



# Programme



**IAAEU**

Institute for Labour Law  
and Industrial Relations  
in the European Union

## **Workshop on Labour Economics 2024**

**Institute for Labour Law and Industrial Relations in the European Union | Trier University**



# Workshop on Labour Economics 2024

April 11<sup>th</sup> – 12<sup>th</sup>, 2024

## Venue:

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

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

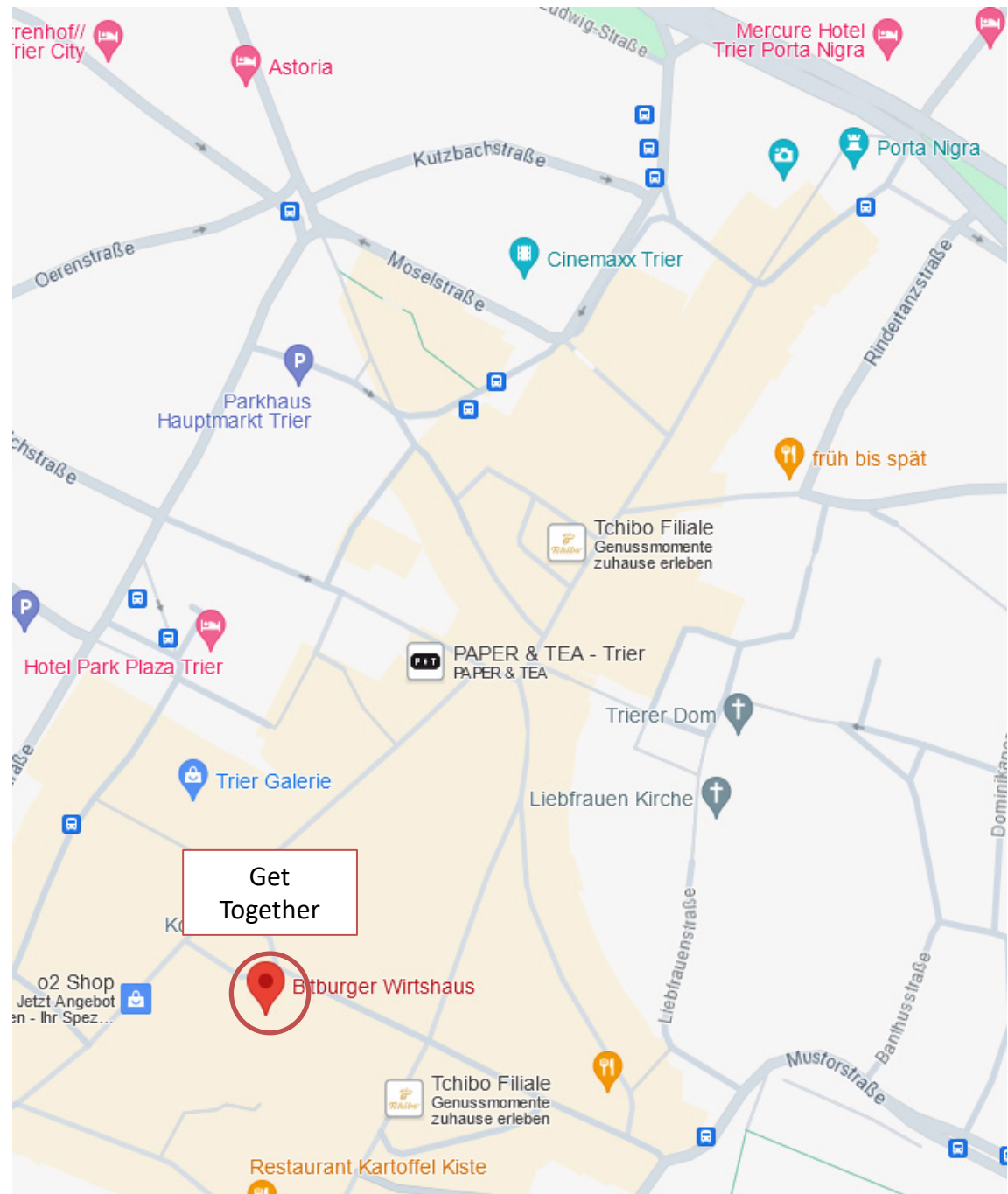
The Institute for Labour Law and Industrial Relations in the European Union (IAAEU) was established as a public foundation in 1983 and is funded by the state government of Rhineland-Palatinate. While being a public foundation, the IAAEU is also a research institute of Trier University and is situated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

