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UNIVERSITÀ DEGLI STUDI DI SASSARI



SASCA PH.D. CONFERENCE 2022

Venice, 8-9 September 2022

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SASCA Ph.D. Conference

The SASCA Ph.D. Conference is a yearly event jointly organised by the Ph.D. students in Economics at Ca' Foscari University of Venice and at University of Sassari. The conference brings together promising Ph.D. students from many Institutions to encourage the exchange of ideas and networking.

The conference welcomes submissions in any economic field from Ph.D. students and researchers who have just completed their Ph.D. Topics include applied microeconomics, applied macroeconomics, finance and banking, microeconomic theory, macroeconomic theory, econometrics and quantitative methods, behavioural and experimental economics, etc.

The second edition of the SASCA Ph.D. Conference will take place on September 8-9, 2022 at Palazzo Moro, Ca' Foscari University of Venice (Italy).

Organizing and Scientific Committee

Gianni Carboni	University of Sassari
Andrea Ciaccio	Ca' Foscari University of Venice
Petru Crudu	Ca' Foscari University of Venice
Xhiselda Demaj	Ca' Foscari University of Venice
Marco Diamante	Ca' Foscari University of Venice
Enrico Fornasiero	Ca' Foscari University of Venice
Angelica Guzzon	Ca' Foscari University of Venice
Eshagh Jahangiri	Ca' Foscari University of Venice
Simone Nobili	University of Sassari
Antonio Peruzzi	Ca' Foscari University of Venice
Elena Renzullo	Ca' Foscari University of Venice
Roberto Rozzi	Ca' Foscari University of Venice
Giommaria Spano	University of Sassari

Program

Thursday, 8 September 2022

8:30–9:00		Registration	
9:00–9:15		Welcome remarks	
		Session 1A – Applied Macroeconomics & Macroeconomic Theory	
		<i>Chair: Gianni Carboni (University of Sassari)</i>	
9:15–9:45		Corinne Petrakis Queen Mary University of London	Through the Eyes of the Many, not Few: A Behavioural Assessment of Monetary Policy Shocks on Heterogeneous Households
		<i>Discussant: Frantisek Masek (Sapienza University of Rome)</i>	
9:45–10:15		Frantisek Masek Sapienza University of Rome	Average Inflation Targeting Through the Lens of a Behavioral Heterogeneous Agent New Keynesian Model
		<i>Discussant: Corinne Petrakis (Queen Mary University of London)</i>	
10:15–10:45		Claudio Costanzo Université Libre de Bruxelles	Robots, Jobs, and Fertility Timing in Europe
		<i>Discussant: Angelica Guzzon (Ca' Foscari University of Venice)</i>	
10:45–11:15		Coffee break	
		Session 1B – Applied Macroeconomics & Macroeconomic Theory	
11:15–11:45		Simone Nobili University of Sassari	Profit Shifting and Tax Competition in Oligopoly
		<i>Discussant: Ali Elmnejad (Charles University)</i>	
11:45–12:15		Ali Elmnejad Charles University	Macroprudential Intervention and (Un)employed Households
		<i>Discussant: Simone Nobili (University of Sassari)</i>	
12:15–13:45		Lunch	
		Session 2A – Macroeconomics, Finance & Quantitative Methods	
		<i>Chair: Eshagh Jahangiri (Ca' Foscari University of Venice)</i>	
13:45–14:15		Sascha Keweloh TU Dortmund University	Incorporating Economic Theory into Structural Vector Autoregressions — A Non-Invasive Approach
		<i>Discussant: Antonio Peruzzi (Ca' Foscari University of Venice)</i>	
14:15–14:45		Sara Boni Free University of Bozen-Bolzano	A Structural Analysis of Unemployment-Generating Supply Shocks with an Application to the US Pharmaceutical Industry
		<i>Discussant: Sascha Keweloh (TU Dortmund University)</i>	
14:45–15:15		Ioana Farcas Babes-Bolyai University	The Impact of Culture on Government Interventions in the Banking Sector
		<i>Discussant: Eshagh Jahangiri (Ca' Foscari University of Venice)</i>	

15:15–15:30	Short break	
	Session 2B – Macroeconomics, Finance & Quantitative Methods	
15:30–16:00	Giommaria Spano University of Sassari	Financial Friction and Market Power in a General Equilibrium Model
	<i>Discussant: Tsung-Hsien Li (European University Institute)</i>	
16:00–16:30	Tsung-Hsien Li European University Institute	Consumer Bankruptcy: the Role of Financial Frictions
	<i>Discussant: Giommaria Spano (University of Sassari)</i>	
16:30–17:00	Coffee break	
17:00–17:45	Keynote speech – Caterina Mendicino (European Central Bank)	
19:30	Social dinner	

