

8th IAST/TSE Political Science and Political Economy Conference: Inequality, Migration, and Organized Interests

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Titles and Abstracts

John Ahlquist, UCSD, University of California San Diego
(joint with Mitch Downey)

The Effects of Import Competition on Unionization

Abstract:

We study direct and indirect effects of Chinese import competition on union membership in the United States, 1990–2014. Import competition in manufacturing induced a slight decline in unionization within manufacturing industries. The magnitude is small because manufacturers in Right-to-Work states experienced more direct competition with low-quality Chinese imports. Outside manufacturing, however, import competition causes a large increase in union membership as less-educated women shift away from retail and towards jobs in healthcare and education where unions are stronger. Due to these responses, we calculate that Chinese imports prevented 26% of the union density decline that would have otherwise occurred.

Julia Cagé, Sciences Po Paris
(joint with Edgard Dewitte)

It Takes Money to Make MPs : New Evidence from 150 Years of British Campaign Spending

Abstract:

What is the price of a vote and how did it evolve over time? In this paper, we study the impact of campaign spending on electoral results in the United Kingdom over the last 150 years, a period that covers the emergence of different campaigning technologies. We build a new exhaustive dataset on campaign spending and votes since 1857, including not only detailed election expenses for 62,248 election-constituency-candidates, but also extensive candidates' characteristics as well as constituency-level controls. Beyond this important data collection effort, our contribution to the literature is threefold. First, we propose two new instruments based on historical events to estimate the causal impact of spending on votes. Second, we investigate whether the introduction of new campaigning technologies has affected the relationship between spending and votes. Finally, we exploit the multiparty nature of the U.K. electoral data and examine whether the efficiency of campaign spending varies depending on the political parties. We show that there is a positive effect of spending on votes, and that this effect is becoming stronger over time, reflecting an higher efficiency of new campaigning technologies. Furthermore, we document that while historically, campaign expenditures were relatively less efficient for the UK Independence Party, there is a convergence over time. This may reflect a decrease in the stigma associated with the UKIP vote, and help to improve our understanding of the determinants of the rise of right-wing populism.

Charlotte Cavaillé, University of Michigan Ann Arbor

Unpacking the Second Dimension. What We Can Learn from Studying the Determinants of Free Riding Beliefs

Abstract:

A common approach to political change in Western Europe focuses on the rising salience of a non-economic dimension of political conflict pitting “cosmopolitan libertarians” against “parochial authoritarians.” This paper seeks to better theorize what distinguishes people along this “second” dimension of political competition. One difference, I argue, is how people reason about solutions to social dilemmas and the monitoring of free riding. People closer to the parochial-authoritarian end of the divide favor minimizing free riding even if it means sometimes unfairly punishing pro-social actors (a false negative). People closer to the cosmopolitan libertarian end prefer minimizing false negatives even if it means letting some free riders get away with their behavior (a false positive). In the right context, these differences in error sensitivity can result in large differences in error beliefs (i.e. beliefs about the prevalence of false positives relative to false negatives), with implications for political preferences. Using observational and experimental survey data collected in Great Britain, I show that this interpretative framework can help explain the correlation between libertarian-authoritarian attitudes on the one hand, and beliefs about the prevalence of free riding among welfare recipients on the other. I discuss these results in light of a more parsimonious account which states that authoritarians are parochial altruists reacting to the over-representation of immigrants among net-beneficiaries of welfare programs.

