital Development
D74	Daniela Del Boca, Anna Maria Mancini* [*]	Parental time and Child outcomes. Does gender matter?

Parallel session D8 – Labor Markets**9:00-11:00 Building 1253, Room 317 (William Scharff Auditoriet)**

D81	David Card, Joerg Heining*, Patrick Kline	Workplace Heterogeneity and the Rise of West German Wage Inequality
D82	Steffen Künn, Marco Caliendo*, Frank Wiessner, Jens Hogenacker	Subsidized Start-Ups out of Unemployment: A Comparison to Regular Business Start-Ups
D83	Marco Caliendo, Steffen Künn, Robert Mahlstedt*	Evaluation of Mobility Assistance in Germany
D84	Sarah Okoampah*	Cohort Size Effects on the German Labor Market

Parallel session D9 – Child Development**9:00-11:00 Building 1231, Room 228**

D91	Martin Olsson*	Employment protection and parental child care
D92	Oznur Ozdamar*	The Effects of Parental Leave Policies on Child Mortality Outcomes Across OECD Countries
D93	Christine Valente*	Civil Conflict, Gender-Specific Fetal Loss, and Selection: A new test of the Trivers-Willard hypothesis
D94	Larissa Zierow*, Christina Felfe	After-School Care and Children's Cognitive and Non-Cognitive Skills

11:00-11:30 Coffee**11:30-13:00 Parallel sessions E****Parallel session E1 – Crime****11:30-13:00 Building 1231, Room 214**

E11	Rasmus Landersø*, Helena Skyt Nielsen, Marianne Simonsen	School starting age and crime
E12	Dan Anderberg, Helmut Rainer, Jonathan Wadsworth, Tanya Wilson*	Unemployment and Domestic Violence: Theory and Evidence
E13	Jan Marcus, Thomas Siedler*	Reducing binge drinking? The effect of a ban on late-night off-premise alcohol sales on alcohol-related hospital stays

Parallel session E2 – Labor Markets**11:30-13:00 Building 1252, Room 204 (Edvard Biermann Auditoriet)**

E21	J. Ignacio Garcia Perez*, Alfonso R. Sanchez Martin, Sergi Jimenez Martin	The reform of the Social Protection System in Spain: How to make work pay for senior employed and unemployed workers
E22	Yolanda Rebollo-Sanz*, Ainara Gonzalez-de San Román	Estimation of worker and firm effects with censored data
E23	Priscila Ferreira*, Miguel Portela, João Cerejeira, Silvia Sousa	Wage inequality, business strategy and productivity

Parallel session E3 – Immigration**11:30-13:00 Building 1231, Room 216**

E31	Beatrice d'Hombres, Luca Nunziata*	Wish You Were Here? Quasi-Experimental Evidence on the Effect of Education on Attitude Towards Immigrants
E32	Max Steinhardt*, Augustin De Coulon, Dragos Radu	Pane e Cioccolata: The Effects of Native Attitudes on Return Migration
E33	Alkis Henri Otto*, Max Friedrich Steinhardt	Immigration and Election Outcomes - Evidence from City Districts in Hamburg

Parallel session E4 – Education**11:30-13:00 Building 1231, Room 220**

E41	John Jerrim*, Anna Vignoles, Ross Finnie	University access for socio-economically disadvantaged children: A comparison across English speaking countries
E42	Nadine Ketel*, Jona Linde, Hessel Oosterbeek, Bas van der Klaauw	The Impact of Education Subsidies on Student Outcomes
E43	Daniel Kamhoefer*, Hendrik Schmitz	Does Education Affect Cognitive Abilities?

Parallel session E5 – Gender**11:30-13:00 Building 1253, Room 211 (Merete Barker Auditoriet)**

E51	Giovanni Peri, Agnese Romiti*, Mariacristina Rossi	Immigrants, Housework and Women's choice of Labor and Retirement: Evidence from Italy
E52	Rebecca Edwards*	Women's labor supply - motherhood and work schedule flexibility
E53	Stefanie Schurer, Daniel Kuehnle*, Anthony Scott, Terence Cheng	One man's blessing, another woman's curse? Family factors and the gender-earnings gap of doctors.

Parallel session E6 – Health**11:30-13:00 Building 1231, Room 224**

E61	Elena Cottini*, Paolo Ghinetti	Is the way you live or the job you have? Health effects of lifestyles and working conditions.
E62	Sophie-Charlotte Meyer*, Annemarie Künn-Nelen	Education, Occupational Demands and Health – Do Occupational demands Contribute to Explain the Educational Gradient in Health?
E63	Nabanita Datta Gupta, Daniel Lau*, Dario Pozzoli	The Impact of Education and Occupation on Temporary and Permanent Work Incapacity

Parallel session E7 – Child Development (sponsored by CARE@AU)**11:30-13:00 Building 1252, Room 310 (Jeppe Vontillius Auditoriet)**

E71	Michele Belot*, Jonathan James, Patrick Nolen	Changing Eating Habits: A Field Experiment in Primary Schools
E72	Bente Jensen, Peter Jensen, Astrid Würtz Rasmussen*	VIDA – Effects on Children of Interventions in Danish Preschools
E73	Malte Sandner*	Quasi-Experimental Evaluation of a Student Mentoring Program

Parallel session E8 – Development**11:30-13:00 Building 1231, Room 228**

E81	Berit Gerritzen*	Women's Empowerment and HIV Prevention in Rural Malawi
E82	Isabelle Chort*, Jean-Noël Senne	Intrahousehold Selection into Migration: Evidence from a Matched Sample of Migrants and Origin Households in Senegal
E83	Tetyana Surovtseva*	NAFTA and the value of Mexico-specific ethnic capital

Parallel session E9 - Retirement**11:30-13:00 Building 1253, Room 317 (William Scharff Auditoriet)**

E91	Raun van Ooijen*, Rob Alessie, Adriaan Kalwij	Saving and portfolio behavior after retirement
E92	Shinya Kajitani, Kei Sakata, Colin McKenzie*	Occupation, Retirement and Cognitive Functioning
E93	Andrea Ichino, Guido Schwerdt, Rudolf Winter-Ebmer, * Josef Zweimueller	Too Old to Work, Too Young to Retire?

13:00-14:00 Lunch**14:00-15:00 Plenary address - Building 1250, room 304 (Per Kirkeby Auditoriet)****Armin Falk: Morals and Markets****15:00-15:30 Coffee****15:30-17:00 Parallel sessions F****Parallel session F1 - Immigration****15:30-17:00 Building 1231, Room 214**

F11	Sebastian Braun, Michael Kvasnicka*	Immigration and Structural Change: Evidence from Post-War Germany
F12	Alfonso Miranda*, Yu Zhu	The Causal Effect of English Deficiency on Female Immigrants' Labour Market Outcomes in the UK
F13	Nicole Schneeweis*	Immigrant concentration in schools: Consequences for native and migrant students

Parallel session F2 – Education and Labor Market Outcomes**15:30-17:00 Building 1231, Room 216**

F21	Natalia Kyui*	Expansion of Higher Education, Employment and Wages: Evidence from the Russian Transition
F22	Marianna Marino*, Pierpaolo Parrotta, Dario Pozzoli	Educational Diversity and Knowledge Transfers via Inter-Firm Labor Mobility
F23	Maren M. Michaelsen*, Neil T.N. Ferguson	Human Capital Accumulation within the Post-Conflict Generation in Northern Ireland

Parallel session F3 - Health**15:30-17:00 Building 1231, Room 220**

F31	Resul Cesur, Erdal Tekin, Aydogan Ulker*	Air Pollution and Infant Mortality: Evidence from the Expansion of Natural Gas Infrastructure
F32	Peter Eibich*, Nicolas R. Ziebarth	Examining the Structure of Spatial Health Effects using Hierarchical Bayes Models
F33	Daniel Rees, Joseph Sabia*	Migraine Headache and Labor Market Outcomes

Parallel session F4 – Gender Differences**15:30-17:00 Building 1252, Room 204 (Edvard Biermann Auditoriet)**

F41	Alison Booth, Lina Cardona Sosa, Patrick Nolen*	Gender Differences in Risk Aversion: Do Single-Sex Environments Affect their Development?
F42	Jenny S��ve-S��derbergh*, Gabriella Sj��gren Lindquist	Do Boys and Girls behave like Men and Women? - Gender Differences in Competitive Performance and Risk-taking between Adults and Children
F43	Mario Lackner*, Ren�� B��heim	Gender and Competition: Evidence from Jumping Competitions

Parallel session F5 – Labor Markets**15:30-17:00 Building 1253, Room 211 (Merete Barker Auditoriet)**

F51	Stijn Baert*, Bart Cockx, Lynn Decuyper	Do they find you on Facebook? The impact of revealed personality traits by CV and Facebook pictures on hiring decisions
F52	Laszlo Goerke, Markus Pannenberg*	Keeping up with the Joneses: Income Comparisons and Labour Supply
F53	Wen-Hao Chen*, Michael Forster, Ana Ll��na-Nozal	Non-Standard Work: Alternative Pathways to Employment?

Parallel session F6 – Gender**15:30-17:00 Building 1231, Room 224**

F61	Mark Bryan*, Almudena Sevilla Sanz	Flexible Working and Couples' Coordination of Time Schedules
F62	Arnt Ove Hopland*, Ole Nyhus	Gender differences in competitiveness: Evidence from enrollment reforms
F63	Kristin J. Kleinjans*, Karl Fritjof Krassel, Anthony Dukes	Social Prestige and the Gender Wage Gap

Parallel session F7 – Labor Markets**15:30-17:00 Building 1231, Room 228**

F71	Getinet Haile*, Alex Bryson, Michael White	Heterogeneity in union status and employee well-being: some new evidence from linked employer-employee data
F72	Gabriele Cardullo, Maurizio Conti, Giovanni Sulis*	Sunk Capital, Unions and the Hold-Up Problem: Theory and Evidence from Sectoral Data
F73	Marco Caliendo, Steffen K��nn, Martin Wei��enberger*	The Evaluation of Start-Up Subsidies for the Unemployed and the Role of "Unobserved" Characteristics

Parallel session F8 – Search**15:30-17:00 Building 1252, Room 310 (Jeppe Vontillius Auditoriet)**

F81	Andrea Weber, Perihan O. Saygin, Michele A. Weynandt*	Effect of Past Coworkers on Job Search: Evidence from Austria
F82	Maria Knoth Humlum*	Search Frictions and Preferences for a Partner: An Empirical Analysis Using College Application Data
F83	Nils Saniter*, Thomas Siedler	Economics of Information: Job Information Centers and Labor Market Outcomes

Parallel session F9 – Fertility**15:30-17:00 Building 1253, Room 317 (William Scharff Auditoriet)**

F91	Michael Grimm*, Robert Sparrow, Luca Tasciotti	Does electrification affect fertility? Evidence from Indonesia
F92	Shamma Alam, Claus Portner*	Income Shocks, Contraceptive Use, and Timing of Fertility
F93	Marc Klemp*, Jacob Weisdorf	Fecundity, Fertility and Family Reconstitution Data: The Child Quantity-Quality Trade-Off Revisited

17:00-18:00 Kuznets Prize Award – Building 1250, room 304 (Per Kirkeby Auditoriet)**Presidential address – Building 1250, room 304 (Per Kirkeby Auditoriet)****18:00-18:30 General assembly – Building 1250, room 304 (Per Kirkeby Auditoriet)****19:00 Conference dinner at Centralværkstedet, Værkmestergade 9, 8000 Aarhus C**

Saturday June 15

9:30-11:00 Parallel sessions G

Parallel session G1 - Health

9:30-11:00 Building 1252, Room 204 (Edvard Biermann Auditoriet)

G11	Daniel Avdic, Petter Lundborg, Johan Vikström*	Learning-by-Doing in a High-Skill Profession when Stakes are High: Evidence from Advanced Cancer Surgery
G12	Jonas Hjort, Mikkel Sølvsten, Miriam Wüst*	Long-Run Returns to Investments in Infant Health: Evidence from Denmark's Home Visiting Program
G13	Michela Braga*, Massimiliano Bratti	The causal effect of education on health: Evidence on several health behaviors and outcomes

Parallel session G2 – Labor Markets

9:30-11:00 Building 1253, Room 211 (Merete Barker Auditoriet)

G21	Aloysius Siow*, Xianwen Shi, Ronald Wolthoff	Team Formation and Matching with Communication and Cognitive Skills
G22	Seik Kim*	Statistical Discrimination, Employer Learning, and Employment Differentials by Race, Gender, and Education
G23	Erik Plug*, Petter Lundborg, Astrid Würtz Rasmussen	Fertility Effects on Labor Supply: IV Evidence from IVF Treatments

Parallel session G3 – Gender

9:30-11:00 Building 1231, Room 214

G31	Bodo Aretz*	Gender Differences in German Wage Mobility
G32	Markus Niedergesäss*	Employment, partnership and childbearing decisions of German women and men: A Simultaneous hazards approach
G33	Miriam Beblo*, Denis Beninger, Norma Schmitt, Melanie Schröder	Social Identity and Competitive Behaviour: Experimental evidence from East and West Germany

Parallel session G4 – Education

9:30-11:00 Building 1231, Room 216

G41	Murat Kirdar*, Meltem Dayioglu, Ismet Koc	Does Longer Compulsory Education Equalize Educational Attainment by Gender, Ethnicity and Socioeconomic Background?
G42	Tobias Meyer*, Stephan L. Thomsen	Are 12 Years of Schooling Sufficient for Preparation for Tertiary Education - Evidence from the Reform of Secondary School Duration in Germany
G43	Dinand Webbink*, Sander Gerritsen	Do international cognitive tests guide or misguide educational policy?

Parallel session G5 – Training**9:30-11:00 Building 1231, Room 220**

G51	Annabelle Doerr*, Anthony Strittmatter	Assignment Mechanism, Selection Criteria, and the Effectiveness of Further Training
G52	Hans Dietrich, Harald Pfeifer, Felix Wenzelmann*	The Training Investment of Firms and Post-Training Wages of Former Apprentices
G53	Felix Wenzelmann, Stefan Wolter*, Anika Jansen, Mirjam Strupler Leiser	The effect of labor market regulations on training behavior and quality: the German labor market reform as a natural experiment

Parallel session G6 – Labor Markets**9:30-11:00 Building 1252, Room 310 (Jeppe Vontillius Auditoriet)**

G61	Gerard van den Berg, Arne Uhlendorff*, Joachim Wolff	Under heavy pressure: intense monitoring and accumulation of sanctions for young welfare recipients in Germany
G62	Maria Cervini-Plá*, José I. Silva, Judit Vall-Castelló	Estimating the Income Loss of Disabled Individuals: The Case of Spain
G63	Aline Butikofer, Darina Polovkova*, Kjell G. Salvanes	Cities and Wages: Measuring the Urban Wage Premium in Norway

Parallel session G7 – Preferences**9:30-11:00 Building 1231, Room 224**

G71	Theodoros Diasakos, Florence Neymotin*	Coordination in Public Good Provision: How Individual Volunteering is Impacted by the Volunteering of Others
G72	Kristoffer Markwardt*, Alessandro Martinello, László Sándor	How Credit Affects Revealed Risk Preferences: Evidence from Home Equity Loans and Voluntary Unemployment Insurance
G73	Maria De Paola, Francesca Gioia*, Vincenzo Scoppa	Overconfidence, Omens and Emotions: Results from a Field Experiment

Parallel session G8 – Labor Markets**9:30-11:00 Building 1253, Room 317 (William Scharff Auditoriet)**

G81	Kristian Koerselman*, Roope Uusitalo	The Risk and Return of Human Capital Investments
G82	Bethlehem Argaw, Michael Maier*, Friedhelm Pfeiffer	Tertiary Education, Skill Premium and Residual Wage Dispersion: Evidence for West Germany
G83	Alberto Tumino*, Mark Taylor	The impact of local labour market conditions on school leaving decisions

11:00-11:30 Coffee**11:30-13:00 Parallel sessions H**

Parallel session H1 – Education

11:30-13:00 Building 1252, Room 204 (Edvard Biermann Auditoriet)

H11	Nicole Schneeweis*, Vegard Skirbekk, Rudolf Winter-Ebmer	Does Schooling Improve Cognitive Functioning at Older Ages?
H12	Nina Smith*, Maria Humlum	Identifying the Causal Effects of School Size on Students' Outcomes
H13	Domenico Tabasso*, Michael Coelli	Adult Education Participation and Outcomes: Evidence from Australia

Parallel session H2 – Gender

11:30-13:00 Building 1253, Room 211 (Merete Barker Auditoriet)

H21	Norma Schmitt*	An Experiment on the Influence of Stereotypes on Economic Decision-Making
H22	Anders Stenberg*, Karin Halldén	Domestic Services and Female Earnings: Panel Microdata Evidence from a Reform
H23	René Böheim, Marco Francesconi, Martin Halla*	Does Custody Law Affect Family Behavior In and Out of Marriage?

Parallel session H3 – Labor Markets

11:30-13:00 Building 1231, Room 214

H31	Philipp vom Berge, Hanna Frings, Alfredo Paloyo*	The wage and employment effects of minimum wages when space matters
H32	Brian Phelan*	Labor Supply Substitution and the Ripple Effect of Minimum Wages
H33	Pierre-Jean Messe*, Eva Moreno-Galbés, Francois-Charles Wolff	Retirement decisions in the presence of technological change: a theoretical and an empirical approach

Parallel session H4 – Fertility

11:30-13:00 Building 1252, Room 310 (Jeppe Vontilius Auditoriet)

H41	Michele De Nadai*, Erich Battistin, Mario Padula	Unintended Consequences of Pension Reforms on Inter-Generational Fertility
H42	Christelle Dumas, Arnaud Lefranc*	"Sex is a gift from God": for whom? Evidence from the Manila contraceptive ban.
H43	Alexandra Avdeenko*, Thomas Siedler	Intergenerational Transmissions and Sibling Correlations in Extreme Right-Wing Party Affinity and Attitudes towards Immigration

Parallel session H5 – Health

11:30-13:00 Building 1231, Room 216

H51	Jane Greve*, Louise Herrup Nielsen	Useful Beautiful Minds – An Analysis of the Relationship Between Schizophrenia and Employment
H52	Maria Stanfors*, Jo Jacobs	State Abortion Context and Women's Contraceptive Intensity in the United States, 1995–2008
H53	Donal O'Neill, Olive Sweetman*	The Consequences of Measurement Error when Estimating the Impact of BMI on Labour Market Outcomes

Parallel session H6 – Labor Markets**11:30-13:00 Building 1231, Room 220**

H61	Elke Jahn*	Don't worry, be flexible? Job satisfaction among flexible workers
H62	Alexandros Zangelidis*	Labour Market Insecurity and Second Job-Holding in Europe
H63	Dimitris Pavlopoulos*, Jeroen K. Vermunt	How much mobility is there between temporary and permanent employment? Comparing survey and register data

Parallel session H7 – Labor Markets**11:30-13:00 Building 1231, Room 224**

H71	Oana Calavrezo, Richard Duhautois, Emmanuelle Walkowiak*	The Relationship between the Short-Time Compensation Scheme and Redundancies in France: An Empirical Analysis between 1996 and 2004
H72	Fumio Ohtake, Naoko Okuyama, Masaru Sasaki, Kengo Yasui*	The Long-term Effects of the 1995 Hanshin–Awaji Earthquake on Wage Distribution
H73	Sebastian Buhai*, Hans-Martin von Gaudecker	Firm downsizing, public policy, and the age structure of employment adjustments

Parallel session H8 – Labor Markets**11:30-13:00 Building 1231, Room 228**

H81	Kenn Arigga, Fumio Ohtake, Masaru Sasaki*, Zheren Wu	Wage growth through job hopping in China
H82	Filip Pertold*, Niels Westergaard-Nielsen	How Do Firms Respond to the Increase in the Cost of Sickness Absence? Evidence From a Natural Experiment
H83	Delphine Remillon*, Olivier Baguelin	Unemployment insurance and distance to retirement: a natural experiment in France

Parallel session H9 – Child Development**11:30-13:00 Building 1253, Room 317 (William Scharf Auditoriet)**

H91	Petter Lundborg, Hilda Ralsmark*, Dan-Olof Rooth	Same-Same, but Different? What role does the “specialty” of twins play in the twin IV estimate of the effect of family size on child outcomes?
H92	Almudena Sevilla*, Cristina Borra	Education and Parental Time Investments in Children: A Cross-Country Analysis over Time
H93	Guyonne Kalb*, Jan van Ours	Reading to young children: a head-start in life

13:00-14:00 Lunch – Sandwiches to stay or to go

Abstracts

A11

History and Urban Primacy: The Effect of the Spanish Reconquista on Muslim Cities

Rafael González-Val¹, David Cuberes²

¹Universidad de Zaragoza & Institut d'Economia de Barcelona, Zaragoza & Barcelona, Spain, ²University of Sheffield, Sheffield, UK

This paper aims to study the effect of a major historical event on the Spanish city size distribution, the Spanish Reconquista. This was a long military campaign that aimed to expel Muslims from the Iberian Peninsula. The process started in the early 1200s and ended around 1500, when the entire peninsula was brought back under Christian rule. The Reconquista had a major effect on the evolution of the Muslim and Christian populations during this period and offers a unique “quasi-natural” experiment. The Reconquista dramatically decreased the population of the three main cities of the Moorish Caliphate - Granada, Cordoba, and Seville. This represents a very particular shock in the sense that these were cities with a vast majority of Muslim population, which was then replaced by Christian residents. Using a methodology closely related to Nitsch (2003) we show that the effect of the Reconquista on both the relative size of these three cities was indeed dramatic and that it cannot be simply explained by similar trends in other important national or international cities. Granada lost 53% of its population during the 1300-1800 period, whereas the figures for Cordoba and Seville were 33% and 7%, respectively. These impressive population drops are still present even after controlling for a large set of country and city-specific socioeconomic indicators. We interpret these results as suggestive that the Spanish Reconquista shock had permanent effects.

A12

Time vs. Money – The Supply of Voluntary Labor and Charitable Donations across Europe

Thomas K. Bauer¹, Julia Bredtmann², Christoph M. Schmidt¹

¹Rheinisch-Westfälisches Institut für Wirtschaftsforschung, Essen, Germany, ²Ruhr University Bochum, Bochum, Germany

In spite of its importance for civil society, we know relatively little about the way in which individuals spend their time and money in the charitable provision of goods and services. In this paper, we provide a comprehensive picture of the philanthropic behaviour in Europe by analyzing both, the correlates of individuals' charitable cash donations and volunteer labor as well as their interdependence. Using data from the European Social Survey, we document a positive correlation between time and money contributions on the individual as well as on the country level. In addition, we find evidence that individuals substitute time donations by money donations as their time offered to the market increases. Moreover, analyzing philanthropic behavior on the disaggregated level reveals large differences in the determinants and the relationship of time and money donations in Europe – both across different types of voluntary organizations and across different welfare regimes.

A13

An Outcome of Free Labour Supply: the Effect of Volunteer Work on Mortality. A Natural Experiment using Earthquake Shocks in Japan

Yu Aoki¹

¹University of Aberdeen, Aberdeen, UK, ²IZA, Bonn, Germany

This paper explores the causal effect of volunteer work on mortality of the elderly. After the Great Hanshin-Awaji Earthquake that occurred in the Midwestern part of Japan in 1995, the level of volunteering increased considerably in municipalities hit by the quake, while other municipalities did not experience such a sharp increase. This exogenous shift in the level of volunteering can be seen as a natural experiment, addressing the usual endogeneity problem associated with estimating effects of volunteering. Specifically, unobserved heterogeneity across municipalities such as quality of local health care service may affect both mortality and the level of volunteering at the same time. Using the exogenous variation in volunteering, we find that volunteering has no significant effect on the mortality among people in their 50s and 60s, while it significantly reduces the mortality of people in their 70s and 80s or older. Evaluated at the mean, the estimate implies that the life of approximately one person aged 80 or above (out of 186 persons) is saved in a given year when the number of volunteers increases by 100 (out of 1,911 persons).

A21

Student loans and the allocation of graduate jobs

Alessandro Cigno, Annalisa Luporini
Università di Firenze, Florence, Italy

In an economy where graduate jobs are allocated by tournament, and some of the potential participants cannot borrow against their expected future earnings, the government can increase efficiency and ex ante equity by redistributing wealth or, if that is not possible, by borrowing wholesale and lending to potential participants. Both policies replace some of the less able rich with some of the more able poor and bring the education investments closer to their first-best levels.

A22

Optimal higher education enrollment and productivity externalities in a two-sector model

Volker Meier¹, Ioana Schiopu²
¹*University of Munich, Munich, Germany*, ²*ESADE Business School, Sant Cugat, Spain*

We investigate externalities in higher education enrollment over the course of development in a two-sector model. Each sector works with only one type of labor, skilled or unskilled, and individuals are differentiated according to their cost of acquiring human capital. Both sectors exhibit productivity externalities in the size of the skill-specific labor and in the average human capital of workers. When skill-biased technological change prevails, it may well be the case that intermediate stages of development witness underenrollment in higher education, while highly developed economies experience overenrollment.

A23

What parents value when school choice is diverse and free

Ulf Zöllitz, Lex Borghans, Bart Golsteyn
Maastricht University, Maastricht, The Netherlands

Free school choice has been argued to be a tide that lifts school quality through increased competition. This paper tests the underlying assumption that school quality is the dominant characteristic for the choice process of parents. Using a large and representative data set of over 15,000 Dutch primary school starters we estimate mixed logit models of school demand that incorporate heterogeneity in school preferences. Our results show that traditional measures for school quality are consistent, but in comparison to the importance of other characteristics, such as the school denomination and educational philosophy, rather weak predictors of choice. Preferences for these school characteristics are strongly heterogeneous across the population of choosers.

A31

The Financial Crisis and the Formal-Informal Sector Earnings Gap in Serbia

Niels-Hugo Blunch
Washington and Lee University, Lexington, VA, USA

While the informal sector has received widespread attention in academic and policy arenas in recent decades, knowledge gaps and controversies remain. First, while the evidence is starting to emerge, not much is known yet about the formal-informal sector earnings gap of the former Socialist regimes of Eastern Europe and Central Asia. Second, the widespread debate in both academic and policy circles of what constitutes “the” informal sector has led to substantial controversy and different definitions. Third, our knowledge is scarce regarding the impact of the current financial crisis on labor markets—both formal and informal. By examining the incidence and determinants of the formal-informal sector earnings gap for adult male dependent employees using two identical, nationally representative labor force surveys for Serbia—one just prior to the impact of the recent international financial crisis and one about a year into the crisis—for three alternative measures of informality, this paper adds to our understanding in all three of these dimensions. Among the main results is the finding of a substantively large formal-informal sector gap (favoring the formal sector), which appears to have decreased substantially overall following the crisis. Additional results suggest that formal sector workers are concentrated in better paying industries and

occupations and have more education and other favorable characteristics than informal sector workers, and at the same time also have higher returns to their (already favorable) characteristics overall, with education and part-time status consistently among the main drivers of the observed gap.

A32

Double Penalty in Returns to Education: Informality and Mismatch in the Labor market, evidence from Colombia

Paula Herrera-Idárraga¹, Enrique López-Bazo¹, Elisabet Motellón²

¹*University of Barcelona, Barcelona, Spain*, ²*University Oberta de Catalunya, Barcelona, Spain*

The aim of this paper is to examining the returns to education taking into consideration the existence of educational mismatches in the formal and informal employment of a developing country. For this purpose we estimate the standard Duncan and Hoffman's specification (so called ORU wage equation) at the mean and at different quantiles, using quantile regression estimation, and controlling for a rich set of observable individual and firm characteristics exploiting a micro-data from Colombia. In both cases we correct for the endogeneity of sector participation. Our results show that the returns of surplus, required and deficit years of schooling are different in the two sectors. Moreover, these returns vary along the wage distribution and the pattern of variation is not the same for formal and informal workers. In particular, we find that informal workers not only face lower returns to their education, but that there is a second penalty associated with educational mismatches that puts informal workers at a greater disadvantage compare to their formal counterparts.

A33

Is Formal Employment Discouraged by the Provision of Free Health Services to the Uninsured ? Evidence From a Natural Experiment in Mexico

Alejandro del Valle

Paris School of Economics, Paris, France

This paper analyzes whether the provision of non-contributory health services encourages workers to move away from jobs that pay contributions to social security (formal employment). It takes advantage of the nationwide roll-out of Seguro Popular a large government program that extended health services to households not covered by contributory social security in Mexico to study such labor market costs. Using a difference-in-differences design that exploits the variation generated by this roll-out across municipalities and time, this paper shows that contemporaneous exposure to the program has no impact on formal employment, and that exposure for at least three quarters leads to a small but statistically significant reduction of 0.85 percentage points in the ratio of formal to total employed or a 4.5 percent decrease in the baseline rate. Using two proxies of indirect exposure to Seguro Popular this paper additionally finds that estimates of program impact are not considerably biased as a result of spillover effects, and that the upper bound estimates of program effects for municipalities that were both directly and indirectly exposed to the program at high intensities are only moderately larger (1.7-1.8 percentage points). These findings suggest that the distortions created by the expansion of non-contributory health services in the labor market are small and possibly incapable of offsetting the expected gains in welfare associated with this type of programs.

A41

Teen mothers and culture

Hector Bellido, Miriam Marcen

Universidad de Zaragoza, Zaragoza, Spain

This paper studies the impact of culture on fertility decisions of adolescent women. To identify its effect, we use the epidemiological approach exploiting the variation in fertility rates of teen women by ancestor's home country. All women considered in our analysis were born in the US, all of them have lived under US institutional and legal conditions. Then, differences in fertility rates of adolescent women by national origin can be considered as supporting evidence of the impact of culture. Our results show that culture has quantitatively significant impacts on fertility decisions of adolescent women. This finding is robust to alternative specifications and to the introduction of several home country variables and individual characteristics measured when young women take the decision of having a child.

