

# BONN ECON NEWS

**December 9–13, 2024**

## Overview

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### Workshops and seminars

Tuesday, December 10, 2024

BGSE Brown Bag Seminar in Applied Microeconomics

Valentina Götz (BGSE)

“Works Councils and Information Frictions at Work”

BGSE Brown Bag Seminar in Applied Microeconomics

Max Müller (BGSE)

“Do Firms Understand What Workers Want?”

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Hannah Trachtman (Hebrew University of Jerusalem)

“Treating Doctors: Evidence from a Field Experiment in Surgery”

Wednesday, December 11, 2024

BGSE Micro Workshop

Andres Espitia (University of Bonn)

“When to request evidence?”

Joint Finance-Macro/CRC Seminar

Pablo Ottonello (University of Maryland)

“Capital, Ideas, and the Costs of Financial Frictions”

Micro Theory Seminar

Johannes Hörner (Toulouse School of Economics)

“Separating the Wheat from the Chaff”

Friday, December 13, 2024

BGSE Applied Microeconomics Workshop

Alina Sowa (BGSE)

“Kinship Norms and Gender Differences in Adult and Child Labor”

BGSE Applied Microeconomics Workshop

Daniel Nogues Kollert (BGSE)

“Aggregate shocks and commonism: A climate simulation approach”

Bonn Macro Internal Seminar

Leanne Nam (University of Bonn)

“Intergenerational Spillover: The Impact of Labor Market Risk on the Housing Market”

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## Workshops and seminars

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Tuesday, December 10, 2024

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### BGSE Brown Bag Seminar in Applied Microeconomics

Valentina Götz  
(BGSE)

"Works Councils and Information Frictions at Work"

**Coauthors**

Alexander Busch, Simon Jäger, Simon  
Trenkle

**Time**

13:00–14:00 CET

**Location**

IZA, Conference Room, Schaumburg-Lippe-  
Straße 9

**Abstract**

Information frictions in the workplace can emerge between different groups: information might not flow effectively from management to workers, from workers to management, or among workers themselves. Theory suggests that works councils might improve communication between management and workers, and can reduce inefficiencies. However, there is limited empirical evidence on how prevalent information frictions are in practice in the workplace and whether workplaces with a works council exhibit a lower degree of such frictions. We propose a novel method to measure workplace-level information frictions and implement it in an employer–employee survey representative of Germany. Using a selection-on-observables design, we test the hypothesis that firms with works councils exhibit lower information frictions.

### BGSE Brown Bag Seminar in Applied Microeconomics

Max Müller  
(BGSE)

"Do Firms Understand What Workers Want?"

**Coauthor**

Simon Cordes

**Time**

13:00–14:00 CET

**Location**

IZA, Conference Room, Schaumburg-Lippe-  
Straße 9

**Abstract**

The labor supply decision depends on wages and amenities, where standard labor market models assume that firms hold accurate beliefs over workers' preferences for amenities. We test this assumption using a two-sided survey experiment, measuring workers' willingness to pay for amenities and firms' beliefs about these preferences. We find that firms systematically underestimate the valuation of amenities, leading to a misperception of the labor supply curve. Investigating the mechanisms, we find suggestive evidence that misperceptions are driven by an interpersonal projection bias. We discuss the implications of these misperceptions for labor market equilibria through a simple model of imperfect competition. In the model, firms' misspecifications lead to labor shortages, market power for competing firms, and decreasing worker surplus.

## Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar)

Hannah Trachtman  
(Hebrew University of Jerusalem)

"Treating Doctors: Evidence from a Field Experiment in Surgery"

### Coauthors

Jorge Ale-Chilet, Juan Pablo Atal, Naomi Friedman-Sokuler

### Time

14:15–15:30 CET

### Location

IZA, Conference Room, Schaumburg-Lippe-Straße 9

### Abstract

Managing experts is a common challenge. We implement a field experiment in a large public hospital to investigate whether a cheap, scalable, non-financial intervention can promote cost-effective health care among medical professionals. Our intervention, designed to motivate surgical teams to reduce excessive use of disposable items, includes customized informational messages targeting many types of surgeries and items. We randomly vary whether the surgeon, the circulating nurse, or both receive the intervention. We find that treating the surgeon, with or without treating the nurse, reduces the costs of targeted disposable equipment by 8–11%. We exploit administrative and survey data to examine design and organizational factors that mediate the effectiveness of the intervention, and to explore broader implications for shifting expert behavior.

**Wednesday, December 11, 2024**

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## BGSE Micro Workshop

Andres Espitia  
(University of Bonn)

"When to request evidence?"

### Coauthor

E. Muñoz-Rodríguez

### Time

12:00–13:00 CET

### Location

Juridicum, Reinhard Selten Room (0.017)

### Abstract

Appropriate decisions depend on information gathered beforehand. We study the problem faced by a decision-maker who can only access verifiable information through an agent who prefers a particular decision. In a dynamic framework with exogenous decision timing, we analyze when to request evidence optimally and how it affects allocational efficiency. The optimal mechanism without transfers implements the efficient allocations if and only if the information acquisition costs are low for both parties. Otherwise, the decision-maker commits to distortions (from the static optimal choice) to incentivize information acquisition. Optimal evidence acquisition exhibits a bias: it tends to request additional evidence when the current one favors the agent's preferred choice. Applications include optimal testing policies for patients awaiting transplants and the optimal promotion of employees subject to moral hazard.