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

# April 10<sup>th</sup> 2024 from 19:30: Get Together

## Venue:

Bitburger Wirtshaus  
Kornmarkt 1 – 3  
54290 Trier



# April 11<sup>th</sup> – 12<sup>th</sup>, 2024 WLE 2024

## Venue:

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

## Meeting rooms:

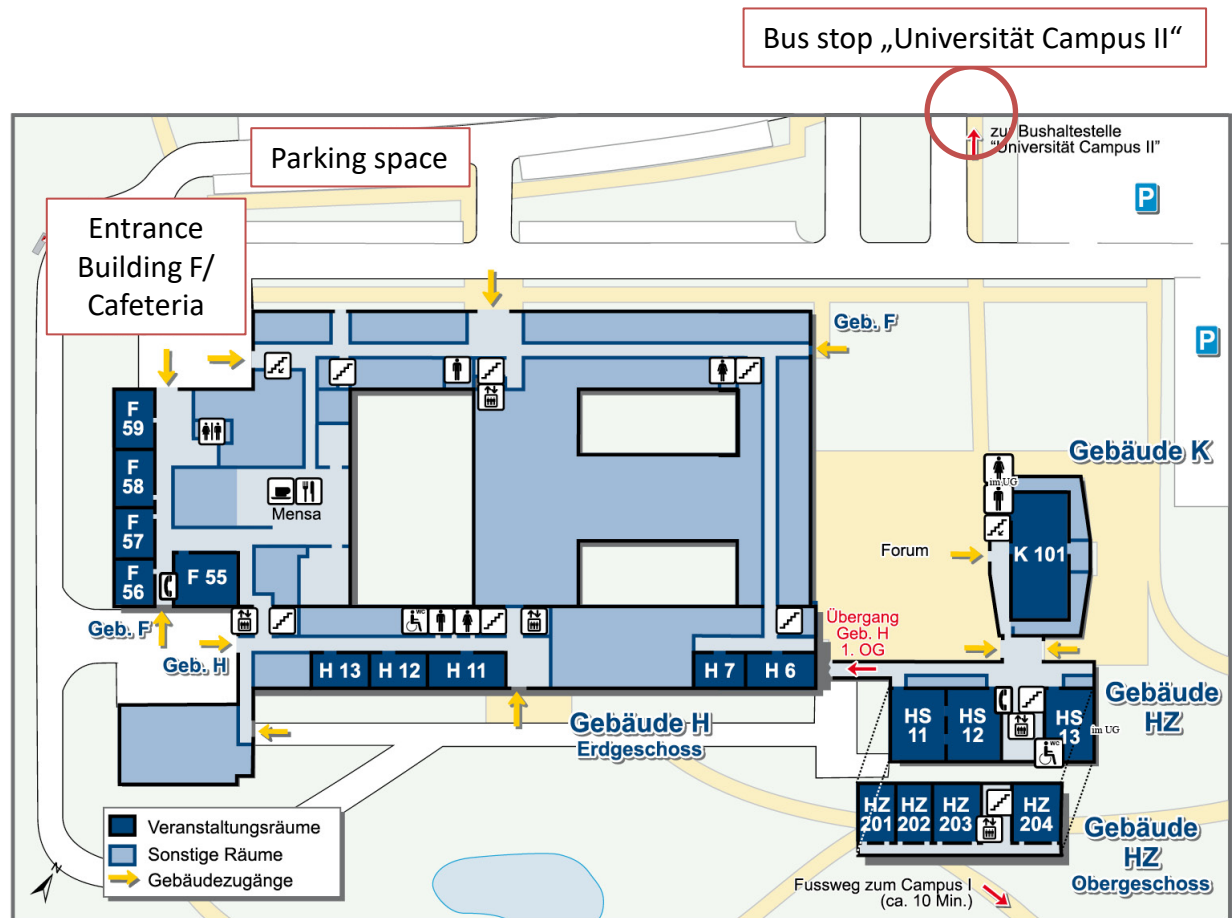
*(please note that the rooms have changed this year due to construction work)*

F55: Parallel Sessions

F59: Parallel Sessions

H13: Parallel Sessions

H12: Coffee breaks & Registration



**April 11<sup>th</sup>, 2024**

## **18:00 Social Programme**

### **Social Event: 6pm**

Guided City Tour with Wine Tasting

Starting Point:

Tourist Information Trier

Simeonstraße 60

54290 Trier

(next to Porta Nigra)

### **Conference Dinner: 8pm**

Weinwirtschaft Friedrich-Wilhelm

Weberbach 75

54290 Trier

(opposite the Basilica)



# Schedule – Workshop on Labour Economics 2024

## Thursday, April 11<sup>th</sup>, 2024

08:30 – 09:00	Registration (H12)
09:00 – 09:20	Welcome (F59)
09:20 – 10:30	<b>Parallel sessions I</b>
10:30 – 10:50	Coffee break (H12)
10:50 – 12:00	<b>Parallel sessions II</b>
12:00 – 13:00	Lunch break
13:00 – 14:45	<b>Parallel sessions III</b>
14:45 – 15:30	<b>Poster session (H12)</b>
15:30 – 15:45	Coffee break (H12)
15:45 – 16:45	<b>Keynote (F59)</b>
17:15	Bus transfer and social programme



# Schedule – Workshop on Labour Economics 2024

## Friday, April 12<sup>th</sup>, 2024

08:30 – 09:00	Registration (H12)
09:00 – 10:45	<b>Parallel sessions IV</b>
10:45 – 11:00	Coffee break (H12)
11:00 – 12:10	<b>Parallel sessions V</b>
12:10 – 13:10	Lunch break
13:10 – 14:55	<b>Parallel sessions VI</b>
14:55 – 15:10	Farewell (F59)

# Programme – Thursday, April 11<sup>th</sup>

08:30 – 09:00

Registration, H12

09:00 – 09:20

Welcome and Opening, F59

09:20 – 10:30

PARALLEL SESSION I

**Session I (a), F55: Education and Skills (Chair: Max Schroeder)**

**Demid Getik:** Recent Migrant Peers and the School Performance of Incumbent Students

**Max Schroeder:** Skills, Tasks and Degrees

**Session I (b), F59: Wages (Chair: Ahmet Ali Taskin)**

**Ahmet Ali Taskin:** The Effect of Branching Deregulation on Finance Wage Premium

**David Marguerit:** Complementing or Substituting Labor? The Effect of AI Exposure on Wages, Employment, and New Work

*Discussant: Ahmet Ali Taskin*

**Session I (c), H13: Special Session I (Chair: Tiziano Toniolo)**

**Tiziano Toniolo:** Permanent Exemption from Social Security Contributions in Belgium: An Evaluation with a Directed Search Model

