DEPARTMENT OF ECONOMICS BONN

BONN ECON NEWS

July 7–11, 2025

Overview

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People

BGSE graduates

Name Tobias Herbst
Dissertation: Three Essays in Financial Economics

Workshops and seminars

Tuesday, July 8, 2025

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Camille Urvoy
(University of Mannheim)

"Political Bias in the Media: Evidence from the Universe of French Broadcasts, 2002–2020"

Coauthors
Julia Cagé, Moritz Hengel, Nicolas Hervé

Time
14:15–15:45 CET

Location
IZA, Conference Room, Schaumburg-Lippe-Straße 9

Abstract
How does the media bias the news? And in particular, how much does it cost owners to ensure that journalists comply with their stance? We compile a unique dataset of journalists and guests appearing on French television and radio shows between 2002 and 2020 to quantify the role played by journalist selection and compliance in political coverage. First, we leverage the movements of thousands of journalists between media outlets, and estimate a model in which the share of coverage for each political group is determined both by journalist and outlet components. We find that outlet-level decisions account for three-fourths of the differences in political coverage; in contrast, journalists' personal editorial preferences play only a minor role. Second, we examine how journalists respond to a major takeover-induced editorial change. Using a difference-in-differences strategy, we show that while many journalists left in response to the shock, those who stayed largely adapted to the new editorial direction. Notably, exploiting unique data on journalist salaries, we show that this compliance came at nearly no cost for the new owner, reflecting journalists' low bargaining power in an industry in crisis.

Haggai Porat (Harvard Law School)	"Bargaining with Algorithms: An Experiment on Algorithmic Price Discrimination and Consumer and Data Protection Laws"

Time
18:00–19:15 CET

Location
Juridicum, Reinhard Selten Room (0.017)

Abstract
Using algorithms to personalize prices is no longer a fringe phenomenon but, rather, the predominant business practice in many online markets, where tracking consumers' every click is the industry standard. Seemingly unrelated, for decades, consumer protection laws have been grounded on the premise that consumers lack meaningful power to bargain over contract terms. This paper suggests that the increasing use of algorithms to set personalized prices based on consumers' behavior opens a path for consumers to "bargain" with algorithms over prices and reclaim market power. To support this, the paper presents the results of a novel pre-registered, incentive-compatible randomized experiment in an online lab setting that tested whether and how consumers bargain with algorithms over price when given the opportunity, by offering participants, in multiple rounds, a $10 gift card for purchase at a price set by an algorithm based on participants' purchase decisions in preceding rounds. The study further explored the potential for regulating algorithmic pricing with tools from consumer and data protection laws commonly deployed in online consumer markets: a disclosure mandate, the right to prevent data collection ex ante ("cookies laws"), and the right to prevent data retention ex post ("erasure laws" or the "right to be forgotten"). We found clear evidence that participants strategically avoided purchases they would have otherwise made to induce a price decrease in subsequent rounds, as well as some evidence that this behavior sometimes came at the cost of avoiding efficient purchases, when the price offered was lower than the value participants assigned to the gift card. We found that both these effects increased in magnitude and statistical significance in the presence of disclosure, as well as clear evidence that participants offered data protection rights used them strategically: preventing retention or collection of their data in rounds in which they purchased the gift card, so as to prevent a subsequent price increase, and allowing it in rounds in which they declined to purchase, so as to signal a low WTP and benefit from a price decrease in the next round.

Wednesday, July 9, 2025

BGSE Micro Workshop

Ester Trutwin (University of Zürich)	"Modelling sustainable investing in the CAPM"

Coauthor
Thorsten Hens

Time
12:00–13:15 CET

Location
Juridicum, Reinhard Selten Room (0.017)

Abstract
Empirical studies investigate various causes and effects of sustainable investments. While some attempts have been made to describe the results found by theoretical models, these are relatively complex and heterogeneous. We relate to existing studies and use a parsimonious Capital Asset Pricing Model (CAPM) in which we model different aspects of sustainable investing. The basic reasoning of the CAPM, that investors need to be compensated for the bad aspects of assets applies so that investors demand higher returns for investments that are harmful from an environmental, social, or governance (ESG) perspective. Moreover, if investors have heterogeneous views on the ESG–characteristics of a company, the market requires higher returns for that company, provided richer investors care more about ESG than poorer investors, which is known as the Environmental Kuznets Curve. Besides the effect on asset prices, we find that sustainable investing has an impact on a firm's production decision through two channels—the growth and the reform channel. Sustainable investment reduces the size of dirty firms through the growth channel and makes firms cleaner through the reform channel. We illustrate the magnitude of these effects with numerical examples calibrated to real-world data, providing a clear indication of the high economic relevance of the effects.

