



Fachbereich VWL / Department of Economics

EconNewsletter

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DECEMBER 3 – DECEMBER 7, 2018

NEWSLETTER 2018-26

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Erling Barth, University of Oslo:
*The dynamics of gender earnings differentials:
Evidence from established data*

Monday December 3
16:30-18:00
Esplanade 36, R. 4011/13

Forschungsseminar “Quantitative Wirtschaftsforschung“

Gyöző Gyöngyösi, IfW Kiel:
Financial Crisis, Creditor-Debtor Conflict, and Political Extremism

Tuesday December 4
12:15–13:45
R. 2095/2197 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Robin Christmann, UAS Hannover:
Prosecution and Plea Bargaining under Hindsight Bias

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

PhD Seminar

Phoebe Wasfy Ishak, Universität Hamburg:
Oil Price Shocks, Political Instability and the Shadow Economy

Thursday December 6
12:15–13:15
R. 2091/2201 (VMP 5)

Research Seminar “Microeconomics”

Daniel Göller, University of Agder:
*Mobile telephony in emerging markets: the importance of
dual-SIM phones*

Thursday December 6
17:15–18:45
Allende Platz 1, Raum 250

Environmental and Development Economics

- no seminar -

HCHE Research 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

Research Seminar “Labour Economics”

Erling Barth, University of Oslo:

The dynamics of gender earnings differentials: Evidence from established data

Abstract:

We use a unique match between the 2000 Decennial Census of the United States and the Longitudinal Employer Household Dynamics (LEHD) data to analyze how much of the increase in the gender earnings gap over the lifecycle comes from shifts in the sorting of men and women across high- and low-pay establishments and how much is due to differential earnings growth within establishments. We find that for the college educated the increase is substantial and, for the most part, due to differential earnings growth within establishment by gender. The establishment component of earnings is also important. It can explain 27 percent of the widening of the pay gap between men and women in this group. For those with no college the relatively small increase of the gender gap over the lifecycle can be fully explained by the differential development of the establishment earnings premiums. The evidence suggests that, for both education groups, the establishment component of the increasing wage gap is due almost entirely to those who are married.

Forschungsseminar “Quantitative Wirtschaftsforschung“

Gyöző Gyöngyösi, IfW Kiel:

Financial Crisis, Creditor-Debtor Conflict, and Political Extremism

Abstract:

This paper studies the effect of the 2008 financial crisis on the vote share of the populist far-right. We use a natural experiment from Hungary where we exploit spatial differences in the prevalence of foreign currency borrowing of households. The unexpected and large depreciation of the domestic currency increased the debt burden of households borrowing in foreign currencies but not of the households borrowing in local currency. We show using zip code level data that the household debt shock significantly increased the vote share of the far-right. A 10 percent rise in indebtedness increased the vote share of the far-right by 2 percentage points which explains one fourth of the increase. Labor market shocks, immigration and foreign currency debtors' naïveté do not account for this increase. We show suggestive evidence that the financial crisis affected political preferences through conflict of interest between debtors and creditors to resolve the crisis. Other potential channels of financial crisis such as rising inequality and bank bail out cannot account for these results. We also present evidence that not general anger with the establishment but the far-right's critics of the creditors and their promoted policies are likely to explain their popularity.

Hamburg Lectures on Law & Economics

Prof. Robin Christmann, UAS Hannover:

Prosecution and Plea Bargaining under Hindsight Bias

Abstract:

The plea-bargaining mechanism in criminal procedure serves as a favorable screening device, separating between the guilty and the innocent. Previous literature ignored the impact of asymmetric information on prosecutor performance inside the adversarial court, which degrades his bargaining position. This paper presents a sequential prosecution game with endogenous courts, and shows that the successful conviction in court crucially depends on prosecutor's beliefs and incentives. If the prosecutor is sufficiently convinced of the defendant's guilt ex-ante, he can commit to trial, and the favorable semiseparating equilibrium is obtained. Applying the first formal model of a hindsight biased prosecutor, we find that the negative impact of uncertainty on prosecutor performance is partly mitigated by hindsight bias, and the self-selection of guilty defendants can even improve. Several caveats, like excessive charges, the nature of the case or the quality of investigations by the police force are discussed.

PhD Seminar

Phoebe Wasfy Ishak, Universität Hamburg:

Oil Price Shocks, Political Instability and the Shadow Economy

Abstract:

In this paper, we study the impact of oil price shocks on incidences of protest over the period 1962-2015. We find that negative oil price shocks increase the likelihood of witnessing protests. To explain this, we show that negative oil price shocks had a strong positive significant effect on unemployment. We, then, investigate whether the shadow economy can mitigate the adverse consequences of price shocks. Using instrumental variables strategies, we find that the growth in the size of the shadow economy is driven in the short run by the growth in the size of unemployment (i.e. the substitution effect), whereas it is driven by per capita GDP growth in the long run (i.e. the income effect).

Research Seminar “Microeconomics”

Daniel Göller, University of Agder:

Mobile telephony in emerging markets: the importance of dual-SIM phones

Abstract:

A substantial share of customers in emerging markets use dual-SIM phones and subscribe to two mobile networks. A primary motive for so called multi-simming is to take advantage of cheap on-net services from both networks. In our modelling effort, we augment the seminal model of competing telephone networks a la Laffont, Rey and Tirole (1998b) by a segment of flexible price hunters that may choose to multi-sim. According to our findings, in equilibrium, the networks set a high off-net price in the linear tariffs to achieve segmentation. This induces the price hunters to multi-sim. We show that increased deployment of dual-SIM phones may induce a mixing equilibrium with high expected on-net prices. Thus, somewhat paradoxically, deployment of a technology that increases substitutability, and thereby competition, may end up raising prices.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- The next Midterm Meeting of the European Master in Law & Economics (EMLE) programme will be hosted by the Institute of Law and Economics at the University of Hamburg in February 2019.

We invite researchers and scholars in the field of Law & Economics to present their research projects in the workshop sessions that will be held on February 15th, 2019.

A call for papers can be found here:

<https://www.jura.uni-hamburg.de/forschung/institute-forschungsstellen-und-zentren/institut-recht-oekonomik/news-und-events/aktuelle-meldungen/abstracts/callforpapers.pdf>.

The next EconNewsletter will be published on Monday, December 10, 2018.

Editorial deadline: Friday, December 7, 2018.

EconNewsletter

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