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AWI This Week

Monday, 26.01.09

Departmental Seminar

17.15-18.45

Guglielmo Caporale, Brunel University London

AWI 1017

"The Euro and Inflation Uncertainty in the European Monetary Union"

Tuesday, 27.01.09

14.00

Dr. Stefanie Beinert, LL.M., Anwaltskanzlei Gleiss Lutz

Heuscheuer II

"Die Reform der Unternehmensbesteuerung:
Dringender Bedarf für Nachbesserungen"

Wednesday, 28.01.09

Internal Seminar

17.15-18.45

Jan Schrader

AWI 1017

"The Competition between Relationship-Based
Microfinance and Transaction Lending:
Evidence from Ecuador"

Departmental Seminar

Guglielmo Caporale

"The Euro and Inflation Uncertainty in the European Monetary Union" *

This paper adopts a time-varying GARCH framework to obtain estimates of short-run and steady-state inflation uncertainty in twelve EMU countries, and then investigate their relationship with inflation. The effects of the introduction of the Euro in 1999 are examined introducing a dummy variable into the model. Tests for endogenously determined breaks are also carried out. Overall, we find a considerable degree of heterogeneity across EMU countries in terms of average inflation, its degree of persistence, and both steady-state and short-run uncertainty, whilst the trend component of inflation is generally decreasing. Breaks in the relationship between inflation and inflation uncertainty are found to occur at various dates, frequently well before the introduction of the Euro. Both heterogeneity and the fact that the Friedman-Ball link between inflation and inflation uncertainty appears to have become much weaker in the new monetary environment make the task of the ECB a very challenging one.

* with Alexandros Kontonikas

Internal Seminar

Jan Schrader

"The Competition between Relationship-Based Microfinance and Transaction Lending: Evidence from Ecuador"

Various authors have claimed that competition with transaction based banks is harmful for relationship oriented microfinance institutions (MFIs). To address this issue, we use the data of an ecuadorian microfinance institution to analyze personal characteristics and delinquency rates of clients having multiple loans. We observe that clients holding a transaction loan are able to provide hard informations such as income statements. But these clients also have a higher number of loans and worse repayment performance at the end of maturity of the MFI loan. Customers with liquidity shortage prefer to repay installments of the MFI loan instead of the transaction loan.

Miscellaneous

January 22, 2009, Manfred Rose will be decorated with the Order of the Federal Republic of Germany by Minister Peter Frankenberg at the Crown Plaza Hotel, Heidelberg 18.00 h.

January 28, 2009, there will be a regulars' table for AWI members in the pub "Peppers" in the old town. We will meet in front of the AWI at 19:00, but feel free to join us whenever you like this evening. If you have any questions, write an email to Andrea Leuermann (andrea.leuermann@awi.uni-heidelberg.de).

**Editorial deadline for issue 4/2009 of the newsletter:
Wednesday, January 28, 2009, 12 o'clock
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.