



NEWSLETTER 2024|14

CALENDAR

Economics and Sustainability Seminar

Tim Lee (Queen Mary University of London)

"New Golden Rule"

Mon, June 03

16:00 - 17:30

H 26

IOS Seminar

Nikita Zakharov (University of Freiburg)

"Who Goes to a (Proxy) War? The Long Shadow of the USSR Collapse and the Enrollment in the Donbas War by Russian Citizens"

Tue, June 04

14:00 - 15:30

109 and Zoom

Lunch Seminar

Martin Gervais (University of Georgia)

"Reservation Wage and Unemployment Benefits"

Wed, June 05

12:00 - 13:30

H 26

Economic and Social History Seminar

Kalle Kappner (LMU München)

"Dense, Diverse and Healthy? Mixed-Income Housing and the Spread of Urban Epidemics"

Wed, June 05

18:00 - 20:15

PT 1.0.6



ABSTRACTS AND FURTHER INFORMATION

Economics and Sustainability Seminar

Tim Lee (Queen Mary University of London)

“New Golden Rule”

Joint work with Alexandre Gaillard

The difference between the risk-free rate (r) and the growth rate (g) of an economy is one of the most important indicators in macroeconomics. This paper develops a heterogeneous agent, overlapping generations model in which both r and g are endogenous to each other. The growth rate is determined by parents' investment in children's human capital, while the equilibrium interest rate is determined by the level of parents' savings. We show that whenever parents invest enough in their children for endogenous growth, the economy is dynamically inefficient. Moreover, longer life-spans reduce both r and g , while also raising earnings inequality, qualitatively replicating patterns observed in advanced economies in the past half-century. When overlapping generations of workers coexist with capitalists, who accumulate wealth according to a standard model of capital returns heterogeneity and financial frictions, an increase in investment risk or capitalist profits further lowers r , leading to an increase in wealth concentration and “stronger” dynamic inefficiency. Against this backdrop of dynamic inefficiency, we also revisit the question of whether taxing labor to subsidize capital is an effective tool for fast development in the context of developing (rather than advanced) economies.

Info:

in person



IOS Seminar

Nikita Zakharov (University of Freiburg)

“Who Goes to a (Proxy) War? The Long Shadow of the USSR Collapse and the Enrollment in the Donbas War by Russian Citizens”

What explains citizens' volunteering for combat in a proxy war? We examine the case of Russian involvement in the 2014 Donbas War and hypothesize that resentment caused by the hardships experienced during the collapse of the Soviet Union have become instrumental in the decision to join the fighting on the side of separatists. We test our hypothesis by employing two novel measures for voluntary involvement in the war: regional excess mortality due to external causes in the year of the onset of the war and geospatial distribution of subscriptions to the social media forum dedicated to the recruitment of volunteers to the conflict. We find that both outcomes are strongly associated with the intensity of hardships experienced after the collapse of the Soviet Union as measured by the increase in the death rate of the local population. To validate our measure of historical grievances, we use data from a public opinion survey conducted by the Levada Center to show that these grievances were more commonly reported in regions that experienced higher mortality in the early 1990s.

Info:

In person in Room 109 (Landshuter Str. 4) and via Zoom-Meeting:

<https://ios-regensburg-de.zoom.us/j/68424870290?pwd=RnNYeWsvWlVMajN6cUh4YVJmSUV5UT09>

Meeting ID: 684 2487 0290

Passcode: 559616



Lunch Seminar

Martin Gervais (University of Georgia)

“Reservation Wage and Unemployment Benefits”

We study the pass-through from unemployment benefit to wages in light of the massive relief the CARES and subsequent Acts provided qualified unemployed individuals. Through rotation data from the CPS, we establish that the fraction of benefit-eligible unemployed individuals increased substantially during the relief period (part of 2020 and 2021). Similarly, the take up rate of UI benefits increased more than 10 percentage points (from around 30 to around 40 percent). We show that this increase in the take up rate was entirely due to changes in benefit amounts, as opposed to changes in the underlying characteristics of eligible individuals. We also show that relative to UI-ineligible unemployed people, the wage premium that UI-eligible people typically command only increased by \$70 a week, suggesting a modest pass-through. We corroborate this finding through Benefit Accuracy Measurement (BAM) data, from which we estimate the reservation wage elasticity with respect to benefits to be around 2%. We show that a directed search model that features an endogenous decision to collect benefits is broadly consistent with our empirical findings: while the take up rate rises sharply following a large increase in benefits, wages increase only modestly.

Info:

in person

Economic and Social History Seminar

Kalle Kappner (LMU München)

“Dense, Diverse and Healthy? Mixed-Income Housing and the Spread of Urban Epidemics”

In the late 19th century, Western cities experienced a dramatic decline in infectious diseases. Contemporary observers disagreed whether the rise of mixed-income housing contributed to this trend. Proponents envisioned the spread of health norms, sanitary infrastructure, and help-in-kind networks through socially diverse housing. Critics feared increased exposure beyond the traditional quarters of the working class. This paper empirically examines the controversy, focusing on Berlin amidst its deadliest cholera outbreak in 1866. Employing an occupation-based diversity measure for Berlin’s roughly 89,000 household heads, and exploiting exogenous variation from building lots’ geometric properties, I find that social diversity raised the initial infection risk, but also limited in-house spread in mixed-income buildings. I highlight the parallels to the modern New Urbanist case for mixed-income housing.

Info:

in person



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Wednesday, June 05 | 11 am

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