

Ph.D. Students Seminar
SoSe 2018
Department of Economics

The seminar meets bi-weekly on Thursdays, **12:15-13:15** in WiWi 0029.

Ph.D. students are invited to present their work, if their supervisor is a member of the economics department (“Erstmitglied” or “Zweitmitglied”). The supervisor should attend the presentation.

If you have questions, please contact **Melanie Krause** (melanie.krause@uni-hamburg.de).

Presenter information: Please keep your presentation under **35 minutes** in order to have enough time for questions and discussions.

Date	Speaker	Title
12.04.2018	Presenter: Mick Schaefer Supervisor: Szimayer	On Surrender Contagion and Default Risk
26.04.2018	Presenter: Felix Schroeter Supervisor: Allgoewer	Gustav Schmoller’s Concept of Justice and the Historical Method
31.05.2018	Presenter: Steffen Müller Supervisor: Maennig	The Generation Gap in Direct Democracy
14.06.2018	Presenter: Marina Chugunova Supervisor: Nicklisch	When to Leave Carrots for Sticks: On the Evolution of Sanctioning Institutions in Open Communities
28.06.2018	Presenter: Julius Loermann Supervisor: Funke	Nominal Exchange Rate Uncertainty and Exports: Empirical Evidence for Switzerland
12.07.2018	Presenter: Christian Düben Supervisor: Krause	Population, Light, and the Size Distribution of Cities

Abstracts:

12.04.2018, Mick Schaefer: “On Surrender Contagion and Default Risk”

This paper incorporates contagious surrender behavior into the pricing and risk management of participating life insurance contracts, allowing for structural default. The insurance market

consists of professional and retail policyholders, the former being able to optimally exercise the embedded surrender option. In a model of surrender contagion which extends a stochastic surrender intensity with a dynamic self-exciting endogenous contagion effect, retail policyholders' surrenders depend on professional surrenders. Professional policyholders terminate their policies at the expense of non-professionals, because their anticipation of gloomier prospects of the insurance company's investment performance implicitly makes their claims senior to their claims. The possibility of contagious behavior by non-professionals alters the surrender behavior of both professionals and non-professionals.

26.04.2018, Felix Schroeter: "Gustav Schmoller's Economic Conception of Justice and the Historical Approach"

In my paper I undertake a rational reconstruction of Gustav Schmoller's notion of justice and its relevance for a non-normative analysis of economic institutions. His theoretical efforts may be understood as alternative draft to the contractualistic approaches of Classical Political Economy and Neoclassical Economics and essentially rely on an evolutionary perspective of economic agency. In order to avoid a rational reinterpretation of economic facts from a partisan stance, the economist retraces the historical evolution of respective agents' value judgements and their role in fostering institutional integrity. The notion of justice now assumes two different tasks: First, as idea, it serves the single agent as normative grid for his personal value judgements and, hence, his economic actions. Second, on the institutional level, it becomes essential for the concerned agents to harmonize their values for the sake of a shared idea of justice. The latter enables economic interactions to persist. Thus, in Schmoller's approach the question of economic ends cedes the question of institutional integrity. But, in spite of its analytical promises, he does not succeed in disentangling his concept from the metaphysics of idealistic historicism.

31.05.2018, Steffen Müller: "The Generation Gap in Direct Democracy"

We document the existence of a generation gap in direct democracy outcomes across a wide range of topics using post-election survey data covering more than 300 Swiss referenda and four decades. We find that older voters are more likely to resist reform projects, in particular those that are associated with the political left. The ageing effect on political orientation is robust to controlling for arbitrary cohort effects and appears to be driven by expected utility maximization and not habituation-induced status-quo bias. A lower-bound estimate of 5% of the referenda held since 2004 would have had a different outcome if the Swiss population had not aged since 1981. Our results suggest that population ageing raises the hurdle for investment-like reform projects with positive net present values, long-run benefits and short-run costs in direct polls.

14.06.2018, Marina Chugunova: "When to Leave Carrots for Sticks: On the Evolution of Sanctioning Institutions in Open Communities"

There is substantial evidence that punishment is more effective than rewards to maintain cooperation in social dilemmas. Yet, previous findings suggest that people generally dislike

negative sanctioning institutions and avoid them when possible. We take a new perspective by directly comparing the migration between punishment and reward regimes in a social dilemma. In our laboratory experiments participants continuously “vote with their feet” by migrating between punishment and reward communities. In line with previous research, the vast majority of subjects in our experiment opts initially for the reward institution. Over time, however, more subjects start to join the less profitable punishment community. Analyzing the conditions which trigger migration, we show that full contributors are the first to migrate to the non-populated punishment communities. Followers cooperate almost fully without the requirement of actual punishment, thus reducing the welfare costs of the institution. Individual data suggest that income differences within communities and missing compensations for cooperators in the reward community are key factors for the decision to migrate.

28.06.2018, Julius Loermann: “Nominal Exchange Rate Uncertainty and Exports: Empirical Evidence for Switzerland”

In light of the recent discussion regarding the measurement of uncertainty and its impact on economic activity, this paper derives a forward looking uncertainty measure for the CHF/EUR exchange rate based on over-the-counter option data and analyses its impact on exports.

12.07.2018, Christian Düben: “Population, Light, and the Size Distribution of Cities ”

Big cities benefit from pooling people, ideas and investment, but also suffer from negative externalities. The number of big and small cities in a country can have important economic implications. In our research we unlock new data sources to identify domestic city size distributions and derive determinants of cross-country variation in distributional patterns. In particular, we extract agglomerations from geo-spatial population and satellite based nighttime lights data via a globally consistent identification scheme. Our resulting dataset contains 13,844 cities with more than 50,000 inhabitants in 183 countries. Apart from a cross-sectional perspective we employ the panel dimension of the data from 1992 to 2013 to shed light on growth patterns and the evolving influence of geographical and institutional determinants.