



Fachbereich VWL / Department of Economics

EconNewsletter

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

APRIL 24 – APRIL 28, 2023

NEWSLETTER 2023-8

SEMINAR CALENDAR

HCHE Research Seminar

[Michel Clement, Universität Hamburg:](#)

Why opt-out defaults diminish living organ donations

Monday April 24
16:30-18:00
Esplanade 36, R. 4011/13

Quantitative Economics

[Ralph Luetticke, Universität Tübingen:](#)

Foreign Portfolios and Domestic Business Cycles with Heterogeneous Agents

Tuesday April 25
12:15–13:30
R. 0079 (VMP 5)

Interdisciplinary Research Seminar

[Abhinay Muthoo, National Institute of Economic and Social Research:](#)

Serving Up Trust for Conflict Resolution

Thursday April 27
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

HCHE Research Seminar

Michel Clement, Universität Hamburg

Why opt-out defaults diminish living organ donations

Abstract:

Opt-out defaults can motivate people towards more pro-social behavior and many countries have adopted opt-out policies to increase organ donation, energy conservation, or childhood vaccination. While opt-out defaults target specific cooperative behaviors (e.g., deceased organ donations), we present evidence that they can have negative spillover effects on related cooperative behaviors (e.g., living organ donations). Across three studies, we show that this effect is due to enhanced trust in organ supply under opt-out. This interpretative change reduces living organ donations by (i) undermining reputation effects and (ii) making people less willing to donate to others low in genetic relatedness and emotional closeness (e.g., stranger). Notably, these effects are larger for people with stronger pure altruistic tendencies. The findings provide initial understanding of when and why opt-out defaults have negative spillover effects and offer valuable implications for policymakers and marketers.

Quantitative Economics

Ralph Luetticke, Universität Tübingen

Foreign Portfolios and Domestic Business Cycles with Heterogeneous Agents

Abstract:

We introduce household heterogeneity into a small open economy New Keynesian model and estimate the model on South Korean data using a Bayesian likelihood approach. The model features uninsurable idiosyncratic income risk, sticky nominal wages and prices, liquid and (partially) illiquid foreign and domestic assets, government stabilization through monetary and fiscal policies, and international trade in goods and assets. The economy is perturbed by a mix of aggregate domestic shocks deriving from both technological parameters and from economic policy, and international shocks to the demand of goods and to the return of liquid and illiquid foreign assets. We show that international shocks are important determinants of fluctuations in Korea including key aspects of inequality.

Interdisciplinary Research Seminar

Abhinay Muthoo, National Institute of Economic and Social Research

Serving Up Trust for Conflict Resolution

Abstract:

This paper explores the role of gastronomy in developing trust and its application in conflict resolution. We develop our argument on the well-founded basis that trust improves negotiation outcomes and scientific evidence for the role of food sharing in the development of trust and bonding, largely manifested via our “feel-good hormones” including oxytocin and endorphins. We then draw examples from the ethnographic and historical record that exemplify how feasting and sharing meals has, and continues to be used ubiquitously to build trust, forge alliances, and resolve conflict. Finally, using a real-world scenario, we demonstrate how specific principles of trust development using gastronomy could be applied to address persistent “stalemate” negotiations, where lack of trust is a key contributing factor.

The next EconNewsletter will be published on Monday, May 2, 2023.

*Editorial deadline: **Friday, April 28, 2023.***

EconNewsletter

Department of Economics

University of Hamburg

Von-Melle-Park 5, 20146 Hamburg

To un/subscribe from/to this newsletter, please

send an e-mail to econ.newsletter.Wiso@uni-hamburg.de