Eve Colson-Sihra, Hebrew University Jerusalem

(joint with Avraham Ebenstein, Yael Mishly and Dan Ben Moshe)

Intergenerational Mobility Following a Large Exogenous Shock: Evidence from the Holocaust

Abstract:

In this paper, we examine the economic outcomes and intergenerational mobility of Holocaust Survivors relative to those who arrived before World War II, a group known as the Fifth Aliyah. We present evidence that in spite of large initial human capital differences between the groups, by the third generation, the survivors enjoy almost complete convergence with the Fifth Aliyah. The survivors exhibit more upward mobility and lower similarity with their parents' outcomes as compared to the Fifth Aliyah. We also compare survivors stratified by age, and find that those who arrived later in life suffered even worse initial economic outcomes, but their children exhibited greater upward mobility. We explore mechanisms for the rapid catch-up by comparing those who received reparations to those who did not, focusing exclusively on the Polish-born. We find that reparations given to the first generation had a large positive impact on the second and third generation, who enjoy complete catch-up with the outcomes of the descendants of the Fifth Aliyah in terms of human capital. The results highlight the effectiveness of providing financial reparations to a previously-persecuted group with a low initial level of human capital.

Mathilde Emeriau, LSE, London School of Economics and Political Science

Learning to be unbiased: Evidence from the French asylum office

Abstract:

What determines whether some asylum seekers are granted refugee status while others are rejected? I draw upon archival records from a representative sample of 4,142 asylum applications filed in France between 1976 and 2016 to provide new evidence on the determinants of asylum decisions. I find that applicants who are Christian (rather than Muslim), have higher skill levels or have higher educational attainment are more likely to be granted refugee status, controlling for all other individual characteristics available to the asylum officers making the decisions. However, linking archival records to detailed administrative data, I also show that bureaucrats at the French asylum office stop discriminating after about a year on the job. This pattern, I argue, is most consistent with inaccurate statistical discrimination. These findings have implications for strategies to curtail discrimination in courtrooms and administrations.

James Fearon, Stanford University
(joint with Andrew Shaver)

Civil war violence and refugee outflows

Abstract:

Conflict forces millions of individuals from their homes each year. Using a simple structural model and new refugee data, we produce the first set of estimates relating outflows to annual conflict magnitudes. The theory underlying the structural model implies that standard panel data approaches will underestimate the impact of conflict violence, by "differencing out" the effect of prior and expected levels of violence on the decisions to flee. We estimate that whereas a shock that doubles conflict deaths in one year increases outflows in that year by 40% on average, doubling conflict deaths in all years increases annual outflows by 100%. We further estimate an average of 30 refugees per conflict death (median 18), with higher rates for conflicts closer to an OECD country and possibly for ethnic wars and in lower income countries. The analysis illustrates a broader methodological point: It can be hazardous to try to identify a causal effect using shocks to a presumed causal factor if the outcome variable is the result of decisions based not only on shocks but also on levels.

Nina McMurry, WZB, Wissenschaftszentrum Berlin für Sozialforschung

From recognition to integration: indigenous autonomy, state authority, and national identity in the Philippines

Abstract:

How does the granting of collective self-governance rights to indigenous communities affect national unity and state consolidation? In recent decades, many states have granted such rights, devolving control over land and local governance to indigenous authorities. Dominant perspectives in the state-building literature suggest that these policies are likely to threaten state consolidation by strengthening non-state authorities at the expense of state authority and sub-national identities at the expense of a national identity. Yet few studies have tested whether these policies have the consequences their critics claim. I address this gap leveraging spatial and temporal variation in the granting of communal land titles to indigenous communities in the Philippines. Using difference-in-differences and panel designs, I find that titling increases both indigenous self-identification and compliance with the state. Results from an original survey experiment suggest that granting collective self-governance rights increases identification with the nation.

Massimo Morelli, Bocconi University
(joint with Matteo Gamalerio and Margherita Negri)

***The Political Economy of Open Borders
Theory and Evidence on the role of Electoral Rules***

Abstract:

Institutions matter for the political choice of policies, and hence the consideration of the median voter's preferences should not be considered sufficient. We study theoretically and empirically how different electoral systems affect the level of openness of a country or city, zooming on the labor market as the main source of heterogeneous economic preferences towards immigration. The general result is that a polity is more likely to display open border policies when its electoral rules tend towards proportional representation or, more generally, the more unlikely it is that policymaking can be supported by a plurality of voters who do not constitute an absolute majority. There is evidence for this result at all levels in terms of correlations, and we establish causality via regression discontinuity design for the Italian case.

