BONN ECON NEWS

June 30–July 4, 2025

Overview

Universität Bonn, Adenauerallee 24-42, 53113 Bonn
www.econ.uni-bonn.de
Editor: Deike Engel, Department of Economics
Phone: +49 (0)228-73 3070; mail: econpr@uni-bonn.de

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Workshops and seminars

Tuesday, July 1, 2025

BGSE Applied Microeconomics Workshop

Oleksii Hamaniuk (BGSE)	"Go local—improve tax compliance"

Coauthors
Benedikt Herrmann, Felix Rösel

Time
13:00–14:00 CET

Location
ECONtribute, Conference Room, Niebuhrstraße 5

Abstract
This study explores the impact of the fiscal structure on tax compliance and local economic growth. It focuses on the unique context in Ukraine between 2016 and 2020, during which two distinct fiscal systems operated simultaneously due to a decentralization reform that was implemented in staggered fashion across different parts of the country. Our analysis indicates that transitioning to a fiscal system where municipalities receive a substantially higher share of personal income tax (PIT) revenue results in increased PIT payments. In our analysis, we control for the night-light index, a well-known proxy of economic activity. The night-light index, at the same time, was positively affected by the decentralization as well. We attribute these processes to several factors. First, the new fiscal system stimulates economic growth, leading to an expansion of the tax base, as local governments are incentivized to foster local economic development. Second, tax compliance increases within the new framework, in line with findings from experimental literature on contributions to local versus global public goods.

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar) (Cancelled)

Wednesday, July 2, 2025

BGSE Micro Workshop

Leon Sieverding (University of Bonn)	"Optimal Dynamic Allocation of Multidimensional Attention"

Time
12:00–13:00 CET

Location
Juridicum, Reinhard Selten Room (0.017)

Abstract
Within a framework of multidimensional Poisson learning, I characterize the optimal policy for dynamic information acquisition with endogenous stopping before any decision problem with finite state and action spaces, and propose an algorithmic solution method. Unlike flexible learning models in which the agent selects a posterior belief directly, my setting captures limited attention explicitly through dynamic allocation across conclusive Poisson news sources, one for each state. This structure yields a transparent interpretation of the optimal allocation of attention and the resulting belief-updating path, parametrized by the model's primitives: state- and action-dependent payoffs, a constant discount rate and a constant flow cost of time, and news source-specific signal intensities. My model nests classic binary-state settings and applies to a wide range of problems involving multidimensional dynamic information acquisition, such as resource allocation in R&D.

CASFI Seminar (Macro/Econometrics), Kolleg-Forschungsgruppe

Dirk Krüger (University of Pennsylvania)	"Neoclassical Growth with Limited Commitment: Steady States, Transitions (and Aggregate Shocks)"

Coauthors
Harald Uhlig, Yoshiki Ando, Fulin Li

Time
12:15–13:30 CET

Location
Juridicum, Faculty Meeting Room (U1.040)

Abstract
This paper characterizes the transition dynamics of a continuous-time neoclassical production economy with capital accumulation in which households face idiosyncratic income risk and cannot commit to repay their debt. Therefore, even though a full set of contingent claims that pay out conditional on the realization of idiosyncratic shocks is available, the equilibrium features imperfect insurance and a non-degenerate cross-sectional consumption distribution. When household labor productivity takes two values, one of which is zero, and the utility function is logarithmic, we characterize the entire transition dynamics induced by unexpected technology shocks, including the evolution of the consumption distribution, in closed form. We then use these analytical transition results to study the speed of convergence in income per capita of a poor (low TFP) to a rich (high TFP) economy and the evolution of consumption inequality over time in response to an increase in idiosyncratic income risk.

Finance/CRC Seminar

Antoinette Schoar (MIT)	"TBA"

Time
14:45–16:00 CET

Location
Juridicum, Faculty Lounge (0.036)

Abstract
TBA

Micro Theory Seminar

Daniel Krähmer (University of Bonn)	"Security Design with Flexible Moral Hazard and Limited Liability"

Time
16:30–17:45 CET

Location
Juridicum, Faculty Meeting Room (U1.040)

Abstract
I study security design with a risk-neutral entrepreneur and a risk-neutral investor who are both protected by limited liability. The project return is determined by an unobservable effort choice by the entrepreneur (moral hazard). Effort is flexible: the entrepreneur can choose any distribution of returns subject to a cost. I characterize the set of implementable distributions and when the first-best is implementable (and optimal). I derive optimal distributions for effort cost functions that are increasing or decreasing in risk or depend only on moments of the distribution. Securities that implement optimal distributions are not unique, and I identify cases where both debt and equity is optimal.

Thursday, July 3, 2025

Econometrics & Statistics

Martin Weidner (Oxford University)	"Binary choice logit models with general fixed effects for panel and network data"

Coauthors
Kevin Dano, Bo Honore

Time
16:00–17:00 CET

Location
Juridicum, Faculty Lounge (0.036)

Abstract
This paper reviews identification strategies for binary choice logit models with fixed effects in panel and network data settings. We consider both static and dynamic models, allowing for general fixed effect structures, including individual effects, time trends, and two-way or dyadic effects. A central challenge in these models is the incidental parameter problem, which arises when the number of fixed effects grows with the sample size. {\color{red} We discuss the two main approaches to eliminating the nuisance parameters completely}: conditional likelihood methods, which eliminate fixed effects by conditioning on sufficient statistics, and moment-based methods, which construct fixed-effect-free moment conditions. We summarize key results from the existing literature and illustrate how these methods apply across a range of models.

Friday, July 4, 2025

Bonn Macro Internal Seminar

Johannes Weber (University of Bonn)	"TBA"

Time
16:30–17:30 CET

Location
Kaiserplatz 7–9, Room 4.006

Abstract
TBA