A42

The Effect of Unemployment on Fertility

Berkay Ozcan¹, Signe Hald Andersen²

¹*London School of Economics, London, UK*, ²*Rockwool Foundation, Copenhagen, Denmark*

We analyze the causal effect of unemployment on fertility. Neoclassical theory of fertility has ambiguous (both positive and negative) predictions regarding the effect of unemployment for women. Additionally, existing empirical research shows contradictory results and makes a weak case for exogeneity of unemployment to fertility behavior. We suggest that (unexpected) firm closures constitute an exogenous source of unemployment and adopt it as an instrument to estimate husbands' and wives' fertility response, using a unique administrative panel data from Denmark, which includes all residents in Denmark between 1982 and 2006. It contains monthly information about employment, relationship and a very-detailed fertility history -including stillbirths and miscarriages- of individuals as well as information about the firms that they work in. We estimate our models separately for men and women. Our results show that unemployment as a result of a firm closure negatively affects both women's and men's completed fertility and positively women's timing of the first birth. Men do not appear to delay timing of the first birth due to unemployment.

A43

The effect of child mortality on fertility in rural Tuscany: a micro data approach

Mette Ejrnæs, Karl Gunnar Persson

University of Copenhagen, Copenhagen, Denmark

On the basis of family reconstitution data from a rural Tuscan village we investigate fertility responses to experienced and expected child mortality. We propose that households have an aim at attaining a target family size of surviving children and take fertility decisions sequentially depending on child mortality outcomes. Target size can vary over time depending on changes in resource constraints, preferences for parents' own consumption and planned expenditures per surviving children. We show that waiting time is adjusted to attain such a target size by replacement effects after household specific child mortality but also by expected local child mortality as proxied by village specific child mortality. The results challenge the natural fertility hypothesis.

A51

The European Crisis and Migration to Germany: Expectations and the Diversion of Migration Flows

Simone Bertoli², Herbert Brücker³, Jesús Fernández-Huertas Moraga¹

¹*FEDEA, Madrid, Madrid, Spain*, ²*University of Auvergne, Clermont-Ferrand, France*, ³*IAB, Nuremberg, Germany*

The analysis of how the economic crisis in Europe has reshaped migration flows faces two challenges: (i) the confounding influence of correlated changes in the attractiveness of alternative destinations, and (ii) the role of rapidly changing expectations about the evolution of the economic conditions in various countries. This paper addresses the first challenge by controlling for multilateral resistance to migration, and the second one by incorporating 10-year bond yields as an explanatory variable in a study of European bilateral migration flows to Germany between 2006 and 2012. We show that, while expectations and current economic conditions at origin are significant determinants of migration, diversion effects account for 78 percent of the observed increase in German gross migration inflows.

A52

Ethnic Concentration and Right-Wing Voting Behavior in Germany

Verena Dill

University of Trier, Trier, Rheinland-Pfalz, Germany

Using data from the German Socio-Economic Panel (SOEP) and administrative data from 1996 to 2009, I investigate the question whether or not right-wing extremism of German residents is affected by the ethnic concentration of foreigners living in the same residential area. More specifically, I regress voting for a right-wing party (namely DVU, NPD or Republikaner) on the share of foreigners measured at county level. Controlling for a rich set of individual and

residential variables, my results show a positive significant relationship between ethnic concentration and the probability of right-wing voting behavior in Germany, which is in line with findings in previous studies. However, due to potential endogeneity issues caused by self-selection of immigrants as well as Germans I additionally instrument the share of foreigners in a county with the share of foreigners in each federal state (following an approach of Dustmann/Preston 2001). In contrast to other studies that do not take these endogeneity issues into account, I find that the share of foreigners no longer significantly explains right-wing voting behavior. Nevertheless, the subsample for West Germany provides evidence for the interethnic contact theory, predicting a negative relationship between foreigners' share and right-wing voting.

A53

Transferability of Human Capital and Immigrant Assimilation: An Analysis for Germany

Leilanie Basilio, Thomas K. Bauer, Anica Kramer
RWI Essen, Essen, Germany

This paper investigates the transferability of human capital across countries and the contribution of imperfect human capital portability to the explanation of the immigrant-native wage gap. Using data for West Germany, our results reveal that, overall, education and labor market experience accumulated in the home countries of the immigrants receive significantly lower returns than human capital obtained in Germany. We further find evidence for heterogeneity in the returns to human capital of immigrants across origin countries. Finally, imperfect human capital transferability appears to be a major factor in explaining the wage differential between natives and immigrants.

A61

The income of Transsexuals and the Gender Wage Gap

Lydia Geijtenbeek, Erik Plug
UvA, Amsterdam, The Netherlands

In this paper we study the earnings of transsexuals, using an administrative data set of the entire Dutch labor force, by making three comparisons. First, we examine how the earnings of transsexuals compare to those of other men and women, and document that transsexuals earn less than men, but more than women. Next, we find a relative increase in income for women who become men, and a contrasting decrease for men who become women. Finally, we use gender in a differences-in-difference design to find a 10 percent income penalty for having the female gender. These results complement traditional gender wage gap research and are robust to the inclusion of worker fixed effects.

A62

Sexual prejudice and labor market outcomes of gays and lesbians

Ali Ahmed², Lina Andersson¹, Mats Hammarstedt¹
¹*Linnaeus University, Växjö, Sweden*, ²*Linköping University, Linköping, Sweden*

This paper presents results from a study of sexual prejudice and the labor market gap due to sexual orientation. We use data from a nation-wide Swedish survey on public attitudes towards homosexuals and combine them with register data. In line with our theoretical prediction, we find that the relative employment and relative earnings of gay males are negatively affected by prejudice against homosexuals. The relationship is less clear for lesbians. Our interpretation of this is that the labor market disadvantage for gay males often documented in previous research to, at least, some extent is driven by prejudices against them.

A63

Testing for discrimination against single and married lesbians. A field experiment

Doris Weichselbaumer
University of Linz, Linz, Austria

In this paper, a correspondence testing experiment is conducted to examine sexual orientation discrimination against lesbians in Germany. Applications for four fictional female characters are sent out in response to job advertisements: a heterosexual single, a married heterosexual, an unmarried lesbian and a lesbian who is in a 'same-sex marriage'. Different results are obtained for the two cities investigated, Munich and Berlin. While the single and married lesbian

are equally discriminated in comparison to the heterosexual women in the city of Munich, no discrimination based on sexual orientation has been found in Berlin.

A71

Alike in Many Ways: Intergenerational and Sibling Correlations of Brothers' Earnings

Paul Bingley¹, Lorenzo Cappellari²

¹*SFI, Copenhagen, Denmark*, ²*Università Cattolica Milano, Milano, Italy*

We model the correlations of brothers' life-cycle earnings separating for the first time the effect of paternal earnings from additional residual sibling effects. We identify the two effects by analysing sibling correlations and intergenerational correlations jointly within a unified framework. Our multi-person model of earnings dynamics distinguishes permanent earnings from transitory –serially correlated—shocks, allows for life-cycle effects and nests the models of previous research that have focussed either on intergenerational or sibling correlations. Using data on the Danish population of father/first-son/second-son triplets we find that sibling effects explain between one fourth and one half of inequality in life-cycle earnings, and largely account for heterogeneity in earnings growth. Intergenerational effects account for a considerable share of overall sibling correlations, between 30 and 60 per cent from youth to maturity. We also find that transitory shocks are correlated across family members, in particular between brothers. Extensions of the model show a distinctive effect of mothers' human capital on top of fathers' earnings and no evidence of differential intergenerational transmission between brothers.

A72

The Intergenerational and Social Transmission of Cultural Traits: Theory and Evidence from Smoking Behavior

Rebekka Christopoulou¹, Ahmed Jaber², Dean Lillard¹

¹*The Ohio State University, Columbus, Ohio, USA*, ²*Cornell University, Ithaca, New York, USA*

This paper studies the social and parental transmission of cultural traits which - over time - switch from being perceived as socially acceptable to being perceived as bad or undesirable, such as smoking preferences. The extant literature on cultural transmission identifies plausible restrictions on the socialization process to ensure the long-term persistence of traits both when parents promote their own cultural traits and when all parents promote the same preferred trait. However, it fails to describe how traits first emerge, and what the process is through which parents may change their preferred traits. We argue that both can be explained by forces exogenous to parental and social preferences, like the strategic behavior of a profit-maximizing industry that promotes a given trait and the flow of new information that alters the way people perceive that trait. We adapt the cultural transmission framework to account for the emergence of smoking, its diffusion across generations, and its long-term persistence. We take the empirical predictions of the model to U.S. data and test explicitly for the properties of the socialization mechanism predicted by our model, we compare them to the predictions generated by other models, and we find support for our model.

A73

Education, Professional Choice and Labor Market Outcomes: Influence of Preferences, Parental Background and Labor Market Tightness

Natalia KYUI^{1,4}, Véronique SIMONNET^{1,2,3}

¹*Centre d'études de l'emploi, Noisy le Grand, France*, ²*Paris School of Economics, Paris, France*, ³*Université Paris 1, Paris, France*, ⁴*Bank of Canada, Ottawa, Canada*

Profession is an individual choice, which is determined by personal abilities, preferences, family background, family networks, and labour market environment. This choice could be also restricted by current labour market situation and institutions. Education is an individual choice too, which is influenced by the current educational system, expected and current labour market conditions. The current paper studies how educational and professional choices in France are affected by youths' parental background and labour market characteristics, as well as how they further condition labour market trajectories. We use data from the DEPP panel and administrative data from the DARES. The results show that professional preferences are mainly conditioned by mother and father's occupations and by their implication in the youths' scholarship. Furthermore, we identify to what extent professional preferences influence educational, professional and occupational choices. Finally, the estimation results highlight that both professional preferences and occupational tightness in the labour market condition youths' professional choices at the entry of the labour market and their further labour market trajectories.

A81

Path-Breakers: How Does Women's Political Participation Respond to Electoral Success?

Sonia Bhalotra³, Irma Clots-Figueras¹, Lakshmi Iyer²

¹Carlos III Madrid, Madrid, Spain, ²Harvard Business School, Harvard, USA, ³University of Bristol, Bristol, UK

We examine whether women's electoral success induces greater female political participation in subsequent elections. Using the regression discontinuity afforded by close elections between women and men and constituency level data on India's state elections for 1980-2007, we show that electoral victory for a woman leads to no change in female or male turnout but to a large and significant increase in the share of female candidates from major political parties in the subsequent election. This increase is attributable both to the entry of new female candidates, and the tendency for incumbents to stand for election again. Our finding that new women appear as candidates in response to women having won in their constituency indicates a positive dynamic that could drive continued increases in women's participation in politics. These results are of particular importance given that candidacy would appear to be the relevant bar for women in India, their chances of winning conditional on candidacy being greater than for men.

A82

Examination Behavior-Gender Differences in Preferences?

Lena Nekby, Peter Skogman Thoursie, Lars Vahtrik

Stockholm University, Stockholm, Sweden

A unique examination strategy in first year microeconomics courses is used to test for gender differences in preferences in examination behavior. Students have the possibility of attaining a seminar bonus on the final exam for near-perfect seminar attendance and are given two voluntary initial quizzes during the semester. At the final exam, the scores received on initial quizzes can either be accepted as is, or students can attempt to improve their marks by answering similar quiz questions on the exam. Results suggest that female students are more likely to take initial quizzes and receive a seminar bonus but are less likely to re-take quiz-questions on the final exam. These results suggest higher risk aversion among female students and less overconfidence relative to male students, behavioral differences with tangible implications in terms of final grades on the course.

A83

Gender Views and the Gender Gap in Educational Achievement: Evidence from Turkey

Asena Caner¹, Cahit Guven², Cagla Okten³, Seyhun Orcan Sakalli⁴

¹TOBB University of Economics and Technology, Ankara, Turkey, ²Deakin University, Burwood, Victoria 3125, Australia,

³Bilkent University, Ankara, Turkey, ⁴Paris School of Economics and Universite Paris-1 Sorbonne, Paris, France

We examine the relationship between gender views and socio-economic outcomes in Turkey, using the regional variation in views. Dropping out of primary school is more likely when the individual's gender view is more male dominant; the association is stronger for females. Controlling for education and other factors, females with unequal gender views have lower labor force participation rates, employment rates and occupational prestige. Gender view is strongly associated with job choices for both genders. Wives of men with male dominant views have lower schooling, are less likely to be employed and have lower occupational prestige, controlling for the education of both partners and other factors. Sons and daughters of women with unequal gender views are more likely to drop out of primary school; the effect is stronger for girls. Using a unique administrative dataset, we calculate the gender gap (male-female) in test scores in university entrance exam for each province in the year 2002. Using subjective indicators from survey data and objective indicators from administrative data reflecting gender views, we estimate province level regressions and find that male dominant gender views are associated with lower gender gaps in mathematics, science and Turkish test scores across Turkish provinces. We find that this could be explained by selection. A gender bias against girls may lead them to drop out of school earlier in life. In provinces with a more male dominant gender view female-male the gender gap in both primary and high school dropout rates are higher.

A91

Can't Buy Mommy's Love? Universal Childcare and Children's Long-Term Cognitive Development

Christina Felfe¹, Nuria Rodriguez-Planas², Natalia Nollenberger³

¹University of St. Gallen, St. Gallen, Switzerland, ²IZA, Bonn, Germany, ³Universitat Autònoma de Barcelona, Barcelona, Spain

What happens to children's long-run cognitive development when introducing universal high-quality childcare for 3-year olds mainly crowds out maternal care? To answer this question we exploit a natural experiment framework and employ a difference-in-difference approach. We find sizable improvements in children's reading and math skills at age 15, as well as in grade progression during primary and secondary school. Effects are driven by girls and disadvantaged children.

A92

Mother's Employment In Her Offspring's Early Childhood And The Child's Educational Attainment

Miki Kohara, SunYoun

Osaka University, Toyonaka, Osaka, Japan

This paper examines the effect of maternal labor supply at the time the child is three years old on the child's test score around the age of eighteen, using Korean panel data. Considering that maternal labor in the estimation of the child's educational outcomes is endogenous, and that the effect of maternal labor on outcomes is non-linear, it is found that there is an opposite effect between high and low educational groups. Specifically, when the child's educational level is high, the outcome may be deteriorated by maternal employment, while it can be positively affected when the child's educational level is low. Maternal labor most likely results in improved financial resources, yet less time available to child's educational activities. The effect of increased monetary input seems to have a stronger effect than does the decreased time input in lower educational groups, although the opposite effect is observed in higher educational groups in Korea.

A93

Do parental employment and hours of work matter for children's educational achievements?

Magdalena Rokicka

Educational Research Institute, Warsaw, Poland

This paper addresses the issue of parental employment and parental hours of work and its impact on children educational outcome at the age of sixteen. I contribute to existing research applying more accurate measure of parental time spend outside household - using direct measure of hours of work spend at work and commuting. Secondly this analysis focuses on both mothers and father hours of work, which permits to examine independent effect of mother's and fathers' work involvement, as well as their joint effect. Additionally I use longitudinal datasets (British Household Panel Survey) which allows to examine the impact of the parental hours of work in the preceding year on the exam's result in the following year. My results show that there is statistically significant and positive association between parental engagement at the labour market and number of final secondary school exams taken by a child. On the other hand I found that children, whose parents work very long hours, perform worse at the GCSE exam. This result holds even if unobservable family characteristics are taken into account in family fixed effects and sibling's estimations. In addition it was showed that mother's working hours are more important in determining child's educational outcome, than father one.

B11

Subject Specific League Tables and Students' Application Decisions

Xiaoxuan Jia², Arnaud Chevalier¹

¹Royal Holloway, University of London, IZA, CEE, Egham, UK, ²Royal Holloway, University of London, Egham, UK

Changes to the legislations covering the higher education sector in the UK in the last 20 years have led to an expansion of the sector and increased competition between universities to attract students. For the higher education market to function, prospective students need information about the various providers. Part of which nowadays is provided in

the form of league tables. We investigate how league tables affect application decisions. Using fixed effects estimation on a panel of subject-level applications across UK universities over 8 years, we find that a one standard deviation increase in the subject-level quality score of an institution is associated with a 6% increase in the number of applications received. This effect is particularly pronounced among institutions with the best scores. The influence of the quality score has grown stronger over time, particularly after the increase in tuition fees in 2006 and the change in application process in 2008 where the number of choices allowed per candidate was reduced. There is some heterogeneity present in the application elasticity to league tables among applicants of different subjects. Non-UK applicants are more sensitive to score changes; and male applicants appear to be more competitive when applying to institutions with the best scores.

B12

Does Early Educational Tracking Increase Native-Migrant Achievement Gaps? Differences-In-Differences Evidence Across Countries

Jens Ruhose, Guido Schwerdt

ifo Institute - Leibniz Institute for Economic Research at the University of Munich, Munich, Germany

We study whether early tracking of students based on ability increases native-migrant achievement gaps. To eliminate confounding impacts of unobserved country traits, we employ a differences-in-differences strategy exploiting international variation in the age of tracking and student achievement before and after potential tracking. Based on pooled data from 10 different large-scale international student assessments covering more than a million students in 49 countries, we provide evidence that early tracking does not systematically increase native-migrant achievement gaps. These results cast doubt on whether making educational systems less selective can effectively facilitate the long-term integration of migrants.

B13

Parents' preferences for school attributes: A discrete choice model incorporating unobserved heterogeneity

Ellen Greaves

Institute for Fiscal Studies, London, UK

Parents' preferences for school attributes partly determine the impact of choice and competition on educational standards in the state education sector; if parents value academic standards highly then schools have an incentive to increase their performance on this dimension to keep and attract pupils (and the funding that follows them). This paper builds on previous literature by estimating parents' preferences for school attributes in England, incorporating unobserved heterogeneity in preferences using a latent class discrete choice model. I find that academic quality is valued by parents, but that distance and the expected probability of admission primarily determine parents' expressed choice of school. School composition (for example the proportion of pupils eligible for free school meals) is also valued by parents, suggesting that the introduction of school competition and market forces in education has the potential to increase segregation in England's schools along social class and religious lines.

B14

Effects of changes in student composition on teacher mobility. Evidence from the admission reform

Krzysztof Karbownik

Uppsala University, Uppsala, Sweden

This paper examines teacher job mobility using matcher employee-employer panel data from Stockholm municipality upper secondary schools. I utilize the exogenous change in upper secondary school admission which led to the sharp reshuffling of students within the municipality. This quasi experimental set up provides a unique opportunity to investigate the relationship between changes in student attributes and changes in teacher quality and turnover, which are not confounded with changes in school or neighborhood characteristics. Comparison of ordinary least squares and difference-in-differences estimates suggest that the former ones are severely biased and could provide a highly misleading, from policy perspective, conclusions. The causal estimates indicate that schools that experience upward shocks in student quality are more successful in retaining teachers, in particular, these that are more experienced and of high cognitive skills. Furthermore, I do find significant heterogeneity in the impact of minorities and principals compensatory behavior towards teachers. Nonetheless, the results suggest that student characteristics are endogenous to teacher turnover decisions.

B21

Individuals' Survival Expectations and Actual Mortality

Vesile Kutlu, Adriaan Kalwij

Utrecht University School of Economics, Utrecht, the Netherlands

Linking Dutch survey data with administrative data, we find that survival expectations predict observed mortality within the sample, even after controlling for income and health status. The relationship is, however, weak; five years of additional subjective life expectancy corresponds to nine months longer life duration. The associations of age, gender, income and current health status with subjective survival chances are less strong than with objective survival and individuals underestimate risks from smoking, obesity and alcohol consumption. With the exception of male smokers, individuals underestimate, on average, their remaining life duration, and the more so do women.

B22

Causes of mortality and development: Evidence from large health shocks in 20th century America

Casper Worm Hansen

Aarhus University, Aarhus, Denmark

Exploiting pre-intervention variation in flu/pneumonia, tuberculosis and maternal mortality, together with time variation arising from medical breakthroughs starting in the late 1930s, this paper studies the aggregate impact of large health shocks across US states. The analysis demonstrates that the shocks influenced income per capita in different ways. While the shock to flu/pneumonia mortality has been conducive for development, the large reduction in the incidence of tuberculosis deaths has been a negative force in the development of US states over the second-half of 20th century. In addition, the decline in maternal mortality has a small fragile, but positive relationship with income per capita. Because these specific health shocks potentially affected mortality across the life cycle differently, the evidence here underscores the general tenet of regarding health as multifaceted.

B23

The Health Effects of Weather and Pollution: Implications for Climate Change

Nicolas Ziebarth¹, Martin Karlsson², Maike Schmitt³

¹*Cornell University, Ithaca, USA*, ²*Universität Duisburg Essen, Essen, Germany*, ³*TU Darmstadt, Darmstadt, Germany*

This paper estimates the effects of weather conditions and pollution levels on population health. We merge censuses of all hospital admissions and death records in Germany from 1999-2008 with rich weather and pollution data on a daily county level basis. This unique dataset includes 170 million ICD-10 coded hospital admissions and 8 million deaths along with the daily weather conditions and pollution levels from several hundred measurement stations. The data allow us to analyze in detail how specific weather conditions such as heat and cold waves interacting with variation in pollution levels affect human health. Germany has one of the highest densities of hospital beds worldwide, universal health care coverage, and almost no access barriers for inpatient care treatments. This institutional setting makes it possible to comprehensively assess the effects of environmental conditions on population health and on demand for health care. In a second step, using climate change scenarios, we predict how climate change might potentially affect human health in industrialized countries in the northern temperate climate zone.

B24

The Social Gradient in the Impact of the Chernobyl Accident: The Case of Austria

Martina Zweimüller, Martin Halla

Johannes Kepler University, Linz, Austria

In this paper we study the short and long-run effects of the Chernobyl accident on the Austrian fall 1986 cohort with a special focus on the response behavior of treated parents. We aim to contribute to a better understanding of the reduced form estimates of early childhood events on later outcomes, and to uncover the sources of social gradients in these effects. We pay special attention to the tension between so-called culling and scarring effects. In particular, we provide empirical strategies to check whether radioactive exposure led to early (fetal) death, and whether these

effects vary across low and highly-educated families. In the presence of culling, estimated effects (on the surviving population) may underestimate the true impact of the early shock. In a first step we establish the fact that the in utero exposure to radioactive fallout from the Chernobyl accident in Austria increased the incidence of early fetal death and changed the sex-ratio at birth. This culling effect was more pronounced among low-educated families. As a consequence, the surviving population exhibits better health outcomes at birth. After accounting for the sample selection, we show that prenatal exposure had negative health effects on the surviving population (scarring effect). Furthermore, we document the parental response to the children's negative health shock. We find that mothers of treated children have lower completed fertility and reduced their labor supply shortly after children entered school. We interpret this as evidence for compensating parental responses.

B31

Does Information Matter for Women Decisions? Experimental Evidence from Childcare

Francesco Billari², Vincenzo Galasso³, Paola Profeta¹, Chiara Pronzato⁴

¹Università Bocconi, Milan, Italy, ²University of Oxford, Oxford, UK, ³University of Lugano, Lugano, Switzerland,

⁴University of Turin, Turin, Italy

Gender stereotypes are well established also among women. Yet, a recent literature suggests that learning from other women experience about the effects of maternal employment on children outcomes may increase female labor force participation. In this paper, we design a survey experiment to provide a direct analysis of how direct information on the positive consequences of formal childcare on children outcomes affects decisions about the use of formal childcare and female labor market participation. Our survey experiment, carried out on a sample of 1500 Italian women, shows that high educated non-mothers would be more willing to send their children to formal childcare, and would pay more for it; low educated non-mothers would like to take more on themselves the care of their children, and thus would reduce their willingness to work in the market. Our theoretical model suggests that heterogeneous effects emerge because of different incentives faced by women with different career opportunities.

B32

Explaining the birth order effect: the role of prenatal and early postnatal investments

Jee-Yeon K. Lehmann², Ana Nuevo-Chiquero¹, Marian Vidal-Fernandez³

¹IEB, Universitat de Barcelona, Barcelona, Catalunya, Spain, ²University of Houston, Houston, TX, USA, ³University of New South Wales, Sydney, NSW, Australia

In this paper, we examine various pre- and postnatal investments as possible sources behind the “birth order effect” – significant differences in the educational and labor market outcomes across children of varying birth orders. Taking advantage of a rich set of information on in utero and early childhood conditions in the Children of the NLSY79, we find that, within the same household, siblings of higher birth order experience a lower reduction in cigarette usage during pregnancy, are breastfed less often, and experience less cognitive stimulation and emotional support at ages 0 to 1. Next, we test for the presence of birth order effects in early cognitive and non-cognitive test scores and examine whether these differences can be explained by variations in prenatal and early childhood investments. There exists a significant negative relationship between birth order and early cognitive/non-cognitive test scores. The size and the significance of these effects are robust to controlling for variations in early childhood factors.

B33

Like Brother, Like Sister? – The Importance of Family Background for Cognitive and Non-Cognitive Skills

Silke Anger², Daniel D. Schnitzlein¹

¹DIW Berlin, Berlin, Germany, ²DIW Berlin, IZA, Berlin, Germany

This paper estimates sibling correlations in cognitive skills and non-cognitive skills to evaluate the importance of family background for skill formation. The study is based on a large representative German dataset, which includes IQ test scores and measures of personality (locus of control, reciprocity, Big Five) for brothers and sisters. Using a Restricted Maximum Likelihood (REML) model we find substantial influences of family background on the skills of both brothers and sisters. Sibling correlations of personality traits range from 0.24 to 0.59, indicating that even for the lowest estimate, one fourth of the variance can be attributed to factors shared by siblings. With one exception, all calculated sibling correlations in cognitive skills are higher than 0.50, indicating that more than half of the inequality can be explained by family characteristics. Comparing these findings to the results in the intergenerational skill transmission

literature suggests that intergenerational correlations are only able to capture parts of the influence of the family on children's cognitive and non-cognitive skills. This result is in line with findings in the literature on educational and income mobility.

B34

The Effect of Paternal Job Loss on Infants Health at Birth

Andrea Weber¹, Martin Halla²

¹*University of Mannheim, Mannheim, Germany,* ²*University of Linz, Linz, Austria*

In this paper we use Austrian register data to estimate the impact of paternal job displacement on the health of their unborn children. We use the Austrian Social Security Database - an excellent micro-data with a longitudinal matched employer-employee structure - to identify all plant closures and mass-layoffs between 1984 through 2007. We focus on the subset of displaced male workers, whose wives conceived in the period starting from 2 years before displacement to 2 years after displacement. Information on the health at birth of these children and children whose fathers never got displaced (control group) is matched from the Austrian Birth Register (which covers the universe of all live births in Austria). If at all, we expect a treatment effect only for those children whose father got displaced during pregnancy (treatment group). Children of fathers who got displaced before conception or after birth (placebo group) are used for specification tests. In fact, we do not observe any differences between the children of fathers from this placebo group and children of control fathers (never-displaced workers). This clearly supports our identifying assumption that father's exposure to plant closure is uncorrelated with unobserved determinants of birth outcomes. The comparison between children from treated fathers (displaced during pregnancy) and control fathers (never-displaced workers) reveals a statistically significant of parental job displacement on birth outcomes.

B41

Earnings-Dependent Parental Leave Benefit and Fertility: Evidence from Germany

Kamila Cygan-Rehm

University of Erlangen-Nuremberg, Nuremberg, Germany

This paper examines effects of a major change in German parental transfer system on fertility. I use the largely unanticipated reform of 2007 as a natural experiment to access how an earnings-dependent parental leave benefit affects higher-order fertility. Given the recent introduction, this paper evaluates short-run responses by using data from the German Microcensus 2010. I find that the reform reduced the probability of having a further child within three years after birth. However, this effect is mainly driven by mothers on the lower bound of the benefit. Among mothers above the lower bound, short-run fertility responses are less pronounced and vary with potential earnings. The heterogeneity is in line with the structure of economic incentives.

B42

A Theory of Child Adoption

Michael Kvasnicka¹, Dirk Bethmann²

¹*RWI Essen, Berlin, Germany,* ²*Otto-von-Guericke University, Magdeburg, Germany*

Women can bear own children or adopt them. Extending economic theories of fertility, we provide a first theoretical treatment of the demand for adoption. We show that the propensity to adopt a child increases in the degree of own altruism, infertility, relatedness and emotional attachment to the child, costs of own child birth, and any adoption-specific monetary return that is received net of the costs of adopting the child. Aggregate adoption statistics are broadly consistent with the predictions of our model.

B43

Does Family Planning Reduce Fertility? Evidence from Rural Ethiopia

Claus Portner¹, Kathleen Beegle², Luc Christaensen²

¹Seattle University, Seattle, WA, USA, ²World Bank, Washington, DC, USA

Although reproductive health advocates consider family planning programs the intervention of choice to reduce fertility, there remains a great deal of scepticism among economists as to their effectiveness, despite little rigorous evidence to support either position. This study explores the effects of family planning in Ethiopia using a novel set of instruments to control for potential non-random program placement. The instruments are based on ordinal rankings of area characteristics, motivated by competition between areas for resources. Access to family planning is found to reduce completed fertility by more than 1 child among women without education. No effect is found among women with some formal schooling, suggesting that family planning and formal education act as substitutes, at least in this low income, low growth setting. This provides support to the notion that increasing access to family planning can provide an important, complementary entry point to kick-start the process of fertility reduction.

B44

Child Quantity versus Quality: Are Twin Births Exogenous?

