Hagen University Workshop on:

Health and Labor Economics

FernUniversität in Hagen | Campus Berlin

FernUniversität in Hagen

University of Hagen Workshop in Berlin:

Health and Labor Economics

Thursday - Friday, November 3 - 4, 2022
FernUniversität in Hagen | Campus Berlin

FernUniversität in Hagen

Day I

Session I 10:00–12:00

High-Pressure, High-Paying Jobs
Erwin Winkler (University of Nürnberg)

Work-related stress has reportedly increased over time. Drawing on detailed German worker-level survey data from 1979 to 2018, we find a corresponding increase in objective measures related to work pressure (e.g., tight deadlines), associated with adverse health outcomes. In line with theories of compensating differentials, we find a sizable wage premium associated with work pressure, even within narrowly defined occupations.

Customer Discrimination in the Field: The Impact of Supporters' Right-Wing Political Attitudes on Ethnic Team Composition in German Professional Soccer
Hendrik Sonnabend (FernUniversität Hagen)

We analyze customer discrimination as a potential source of heterogeneous ethnic team composi-tin in German professional soccer. As we analyze the effects of customer discrimination on team composition across three different league levels in German professional soccer, we also shed light on how different regional catchment areas and geographic spreading of fan communities affect the analyzed mechanism.

School starting age and personality traits
Anton Barabasch (Leibniz Institute for Educational Trajectories)

This paper investigates the long-run effects of school starting age (SSA) on personality traits. For identification, we exploit the statutory cutoff rules for school enrollment in Germany within a fuzzy regression discontinuity design. The longitudinal nature of our personality data allows us to study the SSA impact at different stages in adulthood. We find that a higher SSA persistently reduces the levels of neuroticism among women. The effects on other personality traits, if anything, are transi-tory and coincide with important life events.

Lunch 12:00–13:30

Keynote 13:30–14:30

Family Labor Supply Responses to Childhood Disabilities: Evidence from Taiwan

Kamhon Kan (Academia Sinica, Taiwan)

This paper examined parental labor supply responses to the onset of children's disabilities. We use administrative data for the whole population of Taiwan. Our difference-in-differences and event study results suggest that childhood disabilities suppress mothers' labor supply and this negative effect persists for over ten years. By contrast, fathers' labor supply hardly changes even if he was not a major earner in the household. This indicates that gender norm plays a role in the differential responses of the father and mother. We also find that childhood disabilities increase mothers' physician visits for mental illnesses during the first few years after the onset and reduces her chance of having a second child.

Break 14:30–15:00

Session II 15:00–17:00

Binge Drinking and Alcohol Related Hospital Stays: Does a Legal Drinking Age Matter for Minors?

Fabian Dehos (University of Duisburg-Essen)

This paper evaluates the effectiveness of the German Minimum Legal Drinking Age in reducing excessive drinking and alcohol-related hospital stays. Using a regression discontinuity design, we add to previous studies by looking at a considerably earlier cutoff at age 16, when teenagers in Germany gain legal access to beer, wine, and sparkling wine. Our analysis of detailed survey data reveals considerable increases in

Estimating Fixed Effects Stochastic Frontier Panel Models Under 'Wrong' Skewness with an Application to Health Care Efficiency in Germany

Rouven Haschka (University of Cologne)

The error term in stochastic frontier models is assumed to be positively skewed; however, efficiency scores are biased if this assumption is violated. This paper considers the case in which also negative skewness is allowed in the model. In contrast to other approaches, this skewness is not assumed to be a small sample issue, but is rather related to inefficiency in the market. The paper discusses estimation of a stochastic frontier panel model with unobserved fixed effects. On the one hand, the parameters can be estimated via integrating out nuisance parameters by means of marginal maximum likelihood. On the other hand, we propose an approximation based on closed skew normal distributions which turns out to be accurate enough for maximum likelihood estimation. An empirical analysis to unravel inefficiencies in the German healthcare system demonstrates the practical relevance of the model.

