

ענה"ל תשס"ז (2006-2007)

ערבי עיון

<u>השתתפו</u>	<u>תאריך</u>	<u>שם ערב העיון</u>
מר יוסי בכר פרופ' חיים בן-שחר פרופ' יצחק גרינברג מר עמוס ספיר	12.12.2006	ערב עיון במלאת 30 שנה למותו של פנחס ספיר. הרצאות בנושא: - פנחס ספיר ושאלת השטחים המוחזקים. - כלכלת שוק ומדיניות חברתית.
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פרופ' יורם וייס פרופ' מנואל טרכטנברג פרופ' עומר מואב פרופ' אפרים צדקה פרופ' אסף רזין	14.3.07	ערב עיון בנושא: "האוניברסיטאות: משבר כלכלי ארגוני ובריחת מוחות" בשיתוף עם הקתדרה ע"ש ברנרד שוורץ.

תוכן ערבי העיון נמצא באתר האינטרנט של מרכז ספיר שכתובתו: [http:// sapir.tau.ac.il](http://sapir.tau.ac.il)

ניירות דיון שיצאו במסגרת מרכז ספיר בשנה"ל תשס"ז

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"Why a Small Probability of Terror Generates a Large Macroeconomic Impact" Ziv Naor under supervision of Zvi Eckstein and Daniel Tsiddon, December 2006	7-06
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"אי-איזון במענקי האיוון : פן מקומי של סדר יום לאומי" דן בן דוד, יובל ארז, אפריל 2007	2-07
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<p><u>Implementing Cooperative Solution Concepts: A Generalized Bidding Approach</u></p> <p>Yuan Ju and David Wettstein</p>	<p>6-06</p>
<p>This paper provides a framework for implementing and comparing several solution concepts for transferable utility cooperative games. We construct bidding mechanisms where players bid for the role of the proposer. The mechanisms differ in the power awarded to the proposer. The Shapley, consensus and equal surplus values are implemented in subgame perfect equilibrium outcomes as power shifts away from the proposer to the rest of the players. Moreover, an alternative informational structure where these solution concepts can be implemented without imposing any conditions of the transferable utility game is discussed as well.</p>	
<p><u>Why a Small Probability of Terror Generates a Large Macroeconomic Impact?</u></p> <p>Ziv Naor under supervision of Zvi Eckstein and Daniel Tsiddon</p>	<p>7-06</p>
<p>We develop a macroeconomic model with fear, represented as a higher level of probability inflation than expected by the cumulative prospect theory, and optimal level of direct anti-terrorism expenditures. The results show that a fairly in-efficient government that chooses to supply the public with a safety commodity may lead to a relatively high production lost, as was estimated by Eckstein and Tsiddon (2004) and Abadie and Gardeazabal (2003).</p>	
<p><u>"Similarity and Heuristics in Consumer Expenditure"</u></p> <p>Itzhak Gilboa, Andrew Postlewaite and David Schmediler, April 2007</p>	<p>1-07</p>
<p>A literal interpretation of neo-classical consumer theory suggests that the consumer solves a very complex problem. In the presence of indivisible goods, the consumer problem is NP-Hard, and it appears unlikely that it can be optimally solved by a human. We therefore suggest a model of a consumer who decides how to spend her budget in a top-down manner, choosing an allocation of her budget among product</p>	

