



Upcoming Seminars

Monday, 5.2.2018

Departmental Seminar

13.30-14.30

AWI 00.010

Erwin Bulte, Wageningen University and Research

(invited by Florian Diekert)

"The Impacts of Subsidizing New Products on Uptake, Learning, and Diffusion: Experimental Evidence from Rural Cameroon"

Abstract

Departmental Seminar

Erwin Bulte

"The Impacts of Subsidizing New Products on Uptake, Learning, and Diffusion: Experimental Evidence from Rural Cameroon"

We use a subsidization experiment to contribute to the emerging literature on over-exclusion and over-inclusion of the poor in (new) product markets. A two-stage experiment is used to examine how a short-term subsidy for a new solar lamp affects uptake, usage, and future demand for solar lamps. Using an auction design to gauge willingness-to-pay for the product, we randomly vary the strike price across villages to create random variation in purchase prices and uptake across villages. Our main results are that subsidies do not adversely affect subsequent product use (i.e.: no "sunk-cost effect") but greatly stimulate uptake. If they depress future willingness-to-pay (i.e. "anchoring effect"), then this effect is outweighed by additional learning about the benefits of the new product caused by the low prices (a "learning effect"). The net effect is that short-term subsidies increase future willingness-to-pay. However; prices play an important allocative role, and lowering prices via subsidies encourages uptake by households with low use intensity (the "screening effect"). Consistent with other recent studies, we document mixed evidence for social learning or diffusion of information beyond the initial sample of beneficiaries.

*Niccolo Meriggi and Mushfiq Mobarak

Talks and Research Visits

Robert Schmidt was invited for a research stay at the GATE-LSE (Groupe d'Analyse et de Théorie Economique Lyon St-Etienne). He will be there for three months between March and May 2018.

Jonas Dovern will spend the time from January 29 to February 23 as a visiting researcher at the CES in Munich.

David Vespermann presented the paper "Effects of a European Unemployment Insurance" (joint work with Zeno Enders) at the 1st CESifo EconPol Europe PhD Workshop on Economic and Fiscal Policy in Europe, Munich, February 1.

Jonas Dovern presented his paper "Anchoring Inflation Expectations in Unconventional Times: Micro Evidence for the Euro Area" at the Macro Research Seminar at the LMU on January 31.

Karlijn van den Broek presented a talk titled 'Heuristics in energy judgment tasks' at the workshop *Interdisciplinary Perspectives of the Household Energy Demand Domain*, at the University of Basel, January 29.

At the 4th *HeiKaMEtrics* workshop in Karlsruhe, January 25 the following talks were presented: **Onno Kleen**: "Low-Volatility Forecasting for Low Volatility Investing" (joint with Christian Conrad and Fabian Krüger); **Alexander Glas**: "Do Macroeconomic Forecasts Improve Forecasts of Stock Market Volatility" and **Michael Stollenwerk**: "Forecasting High-Dimensional Realized Covariance Matrices".

Christian Conrad presented the paper "Two are better than one: volatility forecasting using multiplicative component GARCH models" (joint with Onno Kleen) in the Statistik-Kolloquium, University of Gießen, January 23.

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New and Leaving Staff

Lisa Björk, postdoc at the Research Center for Environmental Economics, will be leaving the AWI at the end of February to take up a position at the Swedish Environment Agency.

Editorial deadline for issue 06/2018 of the newsletter:
Wednesday, April 11, 2018, 12 p.m.
newsletter@awi.uni-heidelberg.de

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