# EconNewsletter

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

## APRIL 8 – APRIL 12, 2019

<table>
<thead>
<tr>
<th>Seminar Calendar</th>
<th>Date</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
</table>
| **Research Seminar “Labour Economics”**  
Johanna Tyrowicz, University of Warsaw: | Monday April 8 | 16:30-18:00 | R. 0029 (VMP 5) |
| *Migrants returns to human capital. Novel method and evidence from high skill migration from CEECs to the UK* | | | |
| **Forschungsseminar “Quantitative Wirtschaftsforschung“**  
Wilhelm Kohler, University of Tübingen: | Tuesday April 9 | 12:15–13:45 | R. 0029 (VMP 5) |
| *Worker Heterogeneity, Trade and Migration* | | | |
| **Environmental and Development Economics**  
Riccardo Ghidoni, University of Milano-Bicocca: | Wednesday April 10 | 12:15–13:45 | R. 0029 (VMP 5) |
| *Plan B for climate change: An experiment on geoengineering* | | | |
| **PhD Seminar**  
Marek Endrich, University of Hamburg: | Thursday April 11 | 12:15–13:15 | |
| *Pacem in Terris: Are Papal Visits Good News for Human Rights?* | | | |
| **Research Seminar “Microeconomics”**  
- no seminar - | | | |
| **Hamburg Lectures on Law & 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](https://www.wiso.uni-hamburg.de/fachbereich-vwl/forschung/forschungsseminare.html)
ABSTRACTS

Research Seminar “Labour Economics”
Johanna Tyrowicz, University of Warsaw:
Migrants returns to human capital. Novel method and evidence from high skill migration from CEECs to the UK

Abstract:
This paper proposes a novel approach to estimating returns to human capital of migrants, accounting for the bias stemming from return migration. We apply our method to the case of immigrants from Central and Eastern Europe in the British labor market over 2004-2016 span. We find that the tertiary education of those immigrants was rewarded roughly at par with secondary education of the natives in the UK. We also find that the bias stemming from return migration is relevant for estimating the returns, but yields relatively small bias in the average predicted wages.

Forschungsseminar “Quantitative Wirtschaftsforschung“
Wilhelm Kohler, University of Tübingen:
Worker Heterogeneity, Trade and Migration

Abstract:
We develop a model that combines monopolistic competition on goods markets with skill-type heterogeneity on the labor market. Skill-type heterogeneity and partial specicity to firms’ endogenously chosen skill requirements lead to endogenous worker-firm match quality, endogenous wage markups, and within-firm wage inequality. We identify novel effects of trade and migration. Trade enhances monopsony power on the labor market and worsens the average matching quality. Labor market integration leads to two-way migration between symmetric countries. Migration enhances competitiveness on the labor market and tends to increase the average matching quality. Our model advocates opening up labor markets simultaneously with trade liberalization.
Environmental and Development Economics
Riccardo Ghidoni, University of Milano-Bicocca:
Plan B for climate change: An experiment on geoengineering

Abstract:
In the event that we are unable to hit our climate targets, a possible method for counteracting disastrous climate change is through geoengineering - the deliberate large-scale manipulation of the Earth’s natural system. Geoengineering is as controversial and underinvestigated as it is straightforward and potentially cheap in its implementation. Assuming we are able to identify and resolve all side-effects of geoengineering, we are then left with the challenge that different groups of individuals may aim for different levels of geoengineering and as such, will suffer from an upward or downward deviation from these ideal points. We investigate this scenario using a laboratory experiment. First, we test whether, in the Baseline, the equilibrium prediction of overprovision of geoengineering relative to the social optimal holds in the experiment. Finding that the results in the lab are in accordance with our theoretical predictions, we then test the role of two plausible technological and institutional responses: (1) Counter-geoengineering, i.e. the possibility of choosing negative levels of geoengineering; and (2) Treaty, i.e. the possibility for some decision-makers to commit to making transfers to other decision-makers in exchange for a target level of geoengineering. In the Counter treatment, the realized total surplus was half the predicted level. The loss was driven by the extreme variability in global geoengineering, rather than the escalation in geoengineering and counter-geoengineering efforts. Instead, the Treaty treatment decreased global geoengineering and increased total surplus in economies with respect to Baseline. However, its impact remained well below the expectation to achieve the socially optimal outcome, because too few treaties implemented.
PhD Seminar
Marek Endrich, University of Hamburg:
*Pacem in Terris: Are Papal Visits Good News for Human Rights?*

*Abstract:*
We analyze the effect of a state visit by the Catholic pope on the human rights performance of the host country. This illustrates how a small country like the Vatican can exert significant political influence in international politics. Human rights are at the heart of modern-day Catholic doctrine and during his international travels, the pope frequently addresses human rights violations. The pope uses the threat of shaming to incentivize governments of host countries to refrain from and to inhibit violations of human rights. We draw on a new dataset of papal state visits outside Italy to test the hypothesis that governments react strategically to the threat of shaming by inhibiting human rights violations. To identify causal average treatment effects, we use characteristics of the pope, Catholic Church calendars, proxies for the strategic interests of the Vatican, and conditions in the host country as exogenous predictors of papal visits in an endogenous treatment model. Our results indicate that politicians react to an anticipated papal visit by increasing human rights protection.

*The next EconNewsletter will be published on Monday, April 15, 2019.*

*Editorial deadline: Friday, April 12, 2019.*