An open workshop on

Application of Empirical Methods in Modern Economics

26-27 June 2019,
Poznań University of Economics and Business

Programme

26th of June, Wednesday, CEUE building, room 4.1, open to the public

8:50-9:00	Welcome address
9:00-10:30	Ivo Bischoff, *Causal inference in economics*
10:30-10:40	Break
10:40-12:10	Marcin Szymkowiak, *Foreigners on the national labour market – regional approach*
12:10-13:50	Break
13:50-15:20	Lucas van der Velde, *Career instability in a context of technological change*
15:20-15:30	Break
15:30-17:00	Marcin Błażejowski, *Model uncertainty in modeling of economic growth – why we should use Bayesian Model Averaging approach?*

27th of June, Thursday, Building B, room 114B, closed to the public (registration required)

9:00-10:00	Eva Wolfschütz, *The effect of inter-municipal cooperation – Evidence from Germany*
10:00-10:10	Break
10:10-12:30	Presentation of selected working papers prepared by PUEB PhD candidates Discussant: Ivo Bischoff

Aim and characteristic

The workshop is divided in two parts. The aim of the first part (on the 26th of June) is to present and discuss the application of selected empirical methods in modern economics. This part is open to the public and will consist of an introductory lecture and three research seminars given by our distinguished guests who in their research use empirical methods that are still rarely employed in economics. They were asked to prepare a presentation about their recent results (with a special focus on methodological details) that would be no longer than 60 minutes. After every presentation at least 30 minutes will be devoted to questions and discussions.

The aim of the second part (on the 27th of June) is to help PhD candidates from PUEB to improve their skills in identifying causal relationships in economics with the help of empirical methods. This part is closed to the public and interested PhD candidates are required to apply in order to participate. No more than two applicants will be selected to present their work, however, other applicants will have an opportunity to listen and participate in the discussion. The invited PhD

candidates will have 30 minutes to present their working papers. A discussion led by Prof. Dr. Ivo Bischoff will take no longer than 30-40 minutes for every paper.

Registration

The workshop is free of charge. The first day (26th of June) is open to the public and no prior registration is required. The attendance of PhD candidates studying at the PUEB is especially welcome. Participants will be offered coffee and snacks during the breaks.

The participation in the second part (27th of June) is restricted to the PhD candidates from PUEB who had sent their application. In order to apply, the interested candidates are asked to submit the application form and working paper they would like to present during the meeting via e-mail to empirical.methods@konf.ue.poznan.pl by the **2nd June** 2019. The convenors will choose two manuscripts of the highest quality that are related to the topic of the workshop which will be later presented and discussed during the meeting. The candidates will be informed about the decision by the **7th June** 2019.

Convenors and Queries

For any queries, please contact one of the workshop convenors: Dr Monika Banaszewska (monika.banaszewska@ue.poznan.pl) from the Department of Public Finance and Dr Michał Pilc (michal.pilc@ue.poznan.pl) from the Department of Macroeconomics and Development Research. The convenors would like to thank Prof. Katarzyna Szarzec, Dr Jakub Gazda and members of the student scholarly association Maksimus for their help in organising the workshop. Special gratitude is owed to Katarzyna Woźniak for her indispensable help and the Business Partners Club of PUEB for the financial support.

Speakers and abstracts

Prof. Dr. Ivo Bischoff

Ivo Bischoff is full professor in Public Economics at the University of Kassel, Germany. His research centers around three main themes: Behavioral Economics, Public Choice and Local Public Finance. He has published a number of papers in international journals like Regional Studies, Journal of Economic Psychology, International Tax and Public Finance or Journal of Economic Behavior & Organization. Recently, he worked intensively on inter-local cooperation.

Causal inference in economics

Today, policy advice has to be evidence-based. This is easier said than done. There are numerous challenges and pitfalls scientists have to deal with in order to be able to claim that their conclusions live up to the high standards that allow for a causal interpretation. There are numerous sources of "endogeneity" and seemingly countless methods that can be used to reduce or eliminate the corresponding biases. Taking the bird's eye view, the current talk reviews the relevant empirical toolbox. The aim is to give young researchers some guidance through the jungle of evidence-based economics.

Marcin Szymkowiak, Ph.D.

