



Internal Seminars

TIME:

Wednesday, **January 13**, 12.15-13.15 h

PLACE:

Virtual seminar room

Stefan Klonner

"Dynamic Properties of Poverty Targeting"*

A body of recent studies has compared the ability of proxy-means testing (PMT), a data-driven poverty targeting procedure, and community-based targeting (CBT), a participatory method, to identify consumption-poor households. Motivated by the facts that targeted benefits typically reach beneficiaries with a substantial time lag and that transitions into and out of poverty are frequent, we are first to assess PMT's and CBT's performance one and two years subsequent to the targeting exercise. With data from Burkina Faso, we replicate the finding that PMT targets more accurately than CBT with respect to poverty at baseline, by 14 percent. We find that this pattern is reversed for households' poverty status twelve months later, while both methods perform identically with respect to poverty data collected 30 months after the baseline. We investigate how communities process different kinds of information and identify three properties of CBT that make it forward-looking: implicit weights put on PMT variables that predict future rather than current consumption, accounting for additional household characteristics not included in typical PMTs and processing of additional information unobserved by the researcher.

*with Michael Hillebrecht and Noraogo A. Pacere

Talks and Research Visits

Christian Conrad presented the paper "Modelling Volatility Cycles: the $(MF)^2$ GARCH model" (joint with Robert Engle, Stern School of Business) at the virtual International Conference on Computational and Financial Econometrics (CFE 2020), London, December 19-21.

New Publications

Han Bleichrodt, Juergen Eichberger, Simon Grant, David Kelsey and Chen Li: "Testing Dynamic Consistency and Consequentialism under Ambiguity", *European Economic Review*, forthcoming.

van den Broek KL, Luomba J, Onyango HO, Musobya M, Klein SA.: "A framework for co-developing conservation research projects with stakeholders: A Lake Victoria case study". *Lakes & Reserv.* 2020;00:1–10.

Miscellaneous

The paper "Two are better than one: Volatility forecasting using multiplicative component GARCH-MIDAS models" (<https://doi.org/10.1002/jae.2742>) by Christian Conrad and Onno Kleen was the most downloaded article published in the *Journal of Applied Econometrics* in 2019/2020.

Editorial deadline for issue 2/2021 of the newsletter:
Wednesday, January 13, 2021.
newsletter@awi.uni-heidelberg.de