



NEWSLETTER 2019-16

CALENDAR:

Departmental Seminar

Bettina Brüggemann (McMaster University, Hamilton):
Entrepreneurship, Housing, and Wealth

Monday, July 08
16:30–18:00
H25

Lunch Seminar

Christine Binzel (FAU Erlangen-Nürnberg):
*Vernacularization, the Protestant Reformation and
Development*

Wednesday, July 10
12:00–13:30
VG 2.35

ABSTRACTS:**Departmental Seminar**

Bettina Brüggemann:

Entrepreneurship, Housing, and Wealth

Abstract: In this paper we ask to what extent housing and entrepreneurship interact to determine the evolution of the wealth distribution during the housing boom in the early 2000s. We first develop of a quantitative framework that nests a portfolio choice problem within a standard model of entrepreneurship. We then calibrate the model to the United States in between 1987 and 1996 (prior to the onset of the housing boom), paying close attention to the portfolio shares of housing, noncorporate business and other net wealth from the Survey of Consumer Finances (SCF). We then use our model to calculate how much of the increase in wealth inequality in the early 2000s can be explained by the price and regulatory changes occurring in the housing sector during the housing boom.

Lunch Seminar

Christine Binzel (joint work with Andreas Link and Rajesh Ramachandran):

Vernacularization, the Protestant Reformation and Development

Abstract: In Europe from the 1450s, Latin, a language whose knowledge was restricted to a small section of elites in society, was gradually replaced by languages that were widely spoken and used for everyday interpersonal communication. In this paper, we explore the causes and consequences of this linguistic transformation. We present a conceptual framework to understand vernacularization, and use this framework to analyze the role of the Protestant Reformation in promoting the usage of the common tongues as language of writing in Europe. Drawing on data on all books and pamphlets published in Europe between 1451-1600 as well as city-level data, our results are consistent with our conceptual framework. First, the Protestant Reformation was associated with a temporary surge in vernacular works on religious topics in Protestant compared to Catholic cities. Second, and importantly, the Protestant Reformation led to a strong secular increase, i.e. across Protestant and Catholic cities, in vernacular works on both religious and non-religious topics, such that by the end of the 16th century, the majority of works is printed in the vernacular. Exploring the consequences of the vernacularization of texts on subsequent city growth shows that book production on non-religious topics (rather than on religious topics) in the vernacular (rather than in Latin) is positively and significantly correlated with city growth over the period 1600-1700. Overall, our results suggest that one of the channels through which the Protestant Reformation altered Europe's institutional architecture and fostered economic development was via spurring the usage of the common tongues.

VISITORS:

Benjamin Elsner (University College Dublin) will visit the Department of Economics July 22-26 and August 6-14. He will be in office RWL 4.18.

MISCELLANEOUS:

The **CITAS Dialog 2019** will take place on Wednesday, July 10 at H26 (18:15).

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**RegensburgEconNews**

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