



Fachbereich VWL / Department of Economics

# EconNewsletter

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NOVEMBER 12 – NOVEMBER 16, 2018

NEWSLETTER 2018-23

## SEMINAR CALENDAR

### HCHE Research Seminar

Prof. Patricia Born, Florida State University:

*Disentangling the consequences of moral hazard and cost containment practices in health insurance*

Monday November 12

16:30-18:00

R. 4011/13 (Esplanade 36)

### Environmental and Development Economics

Markus Ludwig, University of Bayreuth:

*Roman Trade Networks and Contemporary Economic Integration*

Wednesday November 14

12:15–13:45

Zentralbib. Recht, Rothenbaumchaussee 33, BG 3/4

### Hamburg Lectures on Law & Economics

Dr. Jeanet Bentzen, University of Copenhagen:

*Going to Church for Welfare: Social Services Delivered by the Church in the US 1996-2008*

Wednesday November 14

18:15–19:45

R. 1083a (VMP 5)

### Research Seminar “Microeconomics”

Simon Loertscher, University of Melbourne:

*Equilibrium adjustment dynamics*

Thursday November 15

17:15–18:45

Allende Platz 1, Raum 250

### Research Seminar “Labour Economics”

- no seminar -

### Forschungsseminar “Quantitative Wirtschaftsforschung“

- no seminar -

### PhD Seminar

- 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>

## ABSTRACTS

### **Environmental and Development Economics**

Markus Ludwig, University of Bayreuth:

*Roman Trade Networks and Contemporary Economic Integration*

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*Abstract:*

We study the effect of ancient Roman trade routes on current ownership relations across Europe. Using gravity models, we first establish that the magnitude of bilateral trade between regions in the Roman Empire decreases in travel distance within the multi-modal Roman-era transport network calibrated to ancient transport technologies. Subsequently, we show that current-day bilateral ownership relationships across firms in the Orbis database evolve alongside these Roman-era least cost paths. Our findings hold conditional on Euclidean distance and cannot be fully explained by path dependence in the provision of transport infrastructure. Evidence from relations between firms located around the vanished Limes border support a view of persistence in the degree of European economic integration.

### **Hamburg Lectures on Law & Economics**

Dr. Jeanet Bentzen, University of Copenhagen:

*Going to Church for Welfare: Social Services Delivered by the Church in the US 1996-2008*

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*Abstract:*

Are religious beliefs influenced by policy? The faith-based initiatives, commenced in the 1990s in the US and still ongoing today, facilitated the ability of religious organizations to provide government-funded social services in a religious setting. More generally, the initiatives aimed to strengthen the cooperation between church and state. We utilize the different uptake in terms of legislative changes over the period 1996-2010 across states and find that churchgoing increased more in states that passed more faith-based initiatives. The results hold when including state and time fixed effects, various individual- and state level controls, including general public spending. The results do not seem to be driven by increased churchgoing (or any other important confounders) prior to the law changes. We proceed to show that the laws also increased intrinsic religiosity such as strength of affiliation and beliefs that the Bible is the word of God. Last, we investigate the mechanism: Is the impact due to increased money through the churches or a general intensification of religion in the public sphere [TBA]? The results point to increased church-state cooperation as one explanation for the continued high religiosity levels in many US states.

## **Research Seminar “Microeconomics”**

Simon Loertscher, Universität Melbourne:

*Equilibrium adjustment dynamics*

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### *Abstract:*

We study a market in which agents with private information about their values arrive one after another. Each agent is endowed with some units of the asset and has a commonly known maximum demand. As a function of her value and the values of all others, each agent optimally either buys, sells, or consumes his endowment. We show that the equilibrium under the efficient mechanism involves phases of market imbalance during which sellers, or less frequently buyers, are on the long side. We call a market a “buyers' (sellers') market” if more types are net buyers (sellers) than in the static Walrasian setup with a continuum of agents. The efficient mechanism involves price rigidity insofar as in a buyers' (sellers') market the prices buyers (sellers) face do not vary with the state of the order book. The efficient adjustment dynamics to out-of-equilibrium states involve “fire trades” -- the immediate liquidation of trades whose level exceeds the socially optimal storage threshold -- followed by slow and incremental adjustments to a typical state. Our framework also allows us to analyze optimal policy interventions, whereby a benevolent policymaker, observing the state of the order book, can improve next period's distribution at some cost to society.

## ACTIVITIES OF DEPARTMENT MEMBERS

### **New Publications**

- **Drupp, M.A., Freeman, M.C., Groom, B. and Nesje, F. (2018)**, “Discounting Disentangled”, *American Economic Journal: Economic Policy* 10(4), 109-134.

*The next EconNewsletter will be published on Monday, November 19, 2018.*

*Editorial deadline: Friday, November 16, 2018.*

### **EconNewsletter**

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