

Workshop - Tentative Program

University of Cologne, IBW Building, Room 3.40
Herbert-Lewin-Straße 2, 50931 Köln

FRIDAY, 13.05.2022

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09:30 – 09:45

Welcome and Introduction of New Members
Sven-Oliver Proksch and Moritz Schularick

09:45 – 10:45

Panel 1: Historical Political Economy

Chitrlekha Basu, Carles Boix, Sonia Giurumescu, Paulo Serodio: “Democratizing from Within: British Elites and the Expansion of the Franchise”

Abstract: We develop a theory of democratization that integrates both electoral calculations and economic incentives to explain the institutional choices of political actors. Left-leaning (liberal) politicians, who, given their location in the policy space, are more likely to receive the support of newly enfranchised voters, favor a broader franchise than conservative ones. Their preferences are conditional on the distributional effects of the franchise: when inequality is higher, policymakers are more reluctant to expand it because it is harder to reconcile the policy demands of existing and new voters. We evaluate this theory by estimating the franchise preferences of British MPs based on their votes on franchise-related parliamentary divisions between 1830 and 1918, and linking these preferences to their personal and constituency characteristics. Our results, which are consistent with our theory, show that declining inequality and the First World War were crucial factors in the democratization of Britain in this period.

Melissa Rubio-Ramos: “The Vietnam War in Black and White”

Abstract: The Vietnam war was the first major conflict in which African Americans were fully integrated, and the first conflict after the civil rights movement of the 1950s and early 60s. Executive Order 9981 officially desegregated the armed forces in 1948, but many units remained segregated until late 1954. However, integration in paper did not translate into full equality. This work looks at discrimination in the military forces between white and black soldiers by exploiting awards, ranks, and payments.

10:45 – 11:00

COFFEE BREAK

11:00 – 12:00

Panel 2: Politics during Pandemics

Michael M. Bechtel, William O'Brochta, Margit Tavits: “Can Policy Responses to Pandemics Reduce Mass Fear?”

Abstract: To successfully address large-scale public health threats such as the novel coronavirus outbreak, policymakers need to limit feelings of fear that threaten social order and political stability. We study how policy responses to an infectious disease affects mass fear using data from a survey experiment conducted on a representative sample of the adult population in the United States (N=5,461). We find that fear is affected strongly by the final policy outcome, mildly by the severity of the initial outbreak, and minimally by policy response type and rapidity. These results hold across alternative measures of fear and various subgroups of individuals regardless of their level of exposure to coronavirus, knowledge of the virus, and several other theoretically relevant characteristics. Remarkably, despite accumulating evidence of intense partisan conflict over pandemic-related attitudes and behaviors, we show that effective government policy reduces fear among Democrats, Republicans, and Independents alike.

Stefan Bauernschuster, Matthias Blum, Erik Hornung, Christoph Koenig: “The Political Effects of the 1918 Influenza Pandemic in Germany”

Abstract: Do public health crises affect political landscapes? When the 1918 influenza pandemic broke out in Germany, it was on the verge of losing WW1. To maintain order, the government largely suppressed public information on the disease. Using a constituency-level panel of election results from 1893 to 1933, we estimate the effect of pandemic intensity on voting behavior in a differences-in-differences framework. Local pandemic intensity is calculated from excess mortality in 1918 for all 362 constituencies of Interwar Germany. We find that 1918 excess mortality resulted in a lasting shift of votes toward left-wing parties. We explore several mechanisms that may explain this finding.

FRIDAY, 13.05.2022

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12:00 -12:45

LUNCH BREAK (CATERING)

12:45 – 14:15

Panel 3: Partisan Communication during and after elections

Carl Heese, Stephan Laueremann: “Persuasion and Information Aggregation in Elections”

Abstract: This paper studies a large majority election with voters who have heterogeneous, private preferences and exogenous private signals. We show that a Bayesian persuader can implement any state-contingent outcome in some equilibrium by providing additional information. In this setting, without the persuader’s information, a version of the Condorcet Jury Theorem holds (Feddersen and Pesendorfer, 1997). Persuasion does not require detailed knowledge of the voters’ private information and preferences: the same additional information is effective across environments. The results require almost no commitment power by the persuader.

Sven Oliver Proksch, Jens Wäckerle, Jan Schwalbach: “Exogenous Shocks and Parliamentary Debates”

Abstract: Exogenous shocks have the potential to disrupt parliamentary politics. At the same time, they provide legislators with an opportunity to react to a local crisis and demonstrate responsiveness to voters. We study how quickly and in what way legislators respond to exogenous shocks during parliamentary debate. Using a novel machine translated corpus of parliamentary debates in seven European countries, we use unsupervised learning through Structural Topic Models to test whether legislators apply local or national benchmarking in evaluating the severity of a crisis. Our results have implications for our understanding of policy-making and political representation during crises.

