Newsletter 24/2019

Upcoming Seminars

Monday, 4.11.2019	**Departmental Seminar**
13.30-14.30	Giovanni Facchini, Nottingham University
AWI 00.010	(invited by Gaspare Tortorichi)
	"Immigrant Franchise and Immigration Policy: Evidence from the Progressive Era"

Monday, 4.11.2019	**HKMetrics Seminar**
16.15-17.15	Joel Horowitz, Northwestern University
AWI 00.010	"Permutation Tests for Equality of Distributions of Functional Data"

Wednesday, 6.11.2019	**Internal Seminar**
12.15-13.15	Patrick Schmidt, HITS
AWI 00.010	"Elicitation of ambiguous beliefs with mixing bets"

Departmental Seminar

Giovanni Facchini

"Immigrant Franchise and Immigration Policy: Evidence from the Progressive Era"*

What is the role played by immigrant groups in shaping migration policy in the destination country? We address this question focusing on the U.S. during the Progressive Era. In this period, residency requirements to exercise the voting franchise varied significantly across states, and consequently naturalized U.S. citizens were unevenly able to influence House Representatives. We show that congressmen representing districts with large numbers of naturalized U.S. citizens were more likely to support open migration policy. This effect is reversed as residency requirements become more stringent. We find suggestive evidence that electoral accountability played a key role in shaping their behaviour.

*with Costanza Biavaschi

HKMetrics Seminar

Joel Horowitz

"Permutation Tests for Equality of Distributions of Functional Data"

Economic data are often generated by stochastic processes that take place in continuous time, though observations may occur only at discrete times. For example, electricity and gas consumption take place in continuous time. Data generated by a continuous time stochastic process are called functional data. This paper is concerned with comparing two or more stochastic processes that generate functional data. The data may be produced by a randomized experiment in which there are multiple treatments. The paper presents a method for testing the hypothesis that the same stochastic process generates all the functional data. The test described here applies to both functional data and multiple treatments. It is implemented as a combination of two permutation tests. This ensures that in finite samples, the true and nominal probabilities that each test rejects a correct null hypothesis are equal. The paper presents upper and lower bounds on the asymptotic power of the test under alternative hypotheses. The results of Monte Carlo experiments and an application to an experiment on billing and pricing of natural gas illustrate the usefulness of the test.

Internal Seminar

Patrick Schmidt

"Elicitation of ambiguous beliefs with mixing bets"

I consider the elicitation of ambiguous beliefs about an event and show how to identify the interval of relevant probabilities (representing ambiguity perception) for several classes of ambiguity averse preferences. The agent reveals her preference for mixing binarized bets on the uncertain event and its complement under varying

betting odds. Under ambiguity aversion, mixing is informative about the interval of beliefs. In particular, the mechanism allows to distinguish ambiguous beliefs from point beliefs, and identifies the belief interval for maxmin preferences. For ambiguity averse smooth second order and variational preferences, the mechanism reveals inner bounds for the belief interval, which are sharp under additional assumptions. In an experimental study, participants perceive almost as much ambiguity for natural events (generated by the stock exchange and by a prisoners dilemma game) as for the Ellsberg Urn, indicating the importance of ambiguity in real-world decision making.

Talks and Research Visits

Illia Pasichnichenko presented his paper "Decision-making under partial information", co-authored with Jürgen Eichberger, at the 4th Vietnam Symposium in Banking and Finance on October 24 in Hanoi, Vietnam.

Stefan Trautmann gave a lecture "Risky & Uncertainty: Concepts in (Behavioral) Economics and Finance" at the Federal Institute for Risk Assessment's (BfR) research colloquium on October 24, and in its Committee for Risk Research & Risk Communication on October 25.

New Working Papers

Jörg Oechssler and Alex Roomets: "Savage vs. Anscombe-Aumann: an experimental investigation of ambiguity frameworks", AWI Discussion Paper Series No 672, October 2019.

New and Leaving Staff

Marina da Silva Rapp (room 01.017) took up a position as a Ph.D. student at Christian Conrad's chair of Empirical Economics. Marina holds an M.Sc. in Economics from Heidelberg University. Her Bachelor, also in Economics, was completed at the Federal University of Bahia, in Brazil. Her fields of interest are Finance, Empirical Methods, and Institutional Economics.
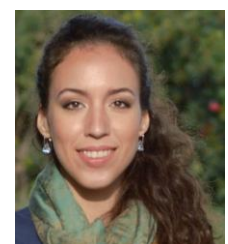
Miscellaneous

Isadora Kirchmaier, former PhD student at the chair of Behavioral Finance und Vertragstheorie, successfully defended her thesis on "Essays in Network Economics", October 25.

Editorial deadline for issue 25/2019 of the newsletter:
Wednesday, November 6, 2019, 12 p.m.
newsletter@awi.uni-heidelberg.de