

BONN ECON NEWS

January 22–26, 2024

Overview

Workshops and seminars

Monday, January 22, 2024

Job Talk W1 Professorship Econometrics

Ayden Higgins (University of Oxford)

“Instrumental Variables for Dynamic Spatial Models with Interactive Effects”

Tuesday, January 23, 2024

Job Talk W2 Professorship Macroeconomics

Matthias Meier (University of Mannheim)

“Identification of Systematic Monetary Policy”

Job Talk W1 Professorship Econometrics

Vladislav Morozov (Universität Pompeu Fabra)

“Estimating the Moments and the Distribution of Heterogeneous Marginal Effects Using Panel Data”

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Ariel Zucker (University of California Santa Cruz)

“Mechanism Design for Personalized Policy: A Field Experiment Incentivizing Behavior Change”

Job Talk W1 Professorship Applied Microeconomics

Hanna M. Schwank (University of Bonn)

“Hiring and the Dynamics of the Gender Gap”

ECONtribute LawEcon Workshop

Paul Bose (Bocconi University)

“Trust in politicians and the provision of public goods: Evidence from Germany”

Wednesday, January 24, 2024

BGSE Micro Workshop

Ole Rücker (BGSE)

“Product Differentiation with Partially Informed Consumers”

Job Talk W1 Professorship Macroeconomics

Adam Spencer (University of Nottingham)

“Labour Market Power and the Dynamic Gains to Openness Reforms”

Finance/CRC/ECONtribute Seminar

John Duffy (University of California)

“Trade, Voting, and ESG Policies: Theory and Evidence”

Micro Theory Seminar

Florian Hoffmann (KU Leuven)

“Auctions vs. Negotiations: The Role of the Payment Structure”

Thursday, January 25, 2024

Job Talk W1 Professorship Applied Microeconomics

Shwetha Raghuraman (University of Michigan)

“Family Preferences and Horizontal Differentiation in Urban School Choice Markets”

Econometrics & Statistics

Anna Simoni (CNRS, CREST, ENSAE)

“Bayesian Bi-Level Sparse Group Regressions for Macroeconomic Forecasting”

Friday, January 26, 2024

Job Talk W1 Professorship Macroeconomics

Fabian Seyrich (DIW Berlin)

“A Behavioral Heterogeneous Agent New Keynesian Model”

Workshops and seminars

Monday, January 22, 2024

Job Talk W1 Professorship Econometrics

Ayden Higgins
(University of Oxford)

"Instrumental Variables for Dynamic Spatial Models with Interactive Effects"

Time

14:00 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Tuesday, January 23, 2024

Job Talk W2 Professorship Macroeconomics

Matthias Meier
(University of Mannheim)

"Identification of Systematic Monetary Policy"

Time

12:00 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Hybrid

<https://uni-bonn.zoom-x.de/j/62374147597?>

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Job Talk W1 Professorship Econometrics

Vladislav Morozov
(Universitat Pompeu Fabra)

"Estimating the Moments and the Distribution of Heterogeneous Marginal Effects Using Panel Data"

Time

14:00 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Ariel Zucker
(University of California Santa Cruz)

"Mechanism Design for Personalized Policy: A Field Experiment Incentivizing Behavior Change"

Coauthor

Rebecca Dizon-Ross

Time

14:15–15:30 CET

Location

IZA, Schaumburg-Lippe-Straße 9

Abstract

Personalizing policies can theoretically increase their effectiveness. However, personalization is difficult when individual types are unobservable and the preferences of policymakers and individuals are not aligned, which could cause individuals to misreport their type. Mechanism design offers a strategy to overcome this issue: offer a menu of policy choices, and make it incentive-compatible for participants to choose the "right" variant. Using a field experiment that personalized incentives for exercise among 6,800 adults with diabetes and hypertension in urban India, we show that personalizing with an incentive-compatible choice menu substantially improves program performance, increasing the treatment effect of incentives on exercise by 80% without increasing program costs relative to a one-size-fits-all benchmark. Personalizing with mechanism design also performs well relative to another potential strategy for personalization: assigning policy variants based on observables.

