

Laws, Attitudes and Public Policy

av

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AKADEMISK AVHANDLING

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Abstract

The thesis consists of six self-contained papers.

Paper 1: Do laws affect attitudes? An assessment of the Norwegian prostitution law using longitudinal data

The question of whether laws affect attitudes has inspired scholars across many disciplines, but empirical knowledge is sparse. Using longitudinal survey data from Norway and Sweden, collected before and after the implementation of a Norwegian law criminalizing the purchase of sexual services, we assess the short-run effects on attitudes using a difference-in-differences approach. In the general population, the law did not affect moral attitudes toward prostitution. However, in the Norwegian capital, where prostitution was more visible before the reform, the law made people more negative toward buying sex. This supports the claim that proximity and visibility are important factors for the internalization of legal norms.

Paper 2: Gender and overconfidence: are girls really overconfident?

Previous research finds that people are overconfident and that men are more overconfident than women. Using a very precise confidence measure, this article shows, however, that whereas boys are overconfident, girls are actually underconfident regarding their mathematics performance. We conducted a survey where 14-year-old high school students were asked what grade they thought they would get in a mathematics test a week later. These results were then compared with their actual grade. Boys were overconfident about their grades, whereas girls were underconfident.

Forthcoming in *Applied Economics Letters*.

Paper 3: A field experiment of discrimination in the Norwegian housing market: sex, class, and ethnicity

We test for gender, class, and ethnical discrimination in the Norwegian rental housing market, using fake application letters. Females, individuals with high job status, and ethnical Norwegians are more likely to receive positive call-backs. For example, being an Arabic man, working in a warehouse is associated with a 25 percentage points lower probability of receiving a positive response when showing interest in an apartment as compared to an ethnically Norwegian female economist. We conclude that gender, class, and ethnic discrimination exist in the Norwegian rental housing market, and ethnic discrimination seems to be most prevalent.

Paper 4: What explains attitudes toward prostitution?

We assess people's attitudes toward prostitution in Norway and Sweden, two countries that have made it illegal to buy sex. The laws were, however, put in place in different time-periods and embedded in different market structures and discourses. Compared to previous research, the present study is the first to use methods that can shed light on attitudes toward various aspects of prostitution while controlling for other factors. We find that men and sexual liberals are more positive toward prostitution, and that conservatives and those who support gender equality are more negative. Holding anti-immigration views is correlated with more positive attitudes toward buying, but not toward selling, sex. Norwegians are more positive than Swedes toward prostitution. It is also found that supporting gender equality has more explanatory power in Sweden than in Norway, and it is argued that this may be due to the gender equality framing of the Swedish debate.

Forthcoming in *Feminist Economics*.

Paper 5: Why do you want lower taxes? Preferences regarding municipal income tax rates

The factors shaping people's preferences for municipal labor income tax rates in Sweden are assessed using survey data. The tax rate actually faced by the respondents has explanatory power for their attitudes toward the tax rate only when a few socio-demographic explanatory variables are included. When a richer set of variables are included, the association disappears. The hypothesis that this small or nonexistent effect of the actual tax rate is caused by a Tiebout bias finds no support, yet IV-estimations indicate that the actual municipal tax rate may be of importance for attitudes toward the tax rate.

Paper 6: Intergovernmental grants and fiscal competition

This theoretical paper shows how a central government can induce a policy concerning a municipal matter through a package of a policy requirement and a grant. We find that, due to fiscal competition and the possibility for citizens to move between municipalities, the central government can make the municipalities adopt the policy requirement although the municipalities make a loss from doing so. We apply this model to a recent Swedish child-care fee reform and can explain why all Swedish municipalities implemented the maximum child-care fee although it had a negative impact on many municipalities' finances.

Keywords: attitudes, child care, class, discrimination, ethnicity, field experiment, fiscal competition, housing market, income tax, intergovernmental grant, law, municipality, norms, overconfidence, prostitution, sex, tax preferences, user fee.

JEL classification: H24, H42, H72, H77, I28, J16, J71, J88, K14, K40, R21

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