Friday, 9 September 2022

9:00	Start of the day	
	Session 3A – Applied Microeconomics	
	<i>Chair: Xhiselda Demaj (Ca' Foscari University of Venice)</i>	
9:00–9:30	Giulia Romani Ca' Foscari University of Venice	The Political Economy of Regional Development: Evidence from The Cassa per il Mezzogiorno
	<i>Discussant: Miriam Venturini (University of Zurich)</i>	
9:30–10:00	Miriam Venturini University of Zurich	Agricultural Practices, Organized Workers and Female Political Empowerment: Evidence from Italian Mondine
	<i>Discussant: Elena Renzullo (Ca' Foscari University of Venice)</i>	
10:00–10:30	Nick Ridpath University of Oxford	Childcare Subsidies and the Child Penalty: A Life-Cycle Analysis
	<i>Discussant: Xhiselda Demaj (Ca' Foscari University of Venice)</i>	
10:30–11:00	Coffee break	
	Session 3B – Applied Microeconomics	
11:00–11:30	Eleonora Brandimarti University of Geneva	Field of Study, Selection and Returns to University Courses
	<i>Discussant: Nick Ridpath (University of Oxford)</i>	
11:30–12:00	Andrea Berlanda University of Lausanne	Health Policies for Women Empowerment
	<i>Discussant: Enrico Fornasiero (Ca' Foscari University of Venice)</i>	
12:00–12:30	Lorenzo Sileci London School of Economics	Carbon Pricing in Presence of Permeable Borders: The Impact of British Columbia's 2008 Carbon Tax on Road Transportation CO2 Emissions
	<i>Discussant: Andrea Ciaccio (Ca' Foscari University of Venice)</i>	
12:30–14:00	Lunch	

	Session 4A – Experimental Economics & Microeconomic Theory	
	<i>Chair: Ludovica Spinola (Ca' Foscari University of Venice)</i>	
14:00–14:30	Yuki Takahashi European University Institute	Gender Differences in the Cost of Corrections in Group Work
	<i>Discussant: Beatrice Braut (University of Turin)</i>	
14:30–15:00	Beatrice Braut University of Turin	Gender Differences in Competitiveness With or Without Advantages
	<i>Discussant: Yuki Takahashi (European University Institute)</i>	
15:00–15:15	Short break	
	Session 4B – Experimental Economics & Microeconomic Theory	
15:15–15:45	Patrick Allmis University of Antwerp	The Role of Confidence for Disputes
	<i>Discussant: Roberto Rozzi (Ca' Foscari University of Venice)</i>	
15:45–16:15	Roberto Rozzi Ca' Foscari University of Venice	Does Homophily Impede Human Capital Investments?
	<i>Discussant: Patrick Allmis (University of Antwerp)</i>	
16:15–16:45	Coffee break	
16:45–17:30	Keynote speech – Rob Alessie (University of Groningen)	
	End of the conference	

Keynote Speakers

Caterina Mendicino

European Central Bank

Caterina Mendicino is Senior Lead Economist in the Monetary Policy Research Division of the European Central Bank. She is interested in quantitative and empirical research in monetary and financial economics, with a particular focus on the real and financial stability effects of central bank policies and the interaction between monetary and macroprudential policies. She holds a Ph.D from the Stockholm School of Economics (Sweden) and a B.S. from the University of Rome III (Italy). Prior to joining the European Central Bank, Caterina worked as an Economist for the Bank of Portugal and for the Bank of Canada.



Keynote speech: "Distributive Effects of Bank Sector Losses"

Rob Alessie

University of Groningen

Rob Alessie is Full Professor of Microeconometrics at the Faculty of Economics and Business of the University of Groningen (the Netherlands). He is interested in empirical research in several microeconomic areas, including consumer economics, labour economics, household saving behavior, economics of ageing, and health economics. He holds a Ph.D. from Tilburg University. He has previously held positions at the Free University of Amsterdam and at the Utrecht School of Economics. He is on the editorial boards of *De Economist* and *Netspar* (Network for Studies on Pensions, Ageing and Retirement).