*Discussant: Laszlo Goerke*

**Lisa-Marie Duletzki:** Effects of an Unconditional Cash Transfer on Maternal Employment

*Discussant: Ana Montes-Viñas*

10:30 – 10:50

Coffee Break

# Programme – Thursday, April 11<sup>th</sup>

10:50 – 12:00

## PARALLEL SESSION II

### Session II (a), F55: Hiring and Employer Changes (Chair: Nils Torben Hollandt)

**Nils Torben Hollandt:** The Contribution of Employer Changes to Aggregate Wage Mobility

*Discussant: Dagmara Nikulin*

**Fabio Berton:** The Effect of the End of Hiring Incentives on Job Separations

### Session II (b), F59: Performance Pay/Incentives (Chair: Kai Schäfer)

**Sander Kraaij:** Performance Pay and Ability Sorting: Evidence from Germany

*Discussant: Martin Lange*

**Kai Schäfer:** Targeting Incentives in Intermediary Markets

*Discussant: Edwin Fourier-Nicolai*

12:00 – 13:00

Lunch Break

# Programme – Thursday, April 11<sup>th</sup>

13:00 – 14:45

## PARALLEL SESSION III

### Session III (a), F55: Marriage (Chair: Björn Becker)

**Tom Potoms:** A Spouse and a House Are All We Need? Housing Demand, Labor Supply and Divorce over the Lifecycle

**Zhanar Konys:** Happily Ever After? The Impact of Marriage on the Gender Pay Gap

*Discussant: Demid Getik*

**Björn Becker:** Life Satisfaction and Educational Hypogamy: The Role of Traditional Attitudes

*Discussant: Tom Potoms*

### Session III (b), F59: Migration (Chair: Martin Lange)

**Elisabetta Lodigiani:** The Impact of EU Enlargement on Immigrants' Mental Health

**Valentine Fays:** Do Migrants and their Descendants Displace Natives? Empirical Evidence using Matched Employer-Employee Panel Data

**Martin Lange:** Immigration as a Means to Combat Labor Shortages? Evidence from the German Health Sector

# Programme – Thursday, April 11<sup>th</sup>

14:45 – 15:30

Poster Session, H12

**Julian Wenzel:** In the Hand of the Family: Management Practices and Perceived Job Quality

**Johannes Binder:** Singles and Couples in a Risky Labor Market

**Cristina Valentina Heghes:** Gender Gap in Entrepreneurial Intentions. The Effect of Gender Role Model on Students' Intentions

**Tim Ruberg:** Killer Alerts? Public Health Warnings and the Heat Stroke in Japan

15:30 – 15:45

Coffee Break

15:45 – 16:45

Keynote Address, F59

**Christina Gathmann:** AI and the Labor Market

# Programme – Friday, April 12<sup>th</sup>

08:30 – 09:00 Registration, H12

09:00 – 10:45 PARALLEL SESSION IV

## Session IV (a), F55: Special Session II (Chair: Fabio Berton)

**Arif Anindita:** When Public and Private Collaborate: The Impact of Sekolah Kolaborasi Program on Student's Achievement

*Discussant: Jérémy Havelin*

**Ana Montes-Viñas:** The Role of Financial Aid on Abroad Studies: Evidence from Colombian Graduates

**Guillaume Wald:** Making Jobs out of the Energy Transition: Evidence from the French Energy Efficiency Obligations Scheme

*Discussant: Fabio Berton*

## Session IV (b), F59: Technological Exposure (Chair: Ludivine Martin)

**Edwin Fourier-Nicolaï:** Investment in Digital Technologies and Firms' Labour Demand

**Dagmara Nikulin:** The Joint Impact of GVC and Technological Exposure on Job Quality and Wages in Europe

**Ludivine Martin:** Is Digital Transformation Harmful for Job Quality? Evidence for Europe

# Programme – Friday, April 12<sup>th</sup>

10:45 – 11:00 Coffee Break, H12

11:00 – 12:10 PARALLEL SESSION V

## Session V (a), F55: Family Economics and Maternal Labour Supply (Chair: Wietse Leleu)

**Selina Gangl:** From Homemakers to Breadwinners? How Mandatory Kindergarten Affects Maternal Labour Market Outcomes

**Wietse Leleu:** Directed Search on the Marriage Market

*Discussant: Selina Gangl*

## Session V (b), F59: Labour I (Chair: David Sonnewald)

**Julia Baarck:** Risk and Time Preferences of Managers and Firm Outcomes

*Discussant: Elisabetta Lodigiani*

**David Sonnewald:** Marginal Personal Income Tax Changes: Tax Revenue, Welfare, and Labour Supply Responses

*Discussant: Stefan Tübbicke*

## Session V (c), H13: Trust, Fairness and Inequality (Chair: Valeria Galchenko)

**Despina Gavresi:** The Implications of Trust on the Spread of COVID-19 in Europe

**Valeria Galchenko:** Pay Inequality, Fairness Perceptions, and Work Effort: Experimental Evidence from China

*Discussant: Despina Gavresi*

# Programme – Friday, April 12<sup>th</sup>

12:10 – 13:10

Lunch Break

13:10 – 14:55

PARALLEL SESSION VI

**Session VI (a), F55: Labour II (Chair: Stefan Tübbicke)**

**Vinzenz Pyka:** Unionization of Retired Workers in Europe

*Discussant: Laszlo Goerke*

**Stefan Tübbicke:** Training the Caseworker: Does it Improve Employment Outcomes of Unemployed Welfare Recipients?

**Session VI (b), F59: Unemployment (Chair: Jérémy Havelin)**

**Fabian Reutzel:** Implicit Discrimination in Unemployment Benefits

*Discussant: Anja Bauer*

**Anja Bauer:** Accounting for Qualification in Mismatch Unemployment

**Jérémy Havelin:** Caseworkers and Unemployed Youths

14:55 – 15:10

Farewell, F59



# Abstracts

## Session I (a), F55: Education and Skills

### **Demid Getik, Anna Sjörgen, Anton Sundberg:** Recent Migrant Peers and the School Performance of Incumbent Students

We study the impact of exposure to recent migrants and asylum seekers on compulsory school students in Sweden from 2008 to 2022, an environment with a particularly high migrant and refugee population. We use administrative student registers with data on school assignments and test scores for all Swedish compulsory school students. Using a combination of school and family fixed effects, we find a small positive effect of exposure to recent migrants on the academic performance of native students, but signs of negative effects on students with immigrant background. Reductions in class size and differential impact on resources available to native and immigrant student are suggestive mechanisms. An event study analysis of the more acute exposure to refugees during the 2015–2016 refugee crisis, corroborates the main finding of small positive effects on student outcomes of recent migrant exposure.

