



Department of Economics Newsletter

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Contents

Spotlight

Faculty Research: The Real Roots of Midlife Crisis	2
Faculty Research: Publications	4
Awards and Distinctions	7
New Faculty Members	8

Education

ZurichGSE News	10
----------------	----

Internal News

Engineering - Preparing the Ground for Excellence	12
---	----

Events

Department Events 2016	14
------------------------	----



New faculty merchandise: T-Shirts and Hoodies

Dear reader,

In a few days, the department will be bustling with energy and new faces: Five Professors and Assistant Professors, 16 PhD Students, and around 200 Bachelor Students are new to the Department, ready to share the next chapter of their life with us – something we hope they are just as excited about as we are.

With great joy I announce that a considerable number of new professors will join our department this fall or in January 2017. This is the result of our large efforts, the support of the University of Zürich and the generous donations received from numerous donors - such as the Cantonal Bank of Zurich, Swiss Re and Unicef Switzerland - and, in particular, UBS Center. Due to these hiring successes we are now a big step closer to our goal of becoming - and maintaining the status of - one of the leading European Departments of Economics.

We introduced Dina Pomeranz to you in our last newsletter; in this edition, you will find a short introduction to Lorenzo Casaburi, Damian Kozbur, Guilherme Lichand, and David Yanazigawa-Drott on pages 8 and 9.

Our research spotlight might be something for all new and older members of the Department to bear in mind: There is a U-shape in life and job satisfaction, and it happens to the best of us, as Prof. Hannes Schwandt explains. The good news is that this slump passes and life satisfaction increases again with age. You can read why we experience such a midlife crises on page 2.

Furthermore, I would like to focus on some of our non-academic employees. Without much public attention, they prepare the ground for the excellence in research we aspire to. All the exciting experiments and neuroscience we do at the SNS Lab would not be possible without our engineering team, as you will see on page 12.

I hope you enjoy this edition. If you want to stay up to date with what is going on at the Department, follow us on twitter @econ_uzh or visit www.econ.uzh/news.

Rainer Winkelmann
Chairman of the Department of Economics

Faculty Research

Why Life Satisfaction Slumps in Midlife

A midlife crisis or mid-career slump in satisfaction can happen to anyone, even to those who seem to have the most fulfilling jobs. Dissatisfaction, frustration or, more visibly, random acts attempting to regain a sense of youth can be the result. When the crisis hits, it inflicts pain on the individual in question and causes productivity losses for employers. Yet, the phenomenon remains stigmatized and underresearched, leaving crucial questions unanswered. What are the causes? Why does this malaise seem to strike in midlife? And how can those who are stuck in its grips shake themselves loose?

2 An emerging literature in economics has started to investigate what happens during midlife, providing insights that might help people and firms to better handle these painful and costly episodes. Mid-career crises are a widespread regularity, rather than the misfortune of a few. Yet, there is good news: In the second half of people's working lives, job satisfaction increases again, in many cases reaching higher levels than earlier in the career — essentially forming a U-shaped curve.

This age-related U-shape in job satisfaction is part of a much broader phenomenon. A similar midlife nadir is found in measures of people's overall life satisfaction across the globe. On average, life satisfaction is high when people are young, then starts to decline in the early 30s, bottoming out between the mid-40s and mid-50s before increasing again to levels as high as during young adulthood. This U-curve occurs across the entire socio-economic spectrum, hitting senior-level executives as well as blue-collar workers and stay-at-home parents. It affects childless couples as well as single people or parents of four. In short, a mid-career crisis does not discriminate.

So what drives the midlife slump in job and life satisfaction if it is independent of people's life circumstances? And if it is such a widespread phenomenon, why does it seem to catch us by surprise? To answer these questions, a recent study by Hannes Schwandt analyzes data from the German Socio-Economic Panel that followed 23,000 individuals from 1991 to 2004. In this survey, people report their current life satisfaction as well as their expected satisfaction in five years' time. Since the same individuals are interviewed each year, it is possible to see if people accurately predicted their future life satisfaction.

Youth's optimism meets adult's realism

Young people, it turns out, are overly optimistic, expecting significant increases in life satisfaction, rather than anticipating the slide down the U-curve. Young adults typically believe that they will “beat the average” — that they will be the lucky ones who will end up with a top job, a happy marriage, and healthy children. Neuroscientists believe that overoptimism is based on biased information processing in the brain, which makes it difficult to correct overly rosy expectations in the young (this bias might actually be evolutionary efficient, as a powerful driver for seeking progress).

