Upcoming Seminars

Monday, 6.11.2023   **Departmental Seminar**

13.30-14.30   Klodiana Istrefi, European Central Bank

AWI room 00.010   "Identification of Systematic Monetary Policy"

(Host: Christian Conrad)

Wednesday, 8.11.2023   **Internal Seminar**

12.15-13.15   Moumita Deb

AWI room 00.010   "Transparency's Twist: Impact of Information Acquisition on Voting"

Thursday, 9.11.2023   **Seminar 1**

10.00-11.00   Moritz Loewenfeld, TSE

AWI room 01.030   "Outcome bias and risk-taking in a principal-agent setting"

(Host: Sebastian Ebert)

Friday, 10.11.2023   **Seminar 2**

10.00-11.00   Markus Strucks, Nijmegen

AWI room 01.030   "A Stress Test of Myopic Loss Aversion"

(Host: Sebastian Ebert)

Departmental Seminar

Klodiana Istrefi, European Central Bank

"Identification of Systematic Monetary Policy"*

We propose a novel identification design to estimate the causal effects of systematic monetary policy on the propagation of macroeconomic shocks. The design combines (i) a time-varying measure of systematic monetary policy based on the historical composition of hawks and doves in the Federal Open Market Committee (FOMC) with (ii) an instrument that leverages the mechanical FOMC rotation of voting rights. We apply our design to study the effects of government spending shocks. We find fiscal multipliers between two and three when the FOMC is dovish and below zero when it ishawkish. Narrative evidence from historical FOMC records corroborates our findings.

*with Lukas Hack and Matthias Meier

Internal Seminar

Moumita Deb

"Transparency's Twist: Impact of Information Acquisition on Voting"*

Majority voting is considered an efficient information aggregation mechanism in committee decision-making. But what if voters first need to acquire information from sources of varied quality and cost? Here, efficiency may hinge on free-riding incentives and the 'transparency' regime - the knowledge voters have about others' acquired information. Intuitively, more transparent regimes should improve efficiency. Our theoretical model instead demonstrates that less transparent regimes can match the rate of efficient information aggregation in more transparent regimes. This does not hold generally, however. A Pareto inferior swing voter's curse (SVC) equilibrium arises if less informed members abstain, instead of casting a vote based on the information they hold. We test this proposition in a lab experiment, randomly assigning participants to different transparency regimes. Results in less transparent regimes align with the SVC equilibrium, leading to less favourable outcomes than in more transparent regimes. We offer the first experimental evidence on the effects of transparency regimes on information acquisition, voting, and overall efficiency.

*with S. Bandyopadhyay, J. Lohse and R. McDonald

Talks and Research Visits

Ferdinand Rauch gave a talk on "Agglomeration Shadows" at the *Ausschuss für Regionaltheorie und -politik*, Karlsruhe, October 12-13.

Ferdinand Rauch presented his work "Identifying Agglomeration Shadows: Long-run Evidence from Ancient Ports" at the CRC Economics Seminar, Mannheim, September 26.

Ferdinand Rauch was elected member of the committee for *Regionaltheorie und -politik* of the *Verein für Socialpolitik*.