

Bonn Econ News 2023 Week 19 (May 8–12)

May 8–12, 2023

Overview

Workshops and seminars

Tuesday, May 9, 2023

BGSE/briq Applied Microeconomics Workshop (CRC TR 224 Seminar)

Giulia Giupponi (Università Bocconi)

“Company Wage Policy in a Low-Wage Labor Market”

MPI EEG Seminar

Susan Dynarski (Harvard Graduate School of Education)

“The Power of Certainty: Experimental Evidence on the Effective Design of Free Tuition Programs”

ECONtribute LawEcon Workshop

Leonie Gerhards (King’s College London)

“Voters’ preference for politicians’ consistency: Experimental evidence”

Wednesday, May 10, 2023

BGSE Micro Workshop

David Ahn (Washington University in St. Louis)

“Incentives and Efficiency in Constrained Allocation Mechanisms”

MEF/ECONtribute Seminar (Macro/Econometrics/Finance)

Christopher Busch (Ludwig-Maximilians-Universität München)

“Stage-Based Identification of Policy Effects”

Finance/CRC/ECONtribute Seminar

Bruno Biais (HEC Paris)

“TBA”

Micro Theory Seminar

Itai Arieli (Technion)

“Informationally Robust Cheap-Talk”

MPI EEG Seminar

Eric Bettinger (Stanford University School of Education)

“TBA”

Thursday, May 11, 2023

Econometrics & Statistics

Kenichi Nagasawa (University of Warwick)

“Treatment effect estimation with noisy conditioning variables”

Workshops and seminars

Tuesday, May 9, 2023

BGSE/briq Applied Microeconomics Workshop (CRC TR 224 Seminar)

Giulia Giupponi (Università Bocconi)	“Company Wage Policy in a Low-Wage Labor Market”
Coauthor Stephen J. Machin	Abstract We study how firms set wages for their employees when they can legally age-discriminate across workers. We exploit an age-specific minimum wage change in the UK, which raised the minimum applying to workers aged 25 and over, leaving unchanged the minima for younger workers. Using matched employer–employee data on a low-paying sector, we show large, positive wage spillovers on workers aged under 25, which arise within firms from company wage policy. Fairness norms offer the most prominent explanation for the emergence of spillovers. The effects that we document also operate in other low-paying sectors of the UK labor market.
Time 14:15–15:30 CET	
Location briq, Schaumburg-Lippe-Straße 9	

MPI EEG Seminar

Susan Dynarski (Harvard Graduate School of Education)	"The Power of Certainty: Experimental Evidence on the Effective Design of Free Tuition Programs"
Coauthors Elizabeth Burland, Katherine Michelmore, Stephanie Owen, Shwetha Raghuraman Time 16:00 Location Max-Planck-Institute, Seminar Room EG Online/Hybrid Zoom-Link	Abstract Proposed "free college" policies vary widely in design. The simplest set tuition to zero for everyone. More targeted approaches limit free tuition to those who demonstrate need through an application process. We experimentally test the effects of these two models on the schooling decisions of low-income students. An unconditional free tuition offer from a large public university substantially increases application and enrollment rates. A free tuition offer contingent on proof of need has a much smaller effect on application and none on enrollment. These results are consistent with students placing a high value on financial certainty when making schooling decisions.

ECONtribute LawEcon Workshop

Leonie Gerhards (King's College London)	"Voters' preference for politicians' consistency: Experimental evidence"
Coauthor Tim Friehe Time 18:00–19:15 CET Location Juridicum, Reinhard Selten Room (0.017)	Abstract Politicians often avoid publicly changing their opinion on prominent political issues. This comes despite the fact that this unwillingness to change political positions can impose severe social harm (think, for instance, of climate change denial in the face of scientific consensus). It is commonly argued that politicians strive for consistency on political issues because they fear that voters respond negatively towards inconsistent political behaviour. By means of our experiment we study, on the one hand, the reasons for voters' preference for politicians' consistency, disentangling in particular their desires for politicians' competency and trustworthiness. On the other hand, we explore politicians' motives for catering to such preferences to ultimately gain a better understanding of candidate competition, election outcomes, and representation in democracies.