As we age, things often do not turn out as nicely as we planned. We may not climb up the career ladder as quickly as we wished. Or we do, only to find that prestige and a high income are not as satisfying as we expected them to be. At the same time, the high expectations about the future adjust downwards. Midlife essentially becomes a time of double misery, made up of disappointments and evaporating aspirations. Paradoxically, those who objectively have the least reason to complain (e.g. those with a desirable job) often suffer most. They feel ungrateful and disappointed with themselves particularly because their discontent seems so unjustified — which creates a potentially vicious circle.

As a whole, these findings tell a story in which the age U-shape in job (and overall life) satisfaction is driven by unmet aspirations that are painfully felt in midlife, when reality, as it is, requires to be acknowledged. Beneficially, the aging brain learns to feel less regret about missed chances, as brain studies have shown. This combination of accepting life and feeling less regret about the past leads to an increase in life satisfaction.

Faculty Research

It is just a phase

In Hannes Schwandt's study, this pattern emerged regardless of people's socio-economic status, their gender, or whether they lived in East or West Germany, despite the cultural differences in the decade right after unification. Periods of "mid-career crisis" seem to be part of a natural developmental process, driven by biology rather than the specifics of a particular job or life circumstances. Hence, drastic career or lifestyle changes are unlikely to make you feel better off. If the burned out Wall Street lawyer and the dissatisfied NGO activist were to change seats, perhaps neither would end up more content.

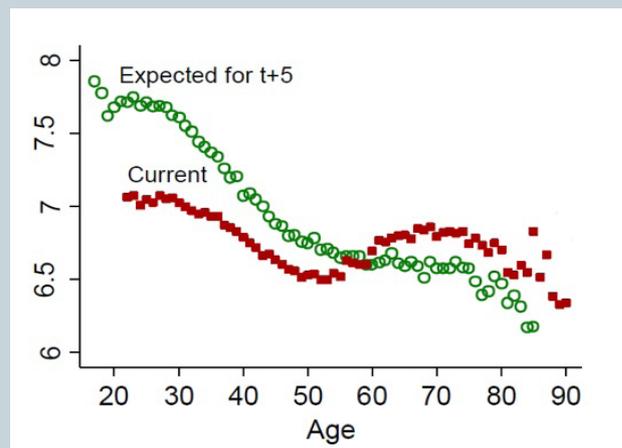
The data seems to suggest that if you are in the throes of a mid-career crisis, maybe you should just wait it out until the U-curve's upward slope is reached. But there is more we can do in the face of this mid-career malaise:

- At the individual level, acknowledging mid-career dissatisfaction as a normal and temporary stage in one's work life provides a light at the end of the tunnel. Moreover, understanding that feeling regret from unmet aspirations is a widely shared experience helps break the vicious circle of disappointment about feeling discontented.
- At the firm level, HR could consider mid-career mentoring programs. Mentoring is usually directed at early career stages and continues only informally through the rest of a person's career. The findings suggest that those in a mid-career low can learn from their older colleagues who already went through the valley and have emerged feeling less regret, having adapted to life's circumstances. A corporate culture that openly addresses mid-career discontent could support employees during this reorientation process and reduce frustration, demotivation, and fluctuation.
- While a mid-career crisis can be a painful time in life, it can also be an opportunity to reflect and to reevaluate personal values. Whether one chooses to wait out the discontent, or make a drastic change in the hopes of a brighter tomorrow, one thing remains for sure: this too shall pass. Take heart when you find yourself in the depths of this U-shaped curve, because things will only look up from here.

Over- and underestimation of future life satisfaction

Hannes Schwandt analyzed life satisfaction expectations in a unique longitudinal German survey that followed 23,000 individuals from 1991 to 2004. This data allows to compare respondents' expectations about their future life satisfaction with their later actual realizations.

As the figure below shows, people tend to overestimate their future life satisfaction in their younger years. At around 50 years of age expected and experienced life satisfaction aligns. After that people are less optimistic looking into the future and expect lower life satisfaction. This pattern is in line with the hypothesis that the age U-shape is driven by unmet expectations that are painfully felt in midlife but beneficially abandoned and felt with less regret at older ages.



An edited version of this text was published by Hannes Schwandt in the Harvard Business Review under the title "Why so many of us experience a midlife crisis."

Reference

Schwandt, Hannes (2016). "Unmet Aspirations as an Explanation for the Age U-shape in Wellbeing," *Journal of Economic Behavior and Organization*, 122: 75-87.

Faculty Research

Publications

Selected Publications in Economics

Bierbrauer, Felix & Netzer, Nick (2016). “Mechanism design and intentions,” *Journal of Economic Theory*, 163: 557-603.