<p>categories. We consider this choice as a function of observable choices of other consumers. Several modes of reasoning may guide the consumer. A case-based budget allocation is defined as a similarity-weighted average of the budget allocations of other consumers.</p> <p>A heuristic-based allocation is guided by linear inequalities involving budget shares. We show that heuristic-based allocations that satisfy a consistency axiom are equivalent to case-based allocations, with respect to a similarity function that may be estimated from data.</p> <p>These modes of behavior are consistent with the neo-classical theory when the latter is applied to categories rather than to specific goods.</p>	
<p align="center"><u>"אי-איזון במענקי האיוון: פן מקומי של סדר יום לאומי"</u></p> <p align="right">דן בן דוד, יובל ארז, אפריל 2007.</p>	<p align="center">2-07</p>
<p>עבודה זו בוחנת את אופן חלוקת מענקי האיוון בשנת 2002, לפני הקיצוץ הגדול, וכן בשנת 2003 – אחרי הקיצוץ. העבודה מכוונת גם לקוראים שאינם כלכלנים אקדמיים. לצד מסלול של נוהלים ברורים לכאורה לחלוקת כספי המענק, ישנו מסלול נוסף של תקנות תקציב רבות המחלקות כשליש מיליארד ש"ח באופן המשנה בצורה ניכרת את ההדגשים. בשנת 2002, ניתנה תמיכה כספית ל-257 (97%) רשויות המקומיות בישראל. לאחר הקיצוץ הגדול, 256 רשויות קיבלו מענקי איוון.</p> <p>לאחר הקיצוץ הגדול שנעשה בשנת 2003, השימוש בשני ערוצי מימון מקבילים איפשר לממשלה להימנע משינוי משמעותי בחלוקת המענקים לפי צורך סוציו-אקונומי. קיימת אפליה לא מבוטלת לפי דת ומיקום – וגם זו לא השתנתה באופן משמעותי לאחר הקיצוץ. בשנת 2003, אחרי הקיצוץ הגדול, רשויות דרוזיות קטנות קיבלו יותר מרשויות ערביות קטנות וכן מרשויות יהודיות קטנות בנגב. רשויות יהודיות בצפון אף זכו למענקים גדולים עוד יותר לתושב. הרשויות היהודיות העשירות ביותר בשטחים ובקרבת גבול לבנון זכו למענקים לתושב גדולים יותר מהמענקים שניתנו לרשויות העניות ביותר מכל שאר המדינה. יותר משליש מהמענקים שחולקו לרשויות קטנות כמענקי האיוון ניתנו כאפליה תקציבית ב-2002, ושוב ב-2003.</p> <p>האם הציבור הרחב מודע לכך שבזמן שיד אחת של משרד הפנים כותבת נוהלים שמטרתם לכאורה הקטנת הפגיעה ברשויות החלשות כתוצאה מהקיצוץ הרחב, היד השניה של אותו משרד מחלקת מענקים באופן שמשמר באופן מלא את אותה הפגיעה? האם הציבור מודע להשלכות ארוכות הטווח של אפליית קבוצות מסוימות בהיקפים כאלה על חשבון הקבוצות האחרות, והאם אלה אכן אותן עדיפויות המשקפות את הצבעת מרבית הבוחרים במדינה? הכוונה כאן הינה להפנות זרקור אל סדר העדיפויות הלאומי בפועל בתחום זה, כפי שזה בא לידי ביטוי מתוך מכלול</p>	

<p>הנתונים, ולאפשר לקובעי המדיניות ולציבור הרחב לשקול מחדש אם כך אכן צריך וראוי לחלק את כספי הציבור המוגבלים של תקציב המדינה.</p>	
<p><u>"Delegated Trust: The Role of Agency in Trust Relationship"</u></p> <p>Chaim Fershtman</p>	<p>3-07</p>
<p>Trust is an important ingredient of human interaction. Would two players trust each other more when they play the game directly with each other or the use of an "agent" that play the game on their behalf may promote such trust? The paper conducts an experiment in which the players play different variations of the trust game. While in the original trust game it is the second player that decides how much he wishes to return to the first player, in our experiment we let an agent make this decision. All the treatments in our experiment were strategically equivalent and the agents' payoffs were identical and independent of their decisions. We vary the description or the title of the agent. In the first treatment the agent was labeled just as an agent. In the second treatment he was labeled as the agent of the first player while in the third treatment he was labeled as the agent of the second player. In the last two treatments we strengthen the association of the agent with the players such that the "source" of the agents' payment can be identified. While all the treatments have been strategically equivalent there was an interesting variation in the players' payoffs but the only effect which we found significant is that the agents' returns have been higher than those of the original players.</p>	
<p><u>"Investment in Schooling and the Marriage Market"</u></p> <p>Pierre Andre Chaippori, Murat Iyigun and Yoram Weiss</p>	<p>4-07</p>
<p>We present a model with pre-marital schooling investment, endogenous marital matching and spousal specialization in homework and market production. Investment in schooling raises wages and generates two kinds of returns in our framework: a labor-market return and a marriage-market return because education can affect the intra-marital share of the surplus one can extract from marriage. When the returns to education and household roles are gender neutral, men and women educate in equal proportions and there is pure positive assortative matching in the marriage market. But if men and women have</p>	