Damian Clarke¹, Sonia Bhalotra²

¹The University of Oxford, Oxford, UK, ²The University of Bristol, Bristol, UK

Given the endogenous nature of a family's fertility decisions, demonstrating the existence of a trade-off between child quality and child quantity requires the identification of a valid exclusion restriction in a quality-quantity model. Prior work has suggested that the exogeneity of multiple births can be exploited to estimate this relationship. I show that twin births are not exogenous in a developing country setting. Instead twin birth depends on a range of observable (and potentially unobservable) characteristics of the mother, such as height, BMI, and family income. The resulting bias in typical 2SLS estimates is then examined via Monte Carlo simulation and empirically, using data on more than 1,000,000 births in 44 developing countries created by pooling the Demographic and Health Surveys. Given the poor performance of these estimates under simulation, an alternative methodology is employed to examine the quantity-quality model. By controlling for observable determinants of family size and estimating the importance of unobservables, the plausibility of family size having any effect on education, an indicator of child 'quality', is assessed. I find evidence suggesting that higher sibship reduces total educational attainment in a low-income setting, but that the impact of family size on school attendance is relatively small. I show that these results vary by a country's income status, with the quantity-quality trade-off most significant in the lowest-income group.

B51

What Happens When Employers are Free to Discriminate? Evidence from the English Barclays Premier Fantasy Football League

Arnaud Chevalier¹, Alex Bryson²

¹Royal Holloway, Egham, UK, ²NIESR, London, UK

Research on employers' hiring discrimination is limited by the unlawfulness of such activity. As such, researchers have focused on the intention to hire. Instead, we rely on a virtual labour market, the UK Fantasy Football league, where employers can freely exercise their taste for racial discrimination in terms of hiring and firing. We find employers evaluate player performance differently by race when making hiring and firing decisions: employer demand for players rises with their performance, but less so in the case of black players. This finding is consistent with racial discrimination among the subset of players who are critical to the team's overall performance. However, there is no racial differential in the weight employers attach to performance in the most recent game: this has a large effect on employers' decision to hire players for the next game regardless of race.

B52

Dynamics of residential segregation – A micro-level analysis based on the GSOEP 1984-2010

Uwe Neumann, Christoph M. Schmidt

Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI), Essen, Germany

Since the 1980s, a number of authors have argued that in industrial societies an unintended and undesirable side-effect of economic growth is increasing residential segregation in urban areas according to skills and prosperity. Yet, there is still also quite a lot of uncertainty about the actual changes in the composition of urban residential areas. This paper analyses the dynamics of neighbourhood stratification in Germany, using microdata from the German Socio-Economic Panel (GSOEP) for the period from 1984 to 2010. The analysis finds that during this period, neighbourhood sorting by income and occupation became more profound. While this change proceeded at moderate rates, in the forthcoming years segregation in Germany may become more distinct.

B53

Endophilia Or Exophobia: Beyond Discrimination

Jan Feld¹, Nicolas Salamanca¹, Daniel S. Hamermesh²

¹*Maastricht University, Maastricht, The Netherlands*, ²*University of Texas at Austin, Texas, USA*

The immense literature on discrimination treats outcomes as relativistic: One group suffers relative to another. But does a difference arise because agents discriminate against others—are exophobic—or because they favor their own kind—are endophiles? We conduct a field experiment in which graders at one university are randomly assigned students' exams that did or did not contain the students' names. Examining the effects of matches by nationality or gender on exam scores, on average we find favoritism but no discrimination by nationality, and neither favoritism nor discrimination by gender. Favoritism by nationality is due chiefly to behavior by the most experienced graders and those who had been rated as poor teachers in previous courses. We observe heterogeneity in both discrimination and favoritism by nationality and by gender in the distributions of graders' preferences.

B54

Race and Marriage in the Labor Market: A Discrimination audit study in a developing country

Eva Arceo-Gomez², Raymundo Campos-Vazquez¹

¹*El Colegio de Mexico, Mexico City, Mexico*, ²*CIDE, Mexico City, Mexico*

In Mexico, as in most Latin American countries with indigenous populations, it is commonly believed that European phenotypes are preferred to mestizo or indigenous phenotypes. We are interested in testing this hypothesis through a field experiment in the labor market. The experiment consisted on sending fictitious curriculums (CVs) responding to job advertisements with randomized information of the applicants. The CVs included photographs representing three distinct phenotypes: Caucasian, mestizo and indigenous. Hence, our test consists on finding whether there are significant differences in the callback rates. We also test whether being a graduate from a public or private university, or the marital status generates different callback rates. We find that females have 40 percent more callbacks than males. We also find that indigenous looking females are discriminated against, but the effect is not present for males. Interestingly, married females are penalized in the labor market and this penalty is higher for indigenous-looking women. We did not find an effect of marital status on males.

B61

Bride price and fertility decisions: Evidence from rural Senegal

Linguere Mbaye¹, Natascha Wagner²

¹*IZA, Bonn, Germany*, ²*International Institute for Social Studies (ISS), The Hague, The Netherlands*

The aim of this paper is to study the relationship between bride price, fertility and domestic violence in the context of rural Senegal. The bride price is a payment that the groom and his family have to make to the bride's parents at the moment of marriage. In many Sub-Saharan African countries and particularly in Senegal, the bride price is a key element of the marriage contract. Our analysis focuses on female empowerment as represented by fertility decisions and the absence of domestic violence. Previous research for the cases of Indonesia has shown that women who

perceive more household assets as being their own, have a greater say in fertility decisions (Beegle et al. 2000). Similarly, domestic violence has repeatedly been reported as a way of male dominion over women. Thus, fertility choices measured by the number of children for a given age and domestic violence give a clear indication of bargaining power and empowerment of women in their household. Our empirical evidence for the case of rural Senegal demonstrates that the more a woman is valued and in consequence the higher the bride price she receives from her in-laws, the more likely she will have less children. An increase in the bride price of only 10,000 FCFA, reduces average fertility by almost 0.5. Women who receive more appraisal on the marriage market and thus a higher bride price are also less likely to be the subject of domestic violence in their marriage. The odds ratio is equal to 0.815.

B62

Development and female labor force participation in urban India

Janneke Pieters¹, Stephan Klasen²

¹IZA, Bonn, Germany, ²University of Goettingen, Goettingen, Germany

This paper examines drivers of female labor force participation in urban India between 1987 and 2009. In this period of high growth and increasing education levels, one would expect to see rising female labor force participation and women becoming more responsive to earnings opportunities and less affected by their socioeconomic background. Although participation rates in urban India have remained low throughout this period, we do find evidence that the effects of households' socioeconomic class have declined over time, especially among highly educated women. There is, however, a conditional U-shaped relationship between women's own education and labor force participation, with a large drop in the positive effect of higher education. This may be a result of the expansion of higher education in India, associated with an increase in the scarcity of white-collar jobs and a decline in positive selection of women into higher education.

B63

Rural Poverty and Ethnicity in China

Carlos Gradín

Universidade de Vigo, Vigo, Spain

In this paper I investigate the nature of the differential in poverty by ethnicity in rural China using data from the Chinese Household Income Project for 2002. For that, I compare observed poverty with that in a counterfactual distribution in which ethnic minorities are given a set of relevant village and household characteristics of the Han majority. Results show that rural poverty would be higher among minorities if they had the same regional distribution of Han. On the contrary, the ethnic poverty differential would be reduced after equalizing other characteristics. Among these factor associated with higher poverty of minorities the most important turned out to be them living in less developed and mountainous areas. Their larger number of children, combined with low education and few skilled non-agriculture workers are also important factors. Finally, I show that poverty among minorities is not higher because some of these adverse characteristics have a smaller negative impact on minorities than on Han.

B64

Do The Maths: An Analysis Of The Gender Gap In Mathematics In Africa

Andy Dickerson², Steven McIntosh², Christine Valente¹

¹University of Bristol, Bristol, UK, ²University of Sheffield, Sheffield, UK

This paper uses microdata for 19 African countries to examine the gender difference in maths test scores amongst primary school children. There is a significant difference in maths test scores in favour of boys, similar to that previously observed in developed countries. This difference cannot be explained by gender differences in school quality, home environment, or within-school gender discrimination in access to schooling inputs. However, the gender gap varies widely with characteristics of the regions in which the pupils live, and these regional characteristics are more predictive of the gender gap than parental education and school characteristics, including teacher gender. At the cross-country level, differences in fertility rates account for nearly half the variation in the gender gap, and this relationship is not due to the correlation between fertility and GDP nor to gender (in)equality as measured by the Gender Gap Index.

B71

Gender Gaps in Spain: Family Issues and the Career Development of College Educated Men and Women

Sara De la Rica, Ainara Gonzalez de San Román
University of the Basque Country, Bilbao, Vizcaya, Spain

Our goal in this paper is to focus on highly educated men and women and try to explore the trade-offs between family and working career in Spain, where changes in female behaviour with respect to the labor market have been relatively recent but rather important. We compare male and female behavior with respect to labor supply and labor performance along their life cycle for different birth cohorts to explore the connection between family and work over time. Our results indicate that family plays a crucial role as a source of gender differences in the labor market in Spain. By 2008, children are the main determinant of the observed gap in labor supply between college men and women. Furthermore, with respect to hours worked, children are also an important determinant for the decision of college-educated mothers to choose to work part-time. However, children do not seem to contribute to explain the observed gender wage gap (5%) between college men and women.

B72

Do Female Executives Make a Difference? The Impact of Female Leadership on Firm Performance and Gender Gaps in Wages and Promotions.

Luca Flabbi¹, Mario Macis², Fabiano Schivardi³
¹Georgetown University and IDB, Washington DC, USA, ²John Hopkins University, Washington DC, USA, ³EIEF, Rome, Italy

We study whether female executives make a difference by proposing three contributions. First, we examine the relationship between gender leadership at the firm (CEOs and top executives) and firm performance. Differently from the previous literature, we focus on less volatile, more long-term measure of actual firm productivity: TFP, value added per worker and sales per worker. Second, we investigate the mechanisms behind this relationship, focusing on the impact of firm leadership on wages and promotion policies. Finally, we propose a theoretical framework consistent with our results and able to evaluate the cost of the heavy underrepresentation of women at top positions within firms. In performing our empirical work, we use a unique matched employer-employee data set from Italy where we observe the entire labor force at each firm over 17 years. We find that female executives make a difference: The interaction between female leadership and female workers at the firm has a positive significant impact on firm performance. We suggest that an important mechanism behind this interaction is the wage policy at the firm: female leadership implies wage increases for women at the top of the wage distribution and wage decreases for women at the bottom. We conclude by interpreting this evidence as being consistent with a model of statistical discrimination where female executives correct discrimination generated by male executives. If our interpretation is correct, there are productivity costs associated with the underrepresentation of women at the top of the firm.

B73

The Gender Wage Gap: Does a Gender Gap in Reservation Wages Play a Part?

Marco Caliendo¹, Wang-Sheng Lee³, Robert Mahlstedt²
¹University of Potsdam, Potsdam, Germany, ²IZA, Bonn, Germany, ³Deakin University, Melbourne, Australia

This paper focuses on re-examining the gender wage gap and the potential role that reservation wages play. Based on two waves of rich survey data from the IZA Evaluation dataset we examine the importance of gender differences in reservation wages to explain the gender gap in realized wages for a sample of newly unemployed individuals actively searching for a new employment in Germany. The dataset includes measures for education, demographic characteristics, labor market history, psychological factors and job search characteristics which allows us to perform a decomposition that includes important influential factors. Our results suggest that the gender wage gap disappears once we control for reservation wages. As the gender wage gap appears to be closely linked to an initial gender gap in reservation wages, we also examine how this gap in reservation wages arises and make some preliminary conclusions on the nature of the unobservable traits that reservation wages might be capturing.

B74

Selection and the Measured Black-White Wage Gap Among Young Women

James Albrecht¹, Aico Van Vuuren², [Susan Vroman](#)¹

¹*Georgetown University, Washington, DC, USA,* ²*Free University of Amsterdam, Amsterdam, the Netherlands*

In an influential paper, Derek Neal (2004) used data from the NLSY79 to show that in 1990, the difference between the median log wages earned by young white and black women was substantially less than the difference that would have been observed had all white and black women in that age group been employed in that year. Even though their employment rates were quite similar, the pattern of selection into employment across the distribution implied that the observed median log wage gap between the two groups of women substantially underestimated the true, selection-corrected gap. In particular, lower-productivity black women, typically single mothers receiving government aid, were underrepresented among the employed while at the same time white college graduates were less likely to work than were black college graduates because the white college graduates were more likely to have high-income husbands. The pattern of selection into employment in 1990 was driven to a considerable extent by government aid programs, and there have been substantial changes in those programs since that time. As a result of welfare reform, more transfers now go to workers and fewer to non-workers, and more transfers go to married couples and fewer to single mothers. We use data from the NLSY97 to address the following questions. Does the observed median log wage gap still underestimate the true gap between the two groups of women? How has the true, selection-corrected median log wage gap changed since 1990? How has the pattern of selection across the distribution changed since 1990?

B81

Building a Criminal Career: Peer Effects among Young Inmates in Sentencing Facilities

Anna Piil Damm¹, [Cédric Gorinas](#)²

¹*Aarhus University, Aarhus, Denmark,* ²*The Danish Centre for Social Research (SFI), Copenhagen, Denmark*

Given its illegal nature, criminal activity is likely to be learned within social networks and through peer interactions. Few studies (e.g., Ludwig and Kling 2007; Bayer et al. 2009; Damm and Dustmann 2012), however, estimate a causal relationship between social networks or peer interactions and individual delinquency. This study investigates whether young inmates build up criminal capital in sentencing facilities due to inmate peer effects and look at how exposure to peers can affect recidivism and the type of offense of recidivism. As Bayer et al. (2009), we identify peer effects from the random variation in the duration of time-serving overlap between each pair of inmates in a facility. Our preliminary findings show evidence of peer effects on recidivism only with offenses against the drugs act. Moreover, we find that peer effects are stronger among inmates within the same age group than among inmates from all age groups. Furthermore, distinguishing institutions to account for differentials in security and monitoring levels, we find evidence of stronger peer effects in local prisons, but only for recidivism in drugs-related offenses. Our study will increase knowledge about the early steps of a criminal career and could be used for improving prison assignment policies and further prevent criminal behavior.

B82

The Relationship between Immigration Status and Victimisation: Evidence from the British Crime Survey

[Georgios Papadopoulos](#)

University of East Anglia, Norwich, UK

This study, using data from the BCS, examines the micro-relationship between immigration and victimization. Although the risk of instrumental crime is higher for immigrants, this is explained by the fact that immigrants exhibit demographic characteristics associated with higher victimization. Contrary to the above, immigrants are of lower risk of violent victimization. As interactions between victim-offender pairs prior to violent crimes matter more than instrumental crime, the lower risk of violence can be attributed to different lifestyle choices associated with lower victimization risks. However, a closer investigation, decomposing violence in domestic, by acquaintances and by strangers crime, shows that this difference is driven by the lower crime immigrants suffer by acquaintances and by family members, which is not consistent with the 'different-lifestyles' hypothesis. Nevertheless, we show that the aforementioned (unexpected) difference cannot be due to under-reporting by immigrants. We further show, that if immigrants did not face racially motivated crime, they would face a significantly lower risk of victimization by strangers. Finally, we examine whether the lower victimization by acquaintances could be because more recent

immigrants have fewer acquaintances. However, we argue that if this kind of “network” effect exists, it is actually quite weak. Therefore, all evidence suggests that indeed, immigrants face a lower risk of violent victimization because of lifestyles associated with a lower exposure to crime. Finally, using count data models we examine whether immigrants are disproportionately victims of repeat crimes. However, the results show that patterns of repeat victimization are generally the same between immigrants and natives.

B83

The Effect of a Dutch Alternative Punishment Program on Future Educational Outcomes

Chris Van Klaveren

Maastricht University, Maastricht, The Netherlands

This study examines the effects of a Dutch alternative punishment program (Halt) on early school leaving, educational attainment and grade retention. The program focuses on adolescent first- and second-time offenders and aims to prevent and combat juvenile crime, and to influence the behavior and attitudes of young offenders. Identical programs are implemented in many other countries, such as the US, Canada, Australia and the United Kingdom. To determine the Halt effect we use (I) data from a unique experiment data in which 945 juveniles were randomly assigned to the Halt program and a control group, and (II) registered data on the educational careers of the participants of the experiment. We find that Halt reduced early school leaving by 6 percentage points and increased the educational attainment of offenders enrolled in vocational education by 9 percentage points. We do not find a statistically significant effect of Halt on grade retention.

B91

Changing Places? Spatial Mobility of Immigrants and Natives in Great Britain

Andrew Aitken

Royal Holloway, University of London, London, UK

The focus of this paper is whether or not natives move out of a local area in response to an immigrant inflow. Displacement theory suggests that an immigrant shock to a local labour market may set in motion a process of spatial arbitrage, whereby immigrants increase the local labour supply, lowering wages relative to other markets, and creating an incentive for natives to move to higher wage areas. Alternatively, an immigrant inflow may attract natives if the economic return to locating near immigrants is higher because of externalities or skill complementarities, for example. Using the spatial correlation approach, and instrumenting for immigrant inflows, I examine the empirical evidence for displacement or attraction. The results provide robust evidence in favour of attraction, which appears to be driven primarily from a positive relationship between high-skilled immigrants and high-skilled natives. A negative effect of immigration on low-skilled native employment suggests that low-skilled natives may locate near immigrants partly because of resource constraints in being unable to move away.

B92

Migrant Networks and the Spread of Misinformation

Benjamin Elsner¹, Gaia Narciso², Jacco Thijssen³

¹IZA, Bonn, Germany, ²Trinity College Dublin, Dublin, Ireland, ³University of York, York, UK

Diaspora networks are a major source of information for future migrants. While the existing literature explains the effect of networks on migration decisions through the size of the migrant community, we show that the quality of the network is an important determinant of the timing and outcome of migration decisions. We argue that networks that are more integrated in the society of the host country can give more accurate information about job prospects to future migrants. In a decision model with imperfect signalling we show that migrants with access to a better network are more likely to make the right decision -- they migrate only if they gain, and they migrate earlier. Using data on Mexicans in the US we show that the theoretical predictions are consistent with the data.

Immigration and Economic Growth

Katarina Lisenkova¹, Marcel Merette², Robert Wright³

¹National Institute of Economic and Social Research, London, UK, ²University of Ottawa, Ottawa, Canada, ³University of Strathclyde, Glasgow, UK

This paper provides empirical estimates of the impact of immigration on economic growth. A dynamic overlapping generations computable general equilibrium (OLG-CGE) model is used for this purpose. The basic structure of the model follows in the Auerbach and Kotlikoff tradition. However, the model takes into consideration directly age-specific mortality. This is analogous to “building in” a cohort-component population projection structure to the model, which allows more complex and more realistic demographic scenarios to be considered. The model is calibrated for Scotland. Scotland is an interesting case study since it is likely that both the population and the labour force will decrease in size considerably in the future. In addition, the population is expected to age rapidly over the coming decades. The analysis suggests that modest levels of net-migration, driven by higher levels of immigration, are associated with considerably higher levels of economic growth.

Returning Home at Times of Trouble? Return Migration of EU Enlargement Migrants during the Crisis

Klaus F. Zimmermann¹, Anzelika Zaiceva²

¹IZA and Bonn University, Bonn, Germany, ²University of Modena and Reggio Emilia, and IZA, Modena, Italy

The eastern enlargements of the EU in 2004 and 2007 have stimulated the mobility of workers from the new EU8 and EU2 countries. A significant proportion of these migrants stayed abroad only temporarily, and the Great recession may have triggered return intentions. However, a return may be postponed if the economic situation in a sending region is persistently worse. This paper documents emerging evidence on return migration in post-enlargement Europe combining several data sources to describe the characteristics and selection of the returnees, as well as the determinants of return migration and potential re-migration decisions. The findings suggest that brain circulation rather than brain drain is relevant for several new member states and that returnees are most likely to migrate again. Moreover, the proportion of potential movers is larger in countries most affected by the crisis. Repeat and circular migration is expected to alleviate the potential negative impacts of the crisis, leading to a more efficient allocation of resources within the enlarged EU.

School Choice and Inequality – Lessons from a Voucher Reform

Anders Böhlmark², Helena Holmlund², Mikael Lindahl¹

¹Department of Economics, Uppsala University, Sweden, ²SOFI, Stockholm University, Sweden

This paper evaluates how school choice affects the opportunity for pupils from different families to perform well in school. More specifically, we ask ourselves whether school choice strengthen the link between the pupils’ family background and school performance and between the pupils’ attended school and school performance. We use that a radical school choice reform where implemented in Sweden in 1992, suddenly allowing pupils to choose a school outside the catchment area. Starting from a situation where all public schools were essentially local monopolists, the degree of choice opportunities has developed very differently across municipalities over time as a result of this reform. Our analysis proceeds in two steps: First we use the total population of students leaving compulsory school and regress student achievement outcomes on family- and school fixed effects, respectively, using data for school-leaving cohorts 1988-2009. This allows us to create measures of sibling correlations and school-mate correlations for each year and municipality. Second, we regress these correlations on the fraction of students choosing a non-assigned school (public or independent) and municipality and school-cohort fixed effects. These regressions utilize municipality level measures and all years of data. We find that an increase in school choice has had a modest impact on the sibling correlation, whereas the effect on the school-mate correlation is positive and large. The mechanism behind the increased school mate correlation is increased sorting of pupils across schools.

C12

The effect of raising the minimum school leaving age on education and earnings

Sander Gerritsen

Netherlands Bureau of Economic Policy Analysis, The Hague, The Netherlands

In this paper we exploit a regression discontinuity framework to estimate the effects of a change in the Dutch compulsory schooling law. In the Netherlands, the minimum school leaving age was raised from 14 to 15 in 1971. Individuals born on or after 1 October 1956 were affected by the new law. We compare the educational level and labour market position of those born around this date. We find that the change led to a decrease in the high school drop out rate of approximately 20%. However, the change did not increase earnings or improve labour market outcomes in general. Our findings are consistent with previous work from continental Europe that documents zero returns to increasing compulsory education.

C13

Reform-Based Evidence of Pupil, Family and School Effects on Test Scores

Paul Bingley¹, Arnaud Chevalier^{1,2,3,4}, Vibeke Myrup Jensen¹

¹The Danish National Centre for Social Research, Copenhagen, Denmark, ²Royal Holloway University of London, London, UK, ³Centre for the Economics of Education, London, UK, ⁴IZA, Bonn, Germany

An important question for education policy relates to the relative effect of schools versus family in the making of test scores? To separately identify these effects we rely on 8 recent cohorts of the population of Danish children attending 9th and 10th grades. Our observation period spans the centralization of most 10th grade teaching, creating exogenous school changes. We use administrative registers to link pupils and siblings enrolled at schools that lost a 10th grade and are thereby able to identify the contribution to test scores of families (33%), pupils (28%), schools (4%) and school-grade-year (3%). Observed pupil characteristics become largely insignificant determinants of pupil effects once families are accounted for. However, observed peer characteristics (low income, younger, native Dane) do explain (lower) school-grade-year effects even after accounting for school. The weight of family versus school effects is largest (smallest) for Danish (maths and science), for teacher (external) assessments and oral (written) tests.

C21

Can Mommy-Friendly Policies Hurt Childbearing-Aged Women? A Natural Experiment with Administrative Data

Daniel Fernández-Kranz¹, Núria Rodríguez-Planas²

¹IE Business School, Madrid, Spain, ²IZA, Bonn, Germany

Using a differences-in-differences approach and controlling for individual unobserved heterogeneity, we evaluate the impact of a 1999 law in Spain that granted all workers with children less than 7 years old protection against a layoff if the worker had previously asked for a work-week reduction due to family responsibilities. We find that after the law employers were: (i) more likely to let childbearing-aged working women "go" relative to their male counterparts; (ii) less likely to promote childbearing-aged women into permanent contracts; and (iii) less likely to hire childbearing-aged women. In addition, we find that employers were able to pass at least part of the cost to childbearing-aged women through lower wages and that the amount passed to workers increased with the precariousness of the job. Heterogeneity analysis reveals that the effect on employment transitions is mainly driven by low skilled workers and those in blue-collar jobs, while the effect on wages holds across all groups. Finally, we find evidence that employers learn over time and as consequence the substitution away from (good) jobs widens. These results are robust to the use of different specifications and placebo tests.

C22

Why do married women work less in the UK than in France?

Marc Jourdain de Muizon

University College London, London, UK

Using household level data and detailed tax programs, I try to understand why the number of hours worked by British married women is lower than that of French married women. I find that in the presence of children, British mothers

are far more responsive to financial incentives. Income available outside work and, more particularly, childcare prices seem to play an important role. Nevertheless, the fall in hours worked in the UK households with children, despite facing lower taxes than in France, remains puzzling in the light of conventional explanations, and could be mainly attributed (in the framework used) to different preferences. Labour supply in France appears particularly constrained by demand-side restrictions, resulting in a wider underlying labour supply difference than suggested by the data.

C23

Gender differences in career progression: Do children capture low work effort?

Astrid Kunze

Norwegian School of Economics, Bergen, Norway

This study uses longitudinal employee-employer matched data on white-collar workers in the private sector to analyze men's and women's position in plants' hierarchies and their career progress. In the data hierarchies of plants are grouped into seven ranks that are consistently defined across plants and time. We find that the probability is lower for women to progress on the career ladder than men and for women with than without children. The effect is significant at the lower and medium ranks. It is conditional on proxies for effort including bonus payments. The quantity of the marginal effects is unaffected by hours of work. Hence, the variable children is not proxying effort but something else. We also find that among workers with 1-2 children on higher ranks the gender difference in the probability to climb rank are particularly large above the 60th percentile in the residual earnings distribution.

C31

Heat Waves at Conception and Later Life Outcomes

Bénédicte Apouey², Joshua Wilde¹

¹*University of South Florida, Tampa, Florida, USA*, ²*Paris School of Economics, Paris, France*

This paper asks whether children conceived during heat waves have better health and educational outcomes later in life. We hypothesize that during heat waves, sexual activity not intended to result in a conception decreases, implying that children conceived during heat waves are on average more planned than otherwise. Using Census data from Africa and Spain, we show that children conceived during heat waves have higher literacy rates, more years of schooling, and less disability later in life. We also show, using a combined AIS, DHS, and MIS data set from Africa, that infant mortality is lower for children conceived during heat waves. We provide evidence that these effects most likely run through two channels: child wantedness, and selection of lower quality parents out of conceiving during heat waves.

C32

Breastfeeding and Maternal Wellbeing

Cristina Borra¹, Maria Iacovou³, Almudena Sevilla²

¹*University of Seville, Seville, Spain*, ²*Queen Mary, University of London, London, UK*, ³*University of Essex, Colchester, UK*

Objective: To explore causality in the relationships between breastfeeding and perinatal depression. In particular the causal effect of breastfeeding on postpartum maternal mental health was investigated together with the causal effect of antenatal maternal wellbeing on breastfeeding initiation, prevalence, and duration. Methods: We used the Avon Longitudinal Study of Parents and Children (ALSPAC) dataset which offers longitudinal information on mothers and their children. We explored the effects of antenatal mental health measured at 18 and 33 weeks pregnancy on any and exclusive breastfeeding initiation and duration. Multivariate linear and logistic regression analyses were also performed to explore the effects of the different breastfeeding measures on postpartum mental health, measured at different time moments (8 weeks, 8 months, 21 months and 32 months post partum). Results: Firstly, we found that antenatal mental health was positively related to breastfeeding. Secondly, we found that even though there was a strong bivariate relationship between breastfeeding and maternal wellbeing, once potential confounders were controlled for, especially maternal mental and physical health during pregnancy, breastfeeding ceased to exert a significant effect on maternal wellbeing in most cases. However, when analyzing heterogenous effects, for mothers not previously depressed, being able to breastfeed as planned decreased postpartum depression risks and not being able to follow breastfeeding intentions increased depression risks, while, for previously depressed mothers, the beneficial effects were concentrated on mothers who breastfed when not having planned to do so. Conclusion:

Prenatal identification of depression-prone mothers may allow targeting breastfeeding promotion interventions to this highly vulnerable group.

C33

Exploiting spatial and temporal variation in nutrition at birth, using data on infant mortality and famines: a study of long-run health effects

Mevlude Akbulut-Yuksel², Gerard J. van den Berg¹, Katharina Walliczek¹

¹University of Mannheim, Mannheim, Germany, ²Dalhousie University, Halifax, Nova Scotia, Canada

We study long-run health effects of nutritional conditions early in life exploiting spatial and temporal variation in those conditions. For this purpose we consider individuals from a large set of municipalities in Germany, born in the years 1933-1950. Time series of local infant mortality rates are used to distinguish between affluent municipalities and municipalities with adverse early-life conditions, and these series are also used to assess the local impact of the post-World War II famine in Germany. This methodology is novel and useful if the impact of a famine is strongly heterogeneous across regions and if local variation in the impact of the famine is not observed in the data. Individuals from municipalities where the famine was severe display an average realized adult height loss of about 2.5 cm. This predicts adverse health outcomes late in their life.

C41

Cannabis consumption, crime, anti-social behaviour and victimization – Evidence from the 2004 cannabis declassification in the UK

Nils Braakmann, Simon Jones

Newcastle University, Newcastle upon Tyne, UK

This paper investigates the link between cannabis consumption and crime. We exploit the declassification of cannabis in the UK in 2004 as a natural experiment. We show that the declassification increased cannabis consumption by between 18% and 26% for previous non-consumers relative to previous consumers, primarily for individuals from disadvantaged backgrounds and with prior offending. Using IV, we then show that cannabis consumption increases the prevalence of low-level criminal and anti-social behaviour, fighting and victimisation for this group. It does not, by and large, increase the consumption of other drugs or more serious crime.