The authors introduce intention-based social preferences into mechanism design. They explore information structures that differ with respect to what is commonly known about the weight that agents attach to reciprocal kindness. When the designer has no information on reciprocity types, implementability of an incentive-compatible social choice function is guaranteed if it satisfies an additional insurance property. By contrast, precise information on reciprocity types may imply that all efficient social choice functions are implementable.

4

Bustos, Paula; Caprettini, Bruno & Ponticelli, Jacopo (2016). “Agricultural Productivity and Structural Transformation. Evidence from Brazil,” *American Economic Review*, 106(6):1320-1365.

The authors study the effects of the adoption of new agricultural technologies on structural transformation. To guide empirical work, they present a simple model where the effect of agricultural productivity on industrial development depends on the factor bias of technical change. The authors test the predictions of the model by studying the introduction of genetically engineered soybean seeds in Brazil, which had heterogeneous effects on agricultural productivity across areas with different soil and weather characteristics.

Currie, Janet & Schwandt, Hannes (2016). “Inequality in mortality decreased among the young while increasing for older adults, 1990-2010,” *Science*, 352(6286): 708-712.

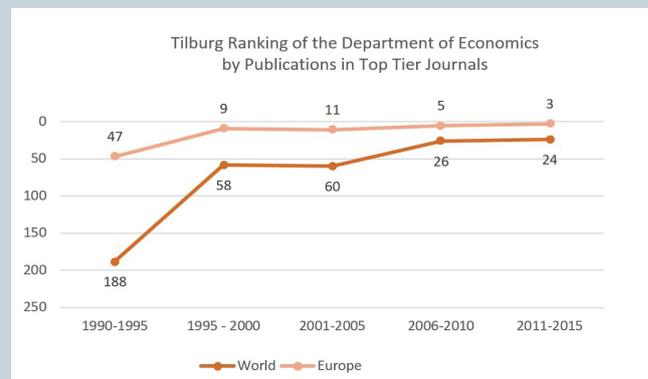
Many recent studies point to increasing inequality in mortality in the United States over the past 20 years. These studies often use mortality rates in middle and old age. The authors used poverty level rankings of groups of U.S. counties as a basis for analyzing inequality in mortality for all age groups in 1990, 2000, and 2010. Consistent with previous studies, they found increasing inequality in mortality at older ages. For children and young adults below age 20, however, they found strong mortality improvements that were most pronounced in poorer counties, implying a strong decrease in mortality inequality.

Tilburg Ranking confirms Department’s strength in Publications

The Tilburg Ranking is an international ranking based on publications in the most relevant economic and business journals.

Over the last 20 years the Department of Economics has increased its score in publications in the top five journals* by fourfold and is now ranked the European number three (behind the London School of Economics and University College London). In the worldwide comparison, the Department ranks at number 24.

Obviously, we are quite proud that we have achieved such a high rank in the competitive environment we find ourselves in.



More about rankings: www.econ.uzh/rankings.

Top five journals used for this comparison: *American Economic Review*, *Econometrica*, *Journal of Political Economy*, *Quarterly Journal of Economics*, and *Review of Economic Studies*.

Faculty Research

Publications

Further Publications in Economics

Autor, David; Dorn, David & Hanson, Gordon (2016). “The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade,” *Annual Review of Economics*, forthcoming.

China’s emergence as a great economic power has induced an epochal shift in patterns of world trade.

Baetschmann, Gregori & Winkelmann, Rainer (2016). “A Dynamic Hurdle Model for Zero-Inflated Count Data,” *Communications in Statistics – Theory and Methods*, forthcoming.

The authors provide a new explanation of extra zeros, related to the underlying stochastic process that generates events.

Bartling, Björn & Netzer, Nick (2016). “An Externality-Robust Auction: Theory and Experimental Evidence,” *Games and Economic Behavior*, 97: 186-204.

This paper studies the novel concept of externality-robustness, which addresses players’ motives to affect other players’ monetary payoffs.

Currie, Janet & Schwandt, Hannes (2016). “Mortality Inequality: The Good News from a County-Level Approach,” *Journal of Economic Perspectives*, 30(2): 29-52.

In this essay, the authors ask whether the distributions of life expectancy and mortality have become generally more unequal, as many seem to believe, and we report some good news.

Kiedaisch, Christian (2015). “Intellectual property rights in a quality-ladder model with persistent leadership,” *European Economic Review*, 80: 194-213.

This paper analyzes the effects of intellectual property rights in a quality-ladder model of endogenous growth in which incumbent firms preemptively innovate in order to keep their position of leadership.

