

BONN ECON NEWS

May 19–23, 2025

Overview

Workshops and seminars

Tuesday, May 20, 2025

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Alison Andrew (University of Oxford)

“Dowry, Old-Age Support and Labour Supply over the Lifecycle”

Wednesday, May 21, 2025

MEF/ECONtribute Seminar (Macro/Econometrics)

Hitoshi Tsujiyama (University of Surrey)

“Stuck in a Marriage: Labor Market Shocks, Divorce and Intra-Household Reallocation”

Finance/CRC Seminar

Christian Moser (Columbia University)

“A Theory of Labor Markets with Inefficient Turnover”

Micro Theory Seminar

Benjamin Brooks (University of Chicago)

“Dual Reductions and the First-Order Approach for Informationally Robust Mechanism Design”

Thursday, May 22, 2025

Econometrics & Statistics Seminar

Michael Pollmann (Duke University)

“Causal Inference from Hypothetical Evaluations”

Friday, May 23, 2025

Applied Micro Coffee

Oleksii Hamaniuk (University of Bonn)

“Greening the City: Policy-Driven Gentrification and the Spatial Dynamics of Amenities”

Workshops and seminars

Tuesday, May 20, 2025

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Alison Andrew
(University of Oxford)

"Dowry, Old-Age Support and Labour Supply over the Lifecycle"

Coauthors

Anusha Guha, Selma Walther

Time

14:15–15:45 CET

Location

IZA, Conference Room, Schaumburg-Lippe-Straße 9

Abstract

We study the complex interaction between dowry, old-age support and lifecycle choices over work and consumption in the context of India, where eldest sons are expected to provide old-age support. We begin by documenting novel facts around differences in economic welfare between households without sons and those with at least one son. Parents without sons are more likely to be hungry in old age, unhealthy and suffer from low body weight. These households also consume less and have fewer assets. We present a novel structural model that encompasses dynamic lifecycle decisions around work, consumption and children's marriage, taking into account social norms around dowry and old-age support. The model reproduces the main descriptive patterns.

MEF/ECONtribute Seminar (Macro/Econometrics)

Hitoshi Tsujiyama
(University of Surrey)

"Stuck in a Marriage: Labor Market Shocks, Divorce and Intra-Household Reallocation"

Coauthors

Wataru Kureishi, Hannah Paule-Paludkiewicz, Midori Wakabayashi

Time

12:15–13:30 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

How does an adverse economic shock affect families, such as family structure and intra-household resource allocation? We answer this question by exploiting a natural-experimental earthquake shock and unique panel data with comprehensive information on personal consumption and time use within households. We provide new evidence that the earthquake reduces the probability of divorce and induces intra-household reallocation from wives to husbands within the same household. Exploring the mechanisms behind these findings, we show that an important driver is the gender-specific labor market impact caused by the earthquake, with female workers experiencing much worse labor market conditions than male workers. We argue that the value of divorce decreases for wives due to the labor market shock, while the value of marriage remains high due to the family insurance provided by the husband to compensate for the wife's income loss, resulting in a decrease in the probability of divorce and intra-household reallocation. We formally rationalize these results using a collective household model with limited commitment. Our empirical finding of intra-household reallocation represents, to our knowledge, the first causal evidence to support the standard structural assumption of such responses and provides strong evidence against the unitary assumption of income pooling.

Finance/CRC Seminar

Christian Moser
(Columbia University)

"A Theory of Labor Markets with Inefficient Turnover"

Coauthors

Andrés Blanco, Andrés Drenik, Emilio Zaratiegui

Time

14:45–16:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Abstract

We develop a theory of labor markets with four features: search frictions, worker productivity shocks, wage rigidity, and two-sided lack of commitment. Inefficient job separations occur in the form of endogenous quits and layoffs that are unilaterally initiated whenever a worker's wage-to-productivity ratio moves outside an inaction region. We derive sufficient statistics for the labor market response to aggregate shocks based on the distribution of workers' wage-to-productivity ratios. These statistics depend on the incidence of inefficient job separations and are linked to readily available microdata on wage changes and worker flows between jobs.

Micro Theory Seminar

Benjamin Brooks
(University of Chicago)

"Dual Reductions and the First-Order Approach for Informationally Robust Mechanism Design"

Coauthor

Songzi Du

Time

16:30–17:45 CET

Location

Juridicum, Faculty Meeting Room (U1.040)

Abstract

The guarantee of a mechanism is the lowest objective value for the designer, across all information structures and equilibria. Brooks and Du (2024) proposed a "first-order" approach to characterizing guarantee-maximizing mechanisms by maximizing a particular lower bound on the guarantee: the expected lowest strategic virtual objective. In this paper, we show that for any mechanism M , there is an associated "dual reduction" mechanism M' for which the expected lowest strategic virtual objective of M' (and hence the guarantee of M') is greater than the guarantee of M . This provides a rigorous foundation for the use of the strategic virtual objective in designing informationally robust mechanisms. A parallel result, based on dual reductions of information structures, justifies Brooks and Du's (2024) first-order approach to characterizing information structures with the lowest potential, in terms of those that minimize the expected highest informational virtual objective.

Thursday, May 22, 2025

Econometrics & Statistics Seminar

Michael Pollmann
(Duke University)

"Causal Inference from Hypothetical Evaluations"

Coauthors

B. Douglas Bernheim, Daniel Björkegren,
Jeffrey Naecker

Time

16:00–17:00 CET

Location

Juridicum, Faculty Lounge (0.036)

Abstract

This paper develops a method to infer causal effects of treatments on choices, by exploiting relationships between choices and hypothetical evaluations. Under specified conditions, it can recover treatment effects even if the treatment does not vary across observations in the sample. Additional advantages include more comprehensive recovery of heterogeneous treatment effects and potential improvements in precision. These advantages can also be attained in some environments where treatment is assigned endogenously. We provide proof of concept by using the approach to estimate the price responsiveness of the demand for snack foods in the laboratory, and the response of contributions to the availability of matching funds on a microfinance website.

Applied Micro Coffee

Oleksii Hamaniuk
(University of Bonn)

“Greening the City: Policy-Driven Gentrification and the Spatial Dynamics of Amenities”

Coauthor
Francisco Amaral

Time
11:00-11:45 CET

Location
IZA, Schaumburg-Lippe-Straße 9

Online/Hybrid

Abstract
Gentrification processes are typically accompanied by changes in the quantity and types of amenities available in neighborhoods. The extent to which these new amenities—such as upscale restaurants—contribute to rising local housing costs is difficult to measure. However, recently we have witnessed a surge of top-down gentrification—where city policies enhance the attractiveness of specific areas—yet its role in driving amenity clustering remains insufficiently explored. We investigate how the creation and renovation of green spaces in Berlin influence the emergence of new restaurants. Particular emphasis is placed on the heterogeneity of these effects, focusing on restaurant price segments, baseline property and rental prices, and the share of corporate versus private actors in the neighborhood real estate market.