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## AWI This Week

### **Monday, 16. 11. 09**

17.15-18.45  
AWI 00.010

### **Departmental Seminar**

Hans-Martin von Gaudecker, VU University Amsterdam  
"Individual Preferences over Risk and Portfolio Choice"

### **Wednesday, 18. 11. 09**

17.15-18.45  
AWI 00.010

### **Internal Seminar**

Andreas Irmen  
"Population Aging and the Direction of Technical Change"

### Departmental Seminar

Hans-Martin von Gaudecker

"Individual Preferences over Risk and Portfolio Choice"\*

We structurally estimate a model of real-world portfolio choice and decision-making in a small-stake experiment. We make use of individuals' choices in the controlled setting in order to estimate individual preference parameters (loss aversion and the strength of narrow framing), which are also relevant for life-cycle behaviour. We benefit from the fact that our dataset (the DHS/CentERpanel) contains, for the same individuals, detailed asset allocation data and repeated choices in an experimental setting.

\*with Arthur van Soest and Erik Wengström

### Internal Seminar

Andreas Irmen

"Population Aging and the Direction of Technical Change"

An analytical framework is developed to study the repercussions between endogenous capital- and labor-saving technical change and population aging. Following an intuition often attributed to Hicks (1932), I ask whether and how population aging affects the direction of technical change. I conclude that that population aging initially increases the relative scarcity of labor with respect to capital. Therefore, there will be more labor- and less capital-augmenting technical change. These evolutions may lead to faster TFP growth during the demographic transition. However, in the long-run, this tendency peters out. The steady-state growth rate does neither depend on the old-age dependency ratio nor on life expectancy.

## Talks and Research Visits

**Christian Conrad** presented his paper "On the transmission of memory: inflation persistence and the Great Moderation" (joint with Simone Elmer and Menelaos Karanasos) in the Economic Risk Seminar at the Humboldt Universität zu Berlin, November 9.

**Jan Schnellenbach** presented a paper on "Fiscal Federalism and the Macroeconomy: A Survey of Recent Research" (co-authored by Lars P. Feld) at an international conference on fiscal federalism held at Santiago de Compostela, November 6.

**Hartmut Sangmeister** gave a talk on "Latin America in the globalized economy of the 21st century" at a conference organized by the Akademie für politische Bildung, Tutzing, November 4.

**Jan Schnellenbach** gave a talk on "The (In-)Stability of Federalist Institutions and the Limits of Economic Explanations" at the University of Luzern, November 3.

**Peter Dürsch** presented his paper "A Dynamic Ellsberg Urn Experiment" (joint with Adam Dominiak and Jean-Philippe Lefort) at the 4th Nordic Conference on Behavioral and Experimental Economics in Oslo, October 29-31.

**Thushyanthan Baskaran**, presented his paper "Creative Destruction and Fiscal Federalism: A Study of Three Regions, at the conference "Reflections on Fiscal Federalism: Elaborating the Research Agenda", Berlin, October 30-31.

**Adam Dominiak** presented the joint paper with Peter Dürsch and Jean-Philippe Lefort titled "Dynamic Ellsberg Urn Experiment", in the ESE Conference on Behavioral Economics in Rotterdam, October 6-7.

## New Publications

Thushyanthan Baskaran: *On the link between fiscal decentralization and public debt in OECD countries*, forthcoming in: Public Choice.\*//\*

Hartmut Sangmeister: *Ganz Amerika unter dem Sternenbanner? Das Projekt einer gesamtamerikanischen Freihandelszone aus lateinamerikanischer Perspektive*, in: Philipp Gassert/Detlef Junker/Wilfried Mausbach/Martin Thunert (Hrsg.), *Was Amerika ausmacht. Multidisziplinäre Perspektiven*, Stuttgart: Franz Steiner Verlag 2009, S. 195-207.

**Editorial deadline for issue 27/2009 of the newsletter:  
Wednesday, November 18, 2009, 12 o'clock  
newsletter@awi.uni-heidelberg.de**

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please contact the address above.