



## NEWSLETTER 2018-13

## CALENDAR:

**Departmental Seminar**

Kerstin Roeder (University of Augsburg):  
*Women's career choices, social norms, and child care policies*

Monday, May 28  
16:30–18:00  
H26

**IOS Seminar**

Theodore Panagiotidis (University of Macedonia, Greece):  
*The European Imbalances, the North-South Divide and the International Linkages: A Global VAR Approach*

Tuesday, May 29  
13:30–15:00  
WiOS 109 (Landshuter Str.4)

**Lunch Seminar**

Susanne Neckermann (University of Chicago):  
*Loss framed incentives and employee (mis-)behavior*

Wednesday, May 30  
12:00–13:30  
VG 2.35

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

Kerstin Roeder

(joint work with Francesca Barigozzi and Helmuth Cremer)

*Women's career choices, social norms, and child care policies*

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*Abstract:* Our model explains the observed gender-specific patterns of career and child care choices through endogenous social norms. We study how these norms contribute to the emergence of a gender wage gap. We show that via the social norm a couple's child care and career choices impose an externality on other couples, so that the *laissez-faire* is inefficient. We use our model to study the design and effectiveness of three commonly used policies. We find that child care subsidies and women quotes can be effective tools to mitigate or eliminate the externality. Parental leave, however, may even intensify the externality and decrease welfare.

**IOS Seminar**

Theodore Panagiotidis

*The European Imbalances, the North-South Divide and the International Linkages: A Global VAR Approach*

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*Abstract:* The north-south divide of the European economies has been the subject of debate. Motivated by the global trade imbalances and their impact under the EMU framework, we employ a Global Vector Auto-Regressive (GVAR) model for 28 developed and developing countries in order to assess the propagation mechanisms of real trade and macroeconomic shocks, focusing on the interconnections among the North Euro Area (NEA) and the South Euro Area (SEA). We incorporate theory-based long-run restrictions and examine various scenarios such: non-export real output shocks, expansionary shocks and real exchange rate shocks. The results provide support for a symmetric adjustment in the Euro area; an expansionary policy of the NEA and increased competitiveness in the SEA should establish a common framework to encounter trade imbalances of the debtor Euro area economies. We show that NEA and U.S. origin shocks to domestic output exert a dominant influence in the rest of Europe and Asia while the strong linkage between trade flows within the Euro area is confirmed.

**Lunch Seminar**

Susanne Neckermann

Loss framed incentives and employee (mis-)behaviour

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*Abstract:* The effect of framing incentives as losses rather than as gains has been extensively studied. The majority of the literature to date has focused on performance as the primary outcome of interest. We contribute to this literature by exploring spillover effects from loss contracts to subsequent employee behavior, including immoral and altruistic acts. Using a novel method to measure theft in a laboratory setting, we find that the share of participants who steal is more than twice as high when incentives are framed as losses. Loss framing also reduces altruism towards the experimenter as well as subjects' willingness to participate in the experiment again. Our results suggest that the impact of a particular incentive scheme can reach far beyond pay and performance, affecting seemingly unrelated employee behavior by changing norms and preferences.

**CONFERENCE ATTENDANCE:**

From May 10 to May 11, **Felix Peterhammer** visited Prague as an invited participant of the 'The Review of Economic Studies Tour Meeting' at the CERGE-EI.

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Wednesday, May 30 – 11 am

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