



## Upcoming Seminars

**Monday, 12.4.2021**

### Departmental Seminar

13.30-14.30

Virtual seminar room

Gert Peersman, Ghent University

(invited by Sebastian RÜth)

"The Adverse Consequences of Global Harvest and Weather Disruptions on Economic Activity"

## Abstracts

### Departmental Seminar

Gert Peersman

"The Adverse Consequences of Global Harvest and Weather Disruptions on Economic Activity"

Extreme weather events are generally detrimental for local economic activity, but could also affect countries that are not directly exposed to the extreme weather through global agricultural production shortfalls and price surges induced by such events. Panel estimations for 75 countries show that increases in global agricultural commodity prices caused by harvest or weather disruptions in other regions of the world significantly curtail economic activity. The impact is considerably stronger in advanced countries, despite their relatively lower shares of food in household expenditures. Furthermore, the effects are weaker when countries are net exporters of agricultural products, have large agricultural sectors and/or are less integrated in global markets for non-agricultural trade. Once we control for these characteristics, the relationship between the country's income per capita and the economic repercussions becomes negative. Overall, these findings suggest that the consequences of climate change on advanced countries may be larger than previously thought.

## Talks and Research Visits

Stefano Balietti gave a talk on "Talking about Politics: How Informal Communication Shapes Views about Redistribution", in the CogSciLab seminar of Indiana University, Bloomington campus, April 1.

Christian Conrad presented the paper "Modelling Volatility Cycles: The  $(MF)^2$  GARCH Model" (joint with Robert Engle, Stern School of Business) in the Seminar in Statistics, Örebro University, School of Business, March 4.

## New Working Papers

Please find new *AWI Discussion Papers No 699-701* [here](#).

Conrad, C., Enders, Z., and A. Glas (2021). "The Role of Information and Experience for Households' Inflation Expectations." Deutsche Bundesbank, Discussion Paper No 07/2021.

Conrad, C., and R. F. Engle (2021). "Modelling Volatility Cycles: The  $(MF)^2$  GARCH Model." Rimini Centre for Economic Analysis, Working Paper Series, wp 21-05.

## New Publications

Florian Diekert and Kjell Arne Brekke: "Groups discipline resource use under scarcity", forthcoming in *Theory and Decision*.

Max Thilo Stoeven, Florian Diekert, and Martin Quaas: "Should Fishing Quotas Be Measured in Terms of Numbers?", forthcoming in *Marine Resource Economics*.

Proto, E., Rustichini, A., & Sofianos, A. (forthcoming). "Intelligence, Errors and Cooperation in Repeated Interactions". *The Review of Economic Studies*.

Kirchkamp, O., Oechssler, J., & Sofianos, A. (2021). "The Binary Lottery Procedure does not induce risk neutrality in the Holt & Laury and Eckel & Grossman tasks". *Journal of Economic Behavior & Organization*, 185, 348-369.

Kunze, Sven. Unraveling the Effects of Tropical Cyclones on Economic Sectors Worldwide: Direct and Indirect Impacts. *Environmental and Resource Economics* 78, 545-569 (2021), (find paper [here](#)).

Alice Solda, Changxia Ke, William von Hippel and Lionel Page. (2021). "Absolute vs. relative success: Why overconfidence is an inefficient equilibrium", accepted at *Psychological Science*.

S. Balietti and C. Riedl: "Incentives, Competition, and Inequality in Markets for Creative Production" in *Research Policy* (find paper [here](#)).

## New and Leaving Staff

Leon Houf joined the Chair of Organizational Behavior as PhD Student in December under the supervision of Christiane Schwieren. He holds a Bachelor's degree in Economics from the University of Bonn, a Master's degree in Economic and Financial Research with a specialisation in Human Decision Science from Maastricht University and wrote his Master Thesis at the CPB Netherlands Bureau for Economic Policy Analysis. His research topics include (self-) regulation in changing contexts, empirical analysis of behaviour change through policy and organizational behavior.



## Miscellaneous

### New volatility model MF2-GARCH

AWI researcher Christian Conrad and Nobel Laureate Robert Engle of NYU propose a new multiplicative volatility model which exploits the empirical fact that the daily standardized forecast errors of one-component GARCH models behave counter-cyclical when averaged at a lower frequency. The new volatility model (MF2-GARCH) has been implemented in the Volatility Lab (V-Lab, <https://vlab.stern.nyu.edu/>) at New York University Stern School of Business. V-Lab provides real time measurement, modeling and forecasting of financial volatility and correlations for a wide spectrum of assets. The MF2-GARCH is estimated for more than 10.000 assets and volatility forecasts for up to one-year-ahead are computed on a daily basis. For example, for S&P 500 volatility forecasts see: <https://vlab.stern.nyu.edu/analysis/VOL.SPX%3AIND-R.MF2-GARCH>

Editorial deadline for issue 06/2021 of the newsletter:  
Wednesday, April 14, 2019, 12 p.m.  
[newsletter@awi.uni-heidelberg.de](mailto:newsletter@awi.uni-heidelberg.de)