SECOND CONFERENCE IN APPLIED ECONOMICS

Hosted by the International College of Economics and Finance (ICEF)

Higher School of Economics

Moscow, 11 Pokrovsky Boulevard, building T, room T-510
September 14, 2019
SECOND CONFERENCE IN APPLIED ECONOMICS

SATURDAY SEPTEMBER 14th, 2019

9:30 AM REGISTRATION DESK OPEN

9:50 AM CONFERENCE OPENING

10:00 AM SESSION 1
Session chair: Jörn Rothe

1.A. Basic Instincts? Female Fertility and Genes
Presenter: Marco Francesconi
Discussant: Markus Gebauer

This paper explores how genetic endowment is linked to female fertility. Using data from the UK Biobank, which contain detailed genetic information on half-a-million individuals, we analyze the impacts of genes (G), environment (E), and their interactions (GxE) on seven fundamental fertility processes, from age at menarche to age at menopause. We find that both genes (polygenic scores) and environment are relevant to all processes, with GxE being important in most cases. In particular, being born in an area with a higher proportion of women using the pill (our measure of E) reduces age at first birth, teen fertility, and completed fertility, and increases age at first birth and the likelihood of childlessness. GxE reinforces each of these effects, except for the case of teen fertility. In the case of age at first sex, this reinforcement effect emerges only for the most recent cohorts. This suggests that genetic influences on fertility may be more important when social norms and economic conditions allow a broad range of life-course alternatives.

1.B. Understanding the Effects of Legalizing Undocumented Immigrants
Presenter: Javier Vázquez-Grenno
Discussant: Francesco Fasani

This paper studies the legalization of 600,000 non-EU immigrants by the unexpectedly elected Spanish government following the terrorist attacks of 2004. By comparing non-EU to EU immigrants we first estimate that the policy did not lead to magnet effects. We then show that the policy change increased labor market opportunities for immigrants by allowing them to enter sectors of the economy with fewer informal employment. We finally rely on cross-province comparisons to document that a) for each legalized immigrant payroll-tax revenues increased by at least 4,000 euros, b) the policy change deteriorated the labor-market outcomes of a selected group of low-skilled natives, improved the outcomes of high-skilled workers, and induced some low-skilled immigrants to move away from high-immigrant locations.

ABOUT ICEF

The International College of Economics and Finance (ICEF), an autonomous division of the Higher School of Economics (HSE) was established in 1997 in Moscow with academic support of London School of Economics (LSE). HSE is a leading Russian research-oriented university in the field of economics and social sciences, which aspires to become one of the top-100 world universities.

At present, ICEF has over 1,000 students within double-degree (UoL and HSE) BSc programmes and its own international MSc programme “Financial Economics” validated by LSE academics. It employs over 20 professors hired on the international job market with PhD degrees from leading universities in the USA, UK, France, Spain, Italy, Belgium and Canada. More than 1,500 ICEF graduates work or continue their studies in 35 countries all over the world, around 40% of graduates continue their education on masters and PhD programmes in Western universities. ICEF faculty members are actively involved in research and publish in leading international peer reviewed journals.

The Conference in Applied Economics is organized at ICEF for the second time. The organizing committee of the Conference consists of Prof. Fabian Slonimczyk (chair, ICEF), Prof. Markus Gebauer (ICEF), Prof. Vladimir Gimpelson (Center for Labor Market Studies, HSE), and Prof. Marco Francesconi (Essex University).
Many countries impose temporary employment bans to recently arrived asylum seekers, a period during which take up of legal employment is not permitted. In this paper, we assess the long-term impact of such temporary employment bans on refugees’ labour market integration. To do so, we use micro-data from the European Labour Force Survey that allow identifying refugees and combine them with newly collected data on the presence and length of employment bans across European countries, from 1985 onward. We estimate DID regressions exploiting geographical and temporary variation in employment bans and find that being exposed to an employment ban at arrival reduces employment probability in the medium-run by 15%. Importantly, these effects persist over time – fading away only after about 15 years – and are non-linear in the length of ban duration. Our causal estimates are robust to a number of identification tests: a placebo run on nonrefugee migrants, a triple DID where other migrants are used as the control group; and an IV strategy based on the 2003 EU directive setting a maximum duration to employment bans. The negative impact on employment primarily comes from reduced participation, suggesting that bans may persistently push refugees out of the labour market and into welfare.

