



Fachbereich VWL / Department of Economics

EconNewsletter

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OCTOBER 15 – OCTOBER 19, 2018

NEWSLETTER 2018-19

SEMINAR CALENDAR

Environmental and Development Economics

Nicolas Treich, Toulouse School of Economics:
An economic model of the meat paradox

Wednesday October 17
12:15–13:45
Zentralbibliothek Recht,
Rothenbaumchaussee 33

Hamburg Lectures on Law & Economics

Jun.-Prof. Miriam Buiten, University of Mannheim:
*The Liability of Online Hosting Platforms: Should exceptionalism
end?*

Wednesday October 17
18:15–19:45
R. 1083a (VMP 5)

Research Seminar “Microeconomics”

Michael Kurschilgen, TU München:
*Communication is More than Information Sharing:
The Role of Status-Relevant Knowledge*

Thursday October 18
17:15–18:45
Allende Platz 1, Raum 250

HCHE Research Seminar

- no seminar -

Research Seminar “Labour Economics”

- no seminar -

Forschungsseminar “Quantitative Wirtschaftsforschung“

- no seminar -

PhD Seminar

- no seminar -

ABSTRACTS

Environmental and Development Economics

Nicolas Treich, Toulouse School of Economics:

An economic model of the meat paradox

Abstract:

How can individuals care about animals and, at the same time, eat meat? We design a survey study to explore this “meat paradox”. Survey participants (N = 3054) underestimate farm animal suffering, and underestimate it more (i.e., are less realistic) when they eat more meat. Building on the literature on cognitive dissonance, we develop a model in which individuals form self-serving beliefs in order to reduce the moral guilt associated with meat consumption. The model characterizes how individuals' beliefs about animal welfare and their attitude towards information are affected by the economic environment (e.g., price of meat, salience of animal welfare), and by individuals' preferences (e.g., taste for meat, moral cost of guilt). Several empirical observations are consistent with our model.

Hamburg Lectures on Law & Economics

Jun.-Prof. Miriam Buiten, University of Mannheim:

The Liability of Online Hosting Platforms: Should exceptionalism end?

Abstract:

Against the background of the growing economic and societal importance of online platforms, this paper considers if and how their liability for illegal content or product carried over their platforms should increase. Since 2000, the e-commerce Directive has offered online intermediaries a liability exemption if the online intermediary does not know the illegality or, when it knows, it acts expeditiously to remove or block access to the material. As platforms have gained economic and societal importance they also feature more illegal material, such as terrorism content, child pornography, hate speech, copyrighted material without license or counterfeit goods. This paper considers the appropriate liability rule for hosting service providers from an economic perspective, proposing policy recommendations for an efficient EU liability regime. Online intermediaries may often be best-placed to remove illegal material, when they have the best information and monitoring tools available. Online intermediaries may take suboptimal monitoring efforts on their own initiative due to the presence of externalities and asymmetric information problems, warranting some form of liability. However, for more fundamental reasons of free speech and preventing censorship, we may not want to entrust – and burden – private parties with such an extensive ‘policing’ role. Additionally, higher monitoring requirements may disproportionately burden small entrants. Since many actors participate to the diffusion of illegal material online, the responsibility of a safe Internet should be shared among all these actors. Concrete regulatory improvements may encourage online intermediaries to do their part in monitoring proactively and diligently, such as affirming a clear good Samaritan clause in the EU.

Research Seminar “Microeconomics”

Michael Kurschilgen, TU München:

Communication is More than Information Sharing: The Role of Status-Relevant Knowledge

Abstract:

In cheap talk games where senders' accuracy of information depend on their background knowledge, a sender with image concerns may want to signal that she is knowledgeable despite having material incentives to lie. These image benefits may, in turn, depend on the type of knowledge and its perceived social status. Theoretically, we show that when some senders care sufficiently about their image, there is both a non-informative babbling equilibrium, and a separating equilibrium, in which the average sender's message is informative and receivers always follow. In a laboratory experiment, we vary the social status of knowledge (1) by providing senders with multiple-choice questions on either (a) broadsheet topics (general knowledge) or (b) tabloid topics, and (2) by systematically modifying the degree of difficulty. We find truth-telling rates to be significantly higher when senders can signal high-status knowledge.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- **Funke, M. and Paetz, M. (2018)**, “A Dynamic Stochastic General Equilibrium-Based Assessment of Nonlinear Macro-prudential Policies: Evidence from Hong Kong”, *Pacific Economic Review* 23, 632-657.
- **Chen, Y-F., Funke, M. and Moessner, R. (2018)**, “Informal One-Sided Target Zone Model and the Swiss Franc”, *Review of International Economics* 26, 1130-1153.
- **Garz, M. and Pagels, V. (2018)**, “Cautionary tales: Celebrities, the news media, and participation in tax amnesties”, *Journal of Economic Behavior and Organization*, <https://doi.org/10.1016/j.jebo.2018.09.001>.

The next EconNewsletter will be published on Monday, October 22, 2018.

Editorial deadline: Friday, October 19, 2018.

EconNewsletter

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