Kunz, Johannes & Winkelmann, Rainer (2016). “An econometric model of health care demand with non-linear pricing,” *Health Economics*, forthcoming.

The authors develop a new model for estimating the effect of a co-payment on the individual number of doctor visits per quarter.

Schwandt, Hannes & Wuppermann, Amelie (2016). “The Youngest Get the Pill: ADHD Misdiagnosis in Germany, Its Regional Correlates and International Comparison,” *Labour Economics*, forthcoming.

Using rich administrative health insurance claims data from Germany the authors study the effects of relative school entry age on ADHD risk in Europe’s largest country and relate the effects for Germany to the international evidence.

Studer, Raphael & Winkelmann, Rainer (2016). “Econometric Analysis of Ratings: With an Application to Health and Wellbeing,” *Swiss Journal of Economics and Statistics*, forthcoming.

The authors propose a new non-linear regression model for rating dependent variables where the rating scale model accounts for the upper and lower bounds of ratings.

Faculty Research

Publications

Further Publications in Neuroeconomics

Buzdugan, Laura; Kalisch, Markus; Navarro, Arcadi; Schunk, Daniel; Fehr, Ernst & Bühlmann, Peter (2016). “Assessing statistical significance in multivariable genome wide association analysis,” *Bioinformatics*, 32(13): 1990–2000.

The authors propose a procedure in which all the SNPs are analyzed in a multiple generalized linear model, and we show its use for extremely high-dimensional datasets.

Luigjes, Judy; Figeet, Martijn; Tobler, Philippe N.; van den Brink, Wim; de Kwaasteniet, Bart; van Wingen, Guido & Denys, Damiaan (2016). “Doubt in the Insula: Risk Processing in Obsessive-Compulsive Disorder,” *Frontiers in Human Neuroscience*, 10: 283.

The authors investigated neural activity during risk processing using functional magnetic resonance imaging and simultaneously assessed risk attitude using a separate behavioral paradigm in OCD patients with different symptoms versus healthy controls (HCs).

Kirschner, Matthias; Hager, Oliver M.; Bischof, Martin; Hartmann, Matthias N.; Kluge, Agne; Seifritz, Erich; Tobler, Philippe N. & Kaiser, Stefan (2016). “Ventral striatal hypoactivation is associated with apathy but not diminished expression in patients with schizophrenia.” *Journal of Psychiatry & Neuroscience*, 41(3):152-161.

The primary aim of the study was to examine the neural correlates of the negative symptom dimensions apathy and diminished expression during a reward processing task.

Saga, Yosuke; Richard, Augustin; Sgambato-Faure, Véronique; Hoshi, Eiji; Tobler, Philippe N. & Tremblay, Léon (2016). “Ventral Pallidum Encodes Contextual Information and Controls Aversive Behaviors,” *Cerebral Cortex*, Online Publication.

In this study, the authors used single-cell recordings and bicuculline (GABAA antagonist) injections to elucidate the role of VP both in the encoding of aversive context and in active avoidance.

Romano, Joseph P & Wolf, Michael (2016). “Efficient Computation of Adjusted P-Values for Resampling-Based Step-down Multiple Testing,” *Statistics & Probabilities Letters*, 113: 38-40.

The original papers only describe how to carry out multiple testing at a fixed significance level. Computing adjusted p-values instead in an efficient manner is not entirely trivial. Therefore, this paper fills an apparent gap by detailing such an algorithm.

Thoern, Hanna A.; Grueschow, Marcus; Ehlert, Ulrike; Ruff, Christian & Kleim, Birgit (2016). “Attentional bias towards positive emotion predicts stress resilience,” *PLoS One*, 11(3): e0148368.

The current study used a modified dot probe task to investigate if individual differences in attentional biases towards either happy or angry emotional stimuli, or an interaction between these biases, are related to self-reported trait stress resilience.

Tobler, Philippe N.; Preller, Katrin H.; Campbell-Meiklejohn, Daniel K.; Kirschner, Matthias; Kraehenmann, Rainer; Stämpfli, Philipp; Herdener, Marcus; Seifritz, Erich & Quednow, Boris B. (2016). “Shared neural basis of social and non-social reward deficits in chronic cocaine users,” *Social cognitive and affective neuroscience*, 11(6): 1017-1025.

The authors used functional neuroimaging in cocaine users to investigate explicit social reward as modeled by agreement of music preferences with music experts.

Weber, Susanna C.; Beck-Schimmer, Beatrice; Kajdi, Marie-Elisabeth; Müller, Daniel; Tobler, Philippe N. & Quednow, Boris B. (2016). “Dopamine D2/3- and μ -opioid receptor antagonists reduce cue-induced responding and reward impulsivity in humans,” *Translational Psychiatry*, 6(7): e850.

