Essays in Empirical Political Economics

Inauguraldissertation zur Erlangung des akademischen Grades eines Doktors der Wirtschaftswissenschaften der Universität Mannheim

Andreas Bernecker

vorgelegt im Frühjahr 2014

Contents

List of Figures						
Li	List of Tables					
1	Gen	General Introduction				
	1.1	Divided We Reform? Evidence from US Welfare Policies	2			
	1.2	Trial and Error? Reelection Concerns and Policy Experimentation during the US				
		Welfare Reform				
	1.3	Do Politicians Shirk when Reelection Is Certain? Evidence from the German				
		Parliament	5			
	1.4	Is Status Quo Bias Explained by Anchoring? Evidence from Survey Experiments	6			
2	Divided We Reform? Evidence from US Welfare Policies					
	2.1	Introduction	8			
	2.2 Related Literature					
	2.3 Background and Data		14			
		2.3.1 US Welfare Politics	14			
		2.3.2 Data	15			
	2.4	Empirical Strategy and Results				
		2.4.1 Empirical Strategy	21			
		2.4.2 Effect of Divided Government on Reform Adoption	22			
		2.4.3 Potential Other Reform Drivers	23			
		2.4.4 Measurement of Reform	28			
		2.4.5 Close Elections	29			
	2.5	Policy Competition as Explanation	32			
	2.6	2.6 Conclusion				

3	Tria	al and Error? Reelection Concerns and Policy Experimentation during the					
	US	Welfare Reform		40			
3.1 Introduction				40			
3.2 Related Literature				44			
	3.3	3.3 The 1996 Welfare Reform in the United States					
	3.3.1 AFDC program and Welfare Waivers						
		3.3.2 The Introduction of "Temporary Aid to Needy Families"		48			
	3.4	A Model of Reputational Concerns		49			
		3.4.1 Basic Setup		49			
		3.4.2 The Role of Reelection Concerns		51			
	3.5	Data and Empirical Strategy		52			
		3.5.1 Data Sources		52			
		3.5.2 Empirical Strategy		58			
	3.6	Empirical Results		59			
		${\bf 3.6.1} {\bf Governor}\ {\bf Quality,}\ {\bf Initial}\ {\bf Reputation}\ {\bf and}\ {\bf Policy}\ {\bf Experimentation}\ \ .$		59			
		3.6.2 Governor Quality and Policy Reversals		63			
		3.6.3 Robustness Analysis		65			
	3.7	Conclusion		69			
4	Do	Politicians Shirk when Reelection Is Certain? Evidence from the G	erman				
*		liament	0233-43	70			
	4.1	Introduction		70			
	4.2	Related Literature					
	4.3	Institutional Background and Empirical Strategy					
	1.0	4.3.1 Institutional Background		75			
		4.3.2 Empirical Strategy		78			
	4.4	Data		80			
	4.5	Results		82			
	4.6	Robustness		85			
	4.7	Extensions		89			
	4.7	Conclusion		94			
	4.0	Conclusion					
5	Is S	status Quo Bias Explained by Anchoring? Evidence from S	Survey				
	Experiments						

	5.1	Introduction
	5.2	Explanations of Status Quo Bias
	5.3	Method
		5.3.1 Design
		5.3.2 Application to Survey Questions
		5.3.3 The Surveys
	5.4	Results
		5.4.1 Evidence of Status Quo Bias
		5.4.2 Evidence of Anchoring
		5.4.3 Explaining Status Quo Bias by Anchoring
	5.5	Extension: The Limits of Anchoring
	5.6	Conclusion
\mathbf{A}	App	pendix to Chapter 2
	A.1	Maps
	A.2	Differential Effects in Different Samples
	A.3	Further Robustness Checks
	A.4	RDD
		A.4.1 Literature
		A.4.2 Multiple Interdependent Assignment Variables
		A.4.3 Identifying Assumptions
		A.4.4 Results
	A.5	Data
		A.5.1 Divided Government Variables
		A.5.2 Welfare Reform Variables
		A.5.3 Demographic Variables
		A.5.4 Political Variables
		A.5.5 Public Finance Variable
В	App	pendix to Chapter 3
	B.1	Data Appendix
		B.1.1 Welfare Waivers and Policy Rules
		B.1.2 Politics and Ideology Measures
		B.1.3 State Demographics and Other Controls

\mathbf{C}	Appendix to Chapter 4									
	C.1	Appen	dix Tables		140					
D	Appendix to Chapter 5									
	D.1	Streng	th of Anchoring in Surveys 1 and 2		143					
	D.2	Descri	ption of Original Survey Instruments		144					
		D.2.1	Survey 1		144					
		D.2.2	Survey 2		148					
		D.2.3	Survey 3		151					