



Fachbereich VWL / Department of Economics

EconNewsletter

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APRIL 12 – APRIL 16, 2021

NEWSLETTER 2021-8

SEMINAR CALENDAR

All seminars listed below will be held virtually this semester.

HCHE Research Seminar

[Ankur Pandya, Harvard T.H. Chan School of Public Health:](#)

*Modeling the cost effectiveness of two big league
pay-for-performance policies*

Please register via the following link:

<https://www.hche.uni-hamburg.de/en/veranstaltungen/researchseminar.html>

Monday April 12
16:30–18:00

Quantitative Economics

[Regina Pleninger, KOF ETH Zurich:](#)

Measuring Inequality Using Geospatial Data

Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJYvc-itqzgpHNVhBUWXWPX6bv3WwEHioDq5>

Tuesday April 13
12:15–13:30

Hamburg Lectures in Law and Economics

[Alessandro Romano, Bocconi University:](#)

Rewiring Corporate Law for an Interconnected World

Please confirm your participation by sending a short e-mail to justyn.brockmeyer@ile-hamburg.de.
After confirming your registration you will receive the access information for the seminar on Zoom.

Wednesday April 14
18:15–19:45

Interdisciplinary Research Seminar

[Cailin O'Connor, UC Irvine:](#)

Interdisciplinarity Can Aid the Spread of Better Methods

Please register via the following link:

<https://www.wiso.uni-hamburg.de/en/forschung/verbundprojekte/rtg-collective-decision-making/events/register-for-irs-talk.html>

Thursday April 15
17:15–18:45

ABSTRACTS

Quantitative Economics

Regina Plening, KOF ETH Zurich:

Measuring Inequality Using Geospatial Data

Abstract:

The main challenge in studying economic inequality is limited data availability, which is particularly problematic in developing countries. We construct a measure of economic inequality for 234 countries and territories from 1992 to 2013 using satellite data on nighttime light emissions as well as gridded population data. Key methodological innovations include the use of varying levels of data aggregation, and a parsimonious calibration of the lights-prosperity relationship to match traditional inequality measures based on income data. Indeed, we obtain a measure that is significantly correlated with cross-country variation in income inequality. Subsequently, we provide three applications of the data in the fields of health economics and international finance. Our results show that light- and income-based inequality measures lead to similar results in terms of cross-country correlations, but not for the dynamics of inequality measure can capture more enduring features of economic activity that are not directly captured by income.

Hamburg Lectures in Law and Economics

Alessandro Romano, Bocconi University:

Rewiring Corporate Law for an Interconnected World

Abstract:

The traditional focus of corporate law is on aligning managers' preferences to the interests of shareholders. This view is premised on two assumptions that are no longer true: first, the idea that all shareholders want to maximize the net present value of the firm's earnings per dollar invested; and, second, the view that microeconomic shocks do not produce macroeconomic consequences. The rise of institutional investors undermines the first assumption, since large asset managers hold the entire market and have been shown to display a preference for maximizing the value of their portfolio as a whole, with limited interest in the performance of specific companies: that is, they are "portfolio value maximizers." At the same time, the increasingly interconnectedness of the economy, and society more broadly, undermines the second assumption, as there is ample empirical evidence demonstrating that microeconomic shocks can propagate through the existing interconnections and generate catastrophic consequences. We also show how a subset of firms, those "central" to the network of interconnections that comprises the economy, is responsible for those shocks. We argue that

corporate law should reflect these features of contemporary economies, and hence change its fundamental purpose. On the one hand, it should aim to ensure that non-central firms maximize their own value, despite the rise of portfolio value maximizers. On the other hand, in central firms it should harness the preferences of portfolio-value-maximizing shareholders with the goal of minimizing the risk of catastrophic externalities like climate change or financial crises. We develop a framework to guide policymakers in the pursuit of this new fundamental conception of corporate law and provide concrete examples of how changes in the rules on dual class shares, tenure voting, and ownership disclosure could account for these changes.

Interdisciplinary Research Seminar

Cailin O'Connor, UC Irvine:

Interdisciplinarity Can Aid the Spread of Better Methods

Abstract:

Why do bad methods persist in some academic disciplines, even when they have been clearly rejected in others? What factors allow good methodological advances to spread across disciplines? In this work, we investigate some key features determining the success and failure of methodological spread between the sciences. We introduce a model that considers factors like methodological competence and reviewer bias towards one's own methods. We show how self-preferential biases can protect poor methodology within scientific communities, and lack of reviewer competence can contribute to failures to adopt better methods. We further argue, however, that input from outside disciplines, especially in the form of peer review and other credit assignment mechanisms, can help break down barriers to methodological improvement.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- **Quaas, M.F., Meya, J.N., Schenk, H., Bos, B., Drupp, M.A. and T. Requate (2021)**, “The social cost of contacts: Theory and evidence for the first wave of the COVID-19 pandemic in Germany”, *PLoS ONE* 16(3): e0248288.

The next EconNewsletter will be published on Monday, April 19, 2021.

*Editorial deadline: **Friday, April 16, 2021.***

EconNewsletter

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