Plant-level adjustments to imports and exports at the extensive margin

Benjamin Schwanebeck (FernUniversität Hagen)

This paper presents an empirical analysis of plant level responses to the China trade shock based upon a DSGE framework with heterogeneous firms, search and matching and employment protection. Our particular focus is on the interplay between the extensive and intensive employment margins. While soaring imports from China are associated with a higher probability of plant closure, incumbent firms react differently. Some surviving firms expand at the intensive margin, other firms contract their employment. Exports have similar effects at both margins. Firms in export oriented industries are less likely to exit and hire more workers at the intensive margin. These findings are supported by the simulation of our DSGE model. Based upon these benchmark results, we study the role of labor market institutions for the trade and employment nexus by simultaneous adjustments in both trade and employment protection costs. Our simulations show that firm selection is the main driver behind higher unemployment in the short-run. In the long-run, trade liberalization lowers unemployment. Employment protection mitigates the former but erodes the latter effect. Lower employment protection is associated with stronger unemployment effects in the short-run. The reducing effects on unemployment also become stronger when firing becomes cheaper.

Dinner **18:00** *BRLO Craft Beer House / Long March Canteen*

Day II

Session III 9:00-10:30

Spatial Disparity of Skill Premium in China: The Role of Financial Intermediation Development

Tat Kai-Lai (IESEG School of Management, Univ. Lille, CNRS)

In China, the relative wages of high-skilled and low-skilled workers display huge variation across different regions. We examine whether financial intermediation development can explain such variation. Conceptually, better-developed financial intermediation helps financially-constrained firms raise new capital, which is usually skilled-biased, resulting in an increased demand for skilled labor and skill premium. Using a cross-section of workers from the 1% Population Survey of 2005, we find consistent evidence; besides, the relationship is stronger among workers in industries with higher capital-skill complementarity and in non-state-owned enterprises. Overall, our results suggest that the financial market plays a role in explaining skill premium in China.

The Importance of Round Test Scores: Human Capital Decisions and Labor Market Outcomes

Yoav Goldstein (Tel Aviv University)

I examine how high-stakes test scores affect university field of study decisions in Israel. I implement a regression discontinuity design around a round score cutoff, 600, which is usually just below the admission threshold for computer sciences, one of Israel's most rewarding university programs. In the short term, I find a 35% discontinuous increase in the rate of applications to the program at 600. Moreover, I find that individuals who score just above 600 retake the test and improve their test scores as well as improve their high-school outcomes before applying to the program, which are both ways to improve admission chances. In the long term, individuals who score just above 600 attain more computer sciences degrees and earn significantly more. The results highlight that an uninformative signal might have far-reaching consequences on human capital investment decisions and labor market outcomes.

Break 11:30–12:00

Session IV 12:00–13:30

Are treatment decisions in health care markets efficient? Quasi-experimental evidence on heterogeneous treatment effects of heart attack patients

Matthias Westphal (FernUniversität in Hagen)

I examine how high-stakes test scores affect university field of study decisions in Israel. I implement a regression discontinuity design around a round score cutoff, 600, which is usually just below the admission threshold for computer sciences, one of Israel's most rewarding university programs. In the short term, I find a 35% discontinuous increase in the rate of applications to the program at 600. Moreover, I find that individuals who score just above 600 retake the test and improve their test scores as well as improve their high-school outcomes before applying to

What a difference a day makes: School starting age effects on mortalitys

Mathias Huebener (DIW Berlin and IZA Bonn)

Incremental differences in early life can have lasting consequences for individual life courses. We study the effects of school entry age on mortality using school entry cut-off rules in Germany together with information on individuals' exact date of birth. Based on the 1970 Census and the full Cause-of-Death Statistics for Germany, we exploit federal state-specific school entry regulations within a regression discontinuity framework. Individuals born just after the school entry cut-off are significantly less likely to die before age 73. The reduced mortality risk is mainly driven by fewer deaths associated with unhealthy behaviours over the life course. As an important channel for the effects, we identify early school tracking outcomes. Individuals born after the cut-off are also three percentage points more likely to enter a higher secondary school track and to earn a better school leaving certificate. In their teenage years, individuals are exposed to a better peer environment and conditions that prevents them from initiating lasting, unhealthy behaviours. The results suggest that the schooling system plays a significant role for substantial socio-economic differences in health and mortality.

Lorem ip

FernUniversität in Hagen

Fakultät für Wirtschaftswissenschaft

Prof. Dr. Hans-Jörg Schmerer
lehrstuhl.schmerer@fernuni-hagen.de
+49 2331 987-4581

www.fernuni-hagen.de/oekonomie

Workshop
Agenda

FernUniversität in Hagen