



Nanyang Technological University
ECONOMICS AND ECONOMIC GROWTH CENTRE Seminar Series

Economics and Economic Growth Centre invite you to a seminar by
Prof Arthur Lewbel

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- Speaker** : **Prof Arthur Lewbel**
Patrick Roche Professor of Economics
Boston College
USA
- Topic** : **"Keeping Up With Peers in India: A New Social Interactions Model of Perceived Needs"**
- Chairperson** : **Prof Xiaoping Chen**
Assistant Professor
Division of Economics
School of Social Sciences
- Date** : **9 November 2017 (Thursday)**
- Time** : **10.30pm to 12.00pm**
- Venue** : **HSS Meeting Room 4 (HSS-04-71)**
School of Social Sciences
14 Nanyang Drive, Singapore 637332
Nanyang Technological University

About the Speaker:

Prof Arthur Lewbel is the inaugural Patrick Roche Professor of Economics at Boston College, and is known in the fields of applied microeconomics and econometrics. He is an editor of *Econometric Theory*, former co-editor of the *Journal of Business and Economic Statistics*, a fellow of the Econometric Society, a fellow of the *Journal of Econometrics*, and is ranked number 30 on Coupe's list of top economists in the world by publication. His research is mainly in the areas of micro econometrics and in consumer demand analysis.

Abstract:

We propose a new nonlinear model of social interactions. The model allows point identification of peer effects as a function of group means, even with group level fixed effects. The model is robust to measurement problems resulting from only observing a small number of members of each group, and therefore can be estimated using standard survey datasets. We apply our method to a national consumer expenditure survey dataset from India. We find that each additional rupee spent by one's peer group increases one's own perceived needs by roughly 0.5 rupees. This implies that if I and my peers each increase spending by 1 rupee, that has the same effect on my utility as if I alone increased spending by only 0.5 rupees. Our estimates have important policy implications, e.g., we show potentially considerable welfare gains from replacing government transfers of private goods with the provision of public goods.
<https://www2.bc.edu/arthur-lewbel/peer45.pdf>

Reservation:

Admission is free. Please reply to e-egc@ntu.edu.sg for any enquiries.