Job Talk W1 Professorship Applied Microeconomics

Hanna M. Schwank
(University of Bonn)

"Hiring and the Dynamics of the Gender Gap"

Coauthors

Hannah Illing, Linh T. Tô

Time

16:00–17:30 CET

Location

Juridicum, Faculty Lounge (0.036)

Hybrid

<https://uni-bonn.zoom-x.de/join/64324080508>

Password TBA via Applied Micro mailing list

Abstract

In this study, we examine how the same hiring opportunity leads to different labor market outcomes for male and female full-time workers. By utilizing matched employer–employee data from Germany, our empirical approach leverages 30,000 unforeseen worker deaths spanning from 1980 to 2016 which enables us to explore how firms react to exogenous vacancies. In a first exercise, we propose a novel measure of the gender wage gap by comparing the wages of deceased workers and their replacements across four transition groups: male–male, male–female, female–male, and female–female. Using the respective transition gap of groups without a change in gender as a counterfactual, we estimate the resulting gender wage gap to be about 20 log points. Furthermore, we use machine learning to compare workers who are hired into similar positions, and find that, regardless of the departed worker's gender, female replacement workers are offered (or negotiate) positions with average starting wages that are 20 log points lower than their male counterparts. Even after considering the pre-hire wage of replacement workers at their previous firm, half of this gap persists. The wage gap does not close over the subsequent years. The gender disparity in opportunities cannot be attributed to redistribution of wages paid among other coworkers.

ECONtribute LawEcon Workshop

Paul Bose
(Bocconi University)

"Trust in politicians and the provision of public goods:
Evidence from Germany"

Time

18:00–19:15 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

Trust in politicians can influence government turnover, economic and government performance as well as the demand side of policy-making – voters' preferences over policies. In this paper I study how a lack of trust in politicians influences the supply side – policy provision. Using data on 63,000 legislative documents, 75,000 individual roll-call voting decisions as well as survey evidence for more than 2,000 candidates in German federal elections between 2009 and 2021, I show that low political trust leads politicians to be less concerned with the provision of many types of public goods – most importantly climate protection. In order to establish causality of these results, I follow an instrumental variable approach. My instrument functions similarly to a shift-share instrument and leverages variation in internal migration patterns and differential exposure to common state-level shocks to political trust. An analysis of the underlying mechanism suggests that the results are mostly driven by the selection of different politicians rather than pandering to voters' preferences.

Wednesday, January 24, 2024

BGSE Micro Workshop

Ole Rucker
(BGSE)

"Product Differentiation with Partially Informed Consumers"

Time

12:00–13:00 CET

Location

Juridicum, Reinhard Selten Room (0.017)

Abstract

We investigate a Hotelling model of spatial competition, featuring two firms and a continuum of consumers with finite reservation prices. Consumers are facing uncertainty about their locations, but obtain a costless signal provided by an information designer. Firms first select locations and subsequently set prices. Our focus is on identifying optimal signal structures that maximize either total surplus or consumer surplus. We find that the signal structures necessary to achieve these objectives highly depend on the reservation prices.

Job Talk W1 Professorship Macroeconomics

Adam Spencer
(University of Nottingham)

"Labour Market Power and the Dynamic Gains to Openness Reforms"

Time

12:15 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Hybrid

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Finance/CRC/ECONtribute Seminar

John Duffy
(University of California)

"Trade, Voting, and ESG Policies: Theory and Evidence"

Time

14:45–16:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Hybrid

[https://uni-bonn.zoom.us/j/95735374743?](https://uni-bonn.zoom.us/j/95735374743?pwd=T3BYbWt1bVZNelkvcDV3SUcxUlkrUT09)

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09

Abstract

We model the interaction between shareholder trading and voting on an ESG policy under different sets of preferences, and then test equilibrium predictions of the model in the laboratory. The model suggests, and laboratory results confirm, that low policy costs favor policy adoption and that intermediate costs lead to a lower rate of policy adoption under dispersed preferences than under polarized preferences. Observed share prices are higher than equilibrium predictions when the policy is adopted. This suggests that incumbent shareholders' capital loss when adopting ESG policies may be less than anticipated.

