



Fachbereich VWL / Department of Economics

EconNewsletter

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

APRIL 19 – APRIL 23, 2021

NEWSLETTER 2021-9

SEMINAR CALENDAR

All seminars listed below will be held virtually this semester.

Quantitative Economics

[Christian Schlag, University of Frankfurt, SAFE Institute:](#)

Tuesday April 20

Non-Substitutable Consumption Growth Risk

12:15–13:30

Please register via the following link:

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

Hamburg Lectures in Law and Economics

[Robin Huang, Chinese University of Hong Kong:](#)

Wednesday April 21

The Development and Regulation of Mobile Payment:

18:15–19:45

Chinese Experiences and Comparative Perspectives

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.

PhD Seminar

[Björn Bos, Hamburg University:](#)

Thursday April 22

Portfolio Choice under Pandemic Uncertainty

12:15–13:15

Please register via the following link:

<https://uni-hamburg.zoom.us/meeting/register/tJEIc2ppzMpEtSntdV3ofF2S-qKBw7vhhEl>

Interdisciplinary Research Seminar

[Frank Nullmeier, University of Bremen:](#)

Thursday April 22

Political Decision-Making in Times of the Covid-19-Pandemic

17:15–18:45

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>

ABSTRACTS

Quantitative Economics

Christian Schlag, University of Frankfurt, SAFE Institute:

Non-Substitutable Consumption Growth Risk

Abstract:

Standard applications of the consumption-based asset pricing model make the assumption that goods and services within the nondurable consumption bundle are substitutes. We estimate substitution elasticities between different consumption bundles and show that households cannot substitute energy consumption by consumption of other nondurable goods or services. As a consequence, energy consumption shows up as a separate factor in the pricing kernel. Cross-sectional variation in energy consumption betas explains a large part of the value premium. Value stocks are typically more energy-intensive than growth stocks and thus riskier, since they suffer more from the oil supply shocks that also affect households.

Hamburg Lectures in Law and Economics

Robin Huang, Chinese University of Hong Kong:

The Development and Regulation of Mobile Payment: Chinese Experiences and Comparative Perspective

Abstract:

China has become one of the leaders in the global mobile payment market in terms of market volume, growth rate, and innovation capability. This can be attributed to a number of enabling factors, including technological advancement in China and mobile payment's competitive advantages and wide acceptance by Chinese people. Mobile payment brings significant benefits as well as various risks and thus should be regulated in a way that reaps its benefits while containing those risks. This article critically examines China's regulatory regime for mobile payment, focusing on several key elements such as the entry and exit mechanism, management of customer reserves, anti-money laundering measures, and consumer protection. A comparative study is also conducted on the regulation of mobile payment in several major jurisdictions, including the US, the UK, Singapore, and Hong Kong. Then, this article analyses the strengths and shortcomings of the regulation in China and, based on international experiences, makes relevant suggestions for improvement. China is advised to enact a unified law specifically for mobile payment and adopt a more nuanced risk-based approach in setting out regulatory requirements. There is a need to address the negative effects on competition in the mobile payment market that may be exacerbated by the high entry threshold and the centralized clearing mechanism. China should also streamline the enforcement aspect of its

regulatory regime and pay particular attention to important issues of consumer protection such as data protection.

PhD Seminar

Björn Bos, Hamburg University:

Portfolio Choice under Pandemic Uncertainty

Abstract:

We study how background health uncertainty induced by pandemic prevalence affects individual portfolio choice. In an online panel survey including an incentivized portfolio investment task, we repeatedly elicit financial risk taking behavior of more than 5,000 participants, sampled from the German population. We exploit exogenous variation in the number of SARS-CoV-2 infections and deaths across time and space, and show with a fixed effects estimation that the local COVID-19 prevalence has a negative effect on risk taking. We find that an increase in the local number of infected persons per 100,000 residents by 1 percent decreases investments in a risky asset by 0.03 percent on average. Given the substantial pandemic dynamics, this can explain sizable shifts in portfolio choices, a large portion of which appears to be driven by fear. Our results point towards an important role of background health uncertainty for financial risk taking and portfolio choice.

Interdisciplinary Research Seminar

Frank Nullmeier, University of Bremen:

Political Decision-Making in Times of the Covid-19-Pandemic

Abstract:

Pandemic Political decision-making in times of extreme crisis is often expected to achieve a higher degree of consensus. Misery unites - a Blood, Toil, Tears and Sweat speech and consensus can be established. But the opposite assumption can also be defended: Conflicts of interest come to a head in the face of the immense costs of any solution in the crisis - a pronounced political polarisation occurs. In recent days, however, German politics - in the midst of the next wave of the pandemic - has found itself in a situation where neither consensus nor polarisation occur, but disagreement on all sides. The lecture examines three topics of political decision-making in the pandemic: (1) decision-making through a decision-making format of simultaneous horizontal and vertical coordination, (2) the political non-bundling of interests, opinions and scientific knowledge, and (3) administrative control without implementation and monitoring resources, and asks about the causes of this general non-agreement.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- **Workshop on Perceptions and Policy Preferences, 7 May 2021**
Conducted by [SOECBIAS](#) in collaboration with Elias Naumann, project [IMES](#). Please register through e-mail: workshop_perceptions.uhh@uni-hamburg.de.

For further information, please download the [workshop program \(pdf\)](#).

The next EconNewsletter will be published on Monday, April 26, 2021.

*Editorial deadline: **Friday, April 23, 2021.***

EconNewsletter

Department of Economics
University of Hamburg
Von-Melle-Park 5, 20146 Hamburg

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