## Joint Finance-Macro/CRC Seminar

Pablo Ottonello  
(University of Maryland)

"Capital, Ideas, and the Costs of Financial Frictions"

### Coauthor

Thomas Winberry

### Time

12:15–13:30 CET

### Location

Juridicum, Faculty Meeting Room (U1.040)

### Abstract

We study the role of financial frictions in determining the allocation of investment and innovation. Empirically, we find that established firms are investment-intensive when they have low net worth but become innovation-intensive as they accumulate net worth. To interpret these findings, we develop an endogenous growth model with heterogeneous firms and financial frictions. In our model, firms are investment-intensive when they have low net worth because their returns to capital are high. Financial frictions determine the rate at which firms drive down the returns to capital and shift towards innovation. Quantitatively, the aggregate losses due to lower innovation are large, even though the allocation of capital to existing ideas is comparatively efficient. If innovation has positive spillovers, a planner would lower investment among constrained firms to finance more innovation. An innovation subsidy does not generate the correct distribution of investment and innovation to exactly decentralize this outcome.

## Micro Theory Seminar

Johannes Hörner  
(Toulouse School of Economics)

"Separating the Wheat from the Chaff"

### Coauthor

Paula Onuchic

### Time

16:30–17:45 CET

### Location

Juridicum, Faculty Meeting Room (U1.040)

### Abstract

We consider a game with incomplete information in which a judge must pick among two debaters who she thinks is most likely to be an expert. It is common knowledge among the debaters who the expert is. The expert knows the state of the world, the quack does not. The judge gets a noisy signal of this state of the world. We derive the most informative equilibrium of the game with communication, and show how this might help explain polarization: a judge whose signal is either very noisy or very precise gains little from the debate, unlike a judge whose signal accuracy lies between these extremes.

**BGSE Applied Microeconomics Workshop**

Alina Sowa (BGSE)	"Kinship Norms and Gender Differences in Adult and Child Labor"
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**Coauthors**

Christoph Strupat, Arndt Reichert, Anne Simon

**Time**

13:00–14:00 CET

**Location**

IZA, Conference Room, Schaumburg-Lippe-Straße 9

**Abstract**

Gender gaps in labor market outcomes are visible all over the world and are causing negative economic effects. One largely unexplored factor that may influence these gender gaps in low- and middle-income countries are kinship norms. To analyze whether such norms affect gender differences in adult and child labor, we exploit a Ghanaian inheritance reform that largely changed the inheritance system of matrilineal ethnic groups and therefore restricted the core of matrilineal kinship norms. Using cross-sectional survey data in a difference-in-differences framework, our findings indicate that the restriction of matrilineal kinship norms widens gender gaps in adult and child labor. The restriction of matrilineal kinship norms is associated with an increase in men’s hours worked and a decrease in women’s hours worked, leading to a significant increase in the gender gap in adult labor hours by 3.77 hours per week. We observe a similar pattern among children, where the restriction of matrilineal kinship norms reduces girls’ hours worked and participation in child labor, thereby widening the gender gap in child hours worked by 3.34 hours per week and in child labor rates by 6.1 percentage points. Assuming symmetry in the effects, our findings suggest that matrilineal kinship norms significantly narrow the gender gaps in hours worked for adults and children. However, this also implies that matrilineal kinship norms increase child labor for girls relative to boys. In conclusion, policymakers should consider the significant impact of kinship norms on gender differences in labor market outcomes.

## BGSE Applied Microeconomics Workshop

Daniel Nogues Kollert  
(BGSE)

"Aggregate shocks and commonism: A climate simulation approach"

### Time

14:15–15:15 CET

### Location

IZA, Conference Room, Schaumburg-Lippe-  
Straße 9

### Abstract

Commonism, a utopian economic model, seeks to address the tension between the imperative to reduce greenhouse gas emissions and the continuous production and consumption growth. By extending a communist economy simulation with a climate model, we explore how climate change affects economic performance. Results show that the economy exhibits cyclic behavior, with output and emissions fluctuating within limits that never exceed ecological capacity. These findings support the notion that commonism can facilitate sustainable production without central planning. The emergent limits on production are driven by the negative impacts of climate change on economic performance, showcasing an "invisible hand" that prevents production beyond the planetary boundaries and excessive emissions. This suggests that commonism naturally regulates production based on resource availability and voluntary labor, distinguishing it from traditional economic systems. These findings highlight commonism's potential for sustainable production and offer insights for other economic systems aiming to align with ecological sustainability.

## Bonn Macro Internal Seminar

Leanne Nam  
(University of Bonn)

"Intergenerational Spillover: The Impact of Labor Market Risk on the Housing Market"

### Time

15:30–16:15 CET

### Location

Kaiserplatz 7–9, Room 4.006

### Abstract

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