

The Public Defense

of the Doctoral Thesis in Economics

by

Rita Pető

on

Essays in Labor Economics

will be held on

Thursday, September 19, 2019 at 10:00 am

in the

Quantum room (101)

Central European University

Nádor street 15, Budapest

**Thesis Committee:**

László Mátyás (Chair)

Sergey Lychagin (Internal member)

János Köllő (External member)

**Supervisor:**

Ádám Szeidl

**Examiners:**

Sergey Lychagin, Associate Professor of Economics  
CEU, Budapest.

(Internal Examiner)

Attila Lindner, Assistant Professor (Lecturer) University College London

(External Examiner)

The doctoral thesis is available for inspection  
at the CEU Department of Economics and Business

## **Abstract**

Two of the three essays are investigating the question about the role of skills in the labor market, while the third chapter looks at the labor market consequences of identity changes. The first chapter shows how a foreign takeover affects the return to specific skills, I found that the return on independent problem solving skills increases, while the returns on other skills are unchanged. The second chapter (joint with Balázs Reizer) study the gender differences in skill content of jobs, it shows that having family significantly increases the gap of skill use between men and women, we argue that time allocation by the family members is the potential mechanism driving the results. The third chapter (joint with Attila Gáspár) uses historical data to study the labor market impact of changing a foreign sounding surname to a Hungarian sounding one.

## **Chapter 1 – Foreign Acquisition and the Return to Skills**

I study the effect of foreign takeovers on the return to specific skills. Using administrative data on Hungarian workers and firms augmented with occupation level skill requirement measures, I find a positive and significant increase in the return to independent problem solving skills after a foreign acquisition, while the effect is smaller and less robust in the case of interpersonal skills, and I find no effect on the return to routine task intensity. These results are not driven by a subgroup of workers (such as managers) or by any special firm types (such as manufacturing firms), the pattern is general. I also show that the change in the valuation of independent problem solving skills can explain the increase in the white-collar wage premium. I argue that these findings are in line with the hypothesis that foreign investors decentralize the firm structure after the takeover.

## **Chapter 2 – Gender Differences in the Skill Content of Jobs**

with Balázs Reizer

More than half of the gender wage gap can be attributed to differences in wages within occupations. Using the PIAAC survey, we show that women perform less skill-intensive tasks than men even within the same occupation. The gap in skill intensity cannot be explained by differential firm characteristics or differences in cognitive skills. Instead, we show that having a child significantly decreases the skill use of women and slightly increases the skill use of men. We argue that having a child affects skill use through time allocation by the parents as the child penalty disappears once we control for working hours and hours spent on housework. Finally, we do not find evidence for workplace discrimination against women.

## **Chapter 3 – The salary premium of adopting a Hungarian surname in multi-ethnic Austria-Hungary**

with Attila Gáspár

By using three unique historical data sets, we study the labor market impact of changing a foreign sounding surname to a Hungarian sounding one in the early 20<sup>th</sup> century Hungary. We use pooled OLS and a name frequency based instrumental variable to estimate the impact of family name change on worker salary. We find that name changers earned 5

percent to 10 percent more than other workers in our two samples of contemporary workers. The results are mostly driven by the public sector. We interpret this as a signaling mechanism through which workers could send a costly signal (the name change) to show political loyalty and the willingness to assimilate.

# Rita Pető

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## Work experience

- 2013 - 2017 **Research assistant at CEU Microdata**  
Research assistant for Professor Ádám Szeidl and Professor Miklós Koren.  
Responsible for empirical analysis and data managing.
- 2012 - 2013 **Macro analyst at the Ministry for National Economy**  
Responsible for simulating the effect of policies on the national economy by using the QUEST model developed by the European Commission.
- 2008 - 2010 **Research assistant at the Labor Project, Central European University**  
**research assistant for John S. Earle and Álmos Telegdy**  
Responsible for data management and analysis by using STATA.

## Education

- 2012 - **Central European University, Hungary**  
PhD Candidate in Economics
- 2010 - 2012 **Central European University, Hungary**  
MA in Economics  
GPA of courses: 3.85
- 2004 – 2010 **Corvinus University of Budapest (CUB)**  
MSc in Economics  
Major: Macroeconomic Analyst and Forecaster  
Minor: Applied Statistics  
Grade: 5, excellent (on a scale of 5)
- 2004 - 2006 **Intensive Training Program at CUB**  
Advanced level in Mathematics courses  
Advanced level in Economics courses
- Spring 2008 **IESEG, Lille, France**  
Fellow of the Erasmus Exchange Program of the European Union

## Teaching Experience

- 2014 fall **Lecturer at Eötvös Loránd University of Budapest (ELTE)**  
In the undergraduate program – International Economics
- 2014 winter, fall **Teaching assistant at Central European University (CEU)**  
Macroeconomic Theory I and II., The Economics of Trade Policy

2011 spring **Teaching assistant at Eötvös Loránd University of Budapest (ELTE)**  
In the undergraduate program – Business Economics

2009-2010 **Teaching assistant at Corvinus University of Budapest (CUB)**  
In the undergraduate program – Macroeconomics

### **Presentation**

2016 Dec. **yearly conference of the Hungarian Academy of Sciences**  
Presentation on „The economic incentives of assimilation – Name changers in the early 20th century Budapest”

2016 Sept. **WEast Moscow – Understanding economic growth and development in Central and Eastern Europe**  
Presentation on „The economic incentives of assimilation – Name changers in the early 20th century Budapest”

2015 Nov. **Hungarian Academy of Sciences, Szirák – Research on Labor Economics**  
Presentation on „Gender Difference in Skill Content of Jobs”

2015 Jan. **WEast Budapest – Historical sources of development in Central and Eastern Europe**  
Presentation on „The economic incentives of assimilation – Name changers in the early 20th century Budapest”

2015. Dec. **yearly conference of the Hungarian Academy of Sciences**  
Presentation on „Gender Difference in Skill Content of Jobs”

2014 Sept. **Summerschool of the European Historical Economics Society (EHES) at the Humboldt-University of Berlin**  
Presentation on „The economic incentives of assimilation – Name changers in the early 20th century Budapest”

2014 May **Hungarian Society of Economists – PhD workshop at University of Pécs**  
Presentation on „The economic incentives of assimilation – Name changers in the early 20th century Budapest”

### **Honors, Awards and Fellowships**

2015 **The History Project Research Grant – Institute for New Economic Thinking**  
More about the project:  
[http://www.histproj.org/completed\\_projects\\_full.html#gaspar2](http://www.histproj.org/completed_projects_full.html#gaspar2)

2013, 2014 **CERGE-EI Teaching Fellowship**

2009 **Student Scientific Conference at Corvinus University of Budapest (CUB)**  
I was awarded 2<sup>nd</sup> prize at the Student Scientific Conference for the paper titled “Graphology of the European Union: Analysis of European Foreign Trade Using Graph Theoretical Methods”

**Language skills** Hungarian (native), English (fluent), French (intermediate), German (basic)