### **Max Schroeder:** Skills, Tasks and Degrees

University graduates have highly differentiated skills, both compared to the general population and other graduates. In recent years graduates' skills have become central to debates about the value of higher education. While existing research has focused on returns to fields of study, limited work examines the multidimensional nature of skills, their qualitative content and how they relate to the labour market outcomes of university graduates. In this paper, I develop an economic model to estimate the heterogeneous distribution of analytical and interpersonal skills among recent UK graduates across different disciplines between 2001 and 2019. I structurally estimate the model using UK Labour Force Survey data from 2001-2019, to recover the time-varying parameters of the graduate skill distribution. I find rising analytical but stagnant interpersonal skills across most subject areas, diminishing boundaries between fields, and corresponding implications for wages and employment. Rising analytical skills across the distribution weaken the comparative advantage of technical subjects like STEM and Business/Economics and increase the relative scarcity of interpersonal skills. This implies that soft skills are likely to become more relevant for graduates' success in the near future.

# Abstracts

## Session I (b), F59: Wages

### **Ahmet Ali Taskin, Firat Yaman:** The Effect of Branching Deregulation on Finance Wage Premium

What is the role of financial deregulation on rising finance wage premium in the US? This study makes use of the Interstate Banking and Branching Efficiency Act of 1994 as an exogenous shift to local banking markets and investigates the effect of deregulation induced competition on relative wages in finance. We find that the finance wage premium increased significantly in deregulated states. Our estimates suggests that the deregulation explains about a quarter of the increase in finance wage premium between 1994 and 2008.

### **David Marguerit:** Complementing or Substituting Labor? The Effect of AI Exposure on Wages, Employment, and New Work

I analyze the effect of artificial intelligence exposure on wages, employment, and the emergence of new work in the United States between 2010 and 2021. I rely on novel indices at the occupational level to distinguish between AI that automatizes tasks and AI complementing output. Using Fixed Effect estimators, I find a negative effect of automation AI exposure on hourly wages. Heterogeneity analysis shows that this effect is concentrated in low-paid occupations. AI exposure complementing occupational output positively affects employment size and the emergence of new work. The positive effect of complementing AI exposure on employment size is significant only for occupations requiring a low educational entry level.

# Abstracts

## Session I (C), H13: Special Session I

**Tiziano Toniolo, Gert Bijmens, Sam Desiere, Rigas Oikonomou, Bruno Van der Linden:** Permanent Exemption from Social Security Contributions in Belgium: An Evaluation with a Directed Search Model

Since 2016, Belgium has permanently exempted new employers from paying social security contributions on the gross wage of one of their employees. This paper clarifies under what conditions hiring a subsidized employee can act as a stepping stone for subsequent hirings, whether the exemption has resulted in negative spillover effects in the labour market, what factors shape the firm dynamics, and the policy effectiveness in promoting employment when compared to a direct reduction in the firms' hiring frictions. Our findings indicate that some firms experience a steppingstone effect. However, only a small subset of the firms that receive the exemption actually modify their hiring decisions. Finally, the resulting increase in hiring costs only marginally offsets the direct impact of the policy on the number of individuals hired.

**Lisa-Marie Duletzki:** Effects of an Unconditional Cash Transfer on Maternal Employment

This paper presents novel evidence on the effects of an unconditional cash transfer on maternal labour market outcomes. In 2018 the German state of Bavaria introduced the family allowance, an unconditional payment to families with children under three. Using German administrative data in a difference-in-differences design, I show that the payment negatively affects wages and employment. A dynamic analysis reveals that the effects start to occur 12 months after birth, increase to a negative employment effect of 1.5 percentage points and flatten out after eligibility ends due to children's age. Additionally, I show that, particularly for mothers living in counties with high childcare fees and those with low pre-birth income and education levels, the negative effects are more pronounced and do not disappear with losing eligibility.

# Abstracts

## Session II (a), F55: Hiring and Employer Changes

### *Nils Torben Hollandt, Steffen Mueller:* The Contribution of Employer Changes to Aggregate Wage Mobility

Wage mobility reduces the persistence of wage inequality. We develop a framework to quantify the contribution of employer-to-employer movers to aggregate wage mobility. Using three decades of German social security data, we find that inequality increased while aggregate wage mobility decreased. Employer-to-employer mover exhibit higher wage mobility mainly because of changes in employer wage premia at job change. The massive structural changes following German unification temporarily led to a high number of movers, which in turn boosted aggregate wage mobility. Wage mobility is much lower at the bottom of the wage distribution and the decline in aggregate wage mobility since the 1980s is concentrated there. The overall decline can be mostly attributed to a reduction in wage mobility per mover that is due to a compositional shift towards lower-wage movers.

### *Fabio Berton:* The Effect of the End of Hiring Incentives on Job Separations

We analyse the impact of the end of the hiring incentives introduced in Italy through the Budget Law for 2015 on job and employment security. Despite the large use of incentives across OECD countries, the literature on this is surprisingly scant. The subsidies aimed to foster hirings under open-ended contracts through very generous social security rebates. The application of a non-linear difference-in-differences specification to high-frequency population-wide employer-employee administrative data source from a large Italian region within a duration setting, suggests that separations spike at the subsidy's expiration, implying that direct employment effects were at best temporary. Nonetheless, incentives may have benefitted workers beyond their capacity to stay in the subsidized job (what is labelled job security), i.e. through human capital and experience effects, incentives may have raised the workers' probability to remain employed across different jobs. Indeed, by applying our model to employment rather than job spells, we find that the probability to move to non-employment when the subsidies expire does not significantly change, suggesting that benefitted workers do not enjoy better longer-term employment perspectives thanks to the incentive programme. Heterogeneity analysis shows individuals with tertiary education suffer less from the reduced job security, while no distributive effect emerges in terms of employment security.

# Abstracts

## Session II (b), F59: Performance Pay/Incentives

**Sander Kraaij:** Performance Pay and Ability Sorting: Evidence from Germany

Introducing performance pay in organizations can help to attract a more able workforce. The empirical evidence to date comes from either single organizations or laboratory experiments. Using five-wave panel data of German establishments and their employees, I study sorting into performance pay contracts based on ability. The results show that workers with higher ability are on average more likely to have performance pay (extensive margin). The evidence also suggests that more able workers have on average stronger incentives (intensive margin).