C42

School and Drugs: Closing the Gap Evidence from a Randomized Trial in the US

Núria Rodríguez-Planas^{1,2,3}

¹IZA, Bonn, Germany, ²IAE-CSIC, Barcelona, Spain, ³Universitat Pompeu Fabra, barcelona, Spain

We present evidence on how The Quantum Opportunity Program (QOP hereafter) worked in the US. While the program was regarded as successful in the short-term, its educational results were modest and its effects on risky behaviors detrimental in the long-run. By exploiting the control group's self-reported drug use while in school, we evaluate whether the program worked best among those with high-predicted risk of problem behavior. We find QOP to be extremely successful among high-risk youths as it managed to curb their risky behaviors and, by doing so, it persistently improved high-school graduation by 14 percent and college enrollment by 21 percent. In contrast, QOP was unsuccessful among youths in the bottom-half of the risk distribution as it increased their engagement in risky behaviors (especially while in high-school). Evidence suggests that negative peer effects explain these results.

C43

Stand Your Ground Laws, Homicides, and Injuries

Chandler McClellan², Erdal Tekin¹

¹Georgia State University, IZA, and NBER, Atlanta, GA, USA, ²Georgia State University, Atlanta, GA, USA

The controversies surrounding gun control policies have recently moved to the forefront of public's attention in the United States and elsewhere. Since 2005, eighteen states in the United States have passed laws extending the right to self-defense with no-duty-to-retreat to any place a person has a legal right to be, and several additional states are debating the adoption of similar legislation. Despite the implications that these laws may have for public safety, there

has been little empirical investigation of their impact on crime and victimization. In this paper, we use monthly data from the U.S. Vital Statistics to examine how Stand Your Ground laws affect homicides and firearm injuries by exploiting variation in the effective date of these laws across states over time. Our results indicate that Stand Your Ground laws are associated with a significant increase in the number of homicides among whites, especially white males. According to our estimates, between 28 and 33 additional white males are killed each month as a result of these laws. Our results are not driven by the killings of assailants. We also find that the stand your ground laws are not related to non-homicide deaths, which should not respond to gun laws. Finally, we analyze data from the Health Care Utilization Project to show that these laws are also associated with a significant increase in emergency room visits and hospital discharges related to firearm inflicted injuries. Taken together, these findings raise serious doubts against the argument that these laws make public safer.

C51

Estimation of a Roy/Search/Compensating Differential Model of the Labor Market

Rune Vejlin, Chris Taber
Aarhus University, Aarhus, Denmark

We estimate a structural model which contains human capital, the Roy model, the compensating differentials model, and the search model. All four lead to wage heterogeneity. We estimate the model on Danish data and simulate it in order to quantify the effect of each of these explanations on overall wage inequality and also to investigate how they interact.

C52

Double Matching: Social Contacts in a Labour Market with On-the-Job Search

Anna Zaharieva
Bielefeld University, Bielefeld, Germany

This paper develops a labour market matching model with heterogeneous firms, on-the-job search and referrals. Social capital is endogenous, so that better connected workers bargain higher wages for a given level of productivity. This is a positive effect of referrals on reservation wages. At the same time, employees accept job offers from more productive employers and forward other offers to their unemployed social contacts. Therefore, the average productivity of a referred worker is lower than the average productivity in the market. This is a negative selection effect of referrals on wages. In the equilibrium, wage premiums (penalties) associated with referrals are more likely in labour markets with lower (higher) productivity heterogeneity and lower (higher) worker's bargaining power. Next, the model is extended to allow workers help each other climb a wage ladder. On-the-job search is then intensified and wage inequality is reduced as workers employed in high paid jobs pool their less successful contacts towards the middle range of the productivity distribution.

C53

An Equilibrium Search Model Of The Labor Market Entry Of Second-Generation Immigrants And Ethnic Danes

Nabanita Datta Gupta¹, Lene Kromann²
¹*Department of Economics and Business School of Business and Social Sciences, Århus, Denmark,* ²*Copenhagen Business School and Centre for Economic and Business Research (CEBR), Frederiksberg, Denmark*

Using a search model for Danish labor market entrants, we are one of the first studies to test whether second-generation immigrants have the same job arrival and layoff rates as ethnic Danes have. We contribute to the search literature by incorporating matching as a way to ensure sub-sample homogeneity. Thus, we match second-generation immigrants to their ethnic Danish twins on the basis of parental characteristics and informal network quality. There are big differences before matching, but after matching, second-generation immigrants perform better than their ethnic Dane counterparts do on the labor market, though not with respect to layoffs. This result is driven by the poorer prospects of second-generation immigrants who have completed a vocational education degree program. Second generation new entrants with vocational education face both significantly lower arrival rates when unemployed and significantly higher layoff rates than those of their ethnic Danish 'twins'.

C61

Fifty years of compositional changes in U.S. out-migration, 1908-1957

Costanza Biavaschi

Institute for the Study of Labor, Bonn, Germany

Using time series and panel data on the composition of U.S. out-migration between 1908 and 1957 this paper asks three questions. First, how out-migrants compared with permanent settlers. Second, whether the economic and political events of the 1900s had a structural impact on the composition of this outflow. Third, focusing on immigration quotas, how did migration restriction affect the outflow. Descriptive results show that during the first three decades of the XX century the out-migrants were primarily low skilled workers. The negative selection of this group might have implied an overly optimistic view of immigrant assimilation. Furthermore, selection is not a stable process over time. In particular, the two conflicts and the economic burst of the 1930s reduced the outflow of male and unskilled migrants. Controlling for nationality differences in pre-quota migration patterns and quota tightness over time, results also show that changes in immigration policies were associated primarily with longer stays and not with shifts in the demographic and skill composition of the out-migrants. All these findings are in line with current analyses of out-migrant selectivity and impact of border controls on out-migrant behavior.

C62

Does migration to the US cause people to smoke? Evidence corrected for selection bias

Dean Lillard¹, Rebekka Christopoulou²

¹*Ohio State University, Columbus, Ohio, USA*, ²*Deutsches Institut fuer Wirtschaftsforschung, Berlin, Germany*

In this project we will examine whether and how people who migrate to the US differ from non migrants on a dimension that researchers rarely get to observe - on their preferences for health. In particular, we will compare life-course smoking behavior of migrants and non migrants using a unique combination of data from US and country of origin surveys. Our research design is innovative in how we combine these survey data. Briefly, we will match immigrants in the US to observationally comparable individuals in their country of origin (i.e. we will match individuals to individuals rather than to a particular cohort), and we will compare the smoking behavior of non-migrants with that of migrants over the period before they migrated. We study smoking behavior of migrants from the UK. We test (i) whether (and how much) migrants smoked differently than their peers when both were still in the country of origin; (ii) whether smoking later in life systematically differs for migrants and non migrants; (iii) whether the observed differences in smoking behavior, which is often used as a proxy for rates of time preference or discount rates, are associated with observed differences in education and earnings; (iv) whether these patterns differ by sex, year of migration, and economic conditions in the country of origin.

C63

Employment of Undocumented Immigrants and the Prospect of Legal Status: Evidence from an Amnesty Program

Carlo Devillanova⁴, Francesco Fasani^{1,2}, Tommaso Frattini³

¹*Institute for Economic Analysis (IAE-CSIC), Barcelona, Spain*, ²*Barcelona GSE, Barcelona, Spain*, ³*University of Milan, Milan, Italy*, ⁴*Bocconi University, Milan, Italy*

Illegality of immigration is at the core of the public and policy debate on immigration in many countries. Granting an amnesty is one of the policy option used to reduce stocks of unauthorized immigrants. But, how does the possibility of obtaining legal status affect the employment status of undocumented immigrants? We analyze this aspect in a stylized model where the prospect of becoming legal affects both the reservation wage of the migrant and the value of the match for the employer. In the empirical part, we use a unique dataset which contains daily observations on thousands of undocumented immigrants. We exploit a natural experiment – a general amnesty granted in Italy in 2002 which retrospectively set an eligibility rule based on the date of arrival in Italy – to develop a RDD setup and compare the employment status of undocumented immigrants arrived before and after that date. Further, years before and after the amnesty are used to perform placebo treatments and implement a DID approach. Our results show that being eligible for legalization positively affects the probability of being in employment after the policy is concluded. The effect is large and statistically significant. The estimates are robust to a number of falsification tests. Our results have important implications for the design of future amnesty programs.

C71

Work capacity, the degree of sick leave and return to work

Daniela Andren

Örebro University School of Business, Örebro, Sweden

In Sweden, sick leave is a complex process that has as reference points both the health status and the work capacity of the employee. The choice of the degree of sick leave is a joint decision made by the employee, the employer, the physician, and the social insurance administrator. However, the employees' health status and work capacity, and implicitly degree of sick leave can change during their spell, and therefore, in several cases employees work some hours during their sick leave. Although combining sick leave with some hours of work is increasingly seen by the policy makers as a solution for helping people to return to work, the academic literature testing this hypothesis is scarce. This paper contributes to the literature by analyzing the impact of part-time sick leave (PTSL) on employees' probability to fully recover lost work capacity. Using a random sample of 3,607 employees, we estimate an econometric model that aims to answer the hypothetical question of what happens to an employee who has lost his/her work capacity if he/she instead of continuing to be sicklisted full time starts working some hours. The estimated treatment parameters vary across definitions, yet all results show that, regardless of the timing of the intervention, PTSL had a positive effect on the probability of full recovery of lost work capacity one year after the spell started.

C72

Sickness Absence, Works Councils, and Personnel Problems. Evidence from German Individual and Linked Employer-Employee Data

Daniel Arnold¹, Tobias Brändle², Laszlo Goerke¹

¹IAAEU and University of Trier, Trier, Germany, ²IAW Tübingen, Tübingen, Germany

Using both household and linked-employer-employee data we study the effect of a works council on individual sickness absence rates and a subjective measure of personnel problems due to high absence rates in Germany. The existence of a works council is positively correlated with individual absence rates, which holds both for the incidence of absence and the amount of days being absent. Further, personnel problems from high absence rates are more likely to be observed in plants in which there is a works council. A causal relationship, however, cannot be established.

C73

The importance of workplaces: a panel data study of sickness absence

Kjersti Misje Østbakken

Institute for social research, Oslo, Norway

A key question in the current debate on sickness absence is how much workplace policies contribute to employers' sickness absence. This paper provides us with a sense of magnitudes about the importance of different explanations in determining the variation in sickness absence using variance decomposition. The analysis uses high quality Norwegian administrative data (1995-2007) which enables estimation of workplace- and individual fixed effects simultaneously. The results suggest that workplace variation contribute by a small share to the total variation. However, the variation across workplaces accounts for a larger share of the variation than observed individual characteristics. When it comes to sorting of workers it seems that healthy worker sort into less health-promoting workplaces. Moreover, the analysis reveals that there is no sign of a systematic close-down of workplaces with less health-promotion company policies. The time pattern of workplaces' contribution to sickness absence variation is not driven by an increase in differences across workplaces. The scope for reducing sickness absence through a larger focus on workplace policies at the local level seems limited; there is some scope of improvement within specific industries. However, some jobs are simply unpleasant and improved work environment will not necessarily reduce sickness absence in these jobs.

C81

Earnings and labour market volatility in Britain

Lorenzo Cappellari¹, Stephen Jenkins²

¹*Università Cattolica, Milan, Italy,* ²*London School of Economics, London, UK*

Most research about volatility refers to earnings volatility for US men. We provide evidence about both earnings and labour market volatility in Britain over the period 1992–2008, and for women as well as men. We show that earnings volatility declined slightly for both men and women over the period as a whole but the changes are not statistically significant. When we widen the scope to look at labour market volatility, i.e. including in the calculations individuals with zero earnings as well as employees with positive earnings, we find that there is a marked and statistically significant decline over the period for both women and men, with the fall greater for men. Using variance decompositions, we show that the fall in labour market volatility is largely accounted for by changes in employment transition rates rather than changes in earnings volatility. Earnings and labour market volatility trends in Britain, and what contributes to them, differ from their US counterparts in several respects.

C82

Decomposing Inequality and Social Welfare Changes: The Use of Alternative Welfare Metrics

John Creedy, Nicolas Herault

University of Melbourne, Melbourne, VIC, Australia

This paper presents two ‘non-welfarist’ approaches and one ‘welfarist’ approach to decompose changes in inequality and social welfare into three components: population, tax policy and labour supply effects. As an illustration, changes in inequality and in values of a social welfare function in Australia between 2001 and 2006 are examined. Inequality is first defined in non-welfarist terms as a function of disposable income: the independent judge places no value on leisure. Then this is modified to allow for evaluations using a weighted geometric mean of disposable income and leisure. This is seen to modify the evaluation of changes in important ways. Furthermore, the results are shown to be quite different from those obtained using a ‘welfarist’ evaluation in terms of money metric utility, where separate behavioural effects cannot be isolated.

C83

The Effects of the Financial Crisis of the late 2000s on the Wealth, Consumption and Saving of Households in Italy

Renata Bottazzi, Serena Trucchi, Matthew Wakefield

University of Bologna, Bologna, Italy

We investigate whether negative wealth shocks have been a major driver of falls in households’ consumption in Italy during the recent crisis. We use micro-data from the Bank of Italy’s “SHIW” survey, 2004–2010. We find that consumption fell on average in 2008, and falls were larger for those with stock-market exposed financial wealth. To measure the marginal propensity to reduce consumption from the fall in wealth, we follow Banks et al (2012) and use an instrumental variables technique in a regression relating changes in consumption to changes in wealth. We do not find strong evidence of direct financial-wealth effects.

C91

Informal elderly care and caregivers’ subjective well-being

Jan Bauer, Alfonso Sousa-Poza

University of Hohenheim, Stuttgart, Germany

Because of an ageing population and declining fertility rates, the topic of informal care for the elderly is gaining in importance. This paper uses panel data from the German Socio-Economic Panel (GSOEP) to analyze the effects of informal care provision on caregivers’ subjective well-being. We also disentangle the effects of long-term care arrangements to provide insights into the ambiguous findings reported in the literature on long-term care effects on subjective well-being. Specifically, we show that the time spent caring has a non-linear effect, with subjective well-being declining in the first years of care provision but then increasing again, and that more care time is generally associated with lower levels of subjective well-being, albeit primarily in individuals born between 1920 and 1959. As

regards the relation between well-being and caregiver co-residency, we find only a negative association, which supports either the “wear-and-tear” or “adaptation” models, depending on whether care time or residency is the subject of analysis. The amount of income needed to compensate a caregiver’s loss in well-being amounts on average to approximately €7 per hour.

C92

Equality-Efficiency Trade-off within French and German Couples – A Comparative Experimental Study

Miriam Beblo¹, Denis Beninger¹, Francois Cochard², Helene Couprie³, Astrid Hopfensitz⁴

¹*Universitaet Hamburg, Hamburg, Germany*, ²*Université de Franche-Comté, Besancon, France*, ³*Université de Cergy-Pontoise, Cergy, France*, ⁴*Toulouse School of Economics, Toulouse, France*

We present the results of an experiment measuring social preferences within couples in a context where intra-household pay-off inequality can be reduced at the cost of diminishing household income. We measure social norms regarding this efficiency-equality trade-off and implement a cross-country comparison between France and Germany. In particular, we show that German households are more inequality averse and thus take less efficient decisions than French households. A decomposition of this difference reveals that approximately 40% of it is driven by diverging sample compositions in the two countries, while 60% of the initial French/German difference remains unexplained. Beliefs differ significantly from observed behavior in both countries. Efficient choices are overestimated in the German sample and underestimated in the French.

C93

Do bankers prefer married couples? Marital status and credit constraints in France

Marion Leturcq

CORE - UCL, Louvain la Neuve, Belgium

Are married couples more credit constrained than unmarried households? If the cost of separation increases the risk of default, banks might be willing to lend to stable couples. In presence of incomplete information, marriage could be used as a signal of the quality of the match. This paper investigates the link between marriage and credit constraints. I use matching methods to evaluate the impact of marriage on credit constraints. I find that married couples are more likely to be approved for their loan, but they bear higher costs of credit. The differences between married and unmarried couples can be attributed to selection in the marriage rather than to discrimination against unmarried couples.

D11

The effect of informal care from children on cognitive functioning of older parents

Eric Bonsang¹, Valeria Bordone²

¹*Maastricht University, Maastricht, The Netherlands*, ²*IIASA, Laxenburg, Austria*

This study aims to investigate the effect of informal care received from the children, understood as the instrumental component of social support, on the cognitive functioning of elderly parents. As the correlation between informal care and cognitive functioning is likely to be driven by reverse causality or unobserved heterogeneity, we use instrumental variables (IV) approach with the gender mix of the children as an instrument for the amount of informal care that parents receive from their children. Results from the IV models on data from the Survey of Health Ageing and Retirement in Europe highlight a significant negative effect of the amount of informal care provided by the children on cognitive functioning of the mothers. This hints that too much support may result in a passive behaviour of the older parents which in turn is detrimental for their cognitive functioning.

D12

Intergenerational Influences on Cognitive Functioning: The Effect of Grandchildren on Mental Performance in Old Age

Annette Bergemann, [Anna Hammerschmid](#)
University of Mannheim, Mannheim, Germany

Understanding the determinants of old age cognition is important for aging societies. This paper investigates the impact of grandchildren on the elderly's mental performance over time using an event study approach. Preliminary results show evidence for heterogeneous effects of grandparenthood. Using the entire estimation sample, we do not find a significant impact of grandparenthood. However, we find significantly positive effects in the short-run in the sub-sample of elderly cohabiting with some of their children. These positive effects of grandchildren on the elderly's cognition point towards an additional detriment for societies with low fertility rates.

D13

Does organisational change affect health outcomes?

[Mette Gørtz](#)¹, Yosef Bhatti¹, Lene Holm Pedersen²
¹*University of Copenhagen, Copenhagen, Denmark*, ²*Copenhagen Business School, Copenhagen, Denmark*

This research examines the effects of organisational change on employee health. Previous studies looking into organisational change in the private sector indicate that the larger the size and depth of organisational change, the larger the detrimental consequences to the employees. This study contributes to the literature on four main dimensions. First, we extend the analysis of organisational change to a public sector setting. Second, while previous findings remain inconclusive regarding causal effects due to problems of endogeneity, our analysis contributes to research of causal effects of organisational change by exploiting a large scale public sector reform which can be considered as a quasi-experiment. Third, given that the reform was exogenous and implemented simultaneously in a number of Danish municipalities, we also have an objective measure of organisational change. And fourth, we have access to objective measures of health outcomes from register data. The results show that the effects of organisational change on health outcomes are limited and heterogeneous. Change per se does not necessarily lead to worsened employee outcomes. However, the degree of the change seems to matter. The smaller share an old organisation constitutes of the new organisation, the larger the effect is on health outcomes for its employees.

D14

Aircraft Noise, Health, and Residential Sorting: Evidence from Two Quasi-Experiments

Stefan Boes², Stephan Nüesch³, [Steven Stillman](#)¹
¹*University of Otago, Dunedin, New Zealand*, ²*University of Luzern, Luzern, Switzerland*, ³*University of Zurich, Zurich, Switzerland*

We explore two unexpected changes in flight regulations to identify the causal effect of aircraft noise on health. Detailed yearly noise metrics are linked with panel data on health outcomes using exact address information. Controlling for individual and spatial heterogeneity, we find that aircraft noise significantly increases sleeping problems, weariness and headaches. Our pooled models substantially underestimate the detrimental health effects, which suggests that individuals self-select into residence based on their unobserved noise sensitivity and idiosyncratic vulnerability. Generally, we show that the combination of fixed effects and quasi-experiments is very powerful to identify causal effects in epidemiological field studies.

D21

The Effects of Elderly Employment Stabilization Law on Labor Supply and Employment Status

[Ayako Kondo](#)¹, Hotoshi Shigeoka²
¹*Hosei University, Tokyo, Japan*, ²*Simon Fraser University, Burnaby, BC, Canada*

Given the fast aging population and resulting pressure on the social security system, the government of Japan has been trying to ensure that older people can continue to work by the revision of the Elderly Employment Stabilization Law. Starting from 2006, employers are legally obliged to introduce a system to continue employment up to the

pension eligibility age. This paper examines the effect of this legal enforcement on old men's labor supply and employment status, by comparing the affected cohorts and cohorts a few years older than the affected cohorts. We find that the revision actually increased the employment rate of men in the affected cohorts in their early 60s. At the same time, increase in non-regular staffs comprise of substantial fraction of this increased employment, suggesting that productivity of those workers is lower than prevailing wages of regular staffs of their age. Also, we do not find evidence for crowding out of new hires of the same age group by the increase in incumbent workers staying in the same employee.

D22

The role of firms in retirement decisions

Wolfgang Frimmel¹, Thomas Horvath², [Mario Schnalzenberger](#)¹, Rudolf Winter-Ebmer¹

¹University of Linz, Linz, Austria, ²Austrian Institute of Economic Research, Vienna, Austria

While persons differ in their retirement age due to health and other reasons, there is a strong clustering within firms. Whether a firm generally has a low retirement age for all its workers may be due to firm factors, but also due to peer effects within the workforce. Age-earnings profiles can help to disentangle firm or individual effects. A steep earnings profile will, on the one hand, induce workers to stay longer in the firm; on the other hand, firms have an incentive to get rid of these expensive older workers as soon as possible. Using a rich Linked Employer-Employee Dataset for the Austrian private sector labor market, we construct several measures for firm-specific age-earnings profiles – getting rid of general industry effects, etc. We estimate the impact of these measures on workers' retirement age and - conditional on a set of pension relevant variables – we interpret the result as a firm-related impact rather than a purely individual decision. Endogeneity issues due to unobserved preferences for retirement and selection into firms are accounted by an instrumental variable approach. IV-results suggest that firms with gradients one standard deviation away from the industry average send their workers up to two years earlier into retirement.

D23

Joint Leisure Before and After Retirement: a double Regression Discontinuity Approach

[Elena Stancanelli](#)¹, Arthur Van Soest²

¹Paris School of Economics, and CNRS, Paris, France, ²Tilburg University, Tilburg and RAND, USA

The economic literature on retirement argues that individuals in a couple tend to retire at a close time because of externalities in leisure. Earlier studies did not investigate the extent to which partners actually spend more leisure time together upon retiring. Exploiting the law on early retirement age in France, we use a regression discontinuity approach to identify the causal effect of retirement on hours of leisure, separate and together, of the man and the woman in a couple. We use a sample of couples drawn from a French Time Use Survey for the analysis. Using four different definitions of joint leisure, we conclude that generally both separate and joint leisure hours of partners increase significantly upon own retirement. In particular, the hours of leisure spent together by the couple increase on average by about an hour and a half per day upon wife's retirement and by less than an hour upon husband's retirement. The positive effect of partners' retirement on joint leisure is close in size to that on separate leisure or house work hours of partners.

D24

How sensitive are individual retirement expectations to raising the retirement age?

Andries De Grip, Didier Fouarge, [Raymond Montizaan](#)

Maastricht University, Maastricht, The Netherlands

This paper investigates the announcement effect of an increase in the statutory pension age on employees' retirement expectations. In June 2010, the Dutch government signed a new pension agreement with the employer and employee organizations that entailed an increase of the statutory pension age from 65 now to 66 in 2020 for all inhabitants who were born after 1954. Given the expected increase of average life expectancy, it was also decided that in 2025 the pension age would be further increased to 67 for those born after 1959. This new pension agreement received a large amount of press attention on the television, the radio and in newspapers. Using representative matched survey and administrative data of public sector employees, we find that the proposed policy reform increased the expected retirement age with 3.6 months for employees born between 1954 and 1959, and 10.8 months for those born after 1959. We observe a clear shift in the retirement peak from age 65 to age 66 and 67 for

the treated cohorts. Men respond less strongly to the policy reform than woman, and within couples, we find no evidence that retirement expectations of one spouse are affected by an increase of the statutory pension age of the other spouse. Furthermore, the magnitude of these responses depends strongly on the education level of employees, and whether their job includes tasks that are highly physically or psychically demanding.

D31

Elite schools and the formation of expectations of returns to education: evidence from Mexico City

Ricardo Estrada, Jérémie Gignoux
Paris School of Economics, Paris, France

This study examines whether, and in what ways, the attendance of elite high schools affect students' expectations of the earnings returns to higher educational attainments. We use panel data for a sample of individuals who attend public senior-secondary schools of Mexico City between 2005 and 2008/9 and exploit the variations in admission to more selective schools generated by a centralized and competitive exam-based allocation process of students into public senior-high schools. We find that admission to an elite high school increases substantially both learning achievements and the earnings and returns expected from a college education. The results are consistent with students valuing the higher cognitive, and possibly non-cognitive, skills that they acquire in those elite schools. At the opposite, we find no higher effects on the expectations of students from more disadvantaged family background, suggesting that an imperfect information channel is not determinant to explain our findings. Also, the lack of evidence of effects of admission to elite high schools on the earnings expected with only a high-school diploma tends to discard that the observed changes in expectations are driven by reputation effects in the labor market (i.e. a signaling). These findings bring evidence that the schooling environment provided by elite institutions can have benefits that extend beyond gains in scholastic achievements.

D32

The Contribution of Community Schooling to Children's Educational Progress: A comparative evaluation of the various activities of Community Schools

Marieke Heers, Joris Ghysels
Maastricht University, Maastricht, The Netherlands

Community schools aim at favouring pupils' educational progress with respect to cognitive and non-cognitive skills. They differ from traditional schools by more intense cooperation with parents and other institutions in their neighbourhood and by offering a variety of extracurricular activities. In the Netherlands, community school activities are subsidized by municipalities. However, empirical evidence on the actual contribution of community schools to pupils' educational progress is lacking. Therefore, in this study we use Mahalanobis matching techniques to evaluate the impact of community schools, their activities and the budget allocated to them on pupils' cognitive and non-cognitive skills. We find that the mere fact of attending a community school in the final year of primary education neither impacts their cognitive nor their non-cognitive learning outcomes. With respect to the activities offered we find mixed results; some activities have no, some positive and some a negative effect on pupils' cognitive and non-cognitive learning outcomes. The increased budget in favour of community schools has a small positive effect on language scores.

D33

Impatience and Academic Performance. Less effort and less ambitious goals

Maria De Paola, Francesca Gioia
University of Calabria, Arcavacata di Rende, (CS), Italy

In a simple theoretical model we show that impatience affects academic performance through two different channels: impatient students spend less effort in studying activities and set less ambitious objectives in terms of grades at exams. As a consequence, the relationship between impatience and academic success may vary according to how performance is measured. Using data from a sample of Italian undergraduate students, we find a strong negative relationship between impatience and both the average grade at exams and the probability of graduating with honours. Conversely, a negative but not statistically significant correlation emerges between time preferences and both the number of credits earned in the three years following enrolment and the probability of timely graduation.

Our findings are robust to alternative measures of impatience and controlling for family background characteristics, for cognitive abilities and for risk preferences.

D34

Has the Housing Boom Decreased School Enrolments in Spain?

Mariña Fernández Salgado

University of Essex, Colchester, UK

This paper evaluates the impact of the housing boom on post-compulsory education enrolments in Spain. Using data from the Spanish Labour Force Survey, I identify the effect of the housing boom on dropouts through the demand for construction workers across Spanish regions. Findings highlight the probability of dropout increases less for children affected by the housing boom than for those non-affected. However, children's responses depend on their gender and parental education. For instance, schooling attainment of children with highly educated parents does not respond to the housing boom, whereas the response of children with low educated parents varies by gender. The probability of dropout increases significantly less for females affected by the housing boom than for those non-affected if their fathers are low skilled, but non-significant effects are observed for males. These results point out two divergent effects of the demand for construction workers and the increase in their wages on the probability of dropout. On the one hand, it decreases males' skill premium leading to a decrease in enrolments. On the other hand, it improves the economic status of low skilled parents and hence, encourages their children's demand for post-compulsory education.

D41

Carrots & Sticks - How Do Labor Market Policy Mixes Affect Job Seekers' Earnings?

Patrick Arni¹, Rafael Lalive², Gerard van den Berg³

¹IZA - Institute for the Study of Labor, Bonn, Germany, ²University of Lausanne, Lausanne, Switzerland, ³University of Mannheim, Mannheim, Germany

Local Public Employment Service (PES) units often fundamentally shape the treatment of individual job seekers by applying specific strategies (mixes) of labor market policies. Interestingly, not much evidence on this issue can be found. This paper empirically assesses the role of PES policies for the job seekers' earnings in the 3.5 years after unemployment entry. We exploit the substantial variation in (the intensity of) policy use between the PES agencies in Switzerland, relying on a vast register data base covering a fourth of the full unemployment inflow from 2000 to 2005. We estimate, in the first step, the PES-specific policies by types ("carrots" and "sticks"). I.e., we propose a method to estimate the (unknown) intended policies using actual treatment realizations. In the second step, we relate these estimated policies to the mid-run earnings outcomes of the individuals. We find that both types of PES policies have significant impact on earnings. Moreover, the interaction (mix) of the two policy types is of importance. It is negative: an intense sanction regime cannot be compensated by intensifying training. It seems advisable to keep either training or sanctions low. These novel results demonstrate the importance to consider interactions of policies in empirical evaluations.

D42

Are the costs from recessions cohort specific?

