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FAKULTÄT
FÜR WIRTSCHAFTS- UND
SOZIALWISSENSCHAFTEN

Fachbereich VWL / Department of Economics

EconNewsletter

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DECEMBER 2 – DECEMBER 6, 2024

NEWSLETTER 2024-25

SEMINAR CALENDAR

HCHE Research Seminar

[Lorens A. Helmchen, George Washington University:](#)

The comparative effectiveness of cancer treatments – an RD approach

Monday December 2

16:30-17:45

Esplanade 36, R. 4011/13

Quantitative Economics

[Juan Carlos Parra-Alvarez, Aarhus University:](#)

Estimation of continuous-time Linear DSGE Models from Discrete-time Measurements

Tuesday December 3

12:15–13:30

R. 0079 (VMP 5)

Hamburg Lectures in Law and Economics

[Alexander Vostroknutov, Maastricht University:](#)

Measuring Social Norms

Wednesday December 4

18:15–19:45

R. 223 (ILE)

Alsterterrasse 1

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 or send an email to lectures-ile@uni-hamburg.de.

Labour Economics Seminar

[Bernd Fitzenberger, Universität Erlangen-Nürnberg:](#)

*Changing Fertility and Heterogeneous Motherhood Effects:
Revisiting the Effects of a Parental Benefits Reform*

Thursday December 5

14:30-16:00

Esplanade 36, R. 4011/13

Interdisciplinary Research Seminar

[Steven Klein, King's College London:](#)

Towards a Democratic Theory of Labour Unions

Thursday December 5

17:15–18:45

R. 0079 (VMP 5)

ABSTRACTS

HCHE Research Seminar

Lorens A. Helmchen, George Washington University:

The comparative effectiveness of cancer treatments – an RD approach

Abstract:

Treatment of localized prostate cancer is well established and consists primarily of expectant management (active surveillance) and definitive treatment (radical prostatectomy or radiation). Yet, the evidence to date of their comparative effectiveness relies primarily on randomized controlled trials, which suffer from small sample sizes and the self-selection of trial participants. Using clinical and claims data in a regression-discontinuity design, we estimate the causal effect of choosing definitive treatment on measures of health care use, cost, complications, recurrence, and survival.

Quantitative Economics

Juan Carlos Parra-Alvarez, Aarhus University:

Estimation of continuous-time Linear DSGE Models from Discrete-time Measurements

Abstract:

In this paper, we present a general state space framework for estimating the parameters of continuous-time linear DSGE models using discrete-time data. Our approach relies on the exact discrete-time representation of equilibrium dynamics, thus avoiding any discretization errors. By utilizing the Kalman filter, we construct the exact likelihood for data sampled as either stocks or flows. Additionally, we provide the necessary and sufficient conditions for the local identification of frequency-invariant structural parameters inherent in the continuous-time model.

We demonstrate how to recover unobserved structural shocks at measurement times from the reduced-form residuals within the state space representation, leveraging the causal links embedded in the economic model. To illustrate the approach, we employ a standard real business cycle model. Through Monte Carlo experiments, we show that the finite sample properties of our estimator outperform those of an estimator based on a naive Euler-Maruyama discretization.

Finally, we apply the model to postwar U.S. macroeconomic data, estimating it using a mix of series sampled at different frequencies and as both stocks and flows. The analysis includes a historical decomposition, breaking down the effects of structural supply and demand shocks on the observable variables.

Hamburg Lectures in Law and Economics

Alexander Vostroknutov, Maastricht University:

Measuring Social Norms

Abstract:

By now, there is a consensus in social sciences that social norms—or beliefs about appropriateness of actions or outcomes shared by the members of some group—are the devices that help people in the group to coordinate their actions, work together, and cooperate. However, there are various mechanisms through which such common beliefs can arise (e.g., traditions, moral reasoning). This implies that the ideas about what is right or wrong in a given context can differ even among close members of the community. Such multiplicity of normative views can have tangible economic consequences for societies (e.g., polarization). We propose a new incentive-compatible task to measure multiple normative views in a given context and discover that not only people have multiple views in the simplest imaginable situations like the Dictator Game (on average around 4 or 5 views), but also that they are aware of this multiplicity and consider it when deciding how much to sanction others. We find that pluralism breeds tolerance. Our new method provides an opportunity for researchers to map normative landscapes in any context of interest and to make sense of complex political interactions that can emerge in them. I summarize by providing some broad methodological guidelines on how to study normative landscapes in different contexts. The suggestions are rooted in the new theory of human mind that we have recently developed (Theory of Minds, see my website).

Labour Economics Seminar

Bernd Fitzenberger, Universität Erlangen-Nürnberg:

Changing Fertility and Heterogeneous Motherhood Effects: Revisiting the Effects of a Parental Benefits Reform

Abstract:

Using a semiparametric event study approach with a control group, we estimate the effect of motherhood on labor market outcomes in Germany, the child penalty. We further investigate how the 2007 parental benefits reform changed the child penalty while accounting for fertility effects. A large novel data set linking data from two administrative sources provides information on all births. Our estimation approach accounts for motherhood being a staggered treatment. The reform has small positive medium-run effects employment outcomes. It changes the selection into fertility and shows heterogeneous effects. However, the reform did little to reduce the average child penalty.

Interdisciplinary Research Seminar

Steven Klein, King's College London:

Towards a Democratic Theory of Labour Unions

Abstract:

After decades where labour unions were on the defensive, recent years have witnessed a surge in union activity. Inflation and tight labour markets have sparked strike action across several sectors in the UK and Europe. All this raises the question of the specific normative justification and democratic function of labour unions. Here, I contribute to a democratic theory of labour unions. My goal is to try to analyse, at a relatively highly level of abstraction, the constitutive features of labour unions that can make them conducive to sustaining egalitarian relationships and protecting workers from overt forms of oppression and abuse. This analysis can then contribute to a better understanding of the location of labour unions—as well as their limitations—in struggles for a just and democratic society. To develop this account, I contrast my democratic interpretation with what I term a liberal and a radical defense of labour unions. While the liberal view focuses on market failures and the radical view on strikes as extra-legal modes of direct confrontation, the democratic view emphasizes unions as contesting control over production and investment decisions. Three institutional features of unions explain their capacity to advance democracy but also highlight some of their limitations: 1) unions can appeal to the short- and medium-term self-interest of their members; 2) unions are anchored in the material production process of capitalism; and 3) unions rely on ongoing solidarity and cooperation amongst union members. Each of these features helps explain the specific role unions play in advancing justice, as well as the role they would continue to play in a just society, but also point to their potential limitations, as all create risks of exclusion and co-optation.

ACTIVITIES OF DEPARTMENT MEMBERS

Miscellaneous

- The DFG is funding the [Research Training Group “Collective Decision-Making”](#) for another 4.5 years until October 2029. The Research Training Group is run by professors from Economics and Political Science at the WISO Faculty and professors from Philosophy at the Faculty of Humanities. Spokesperson is Professor Anke Gerber.

The next EconNewsletter will be published on Monday, December 9, 2024.

Editorial deadline: Friday, December 6, 2024.

EconNewsletter

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