**Oliver Gürtler, Matthias Heinz, Kai Schäfer, Dirk Sliwka, Max Thon:** Targeting Incentives in Intermediary Markets

We investigate how to motivate resellers in intermediary markets. We collaborate with a large travel company and run an RCT with more than 1,000 independently owned resellers, which sell the firm's own but also its competitors' products to end customers employing sales agents. We compare the impact of different monetary incentives schemes with non-monetary incentives provided through direct sales agent support to facilitate their selling efforts. We find that (i) providing sales agents support increased sales and profits at rather small costs, (ii) higher commission payments to the agencies' owners had no discernible effects, but (iii) directly incentivizing sales agents through vouchers raised sales for agencies with low prior commission rates but not overall profits. We analyze underlying mechanisms using survey data and further administrative data.

# Abstracts

## Session III (a), F55: Marriage

**Bram De Rock, Mariia Kovaleva, Tom Potoms:** A Spouse and a House Are All We Need? Housing Demand, Labor Supply and Divorce over the Lifecycle

We present a limited commitment framework of household behavior in which households make decisions regarding labor supply, divorce and housing demand over their lifecycle. We identify and estimate our structural model using exogenous variation in female labor supply and divorce rates due to the White v. White reform in England. We study the effect of post-divorce asset division rules and credit market policies on the value of marriage and intra-household behavior. We show the insurance value of marriage is affected by both the presence of limited commitment and borrowing constraints. We also conduct a welfare analysis of sudden house price shocks, where we show that single women might incur most costs of such upticks in house price volatility.

**Zhanar Konys:** Happily Ever After? The Impact of Marriage on the Gender Pay Gap

How does marriage affect the income dynamics of women relative to men? This paper investigates the interesting interplay between marital status and gender pay disparities using a comprehensive event study approach and the "Understanding Society" UK survey data. It reveals a marriage penalty for women, with a 5 percent short-term earnings gap escalating to 8 percent over a decade. The gap in the short-run is predominantly driven by lowered labor force participation of women while in the long-run, it comes from reduced worked hours. In contrast, cohabitation presents a unique dynamic, showcasing a premium for women in both short and long runs. Beyond earnings, the paper delves into the realm of unpaid work, highlighting a substantial increase in women's share of household responsibilities after marriage as a factor contributing to observed income gaps.

**Björn Becker:** Life Satisfaction and Educational Hypogamy: The Role of Traditional Attitudes

As female educational attainment rises, women in various developed countries have not only matched but often surpassed the educational levels of males. This shift has increased the likelihood of females having higher education than their male partners (hypogamous marriage). Despite this potential advantage in the labor market, hypogamous females tend to work less than their male partners. Simultaneously, they work more than non-hypogamous women but bear a similar burden of housework duties. Given these circumstances, the potential adverse well-being effects are expected to be particularly pronounced in traditional countries, where male participation in household chores remains consistently low. This paper addresses the gap in the literature on hypogamy and well-being and additionally explores the implications of traditional social norms. I utilize information gathered from female respondents in the Japan Panel Survey of Consumers (JPSC). The results reveal a significant negative relationship between hypogamy and life satisfaction. Notably, this negative association is more pronounced for traditional females, and its magnitude diminishes significantly when controlling for uncertainty about household finances—a potential channel between hypogamy and negative life satisfaction.

# Abstracts

## Session III (b), F59: Migration

**Andrea Berlanda, Elisabetta Lodigiani, Elisa Tosetti, Giorgio Vittadini:** The Impact of EU Enlargement on Immigrants' Mental Health

In this paper we explore the impact of the 2007 European Union enlargement on the mental health of documented immigrants. Using data from a unique Italian administrative data set and employing a difference-in-differences individual fixed effect estimator, we find that the enlargement causes a significant improvement in the mental health of young male immigrants. To shed light on the mechanisms behind these results, we use data from a unique survey and show that the enlargement mitigates sources of health concerns and increases income and employment stability through permanent job contracts for young male immigrants. Overall, these findings suggest that enhanced labor market conditions due to enlargement may lead to subsequent important decrease in psychological distress among immigrants.

**Valentine Fays, Benoît Mahy, François Rycx:** Do Migrants and their Descendants Displace Natives? Empirical Evidence using Matched Employer-Employee Panel Data

This paper is the first to examine the impact of 1st-generation migrants and their descendants (2nd-generation migrants) on the employment of native workers based on micro-level analyses of the labour market. We use a unique linked employer-employee dataset for the Belgian labour market to estimate this relationship at different and quite precise levels of the labour market, i.e., the firm and the firm-occupation levels. Our benchmark estimates, based on FE and FE-IV estimators, suggest that, in general, there is a complementarity between 2nd-generation migrants and native workers, while the complementarity between 1st-generation migrants and natives is weaker or even non-significant. In addition, our results support the existence of a segmented assimilation of 2nd-generation migrants on the Belgian labour market. Moreover, our results show that the complementarity between natives, 1st- and 2nd-generation migrants is stronger when they possess the same level of education, respectively, especially when their level of education is high. Our results also suggest that this complementarity is higher when migrants originate from developed countries, and when a higher level of skills is required for a particular occupation.

**Martin Lange, Felix Winkelmayr:** Immigration as a Means to Combat Labor Shortages? Evidence from the German Health Sector

This study analyses the impact of liberalizing migration policies on labor shortages. Following the enlargement of the European Union in 2004, Germany faced an increased arrival of migrants from Central and Eastern Europe in the subsequent years. We exploit the arrival of these labor migrants in a Shift-Share approach to estimate the impact of foreign labor supply on labor shortages. We focus on the German health sector and find that a one standard deviation increase in migrant arrivals leads to a decrease in labor shortages, measured by the Jobseeker-Vacancy-Ratio, of about 2.25 standard deviations for skilled health workers and 1.46 standard deviations for unskilled health workers.

