



Fachbereich VWL / Department of Economics

EconNewsletter

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DECEMBER 14 – DECEMBER 18, 2015

NEWSLETTER 2015-28

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Michael Neugart, Technische Universität Darmstadt:
*Do neighbors help finding a job? - Social networks and
labor market outcomes after establishment closures*

Monday December 14
16:30-18:00
R. 0029 (VMP 5)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Rhys Bidder, Federal Reserve Bank, San Francisco:
Long-run risk is the worst-case scenario

Tuesday December 15
12:15–13:45
R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics

Dr. Federica Genovese, University of Essex:
*Lobbying over the Climate: How Industrial Interests Shape States’
Positions on International Climate Cooperation*

Wednesday December 16
18:15–19:45
R. 1083a (VMP 5)

Research Seminar “Microeconomics”

Francesco Nava, London School of Economics:
*Multi-Variety Durable Good Monopoly: A Revisited Coase
Conjecture and Product Design*

Thursday December 17
17:00–19:00
R. 0029 (VMP 5)

Forschungsseminar “Environmental Economics and Management“

- no seminar -

PhD Seminar

- no seminar -

HCHE Research Seminar

- no seminar -

ABSTRACTS

Research Seminar “Labour Economics”

Michael Neugart, Technische Universität Darmstadt:

Do neighbors help finding a job? - Social networks and labor market outcomes after establishment closures

Abstract:

Social networks may affect individual workers' labor market outcomes. We analyze whether neighbors' employment status affects an individual worker's employment probability after establishment closure and, if hired, his wage. The analysis is based on rich administrative data that comprise the universe of workers employed in 23 self-contained labor market regions in Germany. Geo-referencing allows us to locate workers' places of residence within grids of one square kilometer size. We identify the causal effect of a worker's social network on labor market outcomes by focusing on workers who lost their jobs due to an establishment closure and live in neighborhoods with varying employment rates. Our findings suggest that a higher neighborhood employment rate increases the probability of having a job after six months. The strength of the effect varies with the socio-demographic characteristics of the displaced workers. We also find that entry wages of displaced workers are higher if they live in neighborhoods with higher employment rates, which could imply that the neighborhood effect is driven by information transmission rather than by social norms.

Forschungsseminar “Quantitative Wirtschaftsforschung“

Rhys Bidder, Federal Reserve Bank, San Francisco:

Long-run risk is the worst-case scenario

Abstract:

We study an investor who is unsure of the dynamics of the economy. Not only are parameters unknown, but the investor does not even know what order model to estimate. She estimates her consumption process nonparametrically – allowing potentially infinite-order dynamics – and prices assets using a pessimistic model that minimizes lifetime utility subject to a constraint on statistical plausibility. The equilibrium is exactly solvable and we show that the pricing model always includes long-run risks. With risk aversion of 4.7, the model matches major facts about asset prices, consumption, and dividends. The paper provides a novel link between ambiguity aversion and non-parametric estimation.

Hamburg Lectures on Law & Economics

Dr. Federica Genovese, University of Essex:

Lobbying over the Climate: How Industrial Interests Shape States' Positions on International Climate Cooperation

Abstract:

A central puzzle in international politics is how domestic interests shape global agreements. This paper explores this question looking at the impact of business and industrial groups on international climate cooperation. I argue that a major part of the conflict over mitigating climate change is rooted in clashing preferences across domestic sectoral activities. According to my theory, the winners and losers of international climate cooperation can be distinguished based on sectors' policy compliance costs and international reciprocity benefits. Lobbying sectors that expect low economic costs from climate policy adjustments and high mutual benefits from engaging in environmental regulation should push their governments to support global climate cooperation. By contrast, sectors that expect high economic costs from policy adjustments and low benefits from mutually adopting an environmental etiquette should lead countries to oppose global climate cooperation. I test this argument with a novel dataset of national positions at the United Nations climate convention. The findings support the theoretical claim and shed light on the implications of industrial lobbying for cooperation on global public good provision.

Research Seminar "Microeconomics"

Francesco Nava, London School of Economics:

Multi-Variety Durable Good Monopoly: A Revisited Coase Conjecture and Product Design

Abstract:

The paper analyses the durable good monopoly problem when multiple varieties of the good can be produced and sold. A revisited Coase conjecture establishes that limiting prices always clear the market, and that equilibrium profits converge from above to the static profit maximizing market clearing profit. Equilibrium profits always differ from zero, and converge to zero only when all varieties are identical. A product design model then establishes why discordant (horizontally differentiated) varieties are profit maximizing for a monopolist.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- On Thursday, December 17, Prof. Jill Rubery (Manchester Business School) gives a speech on “Economic Crisis, Gender and Austerity”

His presentation is part of the lecture series „Wirtschafts- und Finanzkrisen aus pluraler Perspektive“, organized by the student’s initiative „Arbeitskreis Plurale Ökonomik“ and starts 6.15 p.m. at ESA B (Edmund-Siemers-Allee 1). For more information please click the link below:

<http://www.plurale-oekonomik-hamburg.de/index.php/category/ringvorlesung-2016/>

The next EconNewsletter will be published on Monday, January 4, 2016.

*Editorial deadline: **Friday, January 1, 2016.***

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