Jonas Maibom Pedersen, Torben M. Andersen, Michael Svarer, Allan Sørensen

Aarhus University, Aarhus, Denmark, Denmark

Does a deep crisis produce lost generations who through life suffer lower labour market attachment due to having entered the labour market in a deep slump. Based on Danish data we consider cohort specific employment rates, and find no evidence that past crises have resulted in "lost" generations. We do find that younger workers tend to be more exposed to business cycle fluctuations than older workers, but younger cohorts recover more quickly from such setbacks in contrast to older workers where persistence can be quite strong. We document that certain cohorts have experienced significant scars from having been exposed to a sequence of adverse shocks. We also show that an explicit account of overlapping cohorts has important implications for the assessment of overall persistence in the adjustment in labour markets.

D43

“End-of-year” Spending on Training Programs for the Unemployed: Evidence for West Germany

Bernd Fitzenberger, Marina Furdas, Olga Orlanski, Christoph Sajons
University of Freiburg, Freiburg, Germany

This paper examines the effect of budgetary principles on the probability to enter a training program for unemployed individuals. Using administrative data from the German Federal Employment Agency on program participation between 1980 and 1997, we estimate spending gaps for regional unemployment offices in West Germany after the first six months of each budget period, the typical point in time to review the state of affairs before the summer break. We then analyze the effect of these gaps on the probability to participate in a public--sponsored training measure directly after summer vacation, which is the best opportunity for local employment offices to influence their spending for the rest of the year. The results indicate a positive effect of budget surpluses and a negative effect of budget deficits on program participation rates in the second half of the year throughout the period in which local employment offices did not possess budget autonomy, but no significant effect once they obtained more leeway over how to spend their funds.

D44

The Public Sector Wage Gap in Spain: Evidence from Income Tax Data

Laura Hospido^{1,2}, Enrique Moral-Benito¹
¹*Bank of Spain, Madrid, Spain*, ²*IZA, Bonn, Germany*

This paper studies the public sector wage gap by gender and skill level in Spain using recent administrative data from tax records. We estimate wage distributions in the presence of covariates separately for men and women in the public sector and in the private sector. Then, we decompose the public sector wage gap along the wage distribution and isolate the part due to differences in the remunerations of observable characteristics. In line with previous literature we find that the public premium is higher for female and low-skilled workers. We also find that the shape of the distribution of the public wage gap is different among skill groups. Finally, recent cuts in public wages in Spain have affected the public premium quite differently across skill groups: interestingly, while the public wage gap decreased between 2007 and 2010 for low-skilled workers, it even increased in the case of high-skilled workers at the top of the wage distribution.

D51

What Active Labour Market Programmes Work for Immigrants in Europe?

Sebastian Butschek, Thomas Walter
Centre for European Economic Research (ZEW), Mannheim, Germany

In this paper, we provide a quantitative answer to the question what types of active labour market programmes (ALMPs) work for immigrants. From the existing literature, we identify 24 research papers estimating 79 short-run treatment effects of ALMPs on immigrants. We perform a meta-analysis of these findings based on the sign and significance of the estimates. This allows us to present quantitative evidence for the relative effectiveness for immigrants of different types of ALMPs. Our finding that only subsidised private-sector employment can be recommended is relevant to European policymakers allocating scarce resources in the face of high immigrant unemployment.

D52

Local labor market conditions, demographics and employment outcomes of refugee immigrants

Anna Godoe
Ragnar Frisch Centre for Economic Research, Oslo, Norway

This paper estimates how local conditions at the time of immigration influences later outcomes for refugee immigrants to Norway. Using the approach of Åslund and Rooth (2007), I exploit the quasi-experimental nature of the Norwegian system for settlement for "quota" or resettlement refugees. This group is selected and processed for immigration before arrival in Norway, and settled directly in a municipality, making initial location as good as random

conditional on observable characteristics. Both local employment prospects and the demographic composition of the initial region appear to have significant persistent effects on employment up to 10 years later. Being placed in a region with high unemployment and high social assistance rate among immigrants appears to significantly decrease employment. When controlling for the share of western immigrants, which can be interpreted as a proxy for local labor demand, the share of non-western immigrants also negatively influences employment. While the effect of local unemployment appears to be largely driven by a combination of autocorrelation in unemployment and welfare rates and limited geographical mobility, the effect of initial immigrant shares persist even when controlling for later conditions.

D53

The Role of Source- and Host-Country Characteristics in Female Immigrant Labor Supply

Julia Bredtmann^{1,2}, Sebastian Otten^{1,2}

¹Ruhr University Bochum, Bochum, Germany, ²RWI Essen, Essen, Germany

Using data from the European Social Survey 2002-2011 covering immigrants in 26 European countries, this paper analyzes the impact of source- and host-country characteristics on female immigrant labor supply. We find that immigrant women's labor supply in their host country is positively associated with the labor force participation rate in their source country, which serves as a proxy for the country's preferences and beliefs regarding women's roles. The effect of this cultural proxy on the labor supply of immigrant women is robust to controlling for spousal, parental, and a variety of source-country characteristics. This result suggests that the culture and norms of their source country play an important role for immigrant women's labor supply. Moreover, we find evidence for a strong positive correlation between the host-country female labor force participation rate and female immigrant labor supply, suggesting that immigrant women assimilate to the work behavior of natives.

D54

"Welfare magnetism" in the EU-15? - Why the EU enlargement did not start a race to the bottom of welfare states

Christoph Skupnik

Freie Universität Berlin, Berlin, Germany

The introduction of the freedom of movement for workers in the enlarged EU raised concerns about the sustainability of the welfare state in EU-15 member states. According to the "welfare magnet" hypothesis, migrants with a high likelihood to claim benefits cluster in countries with the most generous welfare system. Thus, countries are expected to take measurements to avoid becoming "welfare magnets" and potentially interact in a race to the bottom dynamic. In an analysis of the determinants of migration flows, I estimate the effects of the generosity of the welfare state and the 2+3+2 rule. Using data from the EU-LFS, I find evidence that the social expenditures relative to the GDP level positively affect immigration flows to EU-15 countries, while there is no evidence that the net replacement rate or the net replacement income has a significant effect. Furthermore, the "welfare magnet" effect seems to be, compared to the effects of other determinants, too small in size to directly influence decisions on national welfare spending. Finally, the analysis shows that the application of restrictions on the freedom of movement completely offset the migration incentives of public benefits and thereby eliminates the pressure to modify welfare state institutions.

D61

Gender Role Attitude and Female Labor Force Participation: A case study of İzmir

Deger Eryar¹, Hasan Tekgüç²

¹Izmir University of Economics, Izmir, Turkey, ²Mardin Artuklu University, Mardin, Turkey

The aim of this paper is to explore the significance of gender role attitude among the other socio-economic determinants of female labor force participation rate. This paper employs a recent household labor market survey that was conducted in Izmir during the summer of 2010 covering 9,756 individuals. Our initial findings based on logit estimations indicate that the gender role attitude associated with the job market behavior of the mother is an important determinant of female labor force participation. However, the same effect loses its significance once we control for women's own job experience. This result suggests that although the gender role attitude associated with the job market behavior of the mother can induce women to participate in the labor market initially, the same attitude can change by women's own experience in the job market and affect labor force participation rate adversely.

The results of this paper are also robust when the sample is disaggregated by education in order to account for the difference between less and more educated women in the labor market.

D62

Empowering Women Through Education: Evidence from Sierra Leone

Naci Mocan^{1,2,3}, Colin Cannonier⁴

¹LSU, Baton Rouge, Louisiana, USA, ²NBER, Cambridge, Mass, USA, ³IZA, Bonn, Germany, ⁴Belmont University, Nashville, Tennessee, USA

We use data from Sierra Leone where a substantial education program provided increased access to education for primary-school age children but did not benefit children who were older. We exploit the variation in access to the program generated by date of birth and the variation in resources between various districts of the country. We find that the program has increased educational attainment and that an increase in education has changed women's preferences. An increase in schooling, triggered by the program, had an impact on women's attitudes towards matters that impact women's health and on attitudes regarding violence against women. An increase in education has also reduced the number of desired children by women and increased their propensity to use modern contraception and to be tested for AIDS. While education makes women more intolerant of practices that conflict with their well-being, increased education has no impact on men's attitudes towards women's well-being.

D63

Family Taxation and the Female Labor Supply: Evidence from a Natural Experiment in the Czech Republic

Klara Kaliskova

CERGE-EI, Prague, Czech Republic

Research that focuses on the effect of joint taxation of married couples on work incentives of secondary earners is scarce because of the lack of (recent) policy changes with respect to family taxation. However, a significant number of European countries either have joint taxation in force or have a tax law that provides incentives similar to those of joint taxation. This study extends the existing empirical evidence by estimating the effect of joint taxation on the married women's labor supply using the most recent family taxation reform - the introduction of joint taxation in the Czech Republic in 2005. Using difference-in-differences and triple differences approach with several alternative control groups, this study finds that joint taxation is associated with a decline of 2.3 percentage points in the employment rate of married women with children. The response is the highest among women with small children aged 0-4 years (6.7 percentage points) and decreases with the age of children.

D64

Part-time employment: does it matter in explaining the gender wage gap in Europe?

Eleonora Matteazzi², Ariane Pailhé¹, Anne Solaz¹

¹INED, Paris, France, ²University of Verona, Verona, Italy

This article evaluates the contribution of part-time employment to the gender earnings gap in twelve European countries using EU-SILC 2009 cross-sectional data. The decomposition of the gender wage gap into two components, i.e. the pay differential between men and women employed full-time and between full-time and part-time working women, shows that the high prevalence of part-time employment plays only a minor role in explaining the gender wage gap. The nature of part-time employment and labor market segregation are much more important factors. However, a large share of the gender wage gap still remains unexplained after controlling for a large set of observed characteristics.

D71

Does Mother Know Best? Parental Discrepancies in Assessing Child Functioning

Nabanita Datta Gupta, Mette Lausten, Dario Pozzoli

Aarhus University, Aarhus, Denmark

We investigate the degree of correspondence between parents' reports on child behavioral and educational outcomes using the most recent available wave of a rich Danish longitudinal survey of children (the DALSC). All outcomes are

measured at age 11 when the children are expected to be in fifth grade. Once discrepancies are detected, we analyze whether they are driven by noisy evaluations or by systematic bias, focusing on the role of parental characteristics and response heterogeneity. We then explicitly assess the relative importance of the mother's versus the father's assessments in explaining child academic performance and diagnosed mental health to investigate whether one parent is systematically a better informant of their child's outcomes than the other.

D72

Does Breastfeeding Support At Work Help Mothers And Employers At The Same Time?

Emilia Del Bono², [Chiara Pronzato](#)¹

¹*University of Turin and CCA, Turin, Italy*, ²*ISER University of Essex, Wivenhoe, UK*

This paper asks whether the availability of breastfeeding facilities at the workplace helps to reconcile breastfeeding and work commitments. Using data from the 2005 UK Infant Feeding Survey, we model the joint probability to return to work and breastfeeding and analyse its association with the availability of breastfeeding facilities. Our findings indicate that the availability of breastfeeding facilities is associated with a higher probability of breastfeeding and a higher probability to return to work by 4 and 6 months after the birth of the child. The latter effects are only found for women with higher levels of education.

D73

Long-term Consequences of ADHD Medication Use for Children's Human Capital Development

Søren Dalsgaard², Helena Skyt Nielsen¹, [Marianne Simonsen](#)¹

¹*Aarhus University, Aarhus, Denmark*, ²*University of Southern Denmark, Odense, Denmark*

This paper exploits plausible exogenous assignment of children with ADHD to specialist physicians to investigate the effects of pharmacological treatment of ADHD on children's human capital. The analysis is based on Danish register data for children born in 1990-1999. We find that the behavior of specialist physicians varies considerably across wards and that the prescribing behavior does affect the probability that a given child is treated. Results show that children diagnosed with ADHD on the margin of receiving pharmacological treatment have fewer hospital contacts if treated and that treatment to some extent protects against criminal behavior. We do not, on the other hand, find improvements in terms of the likelihood to complete secondary exam.

D74

Parental time and Child outcomes. Does gender matter?

Daniela Del Boca¹, [Anna Laura Mancini](#)²

¹*University of Torino, Italy*, ²*Bank of Italy, Italy*

In our paper we analyze different specifications of the relationship between parental time and expenditures and child outcomes with particular attention to gender differences. We use PSID-CDS data from 1997 to 2007 and consider separately boys' and girls' test scores in reading and applied problem. Mothers' time is always greater than fathers' time but changes over the life cycle of the children. Our data show that mothers' and fathers' time with children have different patterns. Mothers' time declines with the age of the child and is greater with daughters, while fathers' time tends to increase with age and is greater with sons. Our estimates show that the impacts of mothers' and fathers' time are different for reading and math scores.

D81

Workplace Heterogeneity and the Rise of West German Wage Inequality

David Card², [Joerg Heining](#)¹, Patrick Kline²

¹*Institute for Employment Research (IAB), Nuremberg, Germany*, ²*University of California at Berkeley, Berkeley, CA, USA*

We study the role of establishment-specific wage premiums in generating recent increases in West German wage inequality. Models with additive fixed effects for workers and establishments are fit in four sub-intervals spanning the period from 1985 to 2009. We show that these models provide a good approximation to the wage structure and can explain nearly all of the dramatic rise in West German wage inequality. Our estimates suggest that the increasing

variability of West German wages has arisen from a combination of rising heterogeneity between workers, rising variability in the wage premiums at different establishments, and increasing assortativeness in the assignment of workers to plants. In contrast, the idiosyncratic job-match component of wage variation is small and stable over time. Decomposing changes in mean wages between different education groups, occupations, and industries, we find that increasing plant-level heterogeneity and rising assortativeness in the assignment of workers to establishments explain a large share of the rise in inequality along all three dimensions.

D82

Subsidized Start-Ups out of Unemployment: A Comparison to Regular Business Start-Ups

Steffen Künn¹, Marco Caliendo², Frank Wiessner³, Jens Hogenacker¹

¹IZA, Bonn, Germany, ²University Potsdam, Potsdam, Germany, ³IAB, Nuremberg, Germany

Offering unemployed individuals a subsidy to become self-employed relies on the assumption that start-ups out of unemployment face disadvantages compared to "regular" business founders. The subsidy aims at removing such disadvantages, i.e., compensate the unemployed business founders for disadvantaged starting condition due to their employment status. However, mainly due to data restrictions empirical evidence on the existence of disadvantages for the unemployed compared to "regular" business founders is very scarce. Also little is known about how subsidized businesses out of unemployment perform over time compared to "regularly" founded businesses. This is particularly important with respect to the ongoing critique that unemployed individuals primarily found segregated, low-profit businesses which are growing at low levels. Using a new explorative dataset based on a large-scale telephone survey, we are now able to compare subsidized start-ups out of unemployment with "regular" business founders. Beside cross-sectional information on individual and business-related characteristics, the data also contain longitudinal information on business development. The descriptive analysis shows the existence of initial differences with respect to human capital, motivation, start-up preparation and capital investments. Controlling for observable differences, we further find that 19 months after start-up subsidized start-ups out of unemployment are characterized by higher business survival, however, lower income and less business growth compared to "regular" business founders.

D83

Evaluation of Mobility Assistance in Germany

Marco Caliendo^{1,2}, Steffen Künn¹, Robert Mahlstedt^{1,2}

¹IZA - Institute for the Study of Labor, Bonn, Germany, ²University of Potsdam, Potsdam, Germany

Supporting regional mobility among the unemployed might be an effective instrument to reduce unemployment in depressed regions and eliminate the shortage of labor in prosperity areas. Using German administrative data we investigate the impact of mobility assistance for unemployed individuals on labor market prospects of participants. In fact, we focus on two particular programs, the commuting assistance and the relocation assistance. While the first program subsidizes commuting costs, the other pays a subsidy if the unemployed moves its place of residence in order to find a job. To take into account endogenous selection into treatment we use the treatment intensity for a local employment agency as an instrumental variable to estimate causal treatment effects. We find that relocation assistance leads to shorter unemployment durations, higher wages and more stable jobs, while the effects for commuting assistance are mixed.

D84

Cohort Size Effects on the German Labor Market

Sarah Okeampah^{1,2}

¹Ruhr Graduate School in Economics, Essen, Germany, ²Universität Duisburg-Essen, Essen, Germany

This paper shows that demographic change in Germany causes shifts in the wage and employment structures in favor of young workers. If workers of different age are imperfect substitutes on the labor market, the shifting relative labor supplies due to an aging labor force should impact the relative labor market outcomes. This expectation is tested empirically by estimating the wage and employment effects of relative cohort size by occupation and federal state using instrumental variable and quantile regression techniques. In line with the theory as well as existing evidence for other countries, the results of this paper suggest significantly negative effects of relative cohort size on labor market outcomes. In particular, individuals with a low degree of occupational specialization respond in terms of employment, individuals with a medium degree of specialization respond in terms of wages.

D91

Employment protection and parental child care

Martin Olsson

Research Institute of Industrial Economics, Stockholm, Sweden

I examine if employment protection affects parental childcare. I find that a softer employment protection has a substantial effect on how parents use and divide paid childcare between them. The identification relies on a reform that made it easier for employers in Sweden to dismiss workers in small firms. I estimate that a softer employment protection reduces the total days of parental childcare in targeted firms, measured as total days of parental leave or temporary parental leave. Both a sorting effect and a behavioral effect can explain the reduced childcare. I also find evidence of a redistribution effect of paid parental childcare within households if only one partner was affected by the reform. I interpret the redistribution effect as a way of evading an external cost on the child.

D92

The Effects Of Parental Leave Policies On Child Mortality Outcomes Across Oecd Countries

Oznur Ozdamar

IMT, Institute for Advanced Studies, Lucca, Italy

Although existing single-country studies have theoretically ambiguous results, prior cross country findings on the relationship between parental/maternity leave policies and infant mortality outcomes establish a negative strong correlation without considering some econometric problems such as endogeneity, heteroskedasticity, serial and contemporaneous correlation that might lead to bias in the results. Using data from 21 OECD Countries from 1970-2009, this paper reevaluate this relationship under five different econometric framework which aim to reckon these potential problems. My analyses contribute to our understanding of the relationship between public policy and child development outcomes and helps to explain an astonishing result that public policy often do not create expected improvements in child development. Consistent with existing studies, pooled OLS models show that increasing weeks of paid parental/maternity leave significantly reduce infant mortality rates. Moreover, the solutions found neither to reverse causality nor heteroskedasticity problem remove the existence of this negative relationship. However, once considering other factors such as serial correlation and contemporaneous correlation across countries, this negative statistical association disappears. Whereas, my results support two more basic hypothesis that: a) Women empowerment in education and employment are important determinants of low level infant mortality rates approving the fact that more education helps women make better choices in parenting approaches (e.g. hygiene, nutrition) and greater economic resources into households are vital for the infant survival b) Countries with higher GDP and health spending have powers to lower the infant mortality, but cash benefits provided during the maternity/parental leave period have no effect on the mortality outcomes regardless which econometric framework applied including pooled OLS specification.

D93

Civil Conflict, Gender-Specific Fetal Loss, and Selection: A new test of the Trivers-Willard hypothesis

Christine Valente

University of Bristol, Bristol, UK

This paper analyzes the effect of in utero exposure to civil conflict in Nepal on (i) fetal loss, (ii) gender and (iii) in utero selection on fetal health in a unified setting. Maternal fixed effects estimates show that civil conflict experienced in the first half of pregnancy increases both the probability of spontaneous abortion and the probability that a newborn is female. Conditional on live birth, scarring and selection forces appear to cancel each other out, thus suggesting that the skewing of the sex-ratio follows from both a scarring mechanism and an evolved ability of mothers to manipulate the spontaneous abortion threshold à la Trivers-Willard.

After-School Care and Children's Cognitive and Non-Cognitive Skills

Larissa Zierow¹, Christina Felfe²

¹Ludwig-Maximilians University Munich, Munich, Germany, Germany, ²University of St. Gallen, St Gallen, Switzerland, Switzerland

What is the impact of after-school center-based care on the skill development of primary school aged children? We address this question using data of the German Child Panel which contains rich information on children's cognitive and non-cognitive skills, after-school center-based care attendance and background characteristics. Importantly, we take the issue of selection into after-school center-based care seriously and employ alternative estimation strategies (selection-on-observables, fixed effects, a dynamic approach based on movements into after-school care clubs, and an instrumental variable strategy). Our analysis provides evidence for positive effects of after-school care attendance on children's school grades, emotional stability, behavior, hyperactivity, peer interactions and pro-social behavior.

E11

School starting age and crime

Rasmus Landersø^{1,2}, Helena Skyt Nielsen¹, Marianne Simonsen¹

¹Aarhus University, Aarhus, Denmark, ²Rockwool Foundation Research Unit, Copenhagen, Denmark

This paper investigates the effects of school starting age on crime while relying on variation in school starting age induced by administrative rules; we exploit that Danish children typically start first grade in the calendar year they turn seven, which gives rise to a discontinuity in children's school starting age. Analyses are carried out using register-based Danish data. We find that higher age at school start lowers the propensity to commit crime, but that this reduction is caused by incapacitation while human capital accumulation is unaffected. Importantly, we also find that the individuals who benefit most from being old-for-grade are those with high latent abilities whereas those with low latent ability seem to be unaffected or even worse off by being old-for-grade in school.

E12

Unemployment and Domestic Violence: Theory and Evidence

Dan Anderberg¹, Helmut Rainer², Jonathan Wadsworth¹, Tanya Wilson¹

¹Royal Holloway College, University of London, London, UK, ²Ifo Institute, Munich, Germany

While many commentators perceive unemployment to be a key determinant of domestic violence, the empirical evidence remains limited. We combine individual-level data from the British Crime Survey with local labor market data to estimate the effects of total and gender-specific unemployment rates on domestic violence. The analysis uses the variation in unemployment across areas, gender and age-groups associated with the onset of the latest recession. Our main specification links a woman's risk of being abused to the unemployment rate among females and males in her local area and age group. Our results suggest that male and female unemployment have opposite-signed effects on domestic violence: while female unemployment increases the risk of abuse, unemployment among males has the opposite effect. The result is shown to be robust to the inclusion of a wide set of controls and also remains when we instrument for male and female unemployment using shift-share indices of labor demand. We argue that our findings are consistent with a theory of domestic violence in which (i) marriage provides insurance against employment risk through the pooling of resources, and (ii) a woman does not know the violent predisposition of her partner but infers it from his behavior. When the potentially abusive husband faces a high risk of unemployment, he strategically conceals his type as he has incentive to avoid divorce. However, when the female spouse faces a high risk of unemployment, her expected financial dependency prompts a husband with violent predisposition to reveal his abusive nature.

E13

Reducing binge drinking? The effect of a ban on late-night off-premise alcohol sales on alcohol-related hospital stays

Jan Marcus¹, Thomas Siedler^{1,2}

¹DIW Berlin, Germany, ²University of Hamburg, Germany

Excessive alcohol consumption among the youth is a major public health concern both in Germany and Europe. In March 2010 the German federal state of Baden-Württemberg banned the sale of alcoholic beverages between 10pm and 5am in off-premise outlets (e.g. petrol stations, supermarkets). We use monthly data from the German hospital diagnosis statistics for the years 2006-2010 in order to evaluate the impact of this policy on alcohol-related hospitalizations. Applying a difference-in-difference approach, we find that the policy change reduces alcohol-related hospitalizations among teenagers by about 7-10%.

E21

The reform of the Social Protection System in Spain: How to make work pay for senior employed and unemployed workers

J. Ignacio Garcia Perez¹, Alfonso R. Sanchez Martin¹, Sergi Jimenez Martin²

¹Universidad Pablo de Olavide, Seville, Spain, ²Universitat Pompeu Fabra, Barcelona, Spain

In this paper we explore the possible implications of several parametric reforms of the joint unemployment-pension system in Spain. We propose a dynamic rational expectations model to analyze the search and retirement behavior of both employed and unemployed workers aged 50 years or more. The model is calibrated to reproduce the reemployment and retirement patterns observed in the data. The key findings obtained in our simulated institutional environment are as follows. Firstly, the provision of larger incentives to postpone retirement after 65 (leaving the unemployment rules unchanged) will fail to stimulate labor supply. Individuals will react by increasing voluntary unemployment and non-participation. Secondly, enforcing the obligation of an active search as a condition to get unemployment benefits will reduce non-participation appreciably in the age range between 60/65. It will also succeed in reducing the voluntary use of unemployment by employed workers and hence will reduce the financial cost posed by these workers on the system. Finally, direct wage subsidies to employment, an (arguably) easier to implement reform, also appears to be a success. It substantially reduces retirement by employed workers and considerably increases the search effort of unemployed workers in early ages. However, the cost of this measure is larger than the previous one, leaving the implicit debt of the worker with the social insurance systems (unemployment and pension) unchanged.

E22

Estimation of worker and firm effects with censored data

Yolanda Rebollo-Sanz¹, Ainara Gonzalez-de San Román²

¹Universidad Pablo de Olavide, Seville, Spain, ²Universidad del Pais Vasco, Bilbao, Spain

This paper proposes an iterative algorithm as a new estimation method to solve censoring problems, which is based on a sequence of least squares regressions. It is shown to be easily implementable in complex settings such as censoring models with worker and firm fixed effects. In practice, using this new method can result in significant gains in computing time. In addition, the paper analyses the theoretical properties of the procedure as well as its practical performance by using a Monte Carlo simulation study. The methodological contribution of this paper is to provide researchers with a powerful econometric tool that is able to give an answer even when any other method is silent. Finally, an application for Spanish real data is successfully conducted. In particular, this paper contributes to the empirical literature on wage decomposition by providing the first decomposition of wages for Spain once the censoring problem is overcome and taking into account both firm and individual effects

E23

Wage inequality, business strategy and productivity

Priscila Ferreira, Miguel Portela, João Cerejeira, Sílvia Sousa
University of Minho, Braga, Portugal

Using LEED data, we estimate firm- and worker-effects in wages using AKM type of methods for analysing LEED data. We then select different subgroups of firms, according to ownership and exporting status, and firm-plant structure which are usually associated to different productivity levels and HRM profiles. We identify differences across the subgroups of HRM profiles, both in terms of the observed composition of the workforce (such as share of educated and skilled workers, share of temporary workers, age division of the workforce) and in terms of the estimated unobserved factors. Additionally, we decompose wage inequality by the subgroups of firms. Between group inequality explains a very small fraction of wage inequality. We follow up and analyse the contribution of the estimated effects of observed and unobserved characteristics of workers and firms to within group wage inequality. We conclude that time invariant characteristics of workers are the major source of within subgroups inequality, the second most important factor contributing to wage inequality are differences in compensation policies across firms.

E31

Wish You Were Here? Quasi-Experimental Evidence on the Effect of Education on Attitude Towards Immigrants

Beatrice d'Hombres², Luca Nunziata¹

¹*University of Padua, Padua, Italy*, ²*SIPA, Unit of Econometrics and Applied Statistics, Joint Research Center, European Commission, Ispra, Italy*

We exploit reforms in compulsory education in Europe in the period 1960s-1990s to estimate the causal effect of education on the attitude versus immigration by European citizens, by using data from all waves of the European Social Survey and the corresponding Labour Force Survey waves. Our findings show that education determines a more positive attitude towards migrants and that the role of education is much stronger than what previously found in simple OLS estimates. We further investigate the mechanism behind the effect of education on attitudes by evaluating the effect of education through both economic and non-economic channels. As regards the former, we find that higher education select individuals in occupations and statuses that are less exposed to the negative externalities of migration. As regards the latter, education significantly affects values and the cognitive assessment of the role of immigration in host societies. More specifically, we do not find any effect on altruism and the taste for equality, but we do find a positive effect on tolerance versus diversity.

E32

Pane e Cioccolata: The Effects of Native Attitudes on Return Migration

Max Steinhardt¹, Augustin De Coulon², Dragos Radu¹

¹*HWI, Hamburg, Germany*, ²*King's College, London, UK*

Do anti-immigrant sentiments affect the probability of return migration? The formation of individual attitudes towards migration has been subjected to considerable theoretical and empirical scrutiny in economics. This paper takes a different approach and tries to establish a causal link between native attitudes and migrants intended duration of stay. Our empirical analysis is based on a nationally representative survey of Romanian migrants in Italy. We exploit the regional variation in perceived anti-immigrant sentiments and use a unique shock in public attitudes towards Romanian migrants (following a brutal murder committed by a Romanian immigrant in October 2007 in the Tor di Quinto periphery of Rome) to identify their effect for return plans. We are also able to control for the impact of media consumption, in particular of Mediaset controlled channels (Berlusconi). Our results suggest a significant impact of native attitudes on plans for return migration and for permanent settlement. Savings and remitting behaviour are simultaneously determined with the duration of stay but do not predict the response to shocks in attitudes. The same holds for the work effort exerted by migrants and their performance on the labour market. Potential returnees are randomly selected with regard to most observable characteristics. However, different groups react differently to shocks in attitudes. Previous exposure to expressions of anti-immigrant sentiments (either through direct contact or via media consumption) appears to reduce the impact of shocks in public attitudes on the probability of return.

E33

Immigration and Election Outcomes - Evidence from City Districts in Hamburg

Alkis Henri Otto, Max Friedrich Steinhardt

Hamburg Institute of International Economics (HWWI), Hamburg, Germany

This paper provides new evidence on the effect of immigration on local election outcomes. Our analysis makes use of data on city districts in Hamburg, Germany, during a period of substantial inflows of immigrants and asylum seekers. We find significant and robust effects for changes in foreigner shares on the electoral success of parties that built up a distinctive reputation in immigration politics. In particular, our fixed-effects estimates indicate a positive effect for xenophobic, extreme right-wing parties and an adverse effect for the Green party that actively campaigned for liberal immigration policies and minority rights. Overall, our results support the hypothesis that non-economic determinants and welfare state considerations are important in shaping individual attitudes towards immigration.

