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Upcoming Seminars

Monday, 7.11.2016

Departmental Seminar

17.15-18.15

AWI 00.010

Marciano Siniscalchi, Northwestern University

(invited by Jürgen Eichberger)

"Structural Rationality in Dynamic Games"

Wednesday, 9.11.2016

Internal Seminar

12.15 -13.15

AWI 00.010

Marta Curto

"Educated Politicians: Better Quality or Different Policies?"

Wednesday, 9.11.2016

Macro & Econometrics Seminar

17.00-18.00

AWI 01.030

Fabian Krüger

"Murphy Diagrams for Evaluating Forecasts of Value-at-Risk and Expected Shortfall"

Thursday, 10.11.2016

Lecture Series: The End of Globalization?

18.00-19.30 **s. t.**

Campus Bergheim,
Hörsaal

Gorik Ooms and Jale Tosun

"Post-2015 Global Health Agenda: Health for All or Security for Few?"

Departmental Seminar

Marciano Siniscalchi

"Structural Rationality in Dynamic Games Marciano Siniscalchi"

The analysis of dynamic games hinges on assumptions about players' actions and beliefs at information sets that are not actually reached during game play, and that players themselves do not expect to reach. However, it is not obvious how to elicit intended actions and conditional beliefs at such information sets. Hence, key concepts such as sequential rationality, backward induction, and forward induction do not readily translate to testable behavioral assumptions. This paper addresses this concern by introducing a novel optimality criterion, structural rationality. In any dynamic game, structural rationality implies sequential rationality. In addition, if players are structurally rational, their intended actions and conditional beliefs can be elicited via the strategy method (Selten, 1967). Finally, structural rationality is consistent with experimental evidence indicating that subjects behave differently in the strategic and extensive form, but take the extensive form into account even if they are asked to commit to strategies ahead of time.

Internal Seminar

Marta Curto

"Educated Politicians: Better Quality or Different Policies?"

(with Aina Gallego)

Highly educated citizens are dramatically over-represented among politicians. Is this bias desirable, troubling or irrelevant? Some studies argue that highly educated politicians govern better as they have certain skills that may lead to higher performance. We advance a new line of inquiry that does not view education as a proxy of quality but as an understudied source of descriptive representation. To test this idea we rely on a novel dataset with information about the education, age, and gender of elected local politicians in Spain and detailed economic and fiscal data between 2003 and 2011. Applying a Regression Discontinuity design, we find that municipalities that elect the most educated party running for election have higher unemployment rates and are more fiscally conservative. We find that better educated governments invest less, especially in spending categories traditionally associated with the left. Furthermore, we find the effect of education on policies to be driven by left-wing parties governing in ways similar to the right. The results have important implications for the representation of less educated citizens.

Macro & Econometrics Seminar

Fabian Krüger

"Murphy Diagrams for Evaluating Forecasts of Value-at-Risk and Expected Shortfall"*

Motivated by the Basel 3 proposals on banking regulation, recent studies have considered joint forecasts of Value-at-Risk and Expected Shortfall. A large family of mathematical functions (consistent scoring functions, or CSFs) can be used to evaluate forecast performance in this context. However, the choice of a particular CSF is difficult in practice. We therefore develop simple graphical robustness checks (Murphy diagrams) of whether one forecast method dominates another under all CSFs. Murphy diagrams have recently been introduced to evaluate forecasts of quantiles and expectiles. Here we extend their applicability to the case of forecasting two functionals (Value-at-Risk and Expected Shortfall) simultaneously. We illustrate the new tool via simulation examples and an empirical comparison of methods for predicting international stock indices.

*with Fernando Fasciati, Alexander Jordan and Johanna Ziegel

Lecture Series: The End of Globalization?

Gorik Ooms and Jale Tosun

"Post-2015 Global Health Agenda: Health for All or Security for Few?"

The Sustainable Development Goals (SDGs) adopted in September 2015 mark a historic milestone in achieving a set of social goals at the global level. The 17 goals seek to combat poverty, foster environmental protection, and ensure economic equality among individuals in all world regions. Each of the goals has specific targets to be achieved over the next 15 years. In our presentation we address the SDGs from two different analytical perspectives, thereby bringing together approaches from law, political science, and public health. First, we examine how the idea of SDGs came up and gained ground, and how it is related to previous attempts to move the world to a more sustainable trajectory. Second, we discuss in detail Goal 3 on ensuring healthy lives and promoting the well-being for all at all ages and connect it to the broader theme of the talk series, that is, globalization.

Talks and Research Visits

Valentin Lang will be on a research stay at the International Monetary Fund (IMF) in Washington, DC (invited by Andrea Presbitero) from November 6 to December 4.

Zeno Enders presented the paper "Growth expectations, undue optimism, and short-run fluctuations" at the University of Leipzig, November 2.

Sarah Langlotz presented the paper "Fueling Conflict? (De)Escalation and Bilateral Aid" (joint work with Richard Bluhm, Martin Gassebner and Paul Schaudt) at the "15th EUDN PhD Workshop on Development Economics", ECARES (ULB), Brussels, October 28.

At *The Domestic Dimensions of Development Cooperation* workshop, University of Antwerp, October 24 the following papers were presented: **Sarah Langlotz**: "Does Aid Help Refugees Stay? Does Aid Keep Refugees Away?" (joint work with Axel Dreher and Andreas Fuchs) and **Katharina Richert**: "Do Development Minister Characteristics Affect Aid Giving?" (joint work with Andreas Fuchs).

New Publications

Marta Curto's paper "Voters' Responsiveness to Public Employment Policies" has been accepted for publication in *Public Choice*.

**Editorial deadline for issue 24/2016 of the newsletter:
Wednesday, November 9, 2016, 12 p.m.
newsletter@awi.uni-heidelberg.de**

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please contact the address above.