Finance/CRC Seminar

Frédéric Malherbe (UCL)	"Improving Market-Based Systemic Risk Measures + A few facts about the structure and cost of bank capital"

Time
14:45–16:00 CET

Location
Juridicum, Faculty Lounge (0.036)

Abstract
We identify a bias in existing systemic risk measures based on the market value of equity (e.g., SRISK). The bias is a function of expected creditor losses and increases in the variance of the realised value of bank assets. This implies that such systemic risk measures decrease when the volatility of a bank's assets increases. We propose an approach that addresses the bias and, based on the novel concept of a systemic-risk neutral probability measure, allows to capture the interaction of changes in volatility at the bank and the sectoral level. Then, we estimate and simulate a combined model for equity and CDS prices for a set of global banks. The bias-correcting term is quantitatively important, and, as theory predicts, increases in times of stress. Based on our estimates, we introduce a systemic risk dashboard that allows to decompose systemic risk based on the assumed importance of different externalities.

Thursday, July 10, 2025

Econometrics & Statistics Seminar

Matias Cattaneo (Princeton University)	"Estimation and Inference in Boundary Discontinuity Designs"
Coauthors Rocio Titiunik & Ruiqi (Rae) Yu Time 16:00–17:15 CET Location Juridicum, Faculty Lounge (0.036)	Abstract Boundary Discontinuity Designs are used to learn about treatment effects along a continuous boundary that splits units into control and treatment groups according to a bivariate score variable. These research designs are also called Multi-Score Regression Discontinuity Designs, a leading special case being Geographic Regression Discontinuity Designs. We study the statistical properties of commonly used local polynomial treatment effects estimators along the continuous treatment assignment boundary. We consider two distinct approaches: one based explicitly on the bivariate score variable for each unit, and the other based on their univariate distance to the boundary. For each approach, we present pointwise and uniform estimation and inference methods for the treatment effect function over the assignment boundary. Notably, we show that methods based on univariate distance to the boundary exhibit an irreducible large misspecification bias when the assignment boundary has kinks or other irregularities, making the distance-based approach unsuitable for empirical work in those settings. In contrast, methods based on the bivariate score variable do not suffer from that drawback. We illustrate our methods with an empirical application. Companion general-purpose software is provided.

Friday, July 11, 2025

Applied Micro Coffee

Simon Cordes (University of Bonn)	"How Amenities Affect Gender Inequality"
Coauthor Max Müller Time 11:00-11:45 CET Location IZA, Schaumburg-Lippe-Straße 9 Online/Hybrid in-person only	Abstract TBA

Bonn Macro Internal Seminar

1. Frederik Kurcz (BSE & DIW Berlin) 2. Zheng Gong (University of Bonn)	1. “Quantifying the Fiscal Channel of Monetary Policy” 2. “TBA”
Time 15:30–17:30 CET Location Kaiserplatz 7–9, Room 4.006	1. “Quantifying the Fiscal Channel of Monetary Policy” In macroeconomic models featuring borrowing-constrained agents, the effects of monetary policy depend on the fiscal reaction to interest rate changes. This paper presents new evidence on the dynamic causal effects of U.S. monetary policy shocks on fiscal instruments and estimates a Heterogeneous Agent New Keynesian model with fiscal feedback rules to match the empirical results. I find that U.S. fiscal policy responds to monetary-induced output contractions with debt-financed, countercyclical tax and transfer policies, amid a gradual decline in spending to accommodate the debt increase. The model implies that monetary policy unopposed by a business cycle stabilization motive of fiscal policy would be roughly one third more contractionary. 2. "TBA"