Assistant professor at the Department of Statistics at Poznań University of Economics and Business and consultant at the Centre for Small Area Estimation at the Statistical Office in Poznań. He specializes in small area estimation, methods of dealing with nonresponse (imputation and calibration), survey sampling, statistical methods of data integration (probabilistic record linking, statistical matching), and multivariate data analysis. He has participated in many domestic and international projects in cooperation with the Central Statistical Office, the World Bank and Eurostat.

Foreigners on the national labour market – regional approach

Co-author: Maciej Beręsewicz, Ph.D., Poznań University of Economics and Business

There is an urgent demand for information about the real size of the foreigner population residing temporarily in Poland, especially in the context of labour immigration. This is because foreigners can be treated as a hard to reach population.

Data on the number of immigrants are an important element in the implementation of cohesion policy, especially given the fact that the intensity of foreign immigration varies across the country.

The main aim of this presentation is to develop a method for estimating the number of foreigners staying temporarily in Poland, with special emphasis on foreigners working in Poland, based on administrative and statistical data and using capture-recapture methods. In this presentation we focus mainly on immigrants from European countries, in particular Ukrainians, Belarusians and Russians and we use log-linear models as a basic statistical technique for estimating the number of foreigners in Poland.

Lucas van der Velde, Ph.D.

Lucas van der Velde is an assistant professor at the Warsaw School of Economics. His main focus of research has been labor market inequality in post-transition economies. His work mostly focuses on differences based on gender and the redistributive consequences of automation. His publications appear in several journals including the Journal of Comparative Economics, and Sociological Methods and Research.

Career instability in a context of technological change

Previous literature shows similar changes in employment structure in several developed economies over the last two decades: notably an increase in employment shares of occupations at the top and at the bottom of the income distribution. Yet, evidence comes mostly from aggregated data, whereas individual level analysis are lacking. As such, relevant questions on the mechanisms suggested by theory are left unanswered. This research proposes to close this gap in the literature by analyzing panel data from Germany and Great Britain. By studying two dissimilar countries, that nonetheless experienced a similar pace of technological progress, we can test how general results are to varying institutional configurations. Our analysis suggests there is a relation between

technological progress and career patterns. Workers in those occupations where a greater share of tasks can be automated present more unstable careers (in Great Britain) and longer unemployment spells (in Germany). This finding is statistically significant, and to some extent robust to several specification tests; however, the effect is small in economic terms. These results are at odds with theoretical insights and suggest the need to improve existing models of technological change and employment dynamics.

Marcin Błażejowski, Ph.D., WSB University in Toruń

Model uncertainty in modeling of economic growth – why we should use Bayesian Model Averaging approach?

Co-author: Jacek Kwiatkowski, Ph.D., Nicolaus Copernicus University in Toruń

Bayesian model averaging is a model-building strategy that takes account of model uncertainty in conclusions about estimated parameters. It is an efficient tool for discovering the most probable models and obtaining estimates of their posterior characteristics. In recent years we have observed an increasing number of software packages devoted to Bayesian model averaging for different statistical and econometric software together with empirical applications. The classical ones are those related with modeling of economic growth. The indication of the sources of economic growth may be an important element of the sustainable economic policy for development. The Bayesian model averaging approach is used to identify potential factors responsible for differences in countries' GDPs. Additionally, a jointness analysis can be performed to assess the potential independence, substitutability, and complementarity of the factors of economic growth.

M.Sc. Eva Wolfschütz

Eva Wolfschütz is research assistant at the Public Economics Unit at the University of Kassel, Germany. She earned a bachelor's degree in English and American Culture and Business Studies and a master's degree in Economic Behaviour and Governance, both at the University of Kassel. Currently she is working on her doctoral thesis with the topic of inter-municipal cooperation.

The effect of inter-municipal cooperation – Evidence from Germany

Co-author: Prof. Dr. Ivo Bischoff, University of Kassel

The joint provision of public services in the form of inter-municipal cooperation (IMC) aims at realizing economies of scale and scope and internalizing spillovers. Previous findings on the impact of IMC are mixed. Positive effects are attributed to economies of scale and negative effects relate to coordination costs. This study employs inverse probability of treatment weighting and marginal structural models to address selection into treatment and time-dependent confounding. To estimate the effect of IMC in the field of economic development I use data on municipalities in four West-German states, Lower Saxony, Hesse, Rhineland Palatinate, and Bavaria during the years 2005-2015.