
VIENNA JOINT ECONOMICS SEMINAR

October 6, 2011

**Institute for Advanced Studies
1060 Vienna, Stumpergasse 56**

!! HS II

(lecture room ground floor) !!

4:00 pm

Ben Heijdra

University of Groningen

**"A tragedy of annuitization?
Longevity insurance in general equilibrium"**

5:30 pm

Olivier Gossner

Paris School of Economics and
London School of Economics

"Impermanent types and permanent reputations"

DOWNLOAD SITE FOR PAPERS (IF AVAILABLE) AND SEMINAR SCHEDULE: <http://econ.univie.ac.at/>
NOTE: Participation of advanced students in this seminar is highly recommended.



ABSTRACTS

Ben Heijdra

University of Groningen

"A tragedy of annuitization? Longevity insurance in general equilibrium"

We construct a tractable discrete-time overlapping generations model of a closed economy and use it to study government redistribution of accidental bequests and private annuities in general equilibrium. Individuals face longevity risk as there is a positive probability of passing away before the retirement period. We find non-pathological cases where it is better for long-run welfare to waste accidental bequests than to give them to the elderly. Next we study the introduction of a perfectly competitive life insurance market offering actuarially fair annuities. There exists a tragedy of annuitization: although full annuitization of assets is privately optimal it is not socially beneficial due to adverse general equilibrium repercussions.

with Jochen Mierau (University of Groningen) and Laurie Reijnders (University of Groningen)

Olivier Gossner

Paris School of Economics and London School of Economics

"Impermanent types and permanent reputations"

We study the impact of unobservable stochastic replacements of the long-run player in the classical reputation model between a long-run player and a series of short-run players. We provide explicit lower bounds on the Nash equilibrium payoffs of a long-run player, both ex-ante and ex-interim following any positive probability history. Under general conditions on the convergence rates of the discount factor to one and of the rate of replacement to zero, both bounds converge to the Stackelberg payoff if the type space is sufficiently rich - hence reputation effects are permanent. These limiting conditions hold in particular if the game is played very frequently.

with Mehmet Ekmekci (MEDS, Kellogg School of Management, Northwestern University) and Andrea Wilson (NYU)

VIENNA JOINT ECONOMICS SEMINAR

Michael Reiter (Institute for Advanced Studies), Karl Schlag (University of Vienna)

Venue: Institute for Advanced Studies, 1060 Vienna, Stumpergasse 56

Schedule Fall/Winter 2011/2012

UNIT	DATE	ROOM	SEMINAR
1	Thu, Oct 6 4:00 pm	HS II	Ben Heijdra , University of Groningen <i>"A tragedy of annuitization? Longevity insurance in general equilibrium"</i> Olivier Gossner , Paris School of Economics and London School of Economics <i>"Impermanent types and permanent reputations"</i>
2	Thu, Oct 20 4:00 pm	HS II	Morten Ravn , University College London Ramon Marimon , European University Institute, Florence
3	Thu, Nov 3 4:00 pm	HS II	Jean-Charles Rochet , Toulouse School of Economics Etienne Wasmer , Sciences Po Paris
4	Thu, Nov 17 4:00 pm	HS II	Peyton Young , Johns Hopkins University Johannes Hoerner , Yale
5	Thu, Nov 24 4:00 pm	HS II	Michihiro Kandori , University of Tokyo Speaker tba
6	Thu, Dec 1 4:00 pm	HS II	Hannu Salonen , University of Turku Ariel Rubinstein , Tel Aviv University
7	Thu, Jan 12 4:00 pm	HS II	Søren Johansen , University of Copenhagen Antonella Trigari , Bocconi University
8	Thu, Jan 26 4:00 pm	HS II	Antonio Ciccone , Universitat Pompeu Fabra Fernando Vega-Redondo , European University Institute, Florence

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