The authors administered the selective dopamine D2/D3 receptor antagonist amisulpride, the unspecific opioid receptor antagonist naltrexone or placebo to healthy humans and measured cue-induced responding.

Awards and Distinctions

Congratulations

2016 Felix Büchel Prize awarded to Rainer Winkelmann

Rainer Winkelmann was awarded the 2016 Felix Büchel Prize by the German Institute for Economic Research (DIW). This prize is handed out to scientists for outstanding usage of the SOEP (German Socio-Economic Panel) data, one of the leading longitudinal household surveys worldwide.

Rainer Winkelmann elected member to the Academia Europaea

Rainer Winkelmann has been elected as a member to the Academia Europaea. The Academia seeks to promote a wide appreciation of the value and importance of scholarship in Europe and provides advice to European institutions concerning matters affecting science, scholarship and academic life in Europe.

Josef Zweimüller elected Deputy Dean

Josef Zweimüller has been elected for a two year term as the Deputy Dean for the Faculty of Business, Economics and Informatics.

Swiss National Science Foundation (SNF) Grants

María Sáez Martí and Fabrizio Zilibotti's research project "Inequality, cultural transmission, and human capital accumulation" has been awarded 579,651 CHF.

Todd Hare was awarded a 430,500 CHF research grant for his project "Enhancing functional connectivity in prefrontal networks to test and improve self-control mechanisms in decision making".

Philippe Tobler has been awarded 680,000 CHF for his research project "The role of dopamine in value-based decision making".

Roberto Weber was awarded 456,678 CHF for his research project "Social Responsibility in Markets".

University of Zurich Grants

Christopher Burke received a 108,639 CHF research grant from the UZH for his project "Decoding the retina of value to predict economic choice".

New Faculty Members



**Lorenzo
Casaburi**

8

Lorenzo Casaburi has been appointed Assistant Professor in Development Economics. Before he joined the Department of Economics, he was a Postdoctoral Fellow at the Stanford Institute for Economic Policy Research (SIEPR). His research focuses on two main agendas in Development Economics: agricultural markets in Sub-Saharan Africa and state capacity, with an emphasis on tax enforcement.

Three questions for Lorenzo Casaburi

What is the main insight from your current work?

Casaburi: My work on agricultural markets in Sub-Saharan Africa shows that in areas with limited formal financial institutions, producers and buyers develop a range of second-best arrangements to provide financial services such as credit, saving, and insurance through relationships in the supply chain. My research on tax evasion shows that local governments obtain positive electoral returns from tax enforcement policies. These positive returns are stronger in areas where there is social stigma against evasion and where local governments spend tax revenues to provide public goods and services efficiently.

What drew you to the Department of Economics?

Casaburi: I have been impressed by the Department's commitment to Development Economics and I am very excited to be part of an amazing group of scholars in this field.

Who inspires you?

Casaburi: I was heavily inspired by development economists such as Michael Kremer, Ted Miguel, and Chris Udry. These scholars, among others, have pushed the idea that spending time in the field, collecting new data, and partnering with local organizations are crucial steps in developing good research.



**Damian
Kozbur**

Damian Kozbur has been appointed Assistant Professor in Econometrics at the Department of Economics. Before joining the Department of Economics, he was a Postdoctoral Fellow at the Center for Law and Economics at ETH Zurich. His research includes the inference in high dimensional econometric models, big data, and the applications of econometrics in development.

Three questions for Damian Kozbur

What is your area of expertise?

Kozbur: I study applied and theoretical econometrics. My work uses high-dimensional statistical methods to discover and evaluate models of economic interaction. For instance, the forthcoming paper, "Inference in High Dimensional Panel Models with an Application to Gun Control" with A. Belloni, V. Chernozhukov, and D. Kozbur (Journal of Business and Economic Statistics), evaluates the effect of gun prevalence on homicide rates. The recently published paper "Instrumental Variables Estimation with Many Weak Instruments Using Regularized JIVE" with C. Hansen (Journal of Econometrics, 2014) develops novel instrumental variables techniques and presents an application to the wage returns from education.

What is the main insight from this work?

Kozbur: My work quantifies the limits of what can be learned about economics through the use of increasingly richer observations and sophisticated models.

What drew you to the Department of Economics?

Kozbur: The UZH Department of Economics is an outstanding research community in an international city for both academics and industry. I am delighted to join and contribute in this dynamic environment.

