

Bonn Econ News 2023 Week 21 (May 22–26)

May 22–26, 2023

Overview

Workshops and seminars

Monday, May 22, 2023

Micro Theory Seminar

Arjada Bardhi (Duke University)

“Early-Career Discrimination: Spiraling or Self-Correcting?”

Tuesday, May 23, 2023

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

Hunt Allcott (Stanford University)

“What Drives Demand for State-Run Lotteries? Evidence and Welfare Implications”

ECONtribute LawEcon Workshop

Oliver Budzinski (Technische Universität Ilmenau)

“European Superleague vs. UEFA: Monopoly or Competition in premier-level European Football?”

Wednesday, May 24, 2023

BGSE Micro Workshop

Florian Brandl (University of Bonn)

“A Robust Characterization of Nash Equilibrium”

Micro Theory Seminar

Margaret Meyer (Oxford University)

“Selecting the Best when Selection is Hard: The Persistent Effects of Luck”

Thursday, May 25, 2023

Bonn MacroHistory Seminar

Nuno Palma (University of Manchester)

“Justices of the Peace: Legal Foundations of the Industrial Revolution”

Workshops and seminars

Monday, May 22, 2023

Micro Theory Seminar

Arjada Bardhi (Duke University)	“Early-Career Discrimination: Spiraling or Self-Correcting?”
Coauthors Yingni Guo, Bruno Strulovici	Abstract
Time 16:30–17:45 CET	Do workers from social groups with comparable productivity distributions obtain comparable lifetime earnings? We study how a small amount of early-career discrimination propagates over time when workers’ productivity is revealed through employment. In breakdown learning environments that track primarily on-the-job failures, such discrimination spirals into a substantial lifetime earnings gap for groups of comparable productivity, whereas in breakthrough learning environments that track successes, early discrimination self-corrects so as to guarantee comparable lifetime earnings. This contrast is robust to large labor markets, flexible wages, inconclusive learning, investment in productivity, and misspecified employers’ beliefs.
Location Juridicum, Faculty Meeting Room (U1.040)	

Tuesday, May 23, 2023

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

Hunt Allcott (Stanford University)	"What Drives Demand for State-Run Lotteries? Evidence and Welfare Implications"
Coauthors Benjamin B. Lockwood, Dmitry Taubinsky, Afras Sial Time 16:15–17:30 CET (different from regular time slot!) Online Zoom link announced via the Applied Micro mailing list	Abstract We use natural experiments embedded in state-run lotteries and a new nationally representative survey to provide reduced-form and structural estimates of risk preferences and behavioral biases in lottery demand. We find that sales respond more to the expected value of the jackpot than to price, but are unresponsive to variation in the second prize—a pattern that is consistent with probability weighting but is inconsistent with standard parameterizations. In the survey, we find that lottery spending decreases modestly with income and is strongly associated with measures of innumeracy, poor statistical reasoning, and other proxies for behavioral bias, which also decline with income. Regression predictions suggest that Americans would spend 43 percent less on lotteries if they were unbiased, while the remaining lottery demand is due to other factors such as anticipatory utility or entertainment value. We use these empirical moments to estimate a model of socially optimal lottery design. In the model, current multi-state lottery designs increase welfare but may harm heavy spenders.

ECONtribute LawEcon Workshop

Oliver Budzinski (Technische Universität Ilmenau)	"European Superleague vs. UEFA: Monopoly or Competition in premier-level European Football?"
Time 18:00–19:15 CET Location Juridicum, Reinhard Selten Room (0.017)	Introduction Oliver Budzinski is an expert in Sports Economics who has prominently commented on the current proceedings in the case ESL v. UEFA, argued at the European Court of Justice. Recent related work includes the two following papers. (Sports) EconomicsUpside Down? – A Comment on the Advocate General Opinion in European Super League versus UEFA /FIFA This comment addresses the opinion of the Advocate General (AG) of the European Court of Justice on the pending case European Super League versus UEFA/FIFA. It takes a critical perspective on selected aspects of the opinion's reasoning from a (sports) economics perspective. Highlighting the special characteristics of sports markets, the assessment of the AG Opinion raises questions such as (i) the (lack of) empirical evidence that the incumbent pursues and/or meets the legitimate objectives while the latter is still used as justifying reasons for anticompetitive conduct and arrangements (section III), (ii) the prohibitive entry barriers raised by the non-existence of a transparent and non-discriminatory authorization system preventing open competition for championships formats and organization by objective and effect (section IV), and (iii) the difficult search for a convincing theory of harm justifying the brutal enforcement of single-homing by the incumbent (section V). Between Organizing and Distorting Competition: European Football Associations as Rule-Makers (with Arne Feddersen & Philipp Kunz-Kaltenhäuser) The application of European competition law is discussed using premier-level European football as an example. Exemplary, three areas of sports associations - as market-internal rule-makers - activities are analysed: (i) the centralized sale of broadcasting rights, (ii) the 50plus1-rule restricting certain investment in football clubs, and (iii) the foreclosure of the market in the ESL-vs-UEFA case. All three examples explore the reach and the limits of scope and incentives for anticompetitive behaviour by powerful sports associations.

Wednesday, May 24, 2023

BGSE Micro Workshop

Florian Brandl (University of Bonn)	“A Robust Characterization of Nash Equilibrium”
Time 12:00–13:00 CET Location Juridicum, Reinhard Selten Room (0.017)	<p>Abstract</p> <p>We give a robust characterization of Nash equilibrium by postulating coherent behavior across varying games. Nash equilibrium is the only solution concept that satisfies consequentialism, consistency, and rationality. It follows that every equilibrium refinement violates at least one of these properties. We moreover show that every solution concept that approximately satisfies consequentialism, consistency, and rationality returns approximate Nash equilibria. The latter approximation can be made arbitrarily good by increasing the approximation of the axioms. This result extends to various natural subclasses of games such as two-player zero-sum games, potential games, and graphical games.</p>

Micro Theory Seminar

Margaret Meyer (Oxford University)	“Selecting the Best when Selection is Hard: The Persistent Effects of Luck”
Coauthors Mikhail Drugov, Marc Möller Time 16:30–17:45 CET Location Juridicum, Faculty Meeting Room (U1. 040)	<p>Abstract</p> <p>Many economic institutions and organizational practices make early success have a persistent effect on final outcomes. By granting additional resources, favorable treatment, or other forms of bias to early strong performers, they raise the likelihood with which these early strong performers become final winners. When performance is informative about ability differentials, such bias can serve as a tool to increase “selective efficiency”, i.e. the allocation of resources or decision-making authority to the most talented. However, in situations where noise swamps ability differences in determining relative performance, the use of bias would have the sole effect of making luck persistent. Such an outcome would seem at odds with the meritocratic principle of requiring differences in economic outcomes to be attributable to ability or effort differentials. In this paper, we challenge this view by showing that even as noise swamps ability differences in driving performance, maximization of selective efficiency continues to require bias favoring early leaders. Moreover, inducing greater persistence of outcomes in noisier environments can be consistent with the objective of assigning resources to the most able.</p>

Thursday, May 25, 2023

Bonn MacroHistory Seminar

Nuno Palma (University of Manchester)	“Justices of the Peace: Legal Foundations of the Industrial Revolution”
Coauthors Tim Besley, Dan Bogart, Jonathan Chapman Time 15:00–16:00 CET Location ECONtribute building, Niebuhrstraße 5, Room 0.018 Hybrid https://uni-bonn.zoom.us/j/62056840252?pwd=aHpjbWUxTnZGSdVrWZhcWwxZnN1Zz09	<p>Abstract TBA</p>