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FAKULTÄT
FÜR WIRTSCHAFTS- UND
SOZIALWISSENSCHAFTEN

Fachbereich VWL / Department of Economics

EconNewsletter

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JANUARY 8 – JANUARY 12, 2018 **NEWSLETTER 2018-1**

SEMINAR CALENDAR

HCHE Research Seminar	
Dr. Gijsbert Zwart, Universität Groningen:	Monday January 8
The complementarity between risk adjustment and community rating: distorting market outcomes to facilitate redistribution	16:30-18:00 R. 4011 (Esplanade 36)
Forschungsseminar "Quantitative Wirtschaftsforschung"	
Uwe Hassler, J. W. Goethe Universität, Frankfurt a.M.:	Tuesday January 9
t.b.a.	12:15–13:45 R. 0029 (VMP 5)
Forschungsseminar "Environmental Economics and Management"	
Christian Leßmann, Brunwick University:	Wednesday January 10
Natural Disasters and Regional Development	12:15–13:45 R. 0029 (VMP 5)
SONDERTERMIN: Forschungsseminar "Quantitative Wirtschaftsforschung"	
Michael Bauer, FRB San Francisco:	Wednesday January 10
Interest Rates Under Falling Stars	14:15–15:45 R. 0029 (VMP 5)
Hamburg Lectures on Law & Economics	
Prof. Paul Belleflamme, University of Marseille:	Wednesday January 10
Big Data, Differential Pricing Strategies, and Privacy	18:15–19:45 R. 1083a (VMP 5)
PhD Seminar	
Ayesha Serfraz, Universität Hamburg:	Thursday January 11
Foreign Direct Investment Inflows and Labor Productivity in Pakistan: A Sector-wise Panel Cointegration Analysis	12:15–13:15 R. 0029 (VMP 5)

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

Research Seminar “Microeconomics”
Johannes Abeler, University of Oxford: Thursday January 11
Preferences for Truth-telling 17:15–18:45
R. 0029 (VMP 5)

Research Seminar “Labour Economics”
- no seminar -

ABSTRACTS

HCHE Research Seminar
Dr. Gijsbert Zwart, Universität Groningen:
The complementarity between risk adjustment and community rating: distorting market outcomes to facilitate redistribution

Abstract:
We analyze optimal risk adjustment in competitive health-insurance markets when insurers have better information on their customers' risk profiles than the sponsor of health insurance. In the optimal scheme, the sponsor uses reinsurance to screen insurers with bad and good risks, in order to lower premiums for enrollees with high expected healthcare costs. We then explore the effects of adding a community-rating requirement to complement this risk-adjustment scheme. With community rating, insurers have incentives to distort contract generosities to cherry-pick low-cost consumers. However, the reduced generosity for low-cost types makes screening through reinsurance easier, allowing the sponsor to redistribute more. When costs for reinsurance are low, or the sponsor's bias towards high-cost consumers is high, community rating dominates risk rating.

Forschungsseminar “Quantitative Wirtschaftsforschung“
Michael Bauer, FRB San Francisco:
Interest Rates Under Falling Stars

Abstract:
While theory predicts that the equilibrium real interest rate, r, and the perceived trend in inflation, π, are fundamental determinants of the yield curve, macro-finance models generally treat them as constant. We show that accounting for time-varying macro trends is critical for understanding the empirical dynamics of U.S. Treasury yields and risk pricing. It fundamentally changes estimated risk premiums in long-term bond yields, leads to large gains in predictions of excess bond returns and long-range out-of-sample forecasts of interest rates, and captures a substantial share of interest rate variability at low frequencies.

Hamburg Lectures on Law & Economics
Prof. Paul Belleflamme, University of Marseille:
Big Data, Differential Pricing Strategies, and Privacy

Abstract:
Recent developments in digital technologies have not only driven individuals to leave an increasingly long digital trace behind them, but have also made available the tools to assemble, harness and analyse large and complex datasets (so-called `Big data'). As a consequence, firms are now able to target advertising, product specifications and prices to their customers with an unprecedented precision. In terms of pricing, big data allow firms to practice various forms of differential pricing, i.e., to make different consumers pay different prices for the same product or service. The objective of the lecture is to analyse the impacts that a wider use of differential pricing may have on consumers and on competing firms (those using big data, as well as those selling them). This economic analysis aims at contributing to the current debate on consumer privacy.

PhD Seminar
Ayesha Serfraz, Universität Hamburg:
Foreign Direct Investment Inflows and Labor Productivity in Pakistan: A Sector-wise Panel Cointegration Analysis

Abstract:
Developing economies tremendously benefit from FDI inflows since it leads to their economic growth. This study empirically analyzes the effects of sector-wise FDI inflows on respective sector-wise labor productivity for a panel of seven major sectors of Pakistan's economy covering time period of 1997-2016. In empirical analysis sector-wise FDI inflows has been used as an independent variable while sector-wise labor productivity is a dependent variable. Initial tests conclude that LSDV fixed effects model is the most appropriate test for the data being used for empirical analysis. Further tests confirm the existence of a long run Cointegration between these two variables. Wald test shows that a uni-directional short-run causality exists, running from sector-wise labor productivity to sector-wise FDI inflows. Pair-wise Granger-Causality test further shows that the effects of FDI inflows are not limited to one sector, rather there is an evidence of spillover effect from one sector to another. All empirical tests conclude that sector-wise FDI inflows positively affect sector-wise labor productivity in case of Pakistan.

Research Seminar "Microeconomics"
Johannes Abeler, University of Oxford:
Preferences for Truth-telling

Abstract:
Private information is at the heart of many economic activities. For decades, economists have assumed that individuals are willing to misreport private information if this maximizes their material payoff. We combine data from 72 experimental studies in economics, psychology and sociology, and show

that, in fact, people lie surprisingly little. We then formalize a wide range of potential explanations for the observed behavior, identify testable predictions that can distinguish between the models and conduct new experiments to do so. None of the most popular explanations suggested in the literature can explain the data. We show that only combining a preference for being honest with a preference for being seen as honest can organize the empirical evidence.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- Schopf, M. and Voss, A. (2018): Bargaining over Natural Resources: Governments between Environmental Organizations and Extraction Firms, *Journal of Environmental Economics and Management*, accepted for publication., https://doi.org/10.1016/j.jeem.2017.12.002.
- Voss, A. and Schopf,M. (2018), Special interest politics: Contribution schedules vs. Nash bargaining, *Economics & Politics*, accepted for publication, https://doi.org/10.1111/ecpo.12107 .

Miscellaneous

- Am **Mittwoch, den 10.1. 2018**, wird Herr **Professor Dr. Heiner Flassbeck** einen Vortrag zum Thema

  "Wie Sozial kann Wirtschaft?"

  halten. Der Vortrag wird vom Arbeitskreis Plurale Ökonomik der Universität Hamburg und der Aktionsgemeinschaft WI(e)SO - Wie sozial kann Wirtschaft sein? organisiert und findet um **19:00 im Audimax I** statt. Weitere Informationen entnehmen Sie bitte der Homepage des Arbeitskreises plurale Ökonomik Hamburg: http://www.plurale-oekonomik-hamburg.de/

The next EconNewsletter will be published **on Monday January 15, 2018.**

Editorial deadline: **Friday, January 12, 2018.**

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