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Research Seminar & RTG Day

16.04.2024 (16:15 – 17:30, Room: Altendorfer A-B02, Essen) – Eric Hornung (University of Cologne)

“NAFTA and drug-related violence in Mexico”

We study how NAFTA changed the geography of violence in Mexico. We propose that open borders increased trafficking profits of Mexican cartels and resulted in violent competition among them. We test this hypothesis by comparing changes in drug-related homicides after NAFTA’s introduction in 1994 across municipalities with and without drug-trafficking routes. Routes are optimal paths connecting municipalities with a recent history of drug trafficking with U.S. ports of entry. On these routes, homicides increase by 27% relative to the pre-NAFTA mean. These results cannot be explained by changes in worker’s opportunity costs of using violence resulting from the trade shock.

23.04.2024 (16:15 – 17:30, Room: Altendorfer A-B02, Essen) – Martin Fischer (Lund University)

“Labour market returns to compulsory schooling in the presence of school tracking”

Returns to education from instrumental variable estimation using compulsory schooling reforms have been interpreted as local average treatment effects (LATE) with school dropouts as the complier sub-population. I show that within traditional European school systems employing academic tracking, compulsory schooling reforms do not necessarily warrant such an interpretation. The complier population instead includes a further, conceptually different group of students which face constraints imposed by the institutional setting. These students are unable to attend their desired amount of schooling within the non-academic track. Leveraging two quasi-experiments in Sweden, I can compare labour market returns for students who were given the option to attend one additional year of education in lower secondary school to students who were mandated to take an additional school year. Results for life-cycle earnings show that only those who were forced to stay gained large labour market returns following an additional year of schooling (12% vs. OLS returns to education of 6%). In contrast, students who voluntarily stayed in school for another year gained substantially smaller labour market returns on average. Interpreting the results within a marginal treatment framework, students with a higher resistance to stay in school had the highest earnings gains from additional schooling. The results are in line with findings on the so-called incarceration effect and conceptually connect compulsory schooling reforms with changes in the school minimum leaving age, which naturally target drop-outs only.

30.04.2024 (16:15 – 17:30, Room: Altendorfer A-B02, Essen) – Patrick Lehnert (University of Zurich)

“The Effect of Postsecondary Educational Institutions on Local Economies: A Bird’s-Eye View”

Over the last 50 years, nations worldwide have established higher education institutions to stimulate local economic growth. However, empirical evidence on local economic outcomes is still scarce, mainly because of a lack of adequate data. This paper provides evidence on the expansion of branch campuses in Tennessee and Texas, two states that are representative of the underlying patterns in the U.S. as a whole. As we expect the economic effect to be very

localized, we use a novel and highly disaggregated proxy for regional economic activity based on daytime satellite imagery. Applying three panel estimation methods—traditional difference-in-differences (DD), heterogeneityrobust DD, and instrumental variables (IV)—we find positive associations for Tennessee and Texas in all estimations. In Tennessee, the traditional DD approach yields an increase in GDP of 1.4 percent after a campus opens (according to our most conservative estimate) and is driven by two-year branch campuses. In Texas, this effect amounts to 5.9 percent, with both two- and four-year branch campuses contributing to it. In our IV estimations, we take advantage of local taxing regulations that influence the decision to open branch campuses in certain locations but not the local economic conditions. We use this exogenous variation to estimate causal effects and find an even larger positive effect of 12.5 percent for the most conservative estimate. Given the widespread use of higher education expansion to induce economic growth, particularly in rural areas, this paper contributes important evidence on the economic impact of such campus openings on regional economic activity.

Please find further information [here](#).

RWI – Leibniz-Institut für Wirtschaftsforschung

09.04.2024 (11:00 – 12:00, E-Werk or Teams) - Prof. Dr. Ines Helm (Ludwig-Maximilians-Universität München)

“Displacement Effects in Manufacturing and Structural Change”

16.04.2024 (11:00 – 12:00, E-Werk or Teams) - Prof. Dr. René Bekkers (VU Amsterdam)

“Why is educational attainment associated with formal prosocial behavior?”

