

## Paper Discussion No. 2

M. Caliendo, K. Wrohlich (2010) Evaluating the German 'Mini-Job' reform using an natural experiment. Applied Economics, 42, pp. 2475-2489.

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### General Overview

- 1.) What is the paper about? Why is the topic of interest?
  - 2.) What are the main conclusions?
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### Detailed Questions

- 3.) What is the goal of the reform? How does the regulation change under the reform?
  - 4.) How is the reform designed in order to achieve positive labor supply effects? For whom could there be negative labor supply effects?
  - 5.) Illustrate the incentives for taking up a mini-job graphically in a static labor supply model.
  - 6.) Explain the fundamental evaluation problem.
  - 7.) How is the fundamental evaluation problem addressed here? Consider: Who is in the Treatment group? Who is in the Control group?
  - 8.) Explain the regression equation shown in equation no. (4). Why is it necessary to control for covariates?
  - 9.) Explain the estimation results shown in
    - table 3.
    - table 4.
    - table 5.
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### Discussion

- 10.) What are workfare policies?
- 11.) As a policy maker, how would you design a labor market reform in order to increase the labor supply of individuals with low earnings potential?