Keynote speech: "Giving With a Warm Hand: Evidence on Estate Planning and Inter-Vivos Transfers"

Thursday, 8 September 2022

Session 1A: Applied Macroeconomics & Macroeconomic Theory

Through the Eyes of the Many, not Few: A Behavioural Assessment of Monetary Policy Shocks on Heterogeneous Households

Corinne Petrakis

Queen Mary University of London, United Kingdom

Employing local projections and an external instrument identification scheme, this study evaluates how monetary policy shocks affect heterogeneous households, conditioning on levels of optimism, trust in government, gender, education, age, marital status, number of children and income. It is found that at least some moderate level of optimism serves as a pre-requisite for lowering inflation expectations in response to a contractionary monetary policy shock. Furthermore, households who exhibit the highest levels of optimism in fact lower their inflation expectations by less than households who display moderate levels of optimism. Only households who demonstrate moderate to high trust in government respond negatively to the policy shock. Moreover, the most educated respondents and the highest income earners indicate resilience to lowering their inflation expectations. I conjecture this is either due to the information effect, or these groups and the monetary policy authorities are responding to the same external news source. In either case, highly educated respondents and high income earners seem to interpret a contractionary monetary policy as a sign of a growing economy which leads them to anticipate higher inflation expectations. Further work is necessary to determine the exact root of the cause.

Average Inflation Targeting Through the Lens of a Behavioral Heterogeneous Agent New Keynesian Model

Frantisek Masek (co-author: Jan Zemlicka)

Sapienza University of Rome, Italy

We analyze the optimal window length in average inflation targeting rule within a Behavioral THANK model of Pfäuti and Seyrich (2022) that merges features of heterogeneity from Bilbiie (2021) and behavioral aspects from Gabaix (2020). The central bank faces an occasionally binding effective lower bound (ELB). We show that the optimal averaging period is infinitely long in the case of a conventional degree of myopia. However, for a higher cognitive discounting finite yet long-lasting window length dominates. We solve the model locally and globally to disentangle the effects of uncertainty about hitting the ELB in the future that may lead toward a downward inflation bias in the case of the global solution. The welfare loss difference given the solution technique is considerably decreasing in the degree of history dependence.

Robots, Jobs, and Fertility Timing in Europe

Claudio Costanzo

Université Libre de Bruxelles, Belgium

This paper links labor automation to fertility timing decisions. An optimal stopping model formalises the causal intuition: Individuals adjust the timing based on their expectation regarding how the entrance of robots, which replace existing jobs and create new ones, affects their opportunity cost of childbearing. The numerical application of the model, based on survey data, suggests that the effect of an increase in automation on the willingness to postpone fertility is concave with respect to education. European panel data at the regional level are then used to give empirical support to the theoretical predictions, by constructing a measure of local exposure to industrial robotics, and by adopting a Fixed Effect with Two Stages Least Squares methodology. Consistently with the theory, higher exposure is associated with an anticipation of fertility in low- and high-skilled regional labor markets, and with its postponement in medium-skilled ones.

Session 1B: Applied Macroeconomics & Macroeconomic Theory

Profit Shifting and Tax Competition in Oligopoly

Simone Nobili

University of Sassari, Italy

We study how Multinational Corporations' (MNCs) market power shapes their incentives for shifting profit and how it affects international tax competition. We develop a general equilibrium model with imperfect competition and strategic interaction among firms. The framework allows for firms' market power through common ownership, where firms' managers have the possibility to shift profits away from a large country to a tax haven, by paying a fixed cost. We investigate how firms' market power affects profit shifting and the outcome of governments' strategic tax game. We find that market power increases the number of firms (and their aggregate market share) shifting profits to a tax haven. Therefore, market power enhances the concentration of profits into the tax haven.

Macroprudential Intervention and (Un)employed Households

Ali Elminejad (co-author: Nino Buliskeria)

Charles University, Czech Republic

This paper studies indirect macroprudential intervention's effects on households' welfare within a Two-Agent New Keynesian setting. We develop a Two-Agent New Keynesian DSGE model à la Gertler and Karadi (2011) to compare the welfare impacts of different monetary policy regimes in the presence of a tax policy in the banking system. We investigate whether there is a welfare benefit if a standard Taylor rule incorporates financial variables, in particular, the interest rate spread. Our results suggest that deviating from the standard Taylor rule to its augmented alternative in an unregulated economy is ineffective regarding welfare improvement. On the other hand, within a regulated economy, the maximized welfare of households is given in the presence of a tax policy and a monetary policy rule reacting to the interest rate spread. However, the results are unclear about the welfare-improving role of monetary policy in terms of economic stabilization within both unregulated and regulated economies.