# Abstracts

## Poster Session, F12

**Stefanie Ehmman, Patrick Kampkötter, Julian Wenzel, Stefanie Wolter:** In the Hand of the Family: Management Practices and Perceived Job Quality

Previous evidence has shown that productivity differs between firms within countries and even within the same industries, also after controlling for differences in technology. This unexplained part of productivity differences might then be attributed to differences in the quality of management, particularly management practices (Bloom and Van Reenen (2007, 2010); Bloom et al. (2019)). One important characteristic in which firms differ is their ownership structure, which might also be related to the quality of management. Extending Bloom and Van Reenen (2007, 2010), we focus on the use of HR practices in family and non-family firms. We use a longitudinal and representative employer-employee data set which contains detailed information on the implementation of HR practices on the firm level. The analyses show that family firms are not per se less likely to implement HR practices than non-family firms as the differences are driven by the type of management rather than ownership. We find that family firms with family managers are less likely to have tools for planning and recruiting, performance management, and personnel development and participation, whereas externally-managed family firms are not as much different from capital market-based firms. Furthermore, we show that the perceived job quality in family firms, as for instance, the level of employee satisfaction and procedural fairness, does not suffer from the lack of formal practices, suggesting that informal practices might play an important role. For externally-managed family firms, we even find tentative evidence for a comparatively higher level of perceived job quality

**Lester Lusher, Tim Ruberg:** Killer Alerts? Public Health Warnings and the Heat Stroke in Japan

In 2020, Japan introduced a comprehensive heat-health warning system where daily alerts were issued by region when forecasted wet bulb globe temperature (WBGT) exceeded a threshold (33°C). Utilizing plausibly exogenous region-day variation in the difference between actual and forecasted WBGT (i.e. forecasting errors), we find that the alerts led to a large and precisely estimated increase in heat stroke counts. Paired with data from Google Trends, Google Mobility Reports, and the population of ambulance records, we identify potential mechanisms, including increased reporting of heat stroke cases and “adverse” behavioral responses (e.g. people spending more time outdoors) when alerts were issued, while ruling out potential substitution in health diagnoses away from other sudden illnesses.



# Abstracts

## Poster Session, H12

### *Johannes Binder:* Singles and Couples in a Risky Labor Market

Does marriage provide intra-household insurance and allow workers to take on more labor market risk? Using German data, I document that single workers tend to hold jobs with higher stability and lower wages. In order to rationalize this result, I develop a Joint-Search model of the labor market, incorporating household types, job separation risk heterogeneity, on-the-job search and self-insurance via precautionary savings. The presence of a spouse tilts the risk-wage trade-off towards high risk –high wage jobs and implies different 2-dimensional job-ladders for singles and couples. By matching moments to the German labor market, I quantify the model for otherwise identical 1-worker and 2-worker households. The spousal insurance mechanism can generate quantitatively important parts of income inequality over household-types, and is important for UI and tax design.

### *Luis Diaz Serrano, Cristina Valentina Heghes:* Gender Gap in Entrepreneurial Intentions. The Effect of Gender Role Model on Students' Intentions

Recently, role models have gained recognition as significant drivers in shaping preferences for occupation and career choices. In the literature it has been proposed links between role models and entrepreneurial intentions/realization. However, empirical research aimed at establishing the effect of gender role models on entrepreneurial intentions (EI) remains limited. This paper is a first step towards filling this gap. In this study we distinguish between three types of gender role models: inspirational role model (feminine, masculine or none), paternal role model and maternal role model. With a focus on EI we examine (a) the effect of gender role models on EI; (b) the variation in effects between boys and girls; and (c) the extent to which gender role models contribute to the gender gap in EI. Our empirical analyses, rely on data collected through a survey conducted among students in secondary compulsory education in Catalonia (Spain). The results indicate that EI are positively related to gender role model, and the gender of their role model yields heterogeneous effects on boys and girls. The gender effect disappears once we account for a comprehensive set of variables, which is corroborated by the decomposition method, where we find that the gender gap in EI is entirely explained by differences in observed endowments between boys and girls. However, in the entrepreneurship literature the explained component represents, typically less than 20%. Our results of the decomposition analysis indicate that roughly half of the gender gap in EI can be explained by different selection of boys and girls of their role model, specifically indicating that gender differences in masculine role model significantly contribute to the gender gap in EI. The results might be beneficial for policymakers and educators seeking to promote gender equality and foster entrepreneurial aspirations among adolescents.

# Abstracts

## Session IV (a), F55: Special Session II

**Arif Anindita, Ariadna Garcia-Prado, Silvana Robone, Totok Amin Soefijanto, Qonita Beldatis Syafiqo:** When Public and Private Collaborate: The Impact of Sekolah Kolaborasi Program on Student's Achievement

In 2021, Jakarta Provincial Government implemented Jakarta Sekolah Kolaborasi program in which public schools under their management were obliged to collaborate with low-quality private schools in terms of sharing facilities, curriculum exchange, and joint-extracurricular activities. Our study evaluates the impact of the program on student's performance. By examining administrative data on junior secondary school (SMP) student's test score, we find that students from targeted private school perform better in Mathematics and English than their peers from non-targeted private school. We also test whether the policy hurts students from public school. Our analysis finds no evidence that the program harms students from public school. In contrast, the program has positive externalities by increasing public school student's performance in math and social science.

**Ana Montes-Viñas:** The Role of Financial Aid on Abroad Studies: Evidence from Colombian Graduates

This paper studies the relationship between financial aid and foreign education at the postgraduate level. I use a sample of Colombian graduates who applied to a financial aid program that sponsors the completion of master's degrees abroad. Students with an undergraduate degree can apply to receive a fund of 50000 US dollars to finance their post-graduate studies in any foreign country, with the condition to return to Colombia once the studies are completed. The characteristics of the selection process of the program allow the implementation of a Regression Discontinuity Design to estimate the causal effect of the scholarship-loan program on the probability of completing studies abroad. Given Colfuturo's selection process, the assignment of the fund is expected to be distributed quasi-randomly for the applicants around the vicinity of the cut-off point. I employ the administrative records from the scholarship provider combined with internet sources. The results show that the scholarship-loan program is an effective tool to increase the probability of completing studies abroad by approximately 30 percentage points. The results are extremely robust across estimation methods.