Please find further information either [here](#) or [here](#).

Essen Health Economics

08.04.2024 (12:00 - 13:00, UDE: Room WST-C.12.09.) - Judit Vall (University of Barcelona)
"Hit where it hurts: Healthcare access and intimate partner violence"

This paper investigates the causal link between healthcare access and intimate partner violence (IPV) victims' help-seeking behavior. Access to healthcare serves as a critical avenue for screening or detecting IPV. Doctors are legally mandated to report suspected criminal injuries to the authorities and can guide victims towards IPV support services. We exploit the 2012 reform in Spain that removed access to the public healthcare system for undocumented immigrants. We use court reports and protection order requests from the Judicial Branch of the Spanish government to perform a difference-in-differences approach, comparing the helpseeking behavior of foreign and Spanish women before and after the reform. We find that restricting healthcare access led to an immediate 12% decrease in IPV reporting and protection order applications among foreign women, particularly in regions with strict enforcement. Importantly, we show suggestive evidence that the reform did not change the underlying incidence of IPV but the results are driven by a reduction in injury reports from medical centers. Our findings are important given the increase in migration flows globally as well as for current debates on granting/limiting access to healthcare for marginalized groups.

22.04.2024 (12:00 - 13:00, UDE: Room WST-C.12.09.) - Martin Fischer (Lund University)
"Does rearing children make you lose your mind? The number of children and the risk of developing dementia"

This study investigates the causal link between the number of children parents have and their risk of developing dementia. Previous research on cognitive health and number of children documents an association, but is generally limited by small sample sizes and potential biases from unobservable factors. We analyze comprehensive administrative data encompassing all parents born in Sweden between 1920 and 1950 (N=2,237,268). We construct a measure on the number of children that a woman/man has based on information from multi-generational registers. With parents born 1920-1950 we have information on completed fertility. Dementia onset is determined through administrative in-patient registers and cause of death records. We employ instrumental variable (IV) and within-sibling and within-twin designs for survival models to address confounding and estimate causal effects. As quasi-experimental variation, our instruments for the number of children use the sex composition of offsprings and the occurrence of twin births. Baseline associations show a u-shaped gradient between the number of children and dementia risk, with significant and substantially higher risk for individuals not having any children or for parents with a higher number of offspring (>3). The u-shaped gradient is stronger for fathers than for mothers. Magnitudes are equivalent of having only primary education as a risk factor for dementia. In contrast to these associations, IV and within-sibling estimates do not suggest any effects for higher number of children on dementia risk. Our findings contradict recent studies suggesting accelerated cognitive decline with multiple children, and suggest that the risk of having large numbers of children is driven by confounding. In contrast, effects of childlessness on dementia are more pronounced after controlling for confounding. Mediators such as labour market participation and educational attainment are investigated using linked administrative data.

29.04.2024 (12:00 - 13:00, UDE: Room WST-C.12.09.) - Kelly Ragan (Stockholm School of Economics)

“Empowerment or Immiseration? The Pill and a Century of Unwed Childbearing”
Prominent theories posit that fertility control liberalization contributed to rising unwed childbearing, an immiseration effect. This view is challenged by studying local oral contraceptive sales and fertility data surrounding the pill's introduction in Sweden. I present a model where women's demand for premarital sex is a function of customs for preventing unwed birth and equilibrium determined promiscuity norms. These factors jointly determine past unwed birth and demand for contraceptive innovations. Sales data confirm 19th Century unwed birth to be a positive and highly robust predictor of the pill's adoption. The theory motivates an empirical model which is used to estimate how pill use shaped unwed birth. The data reveal how the pill's diffusion reduced unwed childbearing among teens, consistent with the model predictions. The rising share of births occurring out-of-wedlock is driven by a decline in marital childbearing that coincided with the pill's introduction but is uncorrelated with the extent of pill use in a market, consistent with an empowerment effect.

Please find further information [here](#).

TU Dortmund

[Economics Seminar](#)

29.04.2024 (12:30 – 15:00, Vogelpothsweg 87, First Floor) – Julia Mink (U Bonn)

Please find further information [here](#).