Session 2A: Macroeconomics, Finance & Quantitative Methods

Incorporating Economic Theory into Structural Vector Autoregressions — A Non-Invasive Approach

Sascha Keweloh

TU Dortmund University, Germany

This study proposes to combine SVAR identification approaches based on information in higher moments with traditional restriction based approaches. The proposed estimator allows to incorporate prior economic knowledge using an adaptive ridge-type penalty. Therefore, the structure is incorporated in a non-invasive manner such that correctly imposed structure improves the performance of the estimator and the impact of incorrectly imposed structure decreases with an increasing sample size.

A Structural Analysis of Unemployment-Generating Supply Shocks with an Application to the US Pharmaceutical Industry

Sara Boni (co-author: Francesco Ravazzolo)

Free University of Bozen-Bolzano, Italy

This paper aims to analyze unemployment-generating supply shocks. It proposes a structural vector autoregressive model estimated via a newly assembled identification scheme that relies on a minimum set of sign restrictions dictated by economic theory and recent market developments. We show that unemployment-generating supply shocks coexist with standard supply, demand, financial, and investment shocks, and we assess their impact on different macroeconomic variables. An application to the US pharmaceutical industry finds that the supply shock caused by Covid-19 in the sector is one of a kind. Particularly, the newly identified shock increases industrial production while decreasing the unemployment rate and producer prices in the US pharmaceutical industry.

The Impact of Culture on Government Interventions in the Banking Sector

Ioana Farcas (co-author: Simona Nistor)

Babes-Bolyai University, Romania

How does the national culture influence the government interventions across the banking sector? We aim to answer this question, by analyzing a sample of European countries that experienced financial assistance from government during 2008-2018. We find that regulators are more likely to bail out banks in less masculine, less hierarchical, and higher affective autonomous countries. Moreover, when governments intervene, they provide a greater size of financial assistance in countries with these national cultural characteristics, especially if institutions are stronger and supervisors are more independent. Results are robust to different methods of estimation, subsamples, and additional controls.

Session 2B: Macroeconomics, Finance & Quantitative Methods

Financial Friction and Market Power in a General Equilibrium Model

Giommaria Spano

University of Sassari, Italy

We analyse the real effect of market power induced by ownership concentration in the presence of bankruptcy costs due to costly state verification. We find that such effects crucially depend on the structure of bankruptcy costs. If bankruptcy costs are proportional to the size of firm financing, the only effect of greater ownership is to reduce output and consumer welfare. Differently, when bankruptcy costs are fixed, then greater market power associated with greater ownership concentration also reduces the cost of financing and therefore the probability and the extent of bankruptcy. The associated welfare costs are reduced accordingly, which positively affects welfare. As a consequence, under fixed bankruptcy costs, the overall welfare effect of greater market power due to ownership concentration is potentially ambiguous.

Consumer Bankruptcy: the Role of Financial Frictions

Tsung-Hsien Li

European University Institute, Italy

How do financial frictions affect household borrowing and default behavior? To what extent does frictional financial intermediation influence the welfare implications of consumer bankruptcy regulations? To quantitatively address these questions, I develop an Aiyagari-type model with consumer default and an endogenous banking leverage constraint. The borrowing prices of consumer loans are determined by idiosyncratic default premia and aggregate banking capitalization. Frictional financial intermediation results in higher borrowing costs, thus leading to declines in household debt and firm investment. To inform the policy debates in consumer credit markets, I evaluate the welfare implications of several policy counterfactuals. I find that stricter bankruptcy regimes, through either higher wage garnishment or longer borrowing exclusion, result in aggregate welfare gains. The welfare sensitivity to bankruptcy strictness depends positively on the degree of financial frictions.

Friday, 9 September 2022

Session 3A: Applied Microeconomics

The Political Economy of Regional Development: Evidence from The Cassa per il Mezzogiorno

Giulia Romani (co-author: Tancredi Buscemi)

Ca' Foscari University of Venice, Italy

Institutional design can influence the efficacy of regional development programmes. Specifically, devolution and partisan management of funds may trigger tactical redistribution between different tiers of government and facilitate patronage dynamics at the local level. We test this hypothesis in the context of the Cassa per il Mezzogiorno (CasMez): a massive investment programme for the development of Southern Italy (1950-1984). By 1971, a radical institutional reform modified the CasMez's governance: the authority over funds allocation was transferred from a centralised and technical committee to the newborn Regional governments. This paper investigates how the reform of 1971 affected the CasMez's distributive politics. We focus on the period 1960-1984 and study whether municipalities aligned with the Regional government (i.e controlled by the same party) received more funds compared to unaligned ones. We combine unique historical data on local administrators with detailed information on projects approval and financing, and implement a difference-in-differences strategy. To address possible selection concerns, we also pre-process data through a matching procedure. Our preliminary results suggest that aligned municipalities were assigned a higher number of projects and received larger per-capita funds. That effect is driven by non-refundable subsidies to local firms. This evidence supports our claim that the institutional reform of 1971 distorted funds allocation, and possibly paved the way for rent-seeking pressures by local lobbies and patronage dynamics.