New Faculty Members



**Guilherme
Lichand**

Guilherme Lichand has been appointed Assistant Professor for Child Well-Being and Development. Before joining the Department of Economics, he obtained his PhD in Political Economy and Government at Harvard University. His research interests lie at the intersection of Development Economics, Political Economy, and Behavioral Economics.

Three questions for Guilherme Lichand

What kind of research do you do?

Lichand: I work on three main topics: (1) the psychology of poverty, its implications, and how financial instruments for the poor could help address it; (2) the optimal design of anti-corruption policies; and (3) the effects of commuting costs on economic opportunities for the poor.

What is the main insight from this work?

Lichand: From (1), that worrying about scarce resources taxes the psychology of the poor, decreasing their attention, memory and impulse control, and increases their susceptibility to biases. From (2), that fighting corruption may decrease incentives for bureaucrats to exert effort in other dimensions. As a result, outcomes significantly deteriorate even though the total amount embezzled has decreased. (3) We are using experiments to investigate the mechanisms through which commuting costs may generate a poverty trap.

Why did you chose to work for the Department of Economics?

Lichand: The Department is involved in top-notch research and provides a motivating environment for an early-career economist. Moreover, with the recent hires it will hopefully become one of the most exciting places in Europe to do Development Economics.



**David
Yanagizawa-Drott**

David Yanagizawa-Drott has been appointed Professor for Development and Emerging Markets. Before working for the University of Zurich, he was an Associate Professor of Public Policy at Harvard Kennedy School. His research interests include economic development and political economy, with special focus on civil conflict, health, information and mass media.

Three questions for David Yanagizawa-Drott

What are you currently working on?

Yanagizawa-Drott: I am currently working on understanding the economic and political impacts of a key aspect of globalization - the dramatic increase in global air travel over the last few decades which has enabled people to go back and forth between long distances in an unprecedented manner. Together with my co-author Filipe Campante, we are interested in estimating to what extent air connections between cities around the world have contributed to economic prosperity, and the channels through which such an effect might operate.

What drew you to Switzerland and the University of Zurich?

Yanagizawa-Drott: The Department of Economics has some terrific scholars whom I look forward to having as colleagues and, just as important, its future looks bright. I expect the department to be able to attract further superb scholars and continue to grow. Beyond the professional aspects, the city and the country have a lot to offer, especially if you enjoy the outdoors, and it is a great environment to raise children in.

Who inspires you?

Yanagizawa-Drott: Lots of people, not least of all my wonderful wife!



PhD Program Coordinators

Mirjam Brideschgi

Karin Wyss

10

If you are planning to embark on a PhD journey as many excellent students have done before you, make sure to do your research on eligibility and PhD entry requirements early on. To produce successful economic researchers who demonstrate the ability to conduct top research projects, the selection process of future PhD students is obviously very strict. Mirjam Brideschgi and Karin Wyss are the PhD Program Coordinators for the Zurich Graduate School of Economics. During the following interview with Mirjam and Karin, they spoke about what is important during the first stage of admission and how to avoid crucial mistakes while applying.

What are the most important requirements for a student to be eligible to the ZurichGSE?

Karin: We receive several hundred top-notch applications per year. So, of course, having attained good grades during your Bachelor and Master studies helps you stand out. Also, as all our courses are taught in English, we require a proof of linguistic proficiency, such as a TOEFL or IELTS test. And we highly recommend including a GRE score, as it helps us better estimate an applicant's abilities. I further recommend emphasizing the letter of motivation. Tell us why you're our perfect candidate!

What is the most frequently asked question regarding the admission process?

Mirjam: There is no question that has not been asked. Often the answer could have been found by closely reading the information available on our website. But I would say the most common are inquiries about fun-

ding opportunities. The different options are described on the ZurichGSE homepage.

What mistakes should be avoided while applying?

Karin: First of all: please, meet the deadline! With hundreds of e-mails coming in on the days before and after January 31, it is simply impossible to negotiate with individual applicants.

How does the online recruitment tool work?

Mirjam: You start by creating your personal login. From there on, it is more or less self-explanatory! You type in information about yourself and your research interests, provide a letter of motivation as mentioned above and upload several documents, i.e. your transcripts, CV, and test results. Finally, you need to name at least two referees, from whom we will request letters of recommendation.

What obstacles could students face while applying through the online recruitment tool?

Karin: Most problems occur with the right timing. As the recommendation letters must, together with the rest of the application, meet the deadline of January 31, they should be requested early. Most graduate schools recruit in winter, so some professors get overwhelmed with inquiries about appraisals.

How many applications do you get per year and how does this affect the selection?

