



Fachbereich VWL / Department of Economics

EconNewsletter

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OCTOBER 23 – OCTOBER 27, 2017

NEWSLETTER 2017-20

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Boris Hirsch, Universität Lüneburg:
The Urban Wage Premium in Imperfect Labour Markets

Monday October 23
16:30-18:00
R. 0029 (VMP 5)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Malte Rieth, DIW:
Nonlinear Intermediary Asset Pricing in the Oil Futures Market

Tuesday October 24
12:15–13:45
R. 0029 (VMP 5)

Forschungsseminar “Environmental Economics and Management“

Paul Lehmann, UFZ, Leipzig:
Commitment vs. Discretion in Climate and Energy Policy

Wednesday October 25
12:15–13:45
R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Roger Congleton, University of West Virginia:
Ethics and the Law: the Problem of Law Enforcement

Wednesday October 25
18:15–19:45
R. 1083a (VMP 5)

Research Seminar “Microeconomics”

- no seminar -

PhD Seminar

- no seminar -

ABSTRACTS

Research Seminar “Labour Economics”

Boris Hirsch, Universität Lüneburg:

The Urban Wage Premium in Imperfect Labour Markets

Abstract:

Using administrative data for West Germany, we investigate whether part of the urban wage premium stems from fierce competition in thick labour markets. We first document fewer search frictions in denser labour markets. We further show that controlling for search frictions lowers the wage premium from a one standard deviation rise in log population density by 1.3 1.4pp in specifications including worker fixed effects. We lastly find less monopsony power in denser markets. Regional differences in monopsony power predict a wage premium of 1.4 1.9%, thereby accounting for the observed drop in the premium when controlling for labour market frictions.

Forschungsseminar “Environmental Economics and Management“

Paul Lehmann, UFZ, Leipzig:

Commitment vs. Discretion in Climate and Energy Policy

Abstract:

To decarbonize the power sector policy-makers need to commit to long-term credible rules for climate and energy policy. Otherwise, time-inconsistent policy-making will impair investments into low-carbon technologies. However, the future benefits and costs of decarbonization are subject to substantial uncertainties. Thus, there may also be societal gains from allowing policy-makers the discretion to adjust the policies as new information becomes available. We examine how this trade-off between policy commitment and discretion affects the optimal intertemporal design of policies to support the deployment of renewable energy sources. Using a dynamic partial equilibrium model of the power sector, we show that commitment to state-contingent renewable subsidies outperforms both unconditional commitment and discretion. The choice between the practically more feasible approaches of unconditional commitment and discretion is analytically ambiguous. A numerical illustration with naïve assumptions suggests that policy discretion may outperform unconditional commitment in terms of welfare. However, extensions to more realistic cases where only a limited fraction of climate uncertainty resolves, where future policy-makers have own agendas, or with risk-averse investors show commitment as favorable.

Hamburg Lectures on Law & Economics

Prof. Roger Congleton, University of West Virginia:

Ethics and the Law: the Problem of Law Enforcement

Abstract:

This talk is based on a book that Professor Congleton has under way. In earlier chapters, he notes that social dilemmas and coordination problems can be reduced through both formal laws and internalized ethical dispositions. This chapter suggests that legal solutions ultimately require ethical support. The enforcement of laws, ultimately rests on the ethical dispositions of those charged with law enforcement, especially those in positions with the greatest authority. Law enforcement and many of the laws enforced have ethical foundations.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- Prof. Florian Schui PhD, University of St. Gallen, is a guest scholar of the department in this winter term. To arrange for a meeting, please contact him at florian.schui@unisg.ch. He is teaching a PhD course together with Elisabeth Allgoewer: “The state and the economy in historical perspective.”
- On Thursday, October 26, Karen Horn (Humboldt-Universität zu Berlin) and Florian Schui (Universität St. Gallen) will speak on
State and economy: views from the 18th century
in the PhD seminar „The state and the economy in historical perspective” (13.30-17.00, Room B 537 VMP9). Guests are very welcome.

The next EconNewsletter will be published on Monday October 30, 2017.

Editorial deadline: Friday, October 27, 2017.

EconNewsletter

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