



Fachbereich VWL / Department of Economics

EconNewsletter

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OCTOBER 29 – NOVEMBER 2, 2018

NEWSLETTER 2018-21

SEMINAR CALENDAR

HCHE Research Seminar

Helmut Farbmacher, Universität Mannheim:
Heterogeneous effects of financial circumstances on cognition

Monday October 29
16:30-18:00
R. 4011/13 (Esplanade 36)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Forian Urbschat, ECB:
*The Good, The Bad, and the Ugly: Impact of Negative Interest Rates
and QE on the Profitability and Risk-Taking of 1.600 German Banks*

Tuesday October 30
12:15–13:45
R. 2095/2197 (VMP 5)

Research Seminar “Microeconomics”

Christian Zehnder, Universität Lausanne:
Secure Survey Design in Organizations

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

Research Seminar “Labour Economics”

- no seminar -

Environmental and Development Economics

- no seminar -

Hamburg Lectures on Law & Economics

- no seminar -

PhD Seminar

- no seminar -

ABSTRACTS

Forschungsseminar “Quantitative Wirtschaftsforschung“

Forian Urbschat, ECB:

The Good, The Bad, and the Ugly: Impact of Negative Interest Rates and QE on the Profitability and Risk-Taking of 1.600 German Banks

Abstract:

The recent negative interest rate policy (NIRP) and quantitative easing (QE) programme by the ECB have raised concerns about the pass-through of monetary policy. On the one hand, negative rates could lead to declining bank profitability making an expansionary monetary policy contractionary. Also, if interest rates are too low for too long banks could be induced to take too much risky credit. On the other hand, several economists argue that there is nothing special about negative interest rates per se. This paper uses a large micro level data set of the German bank universe to examine how banks behave in this uncharted territory. The evidence found suggests that bank's business model, i.e. the share of overnight deposits, plays a crucial role. While some banks may benefit in the short run via for instance reduced refinancing costs or lower loan loss provisions, many banks with high deposit ratios face lower net interest income and lower credit growth rates. If continued for too long QE and NIRP erode bank profits for most banks eventually.

Research Seminar “Microeconomics”

Christian Zehnder, Universität Lausanne:

Secure Survey Design in Organizations

Abstract:

We study the impact of secure survey design on information transmission in organizations. We establish two theoretical results: first, popular randomized-response designs are strategically equivalent to non-secure direct-elicitation designs; second, it is possible to obtain unbiased estimates of the impact of survey design on information transmission, provided that players are rational and do not make false accusations. Experimental investigation shows that both predictions must be qualified in practice: randomized-response can yield significantly better results than direct-elicitation or hard-garbling designs; and false accusations lead to a small but persistent bias in treatment effect estimates. This deviation from equilibrium play can be accounted for in a Quantal Response Level-k model play. Empirical play converges to equilibrium if players are given opportunities to learn from cross-sectional data, but does not if they learn from their own experiential data alone. A practical implication is that randomized-response designs cannot be used systematically in organizational settings. Hard-garbling designs, in contrast, can facilitate information transmission, even under long-run equilibrium conditions.

The next EconNewsletter will be published on Monday, November 5, 2018.

Editorial deadline: Friday, November 2, 2018.

EconNewsletter

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