Agricultural Practices, Organized Workers and Female Political Empowerment: Evidence from Italian Mondine

Miriam Venturini (co-authors: Luca Bagnato, Yu Pan)

University of Zurich, Switzerland

We study whether work practices adopted in recent history in agriculture influence the political empowerment of women in a European country. Focusing on Italy, we study the case of female rice weeders and their successful history of unionization and mobilization for better working conditions. Relying on an instrumental variable strategy to predict quasi-exogenous variation in rice production, we test whether the historical presence of female rice weeders predicts differences in measures of political empowerment during the second half of the XX century. We find that towns where rice production was historically relevant had higher support for divorce in the 1974 referendum, have more women in politics, and are more likely to have a nursery school. Our results suggest the importance of collective action of working women to achieve persistent female political empowerment.

Childcare Subsidies and the Child Penalty: A Life-Cycle Analysis

Nick Ridpath

University of Oxford, United Kingdom

The “child penalty” of motherhood represents the reduction in women’s wages upon having children. This paper considers the question of how much of this reduction would be affected by a universal childcare subsidy. I do this by estimating a rich life-cycle model of women’s labour supply and savings choices, using data from Understanding Society. This considers the utility cost of work, the human capital accumulation process, and access to informal forms of childcare. Using this model, I estimate the effect of universal childcare on this child penalty, as well as on women’s wages over the long-run. I find that the cost to women’s earnings from having children is significantly reduced with a universal childcare policy, and that such a policy leads to a small increase in women’s wages later in life.

Session 3B: Applied Microeconomics

Field of Study, Selection and Returns to University Courses

Eleonora Brandimarti

University of Geneva, Switzerland

This project addresses two shortcomings commonly found in the literature on labor market returns to higher education. The first is that returns to groups of degrees (commonly STEM and non-STEM) might depend on the particular grouping choice, which is often discretionary. The second is that even when returns to degrees are considered, little is known on how degree content determines its success or lack thereof. Using survey and administrative data on two cohorts of Italian university graduates, I address the first shortcoming by proposing a new IV strategy to estimate returns to joint bachelor and master degrees which accounts for selection into university and information frictions. I deal with the second shortcoming by decomposing the returns to degrees on their content in order to investigate the relationship between degrees and university courses. The contributions of this paper are threefold. First, I propose a novel IV strategy to estimate returns to bachelor and master degrees accounting for self-selection. This method leverages the timing of educational choices and exclusion restrictions in a simple dynamic choice model to estimate unordered treatment effects, a notoriously cumbersome task. Second, novel data on degree curricula allows me to explore which characteristics of degrees make them economically successful in the first large scale study of university courses. In particular, I investigate how timing of courses and the combination of courses from various fields (multidisciplinarity) affect economic returns to college. Eventually, the dynamic choice model is used to simulate the distribution of students across degrees under different admission rules. Once I account for the choice of degree, standard wage determinants (gender, socio-economic status) are no longer relevant, multidisciplinarity is labor market enhancing only for individuals with a quantitative background, timing is especially important for quantitative courses, which should be offered early (during the bachelor), and entry restrictions are binding for non-quantitative degrees.

Health Policies for Women Empowerment

Andrea Berlanda

University of Lausanne, Switzerland

Can major health interventions promote women empowerment? Focusing on rural Malawi, I study the effect of Antiretroviral Therapy (ART) to combat the HIV/AIDS epidemic on women empowerment. To identify the effect, I use the ART roll-out campaign launched by the Malawian government starting in 2004. Based on the scope and accessibility of treatment, I calculate an index to measure the benefit of ART to a community. Women in communities that have benefited the most from the treatment, both in terms of the number of beneficiaries and access, experienced an increase in decision-making and a decrease in experiencing physical violence. The rise in women empowerment can be explained by the positive effect of health improvement on economic empowerment and human capital formation. This paper calls for a central role of health interventions in future women empowerment campaigns.

