



Fachbereich VWL / Department of Economics

EconNewsletter

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APRIL 23 – APRIL 26, 2019

NEWSLETTER 2019-8

SEMINAR CALENDAR

Forschungsseminar “Quantitative Wirtschaftsforschung“

Georgios Georgiadis, ECB:

Dominant-Currency Pricing and the Global Spillovers from US Shocks

Tuesday April 23

12:15–13:45

R. 0029 (VMP 5)

Environmental and Development Economics

Joel Methorst, German Centre for Integrative Diversity:

Estimating the effect of biodiversity on human well-being across Europe

Wednesday April 24

12:15–13:45

R. 0029 (VMP 5)

Hamburg Lectures on Law & Economics

Prof. Christian Bjørnskov, Aarhus University:

Coups, Regime Transitions, and Institutional Change

Wednesday April 24

18:15–19:45

R. 110, Johnsallee 35

Research Seminar “Microeconomics”

Michael Kopel, University of Graz:

A new perspective on the benefits of slack building under participative budgeting

Thursday April 25

17:15–18:45

R. 0029 (VMP 5)

HCHE Research Seminar

- no seminar -

PhD Seminar

- no seminar -

Research Seminar “Labour Economics”

- 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

Environmental and Development Economics

Joel Methorst, German Centre for Integrative Diversity:

Estimating the effect of biodiversity on human well-being across Europe

Abstract:

The amount of research with the aim to explore nature's influence on human well-being has increased over the last few decades. However, this research has predominantly relied on very vague descriptions of nature, for example green- or blue space. However, the contribution of biodiversity to human well-being has largely been unexplored, especially on larger spatial scales. In this study we explore the relationship between biodiversity and human well-being at a European scale, focusing on biodiversity measures, such as species richness for birds, mammals, megafauna and forest trees. Human well-being of European residents was measured as life satisfaction, a well-established measure for human well-being, derived from European Quality of Life Survey. We show that bird species richness is positively associated with life satisfaction. This means, that an increase in bird species richness across Europe might potentially lead to an increase in life satisfaction. And this increase in life satisfaction can be up to 0.63 times higher than a comparable increase in personal income. This result is the first evidence of a relationship between biodiversity and HWB on a continental scale. The result might also have major implications for future policy decisions in Europe because they suggest that protecting biodiversity is important for fostering human well-being.

Hamburg Lectures on Law & Economics

Prof. Christian Bjørnskov, Aarhus University:

Coups, Regime Transitions, and Institutional Change

Abstract:

Coups and regime transitions are events that typically are intended to change the basic institutional set-up of a country. Which specific policies change and the consequences of these changes nevertheless remains largely unknown. Change after coups or transitions implies that some form of political or judiciary barrier has been erected or removed. We therefore focus on what happens to the quality of legislative and judicial institutions around coup attempts and other types of regime transitions. We hypothesize that when coups are conducted by members of the incumbent political elite, they are likely to remove barriers to change while coup makers outside of the ruling elite are more likely to do the opposite and thus protect themselves from the remains in the political system of that elite. Using the Bjørnskov-Rode coup data, preliminary results suggest that successful coups are associated with degradation of institutions, with successful military coups in particular having a significant negative effect. Results are more varied for civilian coups where we find indications of differences depending on whether the coup makers are part of a political elite or not.

Research Seminar “Microeconomics”

Michael Kopel, University of Graz:

A new perspective on the benefits of slack building under participative budgeting

Abstract:

In contrast to authoritative budgeting, participative budgeting may improve the superior’s knowledge and increase the subordinate’s motivation, but often comes at the costs of padding budgets and slack building. Consequently, most analytical studies identify slack as one of the major costs of participative budgeting that significantly reduce its benefits. Despite these research findings, participative budgeting is widely used in corporate practice. In this paper, we identify a beneficial effect of participative budgeting that has been neglected so far in analytical accounting research. In particular, we argue that slack might have benefits for the firm if the impact of participative budgeting on the firm’s supply side is taken into account. We employ a tractable adverse selection model to capture the interactions between budgetary slack and decisions made inside the firm with the firm’s choice of production quantity and the supplier’s input price decision.

We demonstrate that slack building induces an increase in the costs of production, but at the same time might soften supplier pricing. Overall, the interplay between frictions within the firm that are due to agency problems and the supplier’s pricing response crucially affect the firm’s choice of participative budgeting over authoritative budgeting. The main insight of our paper is that an exclusive focus on intra-firm aspects of budgeting might miss important effects of participative budgeting. It seems fruitful to consider the interaction between external stakeholders and a firm’s budgeting approach in future empirical research.

The next EconNewsletter will be published on Monday, April 29, 2019.

*Editorial deadline: **Friday, April 26, 2019.***

EconNewsletter

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