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AWI This Week

Monday, 27.10.14

Departmental Seminar

17.15-18.45

AWI 00.010

Nawid Siassi, University of Konstanz

"Inequality and the Marriage Gap"

Tuesday, 28.10.14

Economics & Politics Seminar

14.15-15.45

AWI 02.036

Fabrizio Gilardi, University of Zurich

"The Temporary Importance of Role Models
for Women's Political Representation"

Wednesday, 29.10.14

Internal Seminar

12.15-13.15

AWI 00.010

David Kelsey, University of Exeter

"Contests with Ambiguity"

Wednesday, 29.10.14

Macro & Econometrics Seminar

17.00-18.00

AWI 00.010

Thomas Eife

"Price Competition in an Inflationary Environment"
(joint with Peter Duersch)

Departmental Seminar

Nawid Siassi

"Inequality and the Marriage Gap"

Marriage is one of the most important determinants of economic prosperity, yet most existing theories of inequality ignore the role of the family. This paper documents that the crosssectional distributions of earnings and wealth display a high degree of concentration, even when disaggregated into single and married households. At the same time, there is a large marriage gap: married people earn on average 27 percent more income, and they hold 34 percent more net worth. To account for these empirical facts, I develop a stochastic OLG model with female and male agents, who (i) are randomly selected into single or married households at the beginning of their economic lives; (ii) face uninsurable labor market risk henceforth; (iii) and make Pareto-efficient decisions if married. In a calibrated version of the model, I show that matching patterns by educational attainment, an effective tax bonus for married couples and directed bequests are key to explaining the marriage gap in earnings and wealth. A policy experiment of moving from joint tax filing for married couples to separate filing yields output and welfare gains.

Economics & Politics Seminar

Fabrizio Gilardi

"The Temporary Importance of Role Models for Women's Political Representation"

This article investigates the supply side of women's political representation by focusing on how the election of female politicians affects the motivation of women to run for office in other units. The analysis relies on an original dataset of over 1,500 municipal elections in Switzerland, starting with the first election after the introduction of women's suffrage. In the first election in which women could participate, the election of a woman in a given municipality was associated in the next election with an additional female candidate in 10% of its neighbors. The relationship decreases over time, fades away after sixteen years, and is driven primarily by new female candidates in units where no female incumbents are running for re-election. These findings suggest that role models are important for improving women's representation, but only in its early stages. This conclusion could be relevant for understanding the political representation of other underrepresented groups.

Internal Seminar

David Kelsey

"Contests with Ambiguity"

The paper examines the effect of ambiguity on contests where multiple parties expend resources to win a prize. We develop a model where contenders perceive ambiguity about their opponents' strategies and determine how perceptions of ambiguity and attitudes to ambiguity affect equilibrium choice. The paper also investigates how equilibrium under ambiguity is related to behaviour where contenders have expected utility preferences. Our model can explain experimental results such as overbidding and overspreading relative to Nash predictions.

Talks and Research Visits

Christoph Vanberg presented his paper on "Legislative bargaining with heterogeneous disagreement values: theory and experiments" (with L. Miller and M. Montero), University of Cambridge, October 16.

Jürgen Eichberger presented the paper "Downstream Price Discrimination and the Ambiguous Welfare Effects of Downstream Competition" (joint with Frank Mueller-Langer) at THEMA, Université de Cergy Pontoise, October 9.

Jürgen Eichberger was invited for research at THEMA, Université de Cergy Pontoise, October 6-16.

Christian Conrad presented the paper "Misspecification Testing in GARCH-MIDAS Models" (joint with Melanie Schienle) at a conference on Non- and Semiparametric Volatility and Correlation Models, University of Paderborn, July 24-26, 2014.

New Publications

C. Conrad and M. Karanasos (2014): *Modeling the link between US inflation and output: the importance of the uncertainty channel*. Scottish Journal of Political Economy, forthcoming.

Peter Duersch and Julia Müller: *Taking Punishment into Your Own Hands: An Experiment*, Journal of Economic Psychology (DOI: 10.1016/j.joep.2014.10.004). <http://www.sciencedirect.com/science/article/pii/S0167487014000816>

New Working Papers

Daniel Heyen: *Learning under Ambiguity – A Note on the Belief Dynamics of Epstein and Schneider* (2007). AWI Discussion Paper 573.

Daniel Heyen and Boris Wiesenfarth: *Informativeness of Experiments for MEU – A Recursive Definition*. AWI Discussion Paper 572.

Visitors

Shaun Bond, University of Cincinnati, will be staying for a research visit at the chair of Timo Goeschl, until December 15. At Cincinnati, Shaun holds the West Shell, Jr., Chair in Real Estate and is a Professor in the Department of Finance and Real Estate.

David Kelsey, University of Exeter, will be staying for a research visit (room 01.012a) at the chair of Jürgen Eichberger, October 24-31.

New and leaving staff

Valentin Lang joined the AWI as a doctoral student at the Chair of International and Development Politics under the supervision of Prof. Axel Dreher. In the past year, he was employed at the Development Cooperation Directorate of the OECD. Previously, Valentin received his master's degree from the University of Cambridge, worked for the Foreign Office as well as for the German Council on Foreign Relations and completed his undergraduate studies in Political Science and Economics at the University of Heidelberg and SciencesPo Paris. His research focuses on International Organizations and income inequality.



**Editorial deadline for issue 24/2014 of the newsletter:
Wednesday, October 29, 2014, 12 o'clock
newsletter@awi.uni-heidelberg.de**

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please contact the address above.