Upcoming Seminars

Monday, 20.7.15   **Lunch Seminar**

12.00-13.00   Paul J. Healy, Ohio State University

AWI 00.010   (invited by Christoph Brunner)

"Epistemics in Games: Two Experimental Studies"

Departmental Seminar

17.15-18.45   Peter Winker, University of Gießen

AWI 00.010   (invited by Matthias Hartmann)

"Joint Confidence Bands for Impulse Responses and
Forecast Paths"

Tuesday, 21.7.15   **Economics & Politics Seminar**

13.30-14.30   Harald Tauchmann, Friedrich-Alexander-Universität
Erlangen-Nürnberg
AWI 02.036
"Weight Loss and Sexual Activity in Adult Obese Individuals:
Establishing a Causal Link"

Wednesday, 22.7.15   **Internal Seminar**

12.15-13.15   Eduard Brüll

AWI 00.010   "Labor Supply Elasticities at the Intensive and Extensive
Margin"

Lunch Seminar

Paul J. Healy

"Epistemics in Games: Two Experimental Studies"

I will present two experimental studies of epistemics in games. In the first, I elicit players' utilities and beliefs while playing various two-person simultaneous-move games. While the majority of players act rationally given their stated beliefs, there are interesting patterns of irrationality that vary by game. In the second study I elicit beliefs at each node in a centipede game. Different solution concepts make different assumptions about how players updating through the course of an extensive-form game. In the centipede game, however, I find little evidence of any substantial updating from one node to the next.

Departmental Seminar

Peter Winker

"Joint Confidence Bands for Impulse Responses and Forecast Paths"

I impulse response analysis estimation uncertainty is typically displayed by constructing bands around estimated impulse response functions. If they are based on the joint asymptotic distribution possibly constructed with bootstrap methods in a frequentist framework often individual confidence intervals are simply connected to obtain the bands. Such bands are known to be too narrow and have a joint coverage probability lower than the desired one. Some recently proposed methods for constructing joint bands with a joint coverage probability close to or at least not substantially lower than the desired one are discussed and compared in a simulation study. In particular, if instead of individual confidence intervals, the Wald statistic is used and the joint bootstrap distribution of the impulse response coefficients is taken into account and mapped into the band it is shown that such a band is typically rather conservative. It is argued that, by using the Bonferroni method, a band can often be obtained which is smaller than the Wald band. An application to a standard VAR model used to describe the link between oil prices and the macroeconomy is used to indicate the qualitative impact an appropriate choice of bands might have. Furthermore, an application to the forecasts of corporate bond spreads shows the potential use of the methods in a forecasting context.

Economics & Politics Seminar

Harald Tauchmann

"Weight Loss and Sexual Activity in Adult Obese Individuals:
  Establishing a Causal Link"[*]

Obesity may not only be linked to undesirable health outcomes but also to limitations in sexual life. The present paper aims to assess whether there is a causal relationship between weight loss and sexual activity in adult obese individuals. To address the endogeneity of weight loss that is likely to result in biased estimation results, the

analysis is based on data from a randomized field experiment. In this experiment financial weight-loss rewards were offered to a random subgroup of participants and can be used as exogenous source of weight variation in an instrumental variables approach. Estimation results indicate that for obese males losing weight increases the probability for being involved in a sexual relationship. Conditional on having already lost some weight, a further reduction in obesity also increases the frequency of sexual intercourse."

*with A. R. Reichert and A. Wübker

Internal Seminar

Eduard Brüll

"Labor Supply Elasticities at the Intensive and Extensive Margin"

The elasticity of labor supply is a key parameter to determine the welfare costs of taxation. Despite a large literature, the size of these elasticities is hotly debated. We elicit hypothetical labor supply choices in a large representative online survey, the German Internet Panel (GIP). Based on a flexible structural labor supply model with observed and unobserved heterogeneity as well as fixed costs of work, we estimate elasticities at the intensive and extensive margin. Our results so far indicate that (1) unobserved heterogeneity along both margins is important and cannot be explained by demographic characteristics commonly used in the literature. (2) Our estimated intensive margin elasticities are larger than those in the previous literature based on actual labor supply choices suggesting that adjustment costs and demand side frictions are potentially important. In contrast, our extensive margin elasticities are similar to those from actual choices. (3) We also find some evidence that labor supply functions are not monotonically increasing for parts of our sample.

Talks and Research Visits

Stefan Trautmann gave a talk on "Construal level theory: Empirical and theoretical problems?" at the Institute for Psychology, University of Heidelberg, July 14.

The following papers were presented at the "Climate Engineering Research Symposium 2015", Berlin, July 7-10: **Daniel Heyen** "Regional Disparities in Solar Radiation Management Impacts: Limitations to Simple Assessments and the Role of Diverging Preferences" (joint work with Thilo Wiertz and Peter Irvine) and "Strategic Conflicts on the Horizon: R&D Incentives for Environmental Technologies"; **Tobias Pfrommer**: "Climate Engineering, Liability Regimes and Information" (joint work with Timo Goeschl).

Johannes Diederich presented the paper "Ambient Noise and Cooperation in Public Good Games" at the 16th international meeting of the Association for Public Economic Theory (APET) in Luxembourg on July 4.

Timo Goeschl taught at the 2015 EAERE-FEEM-VIU Summer School on Environmental and Resource Economics between June 29 and July 3. This year's topic was 'Environmental Regulation'.

Michael Schleicher presented the paper "Targeted health insurance for the poor: Evidence from Burkina Faso" at the 3rd DIAL Development Conference in Paris, July 2.

Timo Goeschl presented the paper "Trust, But Verify? When Trustworthiness is Only Observable Through (Costly) Monitoring" at the 5th meeting of the Society for Environmental Law and Economics at the University of Groningen on May 21-22 and at the annual conference of the European Association of Environmental and Resource Economists in Helsinki, June 24-27.

Timo Goeschl gave a keynote lecture on "The Economic Impacts of Environmental Crime" at the EFFACE meeting in Catania, June 18.

Timo Goeschl presented research on "Group Size and the (In)Efficiency of Public Goods Provision" at the workshop "Environmental and Resource Economics: Insights from Experimental and Behavioral Economics" at the University of Montpellier, June 3.

Miscellaneous

Timo Goeschl taught at the 2015 EAERE-FEEM-VIU Summer School on Environmental and Resource Economics between June 29 and July 3. This year's topic was 'Environmental Regulation'.

Timo Goeschl co-organized the CEMSYM symposium on "Climate Engineering Research: Current State and Future Perspectives" of the DFG Priority Program on "Climate Engineering: Risks, Challenges, Opportunities?" at the Berlin-Brandenburg Academy of Sciences in Berlin, July 7-10.

Timo Goeschl has been appointed to the editorial board of the Journal of Environmental Economics and Management.

Nice and relaxing vacation to all of you