



Fachbereich VWL / Department of Economics

EconNewsletter

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

DECEMBER 9 – DECEMBER 13, 2019

NEWSLETTER 2019-28

SEMINAR CALENDAR

HCHE Research Seminar

Prof. Dr. Maarten Lindeboom, Freie Universität Amsterdam:
A bit of salt, a trace of life: the impact of a salt iodization program on human capital of school aged children in China

Monday December 9
16:30-18:00
Esplanade 36, R. 4011/13

Forschungsseminar “Quantitative Wirtschaftsforschung“

Sebastian Sieglöch, Universität Mannheim & ZEW:
Property Taxation, Housing, and Local Labor Markets: Evidence from German Municipalities

Tuesday December 10
12:15–13:45
R. A215 (VMP 9)

Environmental and Development Economics

Daniel Osberghaus, ZEW Mannheim:
A large household panel survey on climate change perceptions and adaptation in Germany: Effects of flood experience on climate beliefs and an overview of other topics

Wednesday December 11
12:15–13:45
WiWi 0079 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Kaushik Basu, Cornell University:
Politics, Power, and the Law: From David Hume to John Nash

Wednesday December 11
18:15–19:45
Achtung: ESA A

Research Seminar “Microeconomics”

Frikk Nesje, Universität Heidelberg:
Cross-dynastic intergenerational altruism

Thursday December 12
17:15–18:45
Raum S 28 (VMP 9)

Research Seminar “Labour Economics”

- no seminar -

PhD Seminar

- no seminar -

ABSTRACTS

Forschungsseminar “Quantitative Wirtschaftsforschung“

Sebastian Siegloch, Universität Mannheim & ZEW:

Property Taxation, Housing, and Local Labor Markets: Evidence from German Municipalities

Abstract:

We analyze the incidence and the welfare implications of property taxation. We suggest a novel theoretical perspective by introducing property taxes in a spatial equilibrium model, where workers and firms are mobile but have location-specific preferences, and where tax revenues finance local public goods. The model predicts that welfare effects of property taxation depend on four reduced-form elasticities. We estimate these elasticities using an event-study design and exploiting the institutional setting of municipal property taxation in Germany with more than 31,000 tax reforms in the years between 1992–2017. Our results imply that renters bear one fifth, firm owners about one third, and land owners more than 40 percent of the welfare loss of property tax increases.

Environmental and Development Economics

Daniel Osberghaus, ZEW Mannheim:

A large household panel survey on climate change perceptions and adaptation in Germany: Effects of flood experience on climate beliefs and an overview of other topics

Abstract:

This talk summarises some of the works which are based on the Eval-MAP dataset. Eval-Map is a household panel survey on climate change perceptions and adaptation amongst more than 6,000 different households conducted in Germany during 2012-2015. After introducing the dataset, I will give a short overview of different ongoing empirical analyses, e.g. on the effectiveness of flood awareness campaigns of the German insurance industry, and on the relation of income with flood risk, adaptation, and vulnerability. The main part of the talk will focus on the question how flood experience shapes beliefs in the existence of global climate change. Based on a difference-in-differences analysis, we find that flood-affected individuals tend to retain their pre-flood beliefs regardless whether they believed in climate change before the flood. Hence, there is a case of confirmation bias: extreme weather experience seems to be interpreted and evaluated in a way that confirms prior beliefs. This shows that climate change beliefs may not converge after the experience of extreme weather events such as floods. These events rather have the potential to increase polarization of public opinion about climate change which is an important finding for policymakers and public authorities.

Hamburg Lectures on Law & Economics

Prof. Kaushik Basu, Cornell University:

Politics, Power, and the Law: From David Hume to John Nash

Abstract:

A popular question social scientists ask is why laws are often so poorly implemented and, at times, totally overlooked. This lecture asks the reverse and, in many ways, a philosophically harder question, namely, why are so many laws obeyed? The easy answer, that they are obeyed because the police and the magistrate punish those who disobey immediately opens up the question why the police and the magistrate behave in such a manner? In answering these questions, we are led to a line of argument that can be traced back to David Hume. The power of the law and also the power of the political tyrant resides, in the end, in our beliefs about one another – what others will do to you if you violate expectations. With the arrival of game theory, we are able to give more formal content to Hume's hypothesis. That is what this lecture will do and illustrate the theory with examples from history and contemporary policymaking.

Research Seminar “Microeconomics”

Frikk Nesje, Universität Heidelberg:

Cross-dynastic intergenerational altruism

Abstract:

Decisions with long-term consequences require comparing utility derived from present consumption to future welfare. But can we infer socially relevant intertemporal preferences from saving behavior? I allow for a decomposition of the present generation's preference for the next generation into its dynastic and cross-dynastic counterparts, in the form of welfare weights on the next generation in the own dynasty and other dynasties. Welfare weights on other dynasties can be motivated by a concern for sustainability, or if descendants may move or marry outside the dynasty. With such cross-dynastic intergenerational altruism, savings for one's own descendants benefit present members of other dynasties, giving rise to preference externalities. I find that socially relevant intertemporal preferences may not be inferred from saving behavior if there is cross-dynastic intergenerational altruism. I also show that the external effect of present saving decreases over time. This means that intertemporal preferences inferred from saving behavior are time-inconsistent, unless cross-dynastic intergenerational altruism is accounted for.

The next EconNewsletter will be published on Monday, December 16, 2019.

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EconNewsletter

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

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