Fachbereich VWL / Department of Economics

EconNewsletter

JULY 4 – JULY 8, 2016   **NEWSLETTER 2016-17**

SEMINAR CALENDAR

Research Seminar "Labour Economics"
Amelie Wuppermann, LMU Munich: Monday July 4
Employment and the health of mothers   16:30-18:00
                                              R. 0029 (VMP 5)

Forschungsseminar "Quantitative Wirtschaftsforschung"
Michael Bauer, FRB San Francisco: Tuesday July 5
Robust Bond Risk Premia   12:15–13:45
                                              R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics
Prof. Tim Krieger, Albert-Ludwigs-Universität Freiburg: Wednesday July 6
Inheritance in Polygynous Societies and Conflict   18:15–19:45
                                                           R. 1083a (VMP 5)

PhD Seminar
Mariia Belaia, University of Hamburg: Thursday July 7
A Billion-Person Roller Coaster: Abrupt Indian Summer   12:15–13:15
Monsoon Transitions as Global Warming Accelerates   R. 0029 (VMP 5)

Research Seminar "Microeconomics"
Jan Potters, Tilburg University: Thursday July 7
Flexibility and Collusion with Imperfect Monitoring   17:00–19:00
                                                           R. 0029 (VMP 5)

HCHE Research Seminar
   - no seminar -

ABSTRACTS

Forschungsseminar "Quantitative Wirtschaftsforschung"
Michael Bauer, FRB San Francisco:
Robust Bond Risk Premia

Abstract:
A consensus has recently emerged that variables beyond the level, slope, and curvature of the yield curve can help predict bond returns. This paper shows that the statistical tests underlying this evidence are subject to serious small-sample distortions. We propose more robust tests, including a novel bootstrap procedure specifically designed to test the "spanning hypothesis." We revisit the evidence in five published studies, find most rejections of the spanning hypothesis to be spurious, and conclude that the current consensus is wrong. Only the level and the slope of the yield curve are robust predictors of bond returns.

PhD Seminar
Mariia Belaia, University of Hamburg:
A Billion-Person Roller Coaster: Abrupt Indian Summer Monsoon Transitions as Global Warming Accelerates

Abstract:
Nexus between global climate change and local air pollution gave rise to recognition of climate policy co-benefit in terms of better air quality. On the other hand, end-of-pipe abatement technologies also reduce emissions of local air pollutants while not diminishing emissions of GHGs. Furthermore, end-of-pipe technologies currently have a relatively low cost. In this spirit, recent studies demonstrate that the implications of the multiple gas problem for the regional climate policy decision diverge significantly among different regions of the world. In the case of India, this multiple gas problem possesses another layer of implications as it may have adverse effects on the pattern of the Indian summer monsoon (ISM) rainfall, affecting most vulnerable. First, an elevated concentration of scattering aerosols over the land increases frequency of droughts. Second, global warming increases frequency of floods as moisture content in the atmosphere escalates. Though, in a longer term global warming implies shift in a large-scale atmospheric circulation, which, in turn, increases frequency of droughts. In present study we develop an integrated assessment model, which implicitly accounts for potential for an increased frequency of ISM rainfall failure events, and investigate the optimal regional climate policy mix.

Research Seminar "Microeconomics"
Jan Potters, Tilburg University:
Flexibility and Collusion with Imperfect Monitoring

Abstract:
Flexibility - the ability to react swiftly to others' choices - facilitates collusion by reducing gains from defection before opponents react. Under imperfect monitoring, however, flexibility may also hinder collusion by inducing punishment after too few noisy signals. The combination of these forces predicts a non-monotonic relationship between flexibility and collusion. To test this subtle prediction we implement in the laboratory an indefinitely repeated Cournot game with noisy price information and vary how long players have to wait before changing output. We find that (i) the facilitating role of flexibility is lost under imperfect monitoring, and (ii) with learning, collusion unravels with low or high flexibility, but not with intermediate flexibility.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- Andor, M. und Voss, A. (2016): *Optimal Renewable-Energy Promotion: Capacity Subsidies vs. Generation Subsidies,* in: Resource and Energy Economics, accepted for Publication, DOI: 10.1016/j.reseneeco.2016.06.002.

The next EconNewsletter will be published **on Monday, October 10, 2016.**

Editorial deadline: **Friday, October 7, 2016.**

EconNewsletter
Department of Economics
University of Hamburg
Von-Melle-Park 5, 20146 Hamburg

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