



14.30 – 15.30 Uhr Simone Tuor Sartore (Universität Zürich)  
*Whether group diversity benefits workers: group composition and workers' pay*

15.30 – 16.30 Uhr Samuel Mühlemann (Universität Bern)  
*Hiring costs of skilled workers and the supply of firm-provided training*

*Kaffeepause*

17.00 – 18.00 Uhr Oliver Himmler (MPI für Gemeinschaftsgüter, Bonn)  
*Self esteem and human capital formation*

18.15 Uhr **Mitgliederversammlung**  
Tagesordnung:  
1. Genehmigung des Protokolls der Jahrestagung 2011 in Tübingen (elektronisch zugestellt)  
2. Bericht der Vorsitzenden  
3. Vorschläge für Gäste/neue Mitglieder  
4. Aufnahme neuer Mitglieder  
5. Arbeitsprogramm: Jahrestagung 2013 in Wuppertal  
6. Verschiedenes

20.00 Uhr Abendessen, Zunfthaus zur Haue  
Limmatquai 52, 8001 Zürich, [www.zunfthaus-zur-haue.ch](http://www.zunfthaus-zur-haue.ch)

## **Samstag, 28. Januar 2012**

09.00 – 10.00 Uhr Elisabeth Bügelmayer (DIW Berlin)  
*Spite and cognitive skills in preschoolers*

10.00 – 11.00 Uhr Francesco Avvisati (OECD, Paris)  
*Getting parents involved: a field experiment in deprived schools*

*Kaffeepause*

11.15 – 12.15 Uhr Stefan Boes (Universität Bern)  
*Identification and Estimation of Causal Education Effects: Evidence from a Discontinuity in School Entry Tests in Switzerland*

12.15 – 13.15 Uhr Patrick Arni (IZA Bonn und Universität Lausanne)  
*How to Improve Labor Market Policy for Older Job Seekers? Lessons from a Social Experiment*

*Ende der Veranstaltung (kleiner Imbiss)*

## **Abstracts**

### **Learning by Experience – A Field Experiment on Classroom Experiments**

*Gerald Eisenkopf (Universität Konstanz)*

We present results from a study at Swiss upper secondary schools in which we tested the impact of classroom experiments on teaching outcomes in economics. We randomly assigned classes to different learning environments.

Our results suggest that interactive learning, and in particular classroom experiments improve economic understanding.

### **Discrimination in grading: experimental evidence from primary schools**

*Maresa Sprietsma (ZEW Mannheim)*

This paper studies the effect of pupils names on essay grades in an experimental setting. To this purpose, we randomly assign Turkish or German first names to a set of essays so that some teachers believe a given essay was written by a German native pupil, whereas others believe it was written by a pupil of Turkish origin. We find that teachers hold lower expectations with respect to pupils of supposedly Turkish origin and that essays bearing a Turkish name receive significantly lower grades. However these effects originate from a minority of teachers in the sample.

### **Testing for discrimination against women and immigrants using anonymous exam results as a benchmark**

*Patrick Puhani (Leibniz Universität Hannover), Dominique Meurs (EconomiX, Université Paris und INED, Paris)*

To test for procedural fairness in recruitment for women and immigrants, we exploit a natural experiment in the hiring process of higher management staff in the French public sector, which is based on anonymous and non-anonymous nationwide entrance exams. The candidates first have to pass an anonymous written exam and, if successful, an oral exam, which is not anonymous except that the written test scores must by regulation not be known to the oral examiners: they only know that the written exams were passed. We compare outcomes of anonymous written and non-anonymous oral exams by gender and immigration status. Less than 40 percent of applicants pass the written exam and less than half of the applicants passing the written test are finally hired after the oral exam, so that both of these successive exams are highly selective. Contrary to the oral examiners, we observe the written test scores and can evaluate the oral examiners' scores conditionally and unconditionally on the written scores. Despite of the large variation in oral exam results, we do not find systematically worse oral exam results for women or immigrants once we hold constant the written test scores, which are unobserved to the oral examiners.

## **Optimal enrollment, underinvestment, and overinvestment in higher education**

*Volker Meier (ifo Institut München)*

We discuss why market forces lead to overinvestment or underinvestment in higher education, justifying government intervention in that sector. Our contribution focuses on externalities suggested by endogenous growth theory. Production takes place in a skilled sector and a separated unskilled sector. Two main sources of market failure are considered, an average human capital externality, and a size externality. In the course of development, the size of the skilled sector tends to grow. We show that this evolution may give rise to overenrollment in early and late stages of development, and to underenrollment inbetween.

## **Whether group diversity benefits workers: group composition and workers' pay**

*Simone Tuor Sartore (Universität Zürich)*

Drawing on unusually large employer-employee data, we examine how workers' pay and educational composition within occupational groups are related. For workers' pay, the relationship to both group educational diversity and group mean level is positive. We also test the mean level of education as a moderator for the relationship between workers' pay and educational diversity finding that in occupational groups with a high mean of education the positive effects of educational diversity are higher. We develop a theoretical framework and empirical approach for understanding how group composition is related to workers' pay.

## **Hiring costs of skilled workers and the supply of firm-provided training**

*Samuel Mühlemann (Universität Bern)*

We analyze the impact of the costs associated with hiring skilled workers on the firm's supply of training positions. Much of the empirical evidence on labor adjustment costs points towards a convex relationship between hiring costs and the number of hires, i.e., average costs to fill a vacancy increase with the number of vacancies. Internal training reduces the need for external hiring if the firm is able to retain former trainees as skilled workers, and - depending on the structure of training costs - may lower the firm's costs to fill a vacancy. Using detailed and directly observable data on both hiring and training costs, we find that firms facing high costs of external hiring in turn supply significantly more training positions. Thus the structure of hiring costs can explain why firms are willing to make investments in general human capital.