Mirjam: Overall, almost 1000 students create a login to our recruiting platform every year, but not all of them manage to submit a complete application in due time.

Typically, we will end up with about 300 dossiers for close evaluation.

When is the submission deadline for 2017?

Karin: The time frame to submit applications through our “Glowbase” platform opens in September, with a deadline on January 31.

What tips can you give students applying to the ZurichGSE?

Mirjam: Besides study records and personal documents, the recommendation letters tell us the most about a student’s potential fit to our program. So, consider well who your referees should be. A reference written by a teacher you met only briefly may not be very significant. If you do not wish to ask your Masters supervisor for a letter, explain to us the reasons, as we might wonder why it is missing.

Karin: Otherwise, be frank, be honest, be genuine. And finally it cannot be said often enough – start early.

Zurich Workshop on Economics 2016 September 15 -16, 2016, Murg, Switzerland



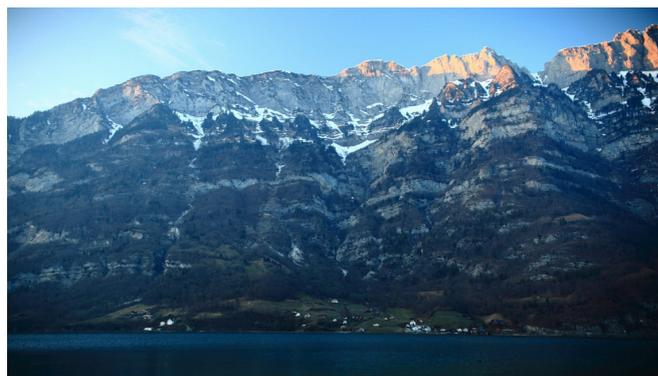
The sixth Zurich Workshop on Economics will take place at the Lofthotel in Murg, SG, Switzerland. Organized by ECON PhD students of the Department of Economics, the workshop aims to stimulate the discussion between local PhD students, UZH faculty members, and a group of prominent international researchers from different areas of economics.

Several renowned researchers followed the invitation from the ZWE organization committee. The committee was able to attract Antonio Ciccone (Mannheim University), Botond Köszegi (Central European University), Mikael Lindahl (University of Göteborg), and Bertil Tungodden (Norwegian School of Economics) as keynote speakers. The workshop lasts for two days and each day around 20 presentations are held, followed by feedback.

The Econ Department wishes all participants a great weekend!

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Internal News

Preparing the Ground for Excellence

Over 200 people work at the Department of Economics to achieve our vision of becoming one of the world's top departments. In addition, there are a number of supporting functions, employees ensuring that, from a technical and administrative point of view, everything is in place for the excellent research to be conducted. In this article we take you behind the scenes and present the work of the engineers at the Department.

12

Adrian Etter is the team leader of the Engineering Team and has been part of the Department of Economics since 2007, when he started working part-time in IT Support while obtaining his degree in Electrical Engineering. Programming was not very high on his agenda back then – actually, it was one of the subjects he was least interested in during his studies. However, given the task of building a data management and administration tool for the Department, he discovered the beauty of turning ideas into programs and the satisfaction of increasing the quality of a process while reducing the time needed to perform it.



Adrian Etter with his three monitors.

In 2009, when the Laboratory for Social and Neural Systems Research (SNS Lab) was founded, need arose to program all kind of interfaces between the hardware (fMRI scanners, pain stimulators, magnet- or DC-current simulators (Direct Current Simulators) with the existing experimental software. Plug and play wasn't an option, especially as some of the hardware (i.e. the fMRI) generates an enormous amount of data which requires, from a programming point of view, significant computation time. Even if it only takes a few milliseconds to create a visual stimuli for a subject, repeated hundreds of times, these milliseconds add up and create time lags. These need to be considered when programming the ex-

perimental design. The programs on the various hardware systems (e.g. the screen showing the stimulus to the person in the scanner and the brain scan picture taken by the fMRI scanner) need to be aligned to the highest precision to ensure that the activity measured in the brain is correctly attributed to the stimulus.

“All hardware systems need to be aligned to the highest precision to ensure that the activity measured in the brain is correctly attributed to the stimulus shown.”

In the early days, the fMRI Scanner offered researchers quite a few challenges to generate data in the quality required for their findings to be sound. Differently sized heads and brains need to be standardized for efficient comparison of the data, and even the most perfect subject moves ever so slightly when in the scanner. Often these movements are out of the spectrum and generate errors in the data, rendering it useless. Previously, scientists only realized that a specific dataset was unusable a few months on, when working with it. Over a time span of two years Adrian Etter programmed the “Real time Quality Assurance Tool,” which flags potential errors as they happen, allowing for adjustments on the spot and increasing the quantity and quality of available data immensely.

