

BONN ECON NEWS

November 27–December 1, 2023

Overview

Workshops and seminars

Monday, November 27, 2023

Job Talks W3 Professorship Macroeconomics

Carlos Carrillo-Tudela (University of Essex)

“Equilibrium Job Turnover and the Business Cycle”

Wednesday, November 29, 2023

Micro Theory Seminar

Piotr Dworczak (Northwestern University)

“A mechanism-design approach to property rights”

MEF/ECONtribute Seminar (Macro/Econometrics/Finance)

Alexander Ludwig (Goethe University, Frankfurt and Universitat Autònoma de Barcelona)

“Heterogeneity in Expectations and the Dynamics of House Prices”

Finance/CRC/ECONtribute Seminar

Joel Shapiro (University of Oxford)

“Sustainable Investing and Public Goods Provision”

BGSE Micro Workshop

Miguel Risco (BGSE)

“Feed for good? On the effects of personalization algorithms in social platforms”

Thursday, November 30, 2023

Econometrics & Statistics

Luke Nicholas Taylor (Aarhus University)

“Type I and Type II Error Probabilities in the Courtroom”

Job Talks W3 Professorship Macroeconomics

Federica Romei (University of Oxford)

“Inequality Demand Composition and the Transmission of Monetary Policy”

Friday, December 1, 2023

Bonn Macro Internal Seminar

Luis Calderon (University of Bonn)

“Distributional Dynamics”

Workshops and seminars

Monday, November 27, 2023

Job Talks W3 Professorship Macroeconomics

Carlos Carrillo-Tudela
(University of Essex)

"Equilibrium Job Turnover and the Business Cycle"

Time

15:45 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Online/Hybrid

[https://uni-bonn.zoom-x.de/j/68066418242?](https://uni-bonn.zoom-x.de/j/68066418242?pwd=U0R0QUl4R2hqL29nRWlrOG9mWGV6QT09)

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Wednesday, November 29, 2023

Micro Theory Seminar

Piotr Dworczak
(Northwestern University)

"A mechanism-design approach to property rights"

Coauthor

Ellen V. Muir

Time

12:00–13:15 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

We propose a framework for studying the optimal design of rights relating to the control of an economic resource - which we broadly refer to as property rights. An agent makes an investment decision, affecting her valuation for the resource, and then participates in a trading mechanism chosen by a principal in a sequentially rational fashion, leading to a hold-up problem. A designer - who would like to incentivize efficient investment and whose preferences may differ from those of the principal - can endow the agent with a menu of rights that determine the agent's set of outside options in the interaction with the principal. We characterize the optimal rights as a function of the designer's and the principal's objectives, and the investment technology. We find that optimal rights typically differ from a classical property right giving the agent full control over the resource. In particular, we show that the optimal menu requires at most two types of rights, including an option-to-own, which grants the agent control over the resource upon paying a pre-specified price.

MEF/ECONtribute Seminar (Macro/Econometrics/Finance)

Alexander Ludwig
(Goethe University, Frankfurt and
Universitat Autònoma de Barcelona)

"Heterogeneity in Expectations and the Dynamics of House Prices"

Coauthors

Jochen Mankart, Jorge Quintana, Mirko Wiederholt

Time

12:15–13:30 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

Expectations are central for housing decisions and heterogeneity in expectations is a robust feature of survey data. We study the implications of heterogeneity in house price growth expectations for the level of house prices. We feed the joint empirical distributions of income, wealth and expectations into a calibrated heterogeneous agents housing model. We find that eliminating heterogeneity in house price growth expectations would raise average house prices and amplify house price fluctuations thereby reducing the fit of the model. Without heterogeneity, average house prices would be about 7 percent and the boom-bust cycle would be about 25 percent larger.

