



Fachbereich VWL / Department of Economics

EconNewsletter

Editorial Contact: Michael Paetz
tel: +49 40 42838-5561; e-mail: econ.newsletter@wiso.uni-hamburg.de

APRIL 16 – APRIL 20, 2018

NEWSLETTER 2018-6

SEMINAR CALENDAR

Research Seminar “Labour Economics”

Rudolf Winter-Ebmer, Johannes Kepler University Linz:
Grandmothers' Labour Supply

Monday April 16
16:30-18:00
R. 0029 (VMP 5)

Forschungsseminar “Quantitative Wirtschaftsforschung“

Mariia Belaia, Harvard University:
*Mitigation, Carbon Removal and Solar Geoengineering:
The Role of Discounting*

Tuesday April 17
12:15–13:45
R. 0029 (VMP 5)

Research Seminar “Microeconomics”

Bettina Klaus, Universität Lausanne:
*Top Trading Cycles, Consistency, and Acyclic Priorities for
House Allocation with Existing Tenants*

Thursday April 19
17:15–18:45
R. 0029 (VMP 5)

PhD Seminar

- no seminar -

HCHE Research Seminar

- no seminar -

ABSTRACTS

Research Seminar “Labour Economics”

Rudolf Winter-Ebmer, Johannes Kepler University Linz:

Grandmothers' Labour Supply

Abstract:

The labor supply effects of becoming a grandmother are not well established in the empirical literature. We estimate the effect of becoming a grandmother on the labor supply decision of older workers. Under the assumption that grandmothers cannot predict the exact date of conception of their grandchild, we identify the effect of the first grandchild on employment (extensive margin). Our Timing-of-Events approach shows that having a first grandchild increases the probability of leaving prematurely the labor market. This effect is stronger when informal child care is more valuable to the mother. To estimate the effect of an additional grandchild (intensive margin), we assume that the incidence of a twin birth among the second generation is not correlated with unobserved determinants of the grandmother's labor supply (first generation). Our respective 2SLS estimation shows a significant effect of further grandchildren. Our results highlight the important influence of the extended family on the decisions of older workers and point to mediating effects of different institutional settings.

Research Seminar “Microeconomics”

Bettina Klaus, Universität Lausanne:

Top Trading Cycles, Consistency, and Acyclic Priorities for House Allocation with Existing Tenants

Abstract:

We study the house allocation with existing tenants model (introduced by Abdulkadiroglu and Sonmez, 1999) and consider rules that allocate houses based on priorities. We introduce a new acyclicity requirement for the underlying priority structure which is based on the acyclicity conditions by Ergin (2002) and Kesten (2006) for house allocation with quotas and without existing tenants. We show that for house allocation with existing tenants a top trading cycles rule is consistent if and only if its underlying priority structure satisfies our acyclicity condition. Moreover, even if no priority structure is a priori given, we show that a rule is a top trading cycles rule based on ownership adapted acyclic priorities if and only if it satisfies Pareto-optimality, individual-rationality, strategy-proofness, reallocation-proofness, and consistency.

Forschungsseminar “Quantitative Wirtschaftsforschung“

Mariia Belaia, Harvard University:

Mitigation, Carbon Removal and Solar Geoengineering: The Role of Discounting

Abstract:

In the present study, we discuss the extended climate policy portfolio, which ultimately targets the reduction of the negative impacts of climate change. Besides mitigation, this policy portfolio includes carbon dioxide removal (CDR) and solar radiation management (SRM). Unlike traditional mitigation, CDR allows for negative emissions and SRM acts to reduce the radiative forcing for a given level of emissions, thereby reducing the global mean temperature increase. To this end, there have been several economic studies on SRM and CDR (BECCS) in isolation. While the interplay between the two (in addition to mitigation) has been overlooked. In the present study, we extend the dynamic integrated assessment model of climate and economy by Nordhaus (2016) to provide a systematic overview of the time-varying interplay between the three policy options. In particular, we explore the portfolio alterations in response to different discounting specifications. Furthermore, to put things into perspective, we account for uncertainty in climate change, which is modelled via uncertainty in climate sensitivity. Notably, here we abstract from the international policy coordination aspect. Furthermore, to underline the decision-relevant aspects of each policy option, we make two basic assumptions. Since the costs of SRM are negligible, while the potential side effects are the main concern, we presume that SRM is a zero-cost policy option with substantial side-effects, which increase with the level of SRM. On the other hand, CDR is a high-cost and zero-side-effects option.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- **Perino, Grischa (2018)**, “New EU ETS Phase 4 rules temporarily puncture waterbed”, *Nature Climate Change*, 8(4), 262-264.
- **Foerster, Manuel (2018)**, “Finite Languages, Persuasion Bias, and Opinion Fluctuations”, *Journal of Economic Behavior and Organization*, Vol. 149, S. 46-57.
- **Ahmadi, Pooyan Amir, Matthes, Christian und Mu-Chun Wang (2018)**, “Choosing Prior Hyperparameters: With Applications to Time-Varying Parameter Models”, forthcoming in *Journal of Business and Economic Statistics*.

Miscellaneous

- The **Institute of Law and Economics at the University of Hamburg** is organising the 2018 edition of the Summer School in Law and Economics. The Summer School features five one-week intensive lecture series of internationally renowned scholars in law and economics.

Courses include:

- Topics in Corruption Research (Prof. Raymond Fisman)
- Topics in International Law and International Relations (Prof. Rachel Brewster)
- The Transformation of Global Environmental Politics (Prof. Johannes Urpelainen)
- The Use of Economics for Understanding Law: A Guided Tour (Prof. Thomas Miceli)

The courses are free of charge and open to external applicants. Further information:
<https://www.jura.uni-hamburg.de/en/einrichtungen/institute-seminare/institut-recht-oeconomik/news-und-events/summer-schools/ile-summerschool.html>

The next EconNewsletter will be published on Monday April 23, 2018.

Editorial deadline: Friday, March 20, 2018.

EconNewsletter

Department of Economics
University of Hamburg
Von-Melle-Park 5, 20146 Hamburg

To un/subscribe from/to this newsletter, please
send an e-mail to econ.newsletter@wiso.uni-hamburg.de