Carbon Pricing in Presence of Permeable Borders: The Impact of British Columbia's 2008 Carbon Tax on Road Transportation CO2 Emissions

Lorenzo Sileci

London School of Economics and Political Science, United Kingdom

This paper undertakes a quasi-experimental evaluation of British Columbia's 2008 carbon tax, with a focus on road transportation emissions. A naive application of the synthetic control method identifies emissions reductions of 0.47 metric tons per capita in an average year, or 13.8%, compared to a counterfactual constructed using all other Canadian provinces. A rigorous application of the synthetic control method finds instead a reduction in transportation emissions of 0.22 metric tons per capita in an average year, or 6.8%; however this result is not robust to traditional falsification procedures. Recent extensions of the synthetic control, such as synthetic difference-in-differences, de-meaned and ridge regularised synthetic controls, and matrix completion methods, all highlight a negative effect of the tax on road transportation emissions, albeit with large standard errors, thus not being able to identify a statistically significant estimate. The study also provides the first analysis of the impact of carbon pricing on cross-border fuel shopping in the transportation sector, estimating the impact of the 2008 carbon tax on retail sales in Whatcom county, Washington State, USA. A synthetic difference-in-differences analysis is unable to identify a positive shock on gasoline stations retail sales, decreasing the confidence on the hypothesis that the tax has resulted in significant carbon leakage. Rigorous applications of the synthetic control methodology and its extensions are essential in order to correctly inform the policymaker about the effectiveness of carbon pricing initiatives.

Session 4A: Experimental Economics & Microeconomic Theory

Gender Differences in the Cost of Corrections in Group Work

Yuki Takahashi

European University Institute, Italy

Collaboration is an integral component of workplace environments and part of collaboration also involves correcting one's colleagues. Using a quasi-laboratory experiment, I study whether people dislike collaborating with someone who corrects them and whether the dislike is stronger when that person is a woman. I find that people, including those with high ability, are less willing to collaborate with someone who has corrected them even if the correction improved group performance. In addition, I find suggestive evidence that men respond more negatively to women's corrections and that men's beliefs about gender differences in abilities cannot explain this differential response. These findings suggest that a behavioral bias distorts the optimal selection of talents and penalizes those who correct others' mistakes, and the distortion may be stronger when women correct men.

Gender Differences in Competitiveness With or Without Advantages

Beatrice Braut

University of Turin, Italy

The work investigates the stability of the gender difference in preferences for competition and tests a possible factor that influences it: the discrepancy in the distribution of advantages. So far, the analysis has focused on the link from the gender difference in willingness to compete to the gender asymmetry in the distribution of economic and political key roles. This work aims to study the link in the opposite direction: how being in a (dis)advantaged position can affect the gender difference in the willingness to compete. Subjects play bargaining games where two roles differ by decision contest. In one role subjects have an advantageous position in terms of strategy and earnings, in the other they are on the disadvantaged side. Subjects are randomly assigned to be in the advantaged or disadvantaged role for all the experiment. Competition takes place between subjects who are in the same role and it is based on the payoff they obtain in the bargaining game. By comparing competitive behaviour of subjects assigned to the advantaged role or not, the experiment identifies the effect of having advantages, given the remaining factors. The main result is that behaviour is more rational and does not differ by gender when in the advantaged position, while when disadvantaged the gender gap in competitiveness exists and it causes inefficiencies. Giving an advantageous role makes men with low performances in the game compete less and women with high performances compete more, closing down the total gender gap. This finding helps to explain the competitiveness gap and provides insights on which are the characteristics of the context that make competition detrimental for gender parity and also for efficiency.

Session 4B: Experimental Economics & Microeconomic Theory

The Role of Confidence for Disputes

Patrick Allmis

University of Antwerp, Belgium

I model dispute as a contest between two agents. Expected benefits from dispute depend on endogenous social interactions. More and stronger links increase agents' benefits from disputes. Moreover, agents grow confident in winning a dispute when their peers are opponents of their opponent. Agents have heterogeneous types and decide which types to tolerate. They are in dispute with everyone else. In equilibrium, society consists of cliques or neighborhoods overlap. Dispute intensity is non-monotonic in the socialization cost and how susceptible agents are to peer influence. Encouraging socialization dampens dispute intensity and increases overall socialization when overlaps in neighborhoods are small.

Does Homophily Impede Human Capital Investments?