### **Self esteem and human capital formation**

*Oliver Himmler (MPI für Gemeinschaftsgüter, Bonn), Tobias Koenig (Universität Hannover)*

Positive assessments of the self such as high self esteem, self efficacy or 'can do' attitudes are often portrayed as valuable assets. Indeed, a considerable amount of empirical articles suggests that a positive link between favorable core self evaluations and a variety of desirable economic outcomes may exist. The theoretical literature on the other hand takes a more equivocal stance: in addition to possible performance enhancing properties, maintaining positive self-views is suspected to bear a risk of being overly confident - which in turn may be detrimental to success. In an attempt to shed light on the issue, this paper empirically analyzes the link between adolescent self esteem and educational outcomes. Using naïve estimators, we replicate the standard finding in the recent empirical economics literature on personality traits, i.e. higher levels of self esteem are associated with higher grade point averages. When exogenous variation in self esteem due to skin problems is used as a quasi-experiment to account for the endogeneity of self esteem, this finding is reversed. We discuss mechanisms that may generate such an adverse causal effect of positive self evaluations.

### **Spite and cognitive skills in preschoolers**

*Elisabeth Bügelmayr (DIW Berlin), C. Katharina Spiess (FU Berlin)*

Although spiteful preferences play a crucial role in the development of human large-scale cooperation, there is little evidence on spiteful behavior and its determinants in children. We investigate the relationship between children's cognitive skills and spiteful behavior in a sample of 214 preschoolers aged 5-6 and their mothers. Other-regarding behavior of both mothers and children is elicited through four simple allocation decisions. A key advantage of our study is that it is carried out in a household context. Therefore, we have information about both the child's and mother's cognitive and noncognitive skills as well as health and household characteristics. We find that higher cognitive skills are associated with more spiteful behavior in children. This relationship is even more pronounced among boys and possibly reflects differences in competitiveness. Moreover, we find further gender differences depending on the measure of cognitive skills and the degree of spite. These results shed light on the determinants of the development of other-regarding preferences in humans.

### **Getting parents involved: a field experiment in deprived schools**

*Francesco Avvisati (OECD, Paris), Marc Gurgand (Paris School of Economics), Nina Guyon (Paris School of Economics), Eric Maurin (Paris School of Economics)*

This paper presents a randomized field experiment conducted in a set of French middle schools located in a deprived educational district near Paris. Parents in test groups were invited to participate in a simple program of training sessions on how to get better involved in their children's education. At the end of the school-year, we find that treated families effectively increased their school- and home-based involvement activities. Children of families who were directly targeted by the program developed more positive behavior and attitudes in school, and had less literacy problems. Importantly, for all behavioral outcomes we find large spillover effects of

the program on classmates of treated families. This experiment proves that schools are able to increase parents' awareness and that parental inputs have strong effects on pupil behavior. Our results on spillovers demonstrate that similar initiatives can be effective even in case of low parental take-up of the program.

### **Identification and Estimation of Causal Education Effects: Evidence from a Discontinuity in School Entry Tests in Switzerland**

*Stefan Boes (Universität Bern)*

This paper takes advantage of a regression discontinuity design to estimate causal education effects in Switzerland. Pupils in the Swiss education system had to pass a centrally organized exam that classified them into different levels of secondary school, and that ultimately determined their educational track. A major feature of this exam was the local randomization around the classification threshold due to the impossibility of strategic sorting. Our results suggest large and significant effects of education on labor market outcomes, health, and political interest. We account for the heterogeneity of education effects by using a flexible semi-parametric estimation approach, and propose an extended data collection to accommodate outcomes such as risk aversion and time discounting.

### **How to Improve Labor Market Policy for Older Job Seekers? Lessons from a Social Experiment**

*Patrick Arni (IZA Bonn und Universität Lausanne)*

Older job seekers often face a higher longterm unemployment risk because their employability decreased over time. I evaluate a new social experiment which implements a counseling and coaching policy for older job seekers in Switzerland. To avoid the “lock-in” effect, which is typically generated by this type of training program, the policy design follows three principles: earlier than normal, highly intense and strongly targeted. The evaluation is based on a unique dataset that merges register data with repeated surveys. The new policy design turns out to be successful in several respects: The program does not increase, but slightly (insignificantly) decrease unemployment duration. At later stages of unemployment, a more and more positive effect on the exit rate to job is visible. This results in the proportion of job finders being 9 percentage points higher in the treatment group. The quality of found jobs does not diminish: The realised salaries of the treated are at the same level as the control group's. Remarkably, the new program increases employment stability in the 540 days after unemployment exit. This saves 23 days of future unemployment, which more than fully pays the program cost. How does this training policy for older job seekers affect their behavior? The policy did not increase job search intensity: individuals searched less before and during coaching, and not more thereafter. However, the program caused the reservation wages of the treated to adapt downwards – without lowering the realised salaries. Moreover, I find that the job seekers expect more job interviews than they realise – beliefs about job chances are clearly too optimistic. The intervention slightly dampens this upward bias. The results suggest that the impact of training operated through increased search efficiency and more realistic demands and expectations concerning the future job.