different market returns or household roles, then there may be mixing in equilibrium where some educated individuals marry uneducated spouses and those who educate less extract a relatively larger share of the marital surplus. The existence of large and frictionless marriage markets creates competition among potential spouses, precludes bargaining and generates premarital investments that are efficient. Given that the gender wage gap narrows with the level of education, women's labor-market return from schooling is higher than that of men. Moreover, women's household time obligations have declined over time, raising their marriage-market return from schooling. Combining these two effects, we explain why women now attain higher schooling levels than men.	
<u>"Productivity and Taxes as Drivers of FDI"</u> Assaf Razin, Efraim Sadka	5-07
<p>We develop a framework in which the host country productivity has a positive effect on the intensive margin (the size of FDI flows), but only an ambiguous effect on the extensive margin (the likelihood of FDI flows to occur). The source-country productivity has a negative effect on the extensive margin.</p> <p>An increase in the host-country corporate tax rate reduces the actual FDI flows the likelihood of such flows to occur. An increase in the source-country corporate tax rate reduces the likelihood of FDI flows. These predictions are confronted with Data on FDI flows, drawn from the International Direct Investment dataset (Source OECD), covering the bilateral FDI flows among 18 OECD countries over the period 1987 to 2003. We find some support for the main predictions of the model.</p>	
<u>"Human Capital and Inequality Dynamics: The Role of Education Technology"</u> Jean-Marie Viaene, Itzhak Zilcha	6-07
<p>The paper studies differences in education technology and their effects on income distributions. Our overlapping generations economy has the following features: (1) consumers are heterogenous with respect to ability and parental human capital; (2) intergenerational transfers take place via parental education and, public investments in education financed by taxes (possibly, with a level determined by majority voting).</p>	

<p>We explore several variations in the production of human capital, some attributed to 'home-education' and others related to 'public-education', and indicate how various types of technological changes affect the intragenerational income inequality along the equilibrium path.</p>	
<p><u>"Mechanisms and Impacts of Gender Peer Effects at School"</u> Victor Lavy and Analia Shlosser</p>	<p>7-07</p>
<p>The consequences of gender social and learning interactions in the classroom are of interest to parents, policy makers, and researchers. However, little is known about gender peer effects in schools and their operational channels. In this paper, we estimate the effects of classroom gender composition on scholastic achievements of boys and girls in Israeli primary, middle, and high schools and identify the mechanisms through which these peer effects are enacted. In particular, we examine whether gender peer effects work through changes in classroom learning and social environment, teaching methods and pedagogy, and teacher burnout and work satisfaction. In assessing these mechanisms, we distinguish between the effects generated by changes in the classroom gender composition and those generated by changes in the behavior of students. To control for potentially confounding unobserved characteristics of schools and students that might be correlated with peer gender composition, we rely on idiosyncratic variations in gender composition across adjacent cohorts within the same schools. Our results suggest that an increase in the proportion of girls leads to a significant improvement in students' cognitive outcomes. The estimated effects are of similar magnitude for boys and girls. As important mechanisms, we find that a higher proportion of female peers lowers the level of classroom disruption and violence, improves inter-student and student-teacher relationships as well as students' overall satisfaction in school, and lessens teachers' fatigue.</p> <p>We find, however, no effect on individual behavior of boys or girls, which suggests that the positive peer effects of girls on classroom environment are due mostly to compositional change, namely due to having more girls in the classroom and not due to improved behavior of peers.</p>	

<p><u>"Welfare Implications of the Transition to High Household Debt"</u></p> <p>Jeffrey R. Campbell and Zvi Hercowitz</p>	<p>8-07</p>
<p>Aggressive deregulation of the mortgage market in the early 1980s triggered innovations that greatly reduced the required home equity of U.S. households. This allowed households to cash-out a large part of accumulated equity, which equaled 71 percent of GDP in 1982. A borrowing surge followed: Household debt increased from 43 to 62 percent of GDP in the 1982-2000 period. What are the welfare implications of such a reform for borrowers and savers? This paper uses a calibrated general equilibrium model of lending from the wealthy to the middle class to evaluate these effects quantitatively.</p>	
<p><u>"Investor Protection and Interest Group Politics"</u></p> <p>Lucian A. Bebchuk and Zvika Neeman</p>	<p>9-07</p>
<p>We model how lobbying by interest groups affects the level of investor protection. In our model, insiders in existing public companies, institutional investors (financial intermediaries), and entrepreneurs who plan to take companies public in the future, compete for influence over the politicians setting the level of investor protection. We identify conditions under which this lobbying game has an inefficiently low equilibrium level of investor protection. Factors that operate to reduce investor protection below its efficient level include the ability of corporate insiders to use the corporate assets they control to influence politicians, as well as the inability of institutional investors to capture the full value that efficient investor protection would produce for outside investors. The interest that entrepreneurs (and existing public firms) have in raising equity capital in the future reduces but does not eliminate the distortions arising from insiders' interest in extracting rents from the capital public firms already have. Our analysis generates testable predictions, and can explain existing empirical evidence, regarding the way in which investor protection varies over time and around the world.</p>	