Finance/CRC/ECONtribute Seminar

Joel Shapiro
(University of Oxford)

"Sustainable Investing and Public Goods Provision"

Coauthors

Ilaria Piatti, Xuan Wang

Time

14:45–16:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Hybrid

Zoom-Link: [https://uni-bonn.zoom.us/j/95735374743?](https://uni-bonn.zoom.us/j/95735374743?pwd=T3BYbWt1bVZNeIkvcDV3SUcxUlkrUT09)

[pwd=T3BYbWt1bVZNeIkvcDV3SUcxUlkrUT09](https://uni-bonn.zoom.us/j/95735374743?pwd=T3BYbWt1bVZNeIkvcDV3SUcxUlkrUT09)

Abstract

We model investors that take into account the amount of public good that firms produce (e.g., by reducing carbon emissions) when making their portfolio allocation. In an equilibrium asset pricing model with production and public goods provision, we find that environmentally conscious investors invest more than others, invest more in clean firms, and may invest more in dirty firms. Whether clean firms exhibit CAPM alphas depends on the amount of systematic risk of the firm and its relative contribution to the public good. There is underprovision of the public good in equilibrium. Lower government provision may lead to a surge in investment and government provision may be dominated by green subsidies. Finally, we extend the model to analyze negative externalities, donations, and uncertainty regarding public good provision.

BGSE Micro Workshop

<p>Miguel Risco (BGSE)</p>	<p>"Feed for good? On the effects of personalization algorithms in social platforms"</p>
<p>Coauthor M. Leonart</p> <p>Time 16:30–17:45 CET</p> <p>Location Juridicum, Faculty Meeting Room (U1.040)</p>	<p>Abstract</p> <p>In this paper, a social media platform governs the exchange of information among users with preferences for sincerity and conformity by providing personalized feeds. We show that the pursuit of engagement maximization results in the proliferation of echo chambers. A monopolistic platform implements an algorithm that disregards social learning and provides feeds that primarily consist of content from like-minded individuals. We study the consequences on learning and welfare resulting from transitioning to this algorithm from the previously employed chronological feed. While users' experience improves under the platform's optimal algorithm, social learning is worsened. Indeed, learning vanishes in large populations. However, the platform could create value by using its privileged information to design an algorithm that balances learning and engagement, maximizing users' welfare. We discuss interoperability as a possible regulatory solution that would eliminate entry barriers in platform competition caused by network effects, thereby inducing competing platforms to adopt the socially optimal algorithm.</p>

Thursday, November 30, 2023

Econometrics & Statistics

<p>Luke Nicholas Taylor (Aarhus University)</p>	<p>"Type I and Type II Error Probabilities in the Courtroom"</p>
<p>Time 15:00–16:00 CET</p> <p>Location Juridicum, Faculty Lounge (0.036)</p>	<p>Abstract</p> <p>We estimate the probability of a miscarriage of justice using a novel nonparametric estimator for misclassified binary choice models. We show how to test the required large support condition, investigate the validity of the exclusion restriction, and give an alternative estimator for when the large support test fails. Depending on the defendant's race and gender, the probability of wrongful conviction is estimated to range from 63% to 76%, and wrongful acquittal from 4% to 6.5%. These surprising results are due to our sample only including defendants who have reached a final trial, implying substantial evidence against them.</p>

Job Talks W3 Professorship Macroeconomics

Federica Romei
(University of Oxford)

"Inequality Demand Composition and the Transmission of
Monetary Policy"

Time

16:00

Location

Juridicum, Reinhard Selten Room (0.017)

Online/Hybrid

[https://uni-bonn.zoom-x.de/j/](https://uni-bonn.zoom-x.de/j/68066418242?pwd=U0R0QUI4R2hqL29nRWlrOG9mWGV6QT09)

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pwd=U0R0QUI4R2hqL29nRWlrOG9mWGV

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Friday, December 1, 2023

Bonn Macro Internal Seminar

Luis Calderon
(University of Bonn)

"Distributional Dynamics"

Time

16:30–17:30 CET

Abstract

TBA

Location

Kaiserplatz 7–9, Room 4.006