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FAKULTÄT
FÜR WIRTSCHAFTS- UND
SOZIALWISSENSCHAFTEN

Fachbereich VWL / Department of Economics

EconNewsletter

JANUARY 14 – JANUARY 18, 2019   **NEWSLETTER 2019-2**

SEMINAR CALENDAR

HCHE Research Seminar
Prof. Erwin Böttinger, Hasso-Plattner-Institut für Digital Engineering:
Personalized medicine meets digital health

Monday January 14
16:30-18:00
Esplanade 36, R. 4011/13

Forschungsseminar "Quantitative Wirtschaftsforschung"
Paul A. Raschky, Monash Univ. Melbourne:
Internet and Protests

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

Environmental and Development Economics
Mads Greaker, Statistics Norway:
Incentives for innovation in natural resource based industries

Wednesday January 16
12:15–13:45
Zentralbib. Recht, Rothen-
baumchaussee 33, BG 3/4

Hamburg Lectures on Law & Economics
Prof. Elvira Rosert, University of Hamburg:
Fragmented Evolution of International Humanitarian Law

Wednesday January 16
18:15–19:45
R. 1083a (VMP 5)

PhD Seminar
Aidin Miri Lavasani, Universität Hamburg:
Underpricing of Structured Products on the German Market

Thursday January 17
12:15–13:15
R. 2091/2201 (VMP 5)

Research Seminar "Microeconomics"
Philipp Denter, University Madrid:
Social Connectivity, Correlation Neglect, and Media Bias

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

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

Research Seminar "Labour Economics"
 - no seminar -

ABSTRACTS

Forschungsseminar "Quantitative Wirtschaftsforschung"
Paul A. Raschky, Monash Univ. Melbourne:
Internet and Protests

Abstract:
This paper studies empirically the effect of the Internet on protests worldwide. We compile a novel panel dataset that combines geo-referenced data on Internet quality and weekly protests for over 18,907 subnational (ADM2) districts from 190 countries and the years 2006-2012. The Internet penetration data was constructed by combining over a trillion IP activity (offline/online) observations to a commercially-available, IP-geolocation library. Our identification strategy exploits random weekly variation in global Internet latency to identify the causal effect of the Internet on local protests. According to our estimates, latency-adjusted Internet increases the occurrence of local protests. We show that most of the variation in the effect of the Internet on local protests comes from national differences in political institutions and local differences in Internet penetration.

Environmental and Development Economics
Mads Greaker, Statistics Norway:
Incentives for innovation in natural resource based industries

Abstract:
Sustainable yield from a natural resource fluctuates in response to both natural conditions and harvesting practices. On the one hand, research and development (R&D) may reduce the fluctuations through more knowledge of biological functioning. On the other hand, R&D may also increase the fluctuations if it results in more efficient harvesting gear with increased impact on the environment. We analyze the incentives for innovation in a natural resource based industry. The direction of technical change can either be towards profitability enhancing innovations or environmental hazard reducing innovations. Given that R&D can take two directions, we pose the following research questions: I) Is the market's ranking of profitability enhancing and environmental hazard reducing innovation projects in line with the ranking of the social planner? and II) How can the government obtain the first best level of innovation? We analyze these research questions within a theoretical model of innovation, and by applying a numerical example from the Norwegian salmon farming industry. The paper includes a number of results; first, when innovating for a natural resource based industry, there may exist a strategic effect which increases the incentives to do innovation along both directions. Second, our results suggest that the private incentives for profitability enhancing R&D outperform the private incentives for environmental hazard reducing R&D. In this case, public R&D policy should be directed towards the latter form of innovations.

Hamburg Lectures on Law & Economics
Prof. Elvira Rosert, University of Hamburg:
Fragmented Evolution of International Humanitarian Law

Abstract:
International Humanitarian Law (IHL) aims at limiting violence during wars. It protects certain groups (like civilians or humanitarian personnel) by prohibiting attacks on them. It also protects combatants who have been wounded or taken as prisoners of war by granting them a minimum standard of humane treatment. Furthermore, IHL prohibits certain weapons (land mines or cluster munitions) because they are considered particularly cruel. But this life-saving body of law is incomplete – in some areas, protective legal provisions are lacking, vague, or very weak. This pertains to the law of non-international armed conflict, which is much less comprehensive than the law of international armed conflict. This also pertains to the regulation of means and methods of combat, which only weakly restricts the use of some weapons such as napalm or phosphorus, and completely fails to restrict other inhumane weapons such as uranium-depleted munitions, flechettes, or anti-vehicle mines. And finally, this pertains to the protection of the environment during armed conflict, which never gained any significance. Motivated by the question of why these particular gaps exist, the aim of the lecture is to offer explanations for the non-evolution of IHL norms. Put differently, I will explore conditions of successful evolution of law – and the obstacles preventing it.

PhD Seminar
Aidin Miri Lavasani, Universität Hamburg:
Underpricing of Structured Products on the German Market

Abstract:
This paper examines the price setting behavior of the issuers of structured products in the German market, by using the box-spread strategy, whereby the focus is on the underpricing of such products. This underpricing implies potential arbitrage opportunities. One key contribution of this paper is the great amount of data of the specific structured products, which are evaluated here.

This data consists of all relevant base information (e.g. termination date, underlying and issuer) of every Discount certificate and Put warrant (both plain vanilla) issued between 2007 and 2015, that is, in total for 418,743 Discount certificates and 474,508 Put warrants with daily price observations of about 110 million and 80 million, respectively.

The results indicate that around 0.1131% of the price data observations are violating the no-arbitrage condition.

Research Seminar "Microeconomics"

Philipp Denter, University Madrid:
Social Connectivity, Correlation Neglect, and Media Bias

Abstract:
We develop a model of political persuasion in which citizens, who suffer from correlation neglect, communicate on social media before deciding on a political action. A biased newspaper that aims to persuade citizens to take a particular action sends them a message about a payoff-relevant state. Citizens observe the newspaper's message and share this information with their peers on a social network. Each citizen then uses the signals received from her peers to update her beliefs, treating the signals as independent, before choosing an action. We show that an increase in an individual's social connectivity leads the newspaper to send more biased messages. A consequence is that greater social media penetration can reduce welfare and increase polarization of beliefs in the society.

The *next EconNewsletter* will be published **on Monday, January 21, 2019.**

Editorial deadline: **Friday, January 18, 2019.**