



Fachbereich VWL / Department of Economics

EconNewsletter

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APRIL 17 – APRIL 21, 2023

NEWSLETTER 2023-7

SEMINAR CALENDAR

Quantitative Economics

[Yves Schüler, Deutsche Bundesbank Frankfurt:](#)

Shocks to Transition Risk

Tuesday April 18

12:15–13:30

R. 0079 (VMP 5)

Interdisciplinary Research Seminar

[Michael Kosfeld, Goethe University of Frankfurt:](#)

Groupy Belief Formation

Thursday April 20

17:15–18:45

R. 0079 (VMP 5)

The seminar is also live-streamed on Zoom. Please see <https://www.wiso.uni-hamburg.de/en/forschung/verbundprojekte/rtg-collective-decision-making/events/register-for-irs-talk.html> if you want to register for the seminar.

ABSTRACTS

Quantitative Economics

Yves Schüler, Deutsche Bundesbank Frankfurt

Shocks to Transition Risk

Abstract:

We propose and implement a method to identify shocks to transition risk, addressing key challenges regarding its definition and measurement. Our shocks are instances where significant new information about the economic relevance of climate change increases the valuation of green firms over brown firms. To illustrate our method, we identify shocks to transition risk in the United States. These shocks have important aggregate effects, also inducing financial instability. They are associated with events that increase the likelihood of an orderly transition, and they specifically affect parts of the economy related to fossil fuels and energy. We show that these main results carry over to Germany and the United Kingdom. Still, we find an important role for country specificities.

Interdisciplinary Research Seminar

Michael Kosfeld, Goethe University of Frankfurt

Groupy Belief Formation

Abstract:

We analyze how group identity influences the process of political and non-political belief formation. Using an online experiment with nationally-representative participants, deployed the week prior to the 2020 US presidential election, we incentivize subjects to predict policy-sensitive statistics one year post-election, conditional on which candidate becomes president. We assess group identity through in-group favoritism in monetary allocations in a minimal-group context. Our results show that participants who exhibit ingroup favoritism show a stronger partisan gap in prior and posterior beliefs and spend more resources to avoid articles from politically-opposing sources. Results replicate in a neutral, non-political prediction task, where we can control for participants' subjective beliefs about the quality of out-group information.

The next EconNewsletter will be published on Monday, April 24, 2023.

*Editorial deadline: **Friday, April 21, 2023.***

EconNewsletter

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