2.B. Culture and Schooling. Persisting Soviet Norms of Science and Gender Equality among Russian Immigrants in Israel
Presenter: Claudia Senik
Discussant: Anna Yurko

We document the cultural legacy of the Soviet system on the education and occupation choices of descendants of Russian immigrants in Israel. The Soviet system had two main features: the strong prioritization given to science and technology, and a general context of equal labor market participation of men and women. We analyze the universe of education and occupational choices of Israeli youth, from middle school in 2002, 2003 to tertiary education and the labor market in 2016. We uncover a strong persistence of the aforementioned Soviet traits. First, descendants of Russian immigrants are stronger in eighth-grade mathematics and show preferences for STEM subjects in high school. Second, in tertiary education, they remain distinct from natives and other immigrants, but diverge by gender. In tertiary education Russian men remain almost exclusively within the STEM realm, while Russian women remain over represented in STEM compared to other women but also move into other fields, namely business and social science. However, they differ significantly from other women in the low percentage of Russian women going into traditionally female “family oriented” professions such as education and social work.

In this paper, we provide two new explanations for the gap in financial knowledge between boys and girls. First, we show the important role of socioeconomic factors, such as parental education and earnings, in shaping financial knowledge. We estimate a series of regression models that consider the impact of parental education, earnings, and other socio-economic factors on children’s financial knowledge. Our findings suggest that parental education and earnings have a positive and significant impact on children’s financial knowledge. Second, we explore the potential role of gender stereotypes in shaping financial knowledge. We find that gender stereotypes, such as the belief that boys are better at math and girls are better at language, are negatively associated with financial knowledge. These findings highlight the importance of addressing gender stereotypes in educational settings to ensure equal opportunities for all students.
role of the family, in particular the mother, in shaping the financial knowledge of girls. Second, we illustrate that the social and cultural environment in which girls and boys live plays a crucial role in explaining regional differences in the gender gap. Moreover, history matters: medieval commercial hubs created conditions favorable towards more egalitarian gender roles in society, and in those regions today, we see higher financial literacy among youths. Finally, financial knowledge affects the saving decisions of adolescent girls.

4.B. Emotions and Information Diffusion on Social Networks: Evidence from German Political Twitter
Presenter: Olga Slivko
Discussant: Vitalijs Jascisens

Recently, social media gained strong influence over many aspects of human behavior, ranging from individual consumption to political participation. It is thus important to understand factors that make online content more successful in attracting viewership and user engagement, transforming social media users from consumers to transmitters of online content. In this study, we address a particular mechanism of information diffusion, namely, the use of emotional words. We rely on a unique data set of 171,675 posts by the members of the German Parliament on Twitter during the period from August 2017 to October 2018. Combining information from several sources, we are able to control for many post and politician characteristics. We also analyze party-specific and topic-specific use of emotions. Finally, we develop an instrumental variable approach, exploiting the differences in weather conditions between Berlin and politician’s home districts to explain the use of emotional words in their tweets. Our results suggest that the use of a positive emotional word increases the number of retweets by 5%, while an additional negative word leads to an increase by 13%. These effects are heterogeneous. More specifically, AfD, the right-wing populist party, profited most from the use of the negative sentiment. In addition, more polarized and salient topics show increased effects of the use of negative emotions in posts. Our results indicate, that policies aimed at the reduction of hateful speech on social networks may result in retaining diffusion of controversial messages.

8:00 PM DINNER FOR CONFERENCE PARTICIPANTS

Laura Botazzi
University of Bologna
l.bottazzi@unibo.it


David Castells-Quintana
Autonomous University of Barcelona
dcastells@ub.edu

David Castells-Quintana is a Visiting Professor at the Department of Applied Economics of the Autonomous University of Barcelona. He obtained his PhD in Economics from University of Barcelona. His area of research interests includes Economic Growth and Development, Inequality, Economic Geography and Urban Economics. David Castells-Quintana has published his research in Empirical Economics, Journal of Urban Economics, Journal of Regional Science, World Development.
Francesco Fasani

School of Economics and Finance, QMUL
f.fasani@qmul.ac.uk


Marco Francesconi

University of Essex
mfranc@essex.ac.uk

Marco Francesconi is a Professor of Department of Economics at the University of Essex. He holds a PhD from New York University. Marco’s main area of research is labour economics, with special interest in family economics, intergenerational links and labour market dynamics. His recent work has appeared in the Economic Journal, Journal of Labor Economics, Journal of the Royal Statistical Society, European Economic Review, Journal of Human Resources, and European Economic Review.

Markus Gebauer

ICEF, Higher School of Economics
mgebauer@hse.ru

Markus Gebauer is an Assistant Professor at the International College of Economics and Finance of the Higher School of Economics. He received a PhD in Economics from the Toulouse School of Economics. His main research interests are Labour Economics and Applied Macroeconomics.

