Fachbereich VWL / Department of Economics

EconNewsletter

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APRIL 18 – APRIL 21, 2017　　　　　　　　　　**NEWSLETTER 2017-7**

SEMINAR CALENDAR

Forschungsseminar "Quantitative Wirtschaftsforschung"
Sebastian Kripfganz, Univ. of Exeter:　　　　　　Tuesday April 18
Unconditional Transformed Likelihood Estimation of　12:15–13:45
Time-Space Dynamic Panel Data Models　　　　　　R. 0029 (VMP 5)

Forschungsseminar "Environmental Economics and Management"
Mark Andor, RWI Essen:　　　　　　　　　　　　Wednesday April 19
Information and Residential Energy Conservation　　12:15–13:45
　　　　　　　　　　　　　　　　　　　　　　　R. 0029 (VMP 5)

Research Seminar "Microeconomics"
Christoph Schottmüller, University of Copenhagen:　Thursday April 20
How Jeremy Bentham would defend against self-fulfilling attacks　17:15–18:45
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Extra Research Seminar "Microeconomics"
Tim Baldenius, NYU Stern:　　　　　　　　　　　Friday April 21
Biased Boards　　　　　　　　　　　　　　　　12:15-13:45
　　　　　　　　　　　　　　　　　　　　　　　R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics
　- no seminar -

PhD Seminar
　- no seminar -

Research Seminar "Labour Economics"
　- no seminar -

Sollten Sie Interesse haben, sich mit einem/r der Vortragenden zu treffen, wenden Sie sich bitte an den entsprechenden Veranstalter. Weitere Infos finden Sie auf unserer Homepage: https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html

HCHE Research Seminar

- no seminar -

ABSTRACTS

Forschungsseminar "Quantitative Wirtschaftsforschung"
Sebastian Kripfganz, Univ. of Exeter:
Unconditional Transformed Likelihood Estimation of Time-Space Dynamic Panel Data Models

Abstract:
I derive the unconditional transformed likelihood function for a fixed-effects panel data model with time lags, spatial lags, and spatial time lags that encompasses the pure time dynamic and pure space dynamic models as special cases. I demonstrate that the model-consistent representation of the initial-period distribution involves higher-order spatial lag polynomials. Their order is linked to the minimal polynomial of the spatial weights matrix. The finite sample evidence from Monte Carlo simulations shows that the proposed estimator performs well in comparison to a bias-corrected conditional likelihood estimator if parameter proliferation is kept under control. As an application, I use data from the Panel Study of Income Dynamics to estimate a time-space dynamic wage equation that I derive from a bargaining model. I find significant spillover effects among household members that give rise to a positive cohabitation premium.

Forschungsseminar "Environmental Economics and Management"
Mark Andor, RWI Essen:
Information and Residential Energy Conservation

Abstract:
Information is widely considered as an effective instrument to induce socially desirable behavior. In particular in the energy sector, there is hope to achieve parts of the conservation and climate change mitigation commitments by information campaigns. Policy makers favor such non-price interventions because they neither burden public budgets nor political capital by imposing unpopular taxes. In fact, the academic literature provides plentiful evidence for the success of information campaigns in various domains. The present paper is the first to study the effects of an energy-saving awareness campaign on electricity consumption in the European context. In a large-scale randomized controlled trial using a sample of more than 120,000 households, we test for potential framing effects by introducing three treatment arms: a monetary motivation to safe energy, an ecological motivation, and a combination of both. After the treatment groups received four information letters between October 2014 and October 2015, we evaluated the households' regularly metered electricity consumption. Our findings suggest that information campaigns do not decrease electricity consumption to a notable extent. Thanks to the large sample size, we are able to precisely estimate treatment effects clearly below one percent for all treatments and are thus able to exclude effect sizes that would be large enough to justify such interventions from a cost-effectiveness perspective. There is some indication, though, that treatment effects are heterogeneous and, thus, targeted campaigns might be effective. Overall, these findings do not substantiate the expectations associated with non-price interventions in bringing down energy consumption.

Research Seminar "Microeconomics"
Christoph Schottmüller, University of Copenhagen:
How Jeremy Bentham would defend against self-fulfilling attacks

Abstract:
We analyze situations like revolutions and speculative attacks: A defender faces an attack by a group, which can only succeed if enough people participate. The defender can increase his strength but that is costly. We show that if the attackers do not observe the defender's strength, there is a unique Nash equilibrium in which the defender has almost no strength, and attacks almost never occur. This result is identical to Bentham's (1787) idea of the "panopticon". We show how it emerges from the interaction between the attackers' and the defender's beliefs, and does not require game-theoretic refinements.

Research Seminar "Microeconomics"
Tim Baldenius, NYU Stern:
Biased Boards

Abstract:
We study a corporate board tasked with monitoring a firm's CEO and providing incrementally decision-relevant information in an investment setting. The board has both compensation and non-pecuniary incentives - we label the latter board bias. We show that the optimal board bias is jointly determined by the CEO's initial information advantage and by whether the board has commitment power when dealing with the CEO. The board should be weakly "friendly" (partially aligned with the CEO) if it lacks commitment power and the CEO's information advantage is high. In contrast, the board should be weakly "antagonistic" (counter to the CEO's bias) if it has commitment power, or if it lacks such power and the CEO's information advantage is small. For given board bias, commitment power improves communication, thereby reducing the need for the board to exert costly (information gathering) effort. Endogenizing the board bias, however, shows that commitment power may be associated with greater board effort. We also show that the shareholders may be better off with a board that lacks commitment power, even if the shareholders can control the board bias.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- Am Mittwoch, den **19. April um 18:00 Uhr** veranstaltet der VWL Alumni Verein im **WiWi B1** eine Diskussionsrunde zum Thema
    "Was kann ich mit VWL machen?"
  Eingeladen sind drei AbsolventInnen (Sina Rummelhagen, Andreas Berger, Ann-Kristin von Knobloch), die über ihren Werdegang nach dem VWL-Abschluss berichten werden.

The <u>next EconNewsletter</u> will be published **on Monday, April 24, 2017.**

<u>Editorial deadline</u>: **Friday, April 21, 2017.**

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