Micro Theory Seminar

Florian Hoffmann
(KU Leuven)

"Auctions vs. Negotiations: The Role of the Payment Structure"

Coauthor

Vladimir Vladimirov

Time

16:30–17:45 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

We investigate a seller's strategic choice between negotiating with fewer bidders and running an auction with additional bidders, allowing for general security payments. The key factor favoring negotiations is the seller's rent-extraction benefit of setting her preferred payment structure; reserve prices are of secondary importance. Negotiations are more valuable if the seller's asset creates more value at more productive bidders – in which case sellers prefer contingent payments while bidders prefer cash – and if the dispersion and magnitude of bidders' private valuations are higher. Our results have implications for mergers and acquisitions, patent licensing, and compensation negotiations in tight labor markets.

Job Talk W1 Professorship Applied Microeconomics

Shwetha Raghuraman
(University of Michigan)

"Family Preferences and Horizontal Differentiation in Urban School Choice Markets"

Time

14:00–15:15 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Online/Hybrid

<https://uni-bonn.zoom-x.de/j/68949097458>

Password TBA via Applied Micro mailing list

Abstract

Many urban public school systems in the United States allow families to pick among schools differentiated by academic theme. For example, New York City students can choose to attend high schools focused on topics as varied as health sciences, journalism, and performing arts. While some of these themed programs were introduced in order to promote racial integration, we do not have evidence on whether curricular differentiation achieves this goal. In this paper, I investigate the impact of curricular themes on cross-school segregation and student outcomes in New York City high schools. I estimate a structural model using data on student applications to determine how families trade off curricular themes and other school characteristics in the application process. I find that all demographic groups, but particularly white and Asian applicants, tend to prefer Humanities and Interdisciplinary programs, the most general curricular theme, to more specialized themes. Using the model to compare the baseline assignment to a simulated counterfactual assignment in which all programs are Humanities and Interdisciplinary, I find that curricular differentiation does not reduce segregation or white flight, and if anything, slightly increases them. I also find that while the average applicant prefers their counterfactual assignment, a substantial minority of applicants, including half of all Black applicants, prefer their status quo assignment, suggesting that the optimal distribution of high school capacity across themes involves more general theme seats, and fewer, but still some, specialized theme seats. Finally, to provide a more complete picture of the trade-offs involved in offering curricular differentiation, I use random and quasi-random variation in the school assignment process to identify whether being assigned to one's preferred curricular theme improves high school outcomes.

Econometrics & Statistics

Anna Simoni
(CNRS, CREST, ENSAE)

"Bayesian Bi-Level Sparse Group Regressions for
Macroeconomic Forecasting"

Coauthor

Matteo Mogliani

Time

16:15–17:15 CET

Location

Juridicum, Faculty Lounge (0.036)

Abstract

In this paper we construct optimal forecasts for macroeconomic aggregates in presence of a large number of series that can be cast into groups. The aim is to provide policymakers with tools that accurately track economic conditions in real time. The variables in each group have strong covariation and common characteristics and patterns. The group structure is exploited by designing a convenient prior that induces a bi-level sparsity – at the group level and within group. Such a sparsity structure mirrors the fact that not all predictors are relevant to forecast the target series, conditional on the remaining groups and predictors. This is particularly true when there are many predictors weakly correlated with the target variable, as it is often the case with predictors arising from alternative sources. Under the assumption that the true data generating process exhibits this bi-level sparse structure, our posterior distribution is able to recover the optimal forecast asymptotically and its support is made of parameters with at most the same sparsity as the true sparse model. The rate of contraction of the posterior distribution is recovered. Finite sample properties of our procedure are illustrated through Monte Carlo experiments. We illustrate the performance of our procedure with real data through a nowcasting exercise of the quarterly growth rate of the US GDP.

Friday, January 26, 2024

Job Talk W1 Professorship Macroeconomics

Fabian Seyrich
(DIW Berlin)

"A Behavioral Heterogeneous Agent New Keynesian Model"

Time

14:15 CET

Location

Juridicum, Room (0.042)

Hybrid

[https://uni-bonn.zoom-x.de/j/](https://uni-bonn.zoom-x.de/j/62374147597?pwd=NHFCQlpxVmVpWWJFbXBMdW9uS2xPUT09)

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