Wednesday, May 10, 2023

BGSE Micro Workshop

David Ahn (Washington University in St. Louis)	"Incentives and Efficiency in Constrained Allocation Mechanisms"
Coauthor Joseph Root Time 12:00–13:00 CET Location Juridicum, Reinhard Selten Room (0.017)	Abstract We study private-good allocation mechanisms where an arbitrary constraint delimits the set of feasible joint allocations. This generality provides a unified perspective over several prominent examples that can be parameterized as constraints in this model, including house allocation, roommate assignment, and social choice. We characterize the set of two-agent strategy-proof and Pareto efficient mechanisms, showing that every mechanism is a form of "local dictatorship." For more agents, we show that an N -agent mechanism is group strategy-proof if and only if all its two-agent marginal mechanisms (defined by holding fixed all but two agents' preferences) are individually strategy-proof and Pareto efficient, allowing us to leverage the two-agent characterization for more general problems. To illustrate their usefulness, we apply these results to the roommates problem to provide the first characterization of all group strategy-proof and Pareto efficient mechanisms, that turn out to be sequential dictatorships. Our results also yield a novel proof of the Gibbard–Satterthwaite Theorem. We finally introduce a new class of mechanisms, that we call "local priority" mechanisms, that exists for all constraints and subsumes many important classes of existing mechanisms.

MEF/ECONtribute Seminar (Macro/Econometrics/Finance)

<p>Christopher Busch (Ludwig-Maximilians-Universität München)</p>	<p>“Stage-Based Identification of Policy Effects”</p>
<p>Coauthors Christian Alemán, Alexander Ludwig, Raúl Santaeulàlia-Llopis</p> <p>Time 12:15–13:30 CET</p> <p>Location Juridicum, Faculty Meeting Room (U1.040)</p>	<p>Abstract</p> <p>We develop a method that identifies the effects of nationwide policy, i.e., policy implemented across all regions at the same time. In our method, we put forward the idea of tracking outcome paths in terms of stages rather than time, where a stage of a regional outcome at time t is its location on the support of a reference path. Through a normalization that maps the time paths of regional outcomes onto a reference path—using only pre-policy data—we uncover cross-regional heterogeneity in the stage at which policy is implemented. This stage variation identifies policy effects inside a window of stages where a stage-leading region provides the no-policy counterfactual path for non-leading regions that are subject to policy inside that window. We assess our method’s performance with Monte-Carlo experiments, and illustrate it with empirical applications. Stage-Based Identification captures heterogeneous policy effects across stages and the aggregate effects of policy.</p>

Finance/CRC/ECONtribute Seminar

<p>Bruno Biais (HEC Paris)</p>	<p>“TBA”</p>
<p>Time 14:45–16:00 CET</p> <p>Location Juridicum, Faculty Lounge (0.036)</p> <p>Hybrid Zoom-link: https://uni-bonn.zoom.us/j/95735374743?pwd=T3BYbWt1bVZNelkvcDV3SUcxUlkrUT09</p>	<p>Abstract TBA</p>

Micro Theory Seminar

<p>Itai Arieli (Technion)</p>	<p>“Informationally Robust Cheap-Talk”</p>
<p>Coauthors Ronen Gradwohl, Rann Smorodinsky</p> <p>Time 16:30–17:45 CET</p> <p>Location Juridicum, Faculty Meeting Room (U1.040)</p>	<p>Abstract</p> <p>We study the robustness of cheap-talk equilibria to infinitesimal private information of the receiver in a model with a binary state-space and state-independent sender-preferences. We show that the sender-optimal equilibrium is robust if and only if this equilibrium either reveals no information to the receiver or fully reveals one of the states with positive probability. We then characterize the actions that can be played with positive probability in any robust equilibrium. Finally, we fully characterize the optimal sender-utility under binary receiver’s private information, and provide bounds for the optimal sender-utility under general private information.</p>

MPI EEG Seminar

Eric Bettinger (Stanford University School of Education)	"TBA"
Time 18:00 Online https://eu01web.zoom.us/j/96986834911?pwd=eElKaFFDYTdsbGRNUk5saitSNWh6UT09	Abstract TBA

Thursday, May 11, 2023

Econometrics & Statistics

Kenichi Nagasawa (University of Warwick)	"Treatment effect estimation with noisy conditioning variables"
Time 16:00–17:00 CET Location Juridicum, Faculty Lounge (0.036)	Abstract I develop a new identification strategy for treatment effects when noisy measurements of unobserved confounding factors are available. I use proxy variables to construct a random variable conditional on which treatment variables become exogenous. The key idea is that, under appropriate conditions, there exists a one-to-one mapping between the distribution of unobserved confounding factors and the distribution of proxies. To ensure sufficient variation in the constructed control variable, I use an additional variable, termed excluded variable, which satisfies certain exclusion restrictions and relevance conditions. I establish asymptotic distributional results for semiparametric and flexible parametric estimators of causal parameters. I illustrate empirical relevance and usefulness of my results by estimating causal effects of attending selective college on earnings.