



## NEWSLETTER 2017-14

## CALENDAR:

**Departmental Seminar**

Andrew Clark (Paris School of Economics)

*Childhood Circumstances and Young Adulthood Outcomes: The Effects of Mothers' Financial Problems*

Monday, June 26

16:30–18:00

VG H26

**PhD Seminar**

Jürgen Wiemers (IAB)

*Endogenisierung der Entscheidung zur Inanspruchnahme von Grundsicherungsleistungen im Mikrosimulationsmodell des IAB*

Monday, June 26

18:00–19:00

RW(S) 001

**IOS Seminar I**

Andrew Clark (Paris School of Economics)

*Unfairness at Work: Well-Being and Quits*

Tuesday, June 27

13:30 – 15:00

WiOS 109 (Landshuter Str. 4)

**Real Estate Seminar**

Hyok-Joo Rhee (Seoul National University of Science and Technology)

*Growth Management and Density Controls*

Wednesday, June 28

12:00–13:30

VG 2.35

**IOS Seminar II**

Sara Tonini (University of Trento)

*On fairness and why it matters: Evidence from the "Eastern Bloc"***Special Date**

Wednesday, June 28

13:30–15:00

WiOS 109 (Landshuter Str. 4)

**Economic and Social History Seminar**

Thomas Mergel (Berlin)

*Faule Bürger. Rentiers, bürgerliche Gesellschaft und bürgerliche Arbeitsethik im 19. Jahrhundert*

Wednesday, June 28

18:00–20:15

VG 1.30

**ABSTRACTS:****Departmental Seminar**

Andrew Clark

*Childhood Circumstances and Young Adulthood Outcomes: The Effects of Mothers' Financial Problems (joint work with Marta Barazzetta and Conchita D'Ambrosio)*

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*Abstract:* We here consider the cognitive and non-cognitive consequences on young adults of growing up with a mother who reported experiencing major financial problems. We use data from the Avon Longitudinal Study of Parents and Children to show that early childhood financial problems are associated with worse adolescent cognitive and non-cognitive outcomes, controlling for both income and a set of standard variables. The estimated effect of financial problems is almost always larger in size than that of income. Around one quarter to one half of the effect of financial problems on the non-cognitive outcomes seems to transit through mothers' mental health.

**IOS Seminar I**

Andrew Clark

*Unfairness at Work: Well-Being and Quits*

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*Abstract:* We consider the effect of unfair income on both subjective well-being and objective future job quitting. In five waves of German Socio-Economic Panel data, those who perceive their labour income to be unfair have significantly lower subjective well-being, both in terms of cognitive evaluations (life and job satisfaction) and affect (the frequency of feeling happy, sad and angry). Perceived unfairness also translates into objective labour-market behaviour, with current unfair income predicting future job quits.

**Real Estate Seminar**

Hyok-Joo Rhee

*Growth Management and Density Controls*

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*Abstract:* Departing from the standard housing model where housing services are represented by one attribute (i.e., floor area), lacking the quality aspects, we treat housing services as a bundle of structures and outdoor amenities of a residence. Using the spatial model where housing attribute markets for structures and residential amenities are embedded, we show that the compliance cost of the regulations largely falls on the poor. In addition, we show that the controls encourage capital-intensive housing, the petition for upzoning lands, and horizontal skyline in the built-up areas. We decompose the welfare change caused by the controls into its constituent factors. Using these factors, we show how the planner could institutionally overestimate the benefits and underestimate the costs of density controls. Referring to the real world cases of excessive controls not difficult to find at all, we conclude that the controls are forcing the renters to transfer a considerable sum of their income to the landowners.

**IOS Seminar II**

Sara Tonini

*On fairness and why it matters: Evidence from the "Eastern Bloc"*

**Abstract:** This paper estimates inequality of opportunity in the transition region – the (ex) "Eastern Bloc" – in terms of individuals' earnings, employment status, job's quality and educational attainment. Inequality of opportunity, being ascribed to individuals' circumstances at birth, is considered to be the unfair part of inequality. Using data from the 2016 Life in Transition Survey, we show that inequality of opportunity in the region is comparable to estimates for the Western countries and is strongly correlated with income inequality. Parental background is the key circumstance influencing inequality of opportunity, followed by gender and place of birth. As for its evolution, inequality of opportunity for tertiary education is higher among younger people (those who started school after the fall of the Berlin wall) than it is among older people. Importantly, high levels of inequality of opportunity are associated with lower levels of support for the market economy and democracy. This remains true even when income inequality is taken into account.

**Economic and Social History Seminar**

Thomas Mergel

*Faule Bürger. Rentiers, bürgerliche Gesellschaft und bürgerliche Arbeitsethik im 19. Jahrhundert*

**Abstract:** Anders als Max Webers These von der bürgerlichen Erwerbsethik sagt, kann man sozialgeschichtlich beobachten, dass über weite Teile des 19. Jahrhunderts die Rentiers oder Privatiers, die sich häufig „im besten Alter“ zur Ruhe setzten, einen wichtigen Teil der bürgerlichen Klassen ausmachten, bis weit hinein ins Kleinbürgertum. Der Vortrag verfolgt dieses bisher so gut wie unerforschte Phänomen vor allem im Hinblick auf seine Funktionalität für die bürgerliche Gesellschaft. Denn Abkömmlichkeit war für diese ein wesentliches Moment, sei es im regen Vereinsleben, sei es in der Bedeutung der Ehrenamtlichkeit in Stadtverwaltung und Politik.

**NEW PUBLICATIONS:**

Marina Markheim: The role of group size and correlated project outcomes in group lending, *Theoretical Economics Letters*, 7.05 (2017).

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Editorial deadline for Newsletter No. 2017-15:  
Wednesday, June 28 – 11 pm

**FAKULTÄT FÜR  
WIRTSCHAFTSWISSENSCHAFTEN**

INSTITUT FÜR  
VOLKSWIRTSCHAFTSLEHRE UND  
ÖKONOMETRIE

Universitätsstraße 31 • 93040 Regensburg

Newsletter-Redaktion: Martina Kraus-Pietsch

Telefon: +49 941 943-2710

Fax: +49 941 943-2734

E-Mail: [econ.news@ur.de](mailto:econ.news@ur.de)

Internet: [www-economics.ur.de](http://www-economics.ur.de)

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