E41

University access for socio-economically disadvantaged children: A comparison across English speaking countries

John Jerrim¹, Anna Vignoles¹, Ross Finnie²

¹*Institute of Education, London, UK*, ²*University of Ottawa, Ottawa, Canada*

Educational attainment has risen dramatically across the developed world over the past 15 to 20 years, with particularly strong growth in university participation. Yet despite this rising trend, access to tertiary education remains unequal. Children with well-educated, affluent parents are still over-represented amongst the undergraduate population, particularly within the most prestigious institutions. This has led many countries to consider how their higher education system might be better designed in order to encourage more poor children into university. Different countries have set about this task in different ways, yet there has been little work considering whether certain nations are particularly adept (or particularly poor) at getting disadvantaged groups to study for a bachelor's degree. We attempt to answer this question by estimating a series of university access models across four English speaking countries (England, Canada, Australia and the United States). We not only consider access to any university but also admission to a 'selective' institution. Our results suggest that socio-economic differences in university access are more pronounced in England and Canada than Australia and the United States, and that cross-national variation in the socio-economic gap remains even once we take account of differences in academic achievement at ages 15 and 18. We discuss the implications of our findings for the creation of more socially mobile societies.

E42

The Impact of Education Subsidies on Student Outcomes

Nadine Ketel², Jona Linde¹, Hessel Oosterbeek¹, Bas van der Klaauw²

¹*University of Amsterdam, Amsterdam, The Netherlands*, ²*VU University Amsterdam, Amsterdam, The Netherlands*

Education is heavily subsidized around the world. These subsidies can affect both enrollment (extensive margin) and student effort (intensive margin). In this paper we will address the intensive margin by looking at the impact of education subsidies on student outcomes. We run a field experiment in which we randomly subsidize students who have signed up for extra-curricular tutorial sessions. Treated participants receive an unexpected discount. If paying more increases motivation we should observe that participants who paid more value the tutorial sessions more and/or want to get more out of these sessions.

E43

Does Education Affect Cognitive Abilities?

Daniel Kamhofer, Hendrik Schmitz

University of Duisburg-Essen, Essen, Germany

We analyze the causal effect of education on old-age cognitive abilities using German Socio-Economic Panel (SOEP) data and regional variation in mandatory years of schooling and the supply of schools. Our outcome variable is the score an individual reaches in an ultra-short intelligence test. We explain this score, using instrumented education. Instrumental variable estimation is necessary since on the one hand, schooling is highly affected by cognitive skills

(reverse causality), and, on the other hand, both are influenced by third factors like income and health (possibly omitted variable bias). Using variations in education policy in the German federal states we are able to instrument education for three groups of students which cover all levels of educational achievement. Unlike previous studies this allows us to estimate three different local average treatment effects. The estimated effects range from 14% to 53% of a standard deviation. We find the strongest effect for students with intermediate education.

E51

Immigrants, Housework and Women's choice of Labor and Retirement: Evidence from Italy

Giovanni Peri¹, Agnese Romiti², Mariacristina Rossi³

¹University of California, Davis, USA, ²IAB, Nuremberg, Germany, ³University of Turin, Turin, Italy

In several Southern European Countries women still contribute disproportionalteley to household production. Moreover, because of declining fertility and increasing average age household work is shifting from child care to assistance of elderly parents. During the last two decades the home-production sector, and especially assistance of the elderly, in those countries has employed an increasing share of immigrants. Italy is an outstanding example of this phenomenon. We use a unique database of Italian households that includes information on employment, planned retirement age and family conditions for Italian men and women to identify the effect of availability of foreign workers on labor supply and retirement age of Italian women. Exploiting the pre-determined differences in presence of immigrants, by country of origin, across Italian regions and their recent inflow we find that an exogenous increase in the supply of immigrants in a region of 10% increases the probability that women work by 6%. It also increases their planned retirement age by more than a month, and the probability that women with older and low educated parents work full time by 9%.

E52

Women's labor supply - motherhood and work schedule flexibility

Rebecca Edwards

Yale University, New Haven, CT, USA

This paper analyzes the degree to which flextime reduces fertility-related career interruptions. In particular, I ask whether women with flextime return to work sooner and remain employed when they have young children. I quantify the resulting reduction in the earnings penalty from periods of non-employment due to child-care responsibilities. To answer this question, I develop a structural dynamic discrete choice model for the fertility and labor supply decisions of married and cohabiting women. The model allows flextime to directly affect preferences, the arrival rate of job offers and offered wages. I estimate the model using a sample drawn from the National Longitudinal Survey of Youth 1979. Preliminary estimates reveal a sizeable willingness to pay for flextime in a full-time job of between 11-45% of full-time earnings. A woman values flextime more strongly as her number of children increases or if she has an infant. If flextime were available to all women with infant children, on average fertility would increase by 0.2 children. Full-time work experience would increase by up to one year and as a result, potential wages at age 35 would increase by 1%. Realized earnings between marriage and age 35 would increase by up to 5% and welfare would increase by up to 8%.

E53

One man's blessing, another woman's curse? Family factors and the gender-earnings gap of doctors

Stefanie Schurer³, Daniel Kuehnle¹, Anthony Scott², Terence Cheng²

¹University of Erlangen-Nuremberg, Nuremberg, Germany, ²University of Melbourne, Melbourne, Australia, ³University of Wellington, Wellington, New Zealand

Using data from a new longitudinal survey of doctors from Australia, we test whether observed large gender-pay gaps among general practitioners (GPs) are the result of women's larger willingness to interrupt their careers. On average, female GPs earn A\$83,000 or 54% less than male GPs. The difference between men and women with children is A\$105,000, and A\$45,000 for men and women without children. Of this gap, 66-75% is explained by differences in observable characteristics such as hours worked. The family gap emerges also within the sexes. Female GPs with children experience an earnings penalty of A\$15,000-A\$25,000 in comparison to women without children; almost 100% of this difference is due to observable characteristics such as hours worked and career interruptions. Male GPs

with children experience a family premium of A\$35,000 in comparison to men without children, indicating the presence of a breadwinner effect that exacerbates the gender-earnings gap.

E61

Is the way you live or the job you have? Health effects of lifestyles and working conditions

Elena Cottini¹, Paolo Ghinetti²

¹*Bocconi University, Milan, Italy*, ²*Università Piemonte Orientale, Novara, Italy*

In this paper we use DWECs data from 2000 and 2005 matched with register data for Danish workers to investigate the health effects of the environment in which individuals work - in terms of both physical and psychosocial working conditions - and of their lifestyles. Health is measured with a purely subjective (a dummy for self-assessed health) indicator and two more objective ones (related to mental health specific to work-related problems and physical health). Health production functions and reduced forms for lifestyles and working conditions are estimated using simulated maximum likelihood in a multivariate probit framework. Similarly to the existing literature, we find support to the view that bad lifestyles reduce self-assessed health, but we do not detect any significant effects for our indicators of mental and physical health. Instead, we find that working conditions do play a significant role, reducing health whatever measure we consider.

E62

Education, Occupational Demands and Health – Do Occupational demands Contribute to Explain the Educational Gradient in Health?

Sophie-Charlotte Meyer, Annemarie Künn-Nelen

University of Wuppertal, Wuppertal, NRW, Germany

The aim of the paper is to investigate to what extent occupation-specific demands (physical and psychosocial) explain the relationship between education and health. Merging the German Microcensus 2009 data and a dataset including detailed occupational demands (German Employment Survey 2006), we have a unique dataset to analyze the mediating role of occupational demands in the relation between education and health. We find that physical occupational demands partially mediate the education gradient in health, BMI and especially in smoking status, though only to a slight extent. Psychosocial demands are not significantly related to any of the considered health outcomes and therefore do not explain the relation between education and health.

E63

The Impact of Education and Occupation on Temporary and Permanent Work Incapacity

Nabanita Datta Gupta¹, Daniel Lau², Dario Pozzoli³

¹*Aarhus University, Aarhus, Denmark*, ²*Cornell University, Ithaca, NY, USA*, ³*AKF, Copenhagen, Denmark*

This paper investigates whether education and working in a physically demanding job causally impact temporary work incapacity, i.e. sickness absence, and permanent work incapacity, i.e. the inflow to disability via sickness absence. Our contribution is to allow endogeneity of both education and occupation by estimating a quasi-maximum-likelihood discrete factor model. Data on sickness absence and disability spells for the population of older workers come from the Danish administrative registers for 1998-2002. We generally find an independent role of both education and occupation on temporary work incapacity only. Having at least primary education reduces women's (men's) probability of temporary work incapacity by 16% (38%) while working in a physically demanding job increases it by 37% (26%). On the other hand, conditional on sickness absence, the effects of education and occupation on permanent work incapacity are generally insignificant.

E71

Changing Eating Habits: A Field Experiment in Primary Schools

Michele Belot¹, Jonathan James², Patrick Nolen³

¹*University of Edinburgh, Edinburgh, UK*, ²*University of Bath, Bath, UK*, ³*University of Essex, Colchester, UK*

We conduct a field experiment in 31 primary schools in England to test whether incentives to eat fruit and vegetables help children develop healthier habits. The intervention consists of rewarding children with stickers and little gifts for

a period of four weeks for choosing a portion of fruit and vegetables at lunch. We monitor choices and consumption over the course of the intervention as well as one week before, one week after and six months later. We find that the intervention had positive short run effects, but the effects vary substantially according to age, gender, and reward scheme.

E72

VIDA – Effects on Children of Interventions in Danish Preschools

Bente Jensen², Peter Jensen¹, Astrid Würtz Rasmussen¹

¹Aarhus University, Aarhus, Denmark, ²Aarhus University, Copenhagen, Denmark

This study investigates the effects on children of the VIDA intervention in Danish preschools from 2011 to 2013. The purpose of VIDA is to improve child outcomes, especially for socially disadvantaged children. VIDA is a randomized controlled trial, where some preschool institutions have received extra training of the preschool teachers (VIDA Basis), some have received extra training of preschool teachers along with implementing a programme for the parents (VIDA +), and some institutions have not received any training (control institutions). The first results of a differences-in-differences analysis of the VIDA intervention show positive effects from both VIDA Basis and VIDA + on the children. Child outcomes are measured on five dimensions of the SDQ scale. The results presented here are based on the mid-way collection of data. The final data collection is scheduled for March 2013.

E73

Quasi-Experimental Evaluation of a Student Mentoring Program

Malte Sandner

Leibniz University Hannover, Hannover, Germany

This paper presents evidence from a natural-experiment which evaluates the effectiveness of a student mentoring program. The mentoring includes several compulsory, scheduled, face-to-face appointments between a mentor and a student in the first study year. All mentors are graduated and employed by the institution. For the evaluation, I use the fact that the mentoring is only offered to students in an economics and management program; whereas it is not offered to students in an industrial engineering program. However, students in both programs take the same exams. I find that the mentoring program significantly decreases the failure rates in the first semester exams.

E81

Women's Empowerment and HIV Prevention in Rural Malawi

Berit Gerritzen

University of St. Gallen HSG, St. Gallen, Switzerland

Condom use and communication among sexual partners are important strategies for HIV prevention. Using a panel data set of more than 1,200 married women in rural Malawi from 1998-2008, this paper shows that adequate HIV prevention strategies, i.e. condom use within marriage and HIV-related spousal communication, are more widely used as women's bargaining power increases. I focus on different dimensions of women's empowerment, namely personal and interpersonal empowerment. Among the proxies used for women's empowerment, own income, knowledge of other local languages and awareness of exit options from marriage are found to play a particularly important role in promoting adequate preventive behaviors. The main findings continue to hold after individual-specific fixed effects and time dummies are included in order to account for unobserved heterogeneity and time trends.

E82

Intrahousehold Selection into Migration: Evidence from a Matched Sample of Migrants and Origin Households in Senegal

Isabelle Chort¹, Jean-Noël Senne²

¹PSL, Université Paris-Dauphine, Paris, France, ²Paris School of Economics, Paris, France

Migrant's selection issues are addressed by a great number of articles since the founder paper by Borjas (1987), which applies to international migration the Roy model of self-selection. However, most migration models usually regard location choices as an individual income-maximizing strategy and do not consider the collective dimension of the

decision to migrate. In this paper, we therefore try to fill the gap in the literature between individual selection models and household-based migration decisions. We thus extend the Roy theoretical framework in order to account for household-based migration decisions and derive its implications on migrant selection. Assuming that the household maximizes its earnings including further remittances when choosing the one among its members who is to migrate, migrant selection in this case may differ from what is predicted by an individual decision model. We specifically tackle the so far under-explored issue of intra-household selection into migration and aim at determining which component of the household utility - earnings, remittances or non-monetary factors - mostly drives location choices. We provide empirical evidence from a unique matched sample of 900 Senegalese migrants in three destination countries - France, Italy and Mauritania - and their origin households in Senegal.

E83

NAFTA and the value of Mexico-specific ethnic capital

Tetyana Surovtseva

Universitat Pompeu Fabra, Barcelona, Spain

This paper identifies the effect of a bilateral trade shock on the labor market value of ethnic capital specific to the trade partner. In particular, it looks at the effect of NAFTA on the labor market outcomes of Mexican descendants in the US. I find that the demand for middle and high skilled Mexican descendants increases in the post-NAFTA period as reflected in their wages and employment in the manufacturing sector. This effect mostly comes from industries that increased their trade with Mexico after the implementation of the agreement. The effect is observed especially for management and sales-related occupations, occupations directly involved in information diffusion and transmission, confirming that the observed shifts in demand stem from the changes in the value of ethnicity related information. Relative wages of Mexican descendants employed in trade-related occupations grew substantially faster after the implementation of NAFTA, while the employment remained constant. Descendants from other Latin American countries were not found to be systematically affected by the shock, suggesting that it is inherently Mexico-specific traits that rise in value. The results show that trade effects on wages and employment have an ethnic component. This second-order trade effect positively affects the labor market outcomes of individuals endowed with the relevant kind of ethnic capital employed in industries affected by the trade shock. These results suggest that ethnic capital that immigrants bring with them to the host country becomes productive and valuable when the costs to trade between the source and host country decrease.

E91

Saving and portfolio behavior after retirement

Raun van Ooijen¹, Rob Alessie¹, Adriaan Kalwij²

¹*University of Groningen, Groningen, the Netherlands*, ²*Utrecht University, Utrecht, the Netherlands*

In the paper we analyze saving behavior and portfolio choice after retirement. We address a number of research questions such as: do households have accumulated sufficient private wealth holdings in order to sustain consumption during retirement? Do the elderly draw down their housing equity? If not, how does this affect portfolio holdings when an adverse health shock occurs? How does pension income affect savings and portfolio choice in retirement? Using detailed administrative data from the Netherlands we present evidence to what extent the financial resources of retirees are affected by adverse events, such as the decease of a spouse or deteriorating health. Moreover, we examine to what extent retirees who do not experience any shocks, keep positive wealth at their disposal and are able to sustain their consumption level during retirement.

E92

Occupation, Retirement and Cognitive Functioning

Shinya Kajitani¹, Kei Sakata², Colin McKenzie³

¹*Meisei University, Tokyo, Japan*, ²*Ritsumeikan University, Shiga, Japan*, ³*Keio University, Tokyo, Japan*

The purpose of this paper is to examine the causal impact of the duration of retirement on cognitive functioning of male elderly workers using data from three waves of the National Survey of Japanese Elderly (NSJE). We explore the effects of the longest tenure job (career job) on cognitive functioning. Unlike previous studies, the focus of this paper is on the workers' job requirements rather than industry or occupation. We merge the occupational characteristics in the 3 digit industry code of the Dictionary of Occupational Titles (DOT) with 288 NSJE occupations, and investigate

how occupational task requirements such as physical demands, mathematical development, reasoning development, and language development impact on cognitive functioning after retirement. The two step estimator we use takes account of the potential endogeneity of the duration of retirement, using the age at which individuals are eligible to start receiving pension benefits and whether their career job was self-employment as instruments, and also the left-censoring of the duration of retirement. Our empirical evidence suggest that the requirements in a person's career job have statistically significant impacts on the cognitive functioning after retirement.

E93

Too Old to Work, Too Young to Retire?

Andrea Ichino, Guido Schwerdt, Rudolf Winter-Ebmer, Josef Zweimueller
University of Linz, Linz, Austria

We study if employment prospects of old and young workers differ because of supply or demand factors. Using administrative data for Austria, we focus on workers losing their job due to plant closure, comparing them to counterfactual histories of "similar" workers. Over the long term, old workers do not have worse employment opportunities than young workers, relative to the non-displaced counterfactuals. However, more diversified patterns emerge in the short term. In the first five years after plant closure old displaced workers lose considerably, but they completely regain the lost terrain in the subsequent five years. We interpret these findings using a search model with (early) retirement as an absorbing state. To identify the most likely configuration of parameters we searched for the values that minimize the distance between data points and model predictions. The model does remarkably well in replicating the observed employment patterns. Results suggest that supply more than demand is the relevant driving factor. Old workers do not face a higher probability of layoffs, nor a lower arrival rate of job offers. They instead face a higher probability of a transition to early retirement. Moreover, they search less for new working opportunities, probably because of more attractive early retirement opportunities.

F11

Immigration and Structural Change: Evidence from Post-War Germany

Sebastian Braun¹, Michael Kvasnicka²

¹Kiel Institute for theWorld Economy, Kiel, Germany, ²RWI, Essen, Germany

Does immigration accelerate sectoral change towards high-productivity sectors? This paper uses the mass displacement of ethnic Germans from Eastern Europe to West Germany after World War II as a natural experiment to study this question. A simple two-sector specific factors model, in which moving costs prevent the marginal product of labor to be equalized across sectors, predicts that immigration boosts output per worker by expanding the high-productivity sector, but decreases output per worker within a sector. Using German district-level data from before and after the war, we find empirical support for these predictions.

F12

The Causal Effect of English Deficiency on Female Immigrants' Labour Market Outcomes in the UK

Alfonso Miranda¹, Yu Zhu²

¹CIDE, Mexico City, Mexico, ²University of Kent, Canterbury, UK

Using the first wave of the UK Household Longitudinal Survey, we investigate the extent to which English deficiency as measured by English as Additional Language (EAL), contribute to the immigrant-native wage gap for female employees in the UK, after controlling for age, region of residence, educational attainment and ethnicity. We allow for endogeneity of EAL and correct for bias arising from self-selection into employment using a 3-step estimation procedure. We find very strong evidence of negative selection of EAL into employment. Moreover, we also present evidence of self-selection bias on the wage equation, which if uncorrected, would result in significant underestimation of the causal effect of EAL on the immigrant-native wage gap for women.

F13

Immigrant concentration in schools: Consequences for native and migrant students

Nicole Schneeweis

Johannes Kepler University Linz, 4040 Linz, Austria

In this paper, I study the impact of immigrant concentration in primary schools on educational outcomes of native and migrant students in a major Austrian city between 1980-2001. The outcome measures of interest are track attendance after primary education and grade repetition. Using variation in the fraction of students with migration background of adjacent cohorts within schools and drawing special attention to time trends, the analysis shows that migrant students suffer from school-grades with a higher share of migrant students, while natives are not affected on average. These negative spill-over effects are particularly strong between students from the same area of origin, indicating that peer groups in schools form along ethnic dimensions.

F21

Expansion of Higher Education, Employment and Wages: Evidence from the Russian Transition

Natalia Kyui

Bank of Canada, Ottawa, ON, Canada

This paper analyzes the effects of an educational system expansion on labor market outcomes. It explores the expansion of higher education in the Russian Federation over the past 15 years as a natural experiment. Regional changes in the number of students allowed to be enrolled into universities, as a result of educational reforms, provide an exogenous variation in access to higher education. Using simultaneous equation models, the paper estimates the influence of education on employment and wages for those who successfully took advantage of increases in educational opportunities. The estimation results, which are robust to changes in model specifications, suggest strong positive returns to education in terms of wages and employment. Considering this gradual increase in university access, the paper further estimates heterogeneous returns to education for individuals who were exposed to different degrees of higher education expansion. The results reveal decreasing returns to education for those who, as a result of the reforms, increasingly pursued higher education. Moreover, a non-parametric estimation of the model with essential heterogeneity is undertaken, in order to identify marginal returns to higher education. Returns to education are found to decrease for lower levels of individual unobserved characteristics, which positively influence higher education attainment. Therefore, the paper shows that the expansion of the higher education system significantly increased the wages of those who improved their educational attainment. Nonetheless, this increase was smaller than the returns to education for those who would have pursued higher education anyway.

F22

Educational Diversity and Knowledge Transfers via Inter-Firm Labor Mobility

Marianna Marino¹, Pierpaolo Parrotta², Dario Pozzoli³

¹EPFL, Lausanne, Switzerland, ²UNIL, Lausanne, Switzerland, ³KORA, Copenhagen, Denmark

This article contributes to the literature on knowledge transfer via labor mobility by providing new evidence regarding the role of educational diversity in knowledge transfer. In tracing worker flows between firms in Denmark over the period 1995-2005, we find that knowledge carried by workers who have been previously exposed to educationally diverse workforces significantly increases the productivity of hiring firms. Several robustness checks support this finding and show that insignificant effects are associated with the prior exposure of newly hired employees to either demographic or culturally diverse workplaces.

F23

Human Capital Accumulation within the Post-Conflict Generation in Northern Ireland

Maren M. Michaelsen, Neil T.N. Ferguson

Ruhr University Bochum, Bochum, UK

"The Troubles" in Northern Ireland were a long-term violent conflict of low intensity which lasted for almost 30 years. The scars of the conflict are still visible, but, hitherto, understudied. In this study we investigate the long-run

consequences of conflict on human capital accumulation. Using the spatial distribution of deaths in 582 regions as a measure of conflict intensity, we estimate the impact of conflict intensity on the hazard of exiting education at an early level in a discrete-time duration analysis and competing-risks analysis. Based on individual level data from 2008 to 2010, drawn from the Understanding Society Survey, we find that increasing conflict intensity increases the hazard of exiting the education track early. Further, we find that individuals with high socioeconomic status are more affected by conflict than individuals with low socioeconomic status. We suppose that this is likely a result of intergenerational transmission of mental distress. The findings are worrying and should be addressed in policy decisions on peacemaking and how to distribute scarce resources with the aim to decrease socioeconomic inequality.

F31

Air Pollution and Infant Mortality: Evidence from the Expansion of Natural Gas Infrastructure

Resul Cesur², Erdal Tekin³, Aydogan Ulker¹

¹Deakin University, Melbourne, Australia, ²University of Connecticut, Storrs, CT, USA, ³Georgia State University, Atlanta, GA, USA

One consequence of rapid economic growth in developing countries has been deterioration in environmental conditions and air quality. While air pollution is a serious threat to health in most developing countries, environmental regulations are rare and the determination to address the problem is weak due to ongoing pressures to sustain robust economic growth. Under these constraints, natural gas, as a clean, abundant, and highly-efficient source of energy, has emerged as an increasingly attractive source of fuel, which could address some of these environmental and health challenges faced by these countries without requiring a compromise on their economic development. In this paper, we use the variation across space and time in the expansion of natural gas infrastructure in Turkish provinces using data between 2001 and 2011. Our results indicate that the rate of increase in the use of natural gas has resulted in a significant reduction in the rate of infant mortality in Turkey. In particular, a one-percentage point increase in the rate of subscriptions to natural gas services would cause the infant mortality rate to decline by 4 percent, which could result in 348 infant lives saved in 2011 alone. These results are robust to a large number of specifications. Finally, we utilize supplemental data on total particulate matter and sulfur dioxide to produce direct estimates of the effects of these pollutants on infant mortality using natural gas expansion as an instrument. Our elasticity estimates from the instrumental variable analysis are 1.25 for particulate matter and 0.63 for sulfur dioxide.

F32

Examining the Structure of Spatial Health Effects using Hierarchical Bayes Models

Peter Eibich¹, Nicolas R. Ziebarth²

¹DIW Berlin, Berlin, Germany, ²Cornell University, Ithaca, NY, USA

In this paper we model and estimate the spatial health pattern in Germany. The dataset combines individual panel data from the German Socio-Economic Panel Study (SOEP) with administrative information at the county-level. As dependent variable, we use the generic, quasi-objective and continuous SF12 health measure. Our econometric models combine three different methodological approaches – hierarchical models, spatial econometrics and Bayesian inference. A three-stage hierarchical model is used to estimate the effect of predictors from different hierarchical levels on individual endpoints and account for correlation within counties. Moran's I is used as a measure of spatial dependency between counties. We employ three different definitions of neighborhood in order to explore the structure of the spatial dependence. Furthermore Intrinsic Conditional Autoregressive Models are specified to incorporate the spatial structure into our econometric models. Bayesian methods are used to partly compensate for small sample sizes and the models are estimated by Markov Chain Monte Carlo methods. Our findings reveal highly significant spatial dependencies. The strong and systematic county-level impact is comparable to an age effect on health of up to 31 years. Furthermore, the results show several significant clusters of positive and negative health effects. These clusters are stable across the 2006 to 2010 time period. Even 20 years after the German reunification, we detect a clear spatial East-West health pattern that equals an age impact on health of up to 9 life years.

F33

Migraine Headache and Labor Market Outcomes

Daniel Rees¹, Joseph Sabia²

¹University of Colorado Denver, Denver, CO, USA, ²San Diego State University, San Diego, CA, USA

While migraine headache can be physically debilitating, no study has attempted to estimate its effects on labor market outcomes. Using data drawn from the National Longitudinal Study of Adolescent Health, we estimate the effect of migraine headache on labor force participation, hours worked, and wages. We find that migraine headache is associated with a decrease in wages. However, there is little evidence that migraine headache leads to reductions in labor force participation or hours worked. We conclude that estimates of the cost of migraine headache to society should include its impact on wages.

F41

Gender Differences in Risk Aversion: Do Single-Sex Environments Affect their Development?

Alison Booth², Lina Cardona Sosa¹, Patrick Nolen¹

¹University of Essex, Colchester, UK, ²Australian National University, Canberra, Australia

Single-sex classes within coeducational environments are likely to modify students' risk-taking attitudes in economically important ways. To test this, we designed a controlled experiment using first year college students who made choices over real-stakes lotteries at two distinct dates. Students were randomly assigned to classes of three types: all female, all male, and coeducational. They were not allowed to change group subsequently. We found that women are less likely to make risky choices than men at both dates. However, after eight weeks in a single-sex environment, women were significantly more likely to choose the lottery than their counterparts in coeducational groups. These results are robust to the inclusion of controls for IQ and for personality type, as well as to a number of sensitivity tests. Our findings suggest that observed gender differences in behaviour under uncertainty found in previous studies might partly reflect social learning rather than inherent gender traits.

F42

Do Boys and Girls behave like Men and Women? - Gender Differences in Competitive Performance and Risk-taking between Adults and Children

Jenny S  ve-S  derbergh, Gabriella Sj  gren Lindquist

SOFI, Stockholm, Sweden

Using unique panel data from the Swedish version of the TV-show Jeopardy we are able to compare performance and wagering behavior by children aged 10-11 years and adults facing two identical wagering or risk-taking decisions. The analysis shows that there is no gender difference in risk taking among children, but a gender difference among adults. This could suggest that both males and females change their behavior with age into gender-stereotypical roles with males becoming bolder and females becoming more cautious as adults. Using an exogenous change in the gender of the opponent we find that girls and women's, but not boys or men's, behavior change with social context. This would lend support to the conjecture that gender differences in risk-taking are affected by nurture or environmental factors.

F43

Gender and Competition: Evidence from Jumping Competitions

Mario Lackner, Ren   B  heim

Johannes Kepler University, Linz, Austria

We analyze if female athletes differ from male athletes in their competitive behavior, using data from high jump and pole vault competitions. We estimate if female athletes use risky strategies as often as male athletes and whether or not their returns to risky strategies differ. Returns to risky strategies are identified via an instrumental variable approach where we use other athletes' declarations as instruments for individual risk taking. We find that women use risky strategies less often than men, although their returns are significantly greater than men's. We also find that women's returns to risky strategies do not differ between relatively low and relatively high risk situations, whereas

male athletes' returns decrease in the level of risk. Our results show considerable differences between male and female professional athletes which are likely to be a lower bound of overall gender differences in risk-taking behavior.

F51

Do they find you on Facebook? The impact of revealed personality traits by CV and Facebook pictures on hiring decisions

Stijn Baert¹, Bart Cockx^{1,2,3,4}, Lynn Decuypere¹

¹Ghent University, Ghent, Belgium, ²Université Catholique de Louvain, Louvain-la-neuve, Belgium, ³IZA, Bonn, Germany,

⁴CESifo, Munich, Germany

We test directly employers' behaviour concerning their use of social network sites when making hiring decisions. To this end we conduct a correspondence study in Flanders. We find weak evidence for employers taking the revealed personality traits by Facebook profile pictures into account when making hiring decisions. Fictitious individuals with a profile picture revealing low scores on the Big Five Personality Dimensions and on attractiveness have to send out 4% (7%) more applications than the individual with moderate (high) scores in order to get invited for a job interview.

F52

Keeping up with the Joneses: Income Comparisons and Labour Supply

Laszlo Goerke¹, Markus Pannenberg²

¹IAAEU - University of Trier, Trier, Germany, ²University of Applied Sciences Bielefeld, Bielefeld, Germany

We investigate whether working time is related to the intensity of income comparisons and relative income. Our simple theoretical model demonstrates that the effects of relative income concerns depend on whether an individual can choose contractual working hours and/or overtime. In the empirical analysis we rely on novel data from the German Socio-Economic Panel (SOEP), which contains direct information on comparison intensity and perceived relative income with respect to predetermined reference groups. In line with our theoretical model we find that overtime rises with the intensity with which respondents compare their income to that of other individuals of the same occupation and that overtime declines with perceived relative income. This is consistent with 'Keeping up with the Joneses' preferences.