Roberto Rozzi (co-authors: Ennio Bilancini, Leonardo Boncinelli)

Ca' Foscari University of Venice, Italy

We consider a game between multiple candidates and a decision-maker. Nature assigns each candidate a type (A or B); each candidate chooses his social group and skill (high or low). There are four kinds of tasks, and the decision-maker needs to assign each candidate to a task. Types are relevant for the decision-maker since type A fits particular tasks and type B fits others. Skills are relevant too since only high skilled candidates can do specific tasks. The decision-maker observes each candidate's social group but needs to pay to observe his type and skill. We find that when there is homophily, social groups are informative about candidates' skills and types, and the decision-maker does not need to pay to know the candidates' types and skills. In such a case, the decision-maker never pays to see candidates' skills and types, and candidates never choose the high skill.

List of Participants

Patrick Allmis	University of Antwerp, Belgium
Andrea Berlanda	University of Lausanne, Switzerland
Sara Boni	Free University of Bozen-Bolzano, Italy
Eleonora Brandimarti	University of Geneva, Switzerland
Beatrice Braut	University of Turin, Italy
Gianni Carboni	University of Sassari, Italy
Andrea Ciaccio	Ca' Foscari University of Venice, Italy
Claudio Costanzo	Université Libre de Bruxelles, Belgium
Xhiselda Demaj	Ca' Foscari University of Venice, Italy
Marco Diamante	Ca' Foscari University of Venice, Italy
Ali Elminejad	Charles University, Czech Republic
Ioana Farcas	Babes-Bolyai University, Romania
Enrico Fornasiero	Ca' Foscari University of Venice, Italy
Angelica Guzzon	Ca' Foscari University of Venice, Italy
Eshagh Jahangiri	Ca' Foscari University of Venice, Italy
Sascha Keweloh	TU Dortmund University, Germany
Tsung-Hsien Li	European University Institute, Italy
Frantisek Masek	Sapienza University of Rome, Italy
Simone Nobili	University of Sassari, Italy
Antonio Peruzzi	Ca' Foscari University of Venice, Italy
Corinne Petrakis	Queen Mary University of London, United Kingdom
Elena Renzullo	Ca' Foscari University of Venice, Italy
Nick Ridpath	University of Oxford, United Kingdom
Giulia Romani	Ca' Foscari University of Venice, Italy
Roberto Rozzi	Ca' Foscari University of Venice, Italy
Lorenzo Sileci	London School of Economics and Political Science, UK
Giommaria Spano	University of Sassari, Italy
Ludovica Spinola	Ca' Foscari University of Venice, Italy
Yuki Takahashi	European University Institute, Italy
Miriam Venturini	University of Zurich, Switzerland

Useful Information

Presentations will be held at **Palazzo Moro**, Ca' Foscari University of Venice, in room OD. It is situated on the ground floor of the building.

Coffee breaks and lunches will be offered throughout the conference.

Wi-Fi will be available during the conference. Access to the eduroam network is available in all Ca' Foscari buildings.

The **conference dinner** will be held at the restaurant "Laguna Libre", at Fondamenta Cannaregio, 969, 30121, Venice.

How to get to Venice

By plane: Venice is serviced by two different airports.

- From Marco Polo airport (VCE): There are several services that run from the airport to Venice. Our suggestion is to use one of the two bus services – ACTV line 5 or line 35 ATVO VENEZIA EXPRESS – to reach Piazzale Roma, and then walk to Palazzo Moro. Alternatively, you can take a land taxi to Piazzale Roma, and then walk to Palazzo Moro.
- From A. Canova airport (TSF): Our suggestion is to use the express bus service provided by ATVO to reach Piazzale Roma, and then walk to Palazzo Moro.

By train: Venice's main train station, Venezia Santa Lucia, connects the city with numerous other Italian cities. In order to find the most convenient train connections to Venice and ticket prices, please visit the Trenitalia or Italo websites. Once you arrive at the Venezia Santa Lucia station, you can easily walk to Palazzo Moro.