Vitalijs Jascisens

ICEF and FES, Higher School of Economics
vjascisens@hse.ru

Vitalijs Jascisens is an Assistant Professor at the International College of Economics and Finance of the Higher School of Economics. Vitalijs received his PhD in Economics from Toulouse School of Economics. His research interests include Public Economics, Labor Economics, Development Economics, Empirical Industrial Organisation, and Applied Econometrics.
Hartmut Lehmann

University of Bologna
hartmut.lehmann@unibo.it

Hartmut Lehmann is a Full Professor at the Department of Economics of the University of Bologna. He has a PhD in Economics from the London School of Economics and from the University of California, Berkeley. Hartmut Lehmann’s areas of expertise include Development Economics, Experimental and Behavioral Economics, Labor and Household Economics. Among his numerous publications are articles in the Journal of Comparative Economics, Journal of Health Economics, Economics of Transition, Labour Economics, Industrial Labor Relations Review, Research in Labor Economics, Journal for Labour Market Research, European Economic Review, Journal of International Development, and Comparative Economic Studies.

Maxim Nikitin

ICEF, Higher School of Economics
mnikitin@hse.ru

Maxim Nikitin is a Professor, MSc Programme Academic Supervisor and Deputy Director for research at the International College of Economics and Finance of the Higher School of Economics. He obtained his PhD from University of Pittsburgh. Professor Nikitin’s research focuses on Macroeconomics and Law and Economics. Maxim has published in Games and Economic Behavior, Research Handbook on Economic Models of Law, Canadian Journal of Economics, Journal of Institutional and Theoretical Economics, Journal of Comparative Economics, and Journal of Law, Economics, and Organization.

Jörn Rothe

London School of Economics
j.d.rothe@lse.ac.uk

Jörn Rothe is a Director of Studies at the Department of Management at the London School of Economics and Political Science. He holds a PhD in Economics from the London School of Economics. The area of his expertise includes Economics of strategy and competition, strategy for the information economy, managerial economics, industrial economics, and game theory.

Kjell Salvanes

Norwegian School of Economics
Kjell.Salvanes@nhh.no

Claudia Senik
Sorbonne University and Paris School of Economics
senik@pse.ens.fr

Claudia Senik is a Full Professor at Sorbonne University and Paris School of Economics. She obtained a PhD from EHESS. Her main research topics are Income Distribution and Subjective Well-Being, Gender norms and Institutions, Wellbeing at Work, Behavioral Economics, Democracy, Market Liberalization and Political Preferences. Professor Senik has published among others in Journal of Comparative Economics, Review of Behavioral Economics, Journal of Economic Behavior and Organization, Review of Economics and Statistics, The Economic Journal, Economics of Transition, Journal of Public Economics.

Kevin Sheedy
London School of Economics and Political Science
k.d.sheedy@lse.ac.uk

Kevin Sheedy is an Assistant Professor at the Department of Economics of the London School of Economics and Political Science. He has a PhD from University of Cambridge. His research interests include Macroeconomics, Monetary Economics, Political Economy, and Housing Markets. Kevin Sheedy has publications in Journal of Macroeconomics, Economic Journal, American Economic Review, Journal of Monetary Economics, and National Institute Economic Review.

Olga Slivko
ZEW
olgaslivko@zew.de

Olga Slivko is a Postdoctoral Researcher in the Department of Digital Economy, ZEW – Leibniz Centre for European Economic Research. She received her PhD in Economics from the Rovira i Virgili University in 2012. Her research focuses on Economics of Innovation and Digitization, specifically, on the mechanisms promoting participation of individuals on digital platforms, and on the economic and managerial implications of digital platforms. Her previous work was published in the Journal of Economics and Information Systems Research.

Fabian Slonimczyk
ICEF, Higher School of Economics
FSlonimczyk@hse.ru

Fabian Slonimczyk is an Associate Professor at the International College of Economics and Finance of the Higher School of Economics. He holds a PhD in Economics from the University of Massachusetts Amherst. The main research interests of Fabian are Labor Economics, Economic Development, and Economics of Transition. His research has been published in Economics of Transition, Research in Labor Economics, Journal of Economic Inequality, Labour Economics, Journal of Economic Behavior and Organization, and European Economic Review.
Anna Yurko
ICEF, Higher School of Economics
ayurko@hse.ru

Anna Yurko is an Associate Professor at the International College of Economics and Finance of the Higher School of Economics. She obtained her PhD in Economics from the University of Texas at Austin. Her fields of specialization include Family Economics, Labor Economics, Industrial Organization, and Computational Economics. Anna Yurko has published her research in Labour Economics, International Journal of Industrial Organization, and European Economic Review.

Javier Vázquez-Grenno
University of Barcelona
jvazquezgrenno@ub.edu

Javier Vázquez-Grenno is an Associate Professor at the Department of Economics of the University of Barcelona. He obtained his PhD from the Autonomous University of Barcelona. His area of research interests spans Labor Economics, Economics of Migration, and Public Economics. Javier Vázquez-Grenno has published in such journals as International Tax and Public Finance, Labour Economics, and Journal of Population Economics.