



NEWSLETTER 2021|14

## CALENDAR

**Departmental Seminar**

Robert Schwager (University of Göttingen)

"Present-bias and Externalities: Can Government Intervention Raise Welfare?"

**IOS Seminar**

Elizaveta Pronkina (LEDa-LEGOS, Université Paris-Dauphine-PSL)

"USSR, Education, Work History, Fertility Choices, and Later-Life Outcomes"

**Lunch Seminar**

Stefanie Braun (University of Regensburg)

"Agglomeration and Land Price Spillover Effects in German Housing Markets at the County Level"

**Mon, May 31**

16:00 - 17:30

Zoom-Meeting

**Tue, June 1**

15:00 - 16:30

Zoom-Meeting

**Wed, June 2**

12:00 - 13:30

Zoom-Meeting



## ABSTRACTS AND FURTHER INFORMATION

### **Departmental Seminar**

Robert Schwager (University of Göttingen)

“Present-bias and Externalities: Can Government Intervention Raise Welfare?”

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The recent literature has emphasized that government intervention when consumers have quasi-hyperbolic preferences (‘bias for the present’) over consumption is not welfare-enhancing. This paper identifies conditions under which this result still holds even if a market imperfection (which takes the form of a negative externality) is introduced. On the other hand, government intervention is welfare enhancing if the market imperfection is sufficiently strong or the consumers’ bias for the present is weak. This conclusion holds, interestingly, even if the government and the consumers share the same biased intertemporal preferences.

*Info:*

<https://uni-regensburg.zoom.us/j/92822525842?pwd=YTdPY2l1RHJGK2NjSitxOEpybU5Edz09>

### **IOS Seminar**

Elizaveta Pronkina (LEDa-LEGOS, Université Paris-Dauphine-PSL)

“USSR, Education, Work History, Fertility Choices, and Later-Life Outcomes”

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This paper investigates the difference in the impact of the Soviet regime on life decisions within the Soviet sphere. We use the retrospective SHARELIFE data to analyze the educational, labor, marriage, and fertility decisions of East Europeans from 1950 to 1990. The main identification strategy is a natural experiment in which we compare former provinces of the Russian Empire in Lithuania and Poland that were exposed to different forms of communism after WWII. For 40 years, Lithuania was a part of the USSR, whereas Poland was a part of the Eastern Bloc. We find that during communism, Lithuanian women worked two years more by age 50 relative to Polish women. This effect is half of the one found for the East-West Germany comparison. Moreover, we observe that women’s educational attainment increased more than men’s. We propose a potential mechanism behind this fact: an indirect channel of improved work opportunities on female education. Accordingly, this paper’s findings highlight the different impacts of the Soviet regime within communist countries.

*Info:*

<https://ios-regensburg-de.zoom.us/j/88653023370>

## **Lunch Seminar**

Stefanie Braun (University of Regensburg)

“Agglomeration and Land Price Spillover Effects in German Housing Markets at the County Level”

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We first estimate changes in the value and price of residential land for 379 German counties (“Landkreise”) from 2014 to 2018 using a total of 42,647 observations. In doing so, we build a database for the cost of housing structures and residential land values at the county-level. We use the two-step residual method that decomposes the value of a home into its structure cost and land value. We then estimate spatial agglomeration and land price effects for the German housing market. We show that county-level spatial agglomeration effects play a large and significant role in explaining the cross-county variations in land prices. For example, a 1 % increase in the median income increases land prices by 3.45 %, whereas a 1 % increase in the population density accounts for an increase of 5.47 % increase in land prices, *ceteris paribus*. We find that similar empirical patterns also hold for house prices but less so for the seven major German cities. Moreover, housing supply factors such as the available land to build and restrictiveness of housing supply are crucial factors in explaining land and house prices. Furthermore, we show that the land price spillover effects are among the dominating factors in the formation of regional house prices. These results suggest that changes in agglomeration variables such as median income (productivity) and population density cannot completely explain disparate local land and house prices. Moreover, our findings thus imply that cycles in the German land values are more likely to affect the evolution of house prices in the future.

*Info:*

<https://uni-regensburg.zoom.us/j/92822525842?pwd=YTdPY2I1RHJGK2NjSitxOEYbU5Edz09>



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**Editorial deadline for Newsletter No. 2021|15:**

**Wednesday, June 2 | 11 am**

## **FAKULTÄT FÜR WIRTSCHAFTSWISSENSCHAFTEN**

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