



BGPE Mini-Workshop

Thursday June 21, 2018

Friedrich-Alexander University Erlangen-Nürnberg
Lange Gasse 20, 90403 Nürnberg
Room 4.109

14.30-15.30 Helena Skyt Nielsen, Aarhus University (Denmark)

**Lowering the minimum age of criminal responsibility:
Consequences for juvenile crime and education**

15.30-16.30 Rudolf Winter-Ebmer, University of Linz (Austria)

Bank equity and small-firm risk taking

16.30-17.00 Coffee Break

17.00-18.00 Arne Uhlendorff, CREST (France)

**Peer Effects of Job Search Assistance Group Treatments.
Evidence from a Randomized Field Experiment among
Disadvantaged Youths**

18.00-18.30 Walk to the Biergarten

18.30- Discussion at the Biergarten

For reservations please let us know **by June 13 2018**, if you attend the workshop and / or Biergarten discussion. Please email felicitas.koetzsch@fau.de .

Anna Piil Damm, Britt Østergaard Larsen, Helena Skyt Nielsen & Marianne Simonsen

Lowering the minimum age of criminal responsibility: Consequences for juvenile crime and education

This paper exploits a Danish policy reform combined with population-wide administrative registers to investigate whether the minimum age of criminal responsibility deters juveniles from crime. The reform lowered the minimum age of criminal responsibility from 15 to 14 years. We find that the reform did not deter 14-year-olds from committing crime. Moreover, conditional on committing crime in the first place, juveniles affected by the reform who had their case proceed in the criminal justice system were more likely to recidivate and less likely to be enrolled in the regular 9th grade, just as they have lower grades at the 9th grade exit exam, conditional on participating in the exam. The latter results are consistent with labeling effects of processing in the criminal justice system.

Rudolf Winter-Ebmer

Bank equity and small-firm risk taking

We analyze the effect of risk on small-firm employment. Our analysis concerns the risk taking that occurs when firms hire employees and thus expose themselves to labor productivity shocks because labor costs are quasi-fixed. The analysis is based on a sample of firms exposed to labor productivity shocks due to weather risk as an exogenous risk factor. By using this sample, we can cleanly identify the baseline effect of the risk on the firms' employment, as well as modulating effects. We test for modulating effects of the average equity ratio of banks in the vicinity of the firms. The analysis shows that exogenous labor productivity risk causes a stronger reduction in the firms' labor demand when local banks lack equity capital. Our results are the clean evidence that detrimental effects of risk are strongly amplified by financial frictions.

Arne Uhendorff, Gerard van den Berg, Sylvie Blasco, Bruno Crépon, Daphné Skandalis

Peer Effects of Job Search Assistance Group Treatments. Evidence from a Randomized Field Experiment among Disadvantaged Youths

Deprived neighborhoods are usually characterized by high youth unemployment rates. Young job seekers in these areas often have difficulties to find stable jobs and their dropout rate from active labor market programs is usually high. "Search clubs" have been designed to address the specific situation of these young workers. It is an intense counseling program with collective meetings aiming to foster the interaction among the participants and between the participants and the caseworker. The experiment was conducted in France with about 3600 young unemployed workers in 30 local labor agencies. Individuals were randomly assigned to a search club or to a standard counseling program. We find a positive impact of being assigned to a search club on the probability of finding a (longer-term) job. Moreover, our results indicate that the group composition is important for the effectiveness of the search club.