



Fachbereich VWL / Department of Economics

EconNewsletter

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MAY 22 – MAY 26, 2023

NEWSLETTER 2023-11

SEMINAR CALENDAR

Quantitative Economics

[Adrien Auclert, Stanford University:](#)

Managing an Energy Shock: Fiscal and Monetary Policy

Tuesday May 23

12:15–13:30

R. 0079 (VMP 5)

Hamburg Lectures in Law and Economics

[Stefan Thierse, University of Bremen:](#)

Judicial Dissent in the Subnational Constitutional Courts of Germany

Wednesday May 24

18:15–19:45

R. 110 (Johnsallee 35)

This seminar is held in a hybrid 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=ee0daf9e3c&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

[Romero Lorenzo, Hamburg University:](#)

Spatial Aspects of Public Good Provision

Thursday May 25

12:15–13:00

R. 0079 (VMP 5)

ABSTRACTS

Quantitative Economics

Adrien Auclert, Stanford University

Managing an Energy Shock: Fiscal and Monetary Policy

Abstract:

This paper revisits the macroeconomic effects of energy price shocks in energy-importing economies. In standard representative-agent models, increases in energy prices trigger a boom in aggregate demand by reallocating spending towards domestic production. In heterogeneous-agent models, by contrast, we show that they cause a recession by pushing down on real wages and therefore on consumer spending, provided that the elasticity of substitution between energy and domestic goods is realistically low. Imported energy inflation can spill over to wage inflation through a wage-price spiral, without mitigating the real wage decline. Monetary policy tightening has limited effect on imported inflation when done in isolation, but can be powerful when done in conjunction with other energy importers by lowering world energy demand. Fiscal policy, especially energy price subsidies, can isolate individual energy importers from the shock, but it has large negative externalities on other economies.

Hamburg Lectures in Law and Economics

Stefan Thierse, University of Bremen

Judicial Dissent in the Subnational Constitutional Courts of Germany

Abstract:

Dissent is an inescapable fact of judicial decision-making. It has always existed. However, unless procedural rules provide for the publication of a dissenting opinion and judges seize this opportunity, courts appear to outsiders as impersonal, monolithic institutions. Dissenting opinions have for long been alien to courts in civil law systems. However, today an increasing number of countries with a civil law system allow for dissenting opinions to be published at least at high and constitutional courts. Still, few studies have thus far investigated dissenting opinions in courts at the subnational level. This lecture presents empirical findings from an analysis of more than 1,000 decisions taken by ten subnational constitutional courts (Landesverfassungsgerichte) in Germany in a ten-year period (2009-2018). The multilevel logistic regression models suggest that dissent is driven predominantly by decision-level factors. In particular, the likelihood of dissent increases where a decision taps into the relationship between state constitutional law and the Basic Law. Furthermore, the higher the number of additional dissents submitted, the higher the probability of a dissenting opinion. By contrast, the data do not support the assumption that ideological convictions or career background have an impact on judicial dissent. The findings bear relevance for theoretical models of judicial behavior and indicate the significance of the institutional design of judicial deliberations.

PhD Seminar

Romero Lorenzo, Hamburg University

Spatial Aspects of Public Good Provision

Abstract:

We report laboratory evidence on the voluntary provision of weakest-link public goods in a novel spatial setting. Subjects are located on a circle and interact in overlapping neighborhoods. Inspired by "real-world" examples, we investigate how endowment heterogeneity and the spatial distribution of endowments affect the final provision of the public good. We find that the detrimental effects of endowment heterogeneity arise specifically when endowment types are clustered, but not when high and low types alternate. In all settings, players provide in-kind transfers only within their own neighborhood. We find that replacing direct transfers by an intermediary common account to overcome transfer coordination issues does not deliver more optimistic results. It rather rechannels investments towards own locations and away from others' locations such that weakest links public good provision cannot be improved.

ACTIVITIES OF DEPARTMENT MEMBERS

New Publications

- **Funke, M. and A. Wende (2023)**, "The US–China Phase One Trade Deal: An Economic Analysis of the Managed Trade Agreement", *The Canadian Journal of Economics* 56, 758-786, DOI: 10.1111/caje.12645

The next EconNewsletter will be published on Monday, May 29, 2023.

Editorial deadline: Friday, May 26, 2023.

EconNewsletter

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