SÉMINAIRE

PREPARING KIDS FOR CAPITALISM: THE EFFECT OF GERMAN REUNIFICATION ON THE INTERGENERATIONAL TRANSMISSION OF PREFERENCES

08 avril 2025
Lemma - Salle Maurice Desplas (4 rue Blaise Desgoffe, 75006 Paris)

Le Laboratoire d'économie mathématique et de microéconomie appliquée (LEMMA) accueille Mariko J. KLASSING, mardi 8 avril à 11h, en salle Maurice Desplas, pour présenter un séminaire sur le thème « ***Preparing Kids for Capitalism: The Effect of German Reunification on the Intergenerational Transmission of Preferences*** », avec Matthias DOEPKE.

Mariko J. KLASSING est maître de conférence à l'université de Groningen. Elle est rédactrice en chef adjointe du *Journal of Comparative Economics*. Elle travaille sur l'économie politique.

Résumé :

Among the many dimensions along which children are similar to their parents are economic preferences such as patience and risk aversion. But what drives the correlation in preferences of parents and children? We build a theoretical model featuring different channels of cultural transmission and use the natural experiment of German reunification to shed light on this question. The model highlights that different potential transmission channels have distinct implications for how transmission should differ between the East and theWest, and how reunification should affect parent-child correlations. Specifically, genetic channels should act independently of the political regime; passive transmission channels should interact with the greater use of

government-provided childcare in East Germany versus parent-provided care in West Germany; and parents' active socialization efforts should be responsive to the new challenges that moving from a socialist to a capitalist system presents. Empirical evidence from the correlation of preferences between parents and children born on both sides of the border before, during, and after the political transition suggests that government intervention had little impact on preference transmission. In contrast, both genetic and active transmission channels find strong support.