



NEWSLETTER 2019-25

CALENDAR:

Departmental Seminar

Alessia Russo (Norwegian Business School):
Optimal Sustainable Intergenerational Insurance

Monday, November 18
16:30–18:00
H26

Economic and Social History Seminar

Tobias Jopp (Regensburg):
*Full Steam Ahead: Insider Knowledge, Stock Trading,
and Internationalization of the Railways in Prussia at
the End of the 1870s*

Wednesday, November 20
18:15–20:30
VG 1.30

ABSTRACTS:

Departmental Seminar

Alessia Russo:

Optimal Sustainable Intergenerational Insurance

Abstract: Intergenerational insurance is examined in a stochastic overlapping generations endowment economy. Intergenerational insurance is sustainable when risk-sharing transfers are voluntary. Insurance transfers are chosen by a planner maximizing the discounted utility of all generations whilst respecting the constraint that transfers are voluntary. Sustainable intergenerational insurance is history-dependent with occasional resetting. There is strong convergence to a non-degenerate invariant distribution. A case with two states is examined and implications for the distribution and transition of consumption are considered. Extensions of the model and the relationship to the literature are discussed.

Economic and Social History Seminar

Tobias Jopp:

Full Steam Ahead: Insider Knowledge, Stock Trading, and Internationalization of the Railways in Prussia at the End of the 1870s

Abstract: The costs and benefits of insider trading is a persistently and controversially debated topic among academics and the public. We study insider trading during the first wave of railway nationalization in Prussia around 1879 when it was still legal and insiders allegedly incurred large profits. We show that insiders were active at the Berlin Bourse, but could be so only in a very small time-window limiting their options sustainably. The modest extent of insider trading was not due to insiders' ethical reservations. Rather, the bourse's institutional design limited excessive insider trading in the absence of formal laws against it.

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Wednesday, November 20 – 11 am

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