Bruno Castanho Silva, Danielle Pullan, Jens Wäckerle: “Gendered Communication and Women's Political Careers in 21 Democracies”

Abstract: Women politicians face a paradox when acting in parliament: on the one hand, substantively representing women pushes them to have a more gendered style and to sometimes focus their activity on so-called “women's issues”, such as education and healthcare. On the other hand, many voters have a gendered perception of politics, and have harsher evaluations of women politicians, potentially punishing them for acting in this gender stereotype-conforming behavior. Furthermore, research on organizational behavior has shown that women who progress to higher positions in a hierarchy typically dominated by men tend to adopt more stereotypical masculine traits. In that case, having a markedly feminine style can lead to slower career progression of women politicians. We investigate how these contradictory incentives have influenced women's parliamentary trajectories in twenty-one democracies of Europe (East and West), North America, and Oceania between 1987 and 2020. We have used different sources to collect 6.8 million parliamentary speeches from those countries within this time frame, and we use a machine learning model to measure the genderedness of each speaker. Subsequently, we investigate the relationship between discourse genderedness and women's progression in parliament over time, more specifically the relationship with how long they stay in parliament, and if and how they rise through party ranks by getting more prestigious assignments, such as committee memberships and chairwomanships, party leadership, and cabinet positions, understanding parliaments as gendered workplaces. Findings suggest that women MPs have a less distinctively feminine voice the longer they stay in parliament, and that their discourse becomes less feminine in tandem with increasing their parliamentary prestige, even controlling for the topics they talk about. This research helps us understand the individual incentives that shape how women represent women in parliament and the institutional structures that influence this relationship.

14:15 – 14:30

COFFEE BREAK

14:30 – 16:30

Panel 4: Political Economy

Michael Schwan: “Patient or pushing? Ownership structures, financialization and shareholder value orientation of European non-financial firms, 2010-19”

Abstract: Firms have transformed fundamentally. The rise of new institutional investors and the increasing engagement of non-financial firms in global financial markets challenge conventional distinctions between patient capital and shareholder value-oriented corporate governance. What is the relationship between these processes? Do global asset managers or sovereign wealth funds push for payouts and new sources of revenue? Do they exert pressure on wages? This paper sheds light on the new political economy of the firm in the era of global finance. Conceptually, it develops a framework that links changes in corporate governance to corporate behavior. Empirically, it analyzes a novel and unique panel of 1,519 firms from 31 European countries over the 2010-19 decade. Robust findings reveal a more nuanced understanding of the different shareholder effects on business models. The paper contributes to the burgeoning literatures on comparative financialization and asset manager capitalism and provides ground for research on shareholder influence.

Manuel Funke, Moritz Schularick, Christoph Trebesch: “Populist Leaders and the Economy”

Abstract: Populism at the country level is at an all-time high, with more than 25% of nations currently governed by populists. How do economies perform under populist leaders? We build a new cross-country database identifying 50 populist presidents and prime ministers 1900-2018. We find that the economic cost of populism is high. After 15 years, GDP per capita is more than 10% lower compared to a plausible non-populist counterfactual. Rising economic nationalism and protectionism, unsustainable macroeconomic policies, and institutional decay under populist rule do lasting damage to the economy.

Felix Bierbrauer: “The taxation of couples”

Abstract: We present an analysis of the tax treatment of couples. We first investigate how marriage bonuses and penalties evolved in the US federal income tax since the 1960s. We then develop sufficient statistics for an analysis of Pareto-improving, welfare-improving and political feasible reforms of tax systems that treat singles and couples differently, and interpret the development in the US through the lens of this framework. We also analyze revenue-neutral reforms that depart from the status quo tax treatment of couples in the direction of individual taxation. With such a reform, marginal tax rates are lowered for secondary earners and increased for primary earners. Such reforms are a recurrent theme in the debate about the tax treatment of couples. Again, we derive sufficient statistics formulas that can be used to check whether such reforms would have been Pareto-improving, welfare-improving or politically feasible. We present two main results. First, for the US, with empirically plausible assumptions about the behavioral responses to taxation, moving towards individual taxation for high incomes is Pareto-improving today and would have been Pareto-improving in the last decades. More bluntly, the tax treatment of couples is and was a source of inefficiency in the US tax system. Second, a revenue-neutral reform towards individual taxation creates winners and losers. The winners tend to be couples with a relatively small gap between primary and secondary earnings. The losers tend to be couples with a relatively large gap. Political feasibility requires majority-support, i.e. that the winners outnumber the losers. Over the years, the number of winners from such a reform has grown and only recently passed the majority threshold. Thus, reforms towards individual taxation have not been politically feasible in the past, but have become politically feasible recently.

Bruno Castanho Silva, Bastian Becker, Hanna Lierse: “Equality versus growth: The Big Tax Trade-off?”

Abstract: Calls for redistributive taxes, especially on the rich, are often countered by warnings of detrimental effects for economic growth. Although this equality-efficiency trade-off has a long tradition in public discourse, we know surprisingly little about what beliefs individuals hold about the effects of redistributive taxation. We study such policy beliefs using a survey experiment in Germany with a conjoint design in which participants (n = 1,360) evaluate different tax packages and their impact on equality and growth. We find no evidence that equality-efficiency trade-offs determine individual beliefs. Instead respondents believe that both go hand in hand, particularly for income and wealth taxation. Furthermore, such beliefs do not vary by ideology or economic status. These findings question common wisdom about policy beliefs and suggest that public opinion over redistributive taxation is more consensual than commonly assumed.

16:30 -17:30

**Open Discussion:
Future Directions and Initiatives of the Research Area**

18:00

DINNER