F53

Non-Standard Work: Alternative Pathways to Employment?

Wen-Hao Chen, Michael Forster, Ana Llena-Nozal

OECD, Paris, France

The past decades have witnessed a rapid growth in non-standard forms of employment via part-time work, fixed-term contracts, temporary-agency work and self-employment in many countries. While some regarded this movement toward more flexible labour markets as a catalyst for overall employment and income growth, others were more critical and often equated non-standard work with precarious work. This paper examines the labour market prospects for non-standard workers in OECD countries. Apart from detailed statistical portraits of non-standard work by person and job characteristics, this paper uses longitudinal data to examine three specific questions: (1) are non-standard jobs a pathway into regular employment? (2) is there a wage penalty associated with non-standard work? and (3) how much upward earnings mobility do the non-standard workers have? The results from a transition model show that a stepping-stone effect is found in many countries, but only for some types of non-standard jobs, in particular temporary contracts. At the same time, there are wage penalties associated with temporary employment once observed and unobserved characteristics are controlled for, and they tend to be larger for women than for men. Part-time work, on the other hand, is often associated with a wage premium. Moreover, earnings of temporary workers are highly volatile, reflecting greater earnings instability. In most cases upward earnings mobility for temporary workers typically requires a move to standard work. A few noticeable exceptions include some southern European countries and Poland where higher upward mobility is also observed for temporary workers with no change in contract type.

F61

Flexible Working and Couples' Coordination of Time Schedules

Mark Bryan¹, Almudena Sevilla Sanz²

¹University of Essex, Colchester, UK, ²Queen Mary, University of London, London, UK

This paper uses previously unexploited data on time scheduling in the household and employment contexts to investigate the effect of flexible working on couples' coordination of their time schedules in the UK for the first time. This question is of paramount importance to policymakers considering the effects of extensions to flexible working, yet the economics literature provides relatively little theoretical and empirical evidence on it. We find that when the woman in the couple has the freedom to choose daily work times subject to a weekly total number of hours (flexitime) there is greater spouse synchronization in working times. The effect is driven by couples with dependent children, who arguably value synchronization most. In contrast, when the man in the couple has flexitime at work it does not change the amount of spouse synchronization. Considering a broader measure of flexibility, control over working hours, we find that synchronous time is also greater when the man has working hours control. A third type of flexibility at work, annualised hours, does not seem to help spouses in synchronizing their daily time together.

F62

Gender differences in competitiveness: Evidence from enrollment reforms

Arnt Ove Hopland, Ole Nyhus

Norwegian University of Science and Technology, Trondheim, Norway

This paper utilizes upper secondary enrollment reforms in two Norwegian counties and survey data on student motivation to study if increased competition has adverse consequences for intrinsic student motivation and, in particular, if there are gender differences in competitiveness. The reforms introduced high stake competition for students in lower secondary education. Using a difference in differences approach we find that whereas the motivation of boys seems to be fairly unaffected by the reform, there are clearly adverse consequences from the reform on the motivation for girls.

F63

Social Prestige and the Gender Wage Gap

Kristin J. Kleinjans¹, Karl Fritjof Krassel³, Anthony Dukes²

¹California State University, Fullerton, Fullerton, CA, USA, ²University of Southern California, Los Angeles, CA, USA,

³KORA and Aarhus University, Denmark

Despite women's increased educational attainment, occupational segregation by gender remains widespread and explains a significant part of the gender wage gap. We examine the explanation that heterogeneity in preferences for wages and social prestige leads to gender differences in occupational choices. Women express a stronger preference than men for occupations that are more valuable to society, which we hypothesize leads women to place a relatively greater weight than men on the social prestige of their occupation. Using a unique data set from Denmark, we find support for this hypothesis. Gender differences are most pronounced among individuals from lower socioeconomic backgrounds.

F71

Heterogeneity in union status and employee well-being: some new evidence from linked employer-employee data

Getinet Haile^{1,4}, Alex Bryson^{2,5}, Michael White³

¹Nottingham University Business School, Nottingham, UK, ²National Institute for Economic and Social Research, London, UK, ³Policy Studies Institute, London, UK, ⁴IZA, Bonn, Germany, ⁵CEP, LSE, London, UK

This paper examines if workplace and co-worker union status affect employee wellbeing. It departs from the standard approach in the literature by employing an innovative approach, which focuses principally on non-union employees. It uses two different measures of wellbeing, offering a richer framework than has been used in much of the literature. Using linked employer-employee data confined to the private sector and employing alternative econometric estimators, the paper finds that being in a union workplace and having union co-workers affect the job satisfaction of

non-union employees negatively, lending some support to the sorting hypothesis. No such a link is found with respect to affective wellbeing outcomes on the other hand.

F72

Sunk Capital, Unions and the Hold-Up Problem: Theory and Evidence from Sectoral Data

Gabriele Cardullo², Maurizio Conti², Giovanni Sulis¹

¹*University of Cagliari, Cagliari, Sardinia, Italy,* ²*University of Genova, Genova, Liguria, Italy*

In this paper we test for the hold-up problem by considering the effect of unions' bargaining power on the rate of growth of investment per worker and labour productivity across sectors characterised by different levels of sunk capital investments. We develop a search and matching model with heterogeneous sectors and ex-post collective wage bargaining and test the predictions of the model using a difference-in-difference approach on manufacturing sector data in a set of OECD countries during the period 1980-2005. We find that union power slows down investment and labour productivity particularly in high sunk capital industries. We refine our empirical analysis showing that the underlying hold-up problem is exacerbated when strikes are not regulated after a collective contract is signed and there is no arbitration, while the concentration of unions and the presence of social pacts sustain cooperative equilibria and alleviate such a problem. Our results are robust to a series of controls and possible endogeneity of union power.

F73

The Evaluation of Start-Up Subsidies for the Unemployed and the Role of “Unobserved” Characteristics

Marco Caliendo^{1,2,3,4}, Steffen Künn², Martin Weißenberger¹

¹*University of Potsdam, Potsdam, Germany,* ²*IZA, Bonn, Germany,* ³*DIW, Berlin, Germany,* ⁴*IAB, Nürnberg, Germany*

Start-up subsidies for the unemployed have become an important part of Active Labor Market Policy (ALMP) in many countries. Previous evaluation results show pre-dominantly (very) positive results indicating that these programs are an efficient way to increase employment probabilities and income of participants. Most of the studies are using matching estimators based on the conditional independence assumption (CIA) to estimate these effects and are prone to bias if there are unobserved factors affecting the selection process into the programs. From the entrepreneurship literature we know that “entrepreneurs are different”, e.g., with respect to personality traits, non-cognitive skills and risk preferences. Since most of the previous evaluation studies are based on administrative data, information on such variables is not available. This raises the question whether the effects are potentially over-estimated. We have access to data which allow us to model the selection process with and without usually unobserved personality characteristics. We show that openness to new experiences and internal/external locus of control have a significant influence on selection into treatment (and labor market outcomes). Our empirical findings also indicate that neglecting personality traits in the program evaluation leads to slight over-estimation of the average treatment effects on the treated which still remain positive and significant even after controlling for relevant personality traits.

F81

Effect of Past Coworkers on Job Search: Evidence from Austria

Andrea Weber, Perihan O. Saygin, Michele A. Weynandt

University of Mannheim, Mannheim, Germany

This paper evaluates the strength of information flow from employed past coworkers on the re-employment duration of displaced workers due to plant closures in Austria. Using the Austrian Social Security Database (a matched employer-employee database) we exploit the panel structure of 36 years of data to construct the network of past coworkers. The paper also evaluates the subsequent match quality based on re-entry wages and re-entry tenure. We find that a 10 percentage point increase in the network employment rate leads to a 3.2 percent increase in the exit hazard from unemployment, to a 0.5 EUR increase in the daily re-entry wages and a 0.4 percentage point increase in the probability to have tenure of at least a year. Additionally we find a significant difference between males and females.

F82

Search Frictions and Preferences for a Partner: An Empirical Analysis Using College Application Data

Maria Knoth Humlum

Aarhus University, Aarhus, Denmark

I explore the role of search frictions and preferences for a partner's education in generating marital sorting on education. Using unique Danish administrative data sets that include information on all college applications in the period 1996-2006, I can compare individuals with similar preferences, but different educational realizations, using a regression discontinuity design. I show that the admission system affects partnership formation, but not the propensity of educational homogamy. This is consistent with a combination of search frictions and partner preferences generating matching outcomes. In addition, the results suggest that individuals' preferences for partners' education are horizontal, i.e. individuals prefer partners with an education similar to their own.

F83

Economics of Information: Job Information Centers and Labor Market Outcomes

Nils Saniter^{1,2,3}, Thomas Siedler^{1,4}

¹DIW Berlin, Berlin, Germany, ²IZA, Bonn, Germany, ³Free University, Berlin, Germany, ⁴University of Hamburg, Hamburg, Germany

This study investigates the causal link between individuals' occupational knowledge and their long-term labor market outcomes. We proxy occupational knowledge with mandatory visits of job information centers (JICs) in Germany while being in school. Exogenous variation in the location and timing of JIC openings makes identification possible in a difference-in-difference setup. Combining data from the German Socio-Economic Panel Study (SOEP) with data on JICs allows us to detect whether an individual benefited from the information service during youth. The results suggest that individuals, who went to school in counties with a JIC, have a higher wage income than pupils who did not have access to these facilities. Moreover, they have more full-time working experience, less unemployment experience, and are less likely to change occupations later in life. The findings hint at the importance of policies that promote occupational knowledge among young adults.

F91

Does electrification affect fertility? Evidence from Indonesia

Michael Grimm¹, Robert Sparrow², Luca Tasciotti³

¹University of Passau, Passau, Germany, ²Australian National University, Canberra, Australia, ³Erasmus University Rotterdam, Rotterdam, The Netherlands

We empirically analyse various pathways linking electricity and fertility in Indonesia. We use a unique district-panel data set covering 17 years of economic growth and crisis. We control for district-fixed effects and a large number of time-varying district specific variables. The reduced form estimates suggest that the electrification of a district reduces fertility on average by 14 percent or 0.27 living births per woman. The two most important channels seem to relate to increased exposure to TV and reduced child mortality. Using in addition several waves of Demographic and Health Surveys we show that increased exposure to TV affects fertility preferences and increases the effective use of contraception. Overall the results suggest that the expansion of the electricity grid contributes substantially to the fertility decline. In a context in which family planning policy still plays an important role and in which the societal objective is to further reduce the birth rate, these benefits need to be taken into account when costs of electricity roll out are compared to its benefits.

F92

Income Shocks, Contraceptive Use, and Timing of Fertility

Shamma Alam², Claus Portner¹

¹Seattle University, Seattle, WA, USA, ²University of Washington, Seattle, WA, USA

This paper examines the relationship between household income shocks and fertility decisions. Using panel data from Tanzania, we estimate the impact of agricultural shocks on contraception use, pregnancy, and the likelihood of

childbirth. To account for unobservable household characteristics that potentially affect both shocks and fertility decisions we employ a fixed effects model. Households significantly increase their contraception use in response to income shocks from crop loss. This comes from an increased use of both traditional contraceptive methods and modern contraceptives. The poorer the household the stronger the effect of income shock on contraceptive use is. Furthermore, pregnancies and childbirth are significantly delayed for households experiencing a crop shock. For both pregnancy and childbirth the likelihood of delay as a result of shocks increases the poorer the household. We argue that these changes in behavior are the result of deliberate decisions of the households rather than income shocks' effects on other factors that influence fertility, such as women's health status, the absence or migration of spouse, and dissolution of partnerships.

F93

Fecundity, Fertility and Family Reconstitution Data: The Child Quantity-Quality Trade-Off Revisited

Marc Klemp¹, Jacob Weisdorf²

¹*University of Copenhagen, Copenhagen, Denmark*, ²*University of Southern Denmark, Odense, Denmark*

Growth theorists have recently argued that western nations grew rich by parents substituting child quantity (number of births) for child quality (education). Using family reconstitution data from historical England, we explore the causal link between family size and human capital of offspring measured by their literacy status and professional skills. We use a proxy of marital fecundity to instrument family size, finding that children of couples of low fecundity (and hence small families) were more likely to become literate and employed in a skilled profession than those born to couples of high fecundity (and hence large families). Robust to a variety of specifications, our findings are unusually supportive of the notion of a child quantity-quality trade-off, suggesting this could well have played a key role for the wealth of nations.

G11

Learning-by-Doing in a High-Skill Profession when Stakes are High: Evidence from Advanced Cancer Surgery

Daniel Avdic¹, Petter Lundborg², Johan Vikström¹

¹*IFAU, Uppsala, Sweden*, ²*Lund University, Lund, Sweden*

Learning-by-doing is believed to an important source of productivity growth but there is limited evidence that production increases improves productivity in a causal sense. We document evidence of learning-by-doing in a high-skill activity where stakes are high; advanced cancer surgery. For this purpose, we introduce a novel instrument that exploits changes in the number of public hospitals across time and space that have given rise to dramatic and exogenous changes in the volume of cancer surgeries performed at hospitals in Sweden. Using detailed register data on more than 100,000 episodes of advanced cancer surgery, our results suggest rapid, large, and positive effects of surgery volume on survival. In addition, we provide evidence on the mechanisms through which these improvements occur. We also show that our results are not driven by changes in the patient population or by other changes at the hospital level.

G12

Long-Run Returns to Investments in Infant Health: Evidence from Denmark's Home Visiting Program

Jonas Hjort², Mikkel Sølvsten³, Miriam Wüst^{1,4}

¹*SFI, Copenhagen, Denmark*, ²*Columbia Business School, NYC, USA*, ³*UC Berkeley, Berkeley, USA*, ⁴*AU RECEIV, Aarhus, Denmark*

Increasing evidence suggests that health shocks to infants may have dramatic consequences for long-run health and human capital. In this paper we present the first causal evidence on the benefits in adulthood of a universal policy aimed at improving the health of all infants. We use outcome data on the population of Denmark from administrative registers and exploit variation in the timing of municipalities' implementation of the 1937 home visiting program to identify its long-run effects. We show that individuals exposed to the program in infancy are less likely to die in middle age (between 45 and 57), less likely to be diagnosed with cardiovascular disease, and obtain more education. Future work will also consider long-run effects on labor market outcomes.

G13

The causal effect of education on health: Evidence on several health behaviors and outcomes

Michela Braga², Massimiliano Bratti¹

¹*Università degli Studi di Milano, Milan, Italy,* ²*Bocconi University, Milan, Italy*

This paper investigates the returns of education in terms of individuals' health outcomes, health-damaging and health-improving behaviors, and preventive care. We exploit a reform which raised compulsory schooling by three years in Italy to identify the causal effect of lower secondary education, and unlike most previous papers in the literature we analyze a wide range of health indicators. Our analysis shows that the rise in schooling induced by the reform reduced BMI and the incidence of obesity across Italian women, rose men's likelihood of doing regular physical activity and cholesterol and glycemia checks. No effect is found instead on preventive care and health-improving behavior for women, and on smoking prevalence and intensity for both genders. We discuss some potential reasons for the gender differences in the results.

G21

Team Formation and Matching with Communication and Cognitive Skills

Aloysius Siow, Xianwen Shi, Ronald Wolthoff

University of Toronto, Toronto, Canada

We present an elementary model of the education and labor markets where individuals have heterogeneous communication and cognitive skills. Firms differ in their size, quality and quantity of their output. They are organized as hierarchical teams where one team member is the manager and the rest of the team are workers. Managers and workers match by cognitive skills. Conditional on initial cognitive ability, managers and teachers have stronger communications skills and more schooling than workers. There are high wage firms and low wage firms. The wage distribution is right skewed. Equilibrium is equivalent to the solution of an utilitarian social planner solving a linear programming problem.

G22

Statistical Discrimination, Employer Learning, and Employment Differentials by Race, Gender, and Education

Seik Kim

University of Washington, Seattle, WA, USA

Previous papers on testing for statistical discrimination and employer learning require variables that employers do not observe directly, but are observed by researchers or data on employer-provided performance measures. This paper develops a test that does not rely on these specific variables. The proposed test can be performed with individual-level cross-section data on employment status, experience, and some variables on which discrimination is based, such as race, gender, and education. Evidence from analysis using the March Current Population Survey for 1977-2010 supports statistical discrimination and employer learning. The empirical findings are not explained by alternative hypotheses, such as human capital theory, search and matching models, and the theory of taste-based discrimination.

G23

Fertility Effects on Labor Supply: IV Evidence from IVF Treatments

Erik Plug¹, Petter Lundborg², Astrid Würtz Rasmussen³

¹*University of Amsterdam, Amsterdam, the Netherlands,* ²*Lund University, Sweden,* ³*Aarhus University, Aarhus, Denmark*

In this paper we introduce a new IV strategy based on IVF induced fertility variation in infertile families to estimate the causal effect of children on their parents' labor supply using the census of IVF treated women (and spouses) in Denmark. Because the observed chances of IVF success do not depend on the labor market histories of women before they enter the IVF treatment, IVF treatment success provides a plausible instrument for childbearing among childless women. IV estimates show that women work significantly less, but only during the first two years of the child's life. IV estimates show no effect of children on the mother's labor supply in the long run.

G31

Gender Differences in German Wage Mobility

Bodo Aretz^{1,2}

¹Centre for European Economic Research (ZEW), Mannheim, Germany, ²Institute for the Study of Labor (IZA), Bonn, Germany

This paper analyzes the evolution of wage inequality and wage mobility separately for men and women in West and East Germany over the last four decades. Using a large administrative data set which covers the years 1975 to 2008, I find that wage inequality increased and wage mobility decreased for male and female workers in East and West Germany. Women faced a higher level of wage inequality and a lower level of wage mobility than men in both parts of the country throughout the entire observation period. The mobility decline was sharper in East Germany so that the level of wage mobility has fallen below that of West Germany over time. Looking at long-term wage mobility, a slowly closing gap between men and women is observed.

G32

Employment, partnership and childbearing decisions of German women and men: A Simultaneous hazards approach

Markus Niedergesäss

University of Tübingen, Tübingen, Germany

This paper investigates the interrelated dynamics of employment, cohabitation and fertility for German women and men. Using a simultaneous hazards approach due to Lillard (1993), I estimate a five-equation model with unobserved heterogeneity. One of the contributions of this paper is to include the current employment and nonemployment hazard rates and the union formation and union dissolution hazard rates as regressors. My results suggest that being employed or nonemployed only has small effects on other transitions, but that employed women with a high hazard of becoming nonemployed are less likely to have children, while nonemployed men having a low hazard of finding a job are more likely to have children. Children reduce the hazard of taking up a job for women and reduce the hazard of becoming nonemployed for women and men. Children also increase the stability of unions. Having a partner strongly increases the likelihood for having children. Interestingly, unions with a high risk of splitting up are more likely to have children. Economically, this can be interpreted as an attempt to invest in partner-specific capital in order to reduce the likelihood of splitting up.

G33

Social Identity and Competitive Behaviour: Experimental evidence from East and West Germany

Miriam Beblo¹, Denis Beninger¹, Norma Schmitt², Melanie Schröder²

¹Hamburg Universität, Hamburg, Germany, ²European University Viadrina, Frankfurt (Oder), Germany

We investigate the impact of gender identity on competitive and risk-taking behaviour of women and men in Germany. In a choice experiment, we compare the decision behaviour between individuals whose gender identities have been made salient through priming techniques and a control group of untreated individuals. All participants make choices for a set of 23 binary options of payment schemes for a maze task. This way, they reveal their preferences toward the option attributes (i.e. performance, competitiveness, risk premium, and task difficulty). We conduct an online experiment with a non-standard subject pool of 883 participants recruited through random sampling. The stratification procedure is based on sex, family status and region to allow equally-sized treatment and control groups of men and women, singles and cohabiters, in East and West-Germany. In a pre-experimental questionnaire, we asked additionally for social values toward gender attributes in job and general risk attitudes. First results suggest that women are less risk friendly than men, except when competing against their own gender. Under priming, women choose the risky performance pay option even less often, while the impact on male decisions is small. Men's competitive behaviour is negatively affected by priming, while the effect on women is ambiguous. Overall, singles and East-German participants are more risk averse than those living with a partner or in West-Germany, respectively.

G41

Does Longer Compulsory Education Equalize Educational Attainment By Gender, Ethnicity, And Socioeconomic Background?

Murat Kirdar¹, Meltem Dayioglu¹, Ismet Koc²

¹Middle East Technical University, Ankara, Turkey, ²Hacettepe University, Ankara, Turkey

This study examines the effects of the extension of compulsory schooling from 5 to 8 years in Turkey—which substantially increased the grade completion rates not only during the new compulsory years but also during the high school years—on the equality of educational outcomes among various subpopulations. While longer compulsory schooling decreases the educational gap for most subgroups—in particular, the gender gap in rural areas, the ethnic gap among men in both urban and rural areas, and the ethnic gap among women in urban areas; at the same time, it increases the gender gap in urban areas as well as the ethnic gap among women in rural areas. For instance, the gap in the 8th grade completion rate between ethnic Turkish and Kurdish women in rural areas increases from 22.5 to 44.6 percentage points for the 1989 birth cohort. These findings suggest that the differences among subpopulations in the change in schooling costs (both monetary and psychic) during the new compulsory schooling years, in the costs of non-compliance with the policy, in labor force participation, and in the drop-out behavior in earlier grades are the key underlying factors.

G42

Are 12 Years of Schooling Sufficient for Preparation for Tertiary Education - Evidence from the Reform of Secondary School Duration in Germany

Tobias Meyer^{1,2}, Stephan L. Thomsen^{1,2}

¹Niedersaechsisches Institut fuer Wirtschaftsforschung (NIW), Hannover, Germany, ²Leibniz Universität Hannover, Hannover, Germany

Until recently, Germany had had a longstanding tradition of 13 years of schooling in preparation for university. During the last decade, however, most states abolished the 13th year, while leaving the curriculum unchanged. This paper investigates, whether and how this one-year reduction of school duration affects participation in and success of post-secondary education. The implementation of the reform in 2003 in the state of Saxony-Anhalt provides a natural experiment for identification. Using data from the double cohort of graduates, we find that females affected by the reform are more likely to start vocational education before attending university, whereas affected males have a higher probability of university enrollment. When enrolled in university education, females with only 12 years of schooling have more difficulties, especially orientational and learning problems. For male students we do not find negative effects, but rather that learning academic contents is easier for them.

G43

Do international cognitive tests guide or misguide educational policy?

Dinand Webbink, Sander Gerritsen

Erasmus University, Rotterdam, The Netherlands

International cognitive tests, such as PISA, TIMSS or PIRLS, are increasingly used for designing educational policies. This study investigates to which extent a countries' ranking in these tests reflects the quality of the education system. We estimate the effect of one year of school time on the performance in international cognitive tests and define this 'value-added' estimate as the quality of the education system. For the estimation we apply a regression discontinuity frame work that exploits the assignment of students to different grades based on school entry rules. We find no association between the (officially published) level of test scores and the value added estimates. At all levels of test scores we observe high performing and low performing education systems. As such, a countries' ranking in international cognitive tests might misguide educational policy.

G51

Assignment Mechanism, Selection Criteria, and the Effectiveness of Further Training

Annabelle Doerr^{1,2}, Anthony Strittmatter¹

¹Albert-Ludwigs-University, Freiburg, Germany, ²Institute of Employment Research, Nuremberg, Germany

This study analyzes the effectiveness of further training for unemployed under two different regulatory regimes, which are featured by different assignment mechanisms and selection criteria. The change in the provision of public sponsored further training resulted from Germany's largest labor market reform since World War II. In the pre-reform period, unemployed were directly assigned to specific training providers and courses. Under the new regime a voucher system is implemented. Further, new selection criteria should guarantee that only individuals with high employment probabilities participate in further training. We use decomposition methods in order to assess the influence of the assignment mechanisms and selection criteria on the overall return to training under both regimes. Our findings suggest that the introduction of the voucher system has a small positive effect on the return to training. The positive selection of participants has a strong negative influence on the return to training. Accordingly, training would be most effective under a regime using training vouchers and the old selection criteria.

G52

The Training Investment of Firms and Post-Training Wages of Former Apprentices

Hans Dietrich², Harald Pfeifer¹, Felix Wenzelmann¹

¹Federal Institute for Vocational Education and Training (BIBB), Bonn, Germany, ²Institute for Employment Research (IAB), Nuremberg, Germany

In this paper, we examine the impact of firm's training investment on the post-training wage of its apprentice. For our analysis, we match firm-level survey data with individual-level administrative data on employment and wages of former apprentices. Controlling for selection into training and into employment, we find that a higher training investment impacts positively on the apprentice's post-training wage. The effect, however, is moderate. Doubling training investments leads to a wage mark-up of about 2.5%. We further find that work experience acquired during an apprenticeship has a positive effect on post-training wages. So does the amount of time spent with learning and practicing. Performing unskilled tasks during the training period yields no significant wage effects.

G53

The effect of labor market regulations on training behavior and quality: the German labor market reform as a natural experiment

Felix Wenzelmann², Stefan Wolter¹, Anika Jansen², Mirjam Strupler Leiser¹

¹University of Bern, Bern, Switzerland, ²Federal Institute of Vocational Education and Training, Bonn, Germany

Labor market frictions are seen in many extensions of the classical human capital theory as a prerequisite for firms financing general training. The labor market reforms in Germany at the beginning of the millennium have therefore been seen by many as a danger to the firms' willingness to support the apprenticeship training system. This paper analyzes the training strategies German firms deployed to cope with the greater labor market flexibility as a result of the labor market reform. Switzerland where no reforms had taken place serves as the counterfactual. The results show that firms successfully reduced the net-costs of training by involving apprentices in more work and reducing non-productive tasks, like practicing. Contrary to the widespread fear, this adapted training strategy resulted also in a substantial increase in work-related competencies and productivity of apprentices.

G61

Under heavy pressure: intense monitoring and accumulation of sanctions for young welfare recipients in Germany

Gerard van den Berg¹, Arne Uhlendorff¹, Joachim Wolff²

¹University of Mannheim, Mannheim, Germany, ²IAB, Nuremberg, Germany

With the introduction of a new welfare benefit system in 2005, Germany implemented quite strict benefit sanctions for welfare recipients aged younger than 25 years. For all types of non-compliance except for missing appointments, their basic cash benefit is withdrawn for three months. We analyze the impact of the particularly strong sanctions on

transitions of young unemployed welfare recipients into work and out of the labor force. Our data is drawn from administrative records and based on a large inflow sample of young male job-seekers into welfare in West Germany. We estimate the sanction effects with duration models that take selection on unobservables into account. Our results suggest that sanctions increase the probability of finding a job, but that these jobs go along with lower earnings. Moreover, sanctions significantly increase the transition rate out of the sample.

G62

Estimating The Income Loss Of Disabled Individuals: The Case Of Spain

María Cervini-Plá, José I. Silva, Judit Vall-Castelló

Departament d'Economia. Universitat de Girona, Girona, Spain

In this paper, we present both a theoretical and an empirical model in order to identify the effects of disability on wages. In the theoretical model we assume that the wage gap of a disabled worker depends on a permanent and a transitory productivity gap and the model predicts that the wage gap will be lower after gaining some work experience in the new job. We test this theoretical hypothesis using an exogenous disability shock and matching methods associated with treatment effect techniques for policy evaluation. In all our specifications, we find that the reduction of the wage for the disabled is between 293 and 342 euros per month expressed in constant terms at 2010 prices (21-24% of the average wage of disabled workers) but this reduction is more than offset when we take into account both the disability benefits and the wage. As predicted in the theoretical model, we observe that the pay gap between the disabled and the non-disabled individuals falls over time once the transitory drop in productivity disappears. However, we observe a constant wage gap that remains over time and that corresponds to the permanent fall in productivity predicted by the theoretical model.

G63

Cities and Wages: Measuring the Urban Wage Premium in Norway

Aline Butikofer¹, Darina Polovkova¹, Kjell G. Salvanes^{1,2,3,4}

¹NHH, Bergen, Norway, ²CEE, London, UK, ³CESifo, Munich, Germany, ⁴IZA, Bonn, Germany

Workers earn higher wages in densely populated areas. This urban wage premium could result because cities make workers more productive, or it could be caused by non-random selection of workers into cities based on their ability and their endogenous history of career choices. To disentangle these issues, this paper uses several different identification strategies: first, we exploit the time and space variation in subsidies supporting the agriculture in rural areas, to instrument the out-migration from rural areas. Second, we compare the outcome of the twins where one sibling moved to the city and one stayed in the rural area. We use annual population data from Norway from the mid-60s until today which allow us to trace individual's mobility and earnings. When controlling for selection into cities, we find that the urban wage premium is about 13 percent. As this is substantially smaller than the raw difference between workers in rural and in urban areas, our findings indicate that the urban wage premium is not only caused by the fact that workers with more favorable characteristics choose to live in cities, cities also make workers more productive. Moreover, we use local price levels to infer whether workers value a city's amenities more or less than rural amenities.

G71

Coordination in Public Good Provision: How Individual Volunteering is Impacted by the Volunteering of Others

Theodoros Diasakos², Florence Neymotin¹

¹Nova Southeastern University, Huizenga School of Business and Entrepreneurship, Davie, FL, USA, ²Collegio Carlo Alberto, Moncalieri (TO), Italy

In this analysis, we examine the relationship between an individual's decision to volunteer and the average level of volunteering in the community where the individual resides. Our theoretical model is based on a coordination game, in which volunteering by others is informative regarding the benefit from volunteering. We demonstrate that the interaction between this information and one's private information makes it more likely that he or she will volunteer, given a higher level of contributions by his or her peers. We complement this theoretical work with an empirical analysis where we additionally use an innovative instrumental variables strategy to account for reflection bias and endogeneity caused by selective sorting by individuals into neighborhoods, which allows us to argue for a causal

interpretation. The empirical results in the baseline, as well as all robustness analyses, verify the main result of our theoretical model, with a more general structure to strengthen results.