Saurabh Pant, University of Essex

Militancy Among Minority Groups: the Protection-Group Policing Dynamic

Abstract:

When does militancy emerge among minorities? This paper presents an understudied but important dynamic and develops a formal model illustrating how the state can influence minority militant mobilization. In many contexts, minorities face the threat of indiscriminate retaliation from non-state sources if violent transgressions are committed by someone from their community. Insufficient protection from this threat incentivizes minority members to police their group in order to prevent militancy from emerging within their community. The actions and characteristics of the state shape these perceptions of protection. Therefore, the strategic tensions in this protection group policing dynamic occur within the minority group and between the minority group and the state. I thus develop a formal model to study how the interaction between state capacity and state willingness – two important aspects of the state – can influence the onset of minority militancy through this dynamic. The model can account for the variation in the extent and types of militancy that would emerge. Through the protection-group policing dynamic, the model counterintuitively demonstrates how low-capacity states can provide less conducive environments for minority militancy than high-capacity states, and it provides a new explanation for why small-scale militancy is more likely in higher capacity states.

Nelson Ruiz, Oxford University

The Power of Money. The Consequences of Electing a Donor Funded Politician

Abstract:

What difference does it make if we elect a politician who receives private donations during the campaign vs. a self-financed candidate? This paper examines this question using a novel dataset that uniquely links campaign donors with recipients of public contracts during mayors' incumbency period in Colombia, where not all candidates are donor-funded. Using a regression discontinuity design, evidence shows that barely electing a donor-funded politician more than doubles the probability of her/his donors receiving contracts compared to when their candidate barely loses. Using detailed contracting data to study how politicians benefit donors, interesting patterns are found: numerous small contracts are awarded to allow for more discretion and less transparency regarding who gets awarded contract. On the other hand, donor-funded mayors, are not better at managing public finances. Ultimately, these practices are costly; donor-awarded contracts cost double compared to similar non-donor-awarded contracts.

Nathan Wilmers, MIT, Massachusetts Institute of Technology
(joint with Di Tong and Victoria Zhang)

Organizational Social Capital and Between-firm Inequality

Abstract:

Labor market inequality is due not only to differences in worker skill, but also to firm-specific pay premiums. One explanation proposed for these premiums is productivity benefits from firms' social capital, as in research that contrasts commitment to control organizations and that studies relational contracts and dynamics of highly effective teams. However, social capital can also make worker discipline more difficult and can facilitate normative control that blunts workers' wage demands. We clarify that the specific social structure underlying social capital matters, and distinguish types of norms, social ties and trust with respect to their predict effects on pay premiums. We test these ideas using data from a job review website, which allow us to measure types of social capital as described by worker reviewers. We compare workers in the same occupation and the same industry, but who work at firms that have different levels and types of social capital. We find that the distribution of social capital across firms explains part of within-industry inequality in firm pay premiums.

Hye Young You, NYU, New York University
(joint with Pamela Ban and Ju Yeon Park)

How Are Politicians Informed? Witness Testimony and Information Provision in Congress

Abstract:

How are politicians informed and who do politicians seek information from? Congressional committee hearings have played a crucial role in how members of Congress acquire analytical information, make decisions, and coordinate with key stakeholders. We examine the information flow between members of Congress and witnesses from external groups, and investigate how the information-seeking behavior of committees is influenced by internal resources. To do so, we construct a novel dataset that represents the most comprehensive data collection to date on congressional committee hearings and witnesses across a 60 year time period spanning 1960–2018. Across 72,851 hearings and 755,948 witnesses who testified in Congress, we investigate who members of Congress invite to provide information and the organizational affiliations of those witnesses. Second, we use the content of witness testimonies from the 105th–114th Congresses and scale the level of analytical information provided by witnesses. Finally, we demonstrate how changes in the internal capacity of Congress, namely the downsizing of congressional staff and the elimination of the Office of Technology Assessment in 1995, drive committees to change their behavior in how much – and from whom – they seek external information.