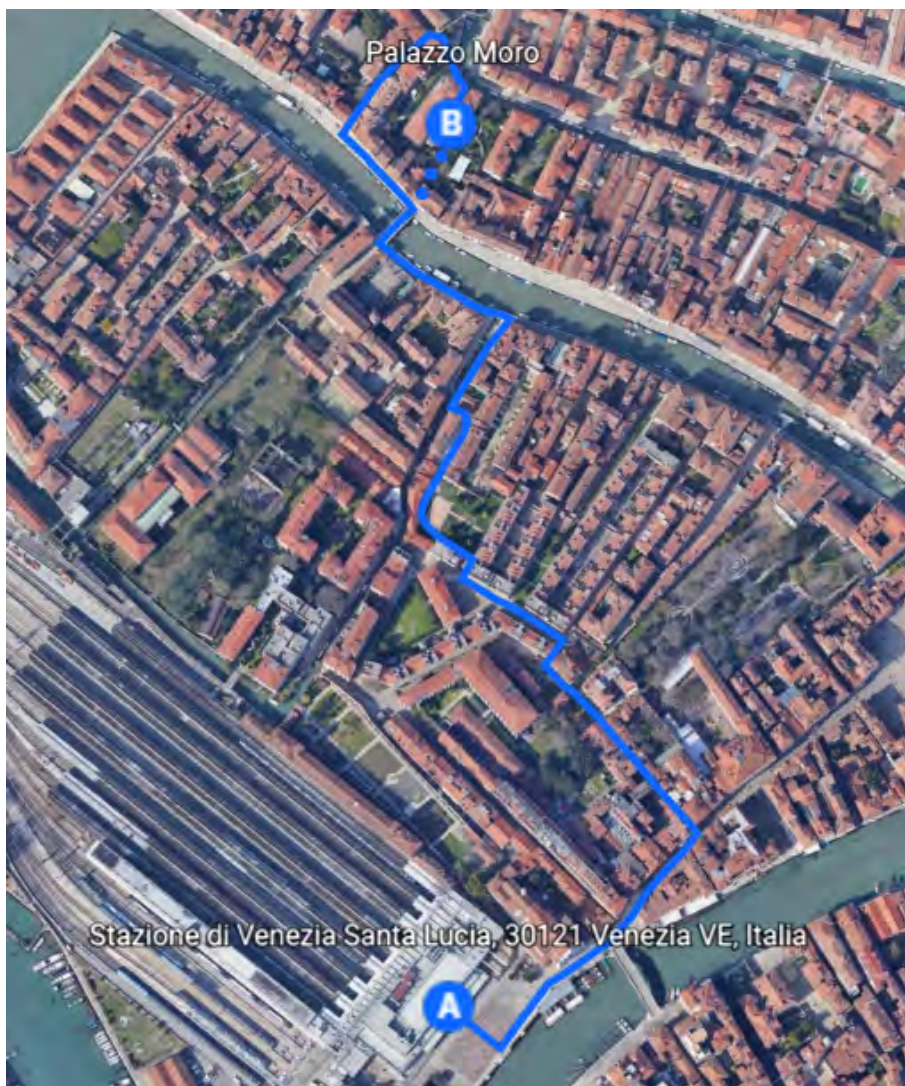
By car: The city centre of Venice is car-free; nevertheless, anybody coming to Venice by car can reach Piazzale Roma by car and leave the car there in one of the available parking garages.

How to get to Palazzo Moro

Palazzo Moro is close to the San Giobbe campus of Ca' Foscari University, in the Cannaregio area of Venice. The address is Cannaregio 2978, 30123 Venice, Italy. Assuming your starting point is the train station/Piazzale Roma, the best way to reach the venue is on foot.

- From outside the train station turn left and continue onto "Rio Terà Lista di Spagna" for 140 m.

- Turn left onto "Calle de la Misericordia", and continue for 150 m.
- Turn right onto "Corte del Muro", and briefly afterwards turn left onto "Corte del Bagolaro". Follow "Corte del Bagolaro" for circa 200 m.
- "Corte del Bagolaro" turns right and becomes "Fondamenta de la Crea"; walk straight ahead until you reach the canal.
- Turn left onto "Fondamenta S. Giobbe", take the bridge ("Ponte de la Crea") and then walk straight ahead for 40 m until you reach another bridge.
- Cross the bridge ("Ponte Tre Archi"), to reach the other side of the canal.
- Turn left and use the gate that is in front of you to get to Palazzo Moro (see dotted blue line on the map).
- In case the gate is not open, continue straight ahead and then turn right onto "Calle delle Cooperative"; at the end of the street turn right to reach the other entrance to Palazzo Moro.



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Ca' Foscari University of Venice | Founded on August 6, 1868 as the “Scuola Superiore di Commercio” (Advanced School for Commerce), Ca' Foscari was the first Italian institution to deal with advanced education in Business and Economics. QS World University Ranking by subject has placed Ca' Foscari among the best top 200 for Economics and Econometrics.



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