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Workshops and Seminars July 10 - 14, 2017

Tuesday, July 11, 2017

Finance and Insurance Seminar
12:15, Juridicum, Faculty Lounge, Room 0.036

Deyan Radev, Univ. of Frankfurt
"How Bank Resolution Procedures Affect Systemic Risk"

Wednesday, July 12, 2017

Micro Workshop BGSE
12:00, Juridicum, Room 0.017

Deniz Kattwinkel, BGSE
"Information Trade via Size Discovery"

Macro/Econometrics/Finance Workshop
12:30, Juridicum, "Fakultätszimmer"

Gašper Ploj, BGSE
"A consumption-saving model with labor market dynamics"

Micro Theory Seminar
16:30, Juridicum, "Fakultätszimmer"

Cédric Wasser, Univ. of Bonn
"Regulating Product Information"

Thursday, July 13, 2017

Macrohistory Seminar
12:15 Kaiserplatz 7 – 9, Room 4.006

Solomos Solomou, Univ. of Cambridge
"Banking Crises and Economic Recoveries: Post-War and Inter-War Evidence"

IZA Brown Bag Seminar
12:15, IZA, Schaumburg-Lippe-Str. 9

Daniel S. Hamermesh, Royal Holloway, Univ. of London
"How does the Economics Profession Work"

Macro/Econometrics/Finance Seminar / Micro Seminar
16:15, Kaiserplatz 7 – 9, Room 4.006

Nicola Pavoni, Univ. Bocconi
"Optimal Delegation, Unawareness, and Financial Intermediation"

Finance and Insurance Seminar

Deyan Radev, Univ. of Frankfurt
"How Bank Resolution Procedures Affect Systemic Risk"
(with Thorsten Beck, Isabel Schnabel)

Abstract
In this paper, we analyze the effect of bank resolution on the systemic risk of 2257 banks, based on hand-collected database of resolution reforms from 2000 to 2015 in 22 member countries of the Financial Stability Board. We focus on a number of events during the global and the sovereign debt crises: the Lehman' default, the first Greek bailout, Draghi's "Whatever it takes" announcement and Cyprus's bail-in. We document a rise in the reform activity after the Lehman Brothers' collapse in almost all countries in our sample, however, codified bail-in practices appear to be a relatively late phenomenon. Our results suggest that a better resolution regime reduces the systemic risk contributions (measured by ΔCoVaR), especially of highly levered banks. However, the effect is not homogenous: some subcategories of our resolution index tend to increase systemic risk during certain events. The study adds to the policy debate on improving the global bank resolution framework and the resilience of the financial system during crises.

Micro Workshop BGSE

Deniz Kattwinkel, BGSE
"Information Trade via Size Discovery"

Abstract
I present a simple model of social learning. Agents can acquire costly information about an unknown state of the world and can meet subsequently to exchange this information. I show how fricitions in the matching technology and the existence of different meeting points (matching markets) can help to lower the free-riding problem in this situation. In the equilibrium agents coordinate about their meeting point through their privately obtained signal. This leads to a polarization of beliefs at the meeting points. Social learning in this equilibrium is not by communication, but solely by size discovery.

Macro/Econometrics/Finance Workshop

Gašper Ploj, BGSE
"A consumption-saving model with labor market dynamics"
(with Moritz Kuhn)

Abstract
Labor market risk is not the same across workers. Some workers hold life-time jobs with low probability of being send to unemployment and high wages while other workers circle repeatedly in and out of employment at low wages. Young workers climb the job ladder looking for better jobs, so that when older they have more stable jobs with higher wages. Existing models of consumption-saving behavior abstract from such differences and model earnings dynamics as a single stochastic process identical for all workers. In these models, earnings dynamics also remain unaffected by the changes in the macroeconomic environment. This is an important abstraction when it comes to evaluating the effects of policy changes, one of the key tasks this model framework is used for. This paper develops a new consumption-saving model with endogenous earnings dynamics. First, we incorporate a stylized frictional labor market in the model that allows us to match labor market mobility dynamics in line with the empirical evidence. Second, explicitly incorporating a labor market with mobility decisions in the model allows us to study the interaction of the consumption-saving decision and labor market behavior. This question has been beyond the reach of existing models. We show that the model is consistent with a range of empirical facts on

consumption, earnings, and labor market dynamics. We apply our framework to study the effects of a change in the progressivity of the tax code on consumption behavior, earnings dynamics, and inequality.

MICRO THEORY SEMINAR

Cédric Wasser, Univ. of Bonn
"Regulating Product Information"

Abstract
We consider a bilateral exchange setting where the buyer has private information about his valuation and the seller has all the bargaining power. How well the buyer learns his valuation depends on the amount of information that the seller discloses about her product ex ante. In turn, the terms of trade offered by the seller depend on the disclosure-induced distribution of the buyer's valuation. We study buyer-optimal minimum disclosure requirements under the assumption that the seller is free to disclose more.

MACROHISTORY SEMINAR

Solomos Solomou, Univ. of Cambridge
"Banking Crises and Economic Recoveries: Post-War and Inter-War Evidence"

Abstract
This paper examines the time-profile of the impact of systemic banking crises on GDP and industrial production using a panel of 24 countries over the inter-war period and compares this to the post-war experience of these countries. We show that banking crises have effects that induce medium-term adjustments on economies. Focusing on an eight-year horizon, it is clear that the negative effects of systemic banking crises last over the entirety of this time-horizon. The effect has been identified for GDP and industrial production. The adverse effect on the industrial sector stands out as being substantially larger in magnitude relative to the macroeconomic effect. Comparing the results across long-run historical periods for the same selection of countries and variables identifies some differences that stand out: the short term macroeconomic impact effects are much larger in the post-war period, suggesting that the propagation channels of shocks operate at a faster pace in the more recent period. Moreover, the time-profile of effects differs, suggesting that modern policies may be modulating the temporal shape of the response to banking crises shocks. However, the broad magnitude of the adverse effect of banking crises remains comparable across these time periods.

IZA BROWN BAG SEMINAR

Daniel S. Hamermesh, Royal Holloway, Univ. of London
"How does the Economics Profession Work"

No Abstract

Macro/Econometrics/Finance Seminar / Micro Seminar

Nicola Pavoni, Univ. Bocconi
"Optimal Delegation, Unawareness, and Financial Intermediation"
(with Sarah Auster)

Abstract
We study the delegation problem between an investor and a financial intermediary. The intermediary has private information about the state of the world that determines the return of the investment. Moreover, he has superior awareness of the available investment opportunities and decides whether to reveal some of them to the investor.We show that the intermediary generally has incentives to make the investor aware of investment opportunities at the extremes, e.g. very risky and very safe projects, while leaving the investor unaware of intermediate investment options.We study how the extent to which the intermediary reveals available investment opportunities to the investor depends on the investor's initial awareness, the business cycle, and and the degree of competition between intermediaries in the market.

Redaktionsschluss / Deadline
Bonn Econ News No.511
Wednesday, July 12, 2017
12:00
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send email to majordomo@listserv.uni-bonn.de with
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