**Guillaume Wald, François Cohen, Victor Kahn:** Making Jobs out of the Energy Transition: Evidence from the French Energy Efficiency Obligations Scheme

Recovery packages from COVID-19 are committing nearly one trillion dollars of public spending to green investments globally, with strong expectations of economic growth and job creation. Yet, we crucially lack ex-post validations of the multiplier effects widely used to forecast new green jobs. This is especially the case for energy retrofits in buildings, which are likely to have among the highest potentials for climate action and job creation at the same time. We provide the first ex-post analysis of a large-scale retrofit program on both fixed-term and permanent job creations by exploiting a large discontinuity in the provision of subsidies through the French Energy Efficiency Obligation scheme. Using a novel synthetic control method to exploit employment variations at the regional level, we estimate that the policy sustains 1.4 jobs per million euros invested annually.

# Abstracts

## Session IV (b), F59: Technological Exposure

**Mauro Caselli, Edwin Fourier-Nicolai, Andrea Fracasso, Sergio Scicchitano:** Investment in Digital Technologies and Firms' Labour Demand

This paper investigates the impact of digital technologies, in particular operational digital technologies (ODT), i.e., robotics, and information digital technologies (IDT), i.e., big data, Internet of Things, virtual reality, and cybersecurity, on the employment structure of firms in Italy using a comprehensive and representative firm survey conducted in 2015 and 2018. We develop a novel empirical strategy to identify the causal effects of the new digital technologies by constructing instrumental variables that combine the predetermined composition of employment at the firm level with the exogenous technological progress in operational and information digital technologies occurring at the global level, proxied by the technology-related patent stocks at the industry level. The results suggest that while ODT investment does not significantly change total employment, it does shift the composition of the workforce towards temporary contracts. Conversely, IDT investment has a positive impact on employment, apprenticeships leading to permanent contracts and IT-related training, highlighting the preference for a skilled and IT-competent workforce, which is also confirmed by firms' recruitment intentions. The results are robust to several sensitivity checks, in particular the use of machine learning techniques and sample selection. This study makes a methodological contribution by distinguishing between the (jointly estimated) effects of ODT and IDT and by highlighting the nuanced employment dynamics and the coexistence of displacement and reinstatement effects at the firm level in the context of technological evolution. Keywords: digital technologies, labour demand, firms.

**Joanna Wolszczak-Derlacz, Aleksandra Parteka, Dagmara Nikulin:** The Joint Impact of GVC and Technological Exposure on Job Quality and Wages in Europe

We use a micro-level database of workers from 22 European countries to assess if global value chains (GVCs) and technological exposure affect working conditions, quantified by several aspects of job quality and wages. We compare the effects across types of technological exposure, finding differences between software and robots versus AI technology. In general, GVCs correlate negatively with wages, and (slightly) positively with some non-monetary aspects of job quality - once we consider the exposure of jobs to software or robots. Job quality in AI exposed occupations, in turn, is not affected negatively by GVCs. We also show that technological factors do not alter the core relationship between job quality or wages and GVCs in an economically meaningful way.

# Abstracts

## Session IV (b), F59: Technological Exposure

### *Ludivine Martin, Laetitia Hauret, Thuc-Uyen Nguyen-Thi*: Is Digital Transformation Harmful for Job Quality? Evidence for Europe

This paper analyses the impact of digital transformation on job quality, with a specific focus on advanced digital technologies (ADT), automation risk, and exposure to artificial intelligence (AI). We use the most recent EWCS survey for European countries and external data sources for digital transformation. The results reveal that ADT has a positive effect on certain job quality indicators, such as enhanced safety, fair pay, and autonomy, particularly for younger and older workers. However, automation may have negative causal effects on work-life balance, autonomy, and organizational support. Medium-skilled workers face increased risks due to exposure to AI. However, despite the trade-off of increased work speed, AI generally correlates with higher levels of satisfaction, improved work-life balance, and better training opportunities. The study also highlights the heterogeneous impact of digital transformation on job quality across different socio-economic groups. The study also highlights the heterogeneous impact of digital transformation on job quality across different socio-economic groups. Therefore, targeted strategies are needed to mitigate potential drawbacks. It is important to note the nuanced effects of digital transformation on job quality.

# Abstracts

## Session V (a), F55: Family Economics and Maternal Labour Supply

### **Selina Gangl, Martin Huber:** From Homemakers to Breadwinners? How Mandatory Kindergarten Affects Maternal Labour Market Outcomes

The majority of Swiss children attend mandatory and cost-free kindergarten at four. We examine the effect of this policy on maternal labour market outcomes. Using administrative data, we exploit the birthday cut-off for kindergarten entry in the same or in the following year and apply a non-parametric regression discontinuity design (RDD). We find that mandatory kindergarten has a statistically significant positive effect on the labour market attachment of previously non-employed mothers, increasing their employment probability by 4 percentage points. In contrast, there are no significant effects on other groups or in the total sample of mothers.

### **Wietse Leleu:** Directed Search on the Marriage Market

In this study, a static two-sided directed search model is applied to the marriage market to unravel male and female preferences over partner characteristics and terms of marriage given observed matches. The model takes into consideration the trade-off individuals face when searching for a partner, balancing between partner characteristics, terms of marriage, and matching probability. By using data from the ACS 5-year PUMS dataset (2015-2019), the study will estimate this equilibrium search-and-matching model and derive identifying power from variation in gender ratios across US regions. A unique aspect of this study is the incorporation of the collective household model literature by defining the terms of marriage as the distribution of bargaining power in the next relationship. Counterfactual analyses will also be conducted to examine the impact of exogenously changing the gender ratio on individuals' searching behavior.