An integral part of the research process

Over the last few years, the engineering team has grown and become an integral part of the research process, adding significantly to the quality of the output generated at the Department. Whereas scientists at other departments have to spend a considerable time in a trial and error mode on experimental programming, scientists in Zurich have qualified support and can rely on proven and tested scripts and templates which can be adapted

Internal News

to the individual needs of a specific research setting. Today, the engineering team reviews new experimental setups as part of the approval process for fMRI research. They are a gatekeeper for quality and ensure that experiments are programmed based on the combined knowledge acquired over nearly a decade.

Brain Power vs Machine Power

While automation and powerful computation is every engineer's dream, Adrian Etter still has a strong preference for brain power, and would always consider investing into people before buying new hardware. He explains, how, by writing good code, you can decrease computational time and save on the necessary hardware. "By simply rewriting the code, we have managed to reduce computation time down from 10 hours to 10 minutes - on the same machine," he smiles. On a more serious note he adds, "Good programming is serious business and needs to be taught properly; that is why we were happy to contribute to the curriculum for the 'Scientific Programming for Neuroeconomic Experiments' lecture," which is partially held by him. Also, starting in September, based on the request from the Graduate School, the second year PhD students can participate in the Programming Camp, also supported by the engineers at the Department.

"Every time I think I have seen it all, a new project pops up, an opportunity I would like to seize, something that sparks my interest."

Knowledge sharing and peer exchange beyond the Department is key, and the team participates in University-wide projects such as the Science Cloud or by continuing the development of z-Tree, an internationally established software for complex and interactive economic experiments, which was developed at the Department back in the 90s. Collaboration also extends to other institutions, such as the PUK (University Hospital of Psychiatry Zurich) which also uses a lot of fMRI data in its research. And occasionally the team gets a phone call from a scientist from across the globe starting "I have a question, and you've been recommended

to me by my professor who used to work with you."

After nearly 10 years at the Department of Economics, Adrian Etter cannot think of a more interesting place to work. Academia is a great place to be, offering ample opportunities for everyone with a spark and hunger for more, to learn new things, participate and grow. He says, "Every time I think I have seen it all and ask myself what I might want to do next, a new project pops up, an opportunity I would like to participate in, something that sparks my interest. There is always a lot to do, and we have to get it just right, so there is a lot of pressure, but the freedom to create something new, to figure out the best way to solve a problem and then to see the impact of one's work is very rewarding."

Department Events 2016

Save the Date – Richard David Precht

March 16, 2017, 6.15 p.m. at at the UZH main auditorium

Richard David Precht, philosopher, journalist and author, is Honorary-Professor for Philosophy of Lueneburg-University and Honorary-Professor of Musik-hochschule Hanns Eisler in Berlin. Apart from his many television appearances, he has written countless best-selling nonfiction books.

The Department of Economics and the Müller-Möhl Foundation kindly ask you to reserve March 16, 2017, at 6.15 p.m. for his talk.



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14

UBS Center Public Events Prof. Paul Krugman “Can Europe Be Saved?”

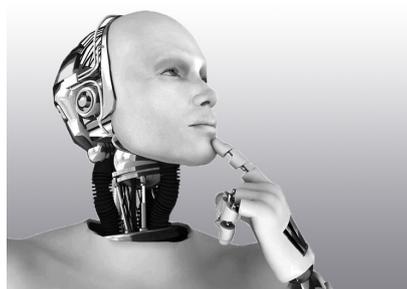
September 22, 2016, 6.30 p.m. at the UZH main auditorium



Paul Krugman is a world-leading specialist on international trade, international finance, and currency crises. The UBS Center is looking forward to his talk on the current economic and political situation in Europe, which will include assessments of fiscal and monetary policies and of the future of the Euro and the European Union.

UBS Center Forum 2016 “The Rise of the Machines”

November 11, 2016, 6.30 p.m. at the Kaufleuten in Zurich



This year’s Forum will feature economists, entrepreneurs, philosophers, and technology experts from around the world who will discuss whether, and if so how, the current wave of technological change will revolutionize the way our economy operates and how human beings participate in it.

The event will start with the keynote lecture “The Zero Marginal Cost Society” by Jeremy Rifkin and will conclude with the Zurich Lecture of Economics in Society titled “Why Are There Still So Many Jobs? The Past and Future of Workplace Automation” delivered by Prof. David Autor (MIT).

More information is available on the UBS Center website: www.ubscenter.uzh.ch

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