G72

How Credit Affects Revealed Risk Preferences: Evidence from Home Equity Loans and Voluntary Unemployment Insurance

Kristoffer Markwardt¹, Alessandro Martinello², László Sándor³

¹*SFI - The Danish National Center for Social Research, Copenhagen, Denmark*, ²*University of Copenhagen, Copenhagen, Denmark*, ³*Harvard University, Cambridge, USA*

How do people prepare for future risks? Theory predicts that insurance and a buffer stock of savings are substitutes. But do revealed risk preferences change when people unexpectedly get access to extra liquidity without getting any wealthier? We exploit that the sudden introduction of home equity loans in Denmark let those with equity in their homes dip into it if needed; and give evidence from registries on the universe of the Danish population that they were less likely to sign up for unemployment insurance afterwards.

G73

Overconfidence, Omens and Emotions: Results from a Field Experiment

Maria De Paola, Francesca Gioia, Vincenzo Scoppa
University of Calabria, Cosenza, Italy

We analyze how overconfidence is affected by superstitious beliefs and emotions induced by positive and negative stimuli in a field experiment involving about 700 Italian students who were randomly assigned to a numbered seat in their written examination sessions. According to widespread superstitions, some numbers are considered lucky, while others are considered unlucky. At the end of the examination, we asked students the grade they expected to get. We find that students tend to be systematically overconfident and that overconfidence is positively affected by being assigned to a lucky number. Interestingly, males and females react differently: on the one hand, females tend to expect lower grades when assigned to unlucky numbers, while they are not affected by being assigned to lucky numbers. On the other hand, males are not affected by being assigned to unlucky numbers but expect higher grades when assigned to lucky numbers.

G81

The Risk and Return of Human Capital Investments

Kristian Koerselman^{1,3}, Roope Uusitalo²

¹*Åbo Akademi University, Turku, Finland*, ²*University of Helsinki, Helsinki, Finland*, ³*Stockholm University, Stockholm, Sweden*

Human capital investments have high returns, but are potentially risky. Since the pay-off period of human capital investments is very long, the relevant measure of risk is the variability of lifetime earnings. In this paper we use panel data spanning 22 years to estimate the mean, variance and skew of present value of lifetime earnings by education. These can then be used to calculate certainty equivalent lifetime incomes as well as risk-adjusted rates of return. We find that for men, university education is associated with a discounted lifetime income of about a million euros more than vocational high school. Accounting for risk does little to change this picture. By contrast, vocational high school is associated with only moderately higher lifetime incomes compared to compulsory education, and the entire difference is due to differential nonemployment.

G82

Tertiary Education, Skill Premium and Residual Wage Dispersion: Evidence for West Germany

Bethlehem Argaw, Michael Maier, Friedhelm Pfeiffer
Centre for European Economic Research, Mannheim, Baden Württemberg, Germany

In West Germany, the share of tertiary educated workers has increased from 12 to 24 percent between 1984 and 2010. During the same time, the difference in average years of education between tertiary and non-tertiary qualified workers decreased from seven to less than six years. Based on samples drawn from the German Socio Economic Panel

(SOEP), we explicitly consider effects of years of schooling and educational degrees to analyze the implications of these changes on the development of the skill premium as well as the permanent and transitory component of wage dispersion. Our findings show that the degree matters more when investigating the wage level or the wage dispersion. The skill premium exhibits an U-shape pattern. Permanent and transitory wage dispersion are always higher among tertiary educated workers. Applying Oaxaca-Blinder-type decomposition methods, we find that price effects are more important when evaluating changes in skill premium or changes in the wage dispersion gap between tertiary and non-tertiary educated workers.

G83

The impact of local labour market conditions on school leaving decisions

Alberto Tumino, Mark Taylor
University of Essex, Colchester, UK

We use data from the British Household Panel Survey and Labour Force Survey to examine the relationship between the demand for post compulsory education and prevailing labour market conditions in Britain. Our analysis explicitly incorporates credit constraints by allowing effects to differ between young people whose families are home owners and those whose families are not home owners. We find that youth unemployment reduces school dropout rates at age 16 among potentially constrained individuals, while adult unemployment increases their probability of leaving school. Therefore credit constrained youths, who are on average less likely to access further education, are also those more sensitive to the impact of prevailing labour market conditions on the opportunity cost of schooling and on the expected returns to education. This suggests that policies aimed at helping the economy recover from recession should further seek to increase the net gains from education for young people, particularly among those facing liquidity constraints.

H11

Does Schooling Improve Cognitive Functioning at Older Ages?

Nicole Schneeweis¹, Vegard Skirbekk², Rudolf Winter-Ebmer^{1,3,4,5}
¹*Johannes Kepler University Linz, Linz, Austria*, ²*International Institute for Applied Systems Analysis, Laxenburg, Austria*,
³*Institut für Höhere Studien, Vienna, Austria*, ⁴*Institute for the Study of Labor, Bonn, Germany*, ⁵*Centre for Economic Policy Research, London, UK*

We study the relationship between education and cognitive functioning at older ages by exploiting compulsory schooling reforms, implemented in six European countries during the 1950s and 1960s. Using data of individuals aged 50+ from the Survey of Health, Aging and Retirement in Europe (SHARE), we assess the causal effect of education on old-age memory, fluency, numeracy, orientation and dementia. We find a positive impact of schooling on memory. One year of education increases the delayed memory score by about 0.3, which amounts to 16% of the standard deviation. Furthermore, for women, we find that more education reduces the risk of dementia.

H12

Identifying the Causal Effects of School Size on Students' Outcomes

Nina Smith^{1,2}, Maria Humlum¹
¹*Aarhus University, Aarhus, Denmark*, ²*IZA, Bonn, Germany*

We estimate the effect of school size on students' later outcomes such as high school completion and being out of the labor market. To identify the causal effect of school size, we use the natural population variation in the residential school district to instrument for actual school size. We use data on the entire population of Danish children attending grade 9 in the period 1986--2004. We find a positive relationship between school size and the probability of high school completion. We explore the robustness of this result to alternative estimation strategies such as fixed effects and instrumental variables.

H13

Adult Education Participation and Outcomes: Evidence from Australia

Domenico Tabasso, Michael Coelli

University of Melbourne, Melbourne, VIC, Australia

We investigate the labour market determinants and outcomes of adult participation in formal education in Australia, a country with relatively high levels of adult education. We use longitudinal data from the Household, Income and Labour Dynamics in Australia (HILDA) Survey in the investigation. The effects of adult education differ by gender and education level undertaken. Wage rates only increase for males undertaking university studies. For men, vocational education and training (VET) studies lead to higher levels of job satisfaction and to a reduction in the number of weekly hours of work. For women, VET studies are linked to higher levels of satisfaction with employment opportunities. Furthermore, by enrolling in VET, previously non-employed women can increase their probability of finding a job by around 31 percentage points.

H21

An Experiment on the Influence of Stereotypes on Economic Decision-Making

Norma Schmitt

European University Viadrina, Frankfurt (Oder), Germany

Although recent economics studies have found significant gender differences in preferences for competition, research on which role stereotypes play in determining women's disliking of competitive environments is rather scarce. This paper reports on an economic experiment that examines people's decision-making by means of priming a stereotypical association between participant's sex and the performance of solving analytical tasks prior to deciding on a compensation scheme. The compensation scheme depends either on the basis of absolute or relative performance in solving maze tasks. While the task implies no gender differences in performance in our control group, in the case of assigning a positively associated prime to women, we find a troubling discrepancy between their higher willingness to compete and their low performance.

H22

Domestic Services and Female Earnings: Panel Microdata Evidence from a Reform

Anders Stenberg, Karin Halldén

Stockholm University, Stockholm, Sweden

There is little empirical evidence of the more precise quantitative relation between housework and female earnings. Following a reform in Sweden in 2007, tax discounts reduced the price for domestic services by 50 percent. We use population register data 2000-2010 to analyze the link between changes in households' registered tax discounts 2007-2010 and annual earnings. Our estimates indicate a non-linear and non-monotonic relation. In households outsourcing between 40 and 100 hours of domestic work per year, there are positive effects of 4-7 percent on female earnings, but estimates tend to decrease if purchases exceed 100 hours per year. These results hold for new applicants across years, with insignificant "placebo" estimates confirming that they do not reflect earnings trends.

H23

Does Custody Law Affect Family Behavior In and Out of Marriage?

René Böheim¹, Marco Francesconi², Martin Halla¹

¹*Johannes Kepler University Linz, Linz, Austria*, ²*University of Essex, Colchester, UK*

We examine the effect of joint custody on marriage, divorce, fertility, and female employment in Austria using individual-level administrative data, covering the entire population. We also use unique data obtained from court records to analyze the effect on post-divorce outcomes. Our estimates show that joint custody significantly reduces divorce and female employment rates, significantly increases marriage and marital birth rates, and leads to a substantial increase in the total money transfer received by mothers after divorce. We interpret these results as evidence against Becker-Coase bargains and in support of a mechanism driven by a resource redistribution that favors men giving them greater incentives to invest in marriage specific capital.

H31

The wage and employment effects of minimum wages when space matters

Philipp vom Berge², Hanna Frings¹, Alfredo Paloyo¹

¹*Rheinisch-Westfälisches Institut für Wirtschaftsforschung (RWI), Essen, Germany*, ²*Institut für Arbeitsmarkt- und Berufsforschung (IAB), Nürnberg, Germany*

We estimate the effects on wage and employment growth of the introduction and subsequent increases of the minimum wage in the main construction industry of Germany. Using a regional dataset constructed from individual employment histories, we exploit the spatial dimension and border discontinuities of the regional data to account for spillovers between districts and unobserved heterogeneity at the local level. The results indicate that the minimum wage increased the wage growth rate for East Germany but did not have a significant impact on the same outcome for West Germany. The estimated effect on employment growth revealed a contraction in the East but no significant change was observed for the West. This is in contrast to previous studies that disregard the influence of space. We therefore conclude that accounting for the spatial dimension of geographically linked markets is necessary to obtain credible results.

H32

Labor Supply Substitution and the Ripple Effect of Minimum Wages

Brian Phelan

DePaul University, Chicago, IL, USA

This paper explores the potential causes of spillovers in the wage distribution that occur when the minimum wage increases. This empirical phenomenon, known as the "ripple effect" of minimum wage laws, is typically explained in terms of demand substitution: where the rising minimum increases the demand for more-skilled workers who become relatively inexpensive compared to less-skilled workers. This increase in demand for higher skilled labor causes wages above the new minimum to rise as well. In this paper, I show that workers will also respond to changes in the minimum wage by re-optimizing their labor supply since an increase in the minimum leads to lower compensating wage differentials. As compensating wage differentials fall, some workers will optimally move to more desirable yet lower paying jobs. This decline in labor supply at hedonically less desirable (and hence, higher paying) jobs also leads to a ripple effect in wages above the new minimum. These two causes are not mutually exclusive and thus, it is not obvious which effect dominates and is most responsible for the ripple effect. Empirically, I combine labor market data on individuals from the 2004 Survey of Income Program Participation with occupation-level hedonic characteristics data from the O*NET and provide evidence that the ripple effect is largely due to labor supply substitution and not labor demand substitution as previously believed.

H33

Retirement decisions in the presence of technological change: a theoretical and an empirical approach

Pierre-Jean Messe¹, Eva Moreno-Galbís², Francois-Charles Wolff³

¹*University of Maine, France*, ²*University of Angers, France*, ³*University of Nantes, France*

The paper underlines the major role of productivity as a determinant of the worker's retirement expectations. Using an overlapping generation framework, we analyze the retirement decision of a cohort of workers being ability heterogeneous. The labor market is endogenously segmented between worker's having the required ability level to occupy jobs where the productivity is indexed to the technological state (complex jobs) and the rest of workers who are employed in positions whose productivity will be relatively deteriorated in case of technological change (simple jobs). If the technological frontier shifts up, workers in complex positions delay their retirement rate, whereas workers in simple positions will not modify their retirement decision unless taxes change. These findings are confirmed by our empirical approach, where we find that, after a technological change, workers who benefit from a skill upgrading training program have a higher expected retirement age.

H41

Unintended Consequences of Pension Reforms on Inter-Generational Fertility

Michele De Nadai¹, Erich Battistin¹, Mario Padula²

¹*University of Padova, Padova, Italy*, ²*University Ca' Foscari of Venice, Venice, Italy*

This paper investigates the role of childcare provided by grandparents for fertility and labor supply decisions of their offspring. We exploit a decade of pension reforms in Italy that, by raising the retirement age, have mandated grandparents to longer working horizons than they would have had otherwise. We argue that the rise in retirement age has meant a negative shock to the supply of informal child care provided to the next generation. We document substantial negative effects on the age at first child for married couples whose parents were the most affected by the reforms, and we show that the postponement in fertility decisions roughly matches the shift observed for retirement age. Despite the large effects on fertility, we don't find any effect on the labor supply of women.

H42

"Sex is a gift from God": for whom? Evidence from the Manila contraceptive ban.

Christelle Dumas^{1,2}, Arnaud Lefranc²

¹*BETA, Nancy, France*, ²*THEMA, Cergy-Pontoise, France*

We analyze the tradeoff between child quantity and quality in developing countries by estimating the effect of family size on child's education in urban Philippines. To isolate exogenous changes in family size, we exploit a policy shock that occurred in the late 1990s when the mayor of Manila enacted a municipal ban on modern contraceptives. Since other comparable cities in the Manila metropolitan area were not affected by the ban, this allows us to implement a difference-in-difference estimation of the effect of family size. Our analysis relies on census and survey data and focuses on two dimensions: the effect of the ban on fertility and family size and the effect of family size on the probability for a child be held back in school. Our results indicate that the contraceptive ban led to a significant increase in family size, which had a sizable, negative impact on child education.

H43

Intergenerational Transmissions and Sibling Correlations in Extreme Right-Wing Party Affinity and Attitudes towards Immigration

Alexandra Avdeenko¹, Thomas Siedler^{1,2}

¹*DIW Berlin, Germany*, ²*University of Hamburg, Germany*

Preferences, and in particular political preferences, are influenced by a complex interplay of incentives and processes of socialization. This study analyzes the importance of the family and parental socialization for the development of children's attitudes towards extreme right-wing parties and immigration. Using rich longitudinal data from the German Socio-Economic Panel, the intergenerational estimates suggest that the strongest and most important predictor for young people's right-wing extremism are parents' right-wing extremist attitudes. While intergenerational associations for attitudes towards immigration are equally high for sons and daughters, we find considerable gender differences in the intergenerational transmission of right-wing extremist party affinity. Compared to the intergenerational transmission of other parties, the high association between sons' and fathers' right-wing extremist attitudes is particularly striking. Sibling correlations in political preferences also point to the importance of the family for children's political socialization.

H51

Useful Beautiful Minds – An Analysis of the Relationship Between Schizophrenia and Employment

Jane Greve, Louise Herrup Nielsen

Rockwool Foundation Research Unit, Copenhagen, Denmark

This paper examines the relationship between schizophrenia and employment. While most other studies have used cross-sectional data to estimate this relationship, we use longitudinal register data and show the development in the

employment rate of people with schizophrenia 15 years before the first admission to a psychiatric hospital until 10 years after this admission. We find a considerable drop in the employment rate for people with schizophrenia six years before the first hospitalization, and the employment rate stabilizes at 18% after the first admission. As family and neighborhood environment can be important factors in the development of mental illnesses and labor market outcomes, we use sibling fixed effects to estimate the relationship between schizophrenia and employment. The difference in the employment rate in 2007 for the siblings with and without schizophrenia is estimated at 68.3 %. This difference is reduced to 55.5% when we include control variables such as marital status, educational achievement and work experience but remain unchanged when we apply a sibling fixed effect approach that controls for the unobserved family specific characteristics that the siblings share.

H52

State Abortion Context and Women's Contraceptive Intensity in the United States, 1995–2008

Maria Stanfors¹, Jo Jacobs²

¹*Lund University, Lund, Sweden*, ²*University of Toronto, Toronto, Ontario, Canada*

While a large number of studies have studied determinants of women's contraceptive use, the impact of state abortion context on contraceptive choices has been overlooked. Yet abortion and its associated costs become very relevant in the case of contraceptive failure. In this paper we explore the association between expected abortion costs and a woman's choice of contraception with respect to intensity in the United States. By using economic models of contraceptive choice and by using multinomial logit regressions, we determine the relative risk of using hormonal and other contraceptive methods versus no method for women exposed to varying levels of restrictive abortion contexts. We use the 1995 and 2008 cycles of the National Survey of Family Growth (NSFG). Our empirical strategy exploits state-level differences in women's access to abortion. Contrary to previous analyses, we identify the within-state behavioral response to restricted abortion access using a difference-in-differences approach. We find that there is a positive and significant association between using hormonal contraceptives and living in a state where abortion access is restricted. These findings confirm that a restrictive abortion context is associated with the use of more effective contraceptives among women in the United States and that women are forward-looking in their choice of contraception. Our results are stable over time and robust to the addition of state fixed effects.

H53

The Consequences of Measurement Error when Estimating the Impact of BMI on Labour Market Outcomes

Donal O'Neill, Olive Sweetman

NUI Maynooth, Maynooth, Ireland

This paper examines the consequences of using self-reported measures of Body Mass Index (BMI) when estimating the effect of BMI on economic outcomes. We illustrate our findings using data from a sample of Irish mothers, as well as data from a nationally representative sample of white females in the US. Our findings are consistent across both data sources. We find that self-reported BMI is subject to significant measurement error and that this error deviates from classical measurement error in two important and distinct ways. Firstly the errors exhibit a pronounced negative correlation with the true measure of BMI; secondly self-reported BMI contains information about outcomes even after conditioning on true BMI. In both data sets these errors cause the traditional least squares estimator to overestimate the relationship between BMI and labour market outcomes. Furthermore we show that neither the conditional expectation estimator nor the instrumental variables approach adequately address the bias and also suggest alternative approaches that could be considered when undertaking these analysis.

H61

Don't worry, be flexible? Job satisfaction among flexible workers

Elke Jahn

IAB, Nuremberg, Germany

This paper investigates whether workers in flexible employment relationships show lower job satisfaction than workers with permanent job contracts. Our results show that looking only at the formal job security provided by the contract may lead to misleading conclusions about job satisfaction. We find, using longitudinal data for Germany, that it is not the formal job security provided by the contractual agreement but rather the perceived job security that

matters for job satisfaction. Moreover, our results indicate that workers value job characteristics in similar ways across fundamentally different types of job contracts.

H62

Labour Market Insecurity and Second Job-Holding in Europe

Alexandros Zangelidis

University of Aberdeen, Aberdeen, Scotland, UK

The recent trends reveal an increase of job insecurity across Europe, with more short-term jobs available in the labour market than in earlier periods, and lengthier spells of joblessness. This paper explores whether second job-holding can be viewed as a hedging strategy against the increased income and employment uncertainty, as perceived by the workers from both their own employment arrangements and the overall labour market conditions. The results, using the EU-LFS, provide supporting evidence, suggesting that both the incidence and intensity of dual job-holding increases as labour markets become more volatile and precarious jobs more prevalent.

H63

How much mobility is there between temporary and permanent employment? Comparing survey and register data

Dimitris Pavlopoulos¹, Jeroen K. Vermunt²

¹VU University Amsterdam, Amsterdam, the Netherlands, ²Tilburg University, Tilburg, the Netherlands

The issue of temporary employment is receiving increased attention in the economic and political debate. So far, mobility from temporary to permanent employment has been typically measured with the use of longitudinal survey data. However, these data contain measurement error that can considerably overestimate transitions to permanent employment. The aim of our study was to estimate the effect of measurement error on the transition probabilities from temporary to permanent employment. For this purpose, we match information obtained by the longitudinal part of the Dutch Labour Force Survey with unique register data from the Dutch Institute for Employee Insurance. Contrary to previous approaches confronting such datasets, we take into account that also register data are not error-free and that measurement error in these data is likely to be correlated over time. More specifically, we propose the estimation of the measurement error in these two sources using an extended hidden Markov model with two observed indicators for the type of contract. Our results indicate that none of the two sources should be considered as error-free. For the register data, we find that measurement errors are strongly autocorrelated, as errors, if made, tend to repeat themselves. In contrast, when the register is correct, the probability of an error at the next time period is almost zero. Finally, we find that temporary contracts are much more widespread and year-to-year transition rates between temporary to permanent contracts are less common in the Dutch labour market than the Labour Force Survey suggests.

H71

The Relationship between the Short-Time Compensation Scheme and Redundancies in France: An Empirical Analysis between 1996 and 2004

Oana Calavrezo¹, Richard Duhautois², Emmanuelle Walkowiak^{2,3}

¹DARES, Paris, France, ²CEE, Paris, France, ³CER, London, UK

The short-time compensation (STC) program aims at avoiding layoffs in case of short-term downturns. This paper investigates the relationship between the short-time compensation recourse and establishments' redundancy behaviour over the period 1997-2004. We merge five administrative databases and obtain an unbalanced panel that includes more than 36,000 establishments with at least 50 employees and 170,000 observations. We test panel data models with sample selection, endogenous explanatory variables and unobserved heterogeneity developed by Semykina and Wooldridge (2010). We show that the participation in the STC program and redundancies are complementary in France.

H72

The Long-term Effects of the 1995 Hanshin–Awaji Earthquake on Wage Distribution

Fumio Ohtake², Naoko Okuyama², Masaru Sasaki², Kengo Yasui¹

¹*Ritumeikan University, Shiga, Japan*, ²*Osaka University, Osaka, Japan*

The objectives of this paper are to explore how the wage distribution in Japan has shifted over the past 17 years since the 1995 Hanshin–Awaji Earthquake, and to identify who incurred the largest wage loss: low-wage workers, middle-wage workers, or high-wage workers. To do so, we employ three decomposition methods developed by (i) Oaxaca (1973) and Blinder (1973), (ii) DiNardo, Fortin, and Lemieux (1996) (hereafter DFL), and (iii) Machado and Mata (2005) and Melly (2006). Our findings are as follows. First, the Oaxaca and Blinder decomposition analysis shows that the negative impact of the earthquake is still affecting the mean wages of male workers. Second, the DFL decomposition analysis shows that middle-wage workers would have earned more had the 1995 Hanshin–Awaji Earthquake not occurred. Finally, the Machado–Mata–Melly decomposition analysis shows that the earthquake had a large adverse impact on the wages of middle-wage workers, and that their wages have not yet recovered to pre-earthquake levels. This result is similar to that from the DFL decomposition analysis. In the case of female workers, the negative impact of the earthquake on wages still existed for high-wage females as at March 2012 when the survey was conducted.

H73

Firm downsizing, public policy, and the age structure of employment adjustments

Sebastian Buhai¹, Hans-Martin von Gaudecker²

¹*Aarhus University, Aarhus, Denmark*, ²*University of Bonn, Bonn, Germany*

This paper studies the structure of workforce adjustments when firms facing adverse demand conditions are offered public financial incentives for downsizing. In particular, we are interested in how the age composition of employee outflows is shaped by corresponding age-dependent institutional arrangements. Our simple labour demand framework, with stochastic product demand and firing costs heterogenous in workers' early retirement eligibility, has as core prediction that distressed firms will dismiss with predilection those employees eligible to retire early. We test the model's implications on the entire set of mass layoff events in larger Danish private firms over 1980–2001, period covering several reforms to the early pension system. Our empirical conclusion is that firms behave as predicted by our model with regards to their lower-educated workforce, but not towards their higher-educated employees. We suggest that an extension of our firm-level model to narrow within-firm employee categories with potentially asymmetric turnover responses to firm-level demand shocks can rationalize this finding.

H81

Wage growth through job hopping in China

Kenn Arigga¹, Fumio Ohtake², Masaru Sasaki³, Zheren Wu⁴

¹*Kyoto University, KIER, Kyoto, Kyoto, Japan*, ²*Osaka University, ISER, Suita, Osaka, Japan*, ³*Osaka University, Toyonaka, Osaka, Japan*, ⁴*Kinki University, Higashi-Osaka, Osaka, Japan*

This paper uses a unique survey of the Chinese youth to construct a panel data in which we keep track of geographical and job mobilities. Our estimation results deliver the following major findings. (1) The sample individuals are highly mobile. Job quits and relocations are frequent and they are closely correlated. We find the job hopping to be highly productive as our estimates indicate each job quit generates more than .2 log increase in monthly wage. (2) The migrant disadvantage in urban labor market is compensated by their higher job mobility. After four jobs, the expected earnings differentials essentially disappear. We also find that migration and job mobility are highly selective processes. Our evidence indicates that the migrants are positively selected. (3) Job and location mobilities are highly dependent upon family back ground and personal traits which we interpret as representing unobservable characteristics associated with risk taking, active and optimistic personality, as well as the implied economic incentives to migrate and keep searching for better jobs.

H82

How Do Firms Respond to the Increase in the Cost of Sickness Absence? Evidence From a Natural Experiment

Filip Pertold, Niels Westergaard-Nielsen
Aarhus University, Aarhus, Denmark

We evaluate the effect of reform that increased costs of sickness absence for firms. We use identification strategies for different adjustment margins based on the policy reform in Denmark in 2004. Our main finding is that the firm incentives matter for the sickness absence of workers. We find two adjustment margins as important. Firms substantially decreased the sickness absence of their employees who stay employed in the firm before and after the reform. The second important margin is firms' exit from the insurance scheme. On the other hand, we do not find any supporting evidence for dismissing of workers, even for those with highest sickness absence.

H83

Unemployment insurance and distance to retirement: a natural experiment in France

Delphine Remillon¹, Olivier Baguelin²
¹INED, CEE, Paris, France, ²UEVE, EPEE, Evry, France

In the demographic context of ageing, reducing the incidence of early retirement has become a major issue. In this respect, the specific role of unemployment insurance (UI) benefit generosity is probably underestimated. When deciding which of his older workers he should dismiss first, depending on their distance from retirement, an employer cares about the duration of their unemployment insurance (UI) entitlement. This paper identifies and quantifies this behavior for the French labour market in mid-2000s. The analysis is conducted using data from the French employment agency over the period 2001-2006 and relies on a natural experiment first studied by Fremigacci (2010): on January 1, 2003, UI entrants had their maximum entitlement duration (MED) sharply reduced. Econometric analysis reveals that these MED reductions led to an increase in the mean age at the date of UI admission of +4 months for older workers laid off close to retirement. No significant effect is observed neither for ends of fixed-term contract close to retirement nor for older workers laid off far from retirement. This conclusion reinforces the suspicion that UI is used by French employers as an early retirement scheme. However, a close look at year-to-year changes in the age distribution of UI inflows for workers laid off close to retirement reveals that it is a modal rather than a general behavior.

H91

Same-Same, but Different? What role does the “specialty” of twins play in the twin IV estimate of the effect of family size on child outcomes?

Petter Lundborg, Hilda Ralsmark, Dan-Olof Rooth
Lund University, Lund, Sweden

We examine what role the “specialty” of twins plays when the twin IV is used to estimate the causal effect of family size on child outcomes. We first use a theoretical model to show that two properties associated with twins; their lower birth endowment and increased economies of scale in the production of child quality, lead to a biased twin IV estimate. We then argue that monozygotic (MZ) twins are more “special” than dizygotic (DZ) twins because they are of relatively lower endowment at birth but offer higher economies of scale. Consequently, MZ and DZ twin IV estimates should be different from each other, and controlling for zygosity in the traditional twin IV identification strategy should reduce the bias. Using data on the Swedish male birth cohorts between 1965 and 1978 we find evidence that this is the case. The MZ twin IV estimate is positive and insignificant while the DZ twin IV estimate is negative and significant. This may explain why the pooled twin IV estimate often is close to zero and insignificant. Our results when we use the traditional twin IV identification strategy but include a control for monozygosity suggest a non-linear negative effect of family size on child outcomes. We conclude that the twins themselves must receive greater attention in the twin IV literature, and that it is necessary to control for their “specialty” when estimating family size effects.

H92

Education And Parental Time Investments In Children: A Cross-Country Analysis Over Time

Almudena Sevilla, Cristina Borra

Queen Mary, University of London, London, UK

This paper explores how the role of education on parental time investments in children has changed over time. We use time-diary data for 12 countries spanning from 1965 to 2008. We find that, with few exceptions, higher educated parents spend more time with their children in almost all countries. This pattern is true for fathers and mothers. However, in contrast to previous findings for the United States, the difference between higher-educated parents and lower educated parents with respect to time investments has not increased in all countries over this period. Using auxiliary data sets, we explore the different hypotheses in the literature explaining changes in this education gradient. Given the importance of intergenerational transmission of human capital in explaining children's later life outcomes, understanding the factors driving the education gradient in parental time investments is crucial from a child development perspective and for policies aimed at reducing inequality.

H93

Reading to young children: a head-start in life

Guyonne Kalb¹, Jan van Ours²

¹*University of Melbourne, Melbourne, Victoria, Australia*, ²*Tilburg University, Tilburg, The Netherlands*

This paper investigates the importance of parents reading to their young children. Using Australian data we find that parental reading to children at age 4 to 5 has positive and significant effects on reading skills and cognitive skills of these children at least up to age 10 or 11. Our findings are robust to a wide range of sensitivity analyses.