# Abstracts

## Session V (b), F59: Labour I

**Julia Baarck, Fabian Kosse, Andreas Peichl, Uwe Sunde, Klaus Wohlrabe:** Risk and Time Preferences of Managers and Firm Outcomes

Managers matter for firms, but how? We put forward one mechanism, showing that firm outcomes are related to managers' preferences over risk and time. In a monthly business survey, we elicit risk and time preferences from about 3,700 managers, which can be split owners and hired top managers. We then relate preferences to firm outcomes. Firms with more risk-loving and patient managers tend to invest more and have higher revenue, but do not employ more. They use more debt-financing and are more likely to invest in R&D. The relationship between firm outcomes and risk preferences tends to be stronger for owners than for hired managers.

**Rory Green, David Sonnewald:** Marginal Personal Income Tax Changes: Tax Revenue, Welfare, and Labour Supply Responses

We use a massive synthetic data set representative of the universe of taxpayers in Belgium to assess workers' behaviour in response to marginal changes in the Personal Income Tax (PIT). We employ a novel tool for fiscal policy simulation, the Belgian arithmetic microsimulation model (Beamm), to derive individuals' disposable income after the PIT and examine inequality and welfare indicators. A Random Utility Random Opportunity (RURO) model is estimated to calculate labour supply's adjustments to modifications in the tax structure. We suggest potential policy recommendations regarding optimal direction of tax changes rather than explicit amounts.

# Abstracts

## Session V (c), H13: Trust, Fairness and Inequality

**Despina Gavresi, Anastasia Litina, Sofia Tsitou:** The Implications of Trust on the Spread of COVID-19 in Europe

This paper explores the interplay between two dimensions of trust i.e., political and interpersonal trust, and the spread of COVID-19 measured by the excess mortality rate in Nuts 1 European regions. To undertake our analysis we combine sub-national (Nuts 1 regions) data for trust from nine consecutive rounds of the European Social Survey and data on excess mortality due to COVID-19 spread, derived from the Eurostat. Exploiting regional variation, we empirically establish that in places with a higher degree of political and interpersonal trust, the excess mortality associated with the spread of COVID-19 is lower. Our underlying hypothesis is that due to the higher levels of trust, individuals tend to comply more with the policies promoted by national governments, thereby diminishing the COVID-19 spread and mortality rates in societies.

**Valeria Galchenko, Nick Zubanov, Xiangdong Wei, Xiang Zhou, Ho Lun (Alex) Wong:** Pay inequality, Fairness Perceptions, and Work Effort: Experimental Evidence from China

# Abstracts

## Session VI (a), F55: Labour II

**Vinzenz Pyka, Claus Schnabel:** Unionization of Retired Workers in Europe

We shed light on an understudied group: retirees in unions. Using representative individual-level data of 19 European countries, we find that the share of retirees in unions and the union density of retirees increased between 2008 and 2020. Econometric analyses indicate that on average retired workers' probability of union membership is 17 percentage points lower than that of active workers, with some variation among countries. This finding is consistent with social custom models and cost-benefit considerations, but it partly questions the inter-generational solidarity model put forward in the literature. We further find that some determinants of union membership differ between active and retired workers; for instance, the (former) status of being a full-time or blue-collar worker is only statistically significant for active but not for retired workers. All in all, standard membership models better explain the unionization of active than retired workers.

**Tamara Pongratz, Stefan Tübbicke, Markus Wolf:** Training the Caseworker: Does it improve Employment Outcomes of Unemployed Welfare Recipients?

Caseworkers play an important role in shaping employment prospects of job seekers through counseling and monitoring. This paper analyzes the large-scale introduction of a unified counseling framework, which aimed at increasing counseling quality for unemployed welfare recipients in Germany by means of training caseworkers. Our results show that such training significantly raised cumulated time in contributory employment of job seekers by about 3.7 percent over a time period of five years. Overall, about 1.2 million job seekers benefited from this policy change. Sub-group analyses show that results are rather homogeneous. Placebo estimates support the validity of our findings.



# Abstracts

## Session VI (b), F59: Unemployment

### **Fabian Reutzel:** Implicit Discrimination in Unemployment Benefits

In Germany, the choice of withholding tax classes allows married couples to increase unemployment benefits for one partner at the expense of the other partner. We document that this mechanism is essentially unknown based on survey evidence. At the same time, more than 60% of the married couples shift unemployment benefits from one partner to the other. We show that this choice for households results in a substantial implicit gender discrimination along the whole income distribution. For example, for the median female income, the unemployment benefit for a married women are 6% smaller than for a married man with the same income. We estimate the effect of the German institutional setting on various outcomes and find a large heterogeneity in effect size particular with respect to partner income. Overall, we find that compared to a system without withholding tax class, women stay unemployed longer and find lower paying jobs, while men stay unemployed shorter and find better paying jobs. A reform of the withhold tax system allows us to abstract from choice of withholding tax classes and, hence, to isolate the effect of the unemployment benefits level.

### **Anja Bauer:** Accounting for Qualification in Mismatch Unemployment

This paper shows the evolution of mismatch unemployment over the period from 2007 to 2022 in Germany. A substantial part of mismatch unemployment results from a misallocation on the qualification level rather than on the occupational level. Taking the qualification level into account, an upward trend in mismatch unemployment in the aftermath of the COVID-Crisis emerges that raises the share of mismatch unemployment in total unemployment about 3 percentage points in comparison the pre-COVID level. Furthermore, I can show that the COVID-Crisis had a different impact on the occupation-qualification level than the Global Financial Crisis. In a nutshell, the COVID-crisis hit especially the labor market for unskilled and semi-skilled workers.

### **Jérémy Hervelin, Pierre Villedieu:** Caseworkers and Unemployed Youths

This study examines the impact of caseworkers on the employment and training outcomes of young people facing challenging transitions from school to work in France. By utilizing a unique administrative database and exploiting a quasi-random assignment mechanism, we are able to assess the value-added of each caseworker. Our findings reveal that caseworkers who perform above average significantly increase the number of employment days by 6% and training enrollment by 4% within two years. We further explore the reasons why caseworkers perform differently. We find that they tend to specialize in employment or training placement. Higher value-added caseworkers secure either temporary contracts or non-certified training. Lastly, we use machine learning algorithms to measure conditional treatment effects and find that reallocating caseworkers to youths could yield more employment days.

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# Notes

# Notes

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