Fachbereich VWL / Department of Economics

EconNewsletter

NOVEMBER 21 – NOVEMBER 25, 2022　　　　**NEWSLETTER 2022-23**

SEMINAR CALENDAR

HCHE Research Seminar
Katharina Blankart, Universität Duisburg-Essen:　　　　Monday November 21
Causes and consequences of drug shortages　　　　16:30-18:00
　　　　Esplanade 36, R. 4011/13

Quantitative Economics
Simon Scheideeger, HEC Lausanne:　　　　Tuesday November 22
Deep Uncertainty Quantification for Climate Change Mitigation
This seminar will only be live streamed. For participation via Zoom please register via the following link:

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

Hamburg Lectures in Law and Economics
Prof. Carsten Gerner-Beuerle, University College London:　　　　Wednesday November 23
How to quantify legal rules　　　　18:15–19:45
This seminar is held in an online format. To register for **Online participation** via Zoom please click the following link and fill in the necessary information: https://ile-hamburg.us5.list-manage.com/track/click?u=a3a598540658d2c2aadfae5b6&id=38005a2e64&e=3446e273d6 or send an email to yasmin.seyrafian@ile-hamburg.de. You will then receive an Email with the access link prior to the lecture.

PhD Seminar
Christina Maaß, Hamburg University:　　　　Thursday November 24
Can Bad News Be Good Predictors? Illuminating the Dark Figure of　　　　12:15–13:15
Crime with Crime-Related News　　　　R. 0079 (VMP 5)

Microeconomics Seminar
Alicia von Schenk, University of Würzburg:　　　　Thursday November 24
The Causal Effect of Communication in Echo Chambers on Biased Beliefs　　　　17:15–18:45
　　　　R. 0079 (VMP 5)

ABSTRACTS

Quantitative Economics
Simon Scheideeger, HEC Lausanne:
Deep Uncertainty Quantification for Climate Change Mitigation

Abstract:
There is a growing demand to quantify parametric uncertainty as well as economic and climate uncertainty on the climate policies to tackle global warming. To investigate parametric uncertainty and nonlinear interactions among the uncertain model parameters, we develop a high-dimensional stochastic climate-economy model that propagates parametric uncertainty as pseudo-states. We approximate all equilibrium functions using deep equilibrium nets. To limit the number of model evaluations to obtain convergent statistics, we further interpolate the outcomes of the cheap-to-evaluate surrogate model employing Gaussian processes in combination with Bayesian active learning, from which we analytically estimate the Sobol' indices and univariate effects. The uncertainty quantification results show that the equilibrium climate sensitivity dominates the level of the social cost of carbon. In contrast, the stochastic and persistent long-run growth risk characterizes the volatilities of economic moments.

Hamburg Lectures in Law and Economics
Prof. Carsten Gerner-Beuerle, University College London:
How to quantify legal rules

Abstract:
In empirical law and finance scholarship, law is typically conceived of as a datapoint like any other. Legal rules are quantified according to a metric and aggregated into indices. However, there is little discussion of what is an appropriate methodology to translate legal rules into variables and construct legal indices that capture the substance of the law. This article argues that current methodological approaches, with few exceptions, do not capture one characteristic of legal rules that renders them inherently different from other types of data: their interdependence. It shows that ignoring interdependence introduces measurement error and results, at least in some cases, in inconsistent estimates. The article makes suggestions for a methodology that takes account of interdependencies and uses directors' duties as an example to illustrate how the methodology captures legal differences.

Microeconomics Seminar
Alicia von Schenk, University of Würzburg:
The Causal Effect of Communication in Echo Chambers on Biased Beliefs

Abstract:
This paper presents a laboratory experiment to isolate the causal effect of communicating in echo chambers on the prevalence of biased beliefs in the population. For this purpose, we exogenously manipulate subjects' incentives to form motivated beliefs about others' behavior and fairness. We further vary whether subjects with the same incentive to distort their own belief can communicate via free-form chats. We find that communication - even in the exogenously created echo chambers - reduces the bias in individuals' beliefs. Additionally, we analyze how the communication with like-minded individuals affects the distribution of beliefs in the experiment. Without the incentives to form motivated beliefs, we have two opinion camps. Motivated reasoning without chatting reduces the fair opinion camp at the expense of the unfair opinion camp. Chatting undoes motivated reasoning and thereby leads to the reemergence of the original fair opinion camp.

The *next EconNewsletter* *will be published* **on Monday, November 28, 2022.**

Editorial deadline: **Friday, November 25, 2022.**