



Master - Seminar (summer term 2016)
In Empirical Labour Economics

Topic descriptions:

1. A natural experiment on sick pay cuts, sickness absence and labor costs

This study estimates the reform effects of a reduction in statutory sick pay levels on sickness absence behavior and labour costs. German federal law reduced the legal obligation of German employers to provide 100% continued wage pay for up to six weeks per sickness episode. In 1996 statutory sick pay was decreased to 80% of foregone gross wages.

The authors use the difference-in-differences approach to identify the effect of the reform. Apart from standard OLS regressions, propensity score matching and a method by Donald and Lang (2010) to correct standard errors are applied. Students are expected to replicate the main OLS regressions and some of the robustness checks.

Nicolas R. Ziebarth, Martin Karlsson, 2010. "A natural experiment on sick pay cuts, sickness absence, and labor costs" *Journal of Public Economics*, vol. 94, pages 1108-1122.

2. After work shopping? Employment effects of a deregulation of shop opening hours in the German retail sector

This study investigates the impact of a reform of shop opening laws on employment in Germany. It uses the change in the opening times of shops across states and applies difference-in-difference estimators.

The main regressions are OLS-regressions for the probability of employment and for the probability of part-time employment. There is a large number of robustness checks including the estimation of probit models, wild bootstrap for correcting standard errors and a model controlling for the probability of care responsibilities. Students are expected to replicate the main regressions and some of the robustness checks.

Paul, Annemarie, 2015. "A natural experiment on sick pay cuts, sickness absence, and labor costs" *European Economic Review*, vol. 80, pages 329-353.

Fachbereich 03
Rechts- und Wirtschaftswissenschaften

Lehrstuhl für Angewandte
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3. The returns to cognitive abilities and personality traits in Germany

The authors use an ultra-short IQ-test and measures of locus of control, reciprocity and the BIG-V to investigate how cognitive ability and personality affect wages. They employ simple OLS regressions as well as regressions controlling for fixed effects and using internal instruments and selection models. Students are expected to replicate the OLS models.

Heineck, Guido, Anger, Silke, 2015. "The returns to cognitive abilities and personality traits in Germany", Labour Economics, vol. 33, pages 13-25.

4. The impact of risk attitudes on entrepreneurial survival

The literature on self-employment has established that there is a positive correlation of risk attitudes and the decision of becoming self-employed. However, the relation between risk attitudes and the success of self-employment is not that clear. The study analyzes the impact of risk attitudes on the duration of self-employment and hypothesizes that there is an inversely U-shaped relation.

The authors use logit and Heckit models to estimate the impact of risk attitudes on the duration of self-employment. Students are expected to replicate the logit models

Caliendo, Marco, Fossen, Katharina, Kritikos, Alexander 2010. "The impact of risk attitudes on entrepreneurial survival", Journal of Economic Behavior & Organization, vol. 76, pages 45-63.

5. Post-Unification Wage Growth in East Germany

Already 25 years ago, the Reunification of Germany took place. East and West Germany still differ along various economic dimensions, although East German economy has substantially converged in economic performance towards the West German levels. Hunt (2001) analyzes the pronounced real wage growth of 83 percent in East Germany in the five years after the momentary union with West Germany. She uses the German Socio-Economic Panel data to investigate the determinants of the wage growth, and assesses whether it is consistent with efficient restructuring. Her analysis is based on median regressions, which are more robust to outliers than ordinary least squares. Students are expected to replicate (some of) Hunt's regressions and also to run OLS regressions (with and without outliers) and compare these to the results from the median regressions.

Jennifer Hunt, 2001. "Post-Unification Wage Growth in East Germany", The Review of Economics and Statistics, vol. 83, pages 190-195.

6. Is soccer good for you? The motivational impact of big sporting events on the unemployed.

The paper analyses the effect of international soccer tournaments on the motivation of unemployed to look for employment, and on other dependent variables such as perceived health and attitudes towards the general economic situation. The study uses the random scheduling of survey interviews. Several OLS regressions are estimated. Students are expected to replicate all models. This is the only topic where only one student can work on.

Doerrenberg, Philipp, Siegloch, Sebastian, 2014. "Is soccer good for you? The motivational impact of big sporting events on the unemployed", *Economics Letters*, vol. 123, pages 66-69.

Timetable:

Date	Location	
Thursday, 21.04.2016 10.00 – 12.00	HS II	Kick-Off (introduction, organizational issues, assigning topics)
Tuesday, 14.06.2016		Submission of presentation slides and a preliminary draft of the seminar paper to sekretariat.schank@uni-mainz.de
Thursday, 16.06.2016 09.00 – 16.00	01-115 (Rewi Altbau, Software-Labor)	Presentations of seminar papers
By Sunday, 03.07.2016 23.59 per e-mail		Submission of the final seminar thesis to sekretariat.schank@uni-mainz.de (print-out can be submitted the next day at the office of our chair)

Further information:

We will send before the first meeting an http-address where participants can state their preferences by ranking the topics from 1 to 6, but they can modify their preferences at the end of the first meeting. Topics will be assigned (according to the stated preferences) to groups of two or three students (except Topic 6) directly after the kick-off meeting. Students within groups can work together and also use a joint do-file in Stata. Group members should also present their results jointly. However, note that each person should write up her/his seminar thesis (not more than 18 pages including tables and figures, but without references) independently.

We will supply the data-sets to be used. The main task is to replicate, using Stata, (some of) the results and figures of the papers listed above and write them up in a seminar paper. Students should discuss the outline of their paper with their supervisor.

Students need to submit an electronic version of their seminar thesis per e-mail to sekretariat.schank@uni-mainz.de, together with the literature cited in the thesis (except for the papers referenced above), a Stata log-file and a do-file which produces all results reported in the seminar thesis. Students should make sure that the do-file runs through before submission and should also appropriately comment in the do-file which table etc. is produced by which command.

Further formal requirements will be discussed during the introductory meeting. The slides from this introductory meeting will be downloadable from ILIAS. Participants are expected to follow all guidelines listed on